

AGENDA
COLORADO LIMITED GAMING CONTROL COMMISSION

Meeting of May 22, 2025
Beginning at 11:00 a.m. (MDT)
via Zoom video conference only

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

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 May 22, 2025. Times contained in the agenda are approximate.

****Due to time limitations for the Commissioners, there will not be a business item dedicated to public comment. If you have comments or questions for the Commission, please send an email with written comments or questions to dor_gamingweb@state.co.us and your comment will be addressed by the Commission at its June meeting.****

PUBLIC SESSION

I. Call to Order

EXECUTIVE SESSION (*if necessary*)

Review of confidential background licensing reports scheduled for consideration during the public session. §§ 24-6-402(3)(a)(III), 44-30-521(1)(a), 44-30-526(1) & 44-30-1507(1), C.R.S.

PUBLIC SESSION (reconvened)

II. Consideration of Licensing Actions

Sports Betting Licenses

*Change of Ownership of the Temporary Vendor Major License for
GAN NEVADA, INC*

III. Consideration of Division Limited Gaming Financial Statements for March 2025

IV. Consideration of Division Sports Betting Financial Statements for March 2025

V. Fiscal Year 2026 Budget Requests

*Presentation by the Colorado Division of Gaming
Limited Gaming Budget Request*

Kristi Piazza, Budget Manager, Specialized Business Group

Sports Betting Budget Request

Kristi Piazza, Budget Manager, Specialized Business Group

VI. Continuation of Hearing on Colorado Gaming Regulation 30-1401, Gaming Tax
(Executive Sessions may be included to discuss confidential information)

Report from the City of Black Hawk

Report from the County of Gilpin

Report from the City of Central

Paul Hogan, Chief Auditor, Division of Gaming

Presentation by RubinBrown, LLP

Daniel Holmes, Gaming Partner

Opportunity for the public to address the Commission on Colorado Limited Gaming Rule 14 – Gaming Tax

EXECUTIVE SESSION

The Commission will meet in Executive Session to review confidential tax information of individual casinos and other confidential presentations.

PUBLIC SESSION (Reconvened)

Close of hearing on Colorado Gaming Rule 14, Gaming Tax

Consideration of Colorado Gaming Rule 14, Gaming Tax

VII. Consideration of Organizational Matters

VIII. 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

Item III

Limited Gaming Financial Statements for March 2025



**STATEMENT OF GAMING REVENUES,
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)
FOR THE NINE (9) MONTHS ENDED
MARCH 31, 2025**



COLORADO

Department of Revenue

Specialized Business Group—Gaming

1707 Cole Blvd., Suite 300
Lakewood, CO 80401

May 22, 2025

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 March 31, 2025 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,

Tseko Ivanov

Tseko Ivanov
Division Controller

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

DISTRIBUTION

Honorable Jared Polis	Governor
Representative Julie McCluskie	Speaker of the House of Representatives
Senator James Coleman	President of the Senate
Senator Paul Lundeen	Senate Minority Leader
Representative Rose Pugliese	House Minority Leader
Senator Jeff Bridges	Chair, Joint Budget Committee
Mr. Kevin Armstrong	Chair, Limited Gaming Control Commission
Mr. John Tipton	Vice Chair, Limited Gaming Control Commission
Mr. Kevin Hyland	Limited Gaming Control Commission
Mr. Phil Workman	Limited Gaming Control Commission
Ms. Heidi Humphreys	Executive Director, Department of Revenue
Mr. Michael Phibbs	Senior Director, Specialized Business Group, Department of Revenue
Mr. Christopher Schroder	Director, Division of Gaming
Mr. Scott Koehler	Accounting Director, Department of Revenue
Mr. Dustin Hoover	Deputy Budget Director, Department of Revenue
Mr. Bob Jaros	State Controller
Mr. Charles Scheibe	Chief Financial Officer, Department of the Treasury
Ms. Aly Jabrocki	State Archivist
Ms. Kerri Hunter	State Auditor
Ms. Amanda King	Joint Legislative Library
Mr. Adrian Leiter	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
MARCH 31, 2025 AND 2024**

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

The tax rates for period ending June 30, 2025 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, 2025 are the same as they were for year ending June 30, 2024.

For Periods Beginning July 1, 2023 and 2024 through March 31, 2024 and 2025

<u>AGP Comparison</u>				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 1,645,133	\$ 6,106,834	\$ 4,461,701	271.21%
\$2 - \$5 Million	\$ 17,224,891	\$ 7,547,944	\$ (9,676,947)	(56.18)%
\$5 - \$8 Million	\$ 41,944,477	\$ 50,952,585	\$ 9,008,108	21.48%
\$8 - \$10 Million	\$ 26,659,683	\$ 18,608,455	\$ (8,051,228)	(30.20)%
\$10 - \$13 Million	\$ 47,131,743	\$ 45,474,937	\$ (1,656,806)	(3.52)%
\$13+ Million	\$ 683,925,513	\$ 697,595,604	\$ 13,670,091	2.00%
Total	<u>\$ 818,531,440</u>	<u>\$ 826,286,358</u>	<u>\$ 7,754,918</u>	<u>0.95%</u>

<u>Tax Comparison</u>				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 159,113	\$ 165,267	\$ 6,154	3.87%
\$2 - \$5 Million	\$ 1,804,498	\$ 1,750,959	\$ (53,539)	(2.97)%
\$5 - \$8 Million	\$ 6,025,003	\$ 6,385,733	\$ 360,730	5.99%
\$8 - \$10 Million	\$ 4,032,565	\$ 4,246,930	\$ 214,365	5.32%
\$10 - \$13 Million	\$ 7,381,079	\$ 7,595,990	\$ 214,911	2.91%
\$13+ Million	\$ 102,985,102	\$ 103,119,121	\$ 134,019	0.13%
Total	<u>\$ 122,387,360</u>	<u>\$ 123,263,999</u>	<u>\$ 876,639</u>	<u>0.72%</u>

<u>Open Casinos Comparison</u>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	2	3	1
\$2 - \$5 Million	4	2	(2)
\$5 - \$8 Million	7	8	1
\$8 - \$10 Million	3	2	(1)
\$10 - \$13 Million	4	4	0
\$13+ Million	13	14	1
Total	<u>33</u>	<u>33</u>	<u>0</u>

COLORADO DIVISION OF GAMING
COMBINED BALANCE SHEETS
MARCH 31, 2025 AND 2024
(UNAUDITED)

	FY 2025				FY 2024			
	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
ASSETS:								
Cash	\$ 169,117	\$ 3,137,640	\$ 97,296,838	\$ 100,603,595	\$ 169,934	\$ 3,068,941	\$ 98,915,668	\$ 102,154,543
Accounts Receivable								
Gaming Taxes	0	0	18,576,362	18,576,362	0	0	17,495,624	17,495,624
Fines Receivable	0	0	1,467	1,467	0	0	1,002	1,002
Miscellaneous	0	0	5,511	5,511	0	0	4,012	4,012
Net Accounts Receivable	0	0	18,583,340	18,583,340	0	0	17,500,638	17,500,638
Prepaid Expenses	0	0	83,957	83,957	0	0	67,972	67,972
Total Current Assets	169,117	3,137,640	115,964,135	119,270,892	169,934	3,068,941	116,484,278	119,723,153
TOTAL ASSETS	\$ 169,117	\$ 3,137,640	\$ 115,964,135	\$ 119,270,892	\$ 169,934	\$ 3,068,941	\$ 116,484,278	\$ 119,723,153
LIABILITIES AND FUND BALANCE:								
Accounts Payable	\$ 0	\$ 570	\$ 30,112	\$ 30,682	\$ 0	\$ 1,961,041	\$ 44,823	\$ 2,005,864
Wages & Salaries Payable	0	0	128,369	128,369	0	0	107,913	107,913
Due to Other State Agencies	0	0	609,055	609,055	0	0	421,121	421,121
Background and Other Deposits	0	0	314,263	314,263	0	0	330,540	330,540
Unearned Revenue	0	0	254,024	254,024	0	0	328,622	328,622
Total Liabilities	0	570	1,335,823	1,336,393	0	1,961,041	1,233,019	3,194,060
FUND BALANCE:								
Restricted	0	0	55,919,110	55,919,110	0	0	56,331,303	56,331,303
Committed	0	0	55,919,109	55,919,109	0	0	56,331,302	56,331,302
Restricted for:								
Required Reserve	0	0	2,706,136	2,706,136	0	0	2,520,682	2,520,682
Extended Gaming Recipients	169,117	0	0	169,117	169,934	0	0	169,934
Responsible Gaming	0	3,137,070	0	3,137,070	0	1,107,900	0	1,107,900
Nonspendable:								
Prepays	0	0	83,957	83,957	0	0	67,972	67,972
Total Fund Balance	169,117	3,137,070	114,628,312	117,934,499	169,934	1,107,900	115,251,259	116,529,093
TOTAL LIABILITIES AND FUND BALANCE	\$ 169,117	\$ 3,137,640	\$ 115,964,135	\$ 119,270,892	\$ 169,934	\$ 3,068,941	\$ 116,484,278	\$ 119,723,153

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE (UNAUDITED)
NINE MONTHS ENDED MARCH 31, 2025 AND 2024**

	FY 2025				FY 2024			
	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
REVENUES:								
Gaming Taxes	\$ 0	\$ 0	\$ 123,280,172	\$ 123,280,172	\$ 0	\$ 0	\$ 122,394,377	\$ 122,394,377
License and Application Fees	0	0	547,784	547,784	0	0	567,716	567,716
Background Investigations	0	0	138,043	138,043	0	0	153,254	153,254
Fines	0	0	4,974	4,974	0	0	2,184	2,184
Interest Income	169,117	87,637	1,786,371	2,043,125	169,934	61,619	1,891,271	2,122,824
Other Revenue	0	0	1,278	1,278	0	0	9,933	9,933
TOTAL REVENUES	169,117	87,637	125,758,622	126,015,376	169,934	61,619	125,018,735	125,250,288
OTHER FINANCING SOURCES / USES:								
Transfer from Hold Harmless Fund	0	758,326	0	758,326	0	489,554	0	489,554
Insurance Recoveries	0	0	0	0	0	0	10,919	10,919
TOTAL REVENUES & OTHER FIN. SOURCES	169,117	845,963	125,758,622	126,773,702	169,934	551,173	125,029,654	125,750,761
EXPENDITURES:								
Salaries and Benefits	0	90,875	7,590,155	7,681,030	0	31,739	6,770,463	6,802,202
Annual and Sick Leave Payouts	0	0	52,363	52,363	0	0	53,120	53,120
Professional Services	0	0	34,919	34,919	0	0	134,146	134,146
Travel	0	4,580	28,826	33,406	0	0	20,067	20,067
Automobiles	0	0	220,324	220,324	0	0	145,175	145,175
Printing	0	410	13,081	13,491	0	165	13,062	13,227
Police Supplies	0	0	86,950	86,950	0	0	30,522	30,522
Computer Services & Name Searches	0	0	64,070	64,070	0	0	68,217	68,217
Materials, Supplies, and Services	0	4,506	309,467	313,973	0	1,387	254,875	256,262
Postage	0	0	4,346	4,346	0	12	2,424	2,436
Telephone	0	411	68,731	69,142	0	137	60,077	60,214
Utilities	0	0	18,383	18,383	0	0	20,778	20,778
Other Operating Expenditures	0	20	40,480	40,500	0	20	69,280	69,300
Leased Space	0	0	103,532	103,532	0	0	95,651	95,651
Capital Outlay	0	0	0	0	0	0	10,180	10,180
Grants to Nongovernmental Organizations	0	1,191,850	0	1,191,850	0	1,960,471	0	1,960,471
EXPENDITURES - SUBTOTAL	0	1,292,652	8,635,627	9,928,279	0	1,993,931	7,748,037	9,741,968
STATE AGENCY SERVICES								
Division of Fire Prevention and Control	0	0	137,052	137,052	0	0	194,435	194,435
Colorado State Patrol	0	0	3,129,561	3,129,561	0	0	2,860,500	2,860,500
State Auditors	0	0	13,860	13,860	0	0	13,200	13,200
Indirect Costs - Department of Revenue	0	0	1,084,379	1,084,379	0	0	912,230	912,230
Colorado Department of Law	0	0	137,747	137,747	0	0	186,245	186,245
OIT Purchased Services	0	0	668,317	668,317	0	0	324,154	324,154
TOTAL STATE AGENCY SERVICES	0	0	5,170,916	5,170,916	0	0	4,490,764	4,490,764
Background Expenditures	0	0	29,903	29,903	0	0	60,276	60,276
TOTAL EXPENDITURES	0	1,292,652	13,836,446	15,129,098	0	1,993,931	12,299,077	14,293,008
Excess of Revenues Over Expenditures	169,117	(446,689)	111,922,176	111,644,604	169,934	(1,442,758)	112,730,577	111,457,753
FY24 & FY23 Extended Gaming Distr.	(46,434,925)	0	0	(46,434,925)	(44,135,150)	0	0	(44,135,150)
FUND BALANCE AT JULY 1, 2024 & 2023	46,434,925	3,583,759	2,706,136	52,724,820	44,135,150	2,550,658	2,520,682	49,206,490
TOTAL FUND BAL. MARCH 31, 2025 & 2024	\$ 169,117	\$ 3,137,070	\$ 114,628,312	\$ 117,934,499	\$ 169,934	\$ 1,107,900	\$ 115,251,259	\$ 116,529,093

**COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
NINE MONTHS ENDED MARCH 31, 2025
(UNAUDITED)**

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	75% OF OF BUDGETED AMOUNT EXCEPT FOR TAXES ***	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
REVENUES:							
Gaming Taxes	\$ 174,753,689	\$ 0	\$ 174,753,689	\$ 121,729,778	\$ 123,280,172	\$ (51,473,517)	70.55%
License and Application Fees	763,392	0	763,392	572,544	547,784	(215,608)	71.76%
Background Investigations	864,752	0	864,752	648,564	138,043	(726,709)	15.96%
Fines and Fees	0	0	0	0	4,974	4,974	100.00%
Interest Revenue	2,477,878	0	2,477,878	1,858,409	1,786,371	(691,507)	72.09%
Other Revenue	0	0	0	0	1,278	1,278	100.00%
TOTAL REVENUES	178,859,711	0	178,859,711	134,144,783	125,758,622	(53,101,089)	70.31%
EXPENDITURES:							
Personal Services	12,350,897	0	12,350,897	9,263,172	7,669,499	(4,681,398)	62.10%
Operating Expenditures	850,828	495,500	1,346,328	1,009,746	493,301	(853,027)	36.64%
Workers Compensation	29,064	0	29,064	21,798	21,798	(7,266)	75.00%
Risk Management	30,775	0	30,775	23,081	23,081	(7,694)	75.00%
Licensure Activities	126,078	0	126,078	94,559	70,801	(55,277)	56.16%
Leased Space	469,025	0	469,025	351,769	103,532	(365,493)	22.07%
Vehicle Lease Payments - Fixed	162,144	0	162,144	121,608	123,014	(39,130)	75.87%
Vehicle Lease Payments - Variable	83,600	0	83,600	62,700	83,600	0	100.00%
Utilities	28,925	0	28,925	21,694	18,383	(10,542)	63.55%
Legal Services	183,663	0	183,663	137,747	137,747	(45,916)	75.00%
CORE Operations	14,605	0	14,605	10,954	10,954	(3,651)	75.00%
Payments to Office of Information Technology	706,628	0	706,628	529,971	668,317	(38,311)	94.58%
IT Division - MIPC Phones & ISD	52,888	(6,634)	46,254	34,691	31,524	(14,730)	68.15%
Indirect Costs - Department of Revenue	1,452,282	(6,443)	1,445,839	1,084,379	1,084,379	(361,460)	75.00%
State Agency Services	5,030,021	0	5,030,021	3,772,516	3,266,613	(1,763,408)	64.94%
Division Expenditures	21,571,423	482,423	22,053,846	16,540,385	13,806,543	(8,247,303)	62.60%
Background Expenditures	700,000	0	700,000	525,000	29,903	(670,097)	4.27%
TOTAL EXPENDITURES	22,271,423	482,423	22,753,846	17,065,385	13,836,446	(8,917,400)	60.81%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 156,588,288	N/A	\$ 156,105,865	\$ 117,079,398	\$ 111,922,176	\$ (44,183,689)	71.70%

* Represents original information given to the Commission in May 2024.
The percent of the fiscal year elapsed through March 31, 2025 is 75.0%.

** Amount includes Long Bill items and Supplemental Appropriations.

*** The original tax projection assumed an AGP increase of 1%, which was then applied to the existing casinos' graduated tax tiers. The \$121,729,778 is this tax projection through March, which is \$1,550,394 less than the actual taxes collected for the same period.

^^ Calculated number is not a sum, rather elapsed percentage of Annual Revised Estimated Budget.



COLORADO

Department of Revenue

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

Memo

To: Colorado Limited Gaming Control Commission
From: Tseko Ivanov, Gaming Controller
Cc: Chris Schroder
Date: May 22, 2025
Re: March 2025 Gaming Fund Financial Statement Presentation

Following are highlights from the Gaming Fund financial statements ending March 31, 2025.

Statement of Revenues, Expenditures, and Changes in Fund Balance

Gaming tax revenues have increased by \$885,795 or 0.7% more than last year. Total Revenues for the Limited Gaming Fund as of March 31, 2025, were \$125,758,622, a less than 1.0% increase compared to March 2024.

Total expenditures for the period ending March 31, 2025, were approximately \$13.8 million. This represents a 12.5% increase over last year. The main reason for the increase is in the Salaries and Benefits line, which increased by \$819,692 or 12.1% over last year. The PERA Direct Distribution expenditure is \$94,272 more this fiscal year compared to last fiscal year. The OIT Purchased Services line increased by \$344,163 or 106.2% of last year. This was expected, as the appropriation is \$160,469 higher than it was in fiscal year 2024. Also, the utilization rate of the appropriation increased in fiscal year 2025 compared to fiscal year 2024. The Automobiles line increased by \$75,149 or 51.8% due to the increased number of vehicles assigned to Gaming and the increased cost of maintaining the vehicles.

The excess of total revenues over expenditures was \$111,922,176. This is a 0.7% decrease over last year and represents the amount we could distribute as of March 31.

