

**AGENDA**  
**COLORADO LIMITED GAMING CONTROL COMMISSION**

Meeting of October 21, 2021  
Beginning at 9:15 a.m.  
Via Cisco Webex

Division of Gaming – Lakewood Office  
1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

\*\*This meeting will be held virtually at 9:15 a.m. and the video meeting link can be found on our webpage: <https://sbg.colorado.gov/limited-gaming-control-commission>.\*\*

In addition to other matters that may properly be considered by the Colorado Limited Gaming Control Commission, the following items are scheduled for consideration and adoption on October 21, 2021. Times contained in the agenda are approximate.

**PUBLIC SESSION**

I. Call to Order

**EXECUTIVE SESSION**

Review of confidential background licensing reports scheduled for consideration during the public session.

**PUBLIC SESSION (reconvened)**

II. Consideration of Licensing Actions

**Limited Gaming Licenses**

*Renewal of the Retail and Master Licenses for*

G.F. Gaming Corporation d/b/a The Famous Bonanza Casino Corporation

G.F. Gaming Corporation d/b/a Easy Street Casino

Red Dolly, Inc. d/b/a Red Dolly Casino, Inc.

*Renewal of the Operator License for*

Luna Gaming - Red Dolly LLC

**Sports Betting Licenses**

*First Vendor Minor Licenses for*

Sharp EV, Inc. d/b/a Sharp App

AdGate Media LLC

III. Opportunity for Public to Address the Commission

IV. Consideration of Disciplinary Action

*Stipulation and Agreement*

Case No. DOG1800-3071 in the matter of Interblock, USA

Colorado Manufacturer/Distributor License No. 14-63989-0002

- V. Consideration of Division Limited Gaming Financial Statements for August 2021
- VI. Consideration of Division Sports Betting Financial Statements for August 2021
- VII. Presentation of Supplemental Budget Changes – Division of Gaming FY 2021-22
- VIII. Consideration of Organizational Matters  
*Adoption of Minutes for September 23, 2021*  
*Directors' Reports*
- IX. Opportunity for Industry Members to Address the Commission on Current Issues and Events
- X. Adjournment

At the discretion of the Commission, any or all of the above matters may be continued for consideration or adoption at a different time, may be considered out of order, or may be considered at the next meeting of the Commission.

# Public Session

**BEFORE THE COLORADO LIMITED GAMING CONTROL COMMISSION  
STATE OF COLORADO**

Case No. DOG1800-3071

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**STIPULATION AND AGREEMENT**

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**IN THE MATTER OF:**

**Interblock USA L.C.**

**Colorado Manufacturer/Distributor License No. 14-63989-0002**

**Respondent.**

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The Colorado Division of Gaming (hereafter, the Division) and the Respondent, Interblock USA L.C., Licensee No. 14-63989-0002 (hereafter, Respondent) hereby stipulate and agree as follows:

1. Respondent has been the subject of a Division investigation concerning allegations of Respondent's failure to observe and administer the provisions of Colo. Const. Art. XVIII, Section 9(4)(b) and (7)(a)(III); Colorado Limited Gaming Act §§44-30-806 and 816; Colorado Limited Gaming Regulations 30-401, 30-1201(2) and 30-1240; and Internal Control Minimum Procedures Section 4A – Slot Machines, Equipment Control/Testing. The investigation resulted in the issuance by the Colorado Limited Gaming Control Commission of an Order to Show Cause on November 15, 2018.

**IT IS ALLEGED THAT:**

A. On April 27, 2016, Division of Gaming Field Operations staff discovered an Interblock multi-station Craps slot machine bank operating in a Black Hawk casino with a maximum bet configuration which allowed the machines to violate the State's maximum wager limit. A review of game play history on the slot machine stations verified wagers over \$100.00 were placed by patrons. Respondent received a warning letter for this incident.

B. On August 1, 2016, Division of Gaming Field Operations staff discovered an Interblock multi-station Baccarat/Blackjack slot machine bank operating in a Cripple Creek casino with a maximum bet configuration which allowed the machines to violate the State's maximum wager limit. Testing of the slot machines confirmed a maximum bet over \$100.00 could be achieved with the incorrect game configuration. Respondent agreed to an Assurance of Voluntary Compliance (AVC) to resolve the violations. In the Terms of Resolution within the AVC, Respondent provided the Division with internally developed control procedures detailing the process for ensuring compliance within all applicable statutes, rules and regulations related to slot machines shipped, installed, and configured for play in the State of Colorado by the Respondent.

