



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE FIRST (1) MONTH ENDED
JULY 31, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
JULY 31, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2009 and 2010 through July 31, 2010 and 2011

AGP Comparison				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 22,434,642	\$ 18,788,221	\$ (3,646,421)	(16.25%)
\$2 - \$5 Million	\$ 17,846,511	\$ 21,548,555	\$ 3,702,044	20.74%
\$5 - \$13+ Million	\$ 29,773,076	\$ 30,941,283	\$ 1,168,207	3.92%
Total	<u>\$ 70,054,229</u>	<u>\$ 71,278,059</u>	<u>\$ 1,223,830</u>	<u>1.75%</u>

Tax Comparison				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 101,087	\$ 96,872	\$ (4,215)	(4.17%)
\$2 - \$5 Million	\$ 296,930	\$ 276,423	\$ (20,507)	(6.91%)
\$5 - \$13+ Million	\$ 1,607,501	\$ 1,709,493	\$ 101,992	6.34%
Total	<u>\$ 2,005,518</u>	<u>\$ 2,082,788</u>	<u>\$ 77,270</u>	<u>3.85%</u>

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	31	28	(3)
\$2 - \$5 Million	6	8	2
\$5 - \$13+ Million	3	3	0
	<u>40</u>	<u>39</u>	<u>(1)</u>

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
JULY 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 8,918,574	\$ 88,456,564	\$ 97,375,138	\$ 7,932,350	\$ 91,635,052	\$ 99,567,402
Accounts Receivable						
Gaming Taxes	0	2,084,800	2,084,800	0	2,006,619	2,006,619
Accounts Receivable Other Agencies	0	2,428	2,428	0	0	0
Fines Receivable	0	51,334	51,334	0	1,116	1,116
Miscellaneous	0	2,373	2,373	0	1,391	1,391
Net Accounts Receivable	0	2,140,935	2,140,935	0	2,009,126	2,009,126
Prepaid Expenses	0	30,405	30,405	0	77,106	77,106
Total Current Assets	8,918,574	90,627,904	99,546,478	7,932,350	93,721,284	101,653,634
TOTAL ASSETS	\$ 8,918,574	\$ 90,627,904	\$ 99,546,478	\$ 7,932,350	\$ 93,721,284	\$ 101,653,634
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 28,878	\$ 28,878	\$ 0	\$ 30,343	\$ 30,343
Due to Other State Agencies	0	47,380,469	47,380,469	0	53,432,970	53,432,970
Due to Other Governments	0	19,010,364	19,010,364	0	19,538,640	19,538,640
Due to the State's General Fund	0	20,400,269	20,400,269	0	16,200,000	16,200,000
Background and Other Deposits	0	134,005	134,005	0	161,012	161,012
Deferred Revenue	0	309,320	309,320	0	227,530	227,530
Total Liabilities	0	87,263,305	87,263,305	0	89,590,495	89,590,495
FUND BALANCE:						
Restricted	0	631,299	631,299	0	598,322	598,322
Committed	0	631,298	631,298	0	598,322	598,322
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	8,918,574	0	8,918,574	7,932,350	0	7,932,350
Nonspendable:						
Prepays	0	15,203	15,203	0	38,553	38,553
Committed to:						
Prepays	0	15,202	15,202	0	38,553	38,553
Total Fund Balance	8,918,574	3,364,599	12,283,173	7,932,350	4,130,789	12,063,139
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,918,574	\$ 90,627,904	\$ 99,546,478	\$ 7,932,350	\$ 93,721,284	\$ 101,653,634

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JULY 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 2,082,788	\$ 2,082,788	\$ 0	\$ 2,005,518	\$ 2,005,518
License and Application Fees	0	46,359	46,359	0	48,556	48,556
Background Investigations	0	20,574	20,574	0	16,691	16,691
Fines	0	50,319	50,319	0	25,630	25,630
Interest Income	1,969	121,647	123,616	1,949	175,336	177,285
Other Revenue	0	25	25	0	119	119
TOTAL REVENUES	<u>1,969</u>	<u>2,321,712</u>	<u>2,323,681</u>	<u>1,949</u>	<u>2,271,850</u>	<u>2,273,799</u>
EXPENDITURES:						
Salaries and Benefits	0	551,417	551,417	0	553,590	553,590
Annual and Sick Leave Payouts	0	874	874	0	1,698	1,698
Professional Services	0	5,608	5,608	0	7,357	7,357
Travel	0	1,224	1,224	0	846	846
Automobiles	0	13,910	13,910	0	12,197	12,197
Printing	0	930	930	0	559	559
Police Supplies	0	194	194	0	244	244
Computer Services & Name Searches	0	10,967	10,967	0	11,001	11,001
Materials, Supplies, and Services	0	23,588	23,588	0	20,265	20,265
Postage	0	664	664	0	187	187
Telephone	0	7,630	7,630	0	8,735	8,735
Utilities	0	1,766	1,766	0	1,754	1,754
Other Operating Expenditures	0	929	929	0	387	387
Leased Space	0	23,292	23,292	0	5,224	5,224
Capital Outlay	0	0	0	0	4,674	4,674
EXPENDITURES - SUBTOTAL	<u>0</u>	<u>642,993</u>	<u>642,993</u>	<u>0</u>	<u>628,718</u>	<u>628,718</u>
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	65,000	65,000	0	65,000	65,000
Fire Safety	0	15,000	15,000	0	14,000	14,000
Colorado State Patrol	0	205,000	205,000	0	202,000	202,000
State Auditors	0	15,500	15,500	0	4,000	4,000
Indirect Costs - Department of Revenue	0	57,533	57,533	0	61,544	61,544
Local Affairs	0	13,175	13,175	0	12,626	12,626
Colorado Department of Law	0	11,066	11,066	0	9,992	9,992
TOTAL STATE AGENCY SERVICES	<u>0</u>	<u>382,274</u>	<u>382,275</u>	<u>0</u>	<u>369,162</u>	<u>369,162</u>
Background Expenditures	0	3,443	3,443	0	220	220
TOTAL EXPENDITURES	<u>0</u>	<u>1,028,710</u>	<u>1,028,710</u>	<u>0</u>	<u>998,100</u>	<u>998,100</u>
Excess of Revenues Over Expenditures	<u>1,969</u>	<u>1,293,002</u>	<u>1,294,971</u>	<u>1,949</u>	<u>1,273,750</u>	<u>1,275,699</u>
FUND BALANCE AT JULY 1, 2011 & 2010	<u>8,916,605</u>	<u>2,071,597</u>	<u>10,988,202</u>	<u>7,930,401</u>	<u>2,857,039</u>	<u>10,787,440</u>
TOTAL FUND BALANCE AT JULY 31, 2011 AND 2010	<u>\$ 8,918,574</u>	<u>\$ 3,364,599</u>	<u>\$ 12,283,173</u>	<u>\$ 7,932,350</u>	<u>\$ 4,130,789</u>	<u>\$ 12,063,139</u>

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED JULY 31, 2011
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 2,082,788	\$ (102,853,187)	1.98%
License and Application Fees	637,848	0	637,848	46,359	(591,489)	7.27%
Background Investigations	253,768	0	253,768	20,574	(233,194)	8.11%
Fines	0	0	0	50,319	50,319	100.00%
Interest Revenue	1,000,584	0	1,000,584	121,647	(878,937)	12.16%
Other Revenue	0	0	0	25	25	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	2,321,712	(104,506,463)	2.17%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	503,975	(6,083,943)	7.65%
Health, Dental and Life Insurance	523,299	0	523,299	45,060	(478,239)	8.61%
Short Term Disability	9,262	0	9,262	778	(8,484)	8.40%
Amortization Equalization Disbursement	167,324	0	167,324	11,176	(156,148)	6.68%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	8,597	(125,863)	6.39%
Operating Expenditures	588,084	0	588,084	24,967	(563,117)	4.25%
Workers Compensation	45,759	0	45,759	3,813	(41,946)	8.33%
Risk Management	10,722	0	10,722	894	(9,829)	8.33%
Licensure Activities	181,497	0	181,497	14,017	(167,480)	7.72%
Leased Space	279,509	0	279,509	23,292	(256,217)	8.33%
Vehicle Lease Payments - Fixed	85,677	0	85,677	6,825	(78,852)	7.97%
Vehicle Lease Payments - Variable	62,155	0	62,155	7,085	(55,070)	11.40%
Utilities	25,465	0	25,465	1,766	(23,699)	6.93%
EDO - MNT	47,881	0	47,881	3,990	(43,891)	8.33%
EDO - Communications	27,100	0	27,100	2,258	(24,842)	8.33%
Legal Services	83,485	0	83,485	11,066	(72,419)	13.26%
Indirect Costs - Department of Revenue	690,400	0	690,400	57,533	(632,867)	8.33%
State Agency Services	3,706,998	0	3,706,998	298,175	(3,408,823)	8.04%
Division Expenditures	13,256,995	0	13,256,995	1,025,267	(12,231,728)	7.73%
Background Expenditures	263,964	0	263,964	3,443	(260,521)	1.30%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	1,028,710	(12,492,249)	7.61%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 1,293,002	\$ (92,014,214)	1.39%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through July 31, 2011 is 8.3%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE TWO (2) MONTHS ENDED
AUGUST 31, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
AUGUST 31, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through August 31, 2010 and 2011

AGP Comparison					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 22,939,544	\$ 19,755,664	\$ (3,183,880)	(13.88%)	
\$2 - \$5 Million	\$ 25,569,651	\$ 37,999,835	\$ 12,430,184	48.61%	
\$5 - \$8 Million	\$ 21,501,308	\$ 11,025,987	\$ (10,475,321)	(48.72%)	
\$8 - \$10 Million	\$ 8,569,622	\$ 8,667,774	\$ 98,152	1.15%	
\$10 - \$13 Million	\$ -	\$ -	\$ -	0.00%	
\$13+ Million	\$ 58,707,336	\$ 58,446,003	\$ (261,333)	(0.45%)	
Total	\$ 137,287,461	\$ 135,895,263	\$ (1,392,198)	(1.01%)	

Tax Comparison					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 137,349	\$ 127,670	\$ (9,679)	(7.05%)	
\$2 - \$5 Million	\$ 671,393	\$ 645,997	\$ (25,396)	(3.78%)	
\$5 - \$8 Million	\$ 1,215,118	\$ 1,113,722	\$ (101,396)	(8.34%)	
\$8 - \$10 Million	\$ 722,658	\$ 696,782	\$ (25,876)	(3.58%)	
\$10 - \$13 Million	\$ 1,440,000	\$ 1,368,000	\$ (72,000)	(5.00%)	
\$13+ Million	\$ 3,941,467	\$ 3,694,741	\$ (246,726)	(6.26%)	
Total	\$ 8,127,985	\$ 7,646,912	\$ (481,073)	(5.92%)	

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	24	23	(1)
\$2 - \$5 Million	8	11	3
\$5 - \$8 Million	4	2	(2)
\$8 - \$10 Million	1	1	0
\$10 - \$13 Million	0	0	0
\$13+ Million	3	3	0

40	40	0
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**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
AUGUST 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 2,893,890	\$ 3,365,804	\$ 6,259,694	\$ 2,587,151	\$ 4,120,711	\$ 6,707,862
Accounts Receivable						
Gaming Taxes	0	5,565,160	5,565,160	0	6,122,467	6,122,467
Accounts Receivable Other Agencies	0	1,000	1,000	0	4,650	4,650
Fines Receivable	0	1,531	1,531	0	26,927	26,927
Miscellaneous	0	2,793	2,793	0	1,979	1,979
Net Accounts Receivable	0	5,570,484	5,570,484	0	6,156,023	6,156,023
Prepaid Expenses	0	85,175	85,175	0	79,443	79,443
Total Current Assets	2,893,890	9,021,463	11,915,353	2,587,151	10,356,177	12,943,328
TOTAL ASSETS	\$ 2,893,890	\$ 9,021,463	\$ 11,915,353	\$ 2,587,151	\$ 10,356,177	\$ 12,943,328
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 2,881,098	\$ 18,439	\$ 2,899,537	\$ 2,569,862	\$ 22,355	\$ 2,592,217
Wages & Salaries Payable	0	12,161	12,161	0	0	0
Due to Other State Agencies	0	418,393	418,393	0	418,866	418,866
Background and Other Deposits	0	173,974	173,974	0	161,182	161,182
Deferred Revenue	0	313,870	313,870	0	221,120	221,120
Total Liabilities	2,881,098	936,837	3,817,935	2,569,862	823,523	3,393,385
FUND BALANCE:						
Restricted	0	2,963,927	2,963,927	0	3,298,086	3,298,086
Committed	0	2,963,927	2,963,927	0	3,298,086	3,298,086
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	12,792	0	12,792	17,289	0	17,289
Nonspendable:						
Prepays	0	42,588	42,588	0	39,722	39,722
Committed to:						
Prepays	0	42,587	42,587	0	39,721	39,721
Total Fund Balance	12,792	8,084,626	8,097,418	17,289	9,532,654	9,549,943
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,893,890	\$ 9,021,463	\$ 11,915,353	\$ 2,587,151	\$ 10,356,177	\$ 12,943,328

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
AUGUST 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 7,647,026	\$ 7,647,026	\$ 0	\$ 8,127,985	\$ 8,127,985
License and Application Fees	0	100,203	100,203	0	106,760	106,760
Background Investigations	0	29,340	29,340	0	29,667	29,667
Fines	0	51,225	51,225	0	51,945	51,945
Interest Income	12,792	212,492	225,284	17,289	324,457	341,746
Other Revenue	0	25	25	0	165	165
TOTAL REVENUES	<u>12,792</u>	<u>8,040,311</u>	<u>8,053,103</u>	<u>17,289</u>	<u>8,640,979</u>	<u>8,658,268</u>
EXPENDITURES:						
Salaries and Benefits	0	1,109,626	1,109,626	0	1,097,746	1,097,746
Annual and Sick Leave Payouts	0	874	874	0	1,698	1,698
Professional Services	0	6,917	6,917	0	9,165	9,165
Travel	0	5,265	5,265	0	1,895	1,895
Automobiles	0	27,915	27,915	0	24,922	24,922
Printing	0	1,335	1,335	0	3,606	3,606
Police Supplies	0	439	439	0	384	384
Computer Services & Name Searches	0	21,200	21,200	0	21,606	21,606
Materials, Supplies, and Services	0	40,417	40,417	0	40,524	40,524
Postage	0	979	979	0	393	393
Telephone	0	15,255	15,255	0	17,419	17,419
Utilities	0	3,467	3,467	0	3,139	3,139
Other Operating Expenditures	0	1,845	1,845	0	1,395	1,395
Leased Space	0	46,585	46,585	0	10,449	10,449
Capital Outlay	0	0	0	0	5,074	5,074
EXPENDITURES - SUBTOTAL	<u>0</u>	<u>1,282,119</u>	<u>1,282,119</u>	<u>0</u>	<u>1,239,415</u>	<u>1,239,415</u>
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	127,794	127,794	0	125,485	125,485
Fire Safety	0	27,803	27,803	0	31,196	31,196
Colorado State Patrol	0	398,248	398,248	0	379,405	379,405
State Auditors	0	15,500	15,500	0	13,706	13,706
Indirect Costs - Department of Revenue	0	115,067	115,067	0	123,088	123,088
Local Affairs	0	26,351	26,351	0	25,253	25,253
Colorado Department of Law	0	29,133	29,133	0	25,835	25,835
TOTAL STATE AGENCY SERVICES	<u>0</u>	<u>739,896</u>	<u>739,896</u>	<u>0</u>	<u>723,968</u>	<u>723,968</u>
Background Expenditures	0	5,267	5,267	0	1,981	1,981
TOTAL EXPENDITURES	<u>0</u>	<u>2,027,282</u>	<u>2,027,282</u>	<u>0</u>	<u>1,965,364</u>	<u>1,965,364</u>
Excess of Revenues Over Expenditures	<u>12,792</u>	<u>6,013,029</u>	<u>6,025,821</u>	<u>17,289</u>	<u>6,675,615</u>	<u>6,692,904</u>
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	<u>8,916,605</u>	<u>2,071,597</u>	<u>10,988,202</u>	<u>7,930,401</u>	<u>2,857,039</u>	<u>10,787,440</u>
TOTAL FUND BALANCE AUGUST 31, 2011 AND 2010	<u>\$ 12,792</u>	<u>\$ 8,084,626</u>	<u>\$ 8,097,418</u>	<u>\$ 17,289</u>	<u>\$ 9,532,654</u>	<u>\$ 9,549,943</u>

**COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED AUGUST 31, 2011
(UNAUDITED)**

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 7,647,026	\$ (97,288,949)	7.29%
License and Application Fees	637,848	0	637,848	100,203	(537,645)	15.71%
Background Investigations	253,768	0	253,768	29,340	(224,428)	11.56%
Fines	0	0	0	51,225	51,225	100.00%
Interest Revenue	1,000,584	0	1,000,584	212,492	(788,092)	21.24%
Other Revenue	0	0	0	25	25	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	8,040,311	(98,787,864)	7.53%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	994,439	(5,593,479)	15.09%
Health, Dental and Life Insurance	523,299	0	523,299	90,020	(433,279)	17.20%
Short Term Disability	9,262	0	9,262	1,555	(7,707)	16.79%
Amortization Equalization Disbursement	167,324	0	167,324	22,199	(145,125)	13.27%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	17,077	(117,383)	12.70%
Operating Expenditures	588,084	0	588,084	49,282	(538,802)	8.38%
Workers Compensation	45,759	0	45,759	7,627	(38,133)	16.67%
Risk Management	10,722	0	10,722	1,787	(8,935)	16.67%
Licensure Activities	181,497	0	181,497	23,169	(158,328)	12.77%
Leased Space	279,509	0	279,509	46,585	(232,924)	16.67%
Vehicle Lease Payments - Fixed	85,677	0	85,677	13,650	(72,027)	15.93%
Vehicle Lease Payments - Variable	62,155	0	62,155	14,265	(47,890)	22.95%
Utilities	25,465	0	25,465	3,467	(21,998)	13.61%
EDO - MNT	47,881	0	47,881	7,980	(39,901)	16.67%
EDO - Communications	27,100	0	27,100	4,517	(22,583)	16.67%
Legal Services	83,485	0	83,485	29,133	(54,352)	34.90%
Indirect Costs - Department of Revenue	690,400	0	690,400	115,067	(575,333)	16.67%
State Agency Services	3,706,998	0	3,706,998	580,196	(3,126,802)	15.65%
Division Expenditures	13,256,995	0	13,256,995	2,022,015	(11,234,981)	15.25%
Background Expenditures	263,964	0	263,964	5,267	(258,697)	2.00%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	2,027,282	(11,493,678)	14.99%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 6,013,029	\$ (87,294,186)	6.44%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through August 31, 2011 is 16.7%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE THREE (3) MONTHS ENDED
SEPTEMBER 30, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
SEPTEMBER 30, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through September 30, 2010 and 2011

AGP Comparison					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 16,491,098	\$ 18,666,992	\$ 2,175,894	13.19%	
\$2 - \$5 Million	\$ 37,785,532	\$ 29,713,317	\$ (8,072,215)	(21.36%)	
\$5 - \$8 Million	\$ 32,037,682	\$ 43,753,342	\$ 11,715,660	36.57%	
\$8 - \$10 Million	\$ 16,110,924	\$ 8,778,423	\$ (7,332,501)	(45.51%)	
\$10 - \$13 Million	\$ 12,804,714	\$ -	\$ (12,804,714)	(100.00%)	
\$13+ Million	\$ 87,676,048	\$ 99,965,443	\$ 12,289,395	14.02%	
Total	\$ 202,905,998	\$ 200,877,517	\$ (2,028,481)	(1.00%)	

Tax Comparison					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 156,228	\$ 144,084	\$ (12,144)	(7.77%)	
\$2 - \$5 Million	\$ 935,711	\$ 906,553	\$ (29,158)	(3.12%)	
\$5 - \$8 Million	\$ 2,253,391	\$ 2,030,911	\$ (222,480)	(9.87%)	
\$8 - \$10 Million	\$ 892,202	\$ 917,345	\$ 25,143	2.82%	
\$10 - \$13 Million	\$ 1,888,754	\$ 1,824,000	\$ (64,754)	(3.43%)	
\$13+ Million	\$ 9,735,209	\$ 9,113,434	\$ (621,775)	(6.39%)	
Total	\$ 15,861,495	\$ 14,936,327	\$ (925,168)	(5.83%)	

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	17	19	2
\$2 - \$5 Million	12	9	(3)
\$5 - \$8 Million	5	7	2
\$8 - \$10 Million	2	1	(1)
\$10 - \$13 Million	1	0	(1)
\$13+ Million	3	4	1

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,328	\$ 7,710,391	\$ 7,724,719	\$ 19,020	\$ 9,327,922	\$ 9,346,942
Accounts Receivable						
Gaming Taxes	0	7,290,385	7,290,385	0	7,733,510	7,733,510
Accounts Receivable Other Agencies	0	2,000	2,000	0	841	841
Fines Receivable	0	2,091	2,091	0	1,298	1,298
Miscellaneous	0	1,459	1,459	0	18,654	18,654
Net Accounts Receivable	0	7,295,935	7,295,935	0	7,754,303	7,754,303
Prepaid Expenses	0	62,065	62,065	0	55,043	55,043
Total Current Assets	14,328	15,068,391	15,082,719	19,020	17,137,268	17,156,288
TOTAL ASSETS	\$ 14,328	\$ 15,068,391	\$ 15,082,719	\$ 19,020	\$ 17,137,268	\$ 17,156,288
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 22,054	\$ 22,054	\$ 0	\$ 90,834	\$ 90,834
Wages & Salaries Payable	0	1,347	1,347	0	4,628	4,628
Due to Other State Agencies	0	302,760	302,760	0	393,016	393,016
Background and Other Deposits	0	172,705	172,705	0	184,740	184,740
Deferred Revenue	0	295,840	295,840	0	247,190	247,190
Total Liabilities	0	794,706	794,706	0	920,408	920,408
FUND BALANCE:						
Restricted	0	6,070,012	6,070,012	0	6,652,389	6,652,389
Committed	0	6,070,011	6,070,011	0	6,652,389	6,652,389
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,328	0	14,328	19,020	0	19,020
Nonspendable:						
Prepays	0	31,033	31,033	0	27,522	27,522
Committed to:						
Prepays	0	31,032	31,032	0	27,521	27,521
Total Fund Balance	14,328	14,273,685	14,288,013	19,020	16,216,860	16,235,880
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,328	\$ 15,068,391	\$ 15,082,719	\$ 19,020	\$ 17,137,268	\$ 17,156,288

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 14,936,478	\$ 14,936,478	\$ 0	\$ 15,861,518	\$ 15,861,518
License and Application Fees	0	165,196	165,196	0	158,149	158,149
Background Investigations	0	48,706	48,706	0	43,311	43,311
Fines	0	53,850	53,850	0	55,579	55,579
Interest Income	14,328	218,818	233,146	19,020	336,174	355,194
Other Revenue	0	39	39	0	230	230
TOTAL REVENUES	14,328	15,423,087	15,437,415	19,020	16,454,961	16,473,981
EXPENDITURES:						
Salaries and Benefits	0	1,625,079	1,625,079	0	1,633,681	1,633,681
Annual and Sick Leave Payouts	0	14,932	14,932	0	2,317	2,317
Professional Services	0	8,325	8,325	0	21,893	21,893
Travel	0	10,748	10,748	0	4,046	4,046
Automobiles	0	42,581	42,581	0	37,794	37,794
Printing	0	1,982	1,982	0	5,203	5,203
Police Supplies	0	605	605	0	327	327
Computer Services & Name Searches	0	31,350	31,350	0	29,828	29,828
Materials, Supplies, and Services	0	64,529	64,529	0	219,070	219,070
Postage	0	1,236	1,236	0	656	656
Telephone	0	22,893	22,893	0	26,115	26,115
Utilities	0	5,035	5,035	0	4,450	4,450
Other Operating Expenditures	0	2,757	2,757	0	4,875	4,875
Leased Space	0	69,877	69,877	0	15,672	15,672
Capital Outlay	0	0	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	1,901,929	1,901,929	0	2,021,572	2,021,572
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	192,979	192,979	0	188,807	188,807
Fire Safety	0	53,735	53,735	0	48,302	48,302
Colorado State Patrol	0	789,823	789,823	0	558,756	558,756
State Auditors	0	15,500	15,500	0	14,725	14,725
Indirect Costs - Department of Revenue	0	172,551	172,551	0	180,919	180,919
Local Affairs	0	39,526	39,526	0	37,879	37,879
Colorado Department of Law	0	46,389	46,389	0	36,957	36,957
TOTAL STATE AGENCY SERVICES	0	1,310,503	1,310,503	0	1,066,345	1,066,345
Background Expenditures	0	8,567	8,567	0	7,223	7,223
TOTAL EXPENDITURES	0	3,220,999	3,220,999	0	3,095,140	3,095,140
Excess of Revenues Over Expenditures	14,328	12,202,088	12,216,416	19,020	13,359,821	13,378,841
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. SEPTEMBER 30, 2011 AND 2010	\$ 14,328	\$ 14,273,685	\$ 14,288,013	\$ 19,020	\$ 16,216,860	\$ 16,235,880