Statement of Budget to Actual

Total revenues collected through March 31, 2025, were 70.3% of budgeted. Total expenditures were 60.8% of budgeted, which is below the 75% of the fiscal year that has elapsed. In addition, the excess of revenues over expenditures was 71.7% of budgeted.

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

Item IV

Sports Betting Financial Statements for March 2025



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

**FOR THE NINE (9) MONTHS ENDED
MARCH 31, 2025**

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

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COLORADO DIVISION OF GAMING
SPORTS BETTING COMBINED BALANCE SHEETS
MARCH 31, 2025 AND 2024
(UNAUDITED)

	FY 2025			FY 2024		
	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS
ASSETS:						
Cash	\$ 3,467,350	\$ 24,320,140	\$ 27,787,490	\$ 2,376,492	\$ 21,391,777	\$ 23,768,269
Accounts Receivable						
Sports Betting Taxes	0	2,156,272	2,156,272	0	2,854,010	2,854,010
Fines Receivable	0	391	391	0	391	391
Miscellaneous	0	640	640	0	710	710
Net Accounts Receivable	0	2,157,303	2,157,303	0	2,855,111	2,855,111
Prepaid Expenses	0	16,014	16,014	0	18,069	18,069
Total Current Assets	3,467,350	26,493,457	29,960,807	2,376,492	24,264,957	26,641,449
TOTAL ASSETS	\$ 3,467,350	\$ 26,493,457	\$ 29,960,807	\$ 2,376,492	\$ 24,264,957	\$ 26,641,449
LIABILITIES AND FUND BALANCE:						
Accounts Payable	\$ 0	\$ 3,977	\$ 3,977	\$ 0	\$ 15,057	\$ 15,057
Wages & Salaries Payable	0	39,356	39,356	0	41,265	41,265
Due to Other State Agencies	0	19,000	19,000	0	5,188	5,188
Background Deposits	0	283,350	283,350	0	434,186	434,186
Unearned Revenue	0	98,032	98,032	0	67,457	67,457
Total Liabilities	0	443,715	443,715	0	563,153	563,153
FUND BALANCE:						
Restricted	0	26,027,559	26,027,559	0	23,667,379	23,667,379
Restricted for:						
Reserve	0	6,169	6,169	0	16,356	16,356
Hold-Harmless Recipients	3,467,350	0	3,467,350	2,376,492	0	2,376,492
Nonspendable:						
Prepays	0	16,014	16,014	0	18,069	18,069
Total Fund Balance	3,467,350	26,049,742	29,517,092	2,376,492	23,701,804	26,078,296
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,467,350	\$ 26,493,457	\$ 29,960,807	\$ 2,376,492	\$ 24,264,957	\$ 26,641,449

COLORADO DIVISION OF GAMING
SPORTS BETTING COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NINE MONTHS ENDED MARCH 31, 2025 AND 2024
(UNAUDITED)

	FY 2025			FY 2024		
	HOLD-HARMLESS	SPORTS	TOTAL SPORTS	HOLD-HARMLESS	SPORTS	TOTAL SPORTS
	FUND	BETTING FUND	BETTING FUNDS	FUND	BETTING FUND	BETTING FUNDS
REVENUES:						
Sports Betting Taxes	\$ 0	\$ 26,747,248	\$ 26,747,248	\$ 0	\$ 23,506,498	\$ 23,506,498
License and Application Fees	0	150,834	150,834	0	153,363	153,363
Sports Betting Operations Fees	0	1,634,100	1,634,100	0	2,000,700	2,000,700
Background Investigations	0	43,574	43,574	0	130,680	130,680
Fines	0	1,512	1,512	0	168	168
Interest Income	86,938	566,250	653,188	58,156	519,941	578,097
Other Revenue	0	0	0	0	1,085	1,085
TOTAL REVENUES	86,938	29,143,518	29,230,456	58,156	26,312,435	26,370,591
EXPENDITURES:						
Salaries and Benefits	0	2,383,222	2,383,222	0	2,090,877	2,090,877
Annual and Sick Leave Payouts	0	11,017	11,017	0	30,481	30,481
Professional Services	0	64,873	64,873	0	76,172	76,172
Travel	0	15,379	15,379	0	7,163	7,163
Automobiles	0	19,165	19,165	0	13,094	13,094
Printing	0	2,816	2,816	0	2,912	2,912
Police Supplies	0	5,771	5,771	0	652	652
Computer Services & Name Searches	0	10,095	10,095	0	12,674	12,674
Materials, Supplies, and Services	0	38,802	38,802	0	48,047	48,047
Postage	0	55	55	0	53	53
Telephone	0	11,324	11,324	0	10,396	10,396
Other Operating Expenditures	0	9,585	9,585	0	18,328	18,328
Leased Space	0	25,888	25,888	0	24,276	24,276
Capital Outlay	0	55,000	55,000	0	0	0
EXPENDITURES - SUBTOTAL	0	2,652,992	2,652,992	0	2,335,125	2,335,125
STATE AGENCY SERVICES						
State Auditors	0	13,860	13,860	0	13,200	13,200
Indirect Costs - Department of Revenue	0	179,226	179,226	0	117,045	117,045
Colorado Department of Law	0	64,524	64,524	0	94,660	94,660
OIT Purchased Services	0	187,839	187,839	0	45,936	45,936
TOTAL STATE AGENCY SERVICES	0	445,449	445,449	0	270,841	270,841
Background Expenditures	0	1,504	1,504	0	21,021	21,021
TOTAL EXPENDITURES	0	3,099,945	3,099,945	0	2,626,987	2,626,987
EXCESS OF REVENUES OVER EXPENDITURES	86,938	26,043,573	26,130,511	58,156	23,685,448	23,743,604
OTHER FINANCING SOURCES (USES):						
Sports Betting Distribution	0	(28,234,019)	(28,234,019)	0	(23,900,959)	(23,900,959)
Transfer to Hold-Harmless Fund	0	(1,740,000)	(1,740,000)	0	(1,536,814)	(1,536,814)
Transfer from Sports Betting Fund	1,740,000	0	1,740,000	1,536,814	0	1,536,814
Transfer to Responsible Gaming Grant Fund	(758,326)	0	(758,326)	(489,554)	0	(489,554)
FUND BALANCE AT JULY 1, 2024 & 2023	2,398,738	29,980,188	32,378,926	1,271,076	25,454,129	26,725,205
TOTAL FUND BAL. MARCH 31, 2025 & 2024	\$ 3,467,350	\$ 26,049,742	\$ 29,517,092	\$ 2,376,492	\$ 23,701,804	\$ 26,078,296

COLORADO DIVISION OF GAMING
SPORTS BETTING STATEMENT OF BUDGET TO ACTUAL
NINE MONTHS ENDED MARCH 31, 2025
(UNAUDITED)

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	75.0% OF BUDGETED AMOUNT	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
REVENUES:							
Sports Betting Taxes	\$ 32,300,199	\$ 0	\$ 32,300,199	\$ 24,225,149	\$ 26,747,248	\$ (5,552,951)	82.81%
License and Application Fees	216,624	0	216,624	162,468	150,834	(65,790)	69.63%
Sports Betting Operations Fees	3,070,194	0	3,070,194	2,302,645	1,634,100	(1,436,094)	53.22%
Background Investigations	192,984	0	192,984	144,738	43,574	(149,410)	22.58%
Fines and Fees	0	0	0	0	1,512	1,512	100.00%
Interest Revenue	591,094	0	591,094	443,321	566,250	(24,844)	95.80%
TOTAL REVENUES	36,371,095	0	36,371,095	27,278,321	29,143,518	(7,227,577)	80.13%
EXPENDITURES:							
Personal Services	4,112,793	0	4,112,793	3,084,595	2,521,841	(1,590,952)	61.32%
Operating Expenditures	175,038	55,000	230,038	172,528	74,111	(155,927)	32.22%
Workers Compensation	8,174	0	8,174	6,131	6,131	(2,043)	75.01%
Risk Management	8,655	0	8,655	6,491	6,491	(2,164)	75.00%
Licensure Activities	37,701	0	37,701	28,276	10,143	(27,558)	26.90%
Leased Space	50,433	0	50,433	37,825	25,888	(24,545)	51.33%
Vehicle Lease Payments - Fixed	20,324	0	20,324	15,243	17,740	(2,584)	87.29%
Vehicle Lease Payments - Variable	4,200	0	4,200	3,150	1,426	(2,774)	33.95%
Legal Services	86,032	0	86,032	64,524	64,524	(21,508)	75.00%
CORE Operations	4,108	0	4,108	3,081	3,081	(1,027)	75.00%
Payments to Office of Information Technology	198,739	0	198,739	149,054	187,839	(10,900)	94.52%
Indirect Costs - Department of Revenue	387,109	1,300	388,409	291,307	179,226	(209,183)	46.14%
Division Expenditures	5,093,306	56,300	5,149,606	3,862,205	3,098,441	(2,051,165)	60.17%
Non Personal Services Background Expenditures	106,551	(55,000)	51,551	38,663	1,504	(50,047)	2.92%
TOTAL EXPENDITURES	5,199,857	1,300	5,201,157	3,900,868	3,099,945	(2,101,212)	59.60%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 31,171,238	N/A	\$ 31,169,938	\$ 23,377,453	\$ 26,043,573	\$ (5,126,365)	83.55%

* Represents original information given to the Commission in April of 2024.

The percent of the fiscal year elapsed through March 31, 2025 is 75.0%.

** Amount includes Long Bill items and Supplemental Appropriations.



COLORADO

Department of Revenue

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

Memo

To: Colorado Limited Gaming Control Commission
From: Ryan Golden, Deputy Gaming Controller
Cc: Christopher Schroder
Date: May 22, 2025
Re: March 2025 Sports Betting Fund Financial Statements

Following are highlights from the Sports Betting Fund financial statements ending March 31, 2025.

Statement of Revenues, Expenditures, and Changes in Fund Balance

Current fiscal year Sports Betting Tax revenue was \$26,747,248 which is an increase of \$3,240,750 or 14% over the prior fiscal year. Total Sports Betting Fund revenues through March 2025 increased by \$2,831,083 or 11% over March 2024.

Total Sports Betting Fund expenditures through March 2025 were \$3,099,945 which is an increase of 18% over March 2024. The increase is due primarily to the increase of \$292,345 in salaries and benefits, and the increase of \$141,903 in OIT Purchased Services.

Statement of Budget to Actual

Total revenues collected through March 2025 were about 80% of budgeted. Total expenditures were about 60% of budgeted, which is below the 75% of the fiscal year that has elapsed. Excess of revenues over expenditures was 84% of budgeted.

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

Item VI

Fiscal Year 2026 Budget Requests

Department of Revenue, Division of Gaming
FY 2025-26 Budget Request

SB25-206, Line Items	Total Approved FY 2024-25		Total Requested FY 2025-26		Year to Year	
	Total Funds	FTE	Total Funds	FTE	Variance	%Chng
Personal Services	10,199,751	109.0	10,633,757	108.5	434,006	4.3%
Operating Expenses	2,172,406		2,188,096		15,690	0.7%
Payments to Other State Agencies	5,030,021		4,994,688		(35,333)	-0.7%
Distribution to Cities and Counties ⁽¹⁾	23,788,902		23,788,902		0	0.0%
Indirect Cost Assessment Total	750,550		783,136		32,586	4.3%
Total Long Bill/Commission Appropriations	41,941,630	109.0	42,388,579	108.5	446,949	1.1%
Gaming Division Indirects	334,567		334,567		0	0.0%
Central Appropriations	4,035,279		4,861,169		825,890	20.5%
SBG Administration Indirects	231,272		294,432		63,160	27.3%
Indirect and Central Appropriation Total	4,601,118		5,490,168		889,050	19.3%
Grand Total ⁽²⁾	46,542,748	109.0	47,878,747	108.5	1,335,999	2.9%
Gaming Budget Request Total	17,723,825		19,095,157		1,371,332	7.7%
Other State Agencies Request Total	5,030,021		4,994,688		(35,333)	
Total Request	\$ 22,753,846		\$ 24,089,845		1,335,999	
Budget Request to Projected Revenues						
AGP Tax ⁽³⁾	174,753,689		178,168,541			
License and Application Fees	763,392		777,712			
Background Investigation Deposits	864,752		871,670			
Interest Revenue	2,477,878		-			
Total Projected Revenues	178,859,711		179,817,923			
Percentage of Gaming Budget to Revenues:	12.7%		13.4%			

⁽¹⁾ Distributions: This figure is a placeholder on the Long Bill and does not represent estimated or actual distributions.

⁽²⁾ FY 2024-25 budgets have been adjusted for approved budget changes during FY 2024-25

⁽³⁾ FY 2025-26 projections include FY 2024-25 8 months actuals and 4 months projections for balance of year.
FY 2025-26 projections assume the continuation of the FY 2024-25 gaming tax rate structure with no changes.

Department of Revenue
Line-Item Descriptions

Division of Gaming
FY 2025-26 Budget Request

May 22, 2025

The FY 2025-26 budget request was prepared according to statewide standards and guidelines issued by the Governor’s Office of State Planning and Budgeting (OSPB) and incorporates statewide figure-setting policy adopted by the Joint Budget Committee (JBC) for FY 2025-26. The following narrative details the changes in the budget request.

Line Item Appropriations pursuant to SB25-206

Personal Services – Increased costs of \$434,006

This funding pays for the Division of Gaming’s staff, their benefits, and contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The Colorado Limited Gaming Control Commission has constitutional authority to allocate funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2025-26 Personal Services request is \$10,633,757.*

FY 2024-25 Commission Approved	\$ 10,199,751
Annualize Salary Survey	\$ 244,454
DOR Realignment of Criminal Investigator Series	<u>\$ 189,552</u>
FY 2025-26 Commission Request	\$ 10,633,757

Operating Expenses – Increased costs of \$15,690

This line item funds numerous costs associated with the Division of Gaming’s operations. The Colorado Limited Gaming Control Commission has constitutional authority to allocate Operating funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2025-26 Operating Expenses request is \$2,188,096.*

Payments to Other State Agencies – Decreased Payments of \$35,333

This line item funds costs associated with other state agencies performing work for the Division of Gaming. Section 44-30-301, C.R.S., authorizes the Limited Gaming Control Commission to enter contracts with any governmental entity to carry out duties of the Division of Gaming according to established criteria for cooperation and conditions for payment. The Commission has historically interpreted the agencies eligible for appropriations from the Limited Gaming Fund to be those specifically given statutory authority in the Limited Gaming Act to regulate or administer components of the program. The specific statutory citations for such agencies are: the Colorado State Patrol, 44-30-830(5), C.R.S.; and the Division of Fire Prevention and Control, 44-30-515, C.R.S. The Commission approves requests from State agencies for payments from the Limited Gaming Fund. *The FY 2025-26 Payments to Other State Agencies request is \$4,994,688.*

Distribution to Gaming Cities and Counties – No Change from Previous Year

The Distribution to Gaming Cities and Counties line item is a placeholder that reflects estimated distributions from the Limited Gaming Fund to eligible cities and counties including Gilpin and Teller counties, and the towns of Black Hawk, Central City, and Cripple Creek. The Colorado Constitution, Article XVIII, Section 9, authorizes limited gaming in Central City, Black Hawk, and Cripple Creek and is implemented in Sections 44-30-701 to 1201, C.R.S. It also provides clear direction as to the distribution of gaming revenues, which include funding for historic preservation in the three gaming cities as well as statewide, funding for the host cities and counties for the impacts of gaming, and a transfer to the General Fund for state impacts. From the net amount in the Limited Gaming Fund at year-end, the Constitution mandates the following distributions: 28 percent to the State Historical Fund, 12 percent to Gilpin and Teller counties (in proportion to the gaming revenues generated in each county), 10 percent to Black Hawk, Central City and Cripple Creek (in proportion to the gaming revenues generated in respective city), and 50 percent to the General Fund, “or such other fund as the general assembly shall provide.” The amount requested in the Long Bill serves as a placeholder and is not intended to accurately reflect estimated distributions for the Limited Gaming Fund. *For FY 2025-26, the request is based on a continuation amount of \$23,788,902.*

SB18-191 Concerning the Local Government Limited Gaming Impact fund and, in connections therewith making an appropriation.

SB18-191 now mandates under 44-30-701(III)(A) at the end of 2017-18 state fiscal year and each year thereafter, five million dollars as annually increased by an amount equal to the percentage increase in the state share as described in subsection (1)(d)(I) of this section from the previous fiscal year to the local government limited gaming impact fund created in section 44-30-1301, plus an amount equal to the projected direct, and indirect costs to administer the local government limited gaming impact grant program set forth in section 44-30-1301 (2)(a)(I) for the upcoming fiscal year; except that such transfer shall be made at the beginning of the state fiscal year, and any unspent money from such transfer revert to the local government limited gaming impact fund. (b) If the state share does not increase from the previous fiscal year, then the state treasurer shall transfer an amount equal to the previous fiscal year's transfer.

Indirect Cost Assessment – Increased costs of \$32,586.

The Indirect Costs line item reflects the total indirect cost assessment against the Limited Gaming Fund for the Department of Revenue. The request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect accurate assessments against the Limited Gaming Fund. *The FY 2025-26 Indirect Cost Assessment request is \$783,136.*

Division Indirects – Overseen by the Department of Revenue, Executive Director

SBG Administration Indirect Cost Recoveries – No Change from Previous Fiscal Year

This funding pays for the salary of senior management, budget personnel, and administrative staff of the SBG Business Group’s Administration section, as well as any related contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The

request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect current assessments against the Limited Gaming Fund. *The FY 2025-26 SBG Administration cost is \$334,567.*

SBG Administration Allocations/Indirect – Increased Costs of \$63,160

This funding pays for the salary benefits of senior management, training personnel and administrative staff of the SBGE Business Group's Administration section. *The FY 2025-26 SBG Administration Common Policy Allocation costs are \$294,432.*

Central Appropriations - Personal Services Common Policies

Common Policy - Appropriations common to all departments which are appropriated to each Executive Director's office and then allocated out to divisions or programs within each department. Examples include Group Health and Life, and Workers' Compensation.