C. On March 28, 2017, Division of Gaming Field Operations staff received a notification from Z Casino in Black Hawk, Colorado regarding a maximum wager violation discovered on an Interblock multi-station Blackjack game theme operating with a bet configuration which allowed the machines to violate the State's maximum wager limit. Testing of the slot machines confirmed a maximum bet over \$100.00 could be achieved with the incorrect game configuration.

D. In all three incidents detailed above, Respondent failed to properly configure the slot machines prior to shipment into the State, as well as upon initial installation and prior to patron play at each of the casinos involved.

E. Respondent knew or should have reasonably known what configuration settings and game options were enabled on the slot machines, as noted in their internal control processes, prior to shipment to Colorado.

F. On June 15, 2017, as a result of Respondent's failure to comply with the Terms of Resolution agreed to in the October 3, 2016 AVC, the Commission and Interblock agreed to a Stipulation and Agreement with the following sanctions:

1. Respondent must pay a fine of \$37,500.00

2. Within fourteen-days from the issuance of the Stipulation and Agreement, the Respondent must provide the Division with written policy and control procedures detailing the process for ensuring compliance within all applicable rules and regulations related to all slot machines shipped, installed and configured for play in the State of Colorado by the Licensee. The control procedures must also be implemented immediately for all new slot machine game shipments and installations.

3. Respondent must provide each casino operator with a game build/configuration worksheet for each slot machine shipment, along with digital screen-shot images detailing all configuration settings and options enabled on the slot machine server station upon the completion of every new game installation completed in Colorado.

4. Respondent assures the Division it will affirmatively and actively, at all times hereafter, comply with the Colorado Constitution, the Colorado Limited Gaming Act, Colorado Limited Gaming Regulations, and Internal Control Minimum Procedures.

G. On June 19, 2018, the Division of Gaming Field Operations section initiated a device field trial for Interblock's new slot machine platform called Starbar. The first installation for Starbar machines was at Bronco Billy's casino in Cripple Creek. During field testing of the machines, and prior to any patron play, casino technicians discovered a "double up" feature enabled on Blackjack themes that would allow for a maximum wager over \$100.00. The machines were re-configured to be compliant by lowering the maximum

wager and removing the double up feature. Because this error was found prior to patron usage of any Starbar machines, it was the device configuration, rather than any actual device usage, that violated Colorado law.

H. On July 18, 2018, Division of Gaming Field Operations staff responded to the Monarch Casino in Black Hawk regarding abnormal slot machine behavior on one bank of Interblock multi-station Roulette slot machines. Investigation revealed that the machines were configured to allow a player to return a canceled credit lock-up amount back to the credit meter. The incorrect configuration allowed a patron to return credits to the playable credit meter, which led to confusion and ultimately a fraudulent act when a second patron played credits that did not belong to them. Further investigation revealed that Respondent had not provided the casino with digital screen-shot images detailing all configuration settings and options enabled on the slot machine server station. Thus, Respondent failed to comply with the terms and conditions of the Stipulation and Agreement, as well as, its own internal policy and control procedures required by the Stipulation and Agreement.

I. On September 12, 2018, Division of Gaming Field Operations staff discovered an Interblock multi-station Blackjack game theme operating at the Isle Casino in Black Hawk with a maximum bet configuration which would allow the machines to violate the State's maximum wager limit. Testing of the slot machines confirmed a maximum bet over \$100.00 could be achieved with the incorrect game configuration.

J. On September 14, 2018, Division of Gaming Field Operations staff discovered an Interblock multi-station Blackjack game theme operating at the Monarch Casino with a maximum bet configuration which would allow the machines to violate the State's maximum wager limit. Testing of the slot machines confirmed a maximum bet over \$100.00 could be achieved with the incorrect game configuration.

K. Division of Gaming Field Operations staff completed an audit on or about August 10, 2018 of all Interblock slot machine installations that occurred after the June 15, 2017 issuance of the Stipulation and Agreement. The audit revealed that Respondent's internal control processes, as outlined in their written response to the Stipulation and Agreement, were not adhered to in eight (8) out of eleven (11) new casino installations. Respondent failed to provide casino operators with either the game build/configuration worksheet for each slot machine shipment, or the digital screen-shot images detailing all configuration settings and options enabled on the slot machine server stations within the time frame noted in the control procedures. One casino operator did not receive any documentation from Respondent following the new game installation.