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED SEPTEMBER 30, 2011
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 14,936,478	\$ (89,999,497)	14.23%
License and Application Fees	637,848	0	637,848	165,196	(472,652)	25.90%
Background Investigations	253,768	0	253,768	48,706	(205,062)	19.19%
Fines	0	0	0	53,850	53,850	100.00%
Interest Revenue	1,000,584	0	1,000,584	218,818	(781,766)	21.87%
Other Revenue	0	0	0	39	39	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	15,423,087	(91,405,088)	14.44%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	1,459,052	(5,128,866)	22.15%
Health, Dental and Life Insurance	523,299	0	523,299	132,459	(390,840)	25.31%
Short Term Disability	9,262	0	9,262	2,295	(6,967)	24.78%
Amortization Equalization Disbursement	167,324	0	167,324	33,116	(134,208)	19.79%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	25,474	(108,986)	18.95%
Operating Expenditures	588,084	0	588,084	82,692	(505,392)	14.06%
Workers Compensation	45,759	0	45,759	11,440	(34,319)	25.00%
Risk Management	10,722	0	10,722	2,681	(8,042)	25.00%
Licensure Activities	181,497	0	181,497	31,982	(149,515)	17.62%
Leased Space	279,509	0	279,509	69,877	(209,632)	25.00%
Vehicle Lease Payments - Fixed	85,677	0	85,677	20,474	(65,203)	23.90%
Vehicle Lease Payments - Variable	62,155	0	62,155	22,107	(40,048)	35.57%
Utilities	25,465	0	25,465	5,035	(20,430)	19.77%
EDO - MNT	47,881	0	47,881	11,970	(35,911)	25.00%
EDO - Communications	27,100	0	27,100	6,775	(20,325)	25.00%
Legal Services	83,485	0	83,485	46,389	(37,096)	55.57%
Indirect Costs - Department of Revenue	690,400	0	690,400	172,551	(517,849)	24.99%
State Agency Services	3,706,998	0	3,706,998	1,076,063	(2,630,935)	29.03%
Division Expenditures	13,256,995	0	13,256,995	3,212,432	(10,044,563)	24.23%
Background Expenditures	263,964	0	263,964	8,567	(255,397)	3.25%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	3,220,999	(10,299,960)	23.82%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 12,202,088	\$ (81,105,128)	13.08%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through September 30, 2011 is 25.0%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE FOUR (4) MONTHS ENDED
OCTOBER 31, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
OCTOBER 31, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through October 31, 2010 and 2011

AGP Comparison					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 16,721,211	\$ 19,554,906	\$ 2,833,695	16.95%	
\$2 - \$5 Million	\$ 31,784,495	\$ 26,267,439	\$ (5,517,056)	(17.36%)	
\$5 - \$8 Million	\$ 43,788,909	\$ 46,834,988	\$ 3,046,079	6.96%	
\$8 - \$10 Million	\$ -	\$ 17,481,104	\$ 17,481,104	100.00%	
\$10 - \$13 Million	\$ 42,077,000	\$ 21,567,357	\$ (20,509,643)	(48.74%)	
\$13+ Million	\$ 133,285,396	\$ 131,530,044	\$ (1,755,352)	(1.32%)	
Total	\$ 267,657,011	\$ 263,235,838	\$ (4,421,173)	(1.65%)	

Tax Comparison					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 166,803	\$ 155,693	\$ (11,110)	(6.66%)	
\$2 - \$5 Million	\$ 1,135,690	\$ 1,050,081	\$ (85,609)	(7.54%)	
\$5 - \$8 Million	\$ 2,951,002	\$ 3,063,892	\$ 112,890	3.83%	
\$8 - \$10 Million	\$ 1,760,000	\$ 1,408,776	\$ (351,224)	(19.96%)	
\$10 - \$13 Million	\$ 2,252,320	\$ 2,062,238	\$ (190,082)	(8.44%)	
\$13+ Million	\$ 16,257,079	\$ 15,110,708	\$ (1,146,371)	(7.05%)	
Total	\$ 24,522,894	\$ 22,851,388	\$ (1,671,506)	(6.82%)	

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	15	17	2
\$2 - \$5 Million	10	8	(2)
\$5 - \$8 Million	7	7	0
\$8 - \$10 Million	0	2	2
\$10 - \$13 Million	4	2	(2)
\$13+ Million	4	4	0

40	40	0
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**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
OCTOBER 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,345	\$ 13,681,212	\$ 13,695,557	\$ 19,055	\$ 16,110,535	\$ 16,129,590
Accounts Receivable						
Gaming Taxes	0	7,915,060	7,915,060	0	8,661,399	8,661,399
Accounts Receivable Other Agencies	0	1,000	1,000	0	79	79
Fines Receivable	0	3,091	3,091	0	1,031	1,031
Miscellaneous	0	3,809	3,809	0	1,363	1,363
Net Accounts Receivable	0	7,922,960	7,922,960	0	8,663,872	8,663,872
Prepaid Expenses	0	52,329	52,329	0	71,704	71,704
Total Current Assets	14,345	21,656,501	21,670,846	19,055	24,846,111	24,865,166
TOTAL ASSETS	\$ 14,345	\$ 21,656,501	\$ 21,670,846	\$ 19,055	\$ 24,846,111	\$ 24,865,166
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 25,755	\$ 25,755	\$ 0	\$ 37,803	\$ 37,803
Wages & Salaries Payable	0	1,364	1,364	0	1,109	1,109
Due to Other State Agencies	0	304,244	304,244	0	393,898	393,898
Background and Other Deposits	0	157,424	157,424	0	124,021	124,021
Deferred Revenue	0	288,560	288,560	0	250,110	250,110
Total Liabilities	0	777,347	777,347	0	806,941	806,941
FUND BALANCE:						
Restricted	0	9,377,614	9,377,614	0	10,555,214	10,555,214
Committed	0	9,377,614	9,377,614	0	10,555,213	10,555,213
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,345	0	14,345	19,055	0	19,055
Nonspendable:						
Prepays	0	26,165	26,165	0	35,852	35,852
Committed to:						
Prepays	0	26,164	26,164	0	35,852	35,852
Total Fund Balance	14,345	20,879,154	20,893,499	19,055	24,039,170	24,058,225
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,345	\$ 21,656,501	\$ 21,670,846	\$ 19,055	\$ 24,846,111	\$ 24,865,166

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OCTOBER 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 22,851,539	\$ 22,851,539	\$ 0	\$ 24,532,208	\$ 24,532,208
License and Application Fees	0	200,936	200,936	0	201,714	201,714
Background Investigations	0	70,533	70,533	0	101,560	101,560
Fines	0	56,215	56,215	0	62,018	62,018
Interest Income	14,345	230,675	245,020	19,055	359,592	378,647
Other Revenue	0	57	57	0	246	246
TOTAL REVENUES	14,345	23,409,955	23,424,300	19,055	25,257,338	25,276,393
EXPENDITURES:						
Salaries and Benefits	0	2,152,244	2,152,244	0	2,186,272	2,186,272
Annual and Sick Leave Payouts	0	14,932	14,932	0	2,317	2,317
Professional Services	0	9,733	9,733	0	23,602	23,602
Travel	0	19,020	19,020	0	6,261	6,261
Automobiles	0	55,847	55,847	0	50,381	50,381
Printing	0	5,668	5,668	0	5,806	5,806
Police Supplies	0	849	849	0	2,077	2,077
Computer Services & Name Searches	0	39,797	39,797	0	36,775	36,775
Materials, Supplies, and Services	0	84,416	84,416	0	239,067	239,067
Postage	0	1,393	1,393	0	818	818
Telephone	0	30,513	30,513	0	35,610	35,610
Utilities	0	6,682	6,682	0	6,023	6,023
Other Operating Expenditures	0	3,774	3,774	0	5,752	5,752
Leased Space	0	93,170	93,170	0	28,678	28,678
Capital Outlay	0	0	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	2,518,038	2,518,038	0	2,645,084	2,645,084
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	249,323	249,323	0	252,537	252,537
Fire Safety	0	92,644	92,644	0	65,003	65,003
Colorado State Patrol	0	1,375,207	1,375,207	0	729,985	729,985
State Auditors	0	17,400	17,400	0	14,950	14,950
Indirect Costs - Department of Revenue	0	228,692	228,692	0	241,226	241,226
Local Affairs	0	52,701	52,701	0	50,505	50,505
Colorado Department of Law	0	55,696	55,696	0	50,099	50,099
TOTAL STATE AGENCY SERVICES	0	2,071,663	2,071,663	0	1,404,305	1,404,305
Background Expenditures	0	12,697	12,697	0	25,818	25,818
TOTAL EXPENDITURES	0	4,602,398	4,602,398	0	4,075,207	4,075,207
Excess of Revenues Over Expenditures	14,345	18,807,557	18,821,902	19,055	21,182,131	21,201,186
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. OCTOBER 31, 2011 AND 2010	\$ 14,345	\$ 20,879,154	\$ 20,893,499	\$ 19,055	\$ 24,039,170	\$ 24,058,225

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED OCTOBER 31, 2011
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 22,851,539	\$ (82,084,436)	21.78%
License and Application Fees	637,848	0	637,848	200,936	(436,912)	31.50%
Background Investigations	253,768	0	253,768	70,533	(183,235)	27.79%
Fines	0	0	0	56,215	56,215	100.00%
Interest Revenue	1,000,584	0	1,000,584	230,675	(769,909)	23.05%
Other Revenue	0	0	0	57	57	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	23,409,955	(83,418,220)	21.91%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	1,923,238	(4,664,680)	29.19%
Health, Dental and Life Insurance	523,299	0	523,299	175,348	(347,951)	33.51%
Short Term Disability	9,262	0	9,262	3,036	(6,226)	32.78%
Amortization Equalization Disbursement	167,324	0	167,324	43,767	(123,557)	26.16%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	33,667	(100,793)	25.04%
Operating Expenditures	588,084	0	588,084	118,390	(469,694)	20.13%
Workers Compensation	45,759	0	45,759	15,253	(30,506)	33.33%
Risk Management	10,722	0	10,722	3,574	(7,148)	33.33%
Licensure Activities	181,497	0	181,497	38,473	(143,024)	21.20%
Leased Space	279,509	0	279,509	93,170	(186,339)	33.33%
Vehicle Lease Payments - Fixed	85,677	0	85,677	27,299	(58,378)	31.86%
Vehicle Lease Payments - Variable	62,155	0	62,155	28,548	(33,607)	45.93%
Utilities	25,465	0	25,465	6,682	(18,783)	26.24%
EDO - MNT	47,881	0	47,881	15,960	(31,921)	33.33%
EDO - Communications	27,100	0	27,100	9,033	(18,067)	33.33%
Legal Services	83,485	0	83,485	55,696	(27,789)	66.71%
Indirect Costs - Department of Revenue	690,400	0	690,400	228,692	(461,708)	33.12%
State Agency Services	3,706,998	0	3,706,998	1,769,875	(1,937,123)	47.74%
Division Expenditures	13,256,995	0	13,256,995	4,589,701	(8,667,294)	34.62%
Background Expenditures	263,964	0	263,964	12,697	(251,267)	4.81%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	4,602,398	(8,918,561)	34.04%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 18,807,557	\$ (74,499,659)	20.16%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through October 31, 2011 is 33.3%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE FIVE (5) MONTHS ENDED
NOVEMBER 30, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
NOVEMBER 30, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through November 30, 2010 and 2011

AGP Comparison					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 15,670,754	\$ 14,698,598	\$ (972,156)	(6.20%)	
\$2 - \$5 Million	\$ 36,542,873	\$ 35,038,105	\$ (1,504,768)	(4.12%)	
\$5 - \$8 Million	\$ 24,953,975	\$ 27,102,024	\$ 2,148,049	8.61%	
\$8 - \$10 Million	\$ 33,995,731	\$ 35,399,770	\$ 1,404,039	4.13%	
\$10 - \$13 Million	\$ 50,545,223	\$ 33,400,410	\$ (17,144,813)	(33.92%)	
\$13+ Million	\$ 162,980,655	\$ 176,170,430	\$ 13,189,775	8.09%	
Total	\$ 324,689,211	\$ 321,809,337	\$ (2,879,874)	(0.89%)	

Tax Comparison					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 174,177	\$ 163,159	\$ (11,018)	(6.33%)	
\$2 - \$5 Million	\$ 1,250,857	\$ 1,159,724	\$ (91,133)	(7.29%)	
\$5 - \$8 Million	\$ 3,685,858	\$ 3,685,223	\$ (635)	(0.02%)	
\$8 - \$10 Million	\$ 1,979,530	\$ 2,027,276	\$ 47,746	2.41%	
\$10 - \$13 Million	\$ 3,607,236	\$ 2,796,862	\$ (810,374)	(22.47%)	
\$13+ Million	\$ 22,196,131	\$ 21,122,382	\$ (1,073,749)	(4.84%)	
Total	\$ 32,893,789	\$ 30,954,626	\$ (1,939,163)	(5.90%)	

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	12	13	1
\$2 - \$5 Million	10	11	1
\$5 - \$8 Million	4	4	0
\$8 - \$10 Million	4	4	0
\$10 - \$13 Million	4	3	(1)
\$13+ Million	4	5	1

38	40	2
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**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
NOVEMBER 30, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,362	\$ 21,464,182	\$ 21,478,544	\$ 19,090	\$ 23,969,680	\$ 23,988,770
Accounts Receivable						
Gaming Taxes	0	8,103,239	8,103,239	0	8,370,895	8,370,895
Accounts Receivable Other Agencies	0	0	0	0	3,063	3,063
Fines Receivable	0	1,451	1,451	0	1,031	1,031
Miscellaneous	0	4,796	4,796	0	2,307	2,307
Net Accounts Receivable	0	8,109,486	8,109,486	0	8,377,296	8,377,296
 Prepaid Expenses	 0	 55,620	 55,620	 0	 47,802	 47,802
Total Current Assets	 14,362	 29,629,288	 29,643,650	 19,090	 32,394,778	 32,413,868
TOTAL ASSETS	\$ 14,362	\$ 29,629,288	\$ 29,643,650	\$ 19,090	\$ 32,394,778	\$ 32,413,868
 LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 24,891	\$ 24,891	\$ 0	\$ 12,464	\$ 12,464
Wages & Salaries Payable	0	2,054	2,054	0	14,023	14,023
Due to Other State Agencies	0	292,913	292,913	0	398,965	398,965
Background and Other Deposits	0	227,786	227,786	0	129,599	129,599
Deferred Revenue	0	283,100	283,100	0	261,870	261,870
Total Liabilities	0	830,744	830,744	0	816,921	816,921
 FUND BALANCE:						
Restricted	0	13,335,664	13,335,664	0	14,336,508	14,336,508
Committed	0	13,335,663	13,335,663	0	14,336,508	14,336,508
 Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,362	0	14,362	19,090	0	19,090
 Nonspendable:						
Prepays	0	27,810	27,810	0	23,901	23,901
 Committed to:						
Prepays	0	27,810	27,810	0	23,901	23,901
Total Fund Balance	14,362	28,798,544	28,812,906	19,090	31,577,857	31,596,947
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,362	\$ 29,629,288	\$ 29,643,650	\$ 19,090	\$ 32,394,778	\$ 32,413,868

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NOVEMBER 30, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 30,954,777	\$ 30,954,777	\$ 0	\$ 32,903,168	\$ 32,903,168
License and Application Fees	0	269,547	269,547	0	265,655	265,655
Background Investigations	0	78,699	78,699	0	110,297	110,297
Fines	0	130,755	130,755	0	62,207	62,207
Interest Income	14,362	249,715	264,077	19,090	395,273	414,363
Other Revenue	0	80	80	0	275	275
TOTAL REVENUES	14,362	31,683,573	31,697,935	19,090	33,736,875	33,755,965
EXPENDITURES:						
Salaries and Benefits	0	2,681,747	2,681,747	0	2,742,507	2,742,507
Annual and Sick Leave Payouts	0	14,932	14,932	0	2,317	2,317
Professional Services	0	11,142	11,142	0	25,310	25,310
Travel	0	20,873	20,873	0	7,078	7,078
Automobiles	0	69,779	69,779	0	63,146	63,146
Printing	0	5,734	5,734	0	7,029	7,029
Police Supplies	0	1,180	1,180	0	2,157	2,157
Computer Services & Name Searches	0	47,213	47,213	0	45,802	45,802
Materials, Supplies, and Services	0	105,516	105,516	0	261,050	261,050
Postage	0	1,695	1,695	0	1,016	1,016
Telephone	0	38,478	38,478	0	49,546	49,546
Utilities	0	8,482	8,482	0	7,405	7,405
Other Operating Expenditures	0	4,814	4,814	0	6,151	6,151
Leased Space	0	116,462	116,462	0	46,622	46,622
Capital Outlay	0	0	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	3,128,047	3,128,047	0	3,282,781	3,282,781
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	331,963	331,963	0	296,776	296,776
Fire Safety	0	66,690	66,690	0	64,015	64,015
Colorado State Patrol	0	979,105	979,105	0	898,832	898,832
State Auditors	0	18,400	18,400	0	19,925	19,925
Indirect Costs - Department of Revenue	0	285,899	285,899	0	302,676	302,676
Local Affairs	0	65,876	65,876	0	63,132	63,132
Regulatory Agencies	0	750	750	0	0	0
Colorado Department of Law	0	66,748	66,748	0	61,958	61,958
TOTAL STATE AGENCY SERVICES	0	1,815,431	1,815,431	0	1,707,314	1,707,314
Background Expenditures	0	13,148	13,148	0	25,962	25,962
TOTAL EXPENDITURES	0	4,956,626	4,956,626	0	5,016,057	5,016,057
Excess of Revenues Over Expenditures	14,362	26,726,947	26,741,309	19,090	28,720,818	28,739,908
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. NOVEMBER 30, 2011 AND 2010	\$ 14,362	\$ 28,798,544	\$ 28,812,906	\$ 19,090	\$ 31,577,857	\$ 31,596,947

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED NOVEMBER 30, 2011
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 30,954,777	\$ (73,981,198)	29.50%
License and Application Fees	637,848	0	637,848	269,547	(368,301)	42.26%
Background Investigations	253,768	0	253,768	78,699	(175,069)	31.01%
Fines	0	0	0	130,755	130,755	100.00%
Interest Revenue	1,000,584	0	1,000,584	249,715	(750,869)	24.96%
Other Revenue	0	0	0	80	80	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	31,683,573	(75,144,602)	29.66%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	2,388,829	(4,199,089)	36.26%
Health, Dental and Life Insurance	523,299	0	523,299	218,242	(305,057)	41.71%
Short Term Disability	9,262	0	9,262	3,762	(5,500)	40.62%
Amortization Equalization Disbursement	167,324	0	167,324	54,443	(112,881)	32.54%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	41,879	(92,581)	31.15%
Operating Expenditures	588,084	0	588,084	145,820	(442,264)	24.80%
Workers Compensation	45,759	0	45,759	19,066	(26,693)	41.67%
Risk Management	10,722	0	10,722	4,468	(6,255)	41.67%
Licensure Activities	181,497	0	181,497	43,973	(137,524)	24.23%
Leased Space	279,509	0	279,509	116,462	(163,047)	41.67%
Vehicle Lease Payments - Fixed	85,677	0	85,677	34,124	(51,553)	39.83%
Vehicle Lease Payments - Variable	62,155	0	62,155	35,655	(26,500)	57.37%
Utilities	25,465	0	25,465	8,482	(16,983)	33.31%
EDO - MNT	47,881	0	47,881	19,950	(27,931)	41.67%
EDO - Communications	27,100	0	27,100	11,292	(15,808)	41.67%
Legal Services	83,485	0	83,485	66,748	(16,737)	79.95%
Indirect Costs - Department of Revenue	690,400	0	690,400	285,899	(404,501)	41.41%
State Agency Services	3,706,998	0	3,706,998	1,444,384	(2,262,614)	38.96%
Division Expenditures	13,256,995	0	13,256,995	4,943,478	(8,313,517)	37.29%
Background Expenditures	263,964	0	263,964	13,148	(250,816)	4.98%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	4,956,626	(8,564,333)	36.66%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 26,726,947	\$ (66,580,269)	28.64%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through November 30, 2011 is 41.7%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE SIX (6) MONTHS ENDED
DECEMBER 31, 2011**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
DECEMBER 31, 2011 AND 2010**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through December 31, 2010 and 2011

AGP Comparison					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 13,739,523	\$ 12,639,192	\$ (1,100,331)	(8.01%)	
\$2 - \$5 Million	\$ 41,281,824	\$ 39,135,371	\$ (2,146,453)	(5.20%)	
\$5 - \$8 Million	\$ 34,390,615	\$ 20,614,687	\$ (13,775,928)	(40.06%)	
\$8 - \$10 Million	\$ 29,056,916	\$ 26,667,604	\$ (2,389,312)	(8.22%)	
\$10 - \$13 Million	\$ 11,101,041	\$ 43,272,443	\$ 32,171,402	289.81%	
\$13+ Million	\$ 252,699,473	\$ 235,902,718	\$ (16,796,755)	(6.65%)	
Total	\$ 382,269,392	\$ 378,232,015	\$ (4,037,377)	(1.06%)	

Tax Comparison					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 179,349	\$ 167,768	\$ (11,581)	(6.46%)	
\$2 - \$5 Million	\$ 1,365,637	\$ 1,256,572	\$ (109,065)	(7.99%)	
\$5 - \$8 Million	\$ 4,085,155	\$ 4,071,056	\$ (14,099)	(0.35%)	
\$8 - \$10 Million	\$ 2,536,261	\$ 2,577,765	\$ 41,504	1.64%	
\$10 - \$13 Million	\$ 4,016,166	\$ 3,689,411	\$ (326,755)	(8.14%)	
\$13+ Million	\$ 29,739,895	\$ 27,531,516	\$ (2,208,379)	(7.43%)	
Total	\$ 41,922,463	\$ 39,294,088	\$ (2,628,375)	(6.27%)	

AGP Summary			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	9	11	2
\$2 - \$5 Million	11	12	1
\$5 - \$8 Million	5	3	(2)
\$8 - \$10 Million	3	3	0
\$10 - \$13 Million	1	4	3
\$13+ Million	8	7	(1)

