DIVISION OF GAMING,
DEPARTMENT OF REVENUE,
STATE OF COLORADO

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2018 AND 2017

DIVISION OF GAMING,
DEPARTMENT OF REVENUE, STATE OF COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017

This discussion and analysis of the financial performance of the Division of Gaming, Department of Revenue, State of Colorado (the "Division") provides an overview of financial activities for the year ended June 30, 2018. Please read it in conjunction with the Division's financial statements, which begin on page 24.

Financial Highlights

- Gaming Tax revenues were $125,273,338 for the fiscal year ended June 30, 2018, compared to revenues of $117,401,015 for the prior fiscal year ending June 30, 2017, which is an increase of $7,872,323 or 6.71%.

- An increase in the Division's total excess of revenues over expenditures, excluding the unrealized change in fair value of investments, increased the total Gaming Distribution to $111,617,671 compared to last fiscal year's total Gaming Distribution of $104,082,249. These amounts represent both the Limited Gaming Distribution and the Extended Gaming Distribution for fiscal years 2018 and 2017, respectively.

Using this Report

This financial report consists of financial statements for the fiscal years ended June 30, 2018 and 2017. Unless otherwise specified, references within this report to the Division relate to the Extended Gaming Fund and the Limited Gaming Fund. The Balance Sheets provide comparative information on the Division's assets, liabilities, and fund balance as of the end of the current and previous fiscal years. The Statement of Revenues, Expenditures, and Changes in Fund Balance is the Division's income statement. The Statements of Revenues, Expenditures, and Changes in Fund Balance provide information on the current and previous fiscal years' revenues, expenditures, excess of revenues over expenditures, the Gaming Distribution, the beginning fund balances at July 1, 2017 and July 1, 2016, respectively, and the ending fund balances as of June 30, 2018 and 2017, respectively. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual reflects the initial budget amounts, the cumulative changes made throughout the course of the year, the revised budget amounts, and the actual amounts received or expended. Finally, the notes to the financial statements contain a summary of significant accounting policies and more specific information about items in the financial statements.

In April 2009, House Bill 09-1272 was approved to implement Amendment 50. In summation, this amendment allows Colorado casinos to offer $100 maximum bets, an increase from the previous $5 limit; offer the games of craps and roulette; and remain open for 24 hours. This is referred to as Extended Gaming. The Extended Gaming Funds to be distributed are transferred to a separate fund every fiscal year end beginning with fiscal year 2010; therefore, a new Extended Gaming Fund was created separate from the Limited Gaming Fund for this purpose.

Revenues

The total excess of revenues over expenditures of the Division, including the unrealized change in fair value of investments, for fiscal year 2018 was $110,641,271. This represents an increase of $7,156,877 compared to fiscal year 2017's excess of revenues over expenditures of $103,484,394.

The fiscal year 2018 net decrease in fair value of investments of $1,190,439 and net decrease of $673,623 in fiscal year 2017 represent the change in fair value of the Division's investments during the fiscal years ended June 30, 2018 and 2017, respectively.

The largest source of revenue for the Division is from gaming taxes paid by casinos. Gaming taxes are paid on a graduated scale ranging from 0.25% to 20.00% of adjusted gross proceeds (AGP). The adjusted gross proceeds of casinos increased 3.14% in fiscal year 2018, as compared to fiscal year 2017. The increase was due primarily to Colorado's improving economy and population growth. The gaming tax revenues earned by the Division for the fiscal years ending June 30, 2018 and 2017 were $125,273,338 and $117,401,015, respectively. This represents an increase of $7,872,323 and was due primarily to an increase in AGP in the highest tax bracket, as gaming tax revenues from large casinos increased in fiscal year 2018 compared to fiscal year 2017. For fiscal year 2018, the tax rates remained the same as in fiscal year 2017 and 2016.

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds. The tax rates for fiscal years 2018, 2017, and 2016 are below.

	Tax Rate for Fiscal Year		
	2018	2017	2016
AGP Range			
Charitable Events	3.00%	3.00%	3.00%
$0 - $2 Million	0.25%	0.25%	0.25%
$2 - $5 million	2.00%	2.00%	2.00%
$5 - $8 million	9.00%	9.00%	9.00%
$8 - $10 million	11.00%	11.00%	11.00%
$10 - $13 million	16.00%	16.00%	16.00%
$13+ million	20.00%	20.00%	20.00%

Significant changes in revenue categories to fiscal year 2018 from fiscal year 2017 are explained below.

	Increase (Decrease) Amount	Percent Change	Explanation
Background Investigations	(168,439)	(48.58)%	There was $113,755 less in labor and miscellaneous charges and $54,684 less in travel during fiscal year 2018 based on the nature of the background investigations required to be performed during fiscal year 2018 compared to fiscal year 2017.
Interest Income	333,702	53.74%	The increase in fiscal year 2018 is due primarily to the increase in the average annualized rate of 1.65% on State Treasury investments as compared to the average annualized rate of 1.12% for fiscal year 2017.
Change in Fair Value of Investments	(516,816)	76.72%	This represents the difference between the net change in the fair value of the Division's investments during fiscal year 2018 versus the net change in the fair value of the Division's investments during fiscal year 2017, which is based on the market values of the State Treasury investments.

Revenues (Continued)

For fiscal year 2017, the excess of revenues over expenditures was $103,484,394. This represents a decrease of $375,085, or 0.36%, compared to fiscal year 2016's excess of revenues over expenditures of $103,859,479.

The adjusted gross proceeds of casinos increased 1.33% in fiscal year 2017 compared to fiscal year 2016. The tax revenue increase was 0.96% in fiscal year 2017 compared to fiscal year 2016. The increase was due primarily to an increase in AGP in the highest tax brackets.

Significant changes in revenue categories to fiscal year 2017 from fiscal year 2016 are explained below.

	Increase (Decrease) Amount	Percent Change	Explanation
Fines	(142,055)	(47.28)%	Fines revenues vary from year to year and are dependent upon audit and investigative findings. The decrease is due mainly to an uncommonly high fine in fiscal year 2016.
Change in Fair Value of Investments	(1,012,287)	(298.91)%	This represents the difference between the net change in the fair value of the Division's investments during fiscal year 2017 versus the net change in the fair value of the Division's investments during fiscal year 2016.

Expenditures

Total expenditures for the Division in fiscal year 2018 were $15,385,240. This is an increase of $362,777, or 2.41%, as compared to fiscal year 2017 expenditures of $15,022,463. The information below shows the changes in expenditures from fiscal year 2018 to fiscal year 2017 with explanations provided for significant changes.

	Increase (Decrease) Amount	Percent Change	Explanation
Annual and Sick Leave Payouts	(3,748)	(36.08)%	In fiscal year 2018, eight employees left the Division with accumulated leave balances lower than the amount paid out in the previous fiscal year.
Materials, Supplies, & Services	146,623	52.90%	In fiscal year 2018, the increase was due primarily to the higher costs for equipment maintenance, increase in maintenance for the Central City and Cripple Creek buildings and grounds, advertising for the underage gambling project, and the installation costs for the project to upgrade to the Managed IP Communications (MIPC) telephone system.
Telephone	19,492	40.76%	In fiscal year 2018, the increase was due primarily to the MIPC project to upgrade the telephone system in all three cities; all telephones are now leased.
Other Operating Expenditures	22,187	42.58%	In fiscal year 2018, the increase was due to increased standard monthly charges from the Department of Personnel and Administration for information technology services relating to the Division's use of the CORE software.
Capital Outlay	28,841	100.00%	In fiscal year 2018, the increase was due to the purchase of software and Gaming's share of the DOR firewall replacement, which will be capitalized in fiscal year 2019 because implementation was not complete as of June 30.
Background Expenditures	(54,364)	(63.67)%	In fiscal year 2018, the decrease was due to lower expenses for international travel; a planned and approved trip to Australia had to be postponed because of circumstances beyond the Division's control. Background investigation expenditures are reimbursed to the Division by the entity requiring the background investigation.

Expenditures (Continued)

Total expenditures for the Division in fiscal year 2017 were $15,022,463. This is an increase of $460,758 or 3.16%, as compared to fiscal year 2016 expenditures of $14,561,705. The information below shows the changes in expenditures from fiscal year 2017 to fiscal year 2016 with explanations provided for significant changes.

	Increase (Decrease) Amount	Percent Change	Explanation
Annual and Sick Leave Payouts	(25,748)	(71.26)%	In fiscal year 2017, five employees left the Division with accumulated leave balances lower than the amount paid out in the previous fiscal year.
Professional Services	43,590	37.10%	In fiscal year 2017, the increase was due primarily to the higher temporary services costs to cover job vacancies in the Division and consulting services for the My License Office (MLO) hosting project.
Police Supplies	9,218	50.90%	In fiscal year 2017, the increase was due primarily to the purchase of uniforms for the certified law enforcement officers within the Division.
Capital Outlay	(206,389)	(100.00)%	In fiscal year 2017, there were no capital outlay purchases as compared to fiscal year 2016 purchases of the second phase of the EZ File upgrade and the MLO server.
State Agency Services	617,516	11.58%	In fiscal year 2017, the increase was due primarily to increases in Department of Revenue Indirect Costs and an increase in the contract with Colorado State Patrol.
Background Expenditures	43,218	102.50%	In fiscal year 2017, the increase was due primarily to increased travel costs for international travel required for background investigations. Background investigation expenditures are reimbursed to the Division by the entity requiring the background investigation.