L. In the enumerated incidents following the issuance of the Stipulation and Agreement on June 15, 2017, Respondent failed to either properly configure the slot machines prior to shipment to the State and/or upon initial installation and configuration for patron play, or provide the proper documentation to the casinos as stated in Respondent's internal control processes outlined in its written response to the Stipulation and Agreement.

M. Respondent did not benefit, financially or otherwise, because of any violations of law and noncompliance cited.

2. Respondent acknowledges receipt of sufficient notice, advisement of rights, and process of the proceedings and wishes to resolve all issues which were the subject of the Order to Show Cause by entering into this Stipulation and Agreement.

3. The Division and Respondent have discussed the merits of the allegations, and they have come to a mutual agreement and understanding to jointly propose to the Commission a resolution of the charges in lieu of proceeding to a hearing before the Commission on the Order to Show Cause.

4. Respondent admits the violations as alleged above in paragraph 1. Respondent understands the requirements of the Colorado Constitution, statutes, the rules, and the ICMP of the Colorado Limited Gaming Control Commission, and further assures the Division and the Commission that Respondent will comply with all aspects of the law in this regard.

5. Respondent agrees, in lieu of proceeding to a hearing on the Order to Show Cause, to submit to the following sanctions:

A. Respondent agrees to pay a fine of \$150,000. Respondent shall ensure that the Division receives the payment within ten days of the Commission's Order accepting this Stipulation. Payment should be delivered to the Division of Gaming, 17301 West Colfax Ave., Suite 135, Golden, CO 80401, Attention: Michele Routzon.

B. Respondent must deploy its newly developed "hardcoded" software program versions once the test lab certification is complete and the software has been designated as approved for use in the State of Colorado. The software shall be installed in all current game installations throughout Colorado by a date mutually agreed upon by Interblock USA L.C. and the Division after the Division has approved the hard coded software. The software programs will be installed and configured by Interblock USA L.C. technicians to facilitate compliance with State law, regulations and internal control procedures regarding the maximum bet limitation requirements. Once operational, the new software programs will be evaluated for a timeframe determined, and approved, by the Division prior to any further game shipments or installations into the State.

C. Respondent must provide each casino operator with a game build/configuration worksheet for each slot machine shipment within seven (7) business days.

D. Respondent shall institute a gaming compliance program at the corporate level to review and ensure gaming compliance specifically related to Interblock USA L.C. slot machine game installations and operations throughout the Colorado gaming industry. This program may use all or part of Interblock's existing compliance committee so long as the Colorado-specific compliance program is overseen by a subcommittee consisting of at least one designated company executive and an independent member who is familiar with the Colorado Constitution, Limited Gaming Act, Colorado Limited Gaming

Regulations and Internal Control Minimum Procedures. The compliance program shall be designed to ensure and monitor compliance with the Colorado Constitution, Limited Gaming Act, Colorado Limited Gaming Regulations and Internal Control Minimum Procedures. At a minimum, the compliance program shall include:

- (i) A system of internal controls to ensure ongoing compliance;
- (ii) Training of Interblock USA L.C. personnel to ensure that all devices shipping into Colorado comply with the Colorado Constitution, Limited Gaming Act, Colorado Limited Gaming Regulations and Internal Control Minimum Procedures; and
- (iii) Quarterly reporting on the company's compliance with the Colorado Constitution, Limited Gaming Act, Colorado Limited Gaming Regulations and Internal Control Minimum Procedures for the period between the signing of this Stipulation and Agreement and June 30, 2022.

E. The Division shall review and approve Interblock USA L.C.'s compliance program which terms and provisions shall be available for review by the Division within thirty (30) days following the issuance of the Stipulation and Agreement. Gaming compliance monitoring associated with the compliance committee may not cease without prior notification and approval from the Division.

F. Respondent assures the Division it will affirmatively and actively, at all times hereafter, comply with the Colorado Constitution, the Colorado Limited Gaming Act, Colorado Limited Gaming Regulations, and Internal Control Minimum Procedures.

