

State of Michigan



Annual Report to the Governor

Calendar Year 2005



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Calendar Year 2005

Michigan Gaming Control Board
1500 Abbott Road, Suite 400
East Lansing, MI 48823

Submitted April 15, 2006
pursuant to the
Michigan Gaming Control & Revenue Act, as amended
(Public Act 69 of 1997)

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www.michigan.gov/mgcb



STATE OF MICHIGAN
MICHIGAN GAMING CONTROL BOARD
EAST LANSING

JENNIFER GRANHOLM
GOVERNOR

DAN GUSTAFSON
EXECUTIVE DIRECTOR

April 15, 2006

Honorable Jennifer Granholm
Governor of Michigan

On behalf of the Michigan Gaming Control Board, I am pleased to submit to you the Board's annual report for calendar year 2005, in accordance with Section 15(1) of the *Michigan Gaming Control Board and Revenue Act*, as amended, Public Act 69 of 1997 ("the Act").

This annual report of the Board is submitted not only to comply with the Board's statutory reporting requirements under the Act, but to also provide you with a summary of the Board's significant activities and operations in 2005, as well as an updated progress report of commercial casino gaming in the City of Detroit under the Act.

During 2005, the five appointed members of the Board faithfully carried out our charge under the Act, as amended in 1997, by carefully adhering to the Act's guidelines and requirements. In fulfilling our duties and responsibilities, the Board continued to receive invaluable assistance from the Michigan State Police and the Office of the Attorney General.

While working toward the fruition of "permanent" casino status, all three casinos collectively posted a 4.1% average compounded annual growth rate since 2001. In 2005, the three Detroit casinos generated gaming revenues of \$1.23 billion dollars. The casinos collectively contributed to the State of Michigan over \$148 million dollars in wagering taxes.

This places Detroit as about the ninth largest U.S. gaming market (excluding Native American markets). Currently there are 7,600 slot machines and 234 table games within approximately a quarter of a million square feet of casino space at MGM, Greektown and MotorCity collectively.

With the numerous challenges we have faced this year, the Board members' dedicated efforts coupled with their many talents and expert judgment has provided an invaluable public service and professionalism not only to the Detroit metro area, but the

entire Sate of Michigan. I am very pleased with their commitment to ensure the fair and honest conduct of commercial casino gaming in the State of Michigan.

The Board continues in its perseverance to protect the interest of the State and its citizens by faithfully and properly administering and enforcing the provisions of the Michigan Gaming Control and Revenue Act.

Sincerely,



Damian Kassab



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Mission Statement

"The Michigan Gaming Control Board shall ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan."

Introduction

In November 1996, Michigan voters approved Proposal E, authorizing the development of up to three licensed commercial casinos in Detroit. Proposal E subsequently took effect as law on December 5, 1996, as the Michigan Gaming Control & Revenue Act. The voter-initiated act established the Michigan Gaming Control Board (referred to as the "Board" or "MGCB") as a Type I agency within the Michigan Department of Treasury, exclusively responsible for licensing and regulating the three authorized Detroit casinos. In July 1997, the voter-initiated Act was substantially amended by the Michigan Legislature's enactment of Public Act 69 of 1997 (referred to as the "Act"). The amended Act provided for more stringent licensing criteria, substantially strengthened the licensing and regulatory authority of the Board, and provided for a system for collection of wagering taxes and fees for the City of Detroit and the State of Michigan.

The Board is comprised of five Michigan residents appointed by the Governor, with the advice and consent of the Senate. One member is designated by the Governor as the chairperson. Under the Act, no more than three members may belong to the same political party. The Michigan Legislature vested the Board with certain powers and duties specified in the Act, and such other powers necessary and proper to fully and effectively implement, administer and enforce the provisions of the Act relating to the licensing and regulation of authorized private commercial casino gaming in the City of Detroit.

Summary of the Michigan Gaming Control and Revenue Act



The Michigan Gaming Control & Revenue Act, as amended (Public Act 69 of 1997):

- Authorizes up to three licensed casinos in the City of Detroit (MGM Grand Detroit Casino was licensed in July 1999; MotorCity Casino was licensed in December 1999; Greektown Casino was licensed in November 2000)
- Creates the Michigan Gaming Control Board (a Type I agency within the Michigan Department of Treasury) and vests the Board with exclusive authority to license, regulate, and control casino gaming in the three authorized Detroit casinos
- Authorizes the Board to promulgate necessary administrative rules to properly implement, administer and enforce the amended Act
- Provides for the licensing, regulation, and control of casino gaming operations, manufacturers and distributors of gaming equipment and other casino suppliers, and casino and supplier employees
- Establishes standards and procedures for the issuance of casino licenses, casino supplier licenses, and occupational licenses, and the approval of gambling games and gaming equipment and devices
- Authorizes civil and criminal penalties for violation of the Act
- Authorizes and imposes certain state and city wagering taxes on casinos and various fees on casino, supplier and occupational licensees
- Requires the deposit of state casino wagering tax revenues in the state school aid fund for K-12 public education in Michigan
- Authorizes the City of Detroit to levy and collect wagering taxes and municipal services fees to defray the cost of hosting casinos and provide funding for police training and public safety programs, local economic development programs, youth development programs, capital improvements, local tax relief, and other programs to improve the quality of life in the City of Detroit
- Creates the state services fee fund to provide funding for the operations of the Board to license, regulate and control casino gaming; and for the state's compulsive gambling prevention program and other casino-related State programs

- Requires annual Board registration of local labor organizations that represent casino gaming employees
- Requires certain safeguards by casino licensees to prevent compulsive and underage gambling
- Prohibits political contributions by certain persons with interests in casino and supplier license applicants and licensees to state and local political candidates and certain committees
- Establishes certain requirements and safeguards for members, employees and agents of the Board, license applicants, licensees, and others involved in gaming to prevent conflicts of interest



The Michigan Gaming Control Board – Calendar Year 2005

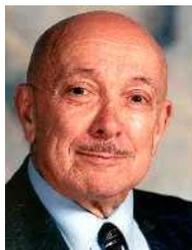


Mr. Damian Kassab, Chairman



Mr. DAMIAN KASSAB (reappointed by Governor Granholm to a term which expires on December 31, 2008). Mr. Kassab has served as the chairman of Warren Bank since 1997. Previously, Mr. Kassab formed an investment bank, Seger Financial, Inc. where he served in many capacities, including president, general counsel and treasurer. Mr. Kassab is a graduate of the University of Michigan, and has a law degree from the University of Colorado. Mr. Kassab resides in Rochester.