Assets, Liabilities, and Fund Balance

The year-end total fund balance reflects the overall financial position of the Division, which is $18,205,438 at June 30, 2018 compared to $15,863,424 at June 30, 2017. Total assets of $114,316,682 at June 30, 2018 increased by $6,577,871, or 6.11%, as compared to the prior year balance of $107,738,811. The increase in total assets is due primarily to increases in Cash and Equity in Treasurer's Pool.

The Division's total liabilities were $96,111,244 at June 30, 2018 and $91,875,387 at June 30, 2017. The $4,235,857 increase is due primarily to the increase in the fiscal year 2018 Limited Gaming Distribution.

The following compares fiscal year 2018 and fiscal year 2017 assets, liabilities, and fund balances.

	Fiscal Year		Increase/(Decrease)	
	2018	2017	Dollars	Percent
Cash and Equity in Treasurer's Pool	$ 100,930,710	$ 95,413,401	$ 5,517,309	5.78%
Gaming taxes and other receivables	13,369,520	12,292,156	1,077,364	8.76%
Prepaid expenses	16,452	33,254	(16,802)	(50.53)%
Total assets	$ 114,316,682	$ 107,738,811	$ 6,577,871	6.11%
Accounts payable, wages, and accrued payroll payable	$ 721,842	$ 685,776	$ 36,066	5.26%
Due to other State agencies, other governments, and the State General Fund	94,879,391	90,666,050	4,213,341	4.65%
Other liabilities	510,011	523,561	(13,550)	(2.59)%
Total liabilities	96,111,244	91,875,387	4,235,857	4.61%
Fund balance	18,205,438	15,863,424	2,342,014	14.76%
Total liabilities and fund balance	$ 114,316,682	$ 107,738,811	$ 6,577,871	6.11%

Assets, Liabilities, and Fund Balance (Continued)

The year-end total fund balance reflects the overall financial position of the Division, which was $15,863,424 at June 30, 2017 compared to $15,598,900 at June 30, 2016. Total assets of $107,738,811 at June 30, 2017 decreased $351,834 or 0.33%, as compared to the prior year balance of $108,090,645. The decrease in total assets between fiscal year 2017 and fiscal year 2016 was due primarily to the decreases in Cash and Equity in Treasurer's Pool.

The Division's total liabilities were $91,875,387 at June 30, 2017 and $92,491,745 at June 30, 2016. The $616,358 net decrease was due primarily to the $465,047 decrease in the fiscal year 2017 Limited Gaming Distribution and $125,228 decrease in Background Deposits in fiscal year 2017.

The following compares fiscal year 2017 and fiscal year 2016 assets, liabilities, and fund balances.

	Fiscal Year		Increase/(Decrease)	
	2017	2016	Dollars	Percent
Cash and Equity in Treasurer's Pool	$ 95,413,401	$ 96,524,194	$ (1,110,793)	(1.15)%
Gaming taxes and other receivables	12,292,156	11,533,559	758,597	6.58%
Prepaid expenses	33,254	32,892	362	1.10%
Total assets	$ 107,738,811	$ 108,090,645	$ (351,834)	(0.33)%
Accounts payable, wages, and accrued payroll payable	$ 685,776	$ 707,953	$ (22,177)	(3.13)%
Due to other State agencies, other governments, and the State General Fund	90,666,050	91,127,430	(461,380)	(0.51)%
Other liabilities	523,561	656,362	(132,801)	(20.23)%
Total liabilities	91,875,387	92,491,745	(616,358)	(0.67)%
Fund balance	15,863,424	15,598,900	264,524	1.70%
Total liabilities and fund balance	$ 107,738,811	$ 108,090,645	$ (351,834)	(0.33)%

Statement of Revenues, Expenditures, and Changes in Fund Balance

The following compares total fiscal year 2018 and fiscal year 2017 revenues, expenditures, and changes in fund balance.

	Fiscal Year		Increase/(Decrease)	
	2018	2017	Dollars	Percent
Revenues				
Gaming taxes	$ 125,273,338	$ 117,401,015	$ 7,872,323	6.71%
License and application fees	636,488	652,273	(15,785)	(2.42)%
Other revenue	116,685	453,569	(336,884)	(74.27)%
Total revenues	126,026,511	118,506,857	7,519,654	6.35%
Expenditures				
Operating expenditures	9,161,193	8,986,016	175,177	1.95%
Background investigations	31,017	85,381	(54,364)	(63.67)%
State agency services	6,193,030	5,951,066	241,964	4.07%
Total expenditures	15,385,240	15,022,463	362,777	2.41%
Excess of revenues over expenditures	110,641,271	103,484,394	7,156,877	6.92%
Fund balance, beginning of year	15,863,424	15,598,900	264,524	1.70%
Less: Gaming Fund distributions paid or accrued during the fiscal year	108,299,257	103,219,870	5,079,387	4.92%
Fund balance, end of year	$ 18,205,438	$ 15,863,424	$ 2,342,014	14.76%

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)

The following compares total fiscal year 2017 and fiscal year 2016 revenues, expenditures, and changes in fund balance.

	Fiscal Year		Increase/(Decrease)	
	2017	2016	Dollars	Percent
Revenues				
Gaming taxes	$ 117,401,015	$ 116,287,375	$ 1,113,640	0.96%
License and application fees	652,273	630,811	21,462	3.40%
Other revenue	453,569	1,502,998	(1,049,429)	(69.82)%
Total revenues	118,506,857	118,421,184	85,673	0.07%
Expenditures				
Operating expenditures	8,986,016	9,185,992	(199,976)	(2.18)%
Background investigations	85,381	42,163	43,218	102.50%
State agency services	5,951,066	5,333,550	617,516	11.58%
Total expenditures	15,022,463	14,561,705	460,758	3.16%
Excess of revenues over expenditures	103,484,394	103,859,479	(375,085)	(0.36)%
Fund balance, beginning of year	15,598,900	12,742,343	2,856,557	22.42%
Less: Gaming Fund distributions paid or accrued during the fiscal year	103,219,870	101,002,922	2,216,948	2.19%
Fund balance, end of year	$ 15,863,424	$ 15,598,900	$ 264,524	1.70%

Conditions Affecting Financial Position or Results of Operations

Staffing Changes

In fiscal years 2018 and 2017 the Division had several vacant positions. In May, the Gaming Commission approved the change proposed by the Colorado Gaming Association (CGA), a statewide non profit association representing the interests of the Colorado commercial casino industry, to change Rule 14 "Gaming Tax" which will adjust the tax rate on adjusted gross proceeds attributable to free play. The change resulted in an additional full time employee (FTE) to the Division with a total compensation of $84,500 to be paid by the Colorado Gaming Association (CGA) for fiscal year 2019.

Improving Economy

The industry reported and paid record gaming taxes in fiscal year 2018, the third record in three years. Fiscal year 2018 gaming tax revenues totaling 125,273,338 were approximately 6.71% higher than fiscal year 2017.

Computer Systems / Projects

In fiscal year 2018, the Division, under the Enforcement Group transitioned to a hosted environment for the My License Office (MLO), licensing and cash receipt system.

Distribution

The voters of Colorado passed Amendment 50 on November 4, 2008. In summation, this amendment allows Colorado casinos to offer $100 maximum bets, offer the games of craps and roulette, and remain open for 24 hours. This is now referred to as extended gaming. The tax revenues attributable to the implementation of Amendment 50 are distributed as follows:

- 78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges;
- 12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties; and
- 10% to the cities of Cripple Creek, Central City, and Black Hawk, in proportion to the tax revenues generated in the respective cities.

At the end of each fiscal year, the Division distributes the balance remaining in the Limited Gaming Fund after reserving an amount equal to expenditures for the preceding two-month period. The Limited Gaming Fund also transfers amounts due to the Extended Gaming Fund. The total distribution for the fiscal year ended June 30, 2018 was $111,617,672, which includes $16,738,280 for the Extended Gaming Fund distribution.

During August of each fiscal year, the Commission approves the Extended Gaming distribution for the previous fiscal year in accordance with Section 12-47.1-701.5, C.R.S. These amounts are distributed in the year approved by the Commission.

