

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re Indianapolis Downs, LLC

Case No. 11-11046  
Reporting Period: December 31, 2011

**MONTHLY OPERATING REPORT**  
File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a			X
Bank Account Information	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements (see Notes to MOR-1)			X	
Cash disbursements journals (see Notes to MOR-1)			X	
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4			X
Copies of IRS Form 6123 or payment receipt			X	
Copies of tax returns filed during reporting period			X	
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable			X	
Accounts Receivable Reconciliation and Aging			X	
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual\*

Date

Michael N. Regan  
Printed Name of Authorized Individual

1-31-12  
Date

CFO  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

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**Notes to the Monthly Operating Report**

**Notes to MOR-1:**

Cash Receipts are shown on a book cash basis.

As Indianapolis Downs, LLC has numerous bank accounts, the bank reconciliations and statements will be provided upon request.

**Notes to MOR-2:**

Any changes to prior period balances will be reflected in the current month MOR.

**Notes to MOR-3:**

The amounts displayed on this balance sheet were prepared on an accrual basis and reflect the Debtor's unaudited books and records as of December 31, 2011.

**Notes to MOR-4:**

Indianapolis Downs, LLC received authority pursuant to a first-day order for the payment of pre-petition taxes.

Indianapolis Downs, LLC files tax returns and make tax payments weekly and monthly. Due to the volume of transactions, the tax returns and related payments will be made available on request.

Indianapolis Downs, LLC is current on all tax payments due other than disputes that arise in the ordinary course of business transactions.

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Schedule of Cash Receipts	
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Reason for Receipt	
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Casino - net of payouts and not including free play / cash redemptions / coupons / comps	\$	19,719,439
Racing - net of payouts and not including free play / cash redemptions / coupons / comps	\$	1,777,328
Food / Beverage / Retail	\$	727,495
ATM fees, other operating receipts	\$	357,821
Credit Card Deposits - if receipt to deposit delay is significant	\$	-
DIP Facility Proceeds	\$	-
Interest Payments	\$	-
<b>Total Receipts</b>	<b>\$</b>	<b>22,582,083</b>

**Specific Notes:**

(1) Receipt period is November 28, 2011 - January 1, 2012.

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## Schedule of Cash Disbursements

**Reason for Disbursement**Gaming Expenses

Casino General	\$	132,747
Slot Lease Fees	\$	524,688
<b>Total Gaming Expenses</b>	<b>\$</b>	<b>657,435</b>

Racing Expenses

Racing Expenses	\$	734,678
Payments to other tracks	\$	127,751
Simulcast Host Fees	\$	124,100
Transfers to Purse accounts from pari-mutuel revenue	\$	280,884
<b>Total Racing Expenses</b>	<b>\$</b>	<b>1,267,413</b>

Other Operating Expenses

Food / Beverage / Retail	\$	918,731
All Payroll and Benefits	\$	2,391,103
Marketing	\$	634,381
<b>Total Other Operating Expenses</b>	<b>\$</b>	<b>3,944,215</b>

General and Administrative

General and Administrative	\$	1,119,655
Insurance Installment	\$	-
Property Tax Payments	\$	-
Utilities / Utility Deposits	\$	146,858
US Trustee Fees	\$	-
Professional Fees	\$	1,828,051
<b>Total General and Administrative Expenses</b>	<b>\$</b>	<b>3,094,564</b>

Other Non-Operating Expenses

Interest Expense	\$	-
Capital Expenditures	\$	-
Other Non-operating Cash Disbursements - Equipment Financing	\$	710,143
Other Non-operating Cash Disbursements - DIP Fees	\$	-
Excess Cash Sweep	\$	-
<b>Total Other Non-Operating Expenses</b>	<b>\$</b>	<b>710,143</b>

Taxes

Gaming Taxes	\$	6,357,744
Pari-mutuel Taxes	\$	155,419
Payment of 19% Statutory Allocation	\$	3,538,848
<b>Total Taxes</b>	<b>\$</b>	<b>10,052,011</b>

Impact of Filing Expenses

Cancelled Checks Impact of Filing	\$	-
First Day Motion Payments	\$	-
<b>Total Impact of Filing Expenses</b>	<b>\$</b>	<b>-</b>

**Adjusted Total Cash Disbursements****\$ 19,725,781**Specific Notes:

(1) Disbursement period is November 28, 2011 - January 1, 2012

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**Bank Reconciliation**

I attest that each of the Debtor's bank accounts is reconciled monthly to bank statements. Debtor's reconciliation policy is such that each bank account is reconciled and reviewed by the 25th day of each month after closing.