6. Respondent agrees to strictly adhere to and meet all requirements established in this Stipulation and Agreement.

7. Proof of failure to comply with the terms of this Stipulation and Agreement shall be considered prima facie evidence of a violation of the Colorado Constitution, the Limited Gaming Act of 1991 and the rules promulgated pursuant thereto. If Respondent fails to comply with one or more of the conditions of this Stipulation and Agreement, Respondent will be ordered to appear before the Commission to show cause why further judgment and discipline should not be imposed against Respondent.

8. This Stipulation and Agreement shall not be effective unless and until approved by the Commission. The Commission ultimately has the right to accept or reject this Stipulation and Agreement. Should the Commission reject the terms hereof, Respondent's admissions herein shall be withdrawn, and the matter will be scheduled for a hearing on the Order to Show Cause. Should the Commission modify any term hereof, Respondent may accept or reject the change. If Respondent rejects the modified terms, the Commission must receive a written objection at its Golden office within seven days of the Commission's determination, at which time Respondent's admissions herein will be withdrawn, and the matter will be scheduled for a hearing on the Order to Show Cause. Otherwise, Respondent shall be deemed to have accepted the modified terms imposed by the Commission.



9. By the signatures below, Respondent also acknowledges:

A. Respondent understands and has been advised of the maximum penalty under law if this matter proceeds to a hearing on the Order to Show Cause (revocation or suspension of licensing privileges, and \$100,000 for each count charged);

B. Respondent waives the right to a hearing on the Order to Show Cause, the right to compel the attendance of witnesses to testify in its behalf, the right to testify or not testify at the hearing in its behalf, and any rights to further due process not herein referenced, including the right to appeal;

C. Respondent voluntarily admits the violations noted above and further agrees that this Stipulation and Agreement incorporates all agreements between the parties, and that no other representation by agents of the Division or of the Office of the Attorney General induced participation in this Stipulation and Agreement.

AGREED TO BY:



Donia Amick  
Director  
Colorado Division of Gaming

05/07, 2019

Respondent:

Interblock USA L.C.  
Licensee No. 14-63989-0002

By:   
Representative for Respondent

May 3, 2019


JOHN CONNELLY (Name)

CHIEF EXECUTIVE OFFICER (Position)

APPROVED AS TO FORM:



Ceri Williams  
Senior Assistant Attorney General  
Counsel for the Division of Gaming

 , 2019



Mark G. Grueskin  
Recht Kornfeld P.C.  
Counsel for Respondent

 , 2019

BEFORE THE COLORADO LIMITED GAMING CONTROL COMMISSION  
STATE OF COLORADO

Case No. DOG1800-3071

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**ORDER APPROVING STIPULATION AND AGREEMENT**

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IN THE MATTER OF:

Interblock USA L.C.  
Colorado Manufacturer/Distributor License No. 14-63989-0002

Respondent.

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The Commission, having reviewed the Stipulation and Agreement in this matter entered between the Division and the Respondent to resolve the allegations contained therein, finds that the terms of the Stipulation and Agreement are reasonable and just.

THEREFORE, the Stipulation and Agreement is approved and its terms are hereby adopted as an Order of this Commission.

ORDERED AND ENTERED this 16<sup>th</sup> day of May, 2019.

COLORADO LIMITED GAMING  
CONTROL COMMISSION

By:

  
\_\_\_\_\_  
Jannine Mohr, Chair

## CERTIFICATE OF SERVICE

This is to certify that I have duly served the within **STIPULATION AND AGREEMENT AND ORDER** upon all parties herein by depositing copies of same in the United States mail, postage prepaid, at Golden, Colorado, this 16<sup>th</sup> day of May, 2019, addressed as follows:

Mark G. Grueskin, Esq.  
Recht Kornfeld PC  
1600 Stout Street  
Suite 1400  
Denver, Colorado 80202

Ceri Williams, Esq.  
Senior Assistant Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 8<sup>th</sup> Floor  
Denver, Colorado 80203

  
\_\_\_\_\_  
Wendy Spaulding



**STATEMENT OF GAMING REVENUES,  
GAMING TAXES, AND EXPENDITURES**

**(UNAUDITED)**

**FOR THE TWO (2) MONTHS ENDED**

**AUGUST 31, 2021**



**COLORADO**

**Department of Revenue**

Specialized Business Group—Gaming

1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

October 21, 2021

State Treasurer and Members of the Colorado Limited Gaming Control Commission:

Pursuant to Section 44-30-203 (i), C.R.S., the Colorado Division of Gaming is required to furnish monthly a, "report which contains a full and complete statement of the division's revenues and expenses."

