

Summary of House-Banked Card Room Audited Financial Statements
For the Fiscal Year End December 31, 2002
(Sorted by Net Income or (Loss))

Licensee	City	----- REVENUES -----			----- EXPENSES -----						Total Expenses	Net Income or (Loss)
		Card Room Revenue (1)	Other Revenue (2)	Total Revenue	Cost of Sales (3)	Operating Department (4)	General & Administrative (5)	Marketing & Promotion (6)	Depreciation & Amortization (7)	Other (Income) or Expense (8)		
Freddie's Club of Renton	Renton	\$10,118,338	1,369,059	\$11,487,397	5,971,526	2,283,132		914,777	157,792		\$9,327,227	\$2,160,170
Silver Dollar Casino - Mt Lk Terrace	Mt Lake Terrace	\$7,756,446	1,307,812	\$9,064,258	965,768	3,464,846	2,793,295		206,632	395,839	\$7,826,380	\$1,237,878
Jimmy G's Casino	Lakewood	\$8,809,204	2,322,725	\$11,131,929	1,275,955	6,090,076	2,448,896		230,084	15,597	\$10,060,608	\$1,071,321
Drift-on-Inn Roadhouse Casino	Shoreline	\$6,438,371	3,953,734	\$10,392,105	2,843,898	4,120,369	2,302,500		147,091	(80,402)	\$9,333,456	\$1,058,649
Chips Casino LaCenter	LaCenter	\$6,082,657	858,707	\$6,941,364		5,873,429			53,773	(961)	\$5,926,241	\$1,015,123
Silver Dollar Casino - Tacoma	Tacoma	\$10,075,531	3,895,746	\$13,971,277	3,652,572	4,773,829	4,488,918		103,523	51,769	\$13,070,611	\$900,666
Palace Casino	LaCenter	\$6,375,342	618,906	\$6,994,248		5,732,133			60,684	428,527	\$6,221,344	\$772,904
Last Frontier Casino	LaCenter	\$8,124,930	1,725,360	\$9,850,290		5,297,588	2,357,001	772,370	196,259	599,067	\$9,222,285	\$628,005
New Phoenix Casino	LaCenter	\$9,173,169	1,429,779	\$10,602,948		5,964,485	2,814,900	845,010	183,554	319,597	\$10,127,546	\$475,402
Royal Casino	Everett	\$6,245,175	1,329,695	\$7,574,870		4,779,373	1,503,403	508,733	158,556	165,867	\$7,115,932	\$458,938
Skyway Park Bowl	Skyway	\$6,029,276	2,258,465	\$8,287,741		4,599,027	3,066,439		260,432	75,220	\$8,001,118	\$286,623
Silver Dollar Casino - SeaTac	SeaTac	\$5,663,642	3,736,140	\$9,399,782	2,735,573	3,050,443	3,196,335		244,761	111,273	\$9,338,385	\$61,397
Grand Central Casino - Tukwila	Tukwila	\$7,576,082	1,318,782	\$8,894,864	543,623	5,481,105	1,522,954	734,289	260,162	344,593	\$8,886,726	\$8,138
Freddie's Club of Everett	Everett	\$5,082,815	623,905	\$5,706,720	4,170,885	1,426,994			54,180	64,367	\$5,716,426	(\$9,706)
Silver Dollar Casino - Tukwila	Tukwila	\$5,055,999	1,495,123	\$6,551,122	1,207,970	2,642,999	2,526,654		177,757	46,829	\$6,602,209	(\$51,087)
Goldie's of Shoreline Casino	Shoreline	\$5,768,931	1,450,781	\$7,219,712		6,472,455		263,958	343,556	300,669	\$7,380,638	(\$160,926)

NOTE: Only 16 house-banked licensees were required to submit audited financial statements to the commission for 2002. In accordance with WAC 230-40-823, house-banked licensees with card room gross receipts in excess of \$5 million during their fiscal year had to submit audited financial statements to the commission. This rule was changed in April 2004. For fiscal years ending after July 1, 2004, all licensed house-banked card rooms are required to submit either compiled, reviewed, or audited financial statements to the commission within 120 days following their fiscal year end. The type of financial statement required to be submitted is based on card room gross receipts.

The financial statements are to reflect all gambling and non-gambling revenues and expenses of the licensee. In accordance with WAC 230-40-815, licensees are required to present financial statements in accordance with generally accepted accounting principles (GAAP). Licensees are not required to report revenue or expenses in a standardized format. Requiring expenses or revenues to be classified into particular categories or in a standard format would result in financial statements not being prepared in accordance with GAAP. However, some specific expense information, such as gambling-related taxes, can still be obtained from the Quarterly Activity Reports.

- (1) Card Room Revenue is the gross revenue from the card room activity only. No other gambling activity revenues are included.
- (2) Other Revenue is all revenues earned by the licensee other than from the card room, as defined above. This may include revenues from pull tabs, amusement games, food, beverage, and any other services/activities provided by the licensee.
- (3) Cost of Sales expense may include the costs of food and/or beverages.
- (4) Operating Department expenses may include the costs specifically associated with operating the different departments of the licensee, such as the casino, restaurant, lounge, or bowling. The expenses in this category may include salaries, gambling taxes, benefits, or lease expense.
- (5) General and Administrative expenses may include the costs of the overall operation of the business not associated with any department (fixed costs), such as officer wages and related taxes, utilities, rent, or office supplies.
- (6) Marketing and Promotional expenses may include the costs of advertising, promotional giveaways, or costs of complimentary items to public.
- (7) Depreciation and Amortization expenses may include the depreciation and amortization expenses incurred by the licensee.
- (8) Other (Income) or Expenses may include income and expenses not directly classified above. Other income may include interest income, gain on sale of assets, or federal income tax benefit. Other Expenses may include interest expense, loss of disposal of assets, or federal income tax expense.