Michael N. Reagan

Chief Financial Officer, Indiana Live! Casino

In re Indianapolis Downs, LLC

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## Bank Account Information

Bank	Bank Account	Specific Notes	Book Balance
Fifth Third Bank		Zero Balance Account	\$ (1,350,845)
Fifth Third Bank			\$ 46,862
Fifth Third Bank		Zero Balance Account	\$ (33,212)
Fifth Third Bank			\$ 4,989,415
Fifth Third Bank			\$ 139,799
Fifth Third Bank			\$ 830
Fifth Third Bank			\$ 150,052
Fifth Third Bank			\$ 7,714,632
Fifth Third Bank			\$ 1,441,919
Bank of America			\$ 3,341,125
Fifth Third Bank			\$ 500,709
Fifth Third Bank			\$ 118,022
Fifth Third Bank			\$ 44,103
US Bank			\$ 157,118
Fifth Third Bank		Zero Balance Account	\$ (61,710)
Fifth Third Bank			\$ 30,949
Wells Fargo			\$ 1,756,779
Wells Fargo		Restricted - Horse Purse Account	\$ 6,069,109
Wells Fargo		Restricted - Horse Purse Account	\$ 2,742,148
Wells Fargo		Restricted - Horse Purse Account	\$ 913,311
			<b>\$ 28,711,114</b>

**Specific Notes:**

- (1) The restricted horse purse accounts are not shown on the balance sheet in cash as they are offset against a purse payable account that rolls up into Accounts Payable - Post-Petition.
- (2) For confidentiality reasons, bank account numbers and descriptions will be provided to the US Trustee upon request.

Schedule of Professional Fees and Expenses Paid

This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Amount Approved	Check		Amount Paid				Ch 11 Filing-To-Date			
			Number	Date	Fees	Expenses	Total Amounts Paid	Less: Retainer Applied	Amount Disbursed during Current Period (1)	Fees	Expenses	Total Amounts Paid
Greenberg Traurig, LLP	10/1/11 - 10/31/11	\$ 278,777.87	Wire	11/4/2011	\$ 246,643.20	\$ 32,134.67	\$ 278,777.87	\$ -	\$ 278,777.87	See below	See below	See below
Polsinelli Shughart, PC										\$ 2,577,977.22	\$ 96,679.56	\$ 2,674,656.78
FD US Communications										\$ 141,513.28	\$ 6,470.75	See below
Robert Nieman, P.C.										\$ 37,579.00	\$ 710.29	See below
										See below	See below	See below
	10/1/11 - 10/31/11	\$ 33,124.00	Wire	11/17/2011	\$ 33,124.00	\$ -	\$ 33,124.00		\$ 33,124.00	\$ 273,399.00	\$ 6,328.59	\$ 279,727.59
Epiq Bankruptcy Solutions, LLC										See below	See below	See below
	11/1/11 - 11/30/11	\$ 14,024.62	Wire	11/3/2011	\$ 14,024.62	\$ -	\$ 14,024.62		\$ 14,024.62	\$ 145,394.65	\$ -	\$ 145,394.65
Lazard Freres & Co., LLC										\$ 634,597.75	\$ 24,927.50	See below
Bose McKinney & Evans, LLP										\$ 214,630.60	\$ 558.28	See below
Warren H. Smith & Associates										\$ 23,377.00	\$ 578.61	See below
Somerset CPAs, P.C.										\$ 51,830.30	\$ 54.19	See below
<b>Total Payments to Professionals</b>					\$ 1,017,457.94	\$ 53,036.24	\$ 1,070,494.18	\$ 120,000.00	\$ 950,494.18	\$ 4,100,298.80	\$ 136,307.77	\$ 3,099,779.02

Specific Notes:

- (1) "Amount Disbursed in Current Period" reflects total amounts paid net of any retainer offsets applied during the respective period.
- (2) The fees and expenses listed above relate exclusively to payments made to non-ordinary course professionals.