The attached combined financial statements for August 31, 2021 have not been audited. They contain the most current data available. This information has been collected and recorded in accordance with generally accepted accounting principles.

Respectfully submitted,

Vickie Floyd  
Division Controller

**COLORADO DIVISION OF GAMING  
FINANCIAL STATEMENTS  
(UNAUDITED)**

**DISTRIBUTION**

Honorable Jared Polis	Governor
Representative Alec Garnett	Speaker of the House of Representatives
Senator Leroy Garcia	President of the Senate
Senator Chris Holbert	Senate Minority Leader
Representative Hugh McKean	House Minority Leader
Senator Dominick Moreno	Chair, Joint Budget Committee
Mr. Richard Nathan	Chair, Limited Gaming Control Commission
Mr. Justin Davis	Vice Chair, Limited Gaming Control Commission
Mr. Kevin Armstrong	Limited Gaming Control Commission
Mr. Shawn Coleman	Limited Gaming Control Commission
Ms. Patsy Landaveri	Limited Gaming Control Commission
Mr. Mark Ferrandino	Executive Director, Department of Revenue
Mr. Cory Amend	Senior Director of Enforcement, Department of Revenue
Mr. Daniel Hartman	Director, Division of Gaming
Ms. Kimberly Corell	Accounting Director, Department of Revenue
Mr. Ramon Alvarado	Deputy Budget Director, Department of Revenue
Mr. Bob Jaros	State Controller
Mr. Charles Scheibe	Chief Financial Officer, Department of the Treasury
Mr. George Orłowski	State Archivist
Ms. Kerri Hunter	State Auditor
Ms. Elizabeth Burger	Joint Legislative Library
Mr. Ben Henderson	Deputy Director for Budget, Governor's Office
Colorado State Publications Depository and Distribution Center	State of Colorado Library

**DIVISION OF GAMING  
STATEMENT OF REVENUES  
GAMING TAXES, AND EXPENDITURES  
(UNAUDITED)**

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**COLORADO DIVISION OF GAMING  
TAX REVENUES COMPARISON  
AUGUST 31, 2021 AND 2020**

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

**The tax rates for period ending June 30, 2022 are:**

- 3% on AGP from charitable gaming
- .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

The tax rates for year ending June 30, 2022 are the same as they were for year ending June 30, 2021.

**For Periods Beginning July 1, 2020 and 2021 through August 31, 2020 and 2021**

<b><u>AGP Comparison</u></b>				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 14,305,460	\$ 16,046,318	\$ 1,740,858	12.17%
\$2 - \$8 Million	\$ 46,161,417	\$ 50,146,861	\$ 3,985,444	8.63%
\$8 - \$13+ Million	\$ 64,397,241	\$ 116,870,443	\$ 52,473,202	81.48%
Total	<u>\$ 124,864,118</u>	<u>\$ 183,063,622</u>	<u>\$ 58,199,504</u>	<u>46.61%</u>

<b><u>Tax Comparison</u></b>				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 125,764	\$ 135,116	\$ 9,352	7.44%
\$2 - \$8 Million	\$ 1,716,742	\$ 2,141,633	\$ 424,891	24.75%
\$8 - \$13+ Million	\$ 5,279,448	\$ 14,129,459	\$ 8,850,011	167.63%
Total	<u>\$ 7,121,954</u>	<u>\$ 16,406,208</u>	<u>\$ 9,284,254</u>	<u>130.36%</u>

<b><u>Open Casinos Comparison</u></b>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	15	14	(1)
\$2 - \$8 Million	14	14	0
\$8 - \$13+ Million	4	5	1
Total	<u>33</u>	<u>33</u>	<u>0</u>

**COLORADO DIVISION OF GAMING  
COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
TWO MONTHS ENDED AUGUST 31, 2021 AND 2020  
(UNAUDITED)**