	June 30,	
	2018	2017
Distributions to Extended Gaming Recipients		
78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges;	$ 13,055,858	$ 10,467,496
12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties; and	2,008,594	1,610,384
10% to the cities of Cripple Creek, Central, and Black Hawk, in proportion to the tax revenues generated in the respective cities.	1,673,828	1,341,986
Total distribution attributable to Extended Gaming	$ 16,738,280	$ 13,419,866

Limited Gaming Distribution

In accordance with Section 12-47.1-701, C.R.S. and amended by Senate Bills 13-133 and 18-191, the balance remaining in the Limited Gaming Fund is to be transferred by the State Treasurer to the recipients of limited gaming revenues according to the following formula:

- 50% shall be transferred to the State General Fund, of which $15,000,000 is to be given to the Colorado Travel and Tourism Promotion Fund; $5,500,000 is to be given to the Advanced Industries Acceleration Cash Fund; $5,443,865 is to be given to the Local Government Limited Gaming Impact Fund; $2,100,000 is to be given to the Innovative Higher Education Research Fund; $2,000,000 is to be given to the Creative Industries Cash Fund, and $500,000 is to be given to the Colorado Office of Film, Television, and Media Operational Account Cash Fund. Any amount of the State share that exceeds the transfers specified above shall be transferred to the General Fund.

- 28% to the Colorado State Historical Fund;

- 12% to Gilpin and Teller Counties, in proportion to the gaming revenues generated in these respective counties; and

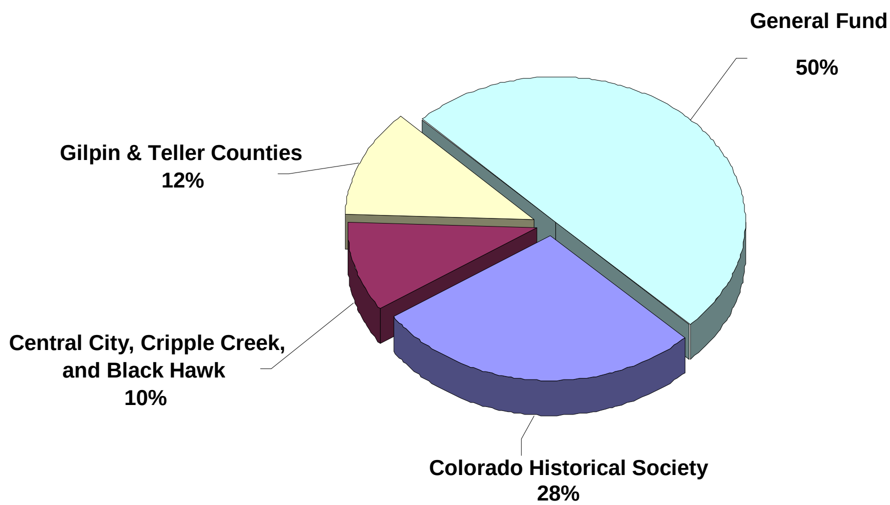
- 10% to the cities of Cripple Creek, Central, and Black Hawk, in proportion to the gaming revenues generated in these respective cities.

The charts that follow reflect the distribution formulas and the Colorado Limited and Extended Gaming Funds distributions from the inception of Colorado gaming in 1992 through 2018.

Distribution (Continued)

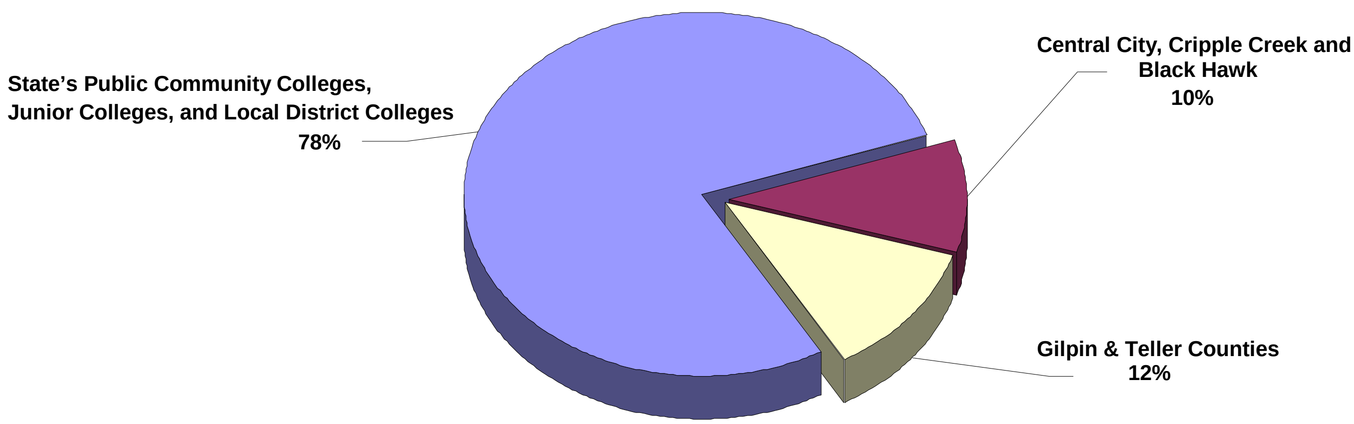
Limited Gaming Distribution (Continued)

Colorado Limited Gaming Distribution Formula
(Original Recipients)



Distribution (continued)

Colorado Extended Gaming Distribution Formula
(Amendment 50 Recipients)



Distribution (Continued)

The table below compares the amounts distributed to the various recipients for fiscal years 2018 and 2017.

	For the Years Ended June 30, 2018	For the Years Ended June 30, 2017	Difference	Percent Difference
Colorado State Historical Fund	$ 26,566,229	$ 25,385,467	1,180,762	4.65%
Colorado Travel and Tourism Promotion Fund	15,000,000	15,000,000	-	0.00%
Local Government Limited Gaming Impact Fund	5,443,865	5,000,000	443,865	8.88%
Colorado Office of Film, TV, and Media Operational Account Cash Fund	500,000	500,000	-	0.00%
Advanced Industries Acceleration Cash Fund	5,500,000	5,500,000	-	0.00%
Creative Industries Cash Fund	2,000,000	2,000,000	-	0.00%
Innovative Higher Education Research Fund	2,100,000	2,100,000	-	0.00%
Total Payments to Other State agencies	57,110,094	55,485,467	1,624,627	2.93%
City of Black Hawk	7,090,337	6,792,426	297,911	4.39%
City of Central	852,017	786,949	65,068	8.27%
City of Cripple Creek	1,545,585	1,486,863	58,722	3.95%
Gilpin County	9,530,825	9,095,250	435,575	4.79%
Teller County	1,854,702	1,784,236	70,466	3.95%
Total Payment Due to Other Governments	20,873,466	19,945,724	927,742	4.65%
Due to the State General Fund	16,895,831	15,231,192	1,664,639	10.93%
Due to the Limited Gaming Recipients	94,879,391	90,662,383	4,217,008	4.65%
Due to the Extended Gaming Recipients	16,738,280	13,419,866	3,318,414	24.73%
Total Distribution	$111,617,671	$104,082,249	$ 7,535,422	7.24%

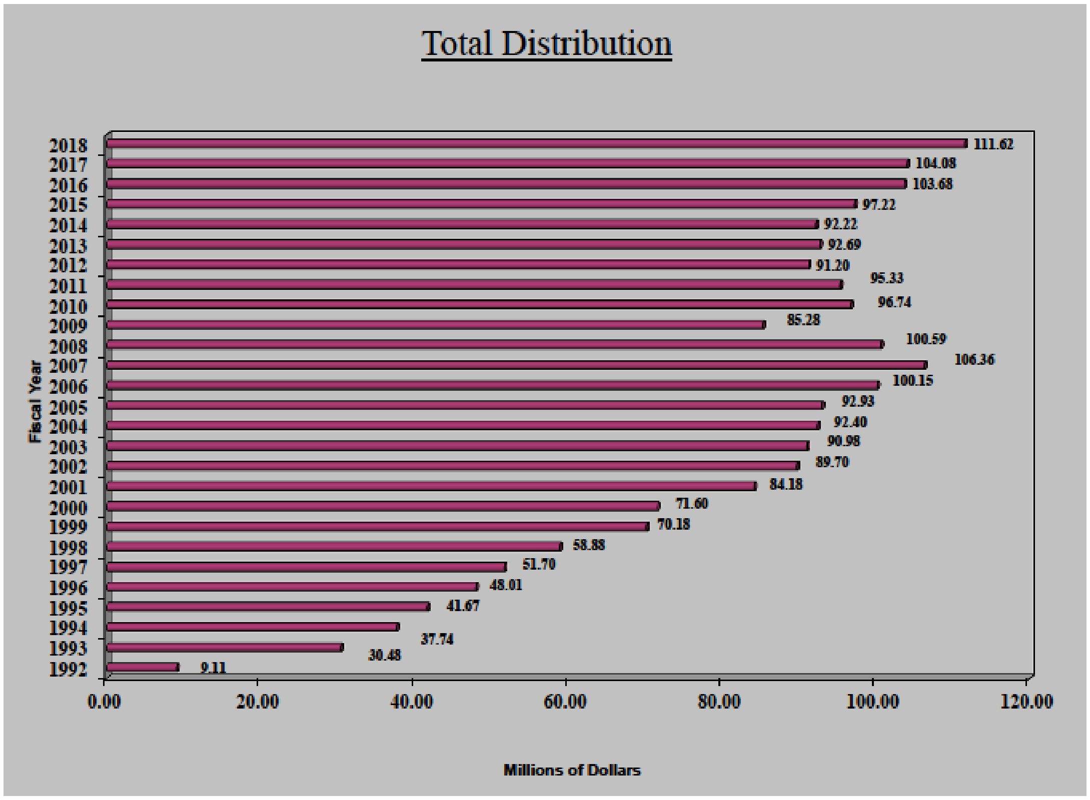
Distribution (Continued)

The total distribution for the fiscal year ended June 30, 2017 was $104,082,249.