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**Statement of Operations (Income Statement)**  
**UNAUDITED**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

**REVENUES**

Casino Income	\$ 19,752,276
Racing Income	1,003,743
Food & Beverage Income	1,478,472
Promotional Allowances	(2,725,283)
Interest Income	417
Other Income	264,147
<b>Total Revenues</b>	<b>\$ 19,773,772</b>

**OPERATING EXPENSES**

Casino Expenses	1,085,904
Gaming Taxes and Supplemental Fees	8,527,099
Racing Expenses (Pari-mutuel Commissions and Fees)	735,055
Food & Beverage Expense	1,460,213
General & Administrative Expense	1,244,913
Restructuring Fees	765,214
Depreciation & Amortization Expense	1,908,671
Marketing Expense	656,800
Interest Expense	515,733
Other Expenses	183,333
<b>Total Operating Expenses</b>	<b>\$ 17,082,935</b>

**NET INCOME (LOSS)**

	<b>\$ 2,690,837</b>
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**UNAUDITED**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

**ASSETS**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 31,683,857
Accounts Receivable, net	2,512,063
Inventories	810,643
Prepaid Expenses	1,714,664
<b>Total Current Assets</b>	<b>\$ 36,721,227</b>
<b>Property &amp; Equipment</b>	
Land, Building and Improvements	\$ 171,788,722
Furnishings, Fixtures, Equipment and Supplies	69,216,122
Less Accumulated Depreciation	(67,629,444)
<b>Total Property and Equipment</b>	<b>\$ 173,375,400</b>
<b>Other Assets</b>	
Gaming license, net	\$ 200,130,641
Loan financing costs, net	2,854,400
Racing license	940,728
Other long-term assets	111,434
<b>Total Other Assets</b>	<b>\$ 204,037,203</b>
<b>TOTAL ASSETS</b>	<b>\$ 414,133,830</b>

**LIABILITIES AND OWNER EQUITY****Subject to Compromise**

<b>Current Liabilities</b>	
Accounts Payable - Pre-Petition	\$ 298,786
Short-term notes payable - Related Party	1,736,000
Current portion of notes payable, equipment leases and capital leases	224,563
Acceleration of senior secured note obligation due to default	375,000,000
Acceleration of senior subordinated secured note obligation due to default	72,649,048
Accrued Interest	49,022,519
Management fees payable	8,320,571
<b>Total Current Liabilities</b>	<b>\$ 507,251,487</b>
<b>Long-Term Liabilities</b>	
Long-term debt - Related Party	\$ 37,716,593
Long-term portion of equipment and capital leases	7,975
<b>Total Long-Term Liabilities</b>	<b>\$ 37,724,568</b>
<b>Owners' Equity</b>	
Member Equity	\$ (237,940,001)
Net Income (Loss)	(19,307,965)
<b>Total Owners' Equity</b>	<b>\$ (257,247,966)</b>

**Not Subject to Compromise**

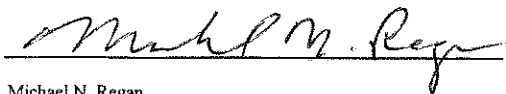
Accounts Payable - Post-Petition	1,836,940
Short-term notes payable - Debtor in Possession	103,102,787
Accrued Liabilities	21,466,014
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$ 414,133,830</b>

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**Status of Post-Petition Taxes**

I attest that each of Debtor's sales, use, payroll, and property tax returns have been filed in accordance with state, county and city requirements and in accordance with Debtor's tax payment schedule.



Michael N. Regan

Chief Financial Officer, Indiana Live! Casino

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Summary of Unpaid Postpetition Debts						
<b>Trade Payables</b>						
	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 90	Total
Indianapolis Downs, LLC	\$ 89,140	\$ (425)	\$ -	\$ -	\$ (18,483)	\$ 70,232

Explain how and when the Debtor intends to pay any past-due postpetition debts.

Specific Notes:

(1) The amounts listed above only represent post-petition trade payables. The post-petition payables listed on the balance sheet include non-trade liabilities relating to non-trade accruals, purse payables, settlement payables and balance due Horsemen; these non-trade liabilities have been excluded in the above. Additional detail regarding these liabilities is available upon request.

(2) Balances over 30 days are credit balances.

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## Debtor Questionnaire

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business?		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If so, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X