Health, Life and Dental (HLD) – Increased costs of \$351,781

This appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Department of Revenue that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration. Every year, employees elect or opt out of coverage during an open enrollment period. Thus, depending on employees' circumstances, more or less may enroll than in a previous year and result in a change in the appropriation. Finally, change requests and legislation alter the appropriation. *The FY 2025-26 Health, Life and Dental costs are \$1,460,448.*

Short-term Disability (STD) – Decreased costs of \$3,585

Short-term disability insurance coverage provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. All employees have coverage of this employer-paid benefit. The Short-term disability rates are negotiated and calculated by the Department of Personnel and Administration on a fiscal-year basis. Any change to the Department of Revenue's appropriation is based solely on the change in base salaries in the Department and the rate. *The FY 2025-26 Short-term Disability cost is \$4,960.*

Unfunded Liability Amortization Equalization Disbursement (AED) – Increased costs of \$130,298

A Joint Budget Committee action was approved to consolidate AED and SAED into a new Long Bill line titled "Unfunded Liability Amortization Equalization Disbursement Payments" through the FY 2025-26 Figure Setting process. This appropriation provides funding for amortization and supplemental amortization payments to increase the funded status of the PERA. Statutory Authority: Section 24 51 411, C.R.S. The FY 2025-26 Unfunded Liability AED cost is \$699,950.

Shift Differential – Increased costs of \$45,818

Shift differential funding compensates employees for work performed outside a regular work schedule, such as evening and weekend shifts. The appropriation is typically based on 80.0 percent of prior year shift expenditures including the calculation for PERA, Medicare, AED, SAED and STD. *The FY 2025-26 Shift Differential cost is \$128,523.*

Salary Survey – Decreased costs of \$54,820

This line item funds the base salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded for FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13 or FY 2020-21 due to the economic recession. *The FY 2025-26 Salary Survey cost is \$189,634.*

Step Pay – First year of cost \$46,995

This line item funds the step pay salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded in previous years and will be adjusted annually based on employees time in position. *The FY 2025-26 Step Pay cost is \$46,995.*

PERA Distribution SB18-200 – Increased costs of \$10,353

This line item funds PERA distribution for SB18-200. *The FY 2025-26 PERA distributions SB18-200 cost is \$121,842.*

Paid Family Medical Leave – Increased costs of \$5,864

This line item is for the employer cost for premiums for paid family medical leave insurance. This leave provides time off for employees to address family and medical needs, such as the arrival of a new child, military family needs, and a personal or a family member's serious health condition, including the effects of domestic violence and sexual assault. The appropriation is adjusted annually and is allocated to the Divisions based on projected need. *The FY 2025-26 Family and Medical Leave Insurance cost is \$31,498.*

Central Appropriations - Operating Common Policies

Variable Vehicle – Increased costs of \$6,475

These dollars are appropriated to the Department through the Operating Expenses line item of the Executive Director's Office and then allocated to the divisions based on projected need. The funds cover the variable vehicle expenses including maintenance, fuel and insurance for the Department's assigned vehicles. *The FY 2025-26 Variable Vehicle cost is \$90,075.*

Leased Space – Decreased costs of \$30,919

This appropriation funds the payments for the Department’s lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2025-26 Leased Space cost is \$438,106.*

Utilities – Decreased costs of \$4,606

This appropriation provides funding to support the cost of maintaining the Department’s state-owned facilities that include gaming offices where the lease does not include utilities. *The FY 2025-26 Utilities cost is \$24,319.*

Executive Directors Office – Decreased of \$129,450

This funding pays for the salary and benefits of the budget personnel in the SBG Business Group’s Administration section. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The request for this line item is based on the Departmental Cost Allocation Plan and is updated each year to reflect current assessments against the Limited Gaming Fund. In FY 2025-26, this cost is the current FTE budget. *The FY 2025-26 Executive Directors Office Personal Services cost is \$0*

Digital Trunk Radios – First year of cost \$44,900

This appropriation provides funding for Digital Trunk radios for each Division vehicle. The funds cover the Digital Trunk Radio expenses for Department’s assigned vehicles. *The FY 2025-26 Digital Trunk Radios cost is \$44,990.*

Department Common Policies overseen by the Department of Personnel and Administration

Worker’s Compensation – Decreased costs of \$2,050

Worker’s compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Joint Budget Committee common policy determined through actuarial calculations and three years of claims history. In addition, this line item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). All changes in the Department’s appropriation for worker’s compensation are the result of common policy changes. *The FY 2025-26 Worker’s Compensation cost is \$27,014.*

Risk Management and Property Funds – Increased costs of \$19,726

The Department's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The state's liability program is used to pay liability claims and expenses brought against the state. The state's property program pays for commercial insurance and associated deductibles for insurance coverage to state properties. For property premiums, state agencies pay a portion of the property insurance expense through a formula that allocates property premiums based upon the value of an agency's property holdings. For liability premiums, departments pay a portion of the projected need for cash flow to cover existing and anticipated liability claims based on an allocation formula developed by an actuarial firm retained by the Department of Personnel and Administration. All projections are approved by the Joint Budget Committee. Thus the Department of Revenue's appropriation and any changes to it are driven by the common policies established by the Joint Budget Committee. *The FY 2025-26 Risk Management and Property Funds request cost is \$50,501.*

Vehicle Lease Payments – Increased costs of \$29,100

This line item provides funding for the fixed lease costs of Department of Revenue vehicles and management fees charged by State Fleet Management (Department of Personnel and Administration). The appropriation is adjusted annually through a statewide vehicle decision item and/or supplemental request. The appropriation is allocated to the Divisions based on projected lease loan payments. *The FY 2025-26 Leased Vehicles cost is \$191,244.*

Common Policies Overseen by the Governor's Office of Information Technology (OIT)

Payments to OIT – Increased costs of \$361,772

This line item was created in FY 2013-14 to pay for services provided by the Governor's Office of Information Technology that were previously appropriated and billed to State agencies through five common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network (formerly Multiuse Network), Communication Services Payments, and Information Technology Security. Administration expenses of OIT are allocated to various departments in proportion to the level of services purchased from OIT. *The FY 2025-26 Office of Information Technology cost is \$1,068,400.*

ITD Operating Expenses (ISD)- Decreased costs of \$6,634

Operating Expenses fund numerous information technology related contracts for the Department. Other costs paid for by this line item include telecommunications, general office supplies, and printing costs. This amount relates directly to the PBX/MIPC phone system upgrade that is taking place at Gaming facilities, which also includes the line port and phone rentals. Legislation does impact funding for the Information Technology Division's operating expenses, most notably income tax check off bills. Income tax checks off bills

contain one-time operating expenses based on the number of hours required for programming changes. *The FY 2025-26 ITD Operating cost is \$46,254.*

CORE Operations – Decreased costs of \$2,378

This line item was created in FY 2012-13 to support the replacement of the statewide COFRS system. This line item was renamed in FY 2015-16 to be CORE Operations to reflect payments to the Department of Personnel & Administration for all direct and indirect costs of maintaining the CORE system. The amount requested reflects the Department of Personnel and Administration calculated allocation. *The FY 2025-26 CORE Maintenance cost is \$12,227.*

Legal Services – Overseen by the Department of Law

Legal Services – Increased costs of \$616

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. Funding shortfalls that cannot be offset within the pot may be covered by excess personal services appropriations upon written notification to the Joint Budget Committee as directed by the Executive Director. *The FY 2025-26 Legal Services cost is \$184,279.*

The overall FY 2025-26 Gaming Budget Request has increased from the FY 2024-25 Budget Year by \$1,371,333 or 7.7%, but the calculation excludes any changes to Other State Agencies requests. The Other State Agencies requests has decreased by \$35,333 or -.7%. The total net increase to the FY 2025-26 request is \$1,336,000.

Limited Gaming Fund Projections

Colorado Revised Statute 44-30-203(2)(i), requires that the Division provide an annual budget request that includes a complete financial plan for all proposed expenditures and anticipated revenues of the Division. The following summarizes the components of the FY 2025-26 financial plan for the Limited Gaming Fund created in Section 44-30-701(1), C.R.S. The Revenue Projections for FY 2025-26 will be presented to the Gaming Commission in May 2025. The expenditures reflect the FY 2025-26 Budget Requests. The table also illustrates the amount of revenue that could be distributed at the end of FY 2025-26.

FY 2025-26 LIMITED GAMING FUND PROJECTION			
Preliminary Revenue Projection ⁽¹⁾ :			
AGP Tax	\$	178,168,541	
License and Application Fees		777,712	
Background Investigation Deposits		871,670	
Interest Revenue		0	
Total Preliminary Projected Revenues FY 2024-25	\$	179,817,923	
FY 2024-25 Projected Ending Escrow ⁽²⁾		3,215,479	
FY 2025-26 Preliminary Projected Gross Gaming Fund	\$	183,033,402	
Estimated Fund Expenditures:			
Division of Gaming FY 2025-26 Request	\$	19,095,157	
State Patrol FY 2025-26 Estimate		4,747,625	
Fire Prevention and Control FY 2025-26 Estimate		247,063	
Total Estimated Fund Expenditures	\$	24,089,845	
FY 2025-26 Projected Ending Escrow ⁽³⁾		4,014,974	
FY 2025-26 Preliminary Estimate of Funds for Distribution	\$	154,928,583	
⁽⁴⁾			

(1) FY 2025-26 revenue projections will be presented to the Commission in May 2025.

(2) Ending Escrow projection includes 8 months of actual FY 2024-25 data and 4 months of projections for balance of year.

(3) Ending Escrow projection equals two months of total fund appropriations.

(4) Distribution Estimate included only for illustration purposes.



Memo

To: Colorado Limited Gaming Control Commission
From: Kristi Piazza, Budget Manager – Specialized Business Group
Date: May 22, 2025
Re: License Fee Analysis for FY 2025-26

The Division has reviewed and completed an analysis of the current license fees, summarized in the table on page two of this memorandum. As was stated in 2016, the Division of Gaming will conduct a fee analysis annually, but will bring license fee changes for the Commission's consideration every other year. The paragraph that follows provides a quick summary of the analysis.

The fee-setting model is based on the projected direct and indirect expenses of licensing activities in the Division of Gaming. The model is updated annually to include changes to operating and personnel costs. Revenue is determined by projecting changes in the licensed population, and applying current fee amounts. If the difference between revenue and expenditures is significant, it indicates that a change in fees is warranted. The FY 2025-26 fee analysis found that expenditures exceed revenue by approximately \$505,422 (-39.4%), a difference that is significant enough to recommend a change in the fees charged. However, the Commission has the authority to either leave the license fees unchanged or adjust them.

The Division requests the Commission to maintain the current licensing fees.

Sincerely,

Kristi Piazza
Budget Manager, Specialized Business Group
Kristi.Piazza@state.co.us

Direct and Indirect Cost of Issuing a License

Direct Costs

Personal Services cost of the 8.75 licensing FTE	\$ 782,755
Operating cost of issuing a license	\$ 115,586
Total Direct Costs	\$ 898,341

Indirect Costs

Division Total Operating cost	\$ 4,909,003
Less: Direct Operating cost of issuing a license that already counted in direct above	\$ 115,586
Times: Indirect Cost Rate (% Licensing FTE to Full-Fill FTE)	8.03%
Total Indirect Cost	\$ 384,793
Total Direct and Indirect Costs	\$ 1,283,134

Net of Revenue	
Projected FY 2025-26 Licensing Revenue	\$ 777,712
Total Cost of Issuing Licenses FY 2025-26	\$ 1,283,134
Excess (Deficit)	\$ (505,422)
% Over(Under)	-39.4%

Memo

To: Colorado Limited Gaming Control Commission
From: May 22, 2025
Re: Background Investigation Hourly Rate for FY 2025-26

The Division has reviewed and conducted an analysis of the current \$84.00 hourly rate charged for background investigations to determine if any change is needed for FY 2025-26. Commission Policy 95-03 states: The cost incurred to deliver the service associated with conducting background investigations shall not be less than the total amount of the direct cost and shall not exceed the total amount of the direct costs plus indirect cost. The Division has estimated that full recovery of direct and indirect costs results in an hourly rate of \$97.00 when rounded to the nearest dollar.

Based on the Division's review, the direct cost of performing background investigations in FY 2025-26 is \$88.00, the indirect costs are \$9.01 and the total direct and indirect costs are \$97.00 when rounded to the nearest dollar. A summary of these costs follow:

	FY 2025-26 Estimated Hourly Rate
Avg. Hourly Cost of Direct Payroll and Operating	\$88.00
Avg. Hourly Cost of Indirect Payroll and Operating	\$9.01
Total Direct and Indirect Costs	\$97.01

The Commission may leave the background hourly rate unchanged or adjust it under its authority.

Methodology for FY 2025-26

Direct Payroll and Operating – Each investigator's salary, benefits, and reported hours spent directly on Background Investigations were used to calculate a direct hourly salary and benefits cost. **FY 2025-26** direct salaries and benefits are projected to be \$59.77 per hour.

Current methodology estimates the direct operating costs per FTE using the individual time analysis data received for FY 2023-24: The analysis shows that Background Investigations accounts for 1.49% of all operating activities.

This percentage was multiplied by the Total FY 2024-25 Operating appropriation of \$5,801,471 excluding Background investigation allocation and Payments to Other State Agencies. The resulting direct operating cost per hour is \$28.23. The total direct payroll and operating costs per hour equate to \$88.00.

Indirect Payroll and Operating – The indirect payroll costs were estimated based on the FTEs who support, supervise or direct the Division's Background Investigation activities and applying the percentage of their total productive hours spent on background investigation activities to the average salary and benefit. Using this methodology, indirect salary and benefit costs equate to \$6.19 per hour.

Operating costs related to indirect support of background activities was calculated using the same per FTE % methodology as operating costs for direct support described above and applying the same indirect % used for indirect payroll. The resulting indirect operating costs equates to \$2.82. The total indirect payroll and indirect operating costs per hour equate to \$9.01.

The Division requests the Commission maintain the current \$84.00 hourly rate charged for background investigations.

Sincerely,

Kristi Piazza
Budget Manager, Specialized Business Group
Kristi.Piazza@state.co.us

**Department of Revenue, Division of Gaming, Responsible Gaming Grant
FY 2025-26 Budget Request**

HB24-1430, Line Items	Total Approved FY 2024-25		Total Requested FY 2025-26		Year to Year	
	Total Funds	FTE	Total Funs	FTE	Variance	%Chng
Spending Authority	3,200,000	0.0	4,220,000	0.0	1,020,000	31.9%
Total Long Bill/Commission Appropriations	3,200,000	0.0	4,220,000	0.0	1,020,000	31.9%
Grand Total	3,200,000	0.0	4,220,000	0.0	1,020,000	31.88%
Responsible Gaming Grant Budget Request Total	3,200,000		4,220,000		1,020,000	31.9%
(1) HB22-1402 - Money transferred to the fund from the Wagering Revenue recipients Hold-Harmless fund pursuant to Section 44-30-1509 (2)(c)(IV); transfer in FY 2024-25 was \$758,326, transfer in FY 2025-26 is expected to be 1,585,551						



COLORADO
Department of Revenue
Specialized Business Group—Gaming

FY 2025-26 Limited Gaming Fund

Revenue and Expenditure Projections

May 22, 2025

Agenda

- Limited Gaming Fund Revenue
- AGP and Tax Projections By Tax Bracket
- FY 2024-25 Appropriation & FY 2025-26 Appropriation Request
- Projected FY 2024-25 and FY 2025-26 Cash Flow

Limited Gaming Fund

Revenue Projections

In Thousands

Revenue Category	FY 2024-25 Projection	FY 2025-26 Projection	Variance
Tax Revenue	177,917	178,169	252
License and Application Fee Revenue	738	778	40
Other Rev (Background Investigations)	471	872	401
Misc & Interest Revenue	178	0	-178
Totals¹	179,304	179,819	515

FY 2024-25 projections are updated as of April 1 , 2025.

This projection assumes the continuation of the gaming tax rate structure with no changes.

Limited Gaming Fund

Year End AGP and Tax Projections

FY 2024-25 Projected Tax Revenues ¹

Tax Rate	AGP Range	# Casinos	Total AGP	Total Tax
0.25% - 2.00%	\$0 to \$5 Million	3	6,912,245	64,353
9.00%	\$5 to \$8 Million	6	41,053,497	1,384,815
11.00 - 16.00%	\$8 to \$13 Million	7	71,534,287	4,310,738
20.00%	Over \$13 Million	17	977,993,919	168,993,784
		33	1,097,493,948	174,753,689

FY 2025-26 Projected Tax Revenues ²

Tax Rate	AGP Range	# Casinos	Total AGP	Total Tax
0.25% - 2.00%	\$0 to \$5 Million	3	6,,075,233	57,677
9.00%	\$5 to \$8 Million	4	27,347,148	921,243
11.00 - 16.00%	\$8 to \$13 Million	8	79,741,738	4,674,953
20.00%	Over \$13 Million	18	1,003,423,336	172,514,667
		33	1,116,587,455	178,168,541

Year over Year Projected Growth

1.00%

.57%

¹ FY 2025-26 projections are updated as of April 1 , 2025.

² This projection assumes the continuation of the gaming tax rate structure with no changes.

