

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re Indianapolis Downs, LLC

Case No. 11-11046
Reporting Period: October 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

Fred Burford

Printed Name of Authorized Individual

11/29/11

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 October 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.

Notes to MOR-5:

There are no open account receivable balances for Indianapolis Downs, LLC.

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Casino - net of payouts and not including free play / cash redemptions / coupons / comps	\$	16,865,452
Racing - net of payouts and not including free play / cash redemptions / coupons / comps	\$	1,572,201
Food / Beverage / Retail	\$	508,684
ATM fees, other operating receipts	\$	172,984
Credit Card Deposits - if receipt to deposit delay is significant	\$	-
DIP Facility Proceeds	\$	-
Interest Payments	\$	-
Total Receipts	\$	19,119,321

Specific Notes:

(1) Receipt period is October 3, 2011 - October 30, 2011.

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Schedule of Cash Disbursements

Reason for DisbursementGaming Expenses

Casino General	\$	67,358
Slot Lease Fees	\$	404,513
Total Gaming Expenses	\$	471,871

Racing Expenses

Racing Expenses	\$	816,516
Payments to other tracks	\$	161,631
Simulcast Host Fees	\$	148,750
Transfers to Purse accounts from pari-mutuel revenue	\$	346,016
Total Racing Expenses	\$	1,472,913

Other Operating Expenses

Food / Beverage / Retail	\$	573,216
All Payroll and Benefits	\$	1,777,524
Marketing	\$	581,477
Total Other Operating Expenses	\$	2,932,217

General and Administrative

General and Administrative	\$	599,091
Insurance Installment	\$	-
Property Tax Payments	\$	-
Utilities / Utility Deposits	\$	151,571
US Trustee Fees	\$	-
Professional Fees	\$	2,220,205
Total General and Administrative Expenses	\$	2,970,867

Other Non-Operating Expenses

Interest Expense	\$	-
Capital Expenditures	\$	38,582
Other Non-operating Cash Disbursements - Equipment Financing	\$	554,637
Other Non-operating Cash Disbursements - DIP Fees	\$	-
Excess Cash Sweep	\$	1,648,411
Total Other Non-Operating Expenses	\$	2,241,630

Taxes

Gaming Taxes	\$	4,592,125
Pari-mutuel Taxes	\$	118,521
Payment of 19% Statutory Allocation	\$	3,822,875
Total Taxes	\$	8,533,521

Impact of Filing Expenses

Cancelled Checks Impact of Filing	\$	-
First Day Motion Payments	\$	-
Total Impact of Filing Expenses	\$	-

Adjusted Total Cash Disbursements**\$ 18,623,019**Specific Notes:

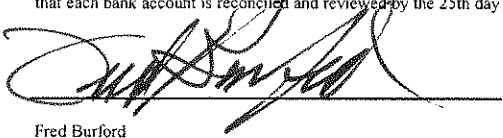
(1) Disbursement period is October 3, 2011 - October 30, 2011

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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.



Fred Burford

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	\$ (677,062)
Fifth Third Bank			\$ 27,794
Fifth Third Bank		Zero Balance Account	\$ (88,586)
Fifth Third Bank			\$ 4,192,709
Fifth Third Bank			\$ 160,270
Fifth Third Bank			\$ 830
Fifth Third Bank			\$ 150,040
Fifth Third Bank			\$ 7,220,566
Bank of America			\$ 3,341,125
Fifth Third Bank			\$ 609,192
Fifth Third Bank			\$ 14,672
Fifth Third Bank			\$ 95,395
US Bank			\$ 118,937
Fifth Third Bank		Zero Balance Account	\$ (125,654)
Wells Fargo			\$ 1,876,681
Wells Fargo		Restricted - Horse Purse Account	\$ 4,401,146
Wells Fargo		Restricted - Horse Purse Account	\$ 990,360
Wells Fargo		Restricted - Horse Purse Account	\$ 617,266
			\$ 22,925,680

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.

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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	8/1/11 - 8/31/11	\$ 528,283.00	Wire	10/21/2011	\$ 500,373.40	\$ 27,909.60	\$ 528,283.00	\$ -	\$ 528,283.00	See below	See below	See below
										\$ 1,769,739.68	\$ 93,923.17	\$ 1,863,662.85
Polsinelli Shurbutt, PC	8/1/11 - 8/31/11	\$ 51,830.37	Wire	10/18/2011	\$ 50,349.60	\$ 1,480.77	\$ 51,830.37	\$ -	\$ 51,830.37	See below	See below	See below
										\$ 116,651.20	\$ 3,895.68	\$ 120,046.88
FD US Communications										\$ 30,596.00	\$ 710.29	\$ 31,306.29
Robert Nieman, P.C.	7/1/11 - 7/31/11	\$ 36,636.59	Wire	10/4/2011	\$ 35,560.00	\$ 1,076.59	\$ 36,636.59	\$ -	\$ 36,636.59	See below	See below	See below
										See below	See below	See below
	8/1/11 - 8/31/11	\$ 64,449.99	Wire	10/4/2011	\$ 63,784.00	\$ 665.99	\$ 64,449.99	\$ -	\$ 64,449.99	\$ 179,118.00	\$ 3,358.85	\$ 182,474.85
Enix Bankruptcy Solutions, LLC										\$ 123,530.05	\$ -	\$ 123,530.05
Lizard Freres & Co, LLC										\$ 510,000.00	\$ 21,031.91	\$ 531,031.91
Brazz McKimsey & Evans, LLP	8/1/11 - 8/31/11	\$ 32,440.83	Wire	10/21/2011	\$ 32,404.00	\$ 36.83	\$ 32,440.83	\$ -	\$ 32,440.83	See below	See below	See below
										\$ 185,842.80	\$ 558.28	\$ 186,401.08
Warren H. Smith & Associates										See below	See below	See below
	8/1/11 - 8/31/11	\$ 8,550.49	Wire	10/25/2011	\$ 8,242.40	\$ 308.09	\$ 8,550.49	\$ -	\$ 8,550.49	\$ 14,424.00	\$ 509.07	\$ 14,933.07
Somerset CPAs, P.C.	4/20/11 - 5/25/11	\$ 18,860.00	Wire	10/19/2011	\$ 18,860.00	\$ -	\$ 18,860.00	\$ -	\$ 18,860.00	See below	See below	See below
	6/28/11 - 7/31/11	\$ 14,420.40	Wire	10/19/2011	\$ 14,420.40	\$ -	\$ 14,420.40	\$ -	\$ 14,420.40	See below	See below	See below
	8/1/11 - 8/31/11	\$ 18,647.54	Wire	10/19/2011	\$ 18,593.35	\$ 54.19	\$ 18,647.54	\$ -	\$ 18,647.54	\$ 51,873.75	\$ 54.19	\$ 51,927.94
Total Payments to Professionals					\$ 1,466,253.27	\$ 52,433.63	\$ 1,518,686.90	\$ 120,000.00	\$ 1,398,686.90	\$ 2,981,773.48	\$ 123,541.44	\$ 3,105,314.92