37	40	3
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**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
DECEMBER 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,379	\$ 28,642,821	\$ 28,657,200	\$ 19,123	\$ 31,389,536	\$ 31,408,659
Accounts Receivable						
Gaming Taxes	0	8,339,462	8,339,462	0	9,028,673	9,028,673
Accounts Receivable Other Agencies	0	2,000	2,000	0	0	0
Fines Receivable	0	1,776	1,776	0	1,283	1,283
Miscellaneous	0	6,902	6,902	0	1,040	1,040
Net Accounts Receivable	0	8,350,140	8,350,140	0	9,030,996	9,030,996
Prepaid Expenses	0	64,102	64,102	0	57,060	57,060
Total Current Assets	14,379	37,057,063	37,071,442	19,123	40,477,592	40,496,715
TOTAL ASSETS	\$ 14,379	\$ 37,057,063	\$ 37,071,442	\$ 19,123	\$ 40,477,592	\$ 40,496,715
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 21,351	\$ 21,351	\$ 0	\$ 11,670	\$ 11,670
Due to Other State Agencies	0	287,475	287,475	0	304,587	304,587
Background and Other Deposits	0	234,078	234,078	0	136,574	136,574
Deferred Revenue	0	281,120	281,120	0	258,290	258,290
Total Liabilities	0	824,024	824,024	0	711,121	711,121
FUND BALANCE:						
Restricted	0	17,048,670	17,048,670	0	18,426,186	18,426,186
Committed	0	17,048,670	17,048,670	0	18,426,186	18,426,186
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,379	0	14,379	19,123	0	19,123
Nonspendable:						
Prepays	0	32,051	32,051	0	28,530	28,530
Committed to:						
Prepays	0	32,051	32,051	0	28,530	28,530
Total Fund Balance	14,379	36,233,039	36,247,418	19,123	39,766,471	39,785,594
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,379	\$ 37,057,063	\$ 37,071,442	\$ 19,123	\$ 40,477,592	\$ 40,496,715

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
DECEMBER 31, 2011 AND 2010
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 39,258,978	\$ 39,258,978	\$ 0	\$ 41,933,543	\$ 41,933,543
License and Application Fees	0	310,107	310,107	0	309,531	309,531
Background Investigations	0	84,085	84,085	0	124,793	124,793
Fines	0	131,470	131,470	0	63,278	63,278
Interest Income	14,379	278,825	293,204	19,123	441,445	460,568
Other Revenue	0	80	80	0	277	277
TOTAL REVENUES	14,379	40,063,545	40,077,924	19,123	42,872,867	42,891,990
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,379	40,063,545	40,077,924	19,123	42,881,325	42,900,448
EXPENDITURES:						
Salaries and Benefits	0	3,209,619	3,209,619	0	3,304,034	3,304,034
Annual and Sick Leave Payouts	0	18,033	18,033	0	2,317	2,317
Professional Services	0	12,450	12,450	0	26,818	26,818
Travel	0	24,254	24,254	0	9,785	9,785
Automobiles	0	83,228	83,228	0	75,232	75,232
Printing	0	5,839	5,839	0	7,436	7,436
Police Supplies	0	1,215	1,215	0	2,871	2,871
Computer Services & Name Searches	0	55,227	55,227	0	53,178	53,178
Materials, Supplies, and Services	0	115,388	115,388	0	288,894	288,894
Postage	0	1,841	1,841	0	1,637	1,637
Telephone	0	46,088	46,088	0	58,816	58,816
Utilities	0	10,530	10,530	0	9,105	9,105
Other Operating Expenditures	0	5,814	5,814	0	6,537	6,537
Leased Space	0	139,755	139,755	0	69,467	69,467
Capital Outlay	0	0	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	3,729,281	3,729,281	0	3,931,772	3,931,772
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	393,382	393,382	0	340,733	340,733
Fire Safety	0	76,319	76,319	0	76,509	76,509
Colorado State Patrol	0	1,171,585	1,171,585	0	1,066,571	1,066,571
State Auditors	0	17,050	17,050	0	19,925	19,925
Indirect Costs - Department of Revenue	0	342,752	342,752	0	363,167	363,167
Local Affairs	0	79,052	79,052	0	75,758	75,758
Regulatory Agencies	0	1,500	1,500	0	0	0
Colorado Department of Law	0	76,083	76,083	0	71,047	71,047
TOTAL STATE AGENCY SERVICES	0	2,157,723	2,157,723	0	2,013,710	2,013,710
Background Expenditures	0	15,099	15,099	0	26,411	26,411
TOTAL EXPENDITURES	0	5,902,103	5,902,103	0	5,971,893	5,971,893
Excess of Revenues Over Expenditures	14,379	34,161,442	34,175,821	19,123	36,909,432	36,928,555
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. DECEMBER 31, 2011 AND 2010	\$ 14,379	\$ 36,233,039	\$ 36,247,418	\$ 19,123	\$ 39,766,471	\$ 39,785,594

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED DECEMBER 31, 2011
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 39,258,978	\$ (65,676,997)	37.41%
License and Application Fees	637,848	0	637,848	310,107	(327,741)	48.62%
Background Investigations	253,768	0	253,768	84,085	(169,683)	33.13%
Fines	0	0	0	131,470	131,470	100.00%
Interest Revenue	1,000,584	0	1,000,584	278,825	(721,759)	27.87%
Other Revenue	0	0	0	80	80	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	40,063,545	(66,764,630)	37.50%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	2,853,304	(3,734,614)	43.31%
Health, Dental and Life Insurance	523,299	0	523,299	261,136	(262,164)	49.90%
Short Term Disability	9,262	0	9,262	4,527	(4,735)	48.88%
Amortization Equalization Disbursement	167,324	0	167,324	65,172	(102,152)	38.95%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	50,133	(84,327)	37.28%
Operating Expenditures	588,084	0	588,084	162,827	(425,257)	27.69%
Workers Compensation	45,759	0	45,759	22,880	(22,880)	50.00%
Risk Management	10,722	0	10,722	5,361	(5,361)	50.00%
Licensure Activities	181,497	0	181,497	49,988	(131,509)	27.54%
Leased Space	279,509	0	279,509	139,755	(139,754)	50.00%
Vehicle Lease Payments - Fixed	85,677	0	85,677	40,948	(44,729)	47.79%
Vehicle Lease Payments - Variable	62,155	0	62,155	42,280	(19,875)	68.02%
Utilities	25,465	0	25,465	10,530	(14,935)	41.35%
EDO - MNT	47,881	0	47,881	23,940	(23,941)	50.00%
EDO - Communications	27,100	0	27,100	13,550	(13,550)	50.00%
Legal Services	83,485	0	83,485	76,083	(7,402)	91.13%
Indirect Costs - Department of Revenue	690,400	0	690,400	342,752	(347,648)	49.65%
State Agency Services	3,706,998	0	3,706,998	1,721,838	(1,985,160)	46.45%
Division Expenditures	13,256,995	0	13,256,995	5,887,004	(7,369,991)	44.41%
Background Expenditures	263,964	0	263,964	15,099	(248,865)	5.72%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	5,902,103	(7,618,856)	43.65%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 34,161,442	\$ (59,145,774)	36.61%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through December 31, 2011 is 50.0%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE SEVEN (7) MONTHS ENDED
JANUARY 31, 2012**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
JANUARY 31, 2012 AND 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through January 31, 2011 and 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 11,959,382	\$ 10,451,858	\$ (1,507,524)	(12.61%)	
\$2 - \$5 Million	\$ 30,083,696	\$ 33,080,621	\$ 2,996,925	9.96%	
\$5 - \$8 Million	\$ 34,603,345	\$ 22,805,785	\$ (11,797,560)	(34.09%)	
\$8 - \$10 Million	\$ 26,287,789	\$ 26,984,406	\$ 696,617	2.65%	
\$10 - \$13 Million	\$ 46,524,724	\$ 57,410,962	\$ 10,886,238	23.40%	
\$13+ Million	\$ 292,052,472	\$ 286,421,223	\$ (5,631,249)	(1.93%)	
Total	\$ 441,511,408	\$ 437,154,855	\$ (4,356,553)	(0.99%)	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 184,898	\$ 172,073	\$ (12,825)	(6.94%)	
\$2 - \$5 Million	\$ 1,461,674	\$ 1,350,532	\$ (111,142)	(7.60%)	
\$5 - \$8 Million	\$ 4,464,301	\$ 4,343,895	\$ (120,406)	(2.70%)	
\$8 - \$10 Million	\$ 2,891,657	\$ 3,028,870	\$ 137,213	4.75%	
\$10 - \$13 Million	\$ 4,883,956	\$ 4,774,466	\$ (109,490)	(2.24%)	
\$13+ Million	\$ 37,610,494	\$ 34,660,033	\$ (2,950,461)	(7.84%)	
Total	\$ 51,496,980	\$ 48,329,869	\$ (3,167,111)	(6.15%)	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	8	9	1
\$2 - \$5 Million	9	11	2
\$5 - \$8 Million	6	4	(2)
\$8 - \$10 Million	3	3	0
\$10 - \$13 Million	4	5	1
\$13+ Million	8	8	0
	38	40	2

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
JANUARY 31, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,395	\$ 36,131,874	\$ 36,146,269	\$ 19,152	\$ 39,560,550	\$ 39,579,702
Accounts Receivable						
Gaming Taxes	0	9,035,780	9,035,780	0	9,574,518	9,574,518
Accounts Receivable Other Agencies	0	6,000	6,000	0	360	360
Fines Receivable	0	51,466	51,466	0	1,787	1,787
Miscellaneous	0	2,423	2,423	0	3,488	3,488
Net Accounts Receivable	0	9,095,669	9,095,669	0	9,580,153	9,580,153
 Prepaid Expenses	 0	 72,763	 72,763	 0	 82,957	 82,957
Total Current Assets	 14,395	 45,300,306	 45,314,701	 19,152	 49,223,660	 49,242,812
TOTAL ASSETS	\$ 14,395	\$ 45,300,306	\$ 45,314,701	\$ 19,152	\$ 49,223,660	\$ 49,242,812
 LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 15,178	\$ 15,178	\$ 0	\$ 10,755	\$ 10,755
Wages & Salaries Payable	0	1,226	1,226	0	260	260
Due to Other State Agencies	0	301,067	301,067	0	283,849	283,849
Background and Other Deposits	0	241,938	241,938	0	141,056	141,056
Deferred Revenue	0	270,690	270,690	0	264,000	264,000
Total Liabilities	0	830,099	830,099	0	699,920	699,920
 FUND BALANCE:						
Restricted	0	21,162,924	21,162,924	0	22,791,872	22,791,872
Committed	0	21,162,923	21,162,923	0	22,791,872	22,791,872
 Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,395	0	14,395	19,152	0	19,152
 Nonspendable:						
Prepays	0	36,382	36,382	0	41,479	41,479
 Committed to:						
Prepays	0	36,381	36,381	0	41,478	41,478
Total Fund Balance	14,395	44,470,207	44,484,602	19,152	48,523,740	48,542,892
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,395	\$ 45,300,306	\$ 45,314,701	\$ 19,152	\$ 49,223,660	\$ 49,242,812

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JANUARY 31, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 48,294,763	\$ 48,294,763	\$ 0	\$ 51,508,061	\$ 51,508,061
License and Application Fees	0	360,610	360,610	0	367,372	367,372
Background Investigations	0	107,336	107,336	0	135,313	135,313
Fines	0	182,770	182,770	0	64,223	64,223
Interest Income	14,395	313,712	328,107	19,152	493,858	513,010
Other Revenue	0	121	121	0	281	281
TOTAL REVENUES	14,395	49,259,312	49,273,707	19,152	52,569,108	52,588,260
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,395	49,259,312	49,273,707	19,152	52,577,566	52,596,718
EXPENDITURES:						
Salaries and Benefits	0	3,754,467	3,754,467	0	3,859,413	3,859,413
Annual and Sick Leave Payouts	0	18,033	18,033	0	2,317	2,317
Professional Services	0	14,692	14,692	0	30,627	30,627
Travel	0	26,607	26,607	0	10,868	10,868
Automobiles	0	97,313	97,313	0	87,840	87,840
Printing	0	6,849	6,849	0	8,234	8,234
Police Supplies	0	2,300	2,300	0	3,104	3,104
Computer Services & Name Searches	0	65,125	65,125	0	60,569	60,569
Materials, Supplies, and Services	0	128,917	128,917	0	304,584	304,584
Postage	0	2,555	2,555	0	1,765	1,765
Telephone	0	53,795	53,795	0	68,150	68,150
Utilities	0	12,840	12,840	0	11,252	11,252
Other Operating Expenditures	0	6,834	6,834	0	6,948	6,948
Leased Space	0	163,047	163,047	0	92,313	92,313
Capital Outlay	0	0	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	4,353,374	4,353,374	0	4,563,629	4,563,629
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	445,293	445,293	0	385,208	385,208
Fire Safety	0	85,875	85,875	0	88,906	88,906
Colorado State Patrol	0	1,357,261	1,357,261	0	1,235,971	1,235,971
State Auditors	0	17,050	17,050	0	16,198	16,198
Indirect Costs - Department of Revenue	0	399,947	399,947	0	423,526	423,526
Local Affairs	0	92,227	92,227	0	88,384	88,384
Regulatory Agencies	0	2,250	2,250	0	0	0
Colorado Department of Law	0	89,341	89,341	0	82,428	82,428
TOTAL STATE AGENCY SERVICES	0	2,489,244	2,489,244	0	2,320,621	2,320,621
Background Expenditures	0	18,084	18,084	0	26,615	26,615
TOTAL EXPENDITURES	0	6,860,702	6,860,702	0	6,910,865	6,910,865
Excess of Revenues Over Expenditures	14,395	42,398,610	42,413,005	19,152	45,666,701	45,685,853
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. JANUARY 31, 2012 AND 2011	\$ 14,395	\$ 44,470,207	\$ 44,484,602	\$ 19,152	\$ 48,523,740	\$ 48,542,892

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED JANUARY 31, 2012
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 48,294,763	\$ (56,641,212)	46.02%
License and Application Fees	637,848	0	637,848	360,610	(277,238)	56.54%
Background Investigations	253,768	0	253,768	107,336	(146,432)	42.30%
Fines	0	0	0	182,770	182,770	100.00%
Interest Revenue	1,000,584	0	1,000,584	313,712	(686,872)	31.35%
Other Revenue	0	0	0	121	121	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	49,259,312	(57,568,863)	46.11%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	3,334,888	(3,253,030)	50.62%
Health, Dental and Life Insurance	523,299	0	523,299	304,897	(218,402)	58.26%
Short Term Disability	9,262	0	9,262	5,265	(3,997)	56.85%
Amortization Equalization Disbursement	167,324	0	167,324	77,744	(89,580)	46.46%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	60,609	(73,851)	45.08%
Operating Expenditures	588,084	0	588,084	183,563	(404,521)	31.21%
Workers Compensation	45,759	0	45,759	26,693	(19,066)	58.33%
Risk Management	10,722	0	10,722	6,255	(4,468)	58.33%
Licensure Activities	181,497	0	181,497	59,427	(122,070)	32.74%
Leased Space	279,509	0	279,509	163,047	(116,462)	58.33%
Vehicle Lease Payments - Fixed	85,677	0	85,677	47,773	(37,904)	55.76%
Vehicle Lease Payments - Variable	62,155	0	62,155	49,540	(12,615)	79.70%
Utilities	25,465	0	25,465	12,840	(12,625)	50.42%
EDO - MNT	47,881	0	47,881	27,931	(19,950)	58.33%
EDO - Communications	27,100	0	27,100	15,808	(11,292)	58.33%
Legal Services	83,485	0	83,485	83,485	0	100.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	399,947	(290,453)	57.93%
State Agency Services	3,706,998	0	3,706,998	1,982,906	(1,724,092)	53.49%
Division Expenditures	13,256,995	0	13,256,995	6,842,618	(6,414,377)	51.62%
Background Expenditures	263,964	0	263,964	18,084	(245,880)	6.85%
TOTAL EXPENDITURES	13,520,959	0	13,520,959	6,860,702	(6,660,257)	50.74%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,307,216	\$ 42,398,610	\$ (50,908,606)	45.44%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through January 31, 2012 is 58.3%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE EIGHT (8) MONTHS ENDED
FEBRUARY 29, 2012**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
FEBRUARY 29, 2012 AND FEBRUARY 28, 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through February 28, 2011 and February 29, 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 10,763,867	\$ 9,763,440	\$ (1,000,427)	(9.29%)	
\$2 - \$5 Million	\$ 33,366,183	\$ 34,464,806	\$ 1,098,623	3.29%	
\$5 - \$8 Million	\$ 35,726,536	\$ 31,390,831	\$ (4,335,705)	(12.14%)	
\$8 - \$10 Million	\$ 27,494,770	\$ 19,664,874	\$ (7,829,896)	(28.48%)	
\$10 - \$13 Million	\$ 35,892,202	\$ 35,389,732	\$ (502,470)	(1.40%)	
\$13+ Million	\$ 355,468,941	\$ 367,017,933	\$ 11,548,992	3.25%	
Total	\$ 498,712,499	\$ 497,691,616	\$ (1,020,883)	(0.20%)	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 191,910	\$ 175,188	\$ (16,722)	(8.71%)	
\$2 - \$5 Million	\$ 1,547,324	\$ 1,433,831	\$ (113,493)	(7.33%)	
\$5 - \$8 Million	\$ 4,835,388	\$ 4,650,416	\$ (184,972)	(3.83%)	
\$8 - \$10 Million	\$ 3,244,425	\$ 3,308,979	\$ 64,554	1.99%	
\$10 - \$13 Million	\$ 5,742,752	\$ 5,835,240	\$ 92,488	1.61%	
\$13+ Million	\$ 45,093,788	\$ 42,563,407	\$ (2,530,381)	(5.61%)	
Total	\$ 60,655,587	\$ 57,967,061	\$ (2,688,526)	(4.43%)	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	6	8	2
\$2 - \$5 Million	10	11	1
\$5 - \$8 Million	6	5	(1)
\$8 - \$10 Million	3	2	(1)
\$10 - \$13 Million	3	3	0
\$13+ Million	9	11	2
	37	40	3

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
FEBRUARY 29, 2012 AND FEBRUARY 28, 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,410	\$ 44,287,287	\$ 44,301,697	\$ 19,178	\$ 48,265,937	\$ 48,285,115
Accounts Receivable						
Gaming Taxes	0	9,637,193	9,637,193	0	9,158,607	9,158,607
Accounts Receivable Other Agencies	0	2,000	2,000	0	224	224
Fines Receivable	0	1,433	1,433	0	1,044	1,044
Miscellaneous	0	790	790	0	2,006	2,006
Net Accounts Receivable	0	9,641,416	9,641,416	0	9,161,881	9,161,881
Prepaid Expenses	0	75,074	75,074	0	61,450	61,450
Total Current Assets	14,410	54,003,777	54,018,187	19,178	57,489,268	57,508,446
TOTAL ASSETS	\$ 14,410	\$ 54,003,777	\$ 54,018,187	\$ 19,178	\$ 57,489,268	\$ 57,508,446
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 15,864	\$ 15,864	\$ 0	\$ 27,356	\$ 27,356
Wages & Salaries Payable	0	1,832	1,832	0	302	302
Due to Other State Agencies	0	289,424	289,424	0	284,408	284,408
Background and Other Deposits	0	257,371	257,371	0	100,942	100,942
Deferred Revenue	0	261,970	261,970	0	277,910	277,910
Total Liabilities	0	826,461	826,461	0	690,918	690,918
FUND BALANCE:						
Restricted	0	25,515,323	25,515,323	0	26,939,930	26,939,930
Committed	0	25,515,322	25,515,322	0	26,939,931	26,939,931
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,410	0	14,410	19,178	0	19,178
Nonspendable:						
Prepays	0	37,537	37,537	0	30,725	30,725
Committed to:						
Prepays	0	37,537	37,537	0	30,725	30,725
Total Fund Balance	14,410	53,177,316	53,191,726	19,178	56,798,350	56,817,528
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,410	\$ 54,003,777	\$ 54,018,187	\$ 19,178	\$ 57,489,268	\$ 57,508,446

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FEBRUARY 29, 2012 AND FEBRUARY 28, 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 57,931,956	\$ 57,931,956	\$ 0	\$ 60,666,667	\$ 60,666,667
License and Application Fees	0	402,460	402,460	0	401,582	401,582
Background Investigations	0	119,584	119,584	0	148,958	148,958
Fines	0	182,965	182,965	0	64,286	64,286
Interest Income	14,410	354,210	368,620	19,178	550,615	569,793
Other Revenue	0	121	121	0	292	292
TOTAL REVENUES	14,410	58,991,296	59,005,706	19,178	61,832,400	61,851,578
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,410	58,991,296	59,005,706	19,178	61,840,858	61,860,036
EXPENDITURES:						
Salaries and Benefits	0	4,320,855	4,320,855	0	4,413,325	4,413,325
Annual and Sick Leave Payouts	0	22,312	22,312	0	4,638	4,638
Professional Services	0	18,433	18,433	0	33,935	33,935
Travel	0	29,610	29,610	0	13,145	13,145
Automobiles	0	113,573	113,573	0	100,600	100,600
Printing	0	7,758	7,758	0	8,598	8,598
Police Supplies	0	5,207	5,207	0	4,144	4,144
Computer Services & Name Searches	0	74,382	74,382	0	68,808	68,808
Materials, Supplies, and Services	0	147,893	147,893	0	321,821	321,821
Postage	0	2,832	2,832	0	1,921	1,921
Telephone	0	61,588	61,588	0	76,932	76,932
Utilities	0	14,968	14,968	0	13,120	13,120
Other Operating Expenditures	0	7,836	7,836	0	7,475	7,475
Leased Space	0	186,340	186,340	0	115,158	115,158
Capital Outlay	0	510	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	5,014,097	5,014,097	0	5,199,265	5,199,265
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	521,191	521,191	0	449,018	449,018
Fire Safety	0	95,299	95,299	0	101,463	101,463
Colorado State Patrol	0	1,549,870	1,549,870	0	1,426,604	1,426,604
State Auditors	0	17,050	17,050	0	16,198	16,198
Indirect Costs - Department of Revenue	0	457,275	457,275	0	484,043	484,043
Local Affairs	0	105,402	105,402	0	101,011	101,011
Regulatory Agencies	0	3,000	3,000	0	0	0
Colorado Department of Law	0	103,382	103,382	0	92,503	92,503
TOTAL STATE AGENCY SERVICES	0	2,852,469	2,852,469	0	2,670,840	2,670,840
Background Expenditures	0	19,011	19,011	0	29,442	29,442
TOTAL EXPENDITURES	0	7,885,577	7,885,577	0	7,899,547	7,899,547
Excess of Revenues Over Expenditures	14,410	51,105,719	51,120,129	19,178	53,941,311	53,960,489
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. FEBRUARY 29, 2012 AND 2011	\$ 14,410	\$ 53,177,316	\$ 53,191,726	\$ 19,178	\$ 56,798,350	\$ 56,817,528