	FY 2022			FY 2021		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
<b>REVENUES:</b>						
Gaming Taxes	\$ 0	\$ 16,406,208	\$ 16,406,208	\$ 0	\$ 7,122,250	\$ 7,122,250
License and Application Fees	0	154,270	154,270	0	80,870	80,870
Background Investigations	0	18,217	18,217	0	16,477	16,477
Fines	0	0	0	0	84	84
Interest Income	11,593	140,969	152,562	18,174	138,520	156,694
Other Revenue	0	1	1	0	29	29
<b>TOTAL REVENUES</b>	<b>11,593</b>	<b>16,719,665</b>	<b>16,731,258</b>	<b>18,174</b>	<b>7,358,230</b>	<b>7,376,404</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	1,425,654	1,425,654	0	1,345,715	1,345,715
Annual and Sick Leave Payouts	0	1,463	1,463	0	5,073	5,073
Professional Services	0	14,907	14,907	0	14,673	14,673
Travel	0	4,196	4,196	0	734	734
Automobiles	0	29,121	29,121	0	23,139	23,139
Printing	0	1,698	1,698	0	1,412	1,412
Police Supplies	0	1,134	1,134	0	109	109
Computer Services & Name Searches	0	20,371	20,371	0	10,004	10,004
Materials, Supplies, and Services	0	57,323	57,323	0	62,710	62,710
Postage	0	649	649	0	683	683
Telephone	0	12,909	12,909	0	15,318	15,318
Utilities	0	4,562	4,562	0	4,277	4,277
Other Operating Expenditures	0	15,000	15,000	0	16,910	16,910
Leased Space	0	11,665	11,665	0	54,769	54,769
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>1,600,652</b>	<b>1,600,652</b>	<b>0</b>	<b>1,555,526</b>	<b>1,555,526</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	146,699	146,699	0	168,978	168,978
Division of Fire Prevention and Control	0	37,982	37,982	0	35,200	35,200
Colorado State Patrol	0	521,021	521,021	0	537,223	537,223
State Auditors	0	5,100	5,100	0	1,375	1,375
Indirect Costs - Department of Revenue	0	182,001	182,001	0	149,933	149,933
Colorado Department of Law	0	40,509	40,509	0	41,074	41,074
OIT Purchased Services	0	27,298	27,298	0	127,182	127,182
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>960,610</b>	<b>960,610</b>	<b>0</b>	<b>1,060,965</b>	<b>1,060,965</b>
Non Personal Services Background Exp.	0	583	583	0	451	451
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>2,561,845</b>	<b>2,561,845</b>	<b>0</b>	<b>2,616,942</b>	<b>2,616,942</b>
<b>Excess of Revenues Over Expenditures</b>	<b>11,593</b>	<b>14,157,820</b>	<b>14,169,413</b>	<b>18,174</b>	<b>4,741,288</b>	<b>4,759,462</b>
FY21 & FY20 Extended Gaming Distr.	(17,647,531)	0	(17,647,531)	(15,310,639)	0	(15,310,639)
<b>FUND BALANCE AT JULY 1, 2021 &amp; 2020</b>	<b>17,647,531</b>	<b>2,267,873</b>	<b>19,915,404</b>	<b>15,310,639</b>	<b>2,765,627</b>	<b>18,076,266</b>
<b>TOTAL FUND BAL. AUGUST 31, 2021 &amp; 2020</b>	<b>\$ 11,593</b>	<b>\$ 16,425,693</b>	<b>\$ 16,437,286</b>	<b>\$ 18,174</b>	<b>\$ 7,506,915</b>	<b>\$ 7,525,089</b>



**COLORADO**  
**Department of Revenue**

Specialized Business Group—Gaming  
1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

# Memo

To: Colorado Limited Gaming Control Commission  
From: Vickie Floyd, Gaming Controller  
Cc: Dan Hartman  
Date: October 21, 2021  
Re: August Gaming Fund Financial Statement Presentation

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Following are highlights from the Gaming Fund financial statements ending August 31, 2021.

*Statement of Revenues, Expenditures, and Changes in Fund Balance*

Gaming tax revenues have increased by \$9,283,958 or 130% over last year. Please recall, casinos had been closed from March 17 through June 15, 2020 due to the pandemic and were only open in limited capacity in fiscal year 2021. In addition, Amendment 77 was effective May 1, 2021. Total Revenues for the Limited Gaming Fund as of August 31 were \$16,719,665, a 127% increase compared to August 2020.