Hon. Michael Stacey



Hon. MICHAEL STACEY (one of five original appointees; reappointed in December 2002 to a four-year term expiring December 31, 2006) - Retired from Wayne County Circuit Court in 1994, Judge Stacey has remained active in the legal profession, by assisting with alternative dispute resolution and serving as a visiting judge. He resides in Oakland County in southeast Michigan.

Hon. Benjamin Friedman



Hon. BENJAMIN FRIEDMAN
Honorable Benjamin Friedman of Huntington Woods, partner of Friedman & Lichterman, P.C. law firm and previous 45B District Court judge is appointed for a term expiring December 31, 2007. He succeeds the Honorable Roman S. Gribbs whose term has expired.

Michigan Gaming Control Board cont'd.



Mr. Donald Robinson



Mr. DONALD ROBINSON

Mr. Robinson of Detroit, president of Donald L. Robinson & Associates consulting firm. The Governor reappointed Mr. Robinson for a term expiring December 31, 2008. He was initially appointed to fill the vacancy of the late Judge Geraldine Bledsoe Ford.

Ms. Barbara Rom



Ms. BARBARA ROM

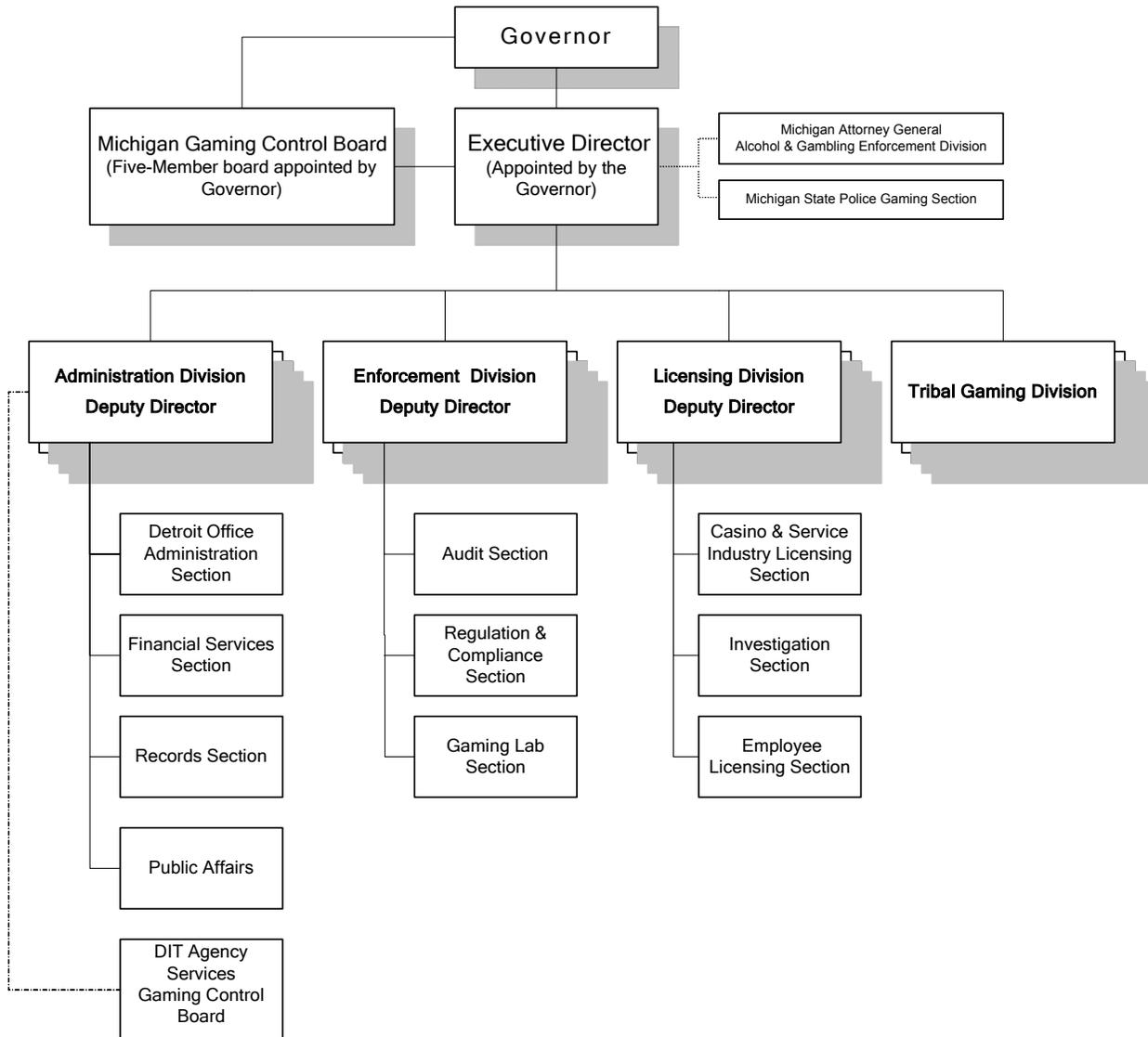
Ms. Rom of Bloomfield Hills, partner of Pepper Hamilton, LLP law firm in Detroit. Ms. Rom is appointed for a term expiring December 31, 2007. She succeeds Ritchie T. Davis whose term has expired.