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED FEBRUARY 29, 2012
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 57,931,956	\$ (47,004,019)	55.21%
License and Application Fees	637,848	0	637,848	402,460	(235,388)	63.10%
Background Investigations	253,768	0	253,768	119,584	(134,184)	47.12%
Fines	0	0	0	182,965	182,965	100.00%
Interest Revenue	1,000,584	0	1,000,584	354,210	(646,374)	35.40%
Other Revenue	0	0	0	121	121	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	58,991,296	(47,836,879)	55.22%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	3,933,036	(2,654,882)	59.70%
Health, Dental and Life Insurance	523,299	0	523,299	349,883	(173,416)	66.86%
Short Term Disability	9,262	0	9,262	6,010	(3,252)	64.89%
Amortization Equalization Disbursement	167,324	0	167,324	90,968	(76,356)	54.37%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	71,629	(62,831)	53.27%
Operating Expenditures	588,084	0	588,084	213,731	(374,353)	36.34%
Workers Compensation	45,759	0	45,759	30,506	(15,253)	66.67%
Risk Management	10,722	0	10,722	7,148	(3,574)	66.67%
Licensure Activities	181,497	0	181,497	66,749	(114,748)	36.78%
Leased Space	279,509	0	279,509	186,340	(93,169)	66.67%
Vehicle Lease Payments - Fixed	85,677	0	85,677	54,598	(31,079)	63.73%
Vehicle Lease Payments - Variable	62,155	0	62,155	58,975	(3,180)	94.88%
Utilities	25,465	0	25,465	14,968	(10,497)	58.78%
EDO - MNT	47,881	0	47,881	31,921	(15,960)	66.67%
EDO - Communications	27,100	0	27,100	18,067	(9,033)	66.67%
Legal Services	83,485	(83,485)	0	0	0	0.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	457,275	(233,125)	66.23%
State Agency Services	3,706,998	0	3,706,998	2,274,762	(1,432,236)	61.36%
Division Expenditures	13,256,995	(83,485)	13,173,510	7,866,566	(5,306,944)	59.72%
Background Expenditures	263,964	0	263,964	19,011	(244,953)	7.20%
TOTAL EXPENDITURES	13,520,959	(83,485)	13,437,474	7,885,577	(5,551,897)	58.68%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,390,701	\$ 51,105,719	\$ (42,284,982)	54.72%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through February 29, 2012 is 66.7%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE NINE (9) MONTHS ENDED
MARCH 31, 2012**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
MARCH 31, 2012 AND 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through March 31, 2011 and 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 7,625,142	\$ 6,761,973	\$ (863,169)	(11.32%)	
\$2 - \$5 Million	\$ 38,575,454	\$ 43,492,232	\$ 4,916,778	12.75%	
\$5 - \$8 Million	\$ 45,654,367	\$ 27,143,354	\$ (18,511,013)	(40.55%)	
\$8 - \$10 Million	\$ 9,054,783	\$ 8,599,529	\$ (455,254)	(5.03%)	
\$10 - \$13 Million	\$ 34,489,459	\$ 47,704,398	\$ 13,214,939	38.32%	
\$13+ Million	\$ 428,910,663	\$ 435,332,092	\$ 6,421,429	1.50%	
Total	\$ 564,309,868	\$ 569,033,578	\$ 4,723,710	0.84%	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 194,063	\$ 177,560	\$ (16,503)	(8.50%)	
\$2 - \$5 Million	\$ 1,671,509	\$ 1,529,352	\$ (142,157)	(8.50%)	
\$5 - \$8 Million	\$ 5,278,893	\$ 4,971,257	\$ (307,636)	(5.83%)	
\$8 - \$10 Million	\$ 3,416,026	\$ 3,406,651	\$ (9,375)	(0.27%)	
\$10 - \$13 Million	\$ 6,478,313	\$ 6,643,068	\$ 164,755	2.54%	
\$13+ Million	\$ 54,582,133	\$ 53,073,098	\$ (1,509,035)	(2.76%)	
Total	\$ 71,620,937	\$ 69,800,986	\$ (1,819,951)	(2.54%)	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	4	6	2
\$2 - \$5 Million	11	13	2
\$5 - \$8 Million	7	4	(3)
\$8 - \$10 Million	1	1	0
\$10 - \$13 Million	3	4	1
\$13+ Million	11	12	1
	37	40	3

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
MARCH 31, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash (Note 2)	\$ 14,426	\$ 53,028,782	\$ 53,043,208	\$ 19,207	\$ 56,582,146	\$ 56,601,353
Accounts Receivable (Note 3)						
Gaming Taxes	0	11,833,924	11,833,924	0	10,965,350	10,965,350
Accounts Receivable Other Agencies	0	0	0	0	25	25
Fines Receivable	0	1,108	1,108	0	1,041	1,041
Miscellaneous	0	3,663	3,663	0	5,519	5,519
Net Accounts Receivable	0	11,838,695	11,838,695	0	10,971,935	10,971,935
Prepaid Expenses	0	51,035	51,035	0	39,942	39,942
Total Current Assets	14,426	64,918,512	64,932,938	19,207	67,594,023	67,613,230
TOTAL ASSETS	\$ 14,426	\$ 64,918,512	\$ 64,932,938	\$ 19,207	\$ 67,594,023	\$ 67,613,230
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 19,192	\$ 19,192	\$ 0	\$ 11,274	\$ 11,274
Wages & Salaries Payable	0	1,013	1,013	0	547	547
Due to Other State Agencies (Note 13)	0	294,357	294,357	0	286,040	286,040
Background and Other Deposits (Note 5)	0	237,065	237,065	0	106,117	106,117
Deferred Revenue (Note 6)	0	256,830	256,830	0	290,620	290,620
Total Liabilities	0	808,457	808,457	0	694,598	694,598
FUND BALANCE:						
Restricted	0	30,993,711	30,993,711	0	32,001,222	32,001,222
Committed	0	30,993,712	30,993,712	0	32,001,222	32,001,222
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,426	0	14,426	19,207	0	19,207
Nonspendable:						
Prepays	0	25,518	25,518	0	19,971	19,971
Committed to:						
Prepays	0	25,517	25,517	0	19,971	19,971
Total Fund Balance	14,426	64,110,055	64,124,481	19,207	66,899,425	66,918,632
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,426	\$ 64,918,512	\$ 64,932,938	\$ 19,207	\$ 67,594,023	\$ 67,613,230

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
MARCH 31, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED	LIMITED	TOTAL	EXTENDED	LIMITED	TOTAL
	GAMING FUND	GAMING FUND	FUND BALANCE	GAMING FUND	GAMING FUND	FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 69,765,880	\$ 69,765,880	\$ 0	\$ 71,632,023	\$ 71,632,023
License and Application Fees	0	458,358	458,358	0	449,340	449,340
Background Investigations	0	144,610	144,610	0	159,168	159,168
Fines	0	183,225	183,225	0	65,042	65,042
Interest Income (Note 2)	14,426	407,714	422,140	19,207	627,623	646,830
Other Revenue	0	121	121	0	317	317
TOTAL REVENUES	14,426	70,959,908	70,974,334	19,207	72,933,513	72,952,720
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries (Note 14)	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,426	70,959,908	70,974,334	19,207	72,941,971	72,961,178
EXPENDITURES:						
Salaries and Benefits	0	4,884,902	4,884,902	0	4,971,368	4,971,368
Annual and Sick Leave Payouts	0	23,099	23,099	0	4,638	4,638
Professional Services	0	30,193	30,193	0	35,383	35,383
Travel	0	32,409	32,409	0	14,377	14,377
Automobiles	0	128,974	128,974	0	112,691	112,691
Printing	0	8,567	8,567	0	10,215	10,215
Police Supplies	0	5,879	5,879	0	4,214	4,214
Computer Services & Name Searches	0	84,739	84,739	0	80,696	80,696
Materials, Supplies, and Services	0	176,493	176,493	0	339,751	339,751
Postage	0	3,571	3,571	0	2,127	2,127
Telephone	0	69,304	69,304	0	85,318	85,318
Utilities	0	16,828	16,828	0	14,677	14,677
Other Operating Expenditures	0	8,796	8,796	0	8,311	8,311
Leased Space (Note 9)	0	209,632	209,632	0	138,003	138,003
Capital Outlay	0	5,052	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	5,688,438	5,688,438	0	5,837,414	5,837,414
STATE AGENCY SERVICES (Note 13)						
Colorado Bureau of Investigations	0	587,109	587,109	0	511,300	511,300
Fire Safety	0	104,941	104,941	0	113,960	113,960
Colorado State Patrol	0	1,745,697	1,745,697	0	1,629,539	1,629,539
State Auditors	0	17,050	17,050	0	16,198	16,198
Indirect Costs - Department of Revenue	0	514,620	514,620	0	544,561	544,561
Local Affairs	0	118,577	118,577	0	113,637	113,637
Regulatory Agencies	0	3,750	3,750	0	0	0
Colorado Department of Law	0	119,703	119,703	0	103,274	103,274
TOTAL STATE AGENCY SERVICES	0	3,211,447	3,211,447	0	3,032,469	3,032,469
Background Expenditures	0	21,565	21,565	0	29,702	29,702
TOTAL EXPENDITURES	0	8,921,450	8,921,450	0	8,899,585	8,899,585
Excess of Revenues Over Expenditures	14,426	62,038,458	62,052,884	19,207	64,042,386	64,061,593
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. MARCH 31, 2012 AND 2011	\$ 14,426	\$ 64,110,055	\$ 64,124,481	\$ 19,207	\$ 66,899,425	\$ 66,918,632

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED MARCH 31, 2012
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 69,765,880	\$ (35,170,095)	66.48%
License and Application Fees	637,848	0	637,848	458,358	(179,490)	71.86%
Background Investigations	253,768	0	253,768	144,610	(109,158)	56.99%
Fines	0	0	0	183,225	183,225	100.00%
Interest Revenue	1,000,584	0	1,000,584	407,714	(592,870)	40.75%
Other Revenue	0	0	0	121	121	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	70,959,908	(35,868,267)	66.42%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	4,454,932	(2,132,987)	67.62%
Health, Dental and Life Insurance	523,299	0	523,299	396,081	(127,218)	75.69%
Short Term Disability	9,262	0	9,262	6,804	(2,458)	73.46%
Amortization Equalization Disbursement	167,324	0	167,324	104,039	(63,285)	62.18%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	82,522	(51,938)	61.37%
Operating Expenditures	588,084	0	588,084	260,693	(327,391)	44.33%
Workers Compensation	45,759	0	45,759	34,319	(11,440)	75.00%
Risk Management	10,722	0	10,722	8,042	(2,680)	75.00%
Licensure Activities	181,497	0	181,497	75,235	(106,262)	41.45%
Leased Space	279,509	0	279,509	209,632	(69,877)	75.00%
Vehicle Lease Payments - Fixed	85,677	(3,854)	81,823	61,423	(20,400)	75.07%
Vehicle Lease Payments - Variable	62,155	0	62,155	62,155	0	100.00%
Utilities	25,465	0	25,465	16,828	(8,637)	66.08%
EDO - MNT	47,881	0	47,881	35,911	(11,970)	75.00%
EDO - Communications	27,100	0	27,100	20,325	(6,775)	75.00%
Legal Services	83,485	(83,485)	0	0	0	0.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	514,620	(175,780)	74.54%
State Agency Services	3,706,998	0	3,706,998	2,556,324	(1,150,674)	68.96%
Division Expenditures	13,256,995	(87,339)	13,169,656	8,899,885	(4,269,771)	67.58%
Background Expenditures	263,964	0	263,964	21,565	(242,399)	8.17%
TOTAL EXPENDITURES	13,520,959	(87,339)	13,433,620	8,921,450	(4,512,170)	66.41%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,394,555	\$ 62,038,458	\$ (31,356,097)	66.43%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through March 31, 2012 is 75.0%.

COLORADO DIVISION OF GAMING

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

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.

The State of Colorado is the primary reporting entity for State financial activities. Therefore, the Division's accounts are presented in a manner consistent with presentation of statewide financial activities, which are reported in accordance with generally accepted accounting principles for governmental organizations.

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. This is now 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 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.

A. Fund Structure and Basis of Accounting

The financial activities of the Division are organized on the basis of individual funds, each of which is considered to be a separate entity. The operations of the Special Revenue Fund are recorded in a discrete set of self-balancing accounts that comprise the assets, liabilities, fund equity, 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 fixed assets and long-term liabilities are not recorded in the Special Revenue Fund. They are recorded in a separate fund.

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 Fund. 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.

Fixed Assets

All fixed assets are stated at historical cost, or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Structure and Basis of Accounting (continued)

The Governmental Accounting Standards Board (GASB) issued statement number 34 which became effective July 1, 2001. This statement requires the Division to depreciate its' fixed assets; however, the fixed assets and depreciation amounts will only be represented on the statewide financial statements, not on the Division's individual financial statements. The capitalization criteria for fixed 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.

The calculation for the amount of depreciation is based upon the cost of the asset and its' estimated useful life. The estimated useful life of a capital asset is a function of each agency's own experience. The Division has determined the useful lives of furniture and equipment ranges from 5 to 10 years, building 30 years, and the licensing software 10 years.

Below is a chart depicting the Division's fixed assets and accumulated depreciation:

<u>Assets</u>		<u>Carrying Value</u>
Building and Land	\$1,671,050	
Accumulated Depreciation - Buildings	(129,137)	\$1,541,913
Furniture & Equipment	223,414	
Accumulated Depr. - Furn. & Equip.	(178,458)	44,956
Total		<u>\$1,586,869</u>

Long-term Liabilities

The Division's long-term liability is the accrued compensated absence liability. This amount is recorded in a separate fund and is reported on the statewide financial statements. Prior to the implementation of GASB 34, this liability was reported on the Division's year-end financial statements.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Structure and Basis of Accounting (continued)

Fund Balance Classification

The Governmental Accounting Standards Board (GASB) issued statement # 54, effective July 1 2010, to clarify fund balances. This statement creates new fund balance classifications for the purpose of showing financial statement users the degree of constraints on the use of resources. 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 who 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 now has restricted fund balance classifications presented on the balance sheet. Therefore, based upon the Constitutional Amendment, fund balance is classified as follows:

- Restricted Fund Balance: 50% of the Division's net income (less prepaid expense balance). These funds can only be spent on items related to the administration of the Division of Gaming.
- Committed Fund Balance: 50% of the Division's net income (less prepaid expense balance.) This balance may be distributed at year end to any fund as dictated by the General Assembly.
- Restricted for: Funds that are reserved based on legislation.
- Prepays: Prepaid expense balances constitute a prior outlay of cash and are not available. 50% of the prepaid expense balance is assigned to nonspendable. 50% is assigned to committed and is also not available to be spent.

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 collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Budget

The statement of budget to actual compares those revenues and expenditures, which are legally authorized by State statute. The fiscal year 2012 revenue projections 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 authorization or supplemental budget approval. The Commission must approve all supplemental budget requests with the exception of POTS transfers. Appropriations lapse at fiscal year-end unless a roll-forward of the unexpended budget has been approved.

Appropriation as of July 1, 2011	\$13,520,959
Supplemental appropriations	<u>(87,339)</u>
Total appropriation	<u><u>\$13,433,620</u></u>

2. CASH AND INVESTMENTS

The State Treasury acts as a bank for all state agencies. Monies deposited in the Treasury are invested until the cash is needed. Interest earnings on these investments are credited to the General Fund unless a specific statute directs otherwise. Cash held by the State Treasurer for the Division of Gaming on March 31, 2012 was \$53 million.

The Division of Gaming receives interest payments from the State Treasurer's Office on cash held by the Treasurer's Office on behalf of the Division for its limited gaming fund and extended gaming fund. The amount of \$407,714 is interest earned on the average daily cash balances. During the month of March, the State Treasurer was paying interest at 1.35% annualized.

3. ACCOUNTS RECEIVABLE

As of March 31, 2012, the Division had an accounts receivable balance of \$11,838,695. This amount includes \$11,833,924 in gaming taxes collected by the Department of Revenue for the Division for the month of March 2012, which were due on the 16th of April 2012. In addition, the Division had a fines receivable balance of \$1,108, \$1,628 in outstanding credit card deposits, and \$2,035 due from others.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

4. CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balances at July 1, 2011	Deletions	Additions	Balances at March 31, 2012
Computer Equipment	\$ 90,505			\$ 90,505
Office Equipment	114,488		\$ 4,541	119,029
Investigative Equipment	13,879			13,879
Software	371,036			371,036
Building and Land	1,671,050			1,671,050
Total	\$ 2,260,958		\$ 4,541	\$ 2,265,499

5. DEPOSITS

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 for background investigations were \$230,751 at March 31, 2012. Additionally, on March 31, 2012, the Division of Gaming held \$6,314 on deposit, which represents funds seized during criminal investigations, or involves gaming patrons, and are pending court order releases or adjudication.

6. DEFERRED REVENUE

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 2-year licenses to businesses as well. The fees for the second year of the license period are recorded as deferred revenue until the Division incurs the expense during the review period. As of March 31, 2012 deferred license fees were \$256,830.

7. ACCRUED COMPENSATED ABSENCES

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	\$461,170
Sick Leave	<u>50,323</u>
Total	<u><u>\$511,493</u></u>

The current and long-term portion of vacation and sick leave benefits are recorded in a separate fund and are only reported on the statewide financial statements.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

8. GAMING DISTRIBUTION

A. 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 and interest, less expenses, attributable to 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 City, and Black Hawk, in proportion to the tax revenues generated in the respective cities.

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 City 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(4)(d);
- (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. This amount is \$98,008,133.60. Any gaming tax revenues collected over this amount in fiscal year 2012 will be attributable to extended gaming revenues. 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.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

8. GAMING DISTRIBUTION (Continued)

A. Extended Gaming Distribution (continued)

(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.

B. Limited Gaming Distribution

In accordance with Section 12-47.1-701, C.R.S and amended by Senate Bill 11-159, the balance remaining in the limited gaming fund is to be distributed by the State Treasurer to the recipients of limited gaming revenues according to the following formula:

- 50% to the State General Fund;
- 28% to the Colorado State Historical Fund;
- 12% to Gilpin and Teller Counties, in proportion to the gaming revenues generated in the respective counties; and
- 10% to the cities of Cripple Creek, Central City, and Black Hawk, in proportion to the gaming revenues generated in the respective cities.

In addition, the 50% that goes to the State General Fund is further divided as follows:

- The first \$19,200,000 will be directed to the General Fund;
- Any amount of the 50% General Fund distribution greater than \$48,500,000 will be directed to the General Fund.

Any amount of the 50% General Fund distribution which is greater than \$19,200,000 and less than or equal to \$48,500,000 is to be further divided as follows:

- 50% to the Colorado Travel & Tourism Promotion Fund;
- 18% to the Bioscience Discovery Evaluation Cash Fund;
- 15% to the Local Government Limited Gaming Impact Fund;
- 7% to the Innovative Higher Education Research Fund;

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

8. GAMING DISTRIBUTION (Continued)

B. Limited Gaming Distribution (continued)

- 5% to the General Fund (previously New Jobs Incentives Cash Fund);¹
- 4% to the Creative Industries Cash Fund;
- 1% to the Creative Industries Cash Fund for the operation of the Colorado Office of Film, Television, and Media.

¹ Senate Bill 11-159 Fiscal Note indicates current law governing the New Jobs Incentives Program is discontinued. As of January 1, 2011, employers are no longer eligible to receive performance-based incentives from the New Jobs Incentives Cash Fund.

Senate Bill 11-159 Section 1(2)(a)(III)(b) declares that if a transfer specified in subparagraph (II) of paragraph (a) of this subsection (2) provides moneys for a purpose or program that is repealed or otherwise discontinued as of the date of the transfer, then the transfer shall not be made to that particular fund but shall instead be transferred to the State General Fund.

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. As of March 31, 2012, the amount calculated as reserved fund balance, which is restricted by enabling legislation, was \$2,074,634. This amount equals Division expenditures for the preceding two-month period.

Fund Balance as of March 31, 2012	\$64,110,055
Less: Two month Reserve	<u>(2,074,634)</u>
Available for Distribution at March 31, 2012	<u><u>\$62,035,421</u></u>

9. COMMITMENTS AND CONTINGENCIES

A. Lease

The Division occupies office space in Cripple Creek and Golden. Rental payments are contingent upon the continuing availability of funds.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

9. COMMITMENTS AND CONTINGENCIES (Continued)

A. Lease (continued)

Cripple Creek

In April 2007, the Division entered into a lease and option to purchase agreement with a third party to lease office space at a new location in Cripple Creek, Colorado. The lease began in September 2007 with an initial term of ten years.

On June 15, 2010 the Division exercised the lease agreement's option to purchase the Cripple Creek building. The purchase price (including the land) was approximately \$844,000.

Golden

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. The initial term of the lease is ten years. The lease term began on September 17, 2010, and a rental credit of \$20,501 was applied per the signed lease agreement. September's prorated rental payment based on 14 days of occupancy was \$10,661, leaving a credit balance of \$9,840 once the rental credit was applied. The remaining credit balance was applied to October's rental payment of \$22,845, thus reducing the payment amount for October to \$13,005.

Per House Bill 08-1395, the reduction in property tax due is already reflected in the rental obligations listed below.

GOLDEN	
<u>Estimated Future Payments</u>	
FISCAL YEAR 2012 (April 2012-June 2012)	\$ 69,877
FISCAL YEAR 2013	285,038
FISCAL YEAR 2014	290,566
FISCAL YEAR 2015	296,582
FISCAL YEAR 2016	302,599
FISCAL YEAR 2017	308,777
FISCAL YEAR 2018	315,281
FISCAL YEAR 2019	321,785
FISCAL YEAR 2020	328,615
	<u>\$ 2,519,120</u>

The remaining leased space expenditure amount shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance for fiscal year 2011 represents the Division's share of Capitol Complex lease cost for the Division's previous Lakewood location.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

9. COMMITMENTS AND CONTINGENCIES (Continued)

B. 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. The original sunset date for the Division was July 1, 2003. During fiscal year 2003, a sunset review was completed, the law was amended, and the sunset date was extended to July 1, 2013. The Division’s existence will continue after July 1, 2013, only through the passage of a bill by the General Assembly. The General Assembly is in the process of conducting a sunset review. A sunset review report is anticipated to be available after October 15, 2012, after which time the General Assembly will determine whether or not the Division will continue.

10. PENSION PLAN

A. Plan Description

Virtually all of the department/institution’s employees participate in a defined benefit pension plan. The plan’s purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees’ Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The state plan and other divisions’ plans are included in PERA’s financial statements, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

Non-higher education employees hired by the State after January 1, 2006 are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the State Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

Prior to legislation passed during the 2006 session, higher education employees may have participated in social security, PERA’s defined benefit plan, or the institution’s optional retirement plan. Currently, higher education employees, except for community college employees, are required to participate in their institution’s optional plan, if available, unless they are active or inactive members of PERA with at least one year of service credit. In that case they may elect either PERA or their institution’s optional plan. Community college employees hired after January 1, 2010, are required to become members of PERA and must elect either PERA’s defined benefit or defined contribution plan with 60 days, unless they had been a PERA member within the prior twelve months. In that case they are required to remain in the PERA plan in which they participated previously.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

10. PENSION PLAN (Continued)

A. Plan Description (continued)

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members (except state troopers) vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 – age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005 and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with any years of service.
- Hired between January 1, 2007 and December 31, 2010 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service. For members with less than five years of service credit as of January 1, 2011 age and service requirements increase to those required for members hired between January 1, 2007 and December 31, 2010.
- Hired between January 1, 2011 and December 31, 2016 – any age with 35 years of service, age 58 with 30 years of service, age 65 with 5 years of service.
- Hired on or after January 1, 2017 – any age with 35 years of service, age 58 with 30 years of service, or age 65 with 3 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.
- Hired between January 1, 2011 and December 31, 2016 – age 58 and age plus years of service equals 88 or more.
- Hired on or after January 1, 2017 – age 60 and age plus years of service equals 90.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

10. PENSION PLAN (Continued)

A. Plan Description (continued)

State troopers and judges comprise a small percentage of plan members but have higher contribution rates, and state troopers are eligible for retirement benefits at different ages and years of service.

Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009, or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually based on their original hire date as follows:

- Hired before July 1, 2005 – 3.5 percent, compounded annually.
- Hired between July 1, 2005 and December 31, 2006 – the lesser of 3 percent or the actual increase in the national Consumer Price Index.
- Hired on or after January 1, 2007 – the lesser of 3 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percentage point of salaries contributed by employers for employees hired on or after January 1, 2007.)

Members who are disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If there are no eligible child or spouse then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

B. Funding Policy

The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly. Salary subject to PERA contribution is gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

10. PENSION PLAN (Continued)

B. Funding Policy (continued)

Most employees contribute 8.0 percent of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan. Effective July 1, 2011 Senate Bill 11-076 extended the requirement for members in the State and Judicial Divisions to pay 2.5 percent additional member contributions through June 30, 2012. Employer contributions for members in these two divisions will be reduced by 2.5 percent.

From July 1, 2011, to December 31, 2011, the State contributed 12.25 percent of the employee's salary. From January 1, 2012, through June 30, 2012, the state contributed 13.15 percent. During all of Fiscal Year 2012, 1.02 percent of the employees' total salary was allocated to the Health Care Trust Fund.

Per Colorado Revised Statutes, an amortization period of 30 years is deemed actuarially sound. At December 31, 2010, the division of PERA in which the State participates has a funded ratio of 62.8 percent and a 47 year amortization period based on current contribution rates. The funded ratio on the market value of assets is lower at 61.3 percent.

In the 2004 legislative session, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED requires PERA employers to pay an additional .5 percent of salary beginning January 1, 2006, another .5 percent of salary in 2007, and subsequent year increases of .4 percent of salary until the additional payment reaches 3.0 percent in 2012.