The table below compares the amounts distributed to the various recipients for fiscal years 2017 and 2016.

	For the Years Ended June 30, 2017	For the Years Ended June 30, 2016	Difference	Percent Difference
Colorado State Historical Fund	$ 25,385,467	$ 25,515,680	$ (130,213)	(0.51)%
Colorado Travel and Tourism Promotion Fund	15,000,000	15,000,000	-	0.00%
Local Government Limited Gaming Impact Fund	5,000,000	5,000,000	-	0.00%
Colorado Office of Film, TV, and Media Operational Account Cash Fund	500,000	500,000	-	0.00%
Advanced Industries Acceleration Cash Fund	5,500,000	5,500,000	-	0.00%
Creative Industries Cash Fund	2,000,000	2,000,000	-	0.00%
Innovative Higher Education Research Fund	2,100,000	2,100,000	-	0.00%
Total Payments to Other State agencies	55,485,467	55,615,680	(130,213)	(0.23)%
City of Black Hawk	6,972,426	6,864,629	107,797	1.57%
City of Central	786,949	770,938	16,011	2.08%
City of Cripple Creek	1,486,863	1,477,176	9,687	0.66%
Gilpin County	9,095,250	9,162,681	(67,431)	(0.74)%
Teller County	1,784,236	1,772,611	11,625	0.66%
Total Payment Due to Other Governments	19,945,724	20,048,035	(102,311)	(0.51)%
Due to the State General Fund	15,231,192	15,463,715	(232,523)	(1.50)%
Due to the Limited Gaming Recipients	90,662,383	91,127,430	(465,047)	(0.51)%
Due to the Extended Gaming Recipients	13,419,866	12,557,487	862,379	6.87%
Total Distribution	$ 104,082,249	$ 103,684,917	$ 397,332	0.38%

Distribution (Continued)



Budget

The Colorado Limited Gaming Control Commission approves the Long Bill line items of the Division's budget for the Limited Gaming Fund. The Division does not adopt a budget for the Extended Gaming Fund. Throughout the year, the budget may be amended. Following are the budget line items that were changed during fiscal year 2018:

	Beginning Budget	Supplemental Changes	Annual Revised Budget
Personal Services	$8,734,407	$42,000	$8,776,407
Legal Services	$172,667	$(2,505)	$170,162
Fixed Vehicle Lease	$89,075	$(16,879)	$72,196
Leased Space	$315,282	$8	$315,290
Variable Vehicle Lease	$91,953	$4,800	$96,753
ITD - Operating	$42,600	$11,527	$54,127
Indirects – Enforcement Amin. – Pots	$913,202	$(1,261)	$911,941

The budgeted expenditures approved at the beginning of the year were $16,925,549. The amendments to the budget resulted in a net increase of $37,690. As a result, the final approved budget for fiscal year 2018 was $16,963,239. Total actual expenditures were $15,385,240 resulting in excess appropriations, or a savings of $1,577,999 for fiscal year 2018.

Economy and Next Year's Budget

The Division considers several factors when determining estimates for the following year's budget. The fiscal year 2019 budget request was prepared according to statewide standards and guidelines issued by the Governor's Office of State Planning and Budgeting ("OSPB"). The Division has also incorporated into the request a statewide figure setting policy adopted by the Joint Budget Committee ("JBC") for fiscal year 2019. The Division's request totaled $17,000,698, which includes the Division's budget request of $12,064,419 and Other State Agencies budget request of $4,936,279, which represents a total increase of 0.01%, excluding the Other Agencies request. The Colorado Limited Gaming Control Commission approved the budget request submitted by the Division. In addition, the Colorado Limited Gaming Control Commission approved separate budget requests for the Colorado Bureau of Investigation, the Colorado State Patrol, and the Division of Fire Prevention and Control, totaling $4,724,914 and a budget request submitted by the Department of Local Affairs for $211,365. These funds are used for gaming related purposes, such as patrolling roads leading to the casinos.

The Colorado Gaming Association (CGA) proposed changes to Rule 14 "Gaming Tax" during the 2017 tax setting hearing. The Commission approved this proposal during the May 2018 Commission meeting. The changes to Rule 14 will allow casinos to receive a tax refund when gaming tax revenues increase at or above a specific growth rate.

Assumptions that were made when preparing the revenue projection for fiscal year 2019 included the continuation of current tax structure, tax rates, and continuation of license and application fees in effect, but did not include Rule 14 as described above. Also included in assumptions is the continuation of the current interest rate being paid to the fund and adjustments for casinos closed and opened in fiscal year 2018.

Economy and Next Year's Budget (Continued)

The Division's fiscal year 2019 revenue estimates total $130,850,881, a $4,824,370 increase over fiscal year 2018 actual revenue.

During the 27 years of gaming in Colorado, the Division has seen the market change. Initially there were many small casinos; now there are fewer casino properties, many of which are owned by large publicly traded companies. Gaming in Colorado continues to do well. The Division continually positions itself to respond effectively to new technology, regulations, and growth of the industry.

Contacting the Division of Gaming's Financial Management

This financial report is designed to provide Colorado citizens, Colorado government officials, the casino industry, and other interested parties with a general overview of the Division's finances. It is also designed to show the Division's accountability of the funds it receives from the gaming industry. If you have questions about this report or need additional financial information, contact the Division's accounting section at: Colorado Division of Gaming, 17301 W. Colfax Avenue, Suite 135, Golden, CO 80401-1496, or visit the Division's website: www.colorado.gov/enforcement/gaming.

DIVISION OF GAMING,
DEPARTMENT OF REVENUE, STATE OF COLORADO
BALANCE SHEETS
JUNE 30, 2018 AND 2017

	FY 2018			FY 2017		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
ASSETS:						
Cash and Equity in						
Treasurer's Pool	$ 16,536,570	$ 84,394,140	$ 100,930,710	$ 13,413,984	$ 81,999,417	$ 95,413,401
Accounts Receivable						
Gaming Taxes	-	13,364,571	13,364,571	-	12,291,147	12,291,147
Background Investigations	-	355	355	-	-	-
Fines Receivable	-	2,440	2,440	-	365	365
Miscellaneous	-	2,154	2,154	-	644	644
Prepaid Expenditures	-	16,452	16,452	-	33,254	33,254
Total Assets	16,536,570	97,780,112	114,316,682	13,413,984	94,324,827	107,738,811
Total Assets	$ 16,536,570	$ 97,780,112	$ 114,316,682	$ 13,413,984	$ 94,324,827	$ 107,738,811
LIABILITIES AND FUND BALANCE:						
LIABILITIES						
Accounts Payable	$ -	$ 81,958	$ 81,958	$ -	$ 42,086	$ 42,086
Accrued Payroll Payable	-	626,159	626,159	-	636,019	636,019
Wages & Salaries Payable	-	13,725	13,725	-	7,671	7,671
Due to Other State Agencies	-	57,110,094	57,110,094	-	55,489,135	55,489,135
Due to Other Governments	-	20,873,466	20,873,466	-	19,945,724	19,945,724
Due to the State's General Fund	-	16,895,831	16,895,831	-	15,231,191	15,231,191
Background and Other Deposits	-	233,002	233,002	-	237,212	237,212
Unearned Revenue	-	277,009	277,009	-	286,349	286,349
Total Liabilities	-	96,111,244	96,111,244	-	91,875,387	91,875,387
FUND BALANCE:						
Nonspendable:						
Prepaids	-	16,452	16,452	-	33,254	33,254
Restricted for:						
Required Reserve	-	1,652,416	1,652,416	-	2,416,186	2,416,186
Extended Gaming Recipients	16,536,570	-	16,536,570	13,413,984	-	13,413,984
Total Fund Balance	16,536,570	1,668,868	18,205,438	13,413,984	2,449,440	15,863,424
Total Liabilities and Fund Balance	$ 16,536,570	$ 97,780,112	$ 114,316,682	$ 13,413,984	$ 94,324,827	$ 107,738,811

See accompanying Notes to Financial Statements.