Organizational Chart



Michigan Department of Treasury Michigan Gaming Control Board



Gaming Lab:

Departmental Technician	Mr. Aaron Pongracz
Laboratory Engineer	Mr. Erik Henne
Gaming Laboratory Engineer	Mr. Nader Jadallah
Gaming Laboratory Engineer	Mr. Jim Bridgewater
Gaming Laboratory Secretary	Ms. Beverly Kimbrough
Gaming Specialist	Mr. Tom Bucia

Regulation Officers:

Ms. Melanie Carroll	Ms. Lillie Jenkins	Mr. Tom Novak
Ms. Tina Scarrow	Mr. Preston McBride	Mr. Randell Schnotala
Ms. April Edmonds	Ms. Laura McDonald	Mr. Scott Thomas
Mr. Paul Flaherty	Mr. Michael McDonald	Mr. Edward Thomson
Ms. Cheryl Freeman	Ms. Gretchen Mink	Mr. John Trafelet
Ms. Stacey Johnson	Ms. LaTonya Morgan	Mr. Joshua Travis
Ms. Kristina Judge	Mr. Greg Nagel	Mr. Doug Zavorski

Licensing Division

Deputy Director	Mr. Ben McMakin
Executive Assistant	Ms. Pam Trakul
Casino & Service Industry Licensing Section Manager	Ms. Carol Flores
Employee Licensing Section Manager	Mr. Nick Alagna
Investigation Section Manager	Mr. Rae Jim Burnett

Departmental Technicians:

Ms. Charlotte Davidson	Ms. Sharon Henderson	Ms. Melissa Peters
Mr. Craig Goerge	Ms. Marcia Dunning	Ms. Robin Simpson

Financial Analyst	Ms. Joanne Chamberlain
Financial Analyst	Vacant
Financial Analyst	Vacant
Financial Analyst	Mr. Ron Warmbier
Licensing Section Secretary	Ms. Melody Duwe

Regulation Officers:

Mr. Barry Beck	Mr. Gary Elliott	Mr. Rick Percy
Mr. Charles Benson	Mr. Joseph Hanley	Mr. Gary Peterson
Mr. Robert Braner, Jr.	Mr. Greg Kilbourn	Mr. Dale Thibodeau
Ms. Celesta Clarkson	Mr. Warren Lamb	Mr. Gary Washington
Ms. Pam Duke		Mr. Henry Williams

Michigan Attorney General, Alcohol and Gambling Enforcement Division

Assistant Attorney General in Charge	Mr. John M. "Jack" Cahill
Division Head Secretary	Ms. Randalyn Jegla
First Assistant Attorney General	Mr. Don McGehee
Assistant Attorneys General	Ms. Rhondi Keller
.....	Ms. Melinda Leonard
.....	Mr. Michael Lockman
.....	Ms. Kandy C. Ronayne
.....	Ms. Bethany Scheib
Legal Secretary	Ms. Scheryl Brooks
	Ms. Terri Pollack

Michigan Department of State Police, Gaming Section

Inspector.....Ellis Stafford
Detective First Lieutenant..... Vicki Johnson
Detective Lieutenants Pam Benzing
..... John Lessnau
..... Vacant

Secretary:
Ms. Joy Bradley

Detective Sergeants:
Frank McCrary Marva Moore
Rick Michael Allan Reed

Detective Specialists:
Steven Arendt Stephen Ford Margie Richardson
Mark Castillo Tonda Hill Jennifer Schlaufman
Bradley Cox John Keating Debra Stone
Emerson Cox Larissa LaMay Brad Washburn
William Dawson Frank Little

Activities of the Board



In calendar year 2005, the five-member Board was comprised of the following gubernatorial appointees:

- **Mr. Damian Kassab** was reappointed by Governor Granholm to a term that expires on December 31, 2008. Mr. Kassab serves as chairman.
- **Hon. Michael Stacey**, one of five original appointees; was reappointed in December 2002 to a four-year term expiring December 31, 2006.
- **Hon. Benjamin Friedman** was appointed by Governor Granholm for a term expiring December 31, 2007. He succeeds The Honorable Roman S. Gribbs whose term expired.
- **Mr. Donald Robinson** was reappointed by Governor Granholm for a term expiring December 31, 2008.
- **Ms. Barbara Rom** was appointed for a term expiring December 31, 2007 by Governor Granholm. She succeeds Ritchie T. Davis whose term has expired.

BOARD MEETINGS

From its inception, the Board has encouraged public input regarding its policies, procedures, and activities related to licensing and regulating the three authorized Detroit casinos. To conduct Board business, inform, and receive input from the public, the Board held twelve public meetings in 2005. At its public meetings, the Board not only conducted its official business, but also provided the public and news media with opportunities to ask questions and offer comment regarding casino gaming issues, and the Board's relevant policies, procedures and activities.

The Board met at the Detroit Office located at the Cadillac Place, 3062 West Grand Boulevard, Suite L-700, on the following dates:

January 2005*	August 9, 2005**
February 8, 2005**	September 13, 2005**
March 8, 2005**	October 11, 2005**
April 12-13, 2005**	November 8, 2005**
May 10, 2005**	November 15, 2005 (Special)
June 14, 2005**	December 13, 2005**
July 13, 2005	

* No Meeting

**After public meeting, Board adjourned to Closed Session

The Board adjourned to Closed Session after ten of the twelve regular public meetings, to review confidential materials that were part of casino license applications and applications for placement on the Board's Disassociated Persons List, and thus protected from public review and disclosure under Sections 4c and 25 of the Michigan Gaming Control & Revenue Act, as amended, Public Act 69 of 1997, MCL 432.204c and MCL 432.225(4)(c). The Board called two special meetings. There was no Closed Session in July. Closed Sessions are not open to the public, nor are minutes of such sessions available to the public, under Michigan's Open Meetings Act, as amended, Public Act 267 of 1976. All Board meetings, whether open or closed, are held in accordance with Michigan's Open Meetings Act.

BOARD RESOLUTIONS

The Board adopted four resolutions in calendar year 2005:

Resolution No. 2005-01 (Adopted 2/8/2005) - A Board Resolution to Waive Rule 432.1337(10) So That A Temporary Occupational Licensee's Application Would Not Have To Be Immediately Forwarded To The Board For Action When a License Expires, Is Suspended, Or is Revoked.

Resolution No. 2005-02 (Adopted 7/13/2005) - A Board Resolution Delegating Authority to the Executive Director to Determine if the Public Health, Safety, or Welfare Requires Emergency Action Against Occupational Licensees or Supplier Licensees and to Issue Summary Suspensions.

Resolution No. 2005-03 (Adopted 11/8/2005) - A Board Resolution Expanding the Monetary Limit at which Persons Involved in the Construction of Permanent Casinos Who are Prime Contractors May Still Qualify for a Vendor Exemption Under Resolution 2003-07 From \$2,000,000 to \$8,000,000.