Limited Gaming Fund

FY 2024-25 Appropriation & FY 2025-26 Appropriation Request

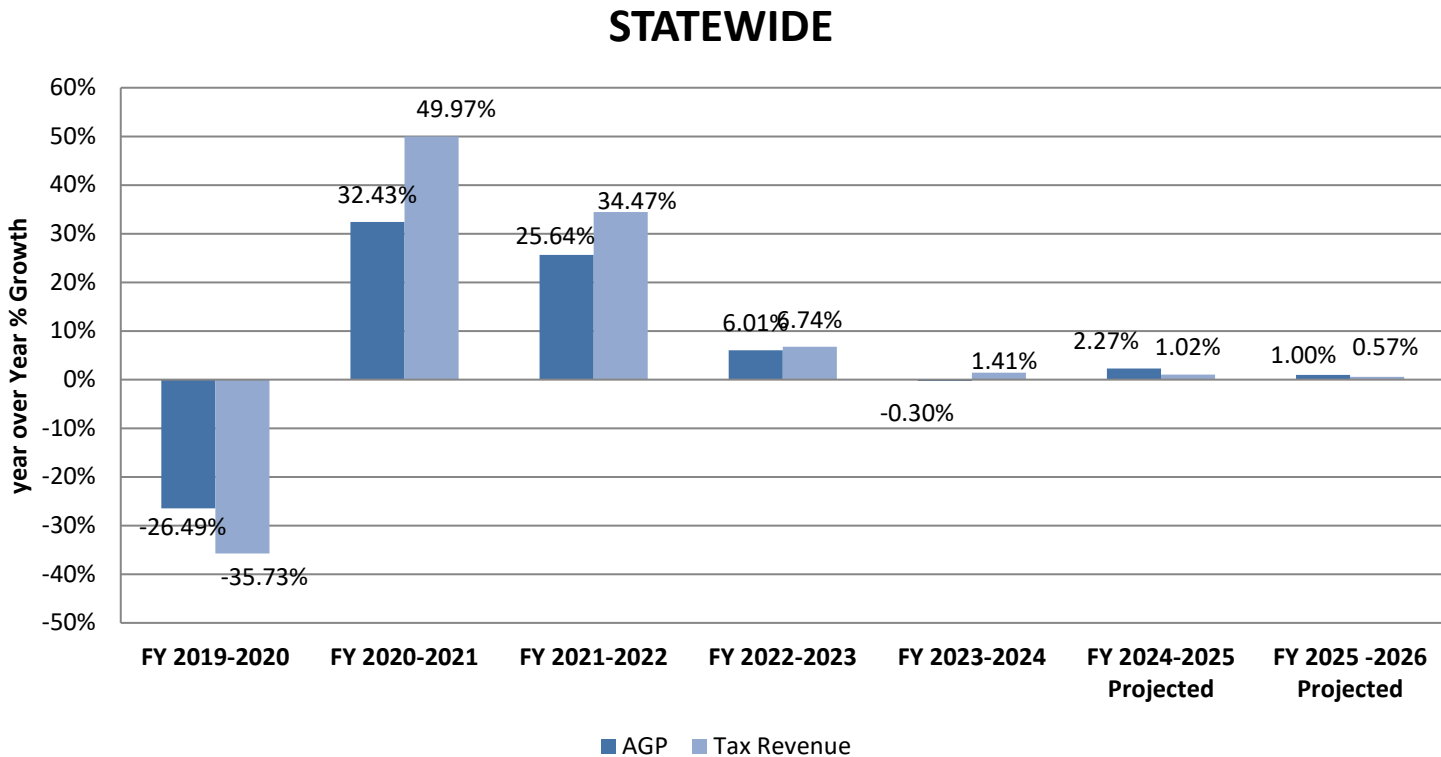
Long Bill Line Items	FY 2024-25	FY 2025-26	Variance
Personal Services	10,199,751	10,633,757	434,006
Operating Expenses ¹	2,172,406	2,188,906	15,690
Indirect Cost Assessment	750,550	783,136	32,586
SBG Administration Indirect Cost Recovery	565,839	628,999	63,160
Central Appropriations	4,053,689	4,861,169	825,890
Gaming Budget Request Total	17,723,825	19,095,158	1,371,333
Other State Agencies Request Total	5,030,021	4,994,688	(35,333)
Total Request	22,753,846	24,089,845	1,335,999

7.7% Variance

¹ FY 2024-25 Operating original request in May 2024 did not include additional \$495,500 approved in FY25 P1 for for BlackHawk Tenant Improvements/move.

Limited Gaming Fund

AGP and Tax: Year to Year Growth



The current tax rate commenced July 1, 2012.

Limited Gaming Fund

Limited Gaming Fund Projected Cash Flow

In Millions

	FY 2024-25 Projected Funds	FY 2025-26 Projected Funds
Beginning Fund Balance¹	\$ 3	\$ 3
Revenue	\$ 179	\$ 180
Expenditures		
Department of Revenue Expenditures ²	\$ 15	\$ 19
Payments to Other State Agencies	\$ 4	\$ 5
Total Expenditures	\$ 19	\$ 24
Net Income	\$ 160	\$ 156
Projected Fund Balance*	\$ 163	\$ 159
Escrow Reserve	\$ 3	\$ 4
Fund Balance Available for Distributions*	\$ 160	\$ 155

¹ FY 2024-25 Beginning Fund Balance is the ending FY 2024-24 Escrow Reserve. The remaining funds will be included in the year-end distribution.

² FY 2024-25 Operating original request didn't include additional \$495,500 approved in FY25 P1 for background investigations.

**Department of Revenue, Division of Gaming, Sports Betting
FY 2025-26 Budget Request**

SB25-206, Line Items	Total Approved FY 2024-25		Total Requested FY 2025-26		Year to Year																																																									
	Total Funds	FTE	Total Funds	FTE	Variance	%Chng																																																								
Personal Services	3,538,887	29.0	3,607,836	29.5	68,949	1.9%																																																								
Operating Expenses	319,290		319,290		0	0.0%																																																								
Indirect Cost Assessment Total	188,902		195,772		6,870	3.6%																																																								
Total Long Bill/Commission Appropriations	4,047,079	29.0	4,122,898	29.5	75,819	1.9%																																																								
SBG Administration Indirects	162,521		173,027		10,506																																																									
Central Appropriations	991,557		1,188,243		196,687	19.8%																																																								
Indirect and Central Appropriation Total	1,154,077		1,361,270		207,193	18.0%																																																								
Grand Total	5,201,157	29.0	5,484,168	29.5	283,012	5.44%																																																								
<table> <tr> <td>Sports Betting Budget Request Total</td> <td>5,201,157</td> <td></td> <td>5,484,168</td> <td></td> <td>283,012</td> <td>5.44%</td> </tr> <tr> <td>Other State Agencies Request Total</td> <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> </tr> <tr> <td>Total Request</td> <td>5,201,157</td> <td></td> <td>5,484,168</td> <td></td> <td>283,012</td> <td></td> </tr> </table>							Sports Betting Budget Request Total	5,201,157		5,484,168		283,012	5.44%	Other State Agencies Request Total	-		-		-		Total Request	5,201,157		5,484,168		283,012																																				
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(1) The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes. Of the total amount of tax collected, after first repaying the general fund appropriation for startup and initial operating costs, 6% is set aside annually to compensate the beneficiaries of revenues generated by limited gaming and other wagering activities for any losses attributable to competition from sports betting.



Department of Revenue Line Item Descriptions

Sports Betting FY 2025-26 Budget Request

May 22, 2025

The FY 2025-26 budget request was prepared according to statewide standards and guidelines issued by the Governor’s Office of State Planning and Budgeting (OSPB) and incorporates statewide figure-setting policy adopted by the Joint Budget Committee (JBC) for FY 2025-26. The following narrative details the changes in the budget request.

Line Item Appropriations pursuant to SB25-206,

Personal Services – Increased costs of \$291,313

This funding pays for the staff that is allocated to Sports Betting, the Division of Gaming’s staff that is partially allocated to Sports Betting, their benefits, and contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The Colorado Limited Gaming Control Commission has constitutional authority to allocate funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2025-26 Personal Services request is \$3,538,887.*

FY 2023-24 Commission Approved	\$ 3,538,887
Annualize Salary Survey	\$ 68,949
FY 2025-26 Commission Request	\$ 3,607,836

Operating Expenses – No change to Previous Fiscal Year

This line item funds numerous costs associated with the Division’s operations. The Colorado Limited Gaming Control Commission has constitutional authority to allocate Operating funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2025-26 Operating Expenses request is \$319,290.*

Revenue Distribution

The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes. Of the total amount of tax collected, after first repaying the general fund appropriation for startup and initial operating costs, 6% is set aside annually to compensate the beneficiaries of revenues generated by limited gaming and other wagering activities for any losses attributable to competition from sports betting.

Indirect Cost Assessment – Increased costs of \$32,842

The Indirect Costs line item reflects the total indirect cost assessment against the Sports Betting Fund for the Department of Revenue. The request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect accurate assessments against the Sports Betting Fund. *The FY 2025-26 Indirect Cost Assessment request is \$195,772*

Division Indirects – Overseen by the Department of Revenue, Executive Director

SBG Administration Allocations/Indirect – Increased costs of \$10,506

This funding pays for the salary of senior management, budget personnel, and administrative staff of the SBG Business Group's Administration section, as well as any related contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect current assessments against the Limited Gaming Fund. *The FY 2025-26 SBG Administration cost is \$173,027.*

Central Appropriations - Personal Services Common Policies

Common Policy - Appropriations common to all departments which are appropriated to each Executive Director's office and then allocated out to divisions or programs within each department. Examples include Group Health and Life, and Workers' Compensation.

Health, Life and Dental (HLD) – Increased costs of \$84,786

This appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Department of Revenue that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration. Every year, employees elect or opt out of coverage during an open enrollment period. Thus, depending on employees' circumstances, more or less may enroll than in a previous year and result in a change in the appropriation. Finally, change requests and legislation alter the appropriation. *The FY 2025-26 Health, Life and Dental costs are \$388,559.*

Short-term Disability (STD) – Decreased costs of \$1,083

Short-term disability insurance coverage provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. All employees have coverage of this employer-paid benefit. The Short-term disability rates are negotiated and calculated by the Department of Personnel and Administration on a fiscal-year basis. Any change to the Department of Revenue's appropriation is based solely on the change in base salaries in the Department and the rate. *The FY 2025-26 Short-term Disability cost is \$1,320.*

Unfunded Liability Amortization Equalization Disbursement (AED) – Increased costs of \$26,010

A Joint Budget Committee action was approved to consolidate AED and SAED into a new Long Bill line titled "Unfunded Liability Amortization Equalization Disbursement Payments" through the FY 2025-26 Figure Setting process. This appropriation provides funding for amortization and supplemental amortization payments to increase the funded status of the PERA. Statutory Authority: Section 24 51 411, C.R.S. The FY2024-25 Unfunded Liability AED cost is \$186,225

Shift Differential – No Change from Previous Fiscal Year

Shift differential funding compensates employees for work performed outside a regular work schedule, such as evening and weekend shifts. The appropriation is typically based on 80.0 percent of prior year shift expenditures including the calculation for PERA, Medicare, AED, SAED and STD. *The FY 2025-26 Shift Differential cost is \$0.*

Salary Survey – Decreased costs of \$18,496

This line item funds the base salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded for FY 2009-10, FY 2010-11, FY 2011-12 or FY 2012-13 due to the economic recession. *The FY 2025-26 Salary Survey cost is \$50,453.*

Step Pay – First year of cost \$12,503

This line item funds the step pay salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded in previous years and will be adjusted annually based on employees time in position. *The FY 2025-26 Step Pay cost is \$12,503.*

PERA Distribution SB-200 – Increased costs of \$1,062

This line item funds PERA distribution for SB-200. *The FY 2025-26 PERA distribution SB-200 cost is \$32,417.*

Paid Family Medical Leave – Increased costs of \$1,170

This line item is for the employer cost for premiums for paid family medical leave insurance. This leave provides time off for employees to address family and medical needs, such as the arrival of a new child, military family needs, and a personal or a family member's serious health condition, including the effects of domestic violence and sexual assault. The appropriation is adjusted annually and is allocated to the Divisions based on projected need. *The FY 2025-26 Paid Family Medical Leave cost is \$8,380.*

Central Appropriations - Operating Common Policies

Variable Vehicle – Increased costs of \$325

This appropriation funds the payments for the Department's lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2025-26 Variable Vehicle cost is \$4,525.*

Leased Space – Decreased costs of \$12,598

This appropriation funds the payments for the Department's lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2025-26 Leased Space cost is \$37,835.*

Executive Directors Office – Decrease of \$36,986

This funding pays for the salary and benefits of the budget personnel in the SBG Business Group's Administration section. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The request for this line item is based on the Departmental Cost Allocation Plan and is updated each year to reflect current assessments against the Limited Gaming Fund. *The FY 2025-26 SBG Administration cost is \$0.*

Digital Truck Radio – First year of cost \$5,908

This appropriation provides funding for Digital Truck radios for each Division vehicle. The funds cover the Digital Trunk Radio expenses for Department's assigned vehicles. *The FY 2025-26 Digital Trunk Radios cost is \$5,908.*

Central Appropriations - Common Policies overseen by the Department of Personnel and Administration

Worker's Compensation – Decreased costs of \$987

Worker's compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Joint Budget Committee common policy determined through actuarial calculations and three years of claims history. In addition, this line

item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). All changes in the Department's appropriation for worker's compensation are the result of common policy changes. *The FY 2025-26 Worker's Compensation cost is \$7,187.*

Risk Management and Property Funds – Increased costs of \$4,781

The Department's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The state's liability program is used to pay liability claims and expenses brought against the state. The state's property program pays for commercial insurance and associated deductibles for insurance coverage to state properties. For property premiums, state agencies pay a portion of the property insurance expense through a formula that allocates property premiums based upon the value of an agency's property holdings. For liability premiums, departments pay a portion of the projected need for cash flow to cover existing and anticipated liability claims based on an allocation formula developed by an actuarial firm retained by the Department of Personnel and Administration. All projections are approved by the Joint Budget Committee. Thus the Department of Revenue's appropriation and any changes to it are driven by the common policies established by the Joint Budget Committee. *The FY 2025-26 Risk Management and Property Funds request cost is \$13,436.*

Vehicle Lease Payments – Increased costs of \$37,628

This line item provides funding for the fixed lease costs of Department of Revenue vehicles and management fees charged by State Fleet Management (Department of Personnel and Administration). The appropriation is adjusted annually through a statewide vehicle decision item and/or supplemental request. The appropriation is allocated to the Divisions based on projected lease loan payments. *The FY 2025-26 Leased Vehicles cost is \$57,952.*

Common Policies Overseen by the Governor's Office of Information Technology (OIT)

Payments to OIT – Increased costs of \$68,361

This line item was created in FY 2013-14 to pay for services provided by the Governor's Office of Information Technology that were previously appropriated and billed to State agencies through five common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network (formerly Multiuse Network), Communication Services Payments, and Information Technology Security. Administration expenses of OIT are allocated to various departments in proportion to the level of services purchased from OIT. *The FY 2025-26 Office of Information Technology cost is \$267,100*

CORE Operations – Decreased costs of \$855

This line item was created in FY 2012-13 to support the replacement of the statewide COFRS system. This line item was renamed in FY 2015-16 to be CORE Operations to reflect payments to the Department of Personnel & Administration for all direct and indirect costs of maintaining the CORE system. The amount requested reflects the Department of Personnel and Administration calculated allocation. *The FY 2025-26 CORE Maintenance cost is \$3,253.*

Legal Services – Overseen by the Department of Law

Legal Services – Increased costs of \$25,158

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. Funding shortfalls that cannot be offset within the pot may be covered by excess personal services appropriations upon written notification to the Joint Budget Committee as directed by the Executive Director. *The FY 2025-26 Legal Services cost is \$111,190.*

The overall FY 2025-26 Sports Betting Budget Request has increased from the FY 2024-25 Budget Year by \$283,012 or 5.44%. The total net increase to the FY 2025-26 request is \$283,012.

Sports Betting Fund Projections

Colorado Revised Statute 44-30-203(2)(i), requires that the Division provide an annual budget request that includes a complete financial plan for all proposed expenditures and anticipated revenues of the Division. The following summarizes the components of the FY 2025-26 financial plan for the Sports Betting Fund created in Section 44-30-701(1), C.R.S. The Revenue Projections for FY 2025-26 will be presented to the Gaming Commission in May 2025. The expenditures reflect the FY 2025-26 Budget Requests. The table also illustrates the amount of revenue that could be distributed at the end of FY 2025-26.

FY 2025-26			
SPORTS BETTING FUND PROJECTION			
Preliminary Revenue Projection ⁽¹⁾ :			
AGP Tax	\$	35,146,955	
License and Application Fees		207,600	
Background Investigation Deposits		56,712	
Sports Betting Operating Fee		3,070,194	
Interest Revenue		811,895	
Total Preliminary Projected Revenues FY 2025-26	\$	39,293,356	
FY 2025-26 Preliminary Projected Gross Sports Betting Fund	\$	39,293,356	
Estimated Fund Expenditures:			
Sports Betting FY 2025-26 Request	\$	5,484,168	
Total Estimated Fund Expenditures	\$	5,484,168	
FY 2025-26 Projected Hold Harmless ⁽²⁾		1,740,000	
FY 2025-26 Preliminary Estimate of Funds for Distribution ⁽³⁾	\$	32,069,188	

(1) FY 2025-26 revenue projections will be presented to the Commission in May 2025.

(2) Hold Harmless is 6% of AGP Tax

(3) Distribution Estimate included only for illustration purposes.

Memo

To: Colorado Limited Gaming Control Commission

From: Chris Schroder, Division of Gaming Director

Date: May 22, 2025

Re: Sports Betting License Fee and Background Investigation Hourly Rate for FY 2025-26

Licensing Fee

The Division has reviewed license fees for sports betting in the state of Colorado.

The fee setting model is based on the average time it currently takes to process similar gaming licenses by the Division.

The Division's review indicates an estimated time of 11.4 hours to complete the initial processing and initial review of a new Vendor Major, Sports Betting Operator (SBO), and Internet Sports Betting Operation (ISBO) sports betting license application, with a total cost of that review of \$1,200. This is the initial Licensing Fee. It is not the annual Operating Fee or the cost to conduct a background investigation.

For a Master License, a new license application flat fee of \$2000 is still required. The flat fee includes approximately nine hours of contract review, deemed necessary by the Division to determine licensing requirements of associated individuals and businesses.

Due to the lower risk license, the Division completes a condensed application process for Vendor Minor License applicants that includes a condensed computer-based background check and review of the business registration and filing status. The time required to complete the processing of a Vendor Minor License application, including the condensed background review, is estimated to be 4.5 hours at a cost to the applicant of \$350.

The Division requests the Commission maintain and approve the following current licensing fees:

License Type	New	Renewal
Master	\$2000	\$250
Sports Betting Operator	\$1200	\$1200
Internet Sports Betting Operation	\$1200	\$1200
Vendor Major	\$1200	\$1200
Vendor Minor	\$350	\$350

No fee changes are recommended for FY 2025-26.

Background Investigation Hourly Rate

The Division expects to complete background investigations for new sports betting licenses in the same manner as those completed for Limited Gaming. Based on the Division's review, the direct cost of performing background investigations is \$88.00, the indirect costs are \$9.01 and the total direct and indirect costs are \$97.00 when rounded to the nearest dollar.

The Division requests the Commission maintain and approve the current background cost of \$84.00.