DIVISION OF GAMING,
DEPARTMENT OF REVENUE, STATE OF COLORADO
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2018 AND 2017

	FY 2018			FY 2017		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
REVENUES:						
Gaming Taxes	$ -	$ 125,273,338	$ 125,273,338	$ -	$ 117,401,015	$ 117,401,015
License and Application Fees	-	636,488	636,488	-	652,273	652,273
Background Investigations	-	178,294	178,294	-	346,733	346,733
Fines	-	172,474	172,474	-	158,407	158,407
Interest Income	19,132	935,584	954,716	10,581	610,433	621,014
Net Increase/(Decrease) in the Fair						-
Value of Investments	(195,828)	(994,611)	(1,190,439)	(88,586)	(585,037)	(673,623)
Other Revenue	-	1,640	1,640	-	1,038	1,038
Total Revenue	(176,696)	126,203,207	126,026,511	(78,005)	118,584,862	118,506,857
EXPENDITURES:						
Salaries and Benefits	-	7,765,041	7,765,041	-	7,783,178	7,783,178
Annual and Sick Leave Payouts	-	6,639	6,639	-	10,387	10,387
Professional Services	-	125,240	125,240	-	161,080	161,080
Travel	-	51,948	51,948	-	54,488	54,488
Automobiles	-	164,138	164,138	-	151,393	151,393
Printing	-	23,963	23,963	-	23,569	23,569
Police Supplies	-	21,665	21,665	-	27,328	27,328
Computer Services	-	74,905	74,905	-	70,585	70,585
Materials, Supplies, and Services	-	423,806	423,806	-	277,183	277,183
Postage	-	5,723	5,723	-	5,928	5,928
Telephone	-	67,311	67,311	-	47,819	47,819
Utilities	-	23,363	23,363	-	22,527	22,527
Other Operating Expenditures	-	74,292	74,292	-	52,105	52,105
Leased Space	-	304,318	304,318	-	298,446	298,446
Capital Outlay	-	28,841	28,841	-	-	-
State Agency Services	-	6,193,030	6,193,030	-	5,951,066	5,951,066
Background Expenditures	-	31,017	31,017	-	85,381	85,381
Total Expenditures	-	15,385,240	15,385,240	-	15,022,463	15,022,463
EXCESS OF REVENUES OVER EXPENDITURES	(176,696)	110,817,967	110,641,271	(78,005)	103,562,399	103,484,394
OTHER FINANCING SOURCES (USES)						
Limited Gaming Distribution	-	(94,879,391)	(94,879,391)	-	(90,662,383)	(90,662,383)
Extended Gaming Distribution	(13,419,866)	-	(13,419,866)	(12,557,487)	-	(12,557,487)
Transferred to Extended Gaming Fund	-	(16,719,148)	(16,719,148)	-	(13,409,285)	(13,409,285)
Transfer from Limited Gaming Fund	16,719,148	-	16,719,148	13,409,285	-	13,409,285
Total Other Financing Sources (Uses)	3,299,282	(111,598,539)	(108,299,257)	851,798	(104,071,668)	(103,219,870)
NET CHANGE IN FUND BALANCE	3,122,586	(780,572)	2,342,014	773,793	(509,269)	264,524
Fund Balance - Beginning of Year	13,413,984	2,449,440	15,863,424	12,640,191	2,958,709	15,598,900
FUND BALANCE - END OF YEAR	$ 16,536,570	$ 1,668,868	$ 18,205,438	$ 13,413,984	$ 2,449,440	$ 15,863,424

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Colorado Division of Gaming (the "Division") is an agency of the State of Colorado and was created June 4, 1991, under the provision of Section 12-47.1-201, Colorado Revised Statutes ("C.R.S."). The Division operates under the Colorado Limited Gaming Control Commission (the "Commission"). The Division implements, regulates, and supervises the conduct of limited gaming in the State, as authorized by statute.

In April 2009, House Bill 09-1272 was approved due to the passage of Amendment 50. In summation, this amendment allows Colorado casinos to offer $100 maximum bets, offer the games of craps and roulette, and remain open for 24 hours, referred to as extended gaming. The extended gaming funds to be distributed are transferred to a separate fund every fiscal year-end beginning with fiscal year 2010; therefore, an Extended Gaming Fund was created for this purpose. All fund or Division references throughout these financial statements refer to the Limited Gaming Fund except if a specific reference to the Extended Gaming Fund exists.

The State of Colorado (the State) is the primary reporting entity for State financial reporting purposes.

The Division's financial statements are intended to present only those transactions attributable to the Division. The financial statements of the Division are not intended to present financial information of the State in conformity with generally accepted accounting principles. The Division's accounts are presented in a manner consistent with presentation of statewide financial activities, which are reported in accordance with accounting principles generally accepted in the United States of America for governmental units.

Fund Structure and Basis of Accounting

The financial activities of the Division are accounted for and reported on the basis of funds, which is considered to be a separate entity for accounting purposes. The operations of the Division are recorded in a Special Revenue Fund, which consists of a discrete set of self-balancing accounts that comprise the assets, liabilities, fund balance, revenues, and expenditures of the entity. Throughout the year, encumbrances are recorded. However, at fiscal year-end all encumbrances lapse and no reserve for encumbrances are reported. The accounts used for capital assets and long-term liabilities are not recorded in the Special Revenue Funds, but in a separate fund that is maintained on a statewide basis, and are not reflected in these statements. Information on capital assets and long-term liabilities is included in Note 4, Note 6, and Note 9, respectively.

Governmental Funds

Special Revenue Funds

Transactions related to resources obtained from specific sources, which are restricted to specific purposes, are accounted for in the Special Revenue Funds. The Division's resources are obtained from specific gaming related activities such as license fees, application fees, and gaming taxes. These sources are restricted for specific uses as outlined in Section 12-47.1-701, C.R.S.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Governmental Accounting Standards Board ("GASB") issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective July 1, 2010 to clarify fund balances. The following is according to the Governmental Generally Accepted Accounting Principles Update, Volume 10, Issue 13. "Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements that are trying to identify resources that are liquid and available to be used to provide services." Because the Division's required reserve and the funds to be distributed to extended gaming recipients are specified in enabling legislation, the Colorado Constitution, the Division has spending constraint classifications presented on the balance sheet.

Basis of Accounting

The Division uses the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Division considers revenue to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, if measurable.

Budget

The Limited Gaming Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual compares actual revenues and expenditures to those which are legally authorized by state statute. Fiscal year 2018 revenue estimates were provided by the Division, based on the tax rate structure established by the Commission.

Each year, the Division submits to the Commission a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Commission to obtain comments and approval. During the fiscal year, the approved budget may be modified due to roll-forward authorizations or other changes. The Commission must approve all long bill line item budget request changes. Appropriations lapse at fiscal year-end unless a roll-forward of the unexpended budget has been approved.

Total appropriations for the fiscal years are as follows:

	Years Ended June 30,	
	2018	2017
Appropriations	$ 16,925,549	$ 16,466,717
Supplemental appropriations	37,690	(60,277)
Total appropriations	$ 16,963,239	$ 16,406,440

Accrued Payroll

In accordance with Senate Bill 03-197, monthly salaries are to be paid as of the last working day of the month except the salaries for the month of June. These are to be paid on the first working day of July.

NOTE 2 CASH AND EQUITY IN TREASURER'S POOL

The Division deposits its cash with the Colorado State Treasurer as required by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2018 and 2017, the Division had cash on deposit with the State Treasurer of $100.9 million and $95.4 million, respectively, which represented approximately 1.3% of the total $7,635.8 million and 1.4% of $6,770.2 million fair value of deposits in the State Treasurer's Pool (Pool).

On the basis of the Division's participation in the Pool, the Division reports as an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Comprehensive Annual Financial Report for the year ended June 30, 2018.

NOTE 3 ACCOUNTS RECEIVABLE

As of June 30, 2018 and 2017, the Division had accounts receivable balances of $13,369,520 and $12,292,156, respectively. On June 30, 2018 and 2017, the Division had $13,364,571 and $12,291,147 of gaming taxes receivable, from 33 Colorado casinos each year. These receivables primarily represent June 2018 and 2017 gaming taxes, which were due on July 16, 2018 and July 17, 2017, respectively, and were subsequently collected by the Department of Revenue in July 2018 and 2017 on behalf of the Division. Based on past collection history with similar accounts, no allowance for doubtful accounts is deemed necessary by management.

NOTE 4 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Pursuant to the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the Division's capital assets are reported only in the statewide financial statements. In addition, these capital assets are depreciated over their estimated useful lives, but depreciation expense is also reported only in the statewide financial statements.

All capital assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at their acquisition value on the date donated. The capitalization criteria for capital assets are $50,000 for buildings and leasehold improvements, $5,000 for furniture and equipment, and all land is capitalized regardless of cost. The purchase of stand-alone software is capitalized at $5,000. Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets, which are 30 years for the buildings, and five to ten years for leasehold improvements, furniture, equipment, and software.