Resolution No. 2005-04 (Adopted 12/13/2005) - A Board Resolution to waive the requirements of Rule 432.1229 as they relate to employees of the Department of Attorney General and the Michigan State Police.



Notable Board Accomplishments



ADMINISTRATION DIVISION

The Administration Division successfully obtained approval in 2005 from the Office of the State Budget to increase the Board's employment target to its full staffing level of 106, which the Board expects to reach in 2006.

Information Technology Section

In 2005, MGCB Information Technology staff added the new high-availability Novell Server Clustering System to its Novell File & Email server. Clustering means if one server fails the other server takes over all functions and should go unnoticed by our users. This has eliminated lost productivity due to server failure. The Information Technology Section has completed a replacement of its three Sun Servers and hard disk arrays refresh. The three servers were four to six years old and past due for replacement. The additional information being stored in our Livelink Document Repository required us to upgrade the capacity of our disk arrays.

Records Section

The Records Section processed 266 Freedom of Information Act requests. The Section also deployed a new filing system for the Gaming Laboratory and conducted the initial quality assurance audits of Casino/Supplier/Vendor hardcopy and electronic files. The personnel of the Records Section scanned and filed over a half a million applications and investigation files.

Financial Services

Financial Services staff worked with Information Technology staff to develop an inventory program for all items \$500 and over, including information technology items. For the first time, June/July 2005, an inventory count was completed of all items, \$500 and over. The staff established a process with the Collections Division, Dept. of Treasury to refer un-paid debts (related to the cost to conduct background investigations).

Detroit Office

The Detroit Office has completed the build-out of the new secured file room located in the gaming lab concourse. This build-out was part of the updating of the facility to add the new office for the Lab manager and other workstation construction.

Disassociated Persons Program

The Administration Division processed, and the Board approved, 316 applications for individuals requesting inclusion on the Disassociated Persons List. 1,223 individuals have now been placed on the Disassociated Persons List since its inception in 2000.

Equipment

MGCB replaced its 6-year-old Identix Fingerprint systems with newer models. The new models are much smaller replacing the 6-foot high 4-foot wide older models. The smaller size will allow placement within the MGCB casino offices, offering better service to our licensees.

Intranet

The MGCB Intranet was deployed this year. It was created as a communication tool in addition to a repository for agency and statewide information. It features a “discussion board” where employees can chat with the Executive Director, an agency wide discussion board where anyone can discuss topics of concern or interest, and a bulletin board, where employees can post articles about the Michigan Gaming Control Board.

ENFORCEMENT DIVISION

Audit

The Audit Section completed twelve (12) Compliance Audits at each of the three Detroit casinos. Those audits include purchasing, accounting, table games and key inventory. Final reports have been issued for two of the twelve audits. In addition, the section increased daily tax returns audits by 21% to 969, and increased monthly credit reports 29% to 31. The 1st and 2nd quarter financial statements for all three Detroit casinos were reviewed and analyzed.

Gaming Lab

The Gaming Lab continues to play a critical role in the mission of the MGCB by continually testing and analyzing all gaming devices, assisting in investigations and various other assignments to ensure the integrity of casino gaming in Michigan.

Achievements

- The MGCB Lab is now considered the most up-to-date and extensive machine/system interoperability test facility in the US.
- The MGCB Lab is the first jurisdiction to develop a certification program for WAT and other cashless transfers systems.
- The MGCB Lab developed design parameters on two system-monitoring programs to further ensure proper reporting of gross receipts and progressive totals.

Regulation and Compliance Section

The staff perfected the Regulation & Compliance Section “workflow” process that has streamlined the procedures in the time taken from “non-compliance” occurrence to violation and sanctioning of the licensee. The staff also participated in 81 Surveillance alteration request investigations. Personnel also handled 64 Patron Disputes. Regulation and Compliance staff conducted 149 special projects and 21 inter/intra

agency reports working with the Michigan State Police, and other internal and external agencies. In addition, the staff oversaw the first mass token destruction at the MotorCity and Greektown casino properties. The staff was able to complete 34 Non-Compliance Reports.

Fines

One (1) supplier was fined \$3,000 for non-compliance with the Michigan Gaming Control & Revenue Act and Administrative Rules.

LICENSING DIVISION

The Employee Licensing Section

The Employee Licensing Section established a satellite licensing office inside the Greektown Casino in 2005. The Board's licensing functions are now more accessible to Greektown casino employees. The MotorCity and MGM casinos do not currently have room in their temporary facilities for MGCB licensing personnel, and this issue will be reviewed during the planning stages for the permanent facilities.

The Employee Licensing Section has completed background investigations and issued occupational licenses to over 97% of casino and supplier employees. The time for granting an occupational license application has been dramatically reduced. A priority has been given to license renewal investigations and a greater concentration of efforts assigned to the processing of more than 6,500 occupational license holders.

Achievements

- The Investigation Section successfully concluded 77 investigations. This included special, vendor, individual qualifiers, and supplier license investigations.
- The Casino and Service Industry Licensing Section issued 15 supplier licenses and renewed five supplier licenses. In addition, 569 vendor exemption numbers were issued. In addition, the Section had no recommendation for the denial of a supplier license for 2005.
- The Licensing Division successfully completed the review and analysis of multi-million dollar debt transaction approvals from both the MotorCity Casino (\$1.2 billion) and Greektown Casino (\$675 million) for the construction of their permanent casinos.

Minors and Compulsive Gambling



ANNUAL UNDERAGE AND COMPULSIVE GAMBLING STUDIES

Section 15(2) of the Act, MCL 432.215(2) requires that each casino licensee conduct an annual study on minors and compulsive gaming. Section 15(1) of the Act further requires that the Board include certain information regarding minors on casino premises, which each licensee must compile as part of their annual study. Following is a summary chart of the required information compiled and reported by each of the three Detroit casino licensees in their respective annual studies on minors and compulsive gaming for calendar year 2005.