A deposit of \$10,000 is typically required to cover initial background investigation costs.

Memo

To: Colorado Limited Gaming Control Commission

From: Kristi Piazza, Budget Manager - Specialized Business Group

Date: May 22, 2025

Re: Sports Betting Operations Fee for FY 2025-26

The division has reviewed and conducted an analysis on the Sport Betting Operations Fees.

- Internet Sports Betting Operator Licensee OR Master Licensee conducting internet sports betting
- Sports Betting Operator Licensee OR Master Licensee conducting retail sports betting.

These fees are proposed for the FY 2025-26 (July 1, 2024 - June 30, 2025); taking effect July 1, 2025, and must be paid prior to July 31, 2025.

The Commission may leave the Sports Betting Operator fees unchanged or adjust it under its authority.

The Division requests the Commission maintain and approve the current Sport Betting Operating Fees.

- | | |
|--|-----------|
| • Internet Sports Betting Operator Licensees | \$ 78,000 |
| • Sports Betting Operator Licensees | \$ 11,000 |

**Sports Betting
FY 2025-26 Operations Fee Setting**

Beginning Balance	\$	-
Revenue		
License Fee	\$	207,600
Background Investigation Fee	\$	56,712
Total Revenue excl. Taxes	\$	264,312
Total Expenses excl. Indirect Cost Assessment	\$	4,171,186
Net Income	\$	(3,906,874)
Operations Fee Allocation Assumption		
Internet Sports Betting Operator licensees		92%
Sports Betting Operator licensees (retail)		8%
Total Fee		
Internet Sports Betting Operator licensees	\$	3,594,324
Sports Betting Operator licensees (retail)	\$	312,550
Total	\$	3,906,874
Number of Licensees		
Internet Sports Betting Operator licensees		35
Sports Betting Operator licensees (retail)		19
Total		54
Fee per Licensee		
Internet Sports Betting Operator licensees	\$	103,000
Sports Betting Operator licensees (retail)	\$	16,400

No fee changes are recommended for FY 2025-26.

Item VI

Colorado Gaming Rule 14 - Gaming Tax



BLACK HAWK ®



INCORPORATED 1864

Office of the City Manager

201 Selak
P.O. Box 68
Black Hawk, CO 80422
www.cityofblackhawk.org
303-582-0292 Office
303-582-0848 Fax

Mayor

David D. Spellman

Aldermen

Linda Armbright
Paul G. Bennett
Hal Midcap
Jim Johnson
Greg Moates
Benito Torres

City Attorney

Corey Y. Hoffmann

City Manager

Stephen N. Cole

City Clerk /

Administrative Services Director

Melissa A. Greiner

**Community Planning & Development
Director**

Cynthia L. Linker

Finance Director

Lance R. Hillis

Fire Chief / Emergency Manager

Christopher K. Woolley

Police Chief

Michelle Moriarty

Public Works Director

Thomas Isbester

COLORADO'S SECOND OLDEST
MUNICIPAL CORPORATION

May 15, 2025

Colorado Division of Gaming
Limited Gaming Control Commission
1707 Cole Blvd., Suite 350
Lakewood, Colorado 80401

Dear Commission Members:

We are pleased to present our annual report to the Limited Gaming Control Commission (the Commission). The financial and other information sought by the Commission is as follows:

GENERAL OVERVIEW AND VISION

I am sure the Commission is aware that Black Hawk is the major contributor to gaming in the State of Colorado, contributing nearly 85% of statewide gaming taxes, and is the 12th largest gaming market in the United States, per the most recent American Gaming Association report. We are pleased to see that Gaming Division expenses have leveled off over the past three years. Our hope is that the Gaming commission will maintain prudent spending practices while the gaming industry and local communities work through the on-going challenges

The City Council remains committed to working on ways to support our businesses by offering additional amenities and incentives to transform Black Hawk into a true resort destination. These efforts are very expensive endeavors but critical to Black Hawk's long-term economic health.

The City has explained to the commission in our prior reports how we are planning to reposition Black Hawk as a true resort destination. To summarize, the plan is to feature our mining history (including the reopening of the Bobtail Mine Tour), mountain orientated outdoor activities including the Maryland Mountain Open Space Park, the new Artisans Point Beverage Community, and create an entertainment/retail district that will offer a number of activities other than gaming in the newly zoned HARD District® (History Appreciation Recreation Destination District). Programs like these take a great deal of capital to accomplish. Black Hawk is well positioned and has the potential to become a resort destination provided we have the capital to make the necessary improvements.

The City of Black Hawk has seen a strong rebound since the pandemic. However, moving forward multiple economic challenges threaten our ongoing prosperity. These challenges range from legislation to the State and Federal economy, to

ease of access. Although it is difficult to estimate the impact, any legalization of iGaming would have a significant impact on our casinos. Additionally, with inflation cutting into our guests discretionary income, a decline in AGP is a real possibility. Finally, with concurrent construction projects impacting both Highway 6 and Interstate 70, some of our guests might be discouraged from making the drive.

GAMING-RELATED ON-GOING BUDGETARY IMPACTS

For 2025, General Fund revenues (less transfers) are budgeted at \$30,223,098.

The revenues of the Black Hawk General Fund come primarily from three sources; Device Fees, State Gaming Revenue, and Sales and Use Taxes

The first source of revenue for the City of Black Hawk is the Occupation Tax entitled "Device Fees" assessed at the annual rate of \$1,050 per gaming device used on the gaming floor of our casinos. The revenues from this source are utilized for general operations of the City and for transfer to the Capital and Debt Service Funds. For the year 2025, the City has budgeted \$7,392,000, short of the \$8,007,888 received in 2019.

The second prominent source of revenue in Black Hawk's General Fund is the State-shared Gaming revenue. In 2024, the City received \$12,781,010 from this source. However, for 2025 we are only budgeting \$12,270,000 due to the previously mentioned economic challenges.

The third source of revenue in the General Fund is from Sales and Use Tax. The City levies a 4.50% sales tax. For 2025, sales tax revenues are budgeted at \$4,000,000 a slight decrease from recent years. Additionally, the City imposes a 1.5% sales tax (the Educational Enhancement Tax) that is then passed on to the Gilpin School District, free of any processing or administrative fees for the benefit of the entire County. Since the inception of the Educational Enhancement Tax in 2009, the School District has received \$17,102,320 from this program.

BLACK HAWK REVENUE IMPACTS ON OTHER MUNICIPAL FUNDS

In addition to the General Fund, the City has a number of other funds which have been affected by gaming. A brief summary of each major fund follows:

Preservation and Restoration Fund

The City receives State-collected gaming taxes which are restricted in use for preservation and restoration purposes per Article XVIII of the State of Colorado Constitution. The City is budgeting the distribution for 2024 to be \$4,750,000.

Capital Project Funds

The Capital Project Fund is established to account for the purchase or construction of major capital facilities. The Capital Project Fund revenues come from a transfer from the General Fund and investment earnings. In late 2021, the City borrowed \$20,000,000 to help fund projects put on hold during the pandemic. \$5,000,000 of the proceeds of this debt issue were transferred to the Capital Projects Fund to development of Gregory Hill and Artisan's Point.

Debt Service Fund

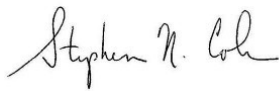
The Debt Service Fund is supported by the transfer of Device Fees from the General Fund. To date, nine series of bonds have been issued: one for professional fees in 1991; one for water projects in 1992; one for the construction of a fire station and the funding of an EIS for water purposes in 1994; one in 1996 for the completion of the Main Street project; one in 1997 for acquisition, construction, and related improvements to Bobtail Street; one in 1998 for additional improvements to the City's water system; one in 2013 for water related projects; one in 2014 for infrastructure improvements; and one in 2021 for water system expansion, infrastructure improvements and open space acquisitions & improvements. The City Council is sensitive to incurring inordinate amounts of debt and continues to be prudent in planning for improvements.

SUMMARY

The City of Black Hawk would like to see the Commission continue to maintain its recent prudent spending practices related to Division expenses. I am pleased to provide the above information for the use and consideration of the Commission. Should you desire additional information or clarification, feel free to contact me directly at 303-582-2200.

I look forward to continuing to work with the Commission in the future.

Sincerely,

A handwritten signature in cursive script that reads "Stephen N. Cole".

Stephen N. Cole
City Manager

Enc: American Gaming Association Statistics

Top 20 US Commercial Casino Markets

In 2023, 12 of the top 20 commercial casino gaming markets reported revenue growth compared to the previous year, with the top market—the Las Vegas Strip—seeing the strongest year-over-year gains. Atlantic City maintained its spot as the second-highest grossing market, while the opening of a new casino in downtown Chicago saw the Chicagoland market—served by various casinos located in both Illinois and northern Indiana—surpass Baltimore-Washington D.C. as the third-largest market for land-based casino gaming in 2023. The Mississippi Gulf Coast remained the fifth-largest market, ahead of New York City and Philadelphia.

In 2023, Resorts World New York City casino in Queens regained its status as the most lucrative commercial casino-resort outside of Nevada, surpassing the MGM National Harbor casino-resort in Maryland by total annual casino gaming revenue. Encore Boston Harbor in Massachusetts was the third-highest grossing commercial casino by gaming revenue in 2023, followed by Borgata Hotel Casino & Spa in Atlantic City and Empire City Casino in Yonkers, just north of New York City.

	Market	Casino Locations	2023 Revenue	Last Ranking
1	Las Vegas Strip	Nevada	\$8.83B	1 –
2	Atlantic City	New Jersey	\$2.86B	2 –
3	Chicagoland	Illinois/Indiana	\$2.19B	4 ↑
4	Baltimore-Washington DC	Maryland/West Virginia	\$2.08B	3 ↓
5	Gulf Coast	Mississippi	\$1.59B	5 –
6	Queens/Yonkers	New York	\$1.54B	6 –
7	Philadelphia	Pennsylvania	\$1.37B	7 –
8	Detroit	Michigan	\$1.24B	8 –
9	St. Louis	Missouri/Illinois	\$1.08B	9 –
10	Boulder Strip	Nevada	\$965M	10 –
11	The Poconos	Pennsylvania	\$933M	12 ↑
12	Black Hawk/Central City	Colorado	\$923M	14 ↑
13	Reno/Sparks	Nevada	\$911M	13 –
14	Lake Charles	Louisiana	\$901M	15 ↑
15	Memphis	Mississippi, Arkansas	\$889M	14 ↓
16	Kansas City	Missouri, Kansas	\$836M	16 –
17	Downtown Las Vegas	Nevada	\$811M	17 –
18	Cleveland	Ohio	\$768M	18 –
19	Boston	Massachusetts	\$760M	19 –
20	Miami	Florida	\$691M	20 –

Economic Impact and Engagement Trends



\$329B
Business Sales



1.8M
Jobs



\$104B
Wages and Salaries

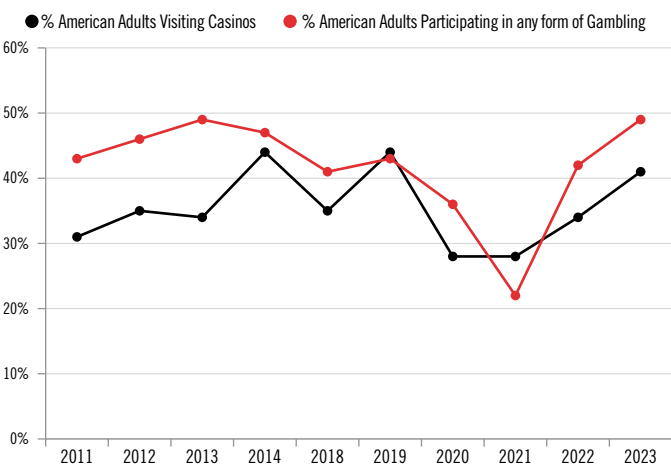


\$53B
Tax Revenue

Alongside increasing gaming revenue, the gaming industry's impact on communities and local economies continues to grow.

According to a new AGA study released in 2023, commercial and tribal gaming contributes \$328.6 billion to the U.S. economy annually and generates \$52.7 billion in tax revenue for federal, state, and local governments. Additionally, America's gaming industry supports 1.8 million jobs, including 700,000 direct employees who represent more than one in 33 leisure and hospitality jobs.

CASINO VISITATION AND GAMBLING PARTICIPATION



SOURCE: American Gaming Association

A significant factor contributing to gaming's record impact is the continued widespread acceptance and embrace of gaming by Americans. AGA survey data revealed that 102 million American adults, or 41 percent, visited a casino in 2023, up from 34 percent in 2022. Nearly half



City of Central
141 Nevada Street / P.O. Box 249
Central City, Colorado 80427

May 12, 2025

Colorado Limited Gaming Control Commission
C/O Paul Hogan, Chief Auditor
Department of Revenue – Division of Gaming
1707 Cole Boulevard, Suite 300
Lakewood, Colorado 80401

Delivered via Electronic Mail (paul.hogan@state.co.us)

RE: Central City Annual Gaming Report

Dear Honorable Commissioners:

As one of the few gaming communities in state, the City of Central (“City”) has continued to show the highest level of respect for the Colorado voters that authorized limited gaming; the City is firmly committed to the preservation and restoration of the rich history of Central City.

It is important to note that such a commitment is saddled with tremendous expense. And now more than ever, the City is struggling to manage the pressure of that commitment in the face of ever-rising costs, especially as our resources continue to shrink. Unfortunately, even with the assistance of gaming revenues, the City’s situation is becoming more and more untenable as grant programs dry up and the operational expenses for basic community services drains the City’s resources; historic preservation is shaping up to be a luxury we can only dream to afford.

While the City does its best to care for some of the oldest infrastructure in the state, supporting a gaming industry that fuels the needs of the State, we do so with extremely limited resources at a rate that is just not sustainable. Not only must the City continue to operate with fewer resources due to sustained losses of gaming devices following the pandemic (still over 15% below pre-pandemic levels), but the costs for maintaining and improving critical infrastructure and providing essential public safety services for a gaming community are higher than other similarly sized cities.

Moreover, the gravity of those expenses tend to weigh more heavily on a community like Central City, a National Historic Landmark District, which has more than its fair share of costs associated with historic preservation and restoration and nowhere near the fiscal resources to address them. It's important to recognize that the City's total annual budget for all citywide operations is much lower than the annual gaming tax distribution amounts allocated to several of the gaming tax beneficiaries.

With respect to gaming tax policy, although many economic development initiatives may be well-intentioned, any measure that effectively cuts gaming tax rates or otherwise reduces funding allocations to the local governments will endanger the health, safety and welfare of the gaming communities. Therefore, the City is opposed to any action or policy that could adversely affect funding distributions to the City. However, to the extent the Commission and Division can find ways to support expediting approvals for pending gaming license applications, which could help to grow the number of casinos and gaming devices within Central City, the City would be willing to reconsider its position on gaming tax policy after assessing the effects of any such growth.

For questions or requests for additional information, please contact Daniel R. Miera, City Manager.

Respectfully submitted,

City of Central

Colorado Limited Gaming
Control Commission
&
Division of Gaming



Presentation Documents

Colorado Limited Gaming
Control Commission
&
Division of Gaming

PUBLIC SESSION

Public Session
Presentation Documents

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DEFINITIONS & PRESENTATION

AGP (Adjusted Gross Proceeds):

The amount of money wagered minus the amount paid out in prizes.

Net Revenues:

Includes all operating revenue derived from gaming, food, beverage, hotel and other operating revenue less promotional allowances.

Promotional Allowance:

Defined as complementaries (comps), that represent goods and services which would be accounted for as revenue if sold, that a casino gives to customers as an inducement to gamble at that establishment.

EBIT (Earnings Before Interest and Taxes):

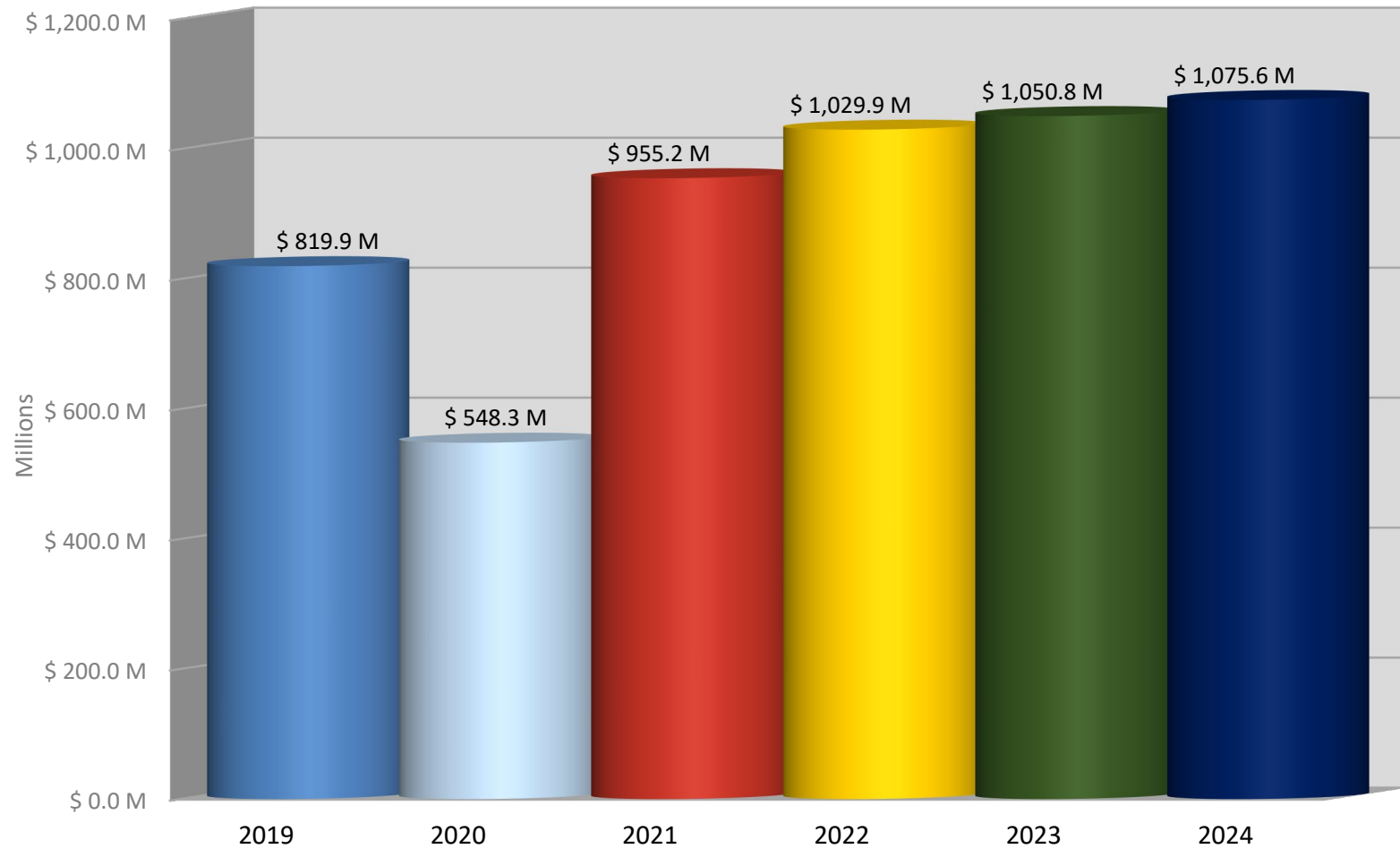
Gives a broader measure of return by adjusting a casino's earnings for non-cash items that reduces earnings for tax purposes, before adjustments for depreciation and amortization. This measure also facilitates profitability comparisons among casinos as a result of differing debt and equity structures. Impairment charges, if any, have been eliminated from EBIT.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization):

Gives a broader measure of return by adjusting a casino's earnings for non-cash items (such as depreciation and amortization) that reduces earnings for tax purposes. This measure also facilitates profitability comparisons among casinos as a result of differing debt and equity structures. Impairment charges, if any, have been eliminated from EBITDA.

