

May 7, 1998

1997 Indian Head Casino Annual Report



1997 a year of growth for Indian Head Casino

The following is a recap of Indian Head Casino's 1997 operations. It is intended to highlight monthly points of interest and summarize financial information.

January

Gift Shop and Keno are officially closed and removed from the Casino floor.
The Garden Level closes. Deli equipment is transferred to Kah-Nee-Ta Pinto Grill.
Slots are reconfigured on main casino floor and the mezzanine level. Machine court is reduced from 340 to 305.
Poker is moved into former Gift Shop. Blackjack tables are moved to main casino floor.
Greater synergy is created in casino area due to reconfiguration.
Expenses have been effectively reduced and are being contained in a positive manner month to month.
Total employment is 55.
Revenues were \$296,973.
Income was \$14,675

February

Casino floor reconfiguration is received positively by the public.
Monthly grand prize is split and offered over two weekends instead of one. Creativity becomes key in monthly prize drawings to attract patrons.
Initial meeting with the Triad Agency is initiated to produce targeted marketing campaign.
Favorable weather assists in revenue production. In prior months, weather had been dramatic.
Central Oregon "Fun Bus" begins operation from direct feeder market.
Total employment is 55.
Revenues were \$444,673
Income was \$155,628

March

Anniversary month. Operations opts to take conservative role, reduced spending but provides four grand prize weekend drawings. In all monthly prize drawings, patrons must play, and win a minimum amount to be entered in drawing.
Enterprise officially moves to Triad Agency. Cappelli Agency dismissed.
Employee Police Manual is completed and implemented.
Enterprise opens "reserve" bank account in order to set aside funds for capital provisions.
Total employment is 49.
Revenues were \$463,887
Income was \$144,235

April

Positive pattern of win per unit per day emerges. \$48 per unit is reached in the month of April.
It becomes apparent operations is on a "roll" and should continue with summer approaching. Prudent spending and cost containment coupled with favorable win per unit per day in slots is consistently surpassing budgeted figures.
Total employment is 54.
Revenues were \$467,373
Income was \$157,654

May

Slot product is updated with 25 five-cent multi-coin conversions. Win per unit per day jumps to \$57.5.
Triad Agency presents preliminary marketing campaign concepts specifically aimed at Central Oregon market. Everyone believes essence of the campaign should be to blend the Casino with the various Kah-Nee-Ta Resort amenities.
Total employment is 56.
Revenues were \$586,560
Income was \$234,190

June

Guest Services Booth opens supplying information and a small cache of sales items.
Ending the first six months of the year, total revenues were \$2,259,466. Net income is \$706,382. Slots division is primary revenue driver.
June and July are combined together for a 4x4 Blazer grand prize while giving sizable weekend cash away until the drawing date comes. It effectively spreads cost.
Total employment is 65.
Revenues were \$580,419
Income was \$238,042

July

Vista Film Productions are contracted to produce short documentary on gaming and how economic diversity assists sovereignty.
Grand prize drawing for 4x4 Blazer overwhelms casino. Headcounts are estimated at over 1,000 people, the largest crowd ever at Indian Head.
The marketing campaign is initially rolled out with more to come in next few months. Overall impression is very good.
Total employment is 69.
Revenues were \$636,867
Income was \$223,041

August

New, revised Internal Control Procedures are completed and presented to Casino personnel.
Marketing campaign comes into full swing. Without a doubt, it will assist in image and awareness.
August presents itself as the highest producing month for the year. Slots produce \$69 win per unit per day with revenues of \$691,926 and net income of \$282,922.
Total employment is 65.
Revenues were \$691,926
Income was \$282,922

September

Quarter and dollar progressive slot banks are incorporated into Casino floor mix.
Poker tournaments are implemented.
1998 budget process begins. Meetings with managers occur along with revenue and expense projections.
The Harley Davidson drawing is a huge success rounding out the peak season.
After three quarters of the year have been consumed, slots continue on a +\$100,000 monthly budget variance. New machines, marketing and floor design/reconfiguration contribute to its success.
Total employment is 66.
Revenues were \$673,185
Income was \$258,250

October

Oregon State Police conducts annual compliance review. Preliminary notes indicate only minor infractions have occurred and can easily be corrected. Nothing significant. In review, it is believed a considerable amount has been accomplished in all areas and facets of the Enterprise as we move into the winter season.
The Enterprise makes a partial payment to the Tribe of \$250,000 on the inter-company account.
Total employment is 66.
Revenues were \$506,525
Income was \$112,113

November

The Tribal/State Compact Negotiating Team is identified. The bulk of negotiations will take place in 1998. The Team begins preparing for initial discussions.
The Gaming Board approves the 1998 operating budget. Expenses in the 1998 budget, offset by modest revenue increases, project a new income of \$1,706,117.
Total employment is 67.
Revenues were \$492,827
Income was \$137,202

December

Good weather and a favorable holiday season push December to exceptional results.
New work history/summary sheets, appraisals and merit matrix chart introduced to operation. A performance-based system will carry the operation into 1998.
The Strategic Planning Committee works throughout the year to conclude what tasks await in 1998 that will propel gaming into the future as a viable resource generator for the Tribe. The Committee will prepare information for community meetings.
Year-end revenues come in at \$6,355,353. Net income is \$2,197,401.
Total employment is 65.
Revenues were \$514,137
Income was \$242,400
(Favorable year-end adjustment of surveillance accrual increases net income. Without adjustment, net income for December is \$121,592.)

Summary

Operational changes in product and delivery coupled with managed expenses produced a successful year. Increased market awareness through a combination of various tools supported the overall achievement of the Enterprise. In addition, several projects in the human resource area and operations were completed which contributed to the evolving culture and identity of the Casino.