Casino Licensees' Reported Contacts with Minors on Licensed Casino Premises During Calendar Year 2005

	MGM Grand 1/1/05 - 12/31/05	MotorCity 1/1/05 - 12/31/05	Greektown 1/1/05- 12/31/05
1. The number of minors who were denied entry into the casino.	543	4431	800
2. The number of minors who were physically escorted from the casino premises.	2	3	4
3. The number of minors who were detected participating in gambling games other than slot machines.	0	1	0
4. The number of minors who were detected using slot machines.	1	0	1
5. The number of minors who were taken into custody by a law enforcement agency on the casino premises.	2	3	1
6. The number of minors who were detected illegally consuming alcohol on the casino premises.	0	0	0

Board Revenues and Expenditures



STATE SERVICES FEE FUND

Section 12a of the Act, MCL 432.212a, provides that all casino-related regulatory and enforcement costs, compulsive gambling programs, and other casino-related programs, activities and services conducted by the Board, the Michigan Department of State Police, the Michigan Department of Attorney General, the Michigan Department of Community Health and other state agencies shall be paid from annual fees assessed on the three Detroit casino licensees. Under the Act, each casino licensee is required to pay an annual assessment fee on or before the date on which the licensee first began operating its casino and each year, thereafter, on that date. The amount of each licensee's annual assessment is equal to 1/3 of \$25,000,000.00 adjusted annually by multiplying the previous year's assessment by the Detroit consumer price index, as defined and reported by the United States Department of Labor, Bureau of Labor Statistics. Based on this formula, each of the three Detroit casino licensees were assessed and paid a total of \$27,868,683.18 for calendar year 2005 and \$27,505,997.02 for fiscal year 2005. From the annual assessment fees paid each year by the licensees, \$2,000,000.00 must be deposited in the state's Compulsive Gaming Prevention Fund to be used exclusively for the treatment, prevention, education, training, research and evaluation of pathological gamblers and their families, as determined by the director of the Michigan Department of Community Health.

Application and License Fees, Fines and Costs

The Board is also authorized by the Act to collect various license application fees to cover the Board's cost of conducting required background investigations of applicants for casino, supplier and occupational licenses. After an applicant is determined eligible and suitable for licensure, the Act also authorizes the Board to assess and collect license fees for both the initial issuance and subsequent renewal of casino, supplier and occupational licenses. In addition to application and license fees, the Act also authorizes the Board to impose fines and order reimbursement of investigative and enforcement costs as disciplinary actions to penalize violators of the Act or administrative rules of the Board. In calendar year 2005, the Board collected application and license fees and other authorized fees, fines and reimbursement of costs totaling \$2,168,077.41.

Board Statement of Revenues and Expenditures

Section 15(1) of the Act, MCL 432.215(1), requires that the Board's Annual Report include an account of the Board's financial position and the results of operations under the Act, for the period covered by the report. While the Board, like other state agencies, operates on a fiscal year (October 1 - September 30) basis, the Act requires that the Board's Annual Report be based on the calendar year. To give a more comprehensive account of the Board's financial position and the results of operations under the Act, the following financial statement reports the Board's revenues and expenditures for both calendar year and fiscal year 2005.

Statement of Revenues and Expenditures

(In Thousands)

REVENUES

	<u>Fiscal Year 2005</u>	<u>Calendar Year 2005</u>
State Casino Gaming Fund		
Casino and supplier fines	\$ 51.5	\$ 54.5
Other	0.2	0.2
State Services Fee Fund		
Annual assessments	28,018.6	28,314.6
<u>Application fees:</u>		
Casinos	223.4	223.5
Suppliers	313.9	327.1
Occupational	123.9	129.5
<u>License fees:</u>		
Casinos	75.0	75.0
Suppliers	400.0	405.0
Occupational	313.4	337.7
<u>Other fees</u>		
Badge replacement fees	4.6	4.4
Other	1.1	7.3
Native American Casino Fund		
Oversight fees	310.4	441.8
Other	23.6	23.5
Lab Fund		
Testing fees	580.9	586.7
Total Revenues	30,440.5	30,930.8

EXPENDITURES

State Services Fee Fund		
Board	4.1	4.8
Administration	13,392.4	13,355.7
Background investigations	659.5	688.8
Information technology	1,100.6	1,108.8
Native American Casino Fund		
	332.0	337.8
Lab Fund		
	602.8	646.6

	Total Expenditures	16,091.4	16,142.5
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OTHER FINANCING SOURCES (USES)

Transfers from other funds	1.7	1.7
Transfers to other funds:		
State Services Fee Fund		
Department of Community Health	(2,000.0)	(2,000.0)
Michigan Office of the Auditor General	(926.9)	(926.9)
Department of Treasury	(353.3)	(353.3)
Department of Agriculture	(8,172.1)	(8,172.1)
Department of Civil Service	(54.6)	(54.6)
Human Resources Optimization	(12.6)	(12.6)
 Native American Casino Fund	 (2.0)	 (2.0)
 Lab Fund	 (2.9)	 (2.9)
Total Other Financing Sources (Uses)	(11,522.7)	(11,522.7)

Excess of Revenues and Other Sources over

(under) Expenditures and Other uses \$	2,826.4	\$	3,265.6
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Footnotes:

1. Approval for calendar year presentation was requested and received from the Department of Management and Budget, Office of Financial Management.
2. Governmental fund types are accounted for using the modified accrual basis of accounting.

Casino Revenues & State Wagering Taxes



STATE CASINO WAGERING TAX

Section 12 of the Act, MCL 432.212, imposes an 8.1% State Wagering Tax on the adjusted gross receipts received by each Detroit casino licensee from casino gaming authorized by the Act. The Act defines “adjusted gross receipts” as being the licensee’s gross gaming receipts less winnings paid to wagerers.

Public Act No. 306 of 2004 amended the original Act. Effective September 1, 2004 the State Wagering Tax was increased by 4% to 12.1%. Of the additional 4%, 3.5% is deposited in the State’s General Fund and .5% is deposited in the Michigan Agriculture Equine Industry Development Fund. The original 8.1% State Wagering Tax paid by the Detroit casino licensees is deposited in the State’s School Aid Fund to provide additional funds for K-12 public classroom education.

In calendar year 2005, the combined 8.1% State Wagering Taxes paid by the three Detroit casino licensees and deposited in the School Aid Fund totaled \$99,512,054.88. The combined 3.5% State Wagering Taxes deposited in the General Fund totaled \$42,999,036.04. The combined .5% State Wagering Taxes deposited in the Michigan Agriculture Equine Industry Development Fund totaled \$6,142,719.35 for the same period. The School Aid Fund has received a total of \$535,606,750.97 in State Wagering Taxes paid by the three Detroit casino licensees from the time when the first casino was licensed and began operations in July 1999 through the end of calendar year 2005.