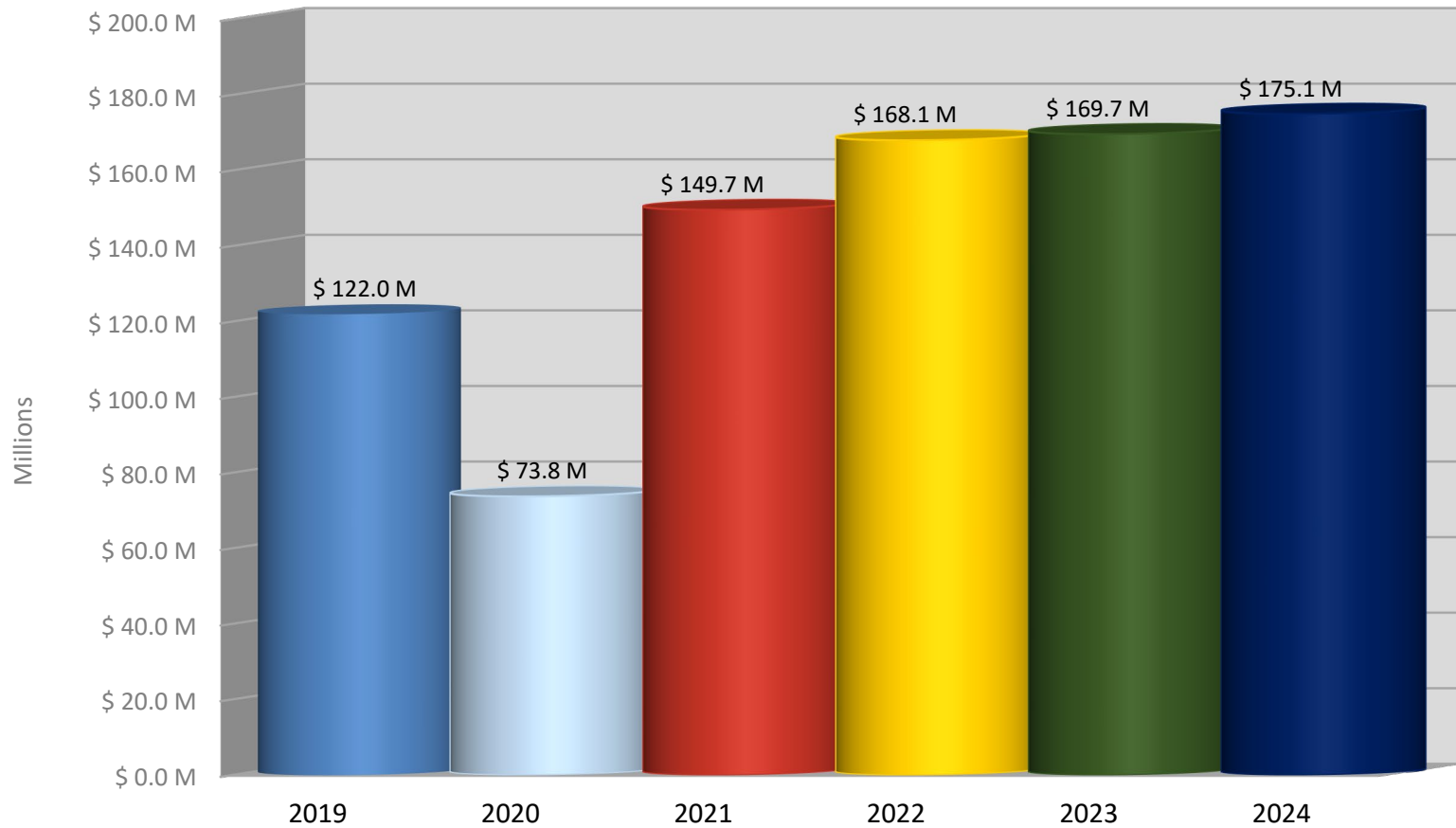
Gaming Industry Performance Industry Trends

Adjusted Gross Proceeds from 2019 to 2024



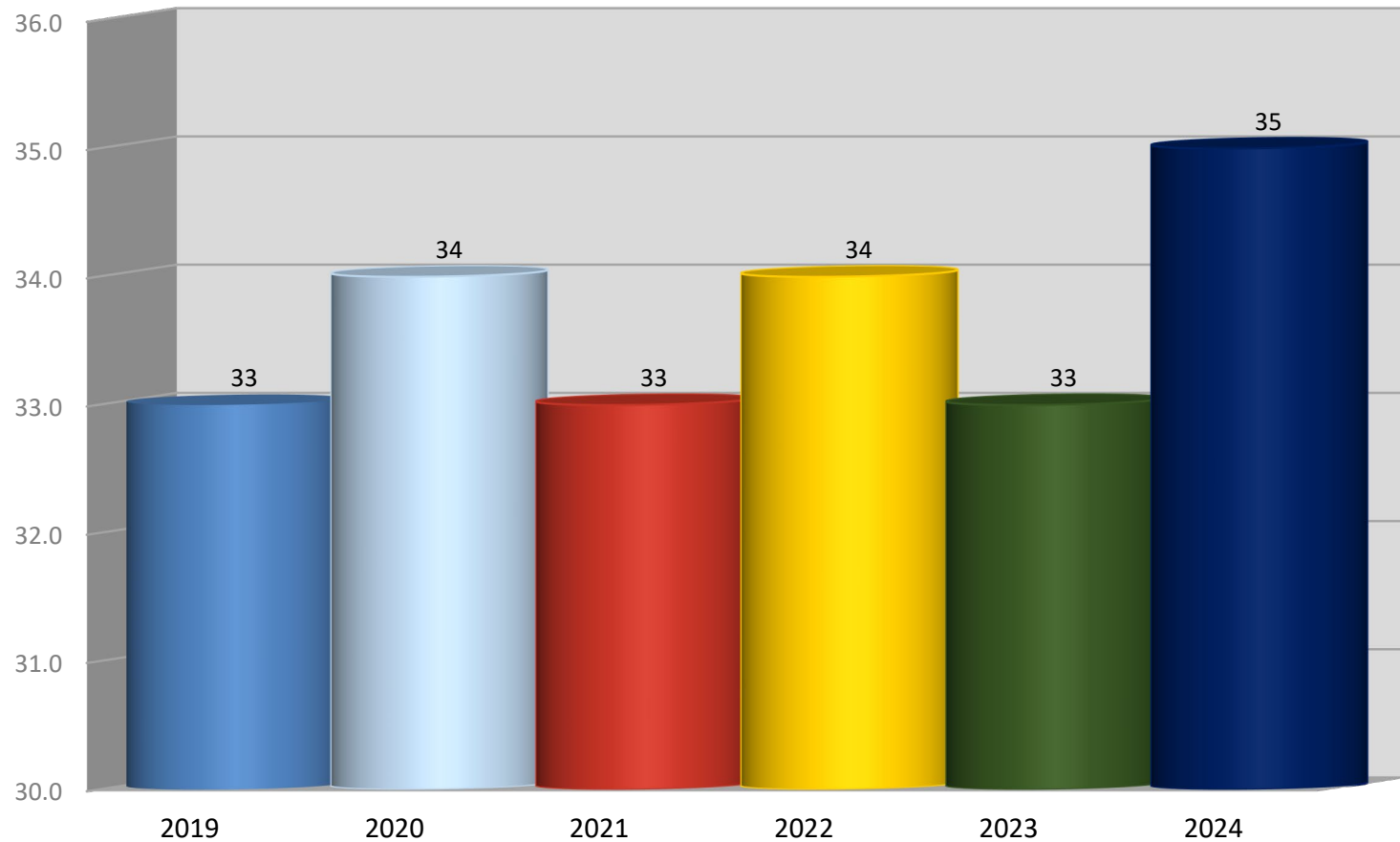
Gaming Industry Performance Industry Trends

Gaming Taxes from 2019 to 2024



Gaming Industry Performance Industry Trends

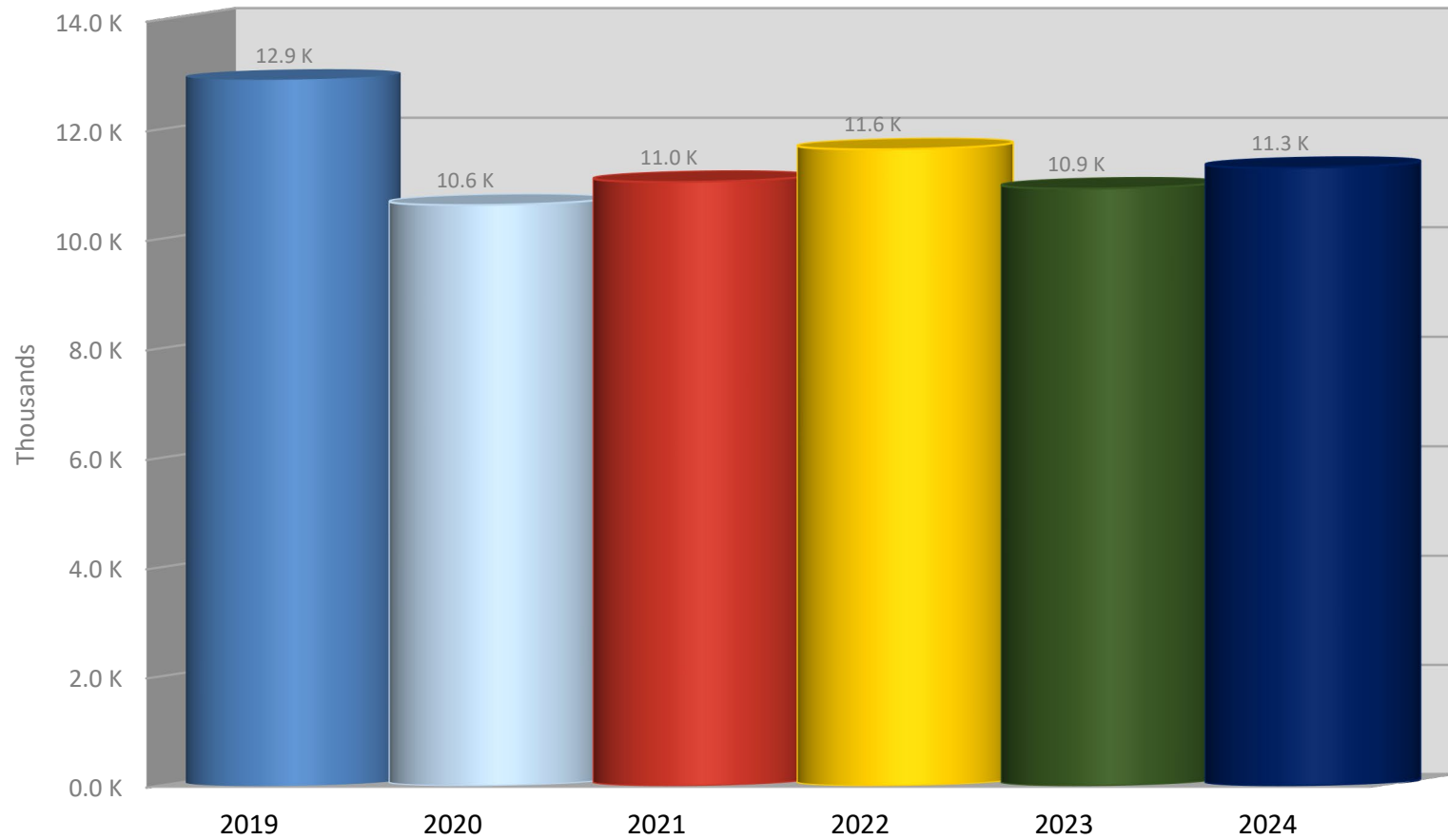
Number of Licensees Reporting Data from 2019 to 2024



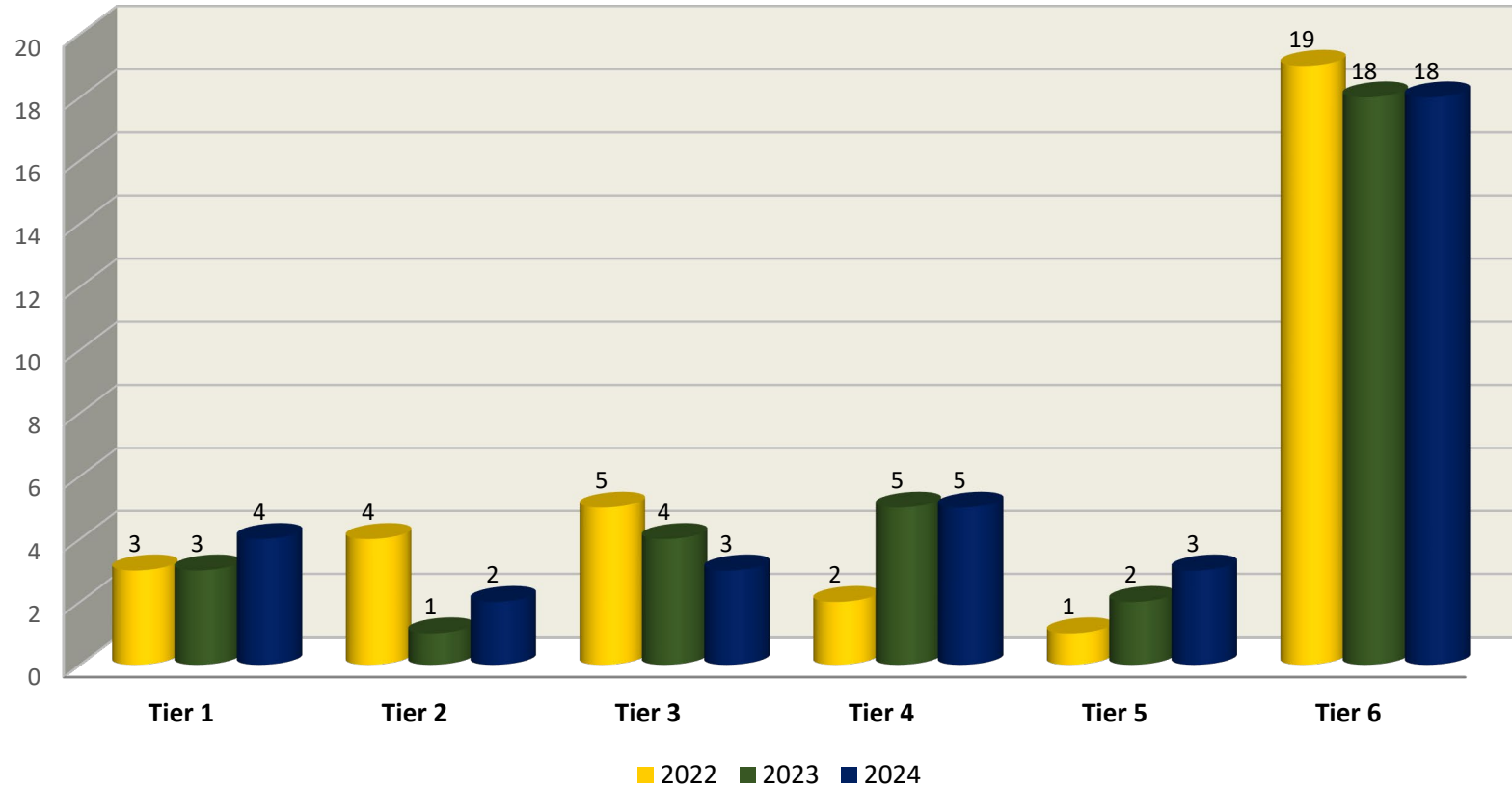
Note: The variability in licensees reporting data is the result of casinos transferring ownership, with multiple owners reporting individual data for the same casino. From 2019 through 2024 there have been 33 individual casinos operating within the State of Colorado.