Total expenditures for the period ending August 2021 were approximately \$2.6 million. This represents a 2% decrease over last year. The main reason for the decrease is in the OIT Purchased Services line, which is down by 79%. OIT will begin delayed real time billing in fiscal year 2022. Due to the pandemic and having to give all Department of Revenue employees the ability to work from home, OIT had increased estimated costs billed to the Division in fiscal year 2021. Their costs should be greatly reduced this fiscal year.

The excess of total revenues over expenditures was \$14,157,820. This is a 199% increase over last year and represents the amount we could distribute as of August 31.

Next, as you are aware from my cover letter, we are only required to prepare a Statement of Revenues and Expenditures. For those of you who were here last year, you may recall that since the inception of the statewide financial system known as CORE, the State now takes a long time to close the fiscal year. Beginning balances do not roll into the next fiscal year until the State closes the previous fiscal year. Therefore, we will not be able to prepare a balance sheet until the State closes. Regarding the budget, we should be able to prepare this statement with September's financial statements.

Please feel free to contact me if you have any questions on the Gaming Fund financial statements.



**STATEMENT OF SPORTS BETTING REVENUES,  
SPORTS BETTING TAXES, AND EXPENDITURES**

**(UNAUDITED)**

**FOR THE TWO (2) MONTHS ENDED**

**AUGUST 31, 2021**

**DIVISION OF GAMING  
STATEMENT OF REVENUES  
SPORTS BETTING TAXES, AND  
EXPENDITURES  
(UNAUDITED)**

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Comparative Statement of Revenues,  
Expenditures, and Changes in Fund Balance..... 1

**COLORADO DIVISION OF GAMING  
SPORTS BETTING COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
TWO MONTHS ENDED AUGUST 31, 2021 AND 2020  
(UNAUDITED)**

	FY 2022			FY 2021		
	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS
<b>REVENUES:</b>						
Sports Betting Taxes	\$ 0	\$ 1,725,470	\$ 1,725,470	\$ 0	\$ 431,167	\$ 431,167
License and Application Fees	0	43,862	43,862	0	23,725	23,725
Sports Betting Operations Fees	0	1,875,800	1,875,800	0	1,180,000	1,180,000
Background Investigations	0	7,597	7,597	0	27,261	27,261
Fines	0	84	84	0	0	0
Interest Income	0	15,543	15,543	0	6,071	6,071
<b>TOTAL REVENUES</b>	<b>0</b>	<b>3,668,356</b>	<b>3,668,356</b>	<b>0</b>	<b>1,668,224</b>	<b>1,668,224</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	299,216	299,216	0	193,024	193,024
Professional Services	0	1,405	1,405	0	0	0
Travel	0	3,415	3,415	0	0	0
Automobiles	0	1,894	1,894	0	0	0
Printing	0	354	354	0	373	373
Computer Services & Name Searches	0	4,145	4,145	0	2,771	2,771
Materials, Supplies, and Services	0	3,634	3,634	0	472	472
Postage	0	123	123	0	44	44
Telephone	0	1,037	1,037	0	435	435
Other Operating Expenditures	0	3,235	3,235	0	3,341	3,341
Leased Space	0	2,916	2,916	0	0	0
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>321,374</b>	<b>321,374</b>	<b>0</b>	<b>200,460</b>	<b>200,460</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	7,721	7,721	0	0	0
State Auditors	0	84,290	84,290	0	5,000	5,000
Indirect Costs - Department of Revenue	0	21,215	21,215	0	21,215	21,215
Colorado Department of Law	0	23,731	23,731	0	23,731	23,731
OIT Purchased Services	0	15,500	15,500	0	24,679	24,679
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>152,457</b>	<b>152,457</b>	<b>0</b>	<b>74,625</b>	<b>74,625</b>
Non Personal Services Background Exp.	0	365	365	0	923	923
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>474,196</b>	<b>474,196</b>	<b>0</b>	<b>276,008</b>	<b>276,008</b>
<b>Excess of Revenues Over Expenditures</b>	<b>0</b>	<b>3,194,160</b>	<b>3,194,160</b>	<b>0</b>	<b>1,392,216</b>	<b>1,392,216</b>
<b>FUND BALANCE AT JULY 1, 2021 &amp; 2020</b>	<b>0</b>	<b>8,570,798</b>	<b>8,570,798</b>	<b>0</b>	<b>1,414,501</b>	<b>1,414,501</b>
<b>TOTAL FUND BAL. AUGUST 31, 2021 &amp; 2020</b>	<b>\$ 0</b>	<b>\$ 11,764,958</b>	<b>\$ 11,764,958</b>	<b>\$ 0</b>	<b>\$ 2,806,717</b>	<b>\$ 2,806,717</b>