The following is a monthly and annual summary of the adjusted gross receipts and State Wagering Tax payments for the three Detroit casino licensees from July 1999 through the end of calendar year 2005:

Casino Revenues & Wagering Taxes 1999

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		(All Detroit Casinos)	
	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Gross Receipts	Total State Wagering Tax (8.10%)
July	\$4,818,554.11	\$390,302.88	-	-	-	-	\$4,818,554.11	\$390,302.88
August	\$35,206,963.97	\$2,851,764.08	-	-	-	-	\$35,206,963.97	\$2,851,764.08
September	\$33,951,508.55	\$2,750,072.19	-	-	-	-	\$33,951,508.55	\$2,750,072.19
October	\$34,457,655.34	\$2,791,070.08	-	-	-	-	\$34,457,655.34	\$2,791,070.08
November	\$33,753,191.20	\$2,734,008.49	-	-	-	-	\$33,753,191.20	\$2,734,008.49
December	\$31,491,239.05	\$2,550,790.36	\$14,759,589.25	\$1,195,526.73	-	-	\$46,250,828.30	\$3,746,317.09
Total	\$173,679,112.22	\$14,068,008.09	\$14,759,589.25	\$1,195,526.73	-	-	\$188,438,701.47	\$15,263,534.82

Casino Revenues & State Wagering Taxes, cont'd.



Casino Revenues & Wagering Taxes 2000

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		(All Detroit Casinos)	
	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Gross Revenues	Total State Wagering Tax (8.10%)
January	\$32,458,134.63	\$2,629,108.91	\$22,742,714.82	\$1,842,159.90	-	-	\$55,200,849.45	\$4,471,268.81
February	\$30,953,211.30	\$2,507,210.12	\$23,033,091.15	\$1,865,680.38	-	-	\$53,986,302.45	\$4,372,890.50
March	\$37,511,192.05	\$3,038,406.56	\$25,177,767.41	\$2,039,399.16	-	-	\$62,688,959.46	\$5,077,805.72
April	\$34,198,920.36	\$2,770,112.55	\$25,988,688.06	\$2,105,083.73	-	-	\$60,187,608.42	\$4,875,196.28
May	\$33,765,674.10	\$2,735,019.60	\$26,550,564.81	\$2,150,595.75	-	-	\$60,316,238.91	\$4,885,615.35
June	\$31,422,116.80	\$2,545,191.46	\$27,390,357.23	\$2,218,618.94	-	-	\$58,812,474.03	\$4,763,810.40
July	\$36,528,965.25	\$2,958,846.19	\$29,794,583.93	\$2,413,361.30	-	-	\$66,323,549.18	\$5,372,207.48
August	\$33,160,279.83	\$2,685,982.67	\$28,565,714.45	\$2,313,822.87	-	-	\$61,725,994.28	\$4,999,805.54
September	\$34,396,641.93	\$2,786,128.00	\$28,003,948.71	\$2,268,319.85	-	-	\$62,400,590.64	\$5,054,447.84
October	\$34,143,474.63	\$2,765,621.45	\$29,011,313.79	\$2,349,916.42	-	-	\$63,154,788.42	\$5,115,537.86
November	\$28,945,346.53	\$2,344,573.07	\$26,729,451.67	\$2,165,085.59	\$13,636,392.00	\$1,104,547.75	\$69,311,190.20	\$5,614,206.41
December	\$29,751,377.52	\$2,409,861.58	\$22,758,778.35	\$1,843,461.05	\$17,014,267.55	\$1,378,155.67	\$69,524,423.42	\$5,631,478.30
Total	\$397,235,334.93	\$32,176,062.13	\$315,746,974.38	\$25,575,504.92	\$30,650,659.55	\$2,482,703.42	\$743,632,968.86	\$60,234,270.48

Casino Revenues & Wagering Taxes 2001

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		(All Detroit Casinos)	
	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Gross Revenues	Total State Wagering Tax (8.10%)
January	\$27,531,158.35	\$2,230,023.83	\$27,734,835.66	\$2,246,521.69	\$18,326,007.55	\$1,484,406.61	\$73,592,001.56	\$5,960,952.13
February	\$28,032,821.35	\$2,270,658.53	\$27,995,759.75	\$2,267,656.54	\$19,718,880.98	\$1,597,229.36	\$75,747,462.08	\$6,135,544.43
March	\$31,969,009.25	\$2,589,489.75	\$31,890,473.71	\$2,583,128.37	\$22,403,377.25	\$1,814,673.56	\$86,262,860.21	\$6,987,291.68
April	\$28,147,244.28	\$2,279,926.79	\$29,744,000.27	\$2,409,264.02	\$20,203,624.10	\$1,636,493.55	\$78,094,868.65	\$6,325,684.36
May	\$29,620,962.68	\$2,399,297.98	\$28,892,271.27	\$2,340,273.97	\$21,460,104.51	\$1,738,268.47	\$79,973,338.46	\$6,477,840.42
June	\$29,953,124.70	\$2,426,203.10	\$28,141,924.64	\$2,279,495.90	\$21,977,862.01	\$1,780,206.82	\$80,072,911.35	\$6,485,905.82
July	\$30,140,278.83	\$2,441,362.59	\$28,612,706.18	\$2,317,629.20	\$22,743,923.66	\$1,842,257.82	\$81,496,908.67	\$6,601,249.60
August	\$30,357,105.65	\$2,458,925.56	\$31,100,472.73	\$2,519,138.29	\$26,254,526.30	\$2,126,616.63	\$87,712,104.68	\$7,104,680.48
September	\$30,951,206.57	\$2,507,047.73	\$29,743,520.53	\$2,409,225.16	\$24,500,227.89	\$1,984,518.46	\$85,194,954.99	\$6,900,791.35
October	\$33,169,099.85	\$2,686,697.09	\$32,587,938.80	\$2,639,623.05	\$27,252,501.23	\$2,207,452.60	\$93,009,539.88	\$7,533,772.73
November	\$32,630,501.70	\$2,643,070.64	\$31,541,904.91	\$2,554,894.30	\$27,261,309.56	\$2,208,166.07	\$91,433,716.17	\$7,406,131.01
December	\$33,633,346.75	\$2,724,301.09	\$33,048,959.46	\$2,676,965.72	\$27,720,493.14	\$2,245,359.94	\$94,402,799.35	\$7,646,626.75
Total	\$366,135,859.96	\$29,657,004.68	\$361,034,767.91	\$29,243,816.21	\$279,822,838.18	\$22,665,649.89	\$1,006,993,466.05	\$81,566,470.76

Casino Revenues & State Wagering Taxes, cont'd.