In the 2006 legislative session, the General Assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional one half percentage point of total salaries paid beginning January 1, 2008. The SAED is scheduled to increase by one-half percentage point through 2013 resulting in a cumulative increase of three percentage points. For state employers, each year's one half percentage point increase in the SAED will be deducted from the amount of changes to state employees' salaries, and used by the employer to pay the SAED. Both the AED and SAED will be reduced by one-half percent point when funding levels reach 103 percent.

In the 2010 legislative session, the General Assembly extended both the AED and SAED. The AED will continue to increase at a rate of 0.4 percent of salary from calendar years 2013 through 2017. The SAED will continue to increase by one-half percentage point from calendar years 2014 through 2017. For the Judicial Division, the AED and SAD are frozen at the 2010 levels.

Historically members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required, that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Division's contributions to PERA and/or the State defined contribution plan for the period ending March 31, 2012 were \$440,508. These contributions met the contribution requirement.

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

11. VOLUNTARY TAX-DEFERRED RETIREMENT PLANS

PERA offers voluntary 401k, 457, and defined contribution plans entirely separate from the defined benefit pension plan. Certain agencies and institutions of the State offered 403(b) or 401(a) plans.

12. OTHER POST EMPLOYMENT BENEFITS

Health Care Plan

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. The plan is a costsharing multiple-employer plan under which PERA subsidizes a portion of the monthly premium for health care coverage. The benefits and employer contributions are established in statute and may be amended by the General Assembly. PERA includes the Health Care Trust Fund in its Comprehensive Annual Financial Report, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

After the PERA subsidy, the benefit recipient pays the balance of the premium through an automatic deduction from the monthly retirement benefit. Monthly premium costs for participants depend on the health care plan selected, the PERA subsidy amount, Medicare eligibility, and the number of persons covered. Effective July 1, 2000, the maximum monthly subsidy is \$230 per month for benefit recipients

who are under 65 years of age and who are not entitled to Medicare and \$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 maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5 percent for each year less than 20 years.

Employees are not required to contribute to the Health Care Trust Fund, which is maintained by employer's contributions as discussed above in Note 10 B. Beginning July 1, 2004, State agencies/institutions are required to contribute 1.02 percent of gross covered wages to the Health Care Trust Fund. As of March 31, 2012, the Division contributed \$37,059 as required by statute.

The Health Care Trust Fund offers two general types of plans: fully-insured plans offered through health care organizations and self-insured plans administered for PERA by third party vendors. As of December 31, 2010, there were 48,455 enrolled participants, including spouses and dependents, from all contributors to the plan. At December 31, 2010, the Health Care Trust Fund had an unfunded actuarial accrued liability of \$1.35 billion, a funded ratio of 17.5 percent, and a 42-year amortization period.

13. RELATED-PARTY TRANSACTIONS

The Division, as an agency of the State of Colorado, paid fees to the State for auditing, investigative, legal, and other expenses incurred with the Department of Revenue for indirect costs. Interagency charges as of March 31, 2012 consist of the following:

Colorado Division of Gaming
Notes to Financial Statements (Continued)
March 31, 2012

13. RELATED-PARTY TRANSACTIONS (Continued)

State Agency Services:

Colorado Bureau of Investigation	\$ 587,109
Colorado Division of Fire Safety	104,941
Colorado State Patrol	1,745,697
Office of the State Auditor	17,050
Indirect Costs (Department of Revenue)	514,620
Colorado Department of Local Affairs	3,750
Colorado Department of Regulatory Agencies	118,577
Colorado Department of Law	119,703
Total Payments to State Agencies	<u>\$ 3,211,447</u>

As of March 31, 2012, the Division had liabilities to other State agencies as follows:

State Agency Liabilities:

Colorado Bureau of Investigation	\$ 65,000
Colorado Division of Fire Safety	15,000
Colorado State Patrol	205,000
Colorado Department of Regulatory Agencies	3,750
Colorado Department of Revenue	5,607
Total Liabilities to State Agencies	<u>\$ 294,357</u>

14. 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.

The Division had recorded \$8,458 in insurance recoveries as of March 31, 2011. The entire amount is related to a single event which occurred in fiscal year 2011 at the Division of Gaming's Cripple Creek office.

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.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE TEN (10) MONTHS ENDED
APRIL 30, 2012**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
APRIL 30, 2012 AND 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through April 30, 2011 and 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 6,029,319	\$ 5,557,518	\$ (471,801)	(7.83%)	
\$2 - \$5 Million	\$ 34,861,667	\$ 39,870,332	\$ 5,008,665	14.37%	
\$5 - \$8 Million	\$ 54,100,526	\$ 32,443,020	\$ (21,657,506)	(40.03%)	
\$8 - \$10 Million	\$ 18,392,903	\$ 17,829,828	\$ (563,075)	(3.06%)	
\$10 - \$13 Million	\$ 24,857,554	\$ 24,887,459	\$ 29,905	0.12%	
\$13+ Million	\$ 489,949,819	\$ 510,561,970	\$ 20,612,151	4.21%	
Total	\$ 628,191,788	\$ 631,150,127	\$ 2,958,339	0.47%	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 195,073	\$ 179,449	\$ (15,624)	(8.01%)	
\$2 - \$5 Million	\$ 1,757,233	\$ 1,612,536	\$ (144,697)	(8.23%)	
\$5 - \$8 Million	\$ 5,859,047	\$ 5,253,378	\$ (605,669)	(10.34%)	
\$8 - \$10 Million	\$ 3,563,220	\$ 3,535,217	\$ (28,003)	(0.79%)	
\$10 - \$13 Million	\$ 7,017,209	\$ 7,126,894	\$ 109,685	1.56%	
\$13+ Million	\$ 64,189,964	\$ 62,426,775	\$ (1,763,189)	(2.75%)	
Total	\$ 82,581,746	\$ 80,134,249	\$ (2,447,497)	(2.96%)	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	3	5	2
\$2 - \$5 Million	10	12	2
\$5 - \$8 Million	8	5	(3)
\$8 - \$10 Million	2	2	0
\$10 - \$13 Million	2	2	0
\$13+ Million	12	14	2
	37	40	3

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
APRIL 30, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,441	\$ 64,078,293	\$ 64,092,734	\$ 19,234	\$ 66,650,680	\$ 66,669,914
Accounts Receivable						
Gaming Taxes	0	10,333,263	10,333,263	0	10,960,809	10,960,809
Accounts Receivable Other Agencies	0	0	0	0	2,891	2,891
Fines Receivable	0	1,043	1,043	0	1,167	1,167
Miscellaneous	0	2,200	2,200	0	1,405	1,405
Net Accounts Receivable	0	10,336,506	10,336,506	0	10,966,272	10,966,272
Prepaid Expenses	0	40,172	40,172	0	56,314	56,314
Total Current Assets	14,441	74,454,971	74,469,412	19,234	77,673,266	77,692,500
TOTAL ASSETS	\$ 14,441	\$ 74,454,971	\$ 74,469,412	\$ 19,234	\$ 77,673,266	\$ 77,692,500
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 37,599	\$ 37,599	\$ 0	\$ 69,243	\$ 69,243
Wages & Salaries Payable	0	1,013	1,013	0	276	276
Due to Other State Agencies	0	464,734	464,734	0	286,241	286,241
Background and Other Deposits	0	228,896	228,896	0	116,010	116,010
Deferred Revenue	0	250,610	250,610	0	288,800	288,800
Total Liabilities	0	982,852	982,852	0	760,570	760,570
FUND BALANCE:						
Restricted	0	35,680,175	35,680,175	0	36,999,672	36,999,672
Committed	0	35,680,175	35,680,175	0	36,999,671	36,999,671
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,441	0	14,441	19,234	0	19,234
Nonspendable:						
Prepays	0	20,086	20,086	0	28,157	28,157
Committed to:						
Prepays	0	20,086	20,086	0	28,157	28,157
Total Fund Balance	14,441	73,472,119	73,486,560	19,234	76,912,696	76,931,930
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,441	\$ 74,454,971	\$ 74,469,412	\$ 19,234	\$ 77,673,266	\$ 77,692,500

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
APRIL 30, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 80,099,441	\$ 80,099,441	\$ 0	\$ 82,592,832	\$ 82,592,832
License and Application Fees	0	508,083	508,083	0	506,110	506,110
Background Investigations	0	165,981	165,981	0	171,483	171,483
Fines	0	183,290	183,290	0	65,231	65,231
Interest Income	14,441	464,985	479,426	19,234	711,290	730,524
Other Revenue	0	109	109	0	725	725
TOTAL REVENUES	14,441	81,421,889	81,436,330	19,234	84,047,671	84,066,905
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,441	81,421,889	81,436,330	19,234	84,056,129	84,075,363
EXPENDITURES:						
Salaries and Benefits	0	5,486,150	5,486,150	0	5,519,217	5,519,217
Annual and Sick Leave Payouts	0	23,303	23,303	0	4,638	4,638
Professional Services	0	51,960	51,960	0	47,643	47,643
Travel	0	37,526	37,526	0	16,006	16,006
Automobiles	0	146,682	146,682	0	125,864	125,864
Printing	0	9,667	9,667	0	10,851	10,851
Police Supplies	0	6,826	6,826	0	4,387	4,387
Computer Services & Name Searches	0	95,615	95,615	0	90,098	90,098
Materials, Supplies, and Services	0	194,082	194,082	0	352,990	352,990
Postage	0	3,714	3,714	0	2,697	2,697
Telephone	0	77,142	77,142	0	93,990	93,990
Utilities	0	18,539	18,539	0	16,464	16,464
Other Operating Expenditures	0	9,892	9,892	0	59,087	59,087
Leased Space	0	232,925	232,925	0	160,849	160,849
Capital Outlay	0	5,989	0	0	15,645	15,645
EXPENDITURES - SUBTOTAL	0	6,400,012	6,400,012	0	6,520,426	6,520,426
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	653,543	653,543	0	575,766	575,766
Fire Safety	0	125,712	125,712	0	126,522	126,522
Colorado State Patrol	0	1,959,990	1,959,990	0	1,884,324	1,884,324
State Auditors	0	17,050	17,050	0	16,198	16,198
Indirect Costs - Department of Revenue	0	571,304	571,304	0	605,107	605,107
Local Affairs	0	131,753	131,753	0	126,263	126,263
Regulatory Agencies	0	4,500	4,500	0	0	0
Colorado Department of Law	0	134,214	134,214	0	115,246	115,246
TOTAL STATE AGENCY SERVICES	0	3,598,066	3,598,066	0	3,449,426	3,449,426
Background Expenditures	0	23,289	23,289	0	30,620	30,620
TOTAL EXPENDITURES	0	10,021,367	10,021,367	0	10,000,472	10,000,472
Excess of Revenues Over Expenditures	14,441	71,400,522	71,414,963	19,234	74,055,657	74,074,891
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. APRIL 30, 2012 AND 2011	\$ 14,441	\$ 73,472,119	\$ 73,486,560	\$ 19,234	\$ 76,912,696	\$ 76,931,930

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED APRIL 30, 2012
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 80,099,441	\$ (24,836,534)	76.33%
License and Application Fees	637,848	0	637,848	508,083	(129,765)	79.66%
Background Investigations	253,768	0	253,768	165,981	(87,787)	65.41%
Fines	0	0	0	183,290	183,290	100.00%
Interest Revenue	1,000,584	0	1,000,584	464,985	(535,599)	46.47%
Other Revenue	0	0	0	109	109	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	81,421,889	(25,406,286)	76.22%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	5,014,511	(1,573,407)	76.12%
Health, Dental and Life Insurance	523,299	0	523,299	446,442	(76,857)	85.31%
Short Term Disability	9,262	0	9,262	7,645	(1,617)	82.54%
Amortization Equalization Disbursement	167,324	0	167,324	117,777	(49,547)	70.39%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	93,970	(40,490)	69.89%
Operating Expenditures	588,084	0	588,084	299,115	(288,969)	50.86%
Workers Compensation	45,759	0	45,759	38,133	(7,626)	83.33%
Risk Management	10,722	0	10,722	8,935	(1,787)	83.33%
Licensure Activities	181,497	0	181,497	84,171	(97,326)	46.38%
Leased Space	279,509	0	279,509	232,925	(46,584)	83.33%
Vehicle Lease Payments - Fixed	85,677	(3,854)	81,823	68,975	(12,848)	84.30%
Vehicle Lease Payments - Variable	62,155	0	62,155	62,154	(1)	100.00%
Utilities	25,465	0	25,465	18,539	(6,926)	72.80%
EDO - MNT	47,881	0	47,881	39,901	(7,980)	83.33%
EDO - Communications	27,100	0	27,100	22,583	(4,517)	83.33%
Legal Services	83,485	(83,485)	0	0	0	0.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	571,304	(119,096)	82.75%
State Agency Services	3,706,998	28,033	3,735,031	2,870,998	(864,033)	76.87%
Division Expenditures	13,256,995	(59,306)	13,197,689	9,998,078	(3,199,611)	75.76%
Background Expenditures	263,964	0	263,964	23,289	(240,675)	8.82%
TOTAL EXPENDITURES	13,520,959	(59,306)	13,461,653	10,021,367	(3,440,286)	74.44%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,366,522	\$ 71,400,522	\$ (21,966,000)	76.47%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through April 30, 2012 is 83.3%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE ELEVEN (11) MONTHS ENDED
MAY 31, 2012**

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
MAY 31, 2012 AND 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through May 31, 2011 and 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 6,433,559	\$ 6,308,013	\$ (125,546)	(1.95%)	
\$2 - \$5 Million	\$ 38,290,626	\$ 38,628,227	\$ 337,601	0.88%	
\$5 - \$8 Million	\$ 19,296,191	\$ 24,194,044	\$ 4,897,853	25.38%	
\$8 - \$10 Million	\$ 51,339,868	\$ 26,144,443	\$ (25,195,425)	(49.08%)	
\$10 - \$13 Million	\$ 10,597,141	\$ 10,391,504	\$ (205,637)	(1.94%)	
\$13+ Million	\$ 567,934,236	\$ 590,784,275	\$ 22,850,039	4.02%	
Total	\$ 693,891,621	\$ 696,450,506	\$ 2,558,886	0.37%	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 196,084	\$ 181,232	\$ (14,852)	(7.57%)	
\$2 - \$5 Million	\$ 1,825,812	\$ 1,683,936	\$ (141,876)	(7.77%)	
\$5 - \$8 Million	\$ 6,326,657	\$ 5,488,591	\$ (838,066)	(13.25%)	
\$8 - \$10 Million	\$ 3,887,386	\$ 3,777,094	\$ (110,292)	(2.84%)	
\$10 - \$13 Million	\$ 7,295,543	\$ 7,355,509	\$ 59,966	0.82%	
\$13+ Million	\$ 74,586,847	\$ 72,729,012	\$ (1,857,835)	(2.49%)	
Total	\$ 94,118,329	\$ 91,215,374	\$ (2,902,955)	(3.08%)	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	3	6	3
\$2 - \$5 Million	10	11	1
\$5 - \$8 Million	3	4	1
\$8 - \$10 Million	6	3	(3)
\$10 - \$13 Million	1	1	0
\$13+ Million	14	16	2
	37	41	4

COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
MAY 31, 2012 AND 2011
(UNAUDITED)

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash	\$ 14,413	\$ 73,334,487	\$ 73,348,900	\$ 19,259	\$ 76,749,926	\$ 76,769,185
Accounts Receivable						
Gaming Taxes	0	11,081,319	11,081,319	0	11,536,583	11,536,583
Accounts Receivable Other Agencies	0	5,000	5,000	0	1,000	1,000
Background	0	194	0	0	0	0
Fines Receivable	0	1,227	1,227	0	1,771	1,771
Miscellaneous	0	2,275	2,275	0	4,116	4,116
Net Accounts Receivable	0	11,090,015	11,089,821	0	11,543,470	11,543,470
Prepaid Expenses	0	42,483	42,483	0	35,567	35,567
Total Current Assets	14,413	84,466,985	84,481,398	19,259	88,328,963	88,348,222
TOTAL ASSETS	\$ 14,413	\$ 84,466,985	\$ 84,481,398	\$ 19,259	\$ 88,328,963	\$ 88,348,222
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 57,724	\$ 57,724	\$ 0	\$ 25,521	\$ 25,521
Wages & Salaries Payable	0	18,297	18,297	0	386	386
Due to Other State Agencies	0	292,775	292,775	0	282,636	282,636
Background and Other Deposits	0	258,010	258,010	0	119,925	119,925
Deferred Revenue	0	243,810	243,810	0	302,500	302,500
Total Liabilities	0	870,616	870,616	0	730,968	730,968
FUND BALANCE:						
Restricted	0	40,741,144	40,741,144	0	42,352,695	42,352,695
Committed	0	40,741,145	40,741,145	0	42,352,694	42,352,694
Restricted for:						
Required Reserve	0	2,071,597	2,071,597	0	2,857,039	2,857,039
Extended Gaming Recipients	14,413	0	14,413	19,259	0	19,259
Nonspendable:						
Prepays	0	21,242	21,242	0	17,784	17,784
Committed to:						
Prepays	0	21,241	21,241	0	17,783	17,783
Total Fund Balance	14,413	83,596,369	83,610,782	19,259	87,597,995	87,617,254
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,413	\$ 84,466,985	\$ 84,481,398	\$ 19,259	\$ 88,328,963	\$ 88,348,222

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
MAY 31, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 91,180,576	\$ 91,180,576	\$ 0	\$ 94,129,415	\$ 94,129,415
License and Application Fees	0	559,623	559,623	0	549,171	549,171
Background Investigations	0	193,525	193,525	0	186,741	186,741
Fines	0	183,615	183,615	0	66,213	66,213
Interest Income	14,413	530,014	544,427	19,259	801,981	821,240
Other Revenue	0	92	92	0	774	774
TOTAL REVENUES	14,413	92,647,445	92,661,858	19,259	95,734,295	95,753,554
OTHER FINANCING SOURCES / USES:						
Insurance Recoveries	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	14,413	92,647,445	92,661,858	19,259	95,742,753	95,762,012
EXPENDITURES:						
Salaries and Benefits	0	6,077,695	6,077,695	0	6,068,987	6,068,987
Annual and Sick Leave Payouts	0	39,012	39,012	0	4,638	4,638
Professional Services	0	78,417	78,417	0	54,810	54,810
Travel	0	39,476	39,476	0	19,366	19,366
Automobiles	0	164,407	164,407	0	138,532	138,532
Printing	0	11,762	11,762	0	11,965	11,965
Police Supplies	0	13,331	13,331	0	5,321	5,321
Computer Services & Name Searches	0	105,442	105,442	0	100,230	100,230
Materials, Supplies, and Services	0	237,240	237,240	0	380,871	380,871
Postage	0	3,885	3,885	0	2,879	2,879
Telephone	0	84,927	84,927	0	102,517	102,517
Utilities	0	20,107	20,107	0	17,915	17,915
Other Operating Expenditures	0	10,969	10,969	0	59,515	59,515
Leased Space	0	245,088	245,088	0	183,694	183,694
Capital Outlay	0	14,091	0	0	17,660	17,660
EXPENDITURES - SUBTOTAL	0	7,145,849	7,145,849	0	7,168,900	7,168,900
STATE AGENCY SERVICES						
Colorado Bureau of Investigations	0	720,721	720,721	0	640,726	640,726
Fire Safety	0	166,812	166,812	0	154,206	154,206
Colorado State Patrol	0	2,113,898	2,113,898	0	2,084,400	2,084,400
State Auditors	0	17,050	17,050	0	16,198	16,198
Indirect Costs - Department of Revenue	0	629,177	629,177	0	634,468	634,468
Local Affairs	0	144,928	144,928	0	138,890	138,890
Regulatory Agencies	0	5,266	5,266	0	0	0
Colorado Department of Law	0	153,522	153,522	0	131,116	131,116
TOTAL STATE AGENCY SERVICES	0	3,951,374	3,951,374	0	3,800,004	3,800,004
Background Expenditures	0	25,450	25,450	0	32,893	32,893
TOTAL EXPENDITURES	0	11,122,673	11,122,673	0	11,001,797	11,001,797
Excess of Revenues Over Expenditures	14,413	81,524,772	81,539,185	19,259	84,740,956	84,760,215
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	8,916,605	2,071,597	10,988,202	7,930,401	2,857,039	10,787,440
TOTAL FUND BAL. MAY 31, 2012 AND 2011	\$ 14,413	\$ 83,596,369	\$ 83,610,782	\$ 19,259	\$ 87,597,995	\$ 87,617,254

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED MAY 31, 2012
(UNAUDITED)

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 91,180,576	\$ (13,755,399)	86.89%
License and Application Fees	637,848	0	637,848	559,623	(78,225)	87.74%
Background Investigations	253,768	0	253,768	193,525	(60,243)	76.26%
Fines	0	0	0	183,615	183,615	100.00%
Interest Revenue	1,000,584	0	1,000,584	530,014	(470,570)	52.97%
Other Revenue	0	0	0	92	92	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	92,647,445	(14,180,730)	86.73%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	5,588,614	(999,304)	84.83%
Health, Dental and Life Insurance	523,299	0	523,299	496,661	(26,638)	94.91%
Short Term Disability	9,262	0	9,262	8,498	(764)	91.75%
Amortization Equalization Disbursement	167,324	0	167,324	131,301	(36,023)	78.47%
Supplemental Amort. Equal. Disbursemt	134,460	0	134,460	105,241	(29,219)	78.27%
Operating Expenditures	588,084	0	588,084	374,052	(214,032)	63.61%
Workers Compensation	45,759	0	45,759	41,946	(3,813)	91.67%
Risk Management	10,722	0	10,722	9,829	(893)	91.67%
Licensure Activities	181,497	0	181,497	92,960	(88,537)	51.22%
Leased Space	279,509	0	279,509	245,088	(34,421)	87.69%
Vehicle Lease Payments - Fixed	85,677	(3,854)	81,823	76,502	(5,321)	93.50%
Vehicle Lease Payments - Variable	62,155	0	62,155	62,155	0	100.00%
Utilities	25,465	0	25,465	20,107	(5,358)	78.96%
EDO - MNT	47,881	0	47,881	43,891	(3,990)	91.67%
EDO - Communications	27,100	0	27,100	24,842	(2,258)	91.67%
Legal Services	83,485	(83,485)	0	0	0	0.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	629,177	(61,223)	91.13%
State Agency Services	3,706,998	28,033	3,735,031	3,146,359	(588,672)	84.24%
Division Expenditures	13,256,995	(59,306)	13,197,689	11,097,223	(2,100,466)	84.08%
Background Expenditures	263,964	0	263,964	25,450	(238,514)	9.64%
TOTAL EXPENDITURES	13,520,959	(59,306)	13,461,653	11,122,673	(2,338,980)	82.62%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,366,522	\$ 81,524,772	\$ (11,841,750)	87.32%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through May 31, 2012 is 91.7%.



**STATEMENT OF GAMING REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE TWELVE (12) MONTHS ENDED
JUNE 30, 2012**

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012. Please read it in conjunction with the Division's financial statements, which begin on page 22.

Financial Highlights

- Gaming Tax revenues were \$102,080,061 for the fiscal year ended June 30, 2012, which is a decrease of \$2,727,115 or (2.60)%, compared to revenues of \$104,807,976 for the prior fiscal year ending June 30, 2011.
- A decline in the Division's total excess of revenues over expenditures decreased the Gaming Distribution to \$91,197,386 compared to last fiscal year's distribution of \$95,327,351. This distribution amount represents a decrease of \$4,129,965 over last fiscal year, or (4.33)%.

Using This Report

This financial report consists of financial statements for the fiscal years ended June 30, 2012 and 2011. Unless otherwise specified, references within this report to the Division relate to the Extended Gaming Fund and the Limited Gaming Fund. The tax comparison shows the tax rates and compares current and previous fiscal years' adjusted gross proceeds (similar to gross income of the casinos) and taxes paid, separated by tax bracket. It also lists how many casinos were in which tax bracket at the end of the fiscal year. The Balance Sheet provides 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 provides 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, 2011 and July 1, 2010, respectively, and the ending fund balances as of June 30, 2012 and 2011, respectively. The Statement of 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 due to the passage of 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.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Revenues

The total excess of revenues over expenditures of the Division for fiscal year 2012 was \$91,250,217. This represents a decrease of \$2,757,017 or (2.93)% compared to fiscal year 2011 excess of revenues over expenditures of \$94,007,234.