NOTE 4 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION (CONTINUED)

The following is a summary of changes in the Division's capital assets to be included with governmental activities in the statewide financial statements:

	Capital Assets Not Being Depreciated			Capital Assets Being Depreciated			
	Land	Construction in Progress	Subtotal	Equipment and Software	Building	Subtotal	Total
Cost							
Balances, June 30, 2016	$ 536,138	$ -	$ 536,138	$ 934,151	$ 1,134,912	$ 2,069,063	$ 2,605,201
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balances, June 30, 2017	536,138	-	536,138	934,151	1,134,912	2,069,063	2,605,201
Additions	-	-	-	24,789	-	24,789	24,789
Disposals	-	-	-	(445,572)	-	(445,572)	(445,572)
Balances, June 30, 2018	536,138	-	536,138	513,368	1,134,912	1,648,280	2,184,418
Accumulated Depreciation							
Balances, June 30, 2016	-	-	-	(559,720)	(270,200)	(829,920)	(829,920)
Additions	-	-	-	(86,074)	(31,513)	(117,587)	(117,587)
Disposals	-	-	-	-	-	-	-
Balances, June 30, 2017	-	-	-	(645,794)	(301,713)	(947,507)	(947,507)
Additions	-	-	-	(80,208)	(31,557)	(111,765)	(111,765)
Disposals	-	-	-	445,560	-	445,560	445,560
Balances, June 30, 2018	-	-	-	(280,442)	(333,270)	(613,712)	(613,712)
Total capital assets, net	$ 536,138	$ -	$ 536,138	$ 232,926	$ 801,642	$ 1,034,568	$ 1,570,706

NOTE 5 OTHER LIABILITIES

Included in liabilities are deposits and unearned revenue. Applicants applying for gaming licenses are required to remit deposits to the Division, which are used to perform background investigations of these applicants. These deposits are recorded as liabilities until the Division incurs expenditures to perform the background investigations or until any remaining balance is refunded to the applicant. Deposits of $226,688 and $230,898 at June 30, 2018 and 2017, respectively, represent background investigation deposits. Also included is $6,314 at both June 30, 2018 and 2017, which represents funds seized during criminal investigations or from gaming patrons, and are pending court order releases or adjudication.

The Division issues a two-year license to individuals who are subject to an investigative review on an annual basis. Beginning in August 2008, the Division began to stagger the issuance of two-year licenses to businesses as well. The fees for the second year of the license period are recorded as unearned revenue until the Division incurs the expense during the review period. As of June 30, 2018 and 2017, unearned license fees were $277,009 and $286,349, respectively.

NOTE 6 ACCRUED COMPENSATED ABSENCES

Pursuant to the provisions of GASB No. 34, accrued compensated absences are only reported in the statewide financial statements.

All permanent employees of the Division may accrue annual and sick leave based on length of service. The accrued amount will be paid upon termination, subject to certain limitations. Annual leave and sick leave benefits consist of the following as of June 30, 2018:

	Annual Leave	Sick Leave	Total
Balances, June 30, 2016	$ 494,646	$ 60,617	$ 555,263
Increase	335,287	52,091	387,378
Decrease	(326,546)	(55,463)	(382,009)
Balances, June 30, 2017	503,387	57,245	560,632
Increase	334,806	51,013	385,819
Decrease	(311,846)	(42,796)	(354,642)
Balances, June 30, 2018	$ 526,347	$ 65,462	$ 591,809

NOTE 7 GAMING DISTRIBUTIONS

Limited Gaming Distribution

Due to the passage of SB18-191, a change was implemented to the amount of the limited gaming distribution to the Local Government Limited Gaming Impact Fund (LGLGIF) beginning in fiscal year 2018. The LGLGIF will be given $5,000,000, annually increased by an amount equal to the percentage increase of the share distributed to the State General Fund, plus the amount of the projected annual direct and indirect costs to administer the Local Government Limited Gaming Impact Grant Program for the upcoming fiscal year.

In accordance with Section 12-47.1-701, C.R.S., and SB 18-191, the balance remaining in the Limited Gaming Fund is to be transferred by the State Treasurer to the recipients of limited gaming revenues according to the following formula:

- 50% shall be transferred to the State General Fund, of which $15,000,000 is to be given to the Colorado Travel and Tourism Promotion Fund; $5,500,000 is to be given to the Advanced Industries Acceleration Cash Fund; $5,443,865 is to be given to the Local Government Limited Gaming Impact Fund; $2,100,000 is to be given to the Innovative Higher Education Research Fund; $2,000,000 is to be given to the Creative Industries Cash Fund, and $500,000 is to be given to the Colorado Office of Film, Television, and Media Operational Account Cash Fund. Any amount of the State share that exceeds the transfers specified above shall be transferred to the General Fund.
- 28% to the Colorado State Historical Fund;
- 12% to Gilpin and Teller Counties, in proportion to the gaming revenues generated in these respective counties; and
- 10% to the cities of Cripple Creek, Central, and Black Hawk, in proportion to the gaming revenues generated in these respective cities.

NOTE 7 GAMING DISTRIBUTIONS (CONTINUED)

The amount to be distributed is derived from revenues collected by the Division during the fiscal year after payment of operating expenditures of the Division and other regulatory expenditures, except for an amount equal to expenditures for the last two-month period of the fiscal year. As of June 30, 2018 and 2017, the amount calculated as reserved fund balance by the Division based on expenditures for the preceding two-month period was $2,699,464 and $2,485,425, respectively.

On August 29th, 2018, the Commission approved the limited gaming distribution of $94,879,391 for the fiscal year ended June 30, 2018 in accordance with Section 12-47.1-701, C.R.S. and SB18-191. The limited gaming distributions are summarized as follows:

	Year Ended June 30,	
	2018	2017
Distribution to other State agencies		
Colorado State Historical Fund	$ 26,566,229	$ 25,385,468
Local Government Limited Gaming Impact Fund	5,443,865	5,000,000
Colorado Travel and Tourism Promotion Fund	15,000,000	15,000,000
Colorado Office of Film, Television, and Media Operational Account Cash Fund	500,000	500,000
Advanced Industries Acceleration Cash Fund	5,500,000	5,500,000
Creative Industries Cash Fund	2,000,000	2,000,000
Innovative Higher Education Research Fund	2,100,000	2,100,000
Total distributions to other State agencies	57,110,094	55,485,468
Distributions to other governments		
Cities of Cripple Creek, Central, and Black Hawk	9,487,939	9,066,238
Gilpin and Teller Counties	11,385,527	10,879,486
Total distributions to other governments	20,873,466	19,945,724
Distribution to the State General Fund	16,895,831	15,231,191
Total distributions	$ 94,879,391	$ 90,662,383

Extended Gaming Distribution

The voters of Colorado passed Amendment 50 on November 4, 2008. In summation, this amendment allows Colorado casinos to offer $100 maximum bets, offer the games of craps and roulette, and remain open for 24 hours. This is now referred to as extended gaming. The tax revenues attributable to the implementation of Amendment 50 will be distributed as follows:

- 78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges;
- 12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties; and
- 10% to the cities of Cripple Creek, Central and Black Hawk, in proportion to the tax revenues generated in the respective cities.

NOTE 7 GAMING DISTRIBUTIONS (CONTINUED)

The following are definitions necessitated by the passage of Amendment 50:

1) "Extended gaming" means subsection (7) of section 9 of article XVIII of the State constitution as approved by statewide voters on November 4, 2008, and subsequently approved by voters in the cities of Black Hawk, Central and Cripple Creek;

2) "Extended gaming revenues" mean the "limited gaming tax revenues attributable to extended limited gaming" as defined by Section 12-47.1-701.5, C.R.S.; and

3) "Limited gaming revenues" mean the gaming tax revenues attributable to the operation of limited gaming prior to extended gaming.

In accordance with House Bill 09-1272, there will be a determination of tax revenues and expenditures attributable to extended and limited gaming.

1) After the end of each fiscal year ending June 30, the Commission shall determine limited gaming revenues by multiplying the amount of limited gaming revenues collected during the previous fiscal year by a factor of 3% and adding that amount to the amount of limited gaming revenues collected during the previous fiscal year. If the annual increase in total gaming tax revenues is less than 3%, either positive or negative, limited gaming revenues shall be the amount of limited gaming revenues collected during the previous fiscal year multiplied by a factor of the actual percentage of annual growth or decline in total gaming tax revenues. That amount shall be added or subtracted from the amount of limited gaming tax revenues collected during the previous fiscal year.

2) After the end of each fiscal year ending June 30, the Commission shall determine extended gaming revenues by subtracting the amount of limited gaming revenues from the amount of total gaming tax revenues collected during the fiscal year.

3) After the end of each fiscal year ending June 30, the Commission shall determine extended gaming expenses by multiplying the total of all expenses of the Commission and other State agencies for the fiscal year by the percentage of total limited gaming revenues attributable to extended gaming revenues.

