

**Southeast Iowa Regional Riverboat Commission**

**Financial Statements**

**October 31, 2012**

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**Southeast Iowa Regional Riverboat Commission  
Officers and Commissioners  
October 31, 2012**

<u>Name</u>	<u>Title</u>
Steve Staebell	President
David Schwarz	Vice President
Sharon Scholl-Nabulsi	Secretary
David Walker	Treasurer
Teresa Johnson	Commissioner
Jim Platt	Commissioner
Steve Link	Commissioner
Joseph Steil	Commissioner
Mark Meinhardt	Commissioner



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## **Independent Auditor's Report**

Board of Directors  
Southeast Iowa Regional Riverboat Commission  
Fort Madison, Iowa

We have audited the accompanying statements of cash receipts and disbursements of Southeast Iowa Regional Riverboat Commission (a nonprofit corporation) for the years ended October 31, 2012 and 2011. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the statements of cash receipts and disbursements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statements of cash receipts and disbursements. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the statements of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Southeast Iowa Regional Riverboat Commission for the years ended October 31, 2012 and 2011, on the basis of accounting as described in Note 2.

*CPA Associates PC*

December 11, 2012

**Southeast Iowa Regional Riverboat Commission  
Statements of Cash Receipts and Disbursements  
Years Ended October 31, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Cash Receipts</b>	\$ <u>1,252,133</u>	\$ <u>1,215,460</u>
<b>Cash Disbursements</b>		
Grow Greater Burlington	398,686	388,660
Des Moines County Board of Supervisors	24,918	24,181
Fort Madison Southeast Iowa Regional Riverboat Corp.	398,686	388,660
Keokuk Convention and Visitors Bureau	398,686	388,660
Lee County Board of Supervisors	24,918	24,181
Vote Yes Committee	-	84,726
Accounting fees	1,929	1,780
Audit fees	1,700	1,550
Insurance	1,500	1,500
Other	<u>1,110</u>	<u>1,562</u>
Total disbursements	<u>1,252,133</u>	<u>1,305,460</u>
<b>Change in cash balance</b>	<u>-</u>	<u>(90,000)</u>
<b>Cash, beginning of year</b>	<u>1,000</u>	<u>91,000</u>
<b>Cash, end of year</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

See notes to financial statements.

**Southeast Iowa Regional Riverboat Commission**  
**Notes to Financial Statements**

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**Note 1. Nature of Organization**

The Southeast Iowa Regional Riverboat Commission (Commission) is a nonprofit corporation formed to be a "Qualified Sponsoring Organization" as described in Chapter 99F.1(20), Code of Iowa, 1989, as amended. As a Qualified Sponsoring Organization, the Commission may receive income from gambling boats or gambling structures, who operate under the authority of licensing issued under the provisions of Chapter 99F. All income received from the gambling operations after payment of the Commission's expenses is normally distributed as follows:

Grow Greater Burlington	32%
Fort Madison Southeast Iowa Regional Riverboat Commission Corp.	32%
Keokuk Convention and Visitors Bureau	32%
Des Moines County Board of Supervisors	2%
Lee County Board of Supervisors	2%

The Commission withheld \$10,000 per month for three months in 2010 from Grow Greater Burlington, Fort Madison Southeast Iowa Regional Riverboat Commission Corp., and Keokuk Convention and Visitors Bureau. This \$90,000 was retained as part of the Commission's support for the November gaming referendum. The actual support payment made to the Vote Yes Committee during the year ended October 31, 2011 totaled \$84,726, with the remaining balance distributed to each of these organizations.

**Note 2. Significant Accounting Policies**

Basis of Accounting

The Commission prepares its financial statements on the cash receipts and disbursements basis of accounting. Under this basis, receipts are recognized when collected and disbursements are recognized when paid, rather than when expenses are incurred. Consequently, accrued income and accrued expenses are not included in these financial statements.

Subsequent Events

The Commission performed an evaluation of subsequent events through December 11, 2012, which is the date the financial statements were available to be issued. There are no subsequent events that require disclosure or recognition in the financial statements as of October 31, 2012.

**Note 3. Agreement with Casino Operator**

Catfish Bend Casino, LLC (casino operator) pays the Commission a license fee equal to 3.157% of its adjusted gross revenue, as defined by the Iowa Racing and Gaming Commission, in accordance with the License and Operations Agreement (Agreement). The fee is paid monthly by the 10th of the month following the month in which the revenue is generated. The Agreement was renewed on October 16, 2012 for a period of ten years commencing January 1, 2013. Catfish Bend Casino, LLC has the option to extend the Agreement for an additional ten year term subject to approval by the Commission.

**Note 4. Federal Income Taxes**

The Commission is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.