Casino Revenues & Wagering Taxes 2002

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		(All Detroit Casinos)	
	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Gross Receipts	Total State Wagering Tax (8.10%)
January	\$35,225,125.14	\$2,853,235.14	\$33,345,361.87	\$2,700,974.31	\$26,191,327.25	\$2,121,497.50	\$94,761,814.26	\$7,675,706.95
February	\$33,891,692.10	\$2,745,227.06	\$33,557,628.15	\$2,718,167.88	\$26,923,120.80	\$2,180,772.78	\$94,372,441.05	\$7,644,167.73
March	\$35,763,563.63	\$2,896,848.65	\$37,282,523.71	\$3,019,884.42	\$29,304,762.19	\$2,373,685.74	\$102,350,849.53	\$8,290,418.82
April	\$34,989,268.04	\$2,834,130.71	\$33,881,475.66	\$2,744,399.53	\$28,257,952.35	\$2,288,894.14	\$97,128,696.05	\$7,867,424.38
May	\$33,603,150.03	\$2,721,855.15	\$33,885,981.07	\$2,744,764.47	\$27,811,202.65	\$2,252,707.42	\$95,300,333.75	\$7,719,327.03
June	\$30,729,140.13	\$2,489,060.35	\$32,864,130.97	\$2,661,994.61	\$24,891,440.93	\$2,016,206.71	\$88,484,712.03	\$7,167,261.67
July	\$30,817,595.67	\$2,496,225.25	\$34,576,497.84	\$2,800,696.33	\$28,070,250.86	\$2,273,690.32	\$93,464,344.37	\$7,570,611.89
August	\$31,371,393.48	\$2,541,082.87	\$35,449,122.06	\$2,871,378.89	\$28,803,846.28	\$2,333,111.55	\$95,624,361.82	\$7,745,573.31
September	\$32,210,963.77	\$2,609,088.07	\$31,430,824.13	\$2,545,896.75	\$25,688,839.87	\$2,080,796.03	\$89,330,627.77	\$7,235,780.85
October	\$32,367,494.76	\$2,621,767.08	\$31,855,118.45	\$2,580,264.59	\$27,938,265.50	\$2,262,999.51	\$92,160,878.71	\$7,465,031.18
November	\$31,901,730.15	\$2,584,040.14	\$30,300,866.61	\$2,454,370.20	\$28,041,184.39	\$2,271,335.94	\$90,243,781.15	\$7,309,746.27
December	\$32,110,576.37	\$2,600,956.69	\$34,084,011.99	\$2,760,804.97	\$25,726,071.61	\$2,083,811.80	\$91,920,659.97	\$7,445,573.46
Total	\$394,981,693.27	\$31,993,517.15	\$402,513,542.51	\$32,603,596.94	\$327,648,264.68	\$26,539,509.44	\$1,125,143,500.46	\$91,136,623.53

Casino Revenues & Wagering Taxes 2003

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		(All Detroit Casinos)	
	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Revenue	State Wagering Tax (8.10%)	Total Adjusted Gross Receipts	Total State Wagering Tax (8.10%)
January	\$31,080,956.65	\$2,517,899.88	\$32,346,085.05	\$2,620,032.89	\$24,460,451.74	\$1,981,296.59	\$87,887,493.44	\$7,119,229.36
February	\$30,254,268.80	\$2,450,595.77	\$31,885,461.64	\$2,582,722.39	\$25,992,944.72	\$2,105,428.52	\$88,132,675.16	\$7,138,746.69
March	\$35,624,812.36	\$2,885,609.80	\$37,058,399.63	\$3,001,730.37	\$31,156,776.51	\$2,523,698.90	\$103,839,988.50	\$8,411,039.07
April	\$32,956,228.49	\$2,669,454.51	\$32,803,712.03	\$2,657,100.67	\$26,758,352.12	\$2,167,426.52	\$92,518,292.64	\$7,493,981.70
May	\$37,335,390.91	\$3,024,166.66	\$34,919,500.27	\$2,828,479.52	\$31,236,521.52	\$2,530,158.24	\$103,491,412.70	\$8,382,804.43
June	\$33,063,915.99	\$2,678,177.20	\$33,023,392.69	\$2,674,894.81	\$25,913,056.05	\$2,098,957.54	\$92,000,364.73	\$7,452,029.54
July	\$33,276,177.10	\$2,695,370.35	\$33,918,573.44	\$2,747,404.45	\$27,802,132.06	\$2,251,972.70	\$94,996,882.60	\$7,694,747.49
August	\$34,930,533.41	\$2,829,373.21	\$31,411,337.82	\$2,544,318.36	\$28,603,426.63	\$2,316,877.56	\$94,945,297.86	\$7,690,569.13
September	\$32,152,338.33	\$2,604,839.40	\$32,534,728.78	\$2,635,313.03	\$25,159,217.35	\$2,037,896.60	\$89,846,284.46	\$7,278,049.04
October	\$34,360,229.29	\$2,783,178.57	\$33,286,562.48	\$2,696,211.56	\$26,850,644.04	\$2,174,902.17	\$94,497,435.81	\$7,654,292.30
November	\$33,707,772.93	\$2,730,329.61	\$33,354,052.07	\$2,701,678.22	\$26,840,528.28	\$2,174,082.79	\$93,902,353.28	\$7,606,090.62
December	\$34,570,215.07	\$2,800,187.42	\$35,034,464.89	\$2,837,791.66	\$24,538,726.02	\$1,987,636.81	\$94,143,405.98	\$7,625,615.88
Total	\$403,312,839.33	\$32,669,182.37	\$401,576,270.79	\$32,527,677.93	\$325,312,777.04	\$26,350,334.94	\$1,130,201,887.16	\$91,547,195.24

Casino Revenues & State Wagering Taxes, cont'd.