The original or Limited Gaming Fund recipients will receive an annual adjustment of the lesser of 6%, or the actual percentage of annual growth in extended gaming revenues. For fiscal year 2018, the actual annual increase is 31.2%. The annual adjustment amount attributable to the 6% increase for fiscal year 2018 is $1,213,921.

NOTE 7 GAMING DISTRIBUTIONS (CONTINUED)

On August 29th, 2018, the Commission approved the extended gaming distribution of $16,738,280 for the fiscal year ended June 30, 2018, in accordance with Section 12-47.1-701.5. These amounts were transferred to the Extended Gaming Fund at each fiscal year end as follows:

	Year Ended June 30,	
	2018	2017
Distributions to Extended Gaming Recipients		
78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges	$ 13,055,858	$ 10,467,496
12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties	2,008,594	1,610,384
10% to the cities of Cripple Creek, Central City, and Black Hawk, in proportion to the tax revenues generated in the respective cities	1,673,828	1,341,986
Total transfer for distribution attributable to extended gaming	$ 16,738,280	$ 13,419,866

NOTE 8 COMMITMENTS AND CONTINGENCIES

Golden Office

In May 2010, the Division entered into a lease agreement with a third party to lease office space at 17301 W. Colfax Avenue, Golden, Colorado. Lease expenses for the years ended June 30, 2018 and 2017 were $304,318 and $298,446, respectively. The lease began in September 2010 with an initial term of ten years. Estimated future payments are as follows:

Year Ended June 30,	
2019	$ 321,785
2020	328,615
Total	$ 650,400

Sunset Review

Under Section 12-47.1-206 C.R.S., the Division is subject to a "sunset" law, which provides that the Division's existence is to terminate on a specified date. Sunset laws require the General Assembly to periodically review, and update as necessary, the laws that create entities such as the Division. During fiscal year 2013, a sunset review was completed, the law was amended, and the sunset date was extended to September 1, 2022. The Division's existence will continue after September 1, 2022, only through the passage of a bill by the General Assembly.

NOTE 9 DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions

The Division participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary To Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. As these changes to plan provisions were not in effect at the end of 2017 which was the measurement date of the net pension liability, a detailed summary of the changes required by SB 18- 200 is listed in a subsequent event section at the end of this footnote.

General Information about the Pension Plan

Plan Description

Eligible employees of the Division are provided with pensions through the State Division Trust Fund (SDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the C.R.S., administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions
Eligible employees and the Division are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees with the exception of State Troopers are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements for all employees except State Troopers are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate[1]	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f)[1]	(1.02)%	(1.02)%
Amount Apportioned to the SDTF[1]	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411[1]	5.00 %	5.00 %
Total Employer Contribution Rate to the SDTF[1]	19.13 %	19.13 %

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Division is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the Division was $998,250 for the fiscal year ended June 30, 2018.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

The Division's financial statements are only the governmental fund special revenue fund and do not report any pension liability, pension expense, or deferred inflows or outflows related to pensions. The following disclosure amounts are for informational purposes only.

At June 30, 2018, the Division's proportionate share of the net pension liability is $36,699,165. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Division's proportion of the net pension liability was based on Division contributions to the SDTF for the calendar year 2017 relative to the total contributions of participating employers to the SDTF.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2017, the Division's proportion was 0.1833099390%, which was a decrease of 0.0085110654% from its proportion of 0.1918420593% measured as of December 31, 2016.

For the year ended June 30, 2018, the Division's share of pension expense was $6,957,134. At June 30, 2018, the Division's share of deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 572,226	$ -
Changes of Assumptions or other Inputs	6,372,375	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,382,220
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	12,671	696,021
Contributions Subsequent to the Measurement Date	492,193	-
Total	$ 7,449,465	$ 2,078,241

$492,193 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2019	$ 5,123,866
2020	793,885
2021	(513,453)
2022	(525,267)

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The December 31, 2016 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.17%
Long-Term Investment Rate of Return, Net of Pension Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate[1]	5.26%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

[1] The discount rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 4.72% as described below.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount Rate

The discount rate used to measure the total pension liability was 4.72 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

- Employee contributions were assumed to be made at the member contribution rate as of the measurement date. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the single equivalent interest rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SDTF's fiduciary net position was projected to be depleted in 2038 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2038 and the municipal bond index rate, the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of December published at the end of each week by The Bond Buyer, was applied to periods on and after 2038 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.72 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent.

Sensitivity of the Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.72%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (3.72%) or one percentage-point higher (5.72%) than the current rate:

	1% Decrease (3.72%)	Current Discount Rate (4.72%)	1% Increase (5.72%)
Proportionate Share of the Net Pension Liability	$45,656,397	$ 36,699,165	$29,345,827

Pension Plan Fiduciary Net Position: Detailed information about the SDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Changes between the measurement date of the net pension liability and June 30, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate $225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.
- Expands eligibility to participate in the PERA DC Plan to new members hired on or after January 1, 2019, who are classified college and university employees in the State Division. Beginning January 1, 2021, and every year thereafter, employer contribution rates for the SDTF will be adjusted to include a defined contribution supplement based on the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability plus any defined benefit investment earnings thereon.

At June 30, 2018, the Division's proportionate share of the net pension liability is $36,699,165 which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.72%. For comparative purposes, the following schedule presents an estimate of what the Division's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	17,402,491

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate the collective net pension liability, approximately $16,376,763 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

NOTE 10 OTHER RETIREMENT PLANS

Defined Contribution Retirement Plan (DC Plan)

Plan Description

Employees of the State of Colorado that were hired on or after January 1, 2006 and employees of certain community colleges that were hired on or after January 1, 2008 which were eligible to participate in the SDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the SDTF or the Defined Contribution Retirement Plan (PERA DC Plan). The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's comprehensive annual financial report as referred to above.

Funding Policy

All participating employees in the PERA DC Plan, with the exception of State Troopers, are required to contribute 8.00 percent of their PERA-includable salary and the State of Colorado is required to contribute 10.15 percent of PERA-includable salary on behalf of these employees. All participating State Troopers are required to contribute 10.00 percent of their PERA-includable salary and the State of Colorado is required to contribute 12.85 percent of PERA-includable salary on behalf of these employees. Additionally, the State of Colorado is required to contribute AED and SAED to the SDTF as follows:

	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018	
	CY15	CY16		CY17		CY18
	7-1-15 to 12-31-15	1-1-16 to 6-30-16	7-1-16 to 12-31-16	1-1-17 to 6-30-17	7-1-17 to 12-31-17	1-1-18 to 6-30-18
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-4111	4.20%	4.60%	4.60%	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S., Section 24-51-4111	4.00%	4.50%	4.50%	5.00%	5.00%	5.00%
Total Employer Contribution Rate for AED and SAED1	8.20%	9.10%	9.10%	10.00%	10.00%	10.00%

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.08 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense.

NOTE 10 OTHER RETIREMENT PLANS (CONTINUED)

Voluntary Investment Program

Plan Description

Employees of the Division that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions.

457 Deferred Compensation Plan

The PERA Deferred Compensation Plan (457) was established July 1, 2009, as a continuation of the State's deferred compensation plan which was established for state and local government employees in 1981. At July 1, 2009, the State's administrative functions for the 457 plan were transferred to PERA, where all costs of administration and funding are borne by the plan participants. In calendar year 2017, participants were allowed to make contributions of up to 100 percent of their annual gross salary (reduced by their 8 percent PERA contribution) to a maximum of $18,500. Participants who are age 50 and older, and contributing the maximum amount allowable were allowed to make an additional $6,000 contribution in 2017. Special 457(b) catch-up contributions allow a participant for 3 years prior to the normal retirement age to contribute the lesser of (1) Twice the annual limit ($37,000 in 2015, 2016, and 2017), or (2) The basic annual limit plus the amount of the basic limit not used in prior years (only allowed if not using age 50 or over catch-up contributions). Contributions and earnings are tax deferred. At December 31, 2017, the plan had 18,211 participants.

The Division made contributions to other retirement plans totaling $63,154 and $59,875 during Fiscal Year 2018 and 2017, respectively.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

The Division participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan

Plan Description
Eligible employees of the Division are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided
The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions
Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Division is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Division were $50,125 for the year ended June 30, 2018.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Division's financial statements are only the governmental fund special revenue fund and do not report any OPEB liability, OPEB expense, or deferred inflows or outflows related to OPEB. The following disclosure amounts are for informational purposes only.

At June 30, 2018, the Division's proportionate share of the net OPEB liability is $806,020. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2017. The Division's proportion of the net OPEB liability was based on the Division's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017, the Division's proportion was 0.0620206462%, which was a decrease of 0.0036608997% from its proportion measured as of December 31, 2016.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2018, the Division's share of OPEB expense was $3,780. At June 30, 2018, the Division's share of deferred outflows of resources and deferred inflows of resources related to OPEB were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	$ 3,812	$ -
Changes of Assumptions or other Inputs	-	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	13,485
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	-	39,671
Contributions Subsequent to the Measurement Date	26,243	-
Total	$ 30,055	$ 53,156

$26,243 reported as deferred outflows of resources related to OPEB resulting from Division contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2019	$ (10,416)
2020	(10,416)
2021	(10,416)
2022	(10,415)
2023	(7,045)
Thereafter	(636)

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.00% for 2017, gradually rising to 4.25% in 2023

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.

- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.

- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.

- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita heath care costs and their related trends are analyzed and reviewed by PERA Board's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four of five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20 %	4.30 %
U.S. Equity - Small Cap	7.42	4.80
Non U.S. Equity - Developed	18.55	5.20
Non U.S. Equity - Emerging	5.83	5.40
Core Fixed Income	19.32	1.20
High Yield	1.38	4.30
Non U.S. Fixed Income - Developed	1.84	0.60
Emerging Market Debt	0.46	3.90
Core Real Estate	8.50	4.90
Opportunity Fund	6.00	3.80
Private Equity	8.50	6.60
Cash	1.00	0.20
Total	100.00	

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity of the Division's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the Division's proportionate share of the net OPEB liability, as well as what the Division's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A Trend Rate	3.25%	4.25%	5.25%
Proportionate Share of the Net OPEB Liability	$ 783,844	$ 806,020	$ 832,731

Discount Rate
The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projections of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2016 and the financial status of the HCTF as of the prior measurement date, December 31, 2016. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

NOTE 11 OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Division's proportionate share of the net OPEB liability to changes in the discount rate
The following presents the Division's proportionate share of the net OPEB liability, as well as what the Division's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 906,220	$ 806,020	$ 720,497

OPEB plan fiduciary net position
Detailed information about the HCTF plan's fiduciary net position is available in the separately issued comprehensive annual financial report issued by PERA. That report can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 RISK MANAGEMENT

The Division participates in the Risk Management Fund. Agency premiums are based on an assessment of risk exposure and historical experience. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, change in legal doctrines and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

There were no significant reductions or changes in insurance coverage from the prior year. Settlements did not exceed insurance coverage in any of the past three fiscal years.

NOTE 13 RELATED-PARTY TRANSACTIONS

The Division, as an agency of the State of Colorado, paid fees to the State for auditing, investigative, and legal services, and other direct and indirect expenses incurred. Interagency charges consist of the following:

	For the Years Ended	
	2018	2017
State agency services:		
Colorado State Patrol	$ 3,284,723	$ 3,151,749
Colorado Bureau of Investigation	1,012,001	885,943
Colorado Division of Fire Prevention and Control	193,504	188,070
Indirect costs (Colorado Department of Revenue)	866,168	882,803
Legal Services (Colorado Department of Law)	170,162	207,412
Office of the State Auditor	33,810	34,846
Colorado Department of Local Affairs	164,060	156,805
Office of Information Technology Purchased Services	468,602	443,438
Total payments to State agencies	$ 6,193,030	$ 5,951,066

The Division had liabilities to other State agencies, the State's General Fund, and other governments as follows:

	June 30,	
	2018	2017
State agencies:		
Colorado State Historical Society	$ 26,566,229	$ 25,385,468
Colorado Department of Local Affairs	5,443,865	5,000,000
Colorado Office of Economic Development	23,000,000	23,000,000
Colorado Department of Higher Education	2,100,000	2,100,000
Department of Personnel and Administration	-	3,667
Total liabilities to State agencies	57,110,094	55,489,135
Other governments:		
City of Black Hawk	7,090,337	6,792,426
City of Central	852,017	786,949
City of Cripple Creek	1,545,585	1,486,863
Gilpin County	9,530,825	9,095,250
Teller County	1,854,702	1,784,236
Total liabilities to other governments	20,873,466	19,945,724
State General Fund	16,895,831	15,231,191
Total liabilities to State agencies, State General Fund, and other governments	$ 94,879,391	$ 90,666,050

NOTE 13 RELATED-PARTY TRANSACTIONS (CONTINUED)

Total related party liabilities of $94,879,391 at June 30, 2018 are solely related to the fiscal year 2018 limited gaming distribution. Total related party liabilities of $90,666,050 at June 30, 2017 includes $3,667 due to the Department of Personnel and Administration. The remaining liabilities of $90,662,383 are related to the fiscal year 2017 limited gaming distribution.

DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO
LIMITED GAMING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
For the Year to Date June 30, 2018

	Commission Approved Budget	Supplemental Changes	Final Budget*	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES:					
Gaming Taxes	$ 118,439,409	$ -	$ 118,439,409	$ 125,273,338	$ 6,833,929
License and Application Fees	611,858	-	611,858	636,488	24,630
Background Investigations	331,999	-	331,999	178,294	(153,705)
Fines and Fees	-	-	-	172,474	172,474
Interest Revenue	435,290	-	435,290	935,584	500,294
Other Revenue	-	-	-	1,640	1,640
TOTAL REVENUES	119,818,556	-	119,818,556	127,197,818	7,379,262
EXPENDITURES:					
Personal Services	8,734,407	42,000	8,776,407	7,862,802	913,605
Operating Expenditures	587,134	-	587,134	574,023	13,111
Workers Compensation	67,928	-	67,928	67,928	-
Risk Management	24,282	-	24,282	24,282	-
Licensure Activities	181,497	-	181,497	87,897	93,600
Leased Space	315,282	8	315,290	304,318	10,972
Vehicle Lease Payments - Fixed	89,075	(16,879)	72,196	69,989	2,207
Vehicle Lease Payments - Variable	91,953	4,800	96,753	94,129	2,624
Utilities	25,464	-	25,464	23,363	2,101
CORE Operations	49,512	-	49,512	49,512	-
Payments to Office of Information Technology	468,602	-	468,602	468,602	-
Legal Services	172,667	(2,505)	170,162	170,162	-
Indirect Costs - Department of Revenue	913,202	(1,261)	911,941	866,168	45,773
Information Technology	42,600	11,527	54,127	36,760	17,367
State Agency Services	4,897,980	-	4,897,980	4,654,288	243,692
Division Expenditures	16,661,585	37,690	16,699,275	15,354,223	1,345,052
Background Expenditures	263,964	-	263,964	31,017	232,947
TOTAL EXPENDITURES	16,925,549	37,690	16,963,239	15,385,240	1,577,999
EXCESS OF REVENUES OVER EXPENDITURES	$ 102,893,007	$ 37,690	$ 102,855,317	111,812,578	$ 8,957,261

Reconciliation of Budget Revenues and Expenditures to the Statements of Revenues Expenditures, and Changes in Fund Balance

Net increase in the fair value of investments	(994,611)
EXCESS OF REVENUES OVER EXPENDITURES	$ 110,817,967

DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO
SCHEDULE OF THE DIVISION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Fiscal Years

	2017	2016	2015	2014	2013
Division's proportion (percentage) of the collective net pension liability	0.183309939%	0.191842059%	0.191372585%	0.192446020%	0.198318858%
Division's proportionate share of the collective pension liability	36,699,165	35,237,801	20,153,510	18,102,462	17,666,186
Covered payroll	5,264,601	5,465,598	5,319,912	4,965,164	4,904,861
Division's proportionate share of the net pension liability as a percentage of its covered payroll	697.09%	644.72%	378.83%	364.59%	360.18%
Plan fiduciary net position as a percentage of the total pension liability	43.20%	42.60%	56.10%	59.80%	61.10%

* The amounts presented for each fiscal year were determined as of December 31.

Information earlier than 2013 was not available.

DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO
SCHEDULE OF PENSION CONTRIBUTIONS AND RELATED RATIOS
Last 10 Fiscal Years

	2018	2017	2016	2015	2014	2013
Statutorily required contributions	$ 998,250	$ 980,190	$ 947,398	$ 888,726	$ 819,042	$ 738,518
Contributions in relation to the statutorily required contribution	998,250	980,190	947,398	888,726	819,042	738,518
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	5,218,241	5,247,488	5,329,669	5,152,738	4,972,931	4,791,785
Contribution as a percentage of covered payroll	19.13%	18.68%	17.78%	17.25%	16.47%	15.41%

* The amounts presented for each fiscal year were determined as of June 30.

Amounts earlier than 2013 were not available.

DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO
SCHEDULE OF THE DIVISION'S PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Last 10 Fiscal Years

	2017	2016
Division's proportion (percentage) of the collective net OPEB liability	0.010347596%	0.009566987%
Division's proportionate share of the collective OPEB liability	806,020	851,584
Covered payroll	5,264,601	5,465,598
Division's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.31%	15.58%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of December 31.
Information earlier than 2016 was not available.

	2018	2017	2016	2015	2014	2013
Statutorily required contributions	$ 53,226	$ 53,524	$ 54,363	$ 52,558	$ 50,724	$ 48,876
Contributions in relation to the statutorily required contribution	53,226	53,524	54,363	52,558	50,724	48,876
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	5,218,241	5,247,488	5,329,669	5,152,738	4,972,931	4,791,785
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of June 30.
Information earlier than 2013 was not available.