**COLORADO**  
**Department of Revenue**

Specialized Business Group—Gaming  
1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

# Memo

To: Colorado Limited Gaming Control Commission  
From: Eric Shannon, Deputy Gaming Controller  
Cc: Dan Hartman  
Date: October 21, 2021  
Re: August 2021 Sports Betting Fund Financial Statements

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Following are highlights from the Sports Betting Fund financial statements ending August 31, 2021.

## *Statement of Revenues, Expenditures, and Changes in Fund Balance*

Current fiscal year Sports Betting Tax revenue was \$1,725,470 which is an increase of \$1,294,303 over the prior fiscal year. The current fiscal year increase in Sports Betting Tax revenue is due primarily to the year over year increase in active Sports Betting Operations.

Current fiscal year Sports Betting Operations Fees revenue was \$1,875,800, which is an increase of \$695,800 over the prior fiscal year. Through August of the current fiscal year 39 total operations fees were collected, 23 for internet operations and 16 for on-site operations. Through August of the prior fiscal year 23 total operations fees were collected, 13 for internet operations and 10 for on-site operations. Both internet and on-site operations fees decreased in amount for fiscal year 2022 as compared to fiscal year 2021.

Total Sports Betting Fund revenues through August 2021 increased by \$2,000,132 or 120% over August 2020.

Total Sports Betting Fund expenditures through August 2021 were \$474,196. This is an increase of about 72% over August 2020. The increase is due primarily to the increase in salaries and benefits, and the payment to the State Auditors for the performance audit.

Please feel free to contact me if you have any questions on the Sports Betting Fund financial statements.



# Memo

**To:** Colorado Limited Gaming Control Commission  
**From:** Budget Office, Specialized Business Group  
**Date:** October 21, 2021  
**Re:** Supplemental Budget Changes- Division of Gaming FY 2021-22

This notice is to inform the Commission of funding appropriation changes made to the FY 2021-22 Division of Gaming budget during the first quarter of the fiscal year by the Department of Revenue.

## Limited Gaming

The initial approved budget of \$17,189,377 increased to \$17,479,172 for a total change of \$289,795. During the first quarter of the fiscal year, these central appropriation changes totaling an increase of \$289,795 were executed. Details of those changes follow:

	<b>Previous Allocation</b>	<b>Increase / (Decrease)</b>	<b>Current Allocation</b>
PERA Distribution SB-200	\$129,262	\$8	\$129,270
Variable Vehicle Costs	\$59,000	\$22,066	\$81,066
Leased Space	\$312,677	(\$167,763)	\$144,914
Worker's Compensation	\$35,305	(\$2,320)	\$32,985
Risk Management and Property Funds	\$22,683	\$132	\$22,815
Vehicle Lease Payments	\$85,000	\$55,889	\$140,889
Payments to Office of Information Technology	\$60,324	\$333,563	\$393,887
ITD Operating (ISD)	\$77,000	(\$25,731)	\$51,269
CORE Operations	\$71,780	(\$9,878)	\$61,902
SBG Admin POTS Indirects	\$58,140	\$83,829	\$141,969
<b>Total</b>	<b>\$911,171</b>	<b>\$289,795</b>	<b>\$1,200,966</b>



## Sports Betting

The initial approved budget of \$3,131,575 increased to \$3,219,212 for a total change of \$87,637. During the first quarter of the fiscal year, these central appropriation changes totaling an increase of \$87,637 were executed. Details of those changes follow:

	<b>Previous Allocation</b>	<b>Increase / (Decrease)</b>	<b>Current Allocation</b>
Leased Space	\$78,169	(\$41,941)	\$36,228
Worker's Compensation	\$7,820	(\$515)	\$7,305
Risk Management and Property Funds	\$5,671	\$33	\$5,704
Vehicle Lease Payments	\$8,000	(\$2,463)	\$5,537
Payments to Office of Information Technology	\$13,361	\$134,711	\$148,072
CORE Operations	\$15,898	(\$2,188)	\$13,710
<b>Total</b>	<b>\$128,919</b>	<b>\$87,637</b>	<b>\$216,556</b>