Gaming Industry Performance Industry Trends

Number of Devices from 2019 to 2024



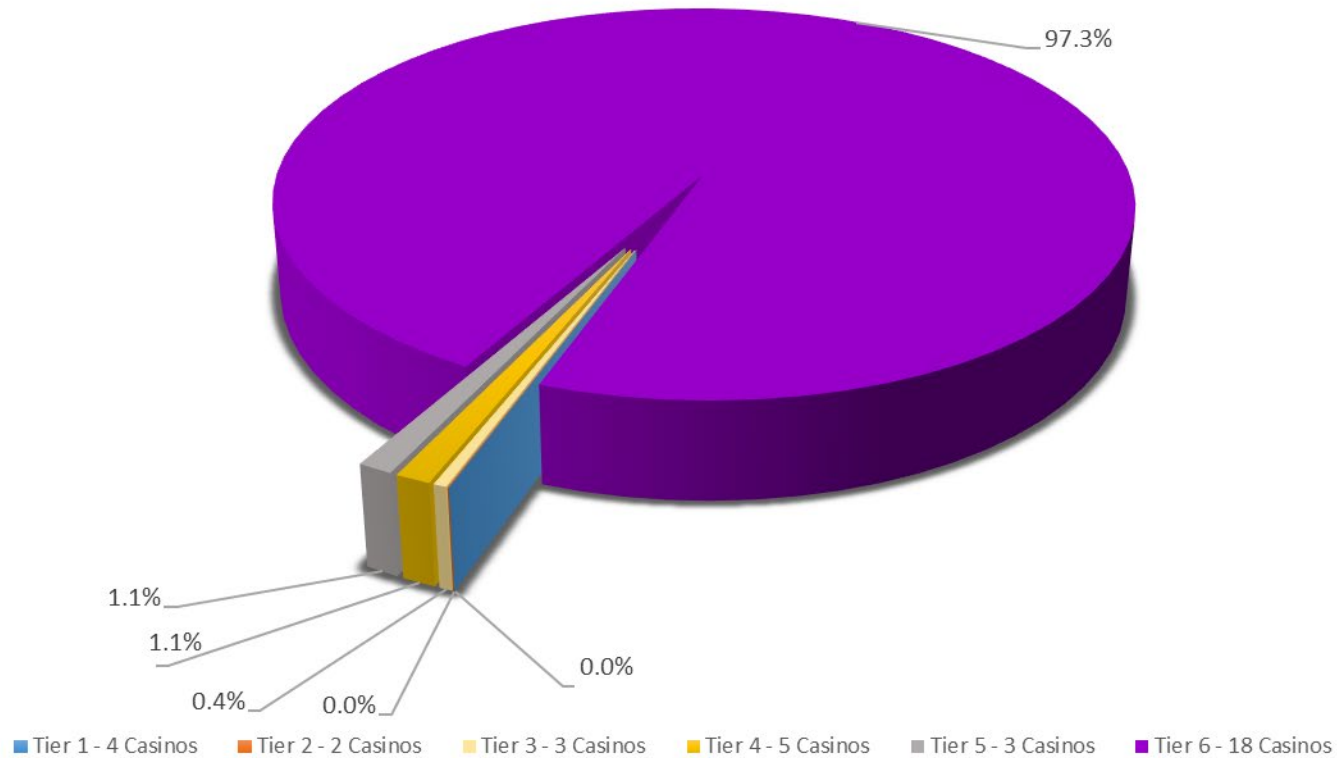
Number of Casinos by Tax Tier



AGP Range						
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Low	\$ -	\$ 2,000,000	\$ 5,000,000	\$ 8,000,000	\$ 10,000,000	\$ 13,000,000+
High	\$ 2,000,000	\$ 5,000,000	\$ 8,000,000	\$ 10,000,000	\$ 13,000,000	
Tax Rates by Tier	0.25%	2.00%	9.00%	11.00%	16.00%	20.00%

Gaming Taxes Paid by Tax Tier

(Pictured: Percentage Allocation of 2024 Gaming Taxes Paid by Tax Tier)

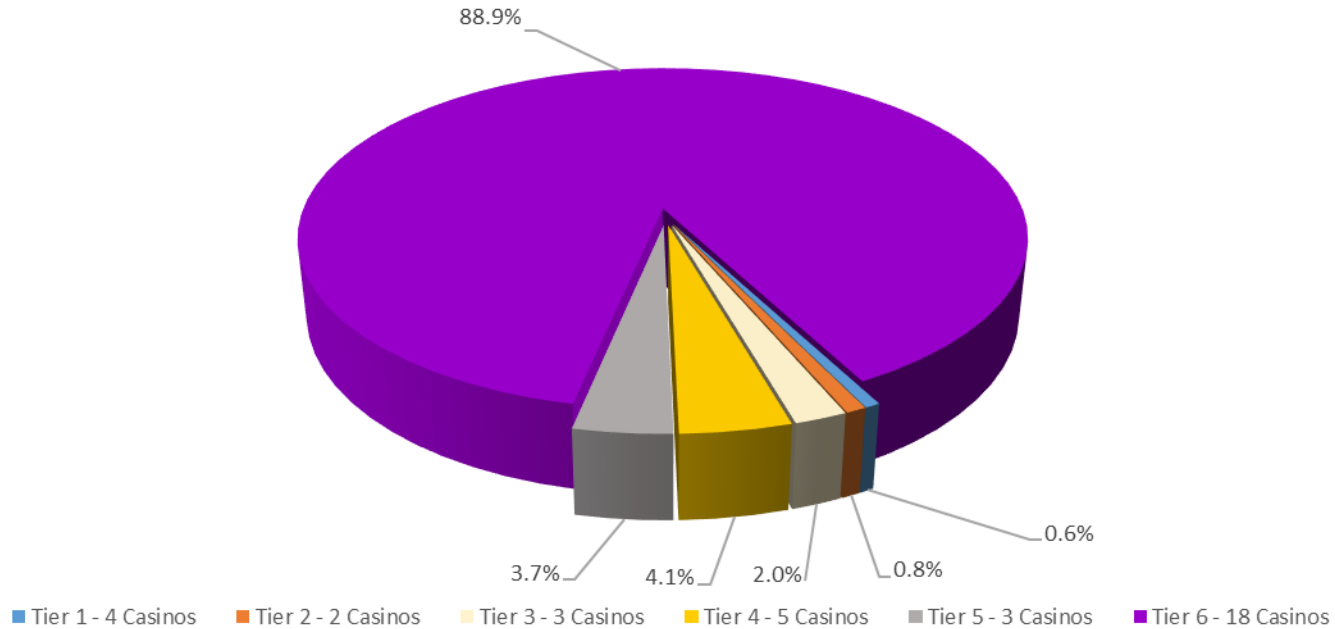


	Three Year Historical Overview of Gaming Taxes by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers	
	2022	\$ 8.3 K	\$ 863.8 K	\$ 1.2 M	\$ 0.8 M	*	\$ 165.8 M	\$ 168.6 M
	2023	\$ 7.4 K	*	\$ 0.6 M	\$ 1.6 M	\$ 1.8 M	\$ 165.7 M	\$ 169.7 M
	2024	\$ 10.9 K	\$ 76.3 K	\$ 0.7 M	\$ 1.9 M	\$ 1.9 M	\$ 168.7 M	\$ 173.3 M
Avg. Casino Contribution (2024)	\$ 2.7 K	\$ 38.2 K	\$ 0.2 M	\$ 0.4 M	\$ 0.6 M	\$ 9.4 M	\$ 5.0 M	
Effective Tax Rate (2024)	0.25%	1.0%	3.4%	4.4%	5.3%	17.5%	16.1%	

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Net Revenues by Tax Tier

(Pictured: Percentage Allocation of 2024 Net Revenues by Tax Tier)

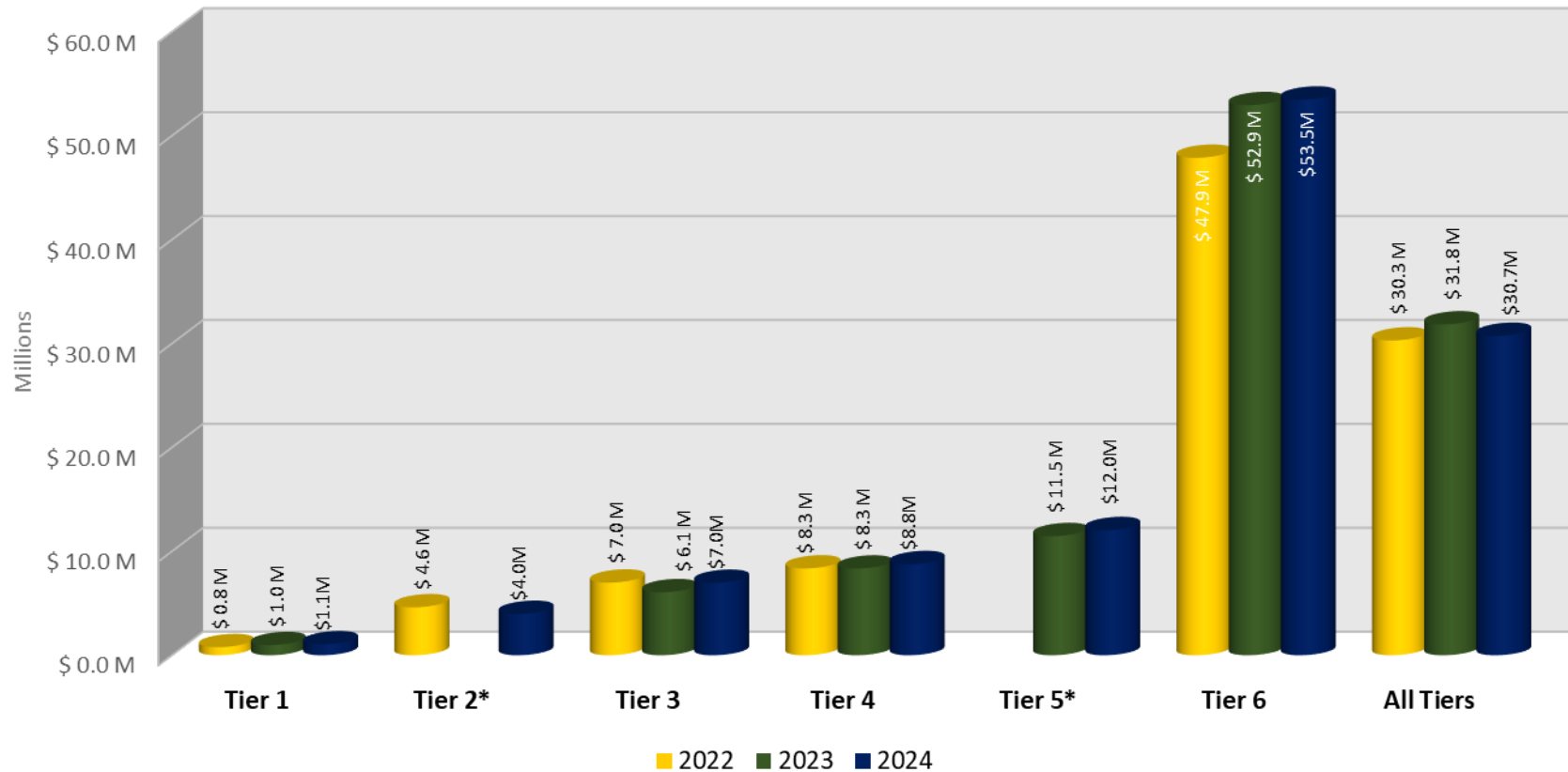


	Three Year Historical Overview of Net Revenues by Tax Tier							Average Revenue	
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers		
	2022	\$ 4.5 M	\$ 24.0 M	\$ 40.9 M	\$ 18.7 M	*	\$ 1,061.3 M		\$ 1,149.4 M
	2023	\$ 5.0 M	*	\$ 35.3 M	\$ 49.5 M	\$ 30.2 M	\$ 1,042.5 M		\$ 1,162.5 M
	2024	\$ 6.8 M	\$ 9.0 M	\$ 23.3 M	\$ 49.2 M	\$ 43.7 M	\$ 1,059.9 M		\$ 1,192.0 M
	% Change 2023-2024	34.8%	n/a	(33.9%)	(0.6%)	44.9%	1.7%		2.5%
	% Change 2022 vs 2024	50.1%	(62.3%)	(42.9%)	163.4%	n/a	(0.1%)		3.7%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Changes in Casinos 2023-2024						
1	2	-2	0	1	0	0

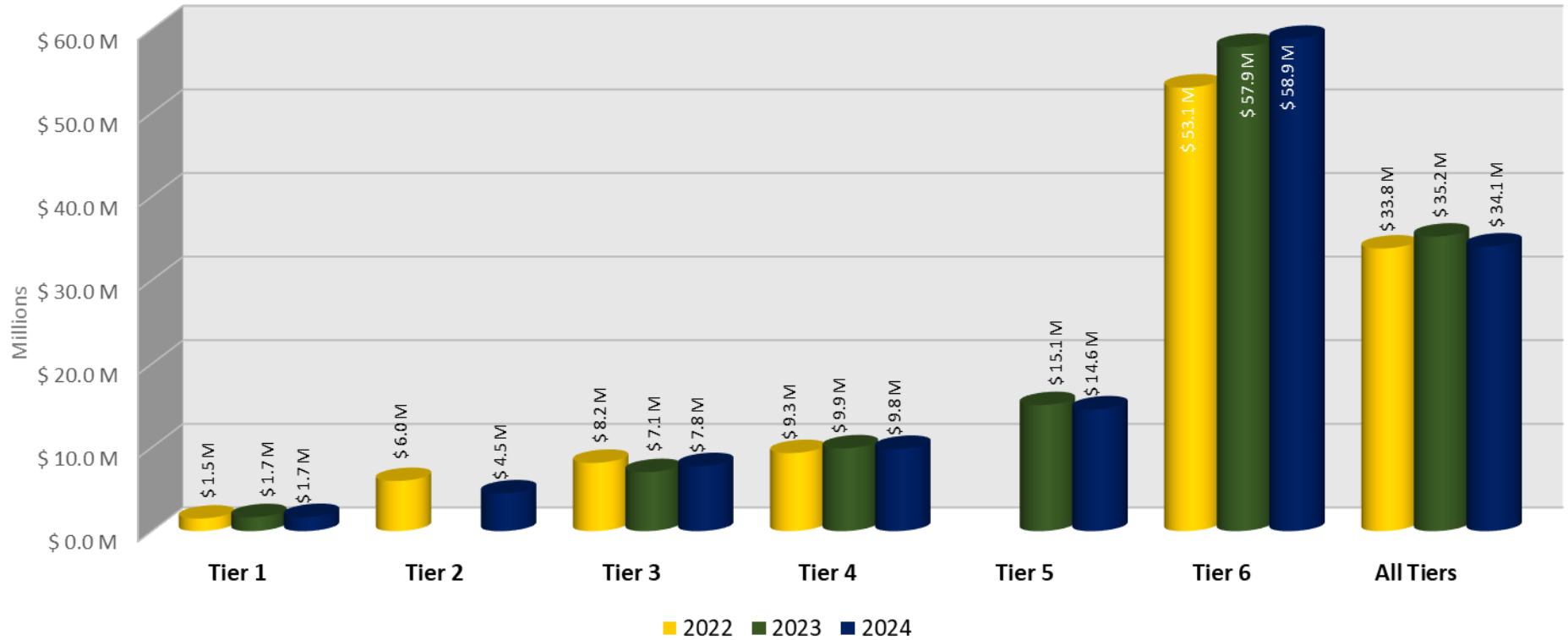
Average Adjusted Gross Proceeds by Tax Tier



Average AGP by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 0.8 M	\$ 4.6 M	\$ 7.0 M	\$ 8.3 M	*	\$ 47.9 M	\$ 30.3 M
2023	\$ 1.0 M	*	\$ 6.1 M	\$ 8.3 M	\$ 11.5 M	\$ 52.9 M	\$ 31.8 M
2024	\$ 1.1 M	\$ 4.0 M	\$ 7.0 M	\$ 8.8 M	\$ 12.0 M	\$ 53.5 M	\$ 30.7 M
% Change 2023-2024	8.1%	n/a	14.9%	5.1%	5.1%	1.0%	(3.5%)
% Change 2022 vs. 2024	35.7%	(13.7%)	(0.3%)	5.0%	n/a	11.7%	1.4%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

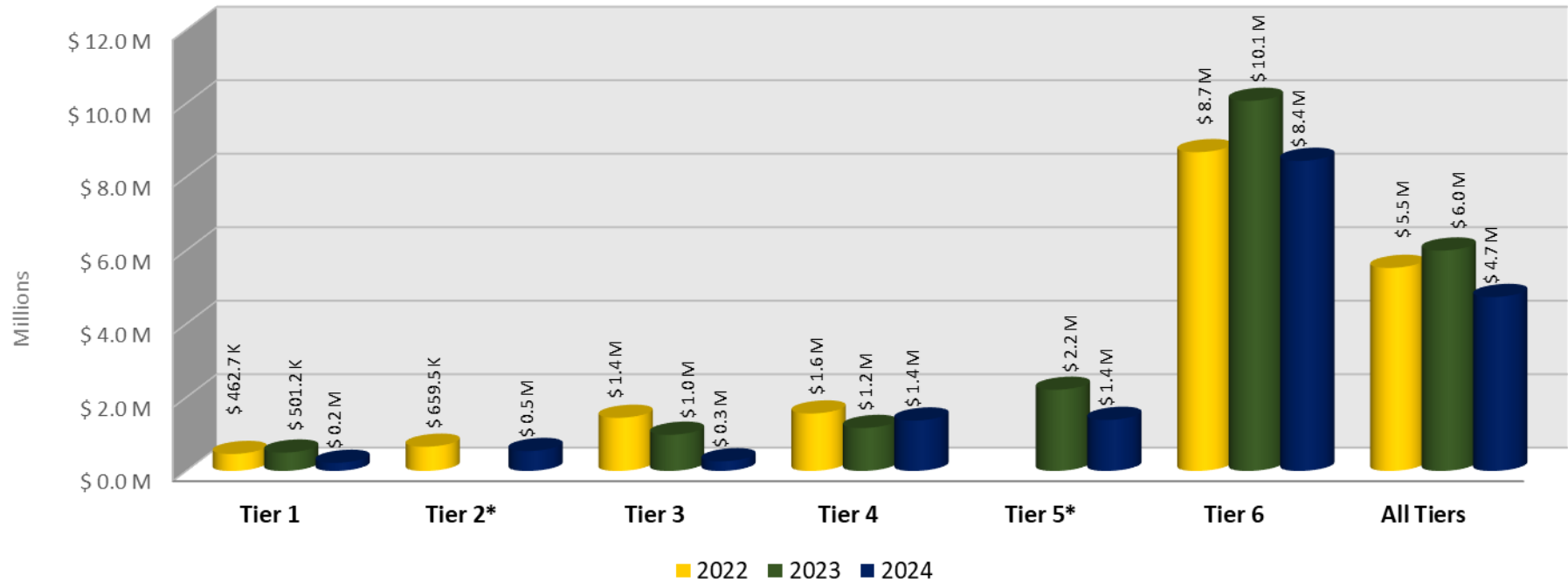
Average Net Revenues by Tax Tier



Average Net Revenues by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 1.5 M	\$ 6.0 M	\$ 8.2 M	\$ 9.3 M	*	\$ 53.1 M	\$ 33.8 M
2023	\$ 1.7 M	*	\$ 7.1 M	\$ 9.9 M	\$ 15.1 M	\$ 57.9 M	\$ 35.2 M
2024	\$ 1.7 M	\$ 4.5 M	\$ 7.8 M	\$ 9.8 M	\$ 14.6 M	\$ 58.9 M	\$ 34.1 M
% Change 2023-2024	1.1%	n/a	10.2%	(0.6%)	(3.4%)	1.7%	(3.3%)
% Change 2022 vs. 2024	12.6%	(24.6%)	(4.8%)	5.3%	n/a	11.0%	0.7%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