The fiscal year 2012 net decrease in fair value of investments of \$175,970 and net decrease of \$534,674 in fiscal year 2011 represents the change in fair value of the Division's investments during the fiscal years ended June 30, 2012 and 2011, respectively.

The largest source of revenue for the Division is from gaming taxes paid by casinos. The gaming tax revenues earned for the fiscal years ending June 30, 2012 and 2011 were \$102,080,061 and \$104,807,976, respectively. The taxes are paid on a graduated scale ranging from 0.2375% to 19.00% of adjusted gross proceeds. The tax rates for fiscal year 2012 were decreased 5% from 2011 rates, per the authority of the Colorado Limited Gaming Commission. The adjusted gross proceeds of casinos increased 0.73% in fiscal year 2012. The tax decrease was (2.56)%. Taxes decreased due to the graduated tax scale and the 5% decrease in tax rates for fiscal year 2012. The tax rates for fiscal year 2013 were increased 5% from fiscal year 2012 rates, per the authority of the Colorado Limited Gaming Commission.

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds. The tax rates for fiscal years 2011, 2012 and 2013 are below.

The tax rates for the fiscal year ended June 30, 2012 are:

- 0.2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for the fiscal year 2011 and 2013 are:

- 0.25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Revenues (continued)

Below is a chart of the changes in revenues from fiscal year 2012 to fiscal year 2011.

	Increase (Decrease) Amount	Percent Change	Explanation
Gaming taxes	\$ (2,727,115)	(2.60)%	In fiscal year 2012 taxes decreased due to the 5% tax rate decrease from fiscal year 2011.
License and application fees	8,893	1.43%	Beginning in August of fiscal year 2009, the Division began to stagger the issuance of 2-year licenses to businesses. The fees for the second year of the license period are recorded as deferred revenue until the Division incurs the expense during the review period in the second year of the license. License and application fees vary from year to year depending on the type of license and application that is received.
Background investigations	12,387	5.91%	There was \$21,814 more in labor and miscellaneous charges, and \$9,427 less in travel during fiscal year 2012.
Fines and other	116,649	171.23%	The fines revenues vary from year to year and are dependent upon audit and investigative findings.
Interest income	(310,112)	(33.55)%	Interest rates decreased (0.58)% on average during fiscal year 2012. The average rate was 1.37% in fiscal year 2012 and 1.95% in fiscal year 2011.
Insurance Recoveries	(8,458)	(100)%	The Division has recorded \$8,458 in insurance recoveries due to water damage caused by a roof leak in the Division's Cripple Creek office in fiscal year 2011.
Change in fair value of investments	<u>358,704</u>	67.09%	This represents the net change in the fair market value of the Division's investments during fiscal year 2012 versus fiscal year 2011.
Total revenues	<u>\$ (2,549,052)</u>	(2.40)%	This number includes the change in fair value of investments. Revenues excluding the change in fair value of investments decreased by (2.71)%.

For fiscal year 2011, the excess of revenues over expenditures was \$93,852,763. This represents a decrease of \$4,584,206 or (4.70)% compared to fiscal year 2010's excess of revenues over expenditures of \$98,436,969.

The net decrease in fair value of investments of \$669,790 and net increase of \$985,910 represents the change in fair value of the Division's investments during the fiscal years ended June 30, 2011 and 2010, respectively.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Revenues (continued)

The adjusted gross proceeds of casinos decreased 1.43% in fiscal year 2011. The tax decrease was 2.67%. Taxes decreased at a higher rate than adjusted gross proceeds due to the graduated tax scale. The tax rates for fiscal year 2011 and fiscal year 2010 remained constant between years.

Below is a chart of the changes in revenues from fiscal year 2010 to fiscal year 2011.

	Increase (Decrease) Amount	Percent Change	Explanation
Gaming taxes	\$ (2,861,390)	(2.66)%	The passing of Amendment 50 and implementation on July 1, 2009 spiked gaming activity in fiscal year 2010. Fiscal year 2011 has seen a decline in the economy and a decline in the excitement created by Amendment 50.
License and application fees	(13,938)	(2.20)%	Beginning in August of fiscal year 2009, the Division began to stagger the issuance of 2-year licenses to businesses. The fees for the second year of the license period are recorded as deferred revenue until the Division incurs the expense during the review period in the second year of the license. License and application fees vary from year to year depending on the type of license and application that is received.
Background investigations	(148,817)	(41.54)%	There was \$27,763 less required travel and \$121,054 less in labor and miscellaneous charges during fiscal year 2011.
Fines and other	15,140	24.64%	The fines revenues vary from year to year and are dependent upon audit and investigative findings. The Division has recorded \$8,458 in insurance recoveries. The entire amount is related to a single event which occurred in fiscal year 2011 at the Division of Gaming's Cripple Creek office.
Interest income	(175,590)	(15.96)%	Interest rates decreased (0.35)% on average during fiscal year 2011. The average rate was 1.95% in fiscal year 2011 and 2.30% in fiscal year 2010.
Change in fair value of investments	<u>(1,520,584)</u>	(154.23)%	This represents the net change in the fair market value of the Division's investments during fiscal year 2011 versus fiscal year 2010.
Total revenues	<u>\$ (4,705,179)</u>	(4.25)%	This number includes the change in fair value of investments. Revenues excluding the change in fair value of investments decreased by (2.90)%.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Expenditures

Total expenditures for the Division in fiscal year 2012 were \$12,305,062. This is an increase of \$207,966 or a 1.72% increase from fiscal year 2011 expenditures of \$12,097,096. The information below shows the changes in expenditures from fiscal year 2011 to fiscal year 2012 with explanations provided for large variances.

	Increase (Decrease) Amount	Percent Change	Explanation
Salaries, benefits, and leave payouts	\$ 53,799	0.81%	In fiscal year 2012, the average increase in health, dental, and life insurance was 0.77%. Also, thirteen employees left the Division in Fiscal Year 2012, versus 4 in Fiscal Year 2011, resulting in an increase in annual leave payout.
State agency services	120,263	2.84%	In fiscal year 2012, Colorado Bureau of Investigation costs increased \$110,182 due to more investigations. Legal Services costs increased \$19,922 due to more legal activity including several personnel actions.
Materials, supplies, and services (with Police supplies)	(150,756)	(35.56)%	In fiscal year 2011, the Lakewood Gaming office moved to a new Golden location. The new Golden office had a cubical system installed at a cost of approximately \$81,000 and cubicle furniture was bought at a cost of approximately \$40,000. Also in fiscal year 2011, the Cripple Creek office roof was repaired for approximately \$13,000.
Travel and automobiles	51,544	30.04%	In fiscal year 2012, the variable (mileage) costs for vehicles were \$97,850 which is \$32,554 higher than fiscal year 2011. Higher gas and maintenance costs created this increase between years.
Computer services	2,796	2.49%	In fiscal year 2012, there was a \$7,506 increase for shared communication costs and a \$4,710 decrease in computer checks.
Professional services	69,690	121.03%	In fiscal year 2012, the labor costs to update licensing software was \$39,749, Teammate labor costs was \$11,530, DRC IT consulting was \$5,610, temporary staff was \$5,570 and carbon dioxide testing was \$5,238. These represent the majority of the increase between fiscal year 2012 and 2011.
Printing, Postage, Utilities and Other	(43,061)	(45.20)%	In fiscal year 2011, a \$50,000 cost related to a personnel settlement was incurred.
Telephone	(18,227)	(16.42)%	In fiscal year 2012 digital data charges were \$9,571 less and local call charges were 6,883 less.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Expenditures (continued)

Background investigations	(8,636)	(23.24)%	In fiscal year 2011, there were more international travel costs than in fiscal year 2012.
Leased space	73,868	37.98%	In September 2010, the Division moved its Lakewood office to Golden. Subsequently, it began making lease payments for the new Golden space. The increase between fiscal years 2012 and 2011 is directly related to the difference in the Lakewood lease payments verses the Golden lease payments and increase in Lakewood lease payment from fiscal year 2011 to 2012.
Capital outlay	56,686	222.74%	In fiscal year 2012 many technology upgrades were made. Upgrades made include: upgrade of licensing software, installation of a new proxy-card system in Cripple Creek, wireless access for the Golden office, smart board for Golden office, servers for Cripple Creek and Central City offices, firewall, teammate software and camera for the badge system.
Total Expenditures	<hr style="width: 100px; margin-left: 0;"/> <u>\$ 207,966</u>	1.72%	

* Fiscal Year 2011 may not match the financial statements exactly. The audited financial statement numbers were rounded. Fiscal Year 2011 numbers match the audited financial statements.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Expenditures (continued)

Total expenditures for the Division in fiscal year 2011 were \$12,097,096. This is a decrease of \$275,443 or a (2.2)% decrease from fiscal year 2010 expenditures of \$12,372,539. The information below shows the changes in expenditures from fiscal year 2010 to fiscal year 2011 with explanations provided for large variances.

	Increase (Decrease) Amount	Percent Change	Explanation
Salaries, benefits, and leave payouts	\$ 42,396	0.64%	In fiscal year 2011, the average increase in health, dental, and life was 4.8%. During fiscal year 2011, six employees were on leave without pay and four employees left State employment while during fiscal year 2010, three employees left. Thus an increase in annual leave payouts was experienced between the two fiscal years.
State agency services	254,386	6.40%	In fiscal year 2011, the Colorado State Patrol contract costs increased \$220,804 from fiscal year 2010 due to the addition of two troopers.
Materials, supplies, and services	127,715	44.56%	In fiscal year 2011, non-capitalized furniture increased \$117,293 from fiscal year 2010. The increase between years resulted from the Lakewood Gaming office moving to a new Golden location. The new Golden office had a cubical system installed at a cost of approximately \$81,000. Also, in fiscal year 2011, the Colorado Office of the State Controller clarified a professional service cost verses another purchased service cost. The definition of professional service cost became exclusive, thus more costs were paid as other purchased services. This created approximately a \$27,000 increase in other purchased services costs between fiscal year 2011 and 2010.
Travel and automobiles	5,251	3.19%	In fiscal year 2011, lease costs for gaming vehicles were \$85,677, an increase of \$3,780 from fiscal year 2010. The variable (mileage) costs for these same vehicles in fiscal year 2011 were \$65,296 which is \$3,141 higher than fiscal year 2010. Higher gas and maintenance costs created this increase between years.
Computer services	(17,582)	(13.55)%	In fiscal year 2011, the cumulative costs for fingerprint checks performed by CBI in relation to gaming applicants was \$22,663 lower than the cost in fiscal year 2010.
Professional services	10,801	23.09%	In fiscal year 2011, the labor costs to install the cubical system in the new Golden gaming office was \$11,000 which represents the majority of the increase between fiscal year 2011 and 2010.
Other	56,417	116.45%	In fiscal year 2011, a \$50,000 cost related to a personnel settlement was incurred.
Telephone	37,789	51.62%	In fiscal year 2011, the Division paid \$2,865 more per month for Multi-Use Network services than in fiscal year 2010, for a total increased cost of \$34,380.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Expenditures (continued)

Background investigations	(25,921)	(39.90)%	In fiscal year 2010, background investigation costs were higher than fiscal year 2011 costs because gaming licenses are issued on a two year basis and therefore, may vary from year to year.
Leased space	44,034	29.26%	In September 2010, the Division moved its Lakewood office to Golden. Subsequently, it began making lease payments for the new Golden space. The increase between fiscal years 2011 and 2010 is directly related to the difference in the Lakewood lease payments verses the Golden lease payments.
Capital outlay	<u>(810,730)</u>	(96.96)%	In fiscal year 2010, the building and land the Cripple Creek gaming office is occupying was purchased for \$834,179; no such expense was incurred in fiscal year 2011.
Total expenditures	<u>\$ (275,444)</u>	(2.23)%	

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Assets, Liabilities, and Fund Balance

The year-end total fund balance reflects the overall financial position of the Division, which is \$12,058,480 at June 30, 2012 compared to \$12,322,562 at June 30, 2011. Total assets of \$96,154,623 at June 30, 2012 are \$3,946,817 or (3.94)% lower than the prior year balance of \$100,101,440. The decrease in total assets is primarily due to the decreases in cash and temporary cash investments.

The Division's total liabilities were \$84,096,143 at June 30, 2012 and \$87,778,878 at June 30, 2011. The \$3,682,735 net decrease is primarily due to the \$3,813,049 decrease in the fiscal year 2012 limited gaming distribution.

The following compares fiscal year 2012 and fiscal year 2011 assets, liabilities, and fund balances.

	Fiscal Year		Increase (Decrease)	
	2012	2011	Dollars	Percent
Cash and temporary cash investments	\$ 85,229,902	\$ 89,394,461	\$ (4,164,559)	(4.66)%
Gaming taxes and other receivables	10,904,239	10,692,684	211,555	1.98%
Prepaid expenses	<u>20,482</u>	<u>14,296</u>	<u>6,186</u>	43.27%
Total assets	<u>\$ 96,154,623</u>	<u>\$ 100,101,441</u>	<u>\$ (3,946,818)</u>	(3.94)%
Accounts payable, wages, and accrued payroll payable	\$ 663,432	\$ 603,754	\$ 59,678	9.88%
Due to other State agencies, other governments, and the State General Fund	82,906,233	86,744,504	(3,838,272)	(4.42)%
Other liabilities	<u>526,478</u>	<u>430,620</u>	<u>95,858</u>	22.26%
Total liabilities	84,096,143	87,778,878	(3,682,735)	(4.20)%
Fund balance	<u>12,058,480</u>	<u>12,322,562</u>	<u>(264,082)</u>	(2.14)%
Total liabilities and fund balance	<u>\$ 96,154,623</u>	<u>\$ 100,101,441</u>	<u>\$ (3,946,818)</u>	(3.94)%

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Assets, Liabilities, and Fund Balance (continued)

The year-end total fund balance reflects the overall financial position of the Division, which is \$12,322,562 at June 30, 2011 compared to \$12,656,476 at June 30, 2010. Total assets of \$100,101,440 at June 30, 2011 are \$2,361,283 or 2.3% lower than the prior year balance of \$102,462,723. The decrease in total assets is primarily due to the decreases in cash and temporary cash investments and gaming taxes receivable.

The Division's total liabilities were \$87,778,878 at June 30, 2011, which is a decrease from \$89,806,247 at June 30, 2010. The \$2,027,369 net decrease is primarily due to the \$2,401,253 decrease in the fiscal year 2011 limited gaming distribution.

The following compares fiscal year 2011 and fiscal year 2010 assets, liabilities, and fund balances.

	Fiscal Year		Increase (Decrease)	
	2011	2010	Dollars	Percent
Cash and temporary cash investments	\$ 89,394,460	\$ 91,418,122	\$ (2,023,662)	(2.22)%
Gaming taxes and other receivables	10,692,684	11,019,725	(327,041)	(2.97)%
Prepaid expenses	<u>14,296</u>	<u>24,876</u>	<u>(10,580)</u>	(42.53)%
Total assets	<u>\$ 100,101,440</u>	<u>\$ 102,462,723</u>	<u>\$ (2,361,283)</u>	(2.30)%
Accounts payable, wages, and accrued payroll payable	\$ 603,754	\$ 629,939	\$ (26,185)	(4.16)%
Due to other State agencies, other governments, and the State General Fund	86,744,504	88,836,131	(2,091,627)	(2.35)%
Other liabilities	<u>430,620</u>	<u>340,177</u>	<u>90,443</u>	26.59%
Total liabilities	<u>87,778,878</u>	<u>89,806,247</u>	<u>(2,027,369)</u>	(2.26)%
Fund balance	<u>12,322,562</u>	<u>12,656,476</u>	<u>(333,914)</u>	(2.64)%
Total liabilities and fund balance	<u>\$ 100,101,440</u>	<u>\$ 102,462,723</u>	<u>\$ (2,361,283)</u>	(2.30)%

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Statement of Revenues, Expenditures, and Changes in Fund Balance

The following compares total fiscal year 2012 and fiscal year 2011 revenues, expenditures, and changes in fund balance.

	Fiscal Year		Increase	
	2012	2011	Dollars	Percent
Revenues				
Gaming taxes	\$ 102,080,861	\$ 104,807,976	\$ (2,727,115)	(2.60)%
License and application fees	629,594	620,701	8,893	1.43%
Other revenue	844,824	675,654	169,170	25.04%
Total revenues	<u>103,555,279</u>	<u>106,104,331</u>	<u>(2,549,052)</u>	<u>(2.40)%</u>
Expenditures				
Operating expenditures	7,925,787	7,829,448	96,339	1.23%
Background investigations	28,524	37,160	(8,636)	(23.24)%
State agency services	4,350,751	4,230,488	120,263	2.84%
Total expenditures	<u>12,305,062</u>	<u>12,097,096</u>	<u>207,966</u>	<u>1.72%</u>
Excess of revenues over expenditures	91,250,217	94,007,234	(2,757,017)	(2.93)%
Fund balance, beginning of year	12,322,565	12,656,476	(333,911)	(2.64)%
Less: Gaming Fund distributions	<u>91,514,302</u>	<u>94,341,148</u>	<u>(2,826,846)</u>	<u>(3.00)%</u>
Fund balance, end of year	<u>\$ 12,058,480</u>	<u>\$ 12,322,562</u>	<u>\$ (264,082)</u>	<u>(2.14)%</u>

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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

The following compares total fiscal year 2011 and fiscal year 2010 revenues, expenditures, and changes in fund balance.

	Fiscal Year		Increase	
	2011	2010	Dollars	Percent
Revenues				
Gaming taxes	\$ 104,807,976	\$ 107,669,366	\$ (2,861,390)	(2.66)%
License and application fees	620,701	634,639	(13,938)	(2.20)%
Other revenue	<u>675,654</u>	<u>2,505,505</u>	<u>(1,829,851)</u>	(73.03)%
Total revenues	<u>106,104,331</u>	<u>110,809,510</u>	<u>(4,705,179)</u>	(4.25)%
Expenditures				
Operating expenditures	7,827,569	8,331,478	(503,909)	(6.05)%
Background investigations	39,040	64,961	(25,921)	(39.90)%
State agency services	<u>4,230,488</u>	<u>3,976,102</u>	<u>254,386</u>	6.40%
Total expenditures	<u>12,097,097</u>	<u>12,372,541</u>	<u>(275,444)</u>	(2.23)%
Excess of revenues over expenditures	94,007,234	98,436,969	(4,429,735)	(4.50)%
Fund balance, beginning of year	12,656,476	3,031,507	9,624,969	317.50%
Less: Gaming Fund distribution	<u>94,341,148</u>	<u>88,812,000</u>	<u>5,529,148</u>	6.23%
Fund balance, end of year	<u>\$ 12,322,562</u>	<u>\$ 12,656,476</u>	<u>\$ (333,914)</u>	(2.64)%

Conditions Affecting Financial Position or Results of Operations

Amendment 50

Amendment 50 was implemented on July 2, 2009. This increased the maximum betting limit from \$5 to \$100, authorized the table games of craps and roulette, and extended the hours of operation to 24 hours a day seven days a week. The impact of Amendment 50 on gaming revenues, based upon the allocation formula set by Rule 24 of the Colorado Limited Gaming Regulations, was \$9,401,325 for fiscal year 2012, or 9.06% of total gaming revenues.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Conditions Affecting Financial Position or Results of Operations (continued)

Staffing Changes

In fiscal years 2012 and 2011, the Division had several vacant positions.

Weak Economy

The nation-wide recession that plagued the gaming industry during fiscal years 2010 and 2011 continued to have an impact in the current fiscal year.

Field Offices

Several construction projects were completed, which included additional improvements to the HVAC system in the Cripple Creek office and changing boiler in the Central City office.

Headquarters Office

Additional staffing, primarily as a result of Amendment 50, resulted in the need for additional space for the Division's headquarters office. In September 2010, the Division entered into a 10-year lease contract and the office was relocated from 1881 Pierce Street, Lakewood, Colorado to 17301 West Colfax Avenue, Golden, Colorado. At the confluence of Colfax Avenue, I-70, 6th Avenue, and C-470, this new office places the Division in closer proximity to the gaming towns of Black Hawk and Central City.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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 Colorado Community College System;
- 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, 2012 was \$91,197,386 which includes \$8,585,260 transferred to the Extended Gaming Fund for 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 accrued and distributed in the year approved by the Commission.

	June 30,	
	2012	2011
Distributions to Extended Gaming Recipients		
• 78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges;	\$ 6,707,757	\$ 6,954,952
• 12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties; and	1,031,963	1,069,993
• 10% to the cities of Cripple Creek, Central City, and Black Hawk, in proportion to the tax revenues generated in the respective cities.	859,969	891,660
Total distribution attributable to extended gaming	\$ 8,599,689	\$ 8,916,605

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Distribution (continued)

Limited Gaming Distribution

In accordance with Section 12-47.1-701, C.R.S. and amended by Senate Bill 11-159, the balance remaining in the Limited Gaming Fund is to be distributed by the State Treasurer to the recipients of limited gaming revenues according to the following formula:

- 50% to the State General Fund, of which the first \$19,200,000 will be directed to the General Fund. Any amount of the 50% General Fund distribution greater than \$48,500,000 will be directed to the General Fund. Any amount of the 50% General Fund distribution which is greater than \$19,200,000 and less than or equal to \$48,500,000 is to be further divided such that 50% of the distribution is to be given to the Colorado Travel & Tourism Promotion Fund, 18% of the distribution is to be given to the Bioscience Discovery Evaluation Cash Fund, 15% of the distribution is to be given to the Local Government Limited Gaming Impact Fund, 7% of the distribution is to be given to the Innovative Higher Education Research Fund, 5% of the distribution is to be given to the New Jobs Incentives Cash Fund¹, 4% of the distribution is to be given to the Creative Industries Cash Fund, and 1% of the distribution is to be given to the Creative Industries Cash Fund for the operation of the Colorado Office of Film, Television, and Media.
- 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 City, and Black Hawk, in proportion to the gaming revenues generated in these respective cities.

The General Fund's 50% share of the Limited Gaming Fund distribution for fiscal year 2012 totaled \$41,298,849; as such the provision giving the General Fund any amount greater than \$48,500,000 is not applicable.

¹Senate Bill 11-159 Fiscal Note indicates current law governing the New Jobs Incentives Program is discontinued. As of January 1, 2011, employers are no longer eligible to receive performance-based incentives from the New Jobs Incentives Cash Fund.

Senate Bill 11-159 Section 1(2)(a)(III)(b) declares that if a transfer specified in subparagraph (II) of paragraph (a) of this subsection (2) provides moneys for a purpose or program that is repealed or otherwise discontinued as of the date of the transfer, then the transfer shall not be made to that particular fund but shall instead be transferred to the State General Fund.

The New Jobs Incentives Cash Fund's 5% allocation from the 50% General Fund distribution amounted to a total of \$1,104,942. This amount was added to the \$19,200,000 General Fund distribution noted above; this addition brings the General Fund's total distribution amount to \$20,304,942.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

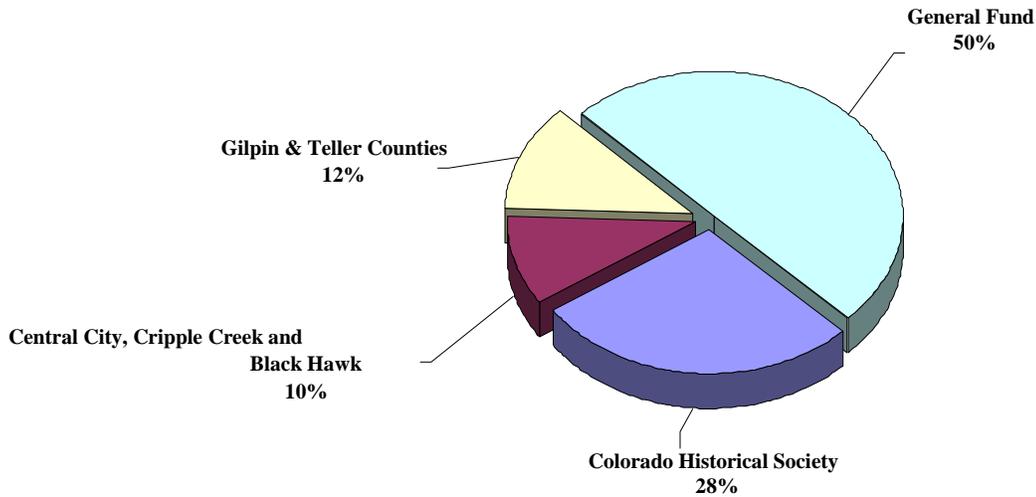
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

Distribution (continued)

Limited Gaming Distribution (continued)

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 2012.