Casino Revenues & Wagering Taxes 2004

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		All Detroit Casinos	
	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Gross Receipts	Total State Wagering Tax (12.1%)
January	\$33,164,130.61	\$2,686,294.58	\$35,019,468.57	\$2,836,576.95	\$25,234,740.60	\$2,044,013.99	\$93,418,339.78	\$7,566,885.52
February	\$36,213,516.94	\$2,933,294.87	\$37,224,255.46	\$3,015,164.69	\$28,011,187.51	\$2,268,906.19	\$101,448,959.91	\$8,217,365.75
March	\$38,056,927.36	\$3,082,611.12	\$36,678,617.69	\$2,970,968.03	\$27,081,668.36	\$2,193,615.14	\$101,817,213.41	\$8,247,194.29
April	\$42,565,080.31	\$3,447,771.51	\$38,155,066.74	\$3,090,560.41	\$31,338,542.42	\$2,538,421.94	\$112,058,689.47	\$9,076,753.85
May	\$41,179,721.54	\$3,335,557.44	\$39,202,887.35	\$3,175,433.88	\$28,280,670.06	\$2,290,734.27	\$108,663,278.95	\$8,801,725.59
June	\$33,590,721.92	\$2,720,848.48	\$34,369,225.88	\$2,783,907.30	\$25,476,629.27	\$2,063,606.97	\$93,436,577.07	\$7,568,362.74
July	\$37,115,573.42	\$3,006,361.45	\$38,634,302.35	\$3,129,378.49	\$27,387,306.15	\$2,218,371.80	\$103,137,181.92	\$8,354,111.74
August	\$35,568,470.92	\$2,881,046.14	\$36,958,351.13	\$2,993,626.44	\$25,757,196.16	\$2,086,332.89	\$98,284,018.21	\$7,961,005.47
September*	\$32,601,312.44	\$3,944,758.81	\$33,784,356.27	\$4,087,907.11	\$25,493,993.34	\$3,084,773.19	\$91,879,662.05	\$11,117,439.11
October	\$33,489,340.23	\$4,052,210.17	\$35,944,840.07	\$4,349,325.65	\$26,442,742.12	\$3,199,571.80	\$95,876,922.42	\$11,601,107.61
November	\$33,548,680.97	\$4,059,390.40	\$35,182,101.27	\$4,257,034.25	\$24,719,193.14	\$2,991,022.37	\$93,449,975.38	\$11,307,447.02
December	\$36,175,953.73	\$4,377,290.40	\$34,954,144.82	\$4,229,451.52	\$24,663,519.76	\$2,984,285.89	\$95,793,618.31	\$11,591,027.82
Total	\$433,269,430.39	\$40,527,435.36	\$436,107,617.60	\$40,919,334.72	\$319,887,388.89	\$29,963,656.44	\$1,189,264,436.88	\$111,410,426.51

* Public Act 306 of 2004 went into effect September 1, 2004. This new tax law amends PA 69, the Michigan Gaming Control and Revenue Act, and increases the wagering taxes paid by the three Detroit casinos from 18 percent to 24 percent. The combined wagering tax rate paid to the State of Michigan by the Detroit casinos went from 8.1% to 12.1%. The 6% is divided between the State of Michigan and the City of Detroit. The State Casino Fund is paid an additional 4%, the City of Detroit is paid an additional 2%.

Casino Revenues & Wagering Taxes 2005

Month	MGM GRAND DETROIT		MOTORCITY CASINO		GREEKTOWN CASINO		All Detroit Casinos	
	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Revenue	State Wagering Tax (12.1%)*	Total Adjusted Gross Receipts	Total State Wagering Tax (12.1%)
January	\$38,958,376.75	\$4,713,963.59	\$35,896,809.67	\$4,343,513.97	\$25,786,446.28	\$3,120,160.00	\$100,641,632.70	\$12,177,637.56
February	\$39,569,010.32	\$4,787,850.25	\$36,066,717.72	\$4,364,072.84	\$26,598,968.15	\$3,218,475.15	\$102,234,696.19	\$12,370,398.24
March	\$40,858,085.97	\$4,943,828.40	\$40,308,616.23	\$4,877,342.56	\$28,109,572.86	\$3,401,258.32	\$109,276,275.06	\$13,222,429.28
April	\$38,345,124.70	\$4,639,760.09	\$38,478,711.84	\$4,655,924.13	\$26,993,224.06	\$3,266,180.11	\$103,817,060.60	\$12,561,864.33
May	\$39,462,881.98	\$4,775,008.72	\$36,312,401.88	\$4,393,800.63	\$30,337,966.79	\$3,670,893.98	\$106,113,250.65	\$12,839,703.33
June	\$33,647,703.42	\$4,071,372.11	\$32,563,706.50	\$3,940,208.49	\$26,401,893.45	\$3,194,629.11	\$92,613,303.37	\$11,206,209.71
July	\$38,582,864.90	\$4,668,526.65	\$37,314,206.94	\$4,515,019.04	\$31,285,994.92	\$3,785,605.39	\$107,183,066.76	\$12,969,151.08
August	\$38,900,696.00	\$4,706,984.22	\$35,988,380.84	\$4,354,594.08	\$28,515,413.08	\$3,450,364.98	\$103,404,489.92	\$12,511,943.28
September*	\$35,429,838.05	\$4,287,010.40	\$33,933,523.20	\$4,105,956.31	\$25,283,145.07	\$3,059,260.55	\$94,646,506.32	\$11,452,227.26
October	\$38,808,210.68	\$4,695,793.49	\$36,318,454.56	\$4,394,533.00	\$28,659,218.83	\$3,467,765.48	\$103,785,884.07	\$12,558,091.97
November	\$38,258,019.27	\$4,629,220.33	\$33,627,466.92	\$4,068,923.50	\$28,314,520.86	\$3,426,057.02	\$100,200,007.05	\$12,124,200.85
December	\$39,877,047.85	\$4,825,122.79	\$35,403,665.04	\$4,283,843.47	\$29,347,001.05	\$3,550,987.13	\$104,627,713.94	\$12,659,953.39
Total	\$460,697,859.89	\$55,744,441.04	\$432,212,661.34	\$52,297,732.02	\$335,633,365.40	\$40,611,637.21	\$1,228,543,886.63	\$148,653,810.27

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