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	\$	20,560,355
Racing Income		1,156,756
Food & Beverage Income		1,295,217
Promotional Allowances		(4,513,461)
Interest Income		333
Other Income		261,652
Total Revenues	\$	18,760,852

OPERATING EXPENSES

Casino Expenses		1,007,750
Gaming Taxes and Supplemental Fees		9,968,293
Racing Expenses (Pari-mutuel Commissions and Fees)		895,751
Food & Beverage Expense		1,374,570
General & Administrative Expense		2,351,668
Restructuring Fees		2,026,692
Depreciation & Amortization Expense		2,454,185
Marketing Expense		(1,084,614)
Interest Expense		462,522
Other Expenses		183,333
Total Operating Expenses	\$	19,640,150

NET INCOME (LOSS)

\$ (879,298)

- (1) Prior period adjustment of \$1,855,921 to increase Promotional Giveaways and decrease Marketing Expense, due to regrouping of promotion related accounts.
- (2) Prior period adjustment of \$19,819 to increase Promotional Giveaways and decrease Casino Expenses, due to regrouping of promotion related accounts.
- (3) Prior period adjustment of \$365 to increase Food & Beverage Expense.
- (4) Prior period adjustment of \$550,001 to increase Depreciation Expense.
- (5) Prior period adjustment of \$100,000 to decrease Interest Expense.

In re Indianapolis Downs, LLC

Case No. 11-11046
Reporting Period: October 31, 2011**Balance Sheet**
UNAUDITED

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

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 28,675,538
Accounts Receivable, net	3,565,341
Inventories	723,453
Prepaid Expenses	2,484,397
Total Current Assets	\$ 35,448,729
Property & Equipment	
Land, Building and Improvements	\$ 171,759,965
Furnishings, Fixtures, Equipment and Supplies	69,188,605
Less Accumulated Depreciation	(64,495,708)
Total Property and Equipment	\$ 176,452,862
Other Assets	
Gaming license, net	\$ 200,130,641
Loan financing costs, net	3,522,604
Racing license	940,728
Other long-term assets	111,434
Total Other Assets	\$ 204,705,407
TOTAL ASSETS	\$ 416,606,998

LIABILITIES AND OWNER EQUITY**Subject to Compromise**

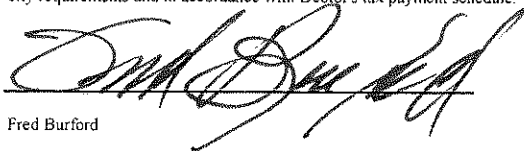
Current Liabilities	
Accounts Payable - Pre-Petition	\$ 298,315
Short-term notes payable - Related Party	1,736,000
Current portion of notes payable, equipment leases and capital leases	1,346,318
Acceleration of senior secured note obligation due to default	375,000,000
Acceleration of senior subordinated secured note obligation due to default	72,649,048
Accrued Interest	49,118,275
Management fees payable	8,320,571
Total Current Liabilities	\$ 508,468,527
Long-Term Liabilities	
Long-term debt - Related Party	\$ 37,763,568
Long-term portion of equipment and capital leases	10,451
Total Long-Term Liabilities	\$ 37,774,019
Owners' Equity	
Member Equity	\$ (237,940,001)
Net Income (Loss)	(22,720,278)
Total Owners' Equity	\$ (260,660,279)
Not Subject to Compromise	
Accounts Payable - Post-Petition	3,272,754
Short-term notes payable - Debtor in Possession	103,125,000
Accrued Liabilities	24,626,977
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 416,606,998

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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.



Fred Burford

Chief Financial Officer, Indiana Live! Casino

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Summary of Unpaid Postpetition Debts							
Trade Payables							
	Current		Number of Days Past Due			Total	
	0-30	31-60	61-90	Over 90			
Indianapolis Downs, LLC	\$ 69,973	\$ 7,623	\$ 654	\$ (3,104)	\$ (14,982)	\$ 60,164	

	Current		Number of Days Past Due			Total	
	0-30	31-60	61-90	Over 90			
Indianapolis Downs, LLC	\$ 69,973	\$ 7,623	\$ 654	\$ (3,104)	\$ (14,982)	\$ 60,164	

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 60 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