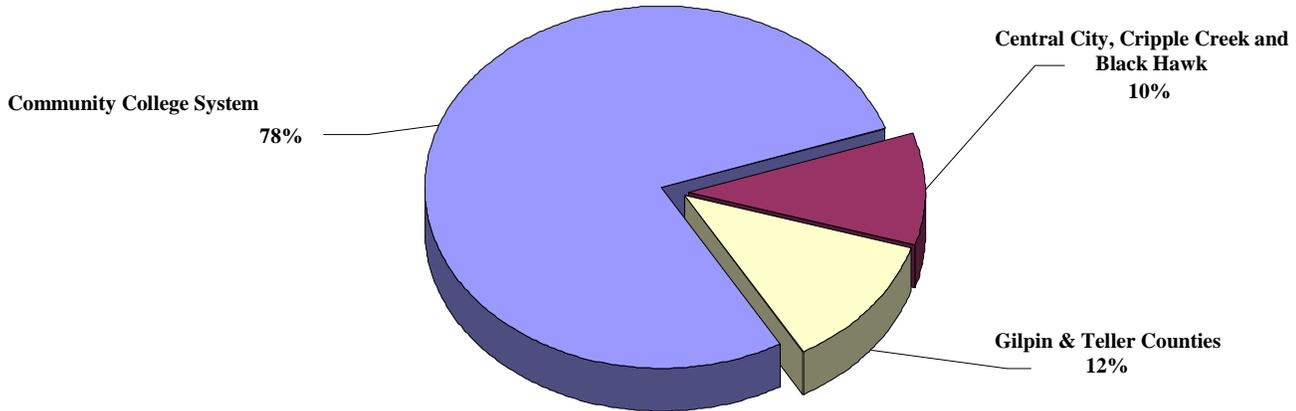
**Colorado Limited Gaming Distribution Formula
(Original Recipients)**



**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

Distribution (continued)

**Colorado Extended Gaming Distribution Formula
(Amendment 50 Recipients)**



**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

Distribution (continued)

The chart below compares the amounts distributed to the various recipients for fiscal years 2012 and 2011.

Funds Distribution Comparison

	For the Years Ended June 30,		Difference	Percent Difference
	2012	2011		
Colorado State Historical Fund	\$ 23,127,355	\$ 24,195,009	\$ (1,067,654)	(4.41)%
Colorado Travel and Tourism Promotion Fund	11,049,424	12,002,687	(953,263)	(7.94)%
Local Government Limited Gaming Impact Fund	3,314,827	3,600,806	(285,979)	(7.94)%
Creative Industries Cash Fund for the Operation of the Office of Film, Television, and Media	220,989	240,054	(19,065)	(7.94)%
Bioscience Discovery Evaluation Cash Fund	3,977,793	4,320,967	(343,174)	(7.94)%
Creative Industries Cash Fund	883,954	960,215	(76,261)	(7.94)%
Innovative Higher Education Research Fund	<u>1,546,920</u>	<u>1,680,376</u>	<u>(133,457)</u>	(7.94)%
Total payments to other State agencies	<u>44,121,262</u>	<u>47,000,114</u>	<u>(2,878,852)</u>	(6.13)%
City of Black Hawk	6,048,629	6,352,054	(303,425)	(4.78)%
City of Central City	782,200	768,193	14,007	1.82%
City of Cripple Creek	1,428,940	1,520,828	(91,888)	(6.04)%
Gilpin County	8,196,996	8,544,294	(347,298)	(4.06)%
Teller County	<u>1,714,728</u>	<u>1,824,995</u>	<u>(110,267)</u>	(6.04)%
Total payment due to other governments	18,171,493	19,010,364	(838,871)	(4.41)%
Due to the State General Fund	20,304,942	20,400,269	(95,327)	(0.47)%
Due to the Extended Gaming recipients	<u>8,599,689</u>	<u>8,916,605</u>	<u>(316,916)</u>	(3.55)%
Total distribution	<u>\$ 91,197,386</u>	<u>\$ 95,327,352</u>	<u>\$ (4,129,966)</u>	(4.33)%

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

Distribution (continued)

The total distribution for the fiscal year ended June 30, 2011 was \$95,327,352.

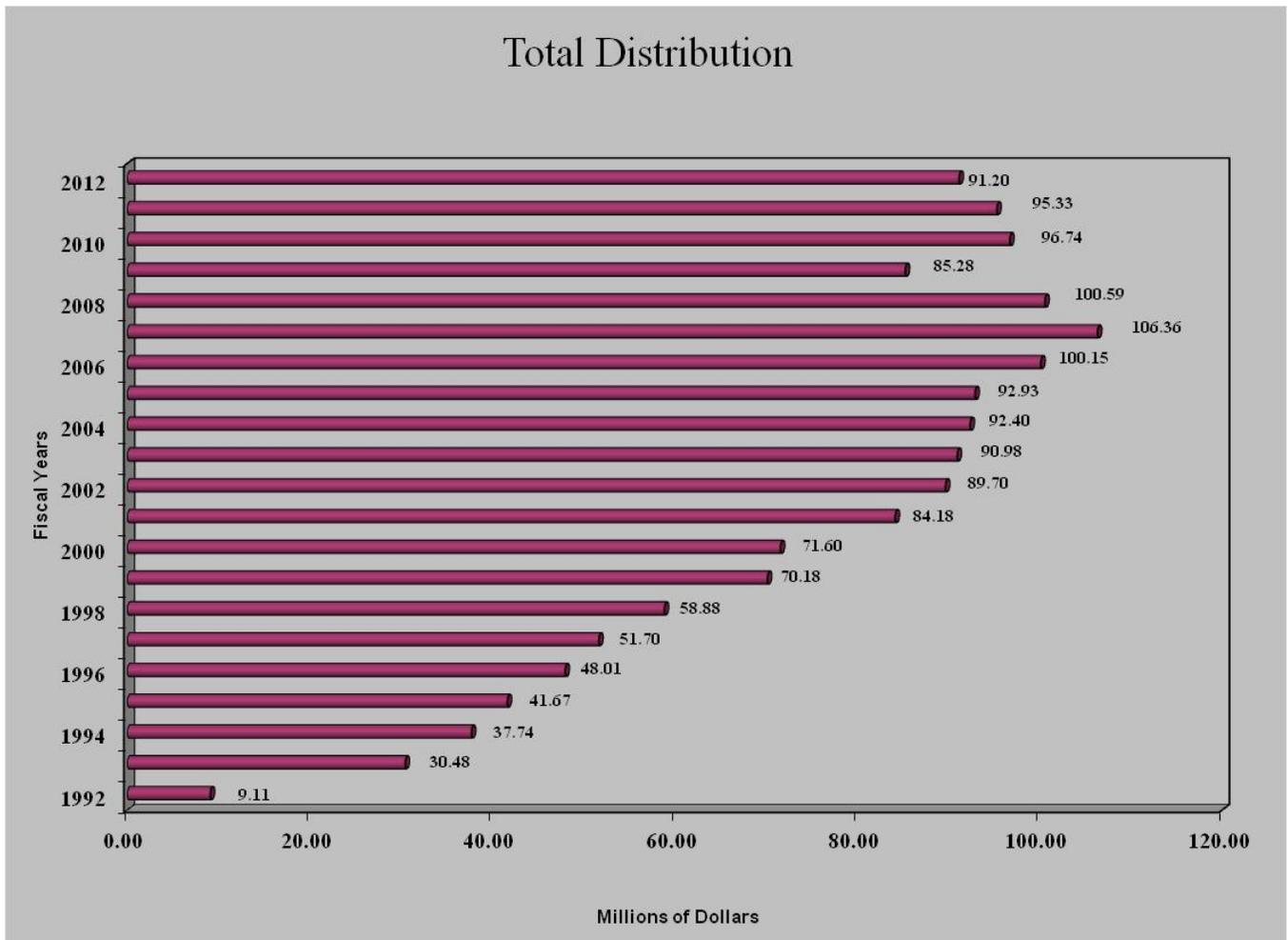
The chart below compares the amounts distributed to the various recipients for fiscal years 2011 and 2010.

Funds Distribution Comparison

	For the Years Ended June 30,		Difference	Percent Difference
	2011	2010		
Colorado State Historical Fund	\$ 24,195,009	\$ 24,867,360	\$ (672,351)	(2.70)%
Colorado Travel and Tourism Promotion Fund	12,002,687	14,208,015	(2,205,328)	(15.52)%
Local Government Limited Gaming Impact Fund	3,600,806	3,772,780	(171,974)	(4.56)%
Colorado Council on the Arts Cash Fund	-	1,121,726	(1,121,726)	(100.00)%
Creative Industries Cash Fund for the Operation of the Office of Film, Television, and Media	240,054	407,997	(167,943)	(41.16)%
New Jobs Incentives Cash Fund	-	1,291,231	(1,291,231)	(100.00)%
Bioscience Discovery Evaluation Cash Fund	4,320,967	5,500,000	(1,179,033)	(21.44)%
Creative Industries Cash Fund	960,215	-	960,215	100.00%
Innovative Higher Education Research Fund	<u>1,680,376</u>	<u>1,904,251</u>	<u>(223,875)</u>	(11.76)%
Total payments to other State agencies	<u>47,000,114</u>	<u>53,073,360</u>	<u>(6,073,246)</u>	(11.44)%
City of Black Hawk	6,352,054	6,516,136	(164,082)	(2.52)%
City of Central City	768,193	751,350	16,843	2.24%
City of Cripple Creek	1,520,828	1,613,714	(92,886)	(5.76)%
Gilpin County	8,544,294	8,720,983	(176,689)	(2.03)%
Teller County	<u>1,824,995</u>	<u>1,936,457</u>	<u>(111,462)</u>	(5.76)%
Total payment due to other governments	19,010,364	19,538,640	(528,276)	(2.70)%
Due to the State General Fund	20,400,269	16,200,000	4,200,269	25.93%
Due to the Extended Gaming recipients	<u>8,916,605</u>	<u>7,930,401</u>	<u>986,204</u>	12.44%
Total distribution	<u>\$ 95,327,352</u>	<u>\$ 96,742,401</u>	<u>\$ (1,415,049)</u>	(1.46)%

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

Distribution (continued)



Budget

The Colorado Limited Gaming Control Commission approves 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 can be amended if approved by the Colorado Limited Gaming Commission.

Changes approved in February 2012

- The Legal Services appropriation was decreased by \$83,485.

Changes approved in March 2012

- The Fixed Vehicle Lease appropriation was decreased by \$3,854.

* Fiscal Year 2011 may not match the financial statements exactly. The audited financial statement numbers were rounded. Fiscal Year 2011 numbers match the audited financial statements.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

Budget (continued)

Changes approved in April 2012

- The State Agency Services appropriation was increased by \$28,033 for the Colorado State Patrol.

The budget approved at the beginning of the year was \$13,520,959. The amendments and roll forwards to the budget resulted in a net decrease of \$59,306. Therefore, the final approved budget for fiscal year 2012 was \$13,461,653. Total actual expenditures were \$12,305,062 resulting in excess appropriations, or a savings of \$1,156,591 for fiscal year 2012.

Economy and Next Year's Budget

The Division considers several factors when determining estimates for the following year's budget. The fiscal year 2013 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 2013. The Division's request totaled \$10,353,618, which represents a 6.45% increase from the fiscal year 2012 appropriation. The largest increase in the fiscal year 2013's budget is \$253,719 for the Personal Services appropriation. Health, Life and Dental appropriation was increased by \$61,484. The Colorado Limited Gaming Control Commission approved a budget request submitted by the Department of Public Safety for \$3,684,918 and a budget request submitted by the Department of Local Affairs for \$153,939. These funds are used for gaming related purposes.

Assumptions that were made when preparing the revenue projection for fiscal year 2013 included the continuation of current tax structure, 5% tax rate increase and continuation of license and application fees in effect. 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 2012. The Division's fiscal year 2013 revenue estimates total \$109.4 million, a \$5.7 million increase over fiscal year 2012 actual revenue.

During the 21 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/revenue/gaming.

**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
JUNE 30, 2012 AND 2011**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds.

The tax rates for period ending June 30, 2012 are:

- .2375% on amounts up to \$2 million
- 1.90% on amounts over \$2 million and up to \$5 million
- 8.55% on amounts over \$5 million and up to \$8 million
- 10.45% on amounts over \$8 million and up to \$10 million
- 15.20% on amounts over \$10 million and up to \$13 million
- 19.00% on amounts over \$13 million

The tax rates for year ending June 30, 2012 were lowered by 5% compared to tax rates for the year ending June 30, 2011, see below:

The tax rates for period ending June 30, 2011 were:

- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

For Periods Beginning July 1, 2010 and 2011 through June 30, 2011 and 2012

<u>AGP Comparison</u>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 2,789,073	\$ 7,176,950	\$ 4,387,877	157.32%	
\$2 - \$5 Million	\$ 40,259,808	\$ 36,391,146	\$ (3,868,662)	(9.61%)	
\$5 - \$8 Million	\$ 26,518,931	\$ 31,539,031	\$ 5,020,100	18.93%	
\$8 - \$10 Million	\$ 36,509,267	\$ 18,242,088	\$ (18,267,179)	(50.03%)	
\$10 - \$13 Million	\$ 31,800,023	\$ 21,420,358	\$ (10,379,665)	(32.64%)	
\$13+ Million	\$ 616,209,911	\$ 644,834,902	\$ 28,624,991	4.65%	
Total	<u>\$ 754,087,013</u>	<u>\$ 759,604,475</u>	<u>\$ 5,517,462</u>	<u>0.73%</u>	

<u>Tax Comparison</u>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 196,973	\$ 183,295	\$ (13,678)	(6.94%)	
\$2 - \$5 Million	\$ 1,885,196	\$ 1,736,432	\$ (148,764)	(7.89%)	
\$5 - \$8 Million	\$ 6,526,704	\$ 5,689,087	\$ (837,617)	(12.83%)	
\$8 - \$10 Million	\$ 4,456,019	\$ 3,996,298	\$ (459,721)	(10.32%)	
\$10 - \$13 Million	\$ 7,488,004	\$ 7,511,895	\$ 23,891	0.32%	
\$13+ Million	\$ 84,241,982	\$ 82,998,631	\$ (1,243,351)	(1.48%)	
Total	<u>\$ 104,794,878</u>	<u>\$ 102,115,638</u>	<u>\$ (2,679,240)</u>	<u>(2.56%)</u>	

<u>AGP Summary</u>			
Range	Prior Year No. of Open Casinos	This Year No. of Open Casinos	Difference
\$0 - \$2 Million	1	6	5
\$2 - \$5 Million	11	9	(2)
\$5 - \$8 Million	4	5	1
\$8 - \$10 Million	4	2	(2)
\$10 - \$13 Million	3	2	(1)
\$13+ Million	14	16	2
	<u>37</u>	<u>40</u>	<u>3</u>

**COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
JUNE 30, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
ASSETS:						
Cash & Temporary Cash Investment - Note 2	\$ 8,718,155	\$ 76,511,747	\$ 85,229,902	\$ 9,051,721	\$ 80,342,740	\$ 89,394,461
Accounts Receivable - Note 3						
Gaming Taxes	0	10,900,285	10,900,285	0	10,678,561	10,678,561
Accounts Receivable Other Agencies	0	32	32	0	10	10
Background	0	530	530	0	0	0
Fines Receivable	0	1,969	1,969	0	1,456	1,456
Miscellaneous	0	1,423	1,423	0	12,657	12,657
Net Accounts Receivable	0	10,904,239	10,904,239	0	10,692,684	10,692,684
Prepaid Expenses	0	20,482	20,482	0	14,296	14,296
Total Current Assets	8,718,155	87,436,468	96,154,623	9,051,721	91,049,720	100,101,441
TOTAL ASSETS	\$ 8,718,155	\$ 87,436,468	\$ 96,154,623	\$ 9,051,721	\$ 91,049,720	\$ 100,101,441
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 103,146	\$ 103,146	\$ 0	\$ 43,402	\$ 43,402
Accrued Payroll Payable - Note 1	0	558,834	558,834	0	555,994	555,994
Wages & Salaries Payable	0	1,452	1,452	0	4,357	4,357
Due to Other State Agencies - Note 13	0	44,429,798	44,429,798	0	47,333,871	47,333,871
Due to Other Governments - Note 13	0	18,171,493	18,171,493	0	19,010,364	19,010,364
Due to the State's General Fund - Note 13	0	20,304,942	20,304,942	0	20,400,269	20,400,269
Background and Other Deposits - Note 5	0	274,088	274,088	0	131,689	131,689
Deferred Revenue - Note 5	0	252,390	252,390	0	298,930	298,930
Total Liabilities	0	84,096,143	84,096,143	0	87,778,876	87,778,876
FUND BALANCE:						
Restricted for:						
Required Reserve - Note 7	118,467	3,319,843	3,438,310	135,116	3,256,548	3,391,664
Extended Gaming Recipients - Note 7	8,599,688	0	8,599,688	8,916,605	0	8,916,605
Nonspendable:						
Prepays	0	10,241	10,241	0	7,148	7,148
Committed to:						
Prepays	0	10,241	10,241	0	7,148	7,148
Total Fund Balance	8,718,155	3,340,325	12,058,480	9,051,721	3,270,844	12,322,565
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,718,155	\$ 87,436,468	\$ 96,154,623	\$ 9,051,721	\$ 91,049,720	\$ 100,101,441

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2012 AND 2011
(UNAUDITED)**

	FY 2012			FY 2011		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL FUND BALANCE
REVENUES:						
Gaming Taxes	\$ 0	\$ 102,080,861	\$ 102,080,861	\$ 0	\$ 104,807,976	\$ 104,807,976
License and Application Fees	0	629,594	629,594	0	620,701	620,701
Background Investigations	0	221,817	221,817	0	209,430	209,430
Fines	0	184,682	184,682	0	67,347	67,347
Interest Income - Note 2	14,428	599,775	614,203	19,356	904,959	924,315
Investment Income / (Loss) - Note 2	(16,649)	(159,321)	(175,970)	135,116	(669,790)	(534,674)
Other Revenue	0	92	92	0	778	778
TOTAL REVENUES	(2,221)	103,557,500	103,555,279	154,472	105,941,401	106,095,873
OTHER FINANCING SOURCES / USES:						
Transfer from Limited Gaming Fund - Note 7	8,585,260	0	8,585,260	8,897,249	0	8,897,249
Insurance Recoveries - Note 12	0	0	0	0	8,458	8,458
TOTAL REVENUES & OTHER FIN. SOURCES	8,583,039	103,557,500	112,140,539	9,051,721	105,949,859	115,001,580
EXPENDITURES:						
Salaries and Benefits	0	6,649,696	6,649,696	0	6,629,782	6,629,782
Annual and Sick Leave Payouts	0	42,033	42,033	0	8,148	8,148
Professional Services	0	127,273	127,273	0	57,583	57,583
Travel	0	42,658	42,658	0	20,624	20,624
Automobiles	0	180,483	180,483	0	150,973	150,973
Printing	0	14,186	14,186	0	12,233	12,233
Police Supplies	0	15,216	15,216	0	9,598	9,598
Computer Services & Name Searches	0	114,991	114,991	0	112,195	112,195
Materials, Supplies, and Services	0	257,948	257,948	0	414,322	414,322
Postage	0	4,047	4,047	0	4,199	4,199
Telephone	0	92,767	92,767	0	110,994	110,994
Utilities	0	21,862	21,862	0	19,261	19,261
Other Operating Expenditures	0	12,112	12,112	0	59,575	59,575
Leased Space	0	268,380	268,380	0	194,512	194,512
Capital Outlay	0	82,135	82,135	0	25,449	25,449
EXPENDITURES - SUBTOTAL	0	7,925,787	7,925,787	0	7,829,448	7,829,448
STATE AGENCY SERVICES - Note 13						
Colorado Bureau of Investigations	0	804,838	804,838	0	694,656	694,656
Fire Safety	0	175,044	175,044	0	167,421	167,421
Colorado State Patrol	0	2,319,762	2,319,762	0	2,326,121	2,326,121
State Auditors	0	32,860	32,860	0	31,698	31,698
Indirect Costs - Department of Revenue	0	685,832	685,832	0	711,203	711,203
Local Affairs	0	158,103	158,103	0	151,516	151,516
Regulatory Agencies	0	6,517	6,517	0	0	0
Colorado Department of Law	0	167,795	167,795	0	147,873	147,873
TOTAL STATE AGENCY SERVICES	0	4,350,751	4,350,751	0	4,230,488	4,230,488
Background Expenditures	0	28,524	28,524	0	37,160	37,160
TOTAL EXPENDITURES	0	12,305,062	12,305,062	0	12,097,096	12,097,096
Excess of Revenues Over Expenditures	8,583,039	91,252,438	99,835,477	9,051,721	93,852,763	102,904,484
FY 12 Limited Gaming Distribution - Note 7	0	(82,597,697)	(82,597,697)	0	(86,410,746)	(86,410,746)
Transferred to Extended Gaming Fund - Note 7	0	(8,585,260)	(8,585,260)	0	(8,897,249)	(8,897,249)
FY 11 and FY 10 Extended Gaming Distribution	(8,916,605)	0	(8,916,605)	(7,930,401)	0	(7,930,401)
FUND BALANCE AT JULY 1, 2011 & 2010	9,051,721	3,270,844	12,322,565	7,930,401	4,726,076	12,656,477
TOTAL FUND BAL. JUNE 30, 2012 AND 2011	\$ 8,718,155	\$ 3,340,325	\$ 12,058,480	\$ 9,051,721	\$ 3,270,844	\$ 12,322,565

**COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOR THE YEAR-TO-DATE ENDED JUNE 30, 2012
(UNAUDITED)**

	COMMISSION APPROVED BUDGET	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATE/ BUDGET *	YEAR-TO-DATE ACTUAL	OVER/ (UNDER)	% EARNED % EXPENDED
REVENUES:						
Gaming Taxes	\$ 104,935,975	\$ 0	\$ 104,935,975	\$ 102,080,861	\$ (2,855,114)	97.28%
License and Application Fees	637,848	0	637,848	629,594	(8,254)	98.71%
Background Investigations	253,768	0	253,768	221,817	(31,951)	87.41%
Fines	0	0	0	184,682	184,682	100.00%
Interest Revenue	1,000,584	0	1,000,584	599,775	(400,809)	59.94%
Other Revenue	0	0	0	92	92	100.00%
TOTAL REVENUES	106,828,175	0	106,828,175	103,716,821	(3,111,354)	97.09%
EXPENDITURES:						
Personal Services	6,587,918	0	6,587,918	6,205,319	(382,599)	94.19%
Health, Dental and Life Insurance	523,299	0	523,299	523,299	0	100.00%
Short Term Disability	9,262	0	9,262	9,262	0	100.00%
Amortization Equalization Disbursement	167,324	0	167,324	144,941	(22,383)	86.62%
Supplemental Amort. Equal. Disbursement	134,460	0	134,460	116,607	(17,853)	86.72%
Operating Expenditures	588,084	0	588,084	467,302	(120,782)	79.46%
Workers Compensation	45,759	0	45,759	45,759	0	100.00%
Risk Management	10,722	0	10,722	10,722	0	100.00%
Licensure Activities	181,497	0	181,497	100,547	(80,950)	55.40%
Leased Space	279,509	0	279,509	268,380	(11,129)	96.02%
Vehicle Lease Payments - Fixed	85,677	(3,854)	81,823	81,823	0	100.00%
Vehicle Lease Payments - Variable	62,155	0	62,155	62,155	0	100.00%
Utilities	25,465	0	25,465	21,862	(3,603)	85.85%
EDO - MNT	47,881	0	47,881	47,881	0	100.00%
EDO - Communications	27,100	0	27,100	27,100	0	100.00%
Legal Services	83,485	(83,485)	0	0	0	0.00%
Indirect Costs - Department of Revenue	690,400	0	690,400	685,832	(4,568)	99.34%
State Agency Services	3,706,998	28,033	3,735,031	3,457,747	(277,284)	92.58%
Division Expenditures	13,256,995	(59,306)	13,197,689	12,276,538	(921,151)	93.02%
Background Expenditures	263,964	0	263,964	28,524	(235,440)	10.81%
TOTAL EXPENDITURES	13,520,959	(59,306)	13,461,653	12,305,062	(1,156,591)	91.41%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 93,307,216	N/A	\$ 93,366,522	\$ 91,411,759	\$ (1,954,763)	97.91%

* Amount includes Long Bill items and Supplemental Appropriations by the Gaming Commission.
The percent of the fiscal year elapsed through June 30, 2012 is 100.0%.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

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 Fund, 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 and Note 6, respectively.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Fund

Special Revenue Fund

Transactions related to resources obtained from specific sources, which are restricted to specific purposes, are accounted for in the Special Revenue Fund. 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.

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. Expenditures are recorded when the related fund liability is incurred, if measurable.

Budget

The Statement of Budget to Actual compares actual revenues and expenditures to those which are legally authorized by state statute. The fiscal year 2012 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 authorization or supplemental budget approval. The Commission must approve all supplemental budget requests, with the exception of decreases to shared expenses. Appropriations lapse at fiscal year-end unless a roll-forward of the unexpended budget has been approved.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 1 - Summary of Significant Accounting Policies (continued)

Budget (continued)

Total appropriations for the fiscal years are as follows:

	<u>Years Ended June 30,</u>	
	<u>2012</u>	<u>2011</u>
Appropriations	\$ 13,520,959	\$ 13,698,021
Supplemental appropriations	<u>(59,306)</u>	<u>(24,540)</u>
Total appropriations	<u>\$ 13,461,653</u>	<u>\$ 13,673,481</u>

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.

Subsequent Events

The Division has evaluated all subsequent events through August 3, 2012, which is the date the financial statements and supplemental schedules were available to be issued, and determined there were no subsequent events requiring additional disclosure.

Note 2 - Cash and Temporary Cash Investments

The State Treasury acts as a bank for all State agencies. Monies deposited in the State Treasury are invested until the cash is needed. The Division deposits cash with the Colorado State Treasurer as required by C.R.S. Interest earnings on these investments are credited to the General Fund unless a specific statute directs otherwise. Cash held by the State Treasury for the Division as of June 30, 2012 and 2011 were approximately \$76.5 million and \$80.3 million, respectively.

The State Treasurer pools these deposits and invests them in securities approved by Section 24-75-601.1, C.R.S. The Division reports its share of the State Treasurer's unrealized gains and losses based on its participation in the State Treasurer's pool. During the years ended June 30, 2012 and 2011, the Division's share of unrealized gain (loss) was \$(159,321) and \$(669,790), respectively.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 2 - Cash and Temporary Cash Investments (continued)

The State Treasurer does not invest any of the pooled resources in any external investment pool, and there is no assignment of income related to participation in the pool. All of the Treasurer's investments are reported at fair value, which is determined based on quoted market prices at year-end. The unrealized gain included in "Investment Income" in the Statements of Revenues, Expenditures, and Changes in Fund Balance, reflects only the change in fair value during the current fiscal year. Additional information on the State Treasurer's pool may be obtained from the State of Colorado's Comprehensive Annual Financial Report.

The temporary cash investments of \$1,039,926 and \$1,199,247 at June 30, 2012 and 2011, respectively, represents the cumulative unrealized net gain on cash and temporary cash investments and is not available for use in the gaming distribution calculation.

The Division receives interest payments from the State Treasurer's Office on cash held on behalf of the Division. During the years ended June 30, 2012 and 2011, \$599,775 and \$904,959, respectively, was earned on the average daily cash and temporary cash investments balances. During fiscal years 2012 and 2011, the State Treasurer paid interest at 1.37% and 1.95%, respectively, based on average annualized monthly interest rates.

Note 3 - Accounts Receivable

As of June 30, 2012 and 2011, the Division had accounts receivable balances of \$10,904,239 and \$10,692,684, respectively. At June 30, 2012 and 2011, the Division had \$10,900,285 and \$10,678,561 of gaming taxes receivable from 41 and 37 Colorado casinos, respectively. These receivables primarily represent June 2012 and 2011 gaming taxes, which were due on July 16, 2012 and July 15, 2011, respectively, and were subsequently collected by the Department of Revenue in July 2012 and 2011 on behalf of the Division. Based on past collection history with similar accounts, no allowance for doubtful accounts is deemed necessary by management.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

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 estimated fair values 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, five to ten years for leasehold improvements, furniture, equipment, and software.

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			Total
	Land	Construction in Progress	Subtotal	Equipment	Building	Subtotal	
Cost							
Balances, June 30, 2010	\$ 536,138	-	\$ 536,138	\$ 576,823	\$ 1,128,222	\$ 1,705,045	\$ 2,241,183
Additions	-	-	-	18,760	6,690	25,450	25,450
Disposals	-	-	-	(5,675)	-	(5,675)	(5,675)
Balances, June 30, 2011	536,138	-	536,138	589,908	1,134,912	1,724,820	2,260,958
Additions	-	-	-	82,135	-	82,135	82,135
Disposals	-	-	-	(22,875)	-	(22,875)	(22,875)
Balances, June 30, 2012	<u>536,138</u>	<u>-</u>	<u>536,138</u>	<u>649,168</u>	<u>1,134,912</u>	<u>1,784,080</u>	<u>2,320,218</u>
Accumulated Depreciation							
Balances, June 30, 2010	-	-	-	(545,151)	(73,401)	(618,552)	(618,552)
Additions	-	-	-	(5,169)	(31,817)	(36,986)	(36,986)
Disposals	-	-	-	5,675	-	5,675	5,675
Balances, June 30, 2011	-	-	-	(544,645)	(105,218)	(649,863)	(649,863)
Additions	-	-	-	(6,901)	(31,892)	(38,793)	(38,793)
Disposals	-	-	-	22,875	-	22,875	22,875
Balances, June 30, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>(528,671)</u>	<u>(137,110)</u>	<u>(665,781)</u>	<u>(665,781)</u>
Total capital assets, net	<u>\$ 536,138</u>	<u>\$ -</u>	<u>\$ 536,138</u>	<u>\$ 120,497</u>	<u>\$ 997,802</u>	<u>\$ 1,118,299</u>	<u>\$ 1,654,437</u>

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 5 - Other Liabilities

Included in other liabilities are deposits and deferred 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 \$267,774 and \$125,355 at June 30, 2012 and 2011, respectively, represent background investigation deposits, as well as \$6,314 and \$6,335 of monies at June 30, 2012 and 2011, respectively, 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 deferred revenue until the Division incurs the expense during the review period. As of June 30, 2012 and 2011, deferred license fees were \$252,390 and \$298,930, 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 and are all considered long term as of June 30, 2012:

	<u>Annual Leave</u>	<u>Sick Leave</u>	<u>Total</u>
Balances, June 30, 2010	\$ 464,485	\$ 54,909	\$ 519,394
Increase	311,077	48,222	359,299
Decrease	<u>(312,570)</u>	<u>(56,364)</u>	<u>(368,934)</u>
Balances, June 30, 2011	462,992	46,767	509,759
Increase	295,815	45,490	341,305
Decrease	<u>(292,150)</u>	<u>(42,708)</u>	<u>(334,858)</u>
Balances, June 30, 2012	<u>\$ 466,657</u>	<u>\$ 49,549</u>	<u>\$ 516,206</u>

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 7 - Gaming Distributions

Limited Gaming Distribution

In accordance with Section 12-47.1-701, C.R.S. and amended by Senate Bill 11-159, the balance remaining in the Limited Gaming Fund is to be distributed by the State Treasurer to the recipients of limited gaming revenues according to the following formula:

- 50% to the State General Fund, of which the first \$19,200,000 will be directed to the General Fund. Any amount of the 50% General Fund distribution greater than \$48,500,000 will be directed to the General Fund. Any amount of the 50% General Fund distribution which is greater than \$19,200,000 and less than or equal to \$48,500,000 is to be further divided such that 50% of the distribution is to be given to the Colorado Travel & Tourism Promotion Fund, 18% of the distribution is to be given to the Bioscience Discovery Evaluation Cash Fund, 15% of the distribution is to be given to the Local Government Limited Gaming Impact Fund, 7% of the distribution is to be given to the Innovative Higher Education Research Fund, 5% of the distribution is to be given to the New Jobs Incentives Cash Fund¹, 4% of the distribution is to be given to the Creative Industries Cash Fund, and 1% of the distribution is to be given to the Creative Industries Cash Fund for the operation of the Colorado Office of Film, Television, and Media.
- 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 City, and Black Hawk, in proportion to the gaming revenues generated in these respective cities.

The General Fund's 50% share of the Limited Gaming Fund distribution for fiscal year 2012 totaled \$41,298,849; as such, the provision giving the General Fund any amount greater than \$48,500,000 is not applicable.

¹Senate Bill 11-159 Fiscal Note indicates current law governing the New Jobs Incentives Program is discontinued. As of January 1, 2011, employers are no longer eligible to receive performance-based incentives from the New Jobs Incentives Cash Fund.

Senate Bill 11-159 Section 1(2)(a)(III)(b) declares that if a transfer specified in subparagraph (II) of paragraph (a) of this subsection (2) provides moneys for a purpose or program that is repealed or otherwise discontinued as of the date of the transfer, then the transfer shall not be made to that particular fund but shall instead be transferred to the State General Fund.

The New Jobs Incentives Cash Fund's 5% allocation from the 50% General Fund distribution amounted to a total of \$1,104,942. This amount was added to the \$19,200,000 General Fund distribution noted above; this addition brings the General Fund's total distribution amount to \$20,304,942.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 7 - Gaming Distributions (continued)

Limited Gaming Distribution (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, 2012 and 2011, the amount calculated as reserved fund balance by the Division based on expenditures for the preceding two-month period was \$2,300,399 and \$2,071,594, respectively.

On August 23rd, 2012, the Commission is expected to approve the distribution of \$82,597,697 for the fiscal year ended June 30, 2012 in accordance with Section 12-47.1-701, C.R.S. On August 25, 2011, \$86,410,747 was approved as the 2011 distribution. The adjusted distributions are summarized as follows:

	Year Ended June 30,	
	2012	2011
Distribution to other State agencies		
Colorado State Historical Fund	\$ 23,127,355	\$ 24,195,009
Local Government Limited Gaming Impact Fund	3,314,827	3,600,806
Colorado Travel and Tourism Promotion Fund	11,049,424	12,002,687
Creative Industries Cash Fund for the Operation of the Office of Film, Television, and Media	220,989	240,054
New Jobs Incentives Cash Fund	-	-
Bioscience Discovery Evaluation Cash Fund	3,977,793	4,320,967
Creative Industries Cash Fund	883,954	960,215
Innovative Higher Education Research Fund	1,546,920	1,680,376
Total distributions to other State agencies	44,121,262	47,000,114
Distributions to other governments		
Cities of Cripple Creek, Central City, and Black Hawk Gilpin and Teller Counties	8,259,770	8,641,075
Total distributions to other governments	18,171,493	19,010,364
Distribution to the State General Fund	20,304,942	20,400,269
Total distributions	\$ 82,597,697	\$ 86,410,747

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 7 - Gaming Distributions (continued)

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 City, and Black Hawk, in proportion to the tax revenues generated in the respective cities.

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 City 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(4)(d), 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.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 7 - Gaming Distributions (continued)

Extended Gaming Distribution (continued)

- 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 2012, the actual annual decline is (2.60) % which is the lesser of 6%. The annual adjustment amount attributable to this actual annual decline for fiscal year 2012 is \$(244,434).

On August 23rd, 2012, the Commission is expected to approve the distribution of \$8,599,688 for the fiscal year ended June 30, 2012, in accordance with Section 12-47.1-701.5 C.R.S. On August 25, 2011, \$8,916,605 was approved as the 2011 distribution. These amounts were transferred to the Extended Gaming Fund at each fiscal year end as follows:

	June 30,	
	2012	2011
Distributions to Extended Gaming Recipients		
<ul style="list-style-type: none"> • 78% to the State's Public Community Colleges, Junior Colleges, and Local District Colleges; 	\$ 6,707,757	\$ 6,954,952
<ul style="list-style-type: none"> • 12% to Gilpin and Teller Counties, in proportion to the tax revenues generated in the respective counties; and 	1,031,963	1,069,993
<ul style="list-style-type: none"> • 10% to the cities of Cripple Creek, Central City, and Black Hawk, in proportion to the tax revenues generated in the respective cities. 	859,969	891,660
Total transfer for distribution attributable to extended gaming	\$ 8,599,689	\$ 8,916,605

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 8 - Commitments and Contingencies

Cripple Creek Office

In April 2007, the Division entered into a lease and option to purchase agreement with a third party to lease office space at a location in Cripple Creek, Colorado. The lease began in September 2007 with an initial term of ten years.

On June 15, 2010, the Division exercised the lease agreement's option to purchase the Cripple Creek building. The purchase price (including the land) was approximately \$834,000.

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. The lease began in September 2010 with an initial term of ten years.

Estimated Future Payments

Fiscal year 2013	\$ 285,038
Fiscal year 2014	290,566
Fiscal year 2015	296,582
Fiscal year 2016	302,599
Fiscal year 2017	308,777
Fiscal year 2018	315,281
Fiscal year 2019	321,785
Fiscal year 2020	<u>328,615</u>
	<u>\$ 2,449,243</u>

As shown in the Management Discussion and Analysis in fiscal year 2010, the leased space expenditure amount includes the Division's share of Capitol Complex lease cost for the Division's previous Lakewood location.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 8 - Commitments and Contingencies (continued)

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. The original sunset date for the Division was July 1, 2003. During fiscal year 2003, a sunset review was completed, the law was amended, and the sunset date was extended to July 1, 2013. The Division’s existence will continue after July 1, 2013, only through the passage of a bill by the General Assembly. The General Assembly is in the process of conducting a sunset review. A sunset review report is anticipated to be available after October 15, 2012, after which time the General Assembly will determine whether or not the Division will continue.

Licensing System

In December 2004, the Division entered into a three-year contract with a third party for maintenance and service of the Division’s regulatory licensing and document imaging computer system. This contract required the Division to pay approximately \$51,500 to \$55,000 per year through November 30, 2007. In November 2007, the Division entered into an amendment of the original three-year contract which extended the option to renew the maintenance and service agreement through November 2009. In November 2009, the Division entered into a second amendment which extended the option to renew the maintenance and service agreement through November 2010. In November 2010, the Division entered into a third amendment which extended the option to renew the maintenance and service agreement through November 2011. In November 2011, the Division entered into a fourth amendment which extended the option to renew the maintenance and service agreement through November 2012. During fiscal years 2012 and 2011, the Division expended \$31,285 and \$42,811, respectively, under this contract.

Note 9 - Pension Plan

Plan Description

Virtually all of the department/institution’s employees participate in a defined benefit pension plan. The plan’s purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees’ Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The state plan and other divisions’ plans are included in PERA’s financial statements, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 9 - Pension Plan (continued)

Plan Description (continued)

Non-higher education employees hired by the State after January 1, 2006 are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the State Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

Prior to legislation passed during the 2006 session, higher education employees may have participated in social security, PERA's defined benefit plan, or the institution's optional retirement plan. Currently, higher education employees, except for community college employees, are required to participate in their institution's optional plan, if available, unless they are active or inactive members of PERA with at least one year of service credit. In that case they may elect either PERA or their institution's optional plan. Community college employees hired after January 1, 2010, are required to become members of PERA and must elect either PERA's defined benefit or defined contribution plan with 60 days, unless they had been a PERA member within the prior twelve months. In that case they are required to remain in the PERA plan in which they participated previously.

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members (except state troopers) vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 – age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005 and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with any years of service.
- Hired between January 1, 2007 and December 31, 2010 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service. For members with less than five years of service credit as of January 1, 2011 age and service requirements increase to those required for members hired between January 1, 2007 and December 31, 2010.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 9 - Pension Plan (continued)

Plan Description (continued)

- Hired between January 1, 2011 and December 31, 2016 – any age with 35 years of service, age 58 with 30 years of service, age 65 with 5 years of service.
- Hired on or after January 1, 2017 – any age with 35 years of service, age 58 with 30 years of service, or age 65 with 5 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.
- Hired between January 1, 2011 and December 31, 2016 – age 58 and age plus years of service equals 88 or more.
- Hired on or after January 1, 2017 – age 60 and age plus years of service equals 90.

State troopers and judges comprise a small percentage of plan members but have higher contribution rates, and state troopers are eligible for retirement benefits at different ages and years of service.

Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009, or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually based on their original hire date as follows:

- Hired before July 1, 2005 – 3.5 percent, compounded annually.
- Hired between July 1, 2005 and December 31, 2006 – the lesser of 3 percent or the actual increase in the national Consumer Price Index.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 9 - Pension Plan (continued)

Plan Description (continued)

- Hired on or after January 1, 2007 – the lesser of 2 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percentage point of salaries contributed by employers for employees hired on or after January 1, 2007.)

Members who are disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If there is no eligible child or spouse then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

Funding Policy

The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly. Salary subject to PERA contribution is gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Most employees contribute 8.0 percent of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan. Effective July 1, 2011 Senate Bill 11-076 extended the requirement for members in the State and Judicial Divisions to pay 2.5 percent additional member contributions through June 30, 2012. Employer contributions for members in these two divisions will be reduced by 2.5 percent.

From July 1, 2011, to December 31, 2011, the State contributed 12.25 percent of the employee's salary. From January 1, 2012, through June 30, 2012, the state contributed 13.15 percent. During all of Fiscal Year 2012, 1.02 percent of the employees' total salary was allocated to the Health Care Trust Fund.

Per Colorado Revised Statutes, an amortization period of 30 years is deemed actuarially sound. At December 31, 2011, the division of PERA in which the State participates has a funded ratio of 57.7 percent and a 56 year amortization period based on current contribution rates. The funded ratio on the market value of assets is slightly lower at 57.6 percent.

In the 2004 and 2010 legislative sessions, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED requires PERA employers to pay an additional 0.5 percent of salary for calendar years 2006 and 2007, with subsequent year increases of 0.4 percent of salary through 2017, to a maximum of 5 percent.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 9 - Pension Plan (continued)

Funding Policy (continued)

In the 2006 and 2010 legislative sessions, the General Assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional one half percentage point of total salaries, for calendar years 2008 through 2017, to a maximum of 5 percent. The SAED will be deducted from the amount otherwise available to increase State employees' salaries.

At a 103 percent funding ratio, both the AED and SAED will be reduced by one-half percentage point, and for subsequent declines to below 90 percent funded both the AED and SAED will be increased by one-half percentage point.

Historically members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required, that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Division's contributions to PERA and/or the State defined contribution plan for the fiscal years ending June 30, 2012, 2011 and 2010 were \$605,677, \$571,200 and \$643,950 respectively. These contributions met the contribution requirement for each year.

Note 10 - Voluntary Tax-Deferred Retirement Plans

PERA offers a voluntary 401k plan entirely separate from the defined benefit pension plan. The State offers a 457 deferred compensation plan and certain agencies and institutions of the State offer 403(b) or 401(a) plans.

Note 11 - Other Post Employment Benefits and Life Insurance

Health Care Plan

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. The plan is a cost-sharing multiple-employer plan under which PERA subsidizes a portion of the monthly premium for health care coverage. The benefits and employer contributions are established in statute and may be amended by the General Assembly. PERA includes the Health Care Trust Fund in its Comprehensive Annual Financial Report, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 11 - Other Post Employment Benefits and Life Insurance (continued)

Health Care Plan (continued)

After the PERA subsidy, the benefit recipient pays the balance of the premium through an automatic deduction from the monthly retirement benefit. Monthly premium costs for participants depend on the health care plan selected, the PERA subsidy amount, Medicare eligibility, and the number of persons covered. Effective July 1, 2000, the maximum monthly subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare and \$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 maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5 percent for each year less than 20 years.

Employees are not required to contribute to the Health Care Trust Fund, which is maintained by employer's contributions as discussed above in Note 9. Beginning July 1, 2004, state agencies are required to contribute 1.02% of gross covered wages to the Health Care Trust Fund. The Division contributed \$50,955, \$51,837, and \$51,160 as required by statute in fiscal years 2012, 2011, and 2010, respectively. In each year the amount contributed was 100% of the required contribution.

The Health Care Trust Fund offers two general types of plans: fully-insured plans offered through health care organizations and self-insured plans administered for PERA by third party vendors. As of December 31, 2011, there were 50,217 enrolled participants, including spouses and dependents, from all contributors to the plan. At December 31, 2011, the Health Care Trust Fund had an unfunded actuarial accrued liability of \$1.43 billion, a funded ratio of 16.5 percent, and a 49-year amortization period.

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.

The Division had recorded \$8,458 in insurance recoveries as of June 30, 2011. The entire amount is related to a single event which occurred in fiscal year 2011 at the Division of Gaming's Cripple Creek office.

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.

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

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	
	2012	2011
State agency services:		
Colorado State Patrol	\$ 2,319,762	\$ 2,326,121
Colorado Bureau of Investigations	804,838	694,656
Colorado Division of Fire Safety	175,044	167,421
Indirect costs (Colorado Department of Revenue)	685,832	711,203
Legal Services (Colorado Department of Law)	167,795	147,873
Office of the State Auditor	32,860	31,698
Colorado Division of Local Affairs	158,103	151,516
Colorado Department of Regulatory Agencies	6,517	0
Total payments to State agencies	<u>\$ 4,350,751</u>	<u>\$ 4,230,488</u>

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

	June 30,	
	2012	2011
State agencies		
Colorado State Historical Society	\$ 23,127,355	\$ 24,195,009
Colorado Department of Local Affairs	3,314,827	3,600,806
Office of Economic Development	16,132,159	17,523,922
Colorado Department of Higher Education	1,546,920	1,680,376
Colorado State Patrol	219,821	250,671
Colorado Division of Fire Safety	10,702	15,457
Colorado Bureau of Investigations	77,615	60,550
Colorado Department of Revenue	399	6,759
Colorado Department of Personnel and Administration	0	321
Total liabilities to State agencies	<u>44,429,798</u>	<u>47,333,871</u>
Other governments		
City of Black Hawk	6,048,629	6,352,054
City of Central City	782,200	768,193
City of Cripple Creek	1,428,940	1,520,828
Gilpin County	8,196,996	8,544,294
Teller County	1,714,728	1,824,995
Total liabilities to other governments	<u>18,171,493</u>	<u>19,010,364</u>

**DIVISION OF GAMING
DEPARTMENT OF REVENUE, STATE OF COLORADO**

**Notes to Financial Statements
Year Ended June 30, 2012 and 2011**

Note 13 - Related-Party Transactions (continued)

State General Fund	<u>20,304,942</u>	<u>20,400,269</u>
Total liabilities to State agencies, State General Fund, and other governments	<u>\$ 82,906,233</u>	<u>\$ 86,744,504</u>

Total related party liabilities of \$82,906,233 and \$86,744,504 at June 30, 2012 and 2011, respectively, include amounts due to the Colorado Bureau of Investigations, State Patrol, Division of Fire Safety, Department of Revenue, and Department of Personnel and Administration which total \$308,537 and \$333,758, respectively. The remaining liabilities of \$82,597,697 and \$86,410,746, respectively, are related to the fiscal years 2012 and 2011 gaming distributions.