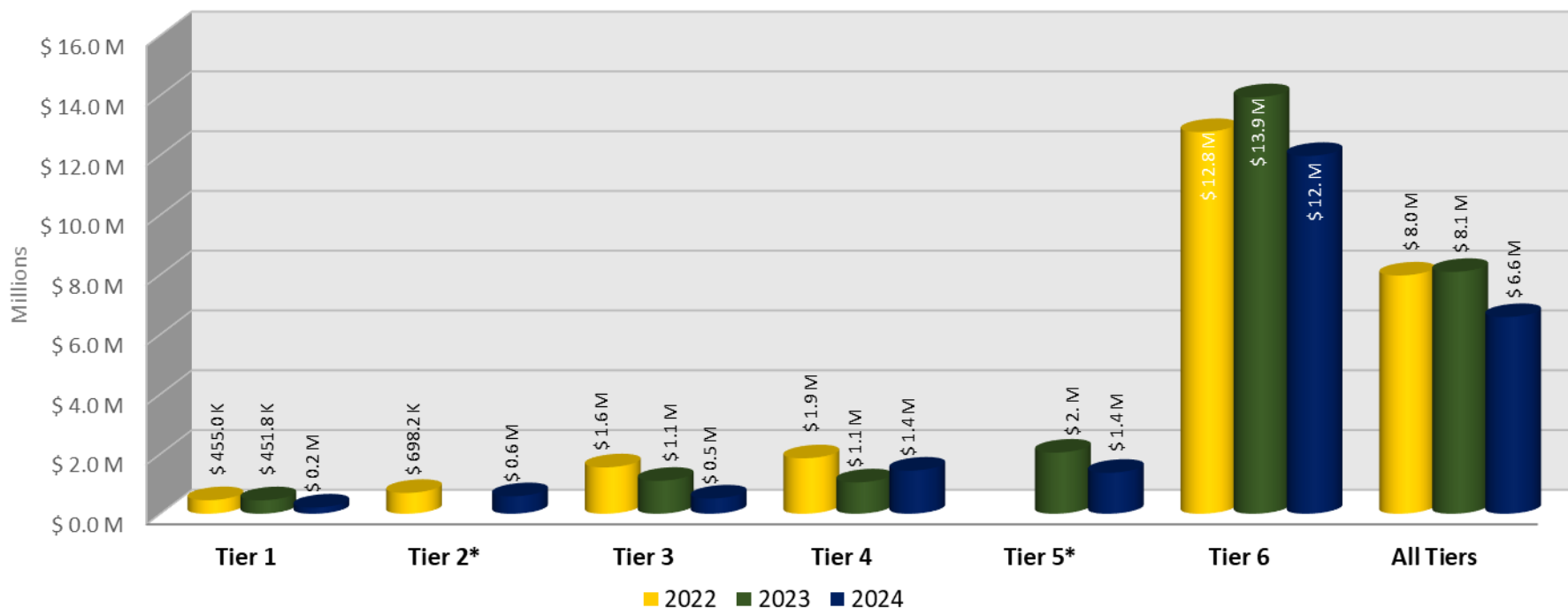
Average Net Income Before Taxes by Tax Tier



Average Net Income Before Taxes by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 462.7 K	\$ 659.5 K	\$ 1.4 M	\$ 1.6 M	*	\$ 8.7 M	\$ 5.5 M
2023	\$ 501.2 K	*	\$ 1.0 M	\$ 1.2 M	\$ 2.2 M	\$ 10.1 M	\$ 6.0 M
2024	\$ 221.7 K	\$ 543.6 K	\$ 0.3 M	\$ 1.4 M	\$ 1.4 M	\$ 8.4 M	\$ 4.7 M
% Change 2023-2024	(55.8%)	n/a	(73.2%)	17.3%	(37.1%)	(16.2%)	(21.1%)
% Change 2022 vs. 2024	(52.1%)	(17.6%)	(81.8%)	(12.3%)	n/a	(2.7%)	(14.3%)

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

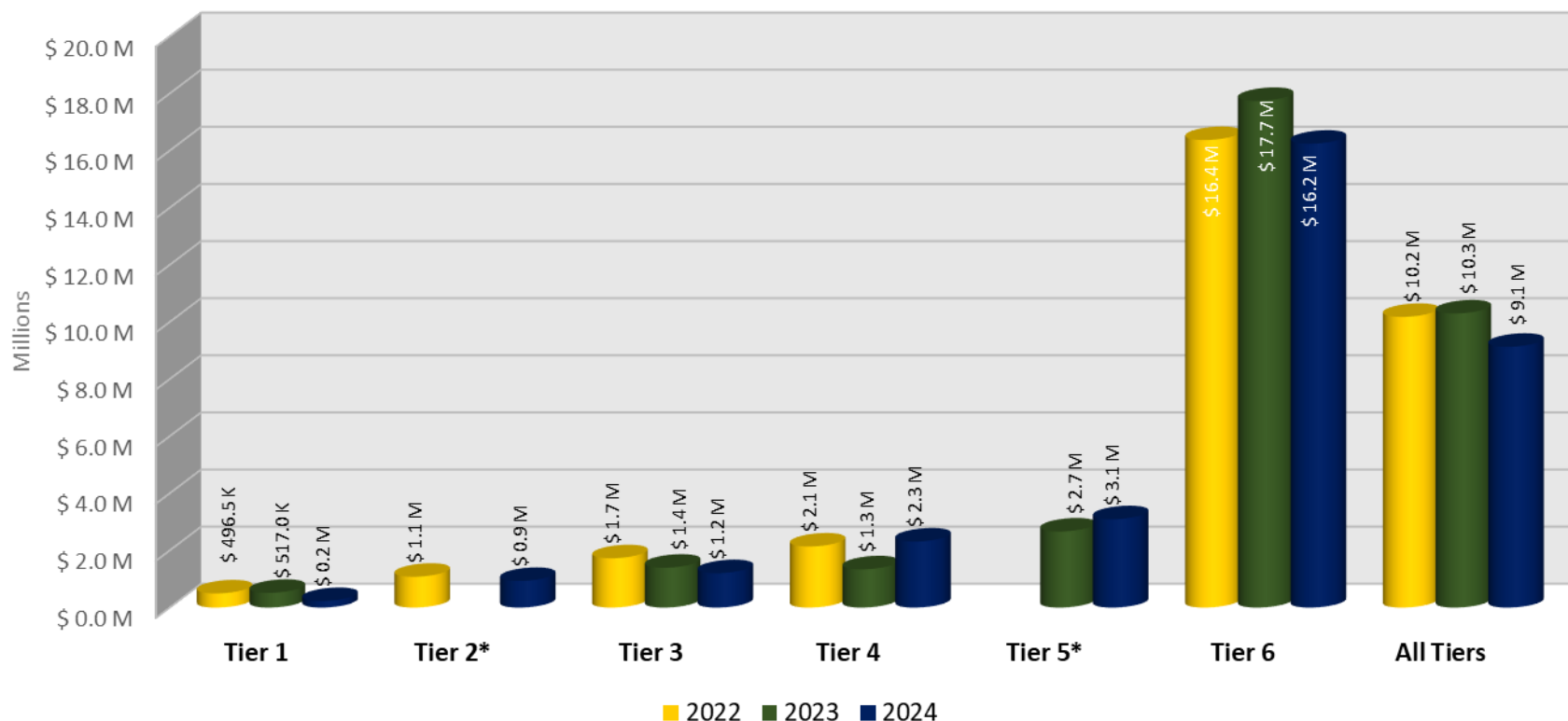
Average Earnings Before Income Taxes (EBIT) by Tier



Average EBIT by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 455.0 K	\$ 698.2 K	\$ 1.6 M	\$ 1.9 M	*	\$ 12.8 M	\$ 8.0 M
2023	\$ 451.8 K	*	\$ 1.1 M	\$ 1.1 M	\$ 2.0 M	\$ 13.9 M	\$ 8.1 M
2024	\$ 209.6 K	\$ 587.0 K	\$ 0.5 M	\$ 1.4 M	\$ 1.4 M	\$ 12.0 M	\$ 6.6 M
% Change 2023-2024	(53.6%)	n/a	(53.7%)	37.5%	(33.0%)	(14.1%)	(18.7%)
% Change 2022 vs. 2024	(53.9%)	(15.9%)	(67.1%)	(22.2%)	n/a	(6.3%)	(17.4%)

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

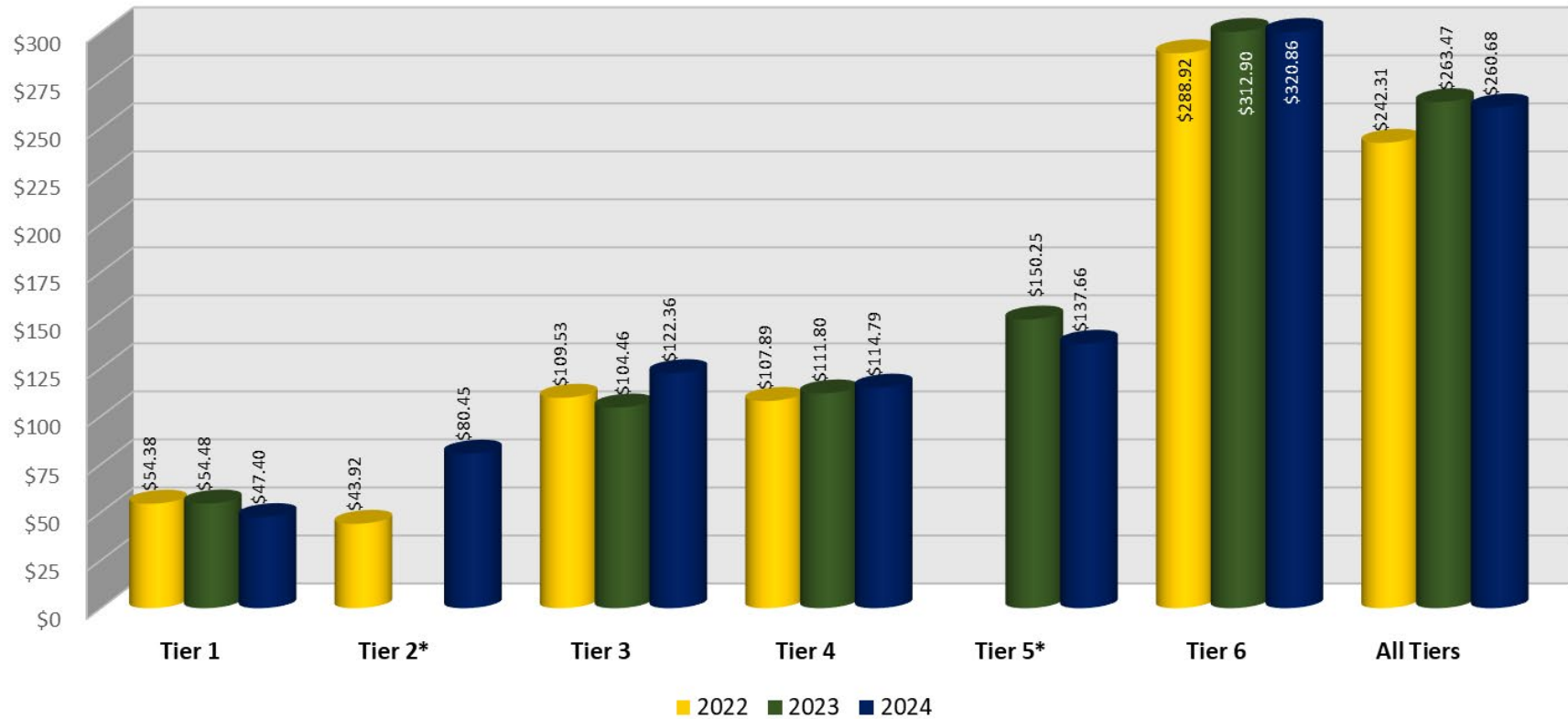
Average Earnings Before Income Taxes Depreciation & Amortization (EBITDA) by Tier



Average EBITDA by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 496.5 K	\$ 1.1 M	\$ 1.7 M	\$ 2.1 M	*	\$ 16.4 M	\$ 10.2 M
2023	\$ 517.0 K	*	\$ 1.4 M	\$ 1.3 M	\$ 2.7 M	\$ 17.7 M	\$ 10.3 M
2024	\$ 231.3 K	\$ 0.9 M	\$ 1.2 M	\$ 2.3 M	\$ 3.1 M	\$ 16.2 M	\$ 9.1 M
% Change 2023-2024	(55.3%)	n/a	(13.7%)	72.5%	16.2%	(8.4%)	(11.3%)
% Change 2022 vs. 2024	(53.4%)	(13.5%)	(30.2%)	8.1%	n/a	(0.8%)	(10.3%)
Average EBITDA as a % of Average Net Revenues	13.7%	20.6%	15.5%	23.5%	21.2%	27.6%	26.8%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Adjusted Gross Proceeds (AGP) per Device per Day by Tax Tier

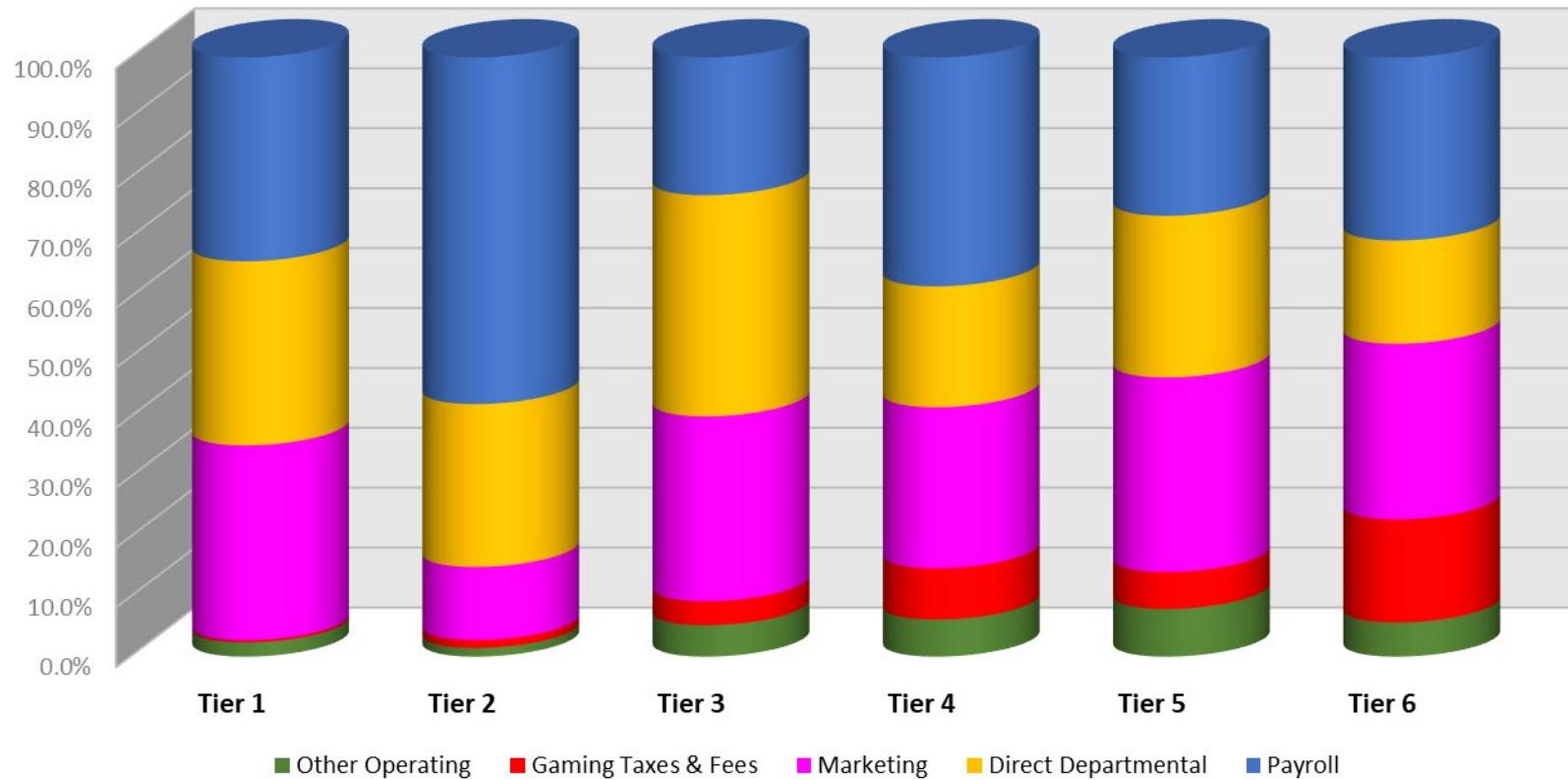


AGP per Device per Day by Tax Tier							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$54.38	\$43.92	\$109.53	\$107.89	*	\$288.92	\$242.31
2023	\$54.48	*	\$104.46	\$111.80	\$150.25	\$312.90	\$263.47
2024	\$47.40	\$80.45	\$122.36	\$114.79	\$137.66	\$320.86	\$260.68
% Change 2023-2024	(13.0%)	n/a	17.1%	2.7%	(8.4%)	2.5%	(1.1%)
% Change 2022 vs. 2024	(12.8%)	83.2%	11.7%	6.4%	n/a	11.1%	7.6%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Operating Expenses by Category by Tax Tier

(Pictured: Allocation of 2024 Operating Expenses by Category by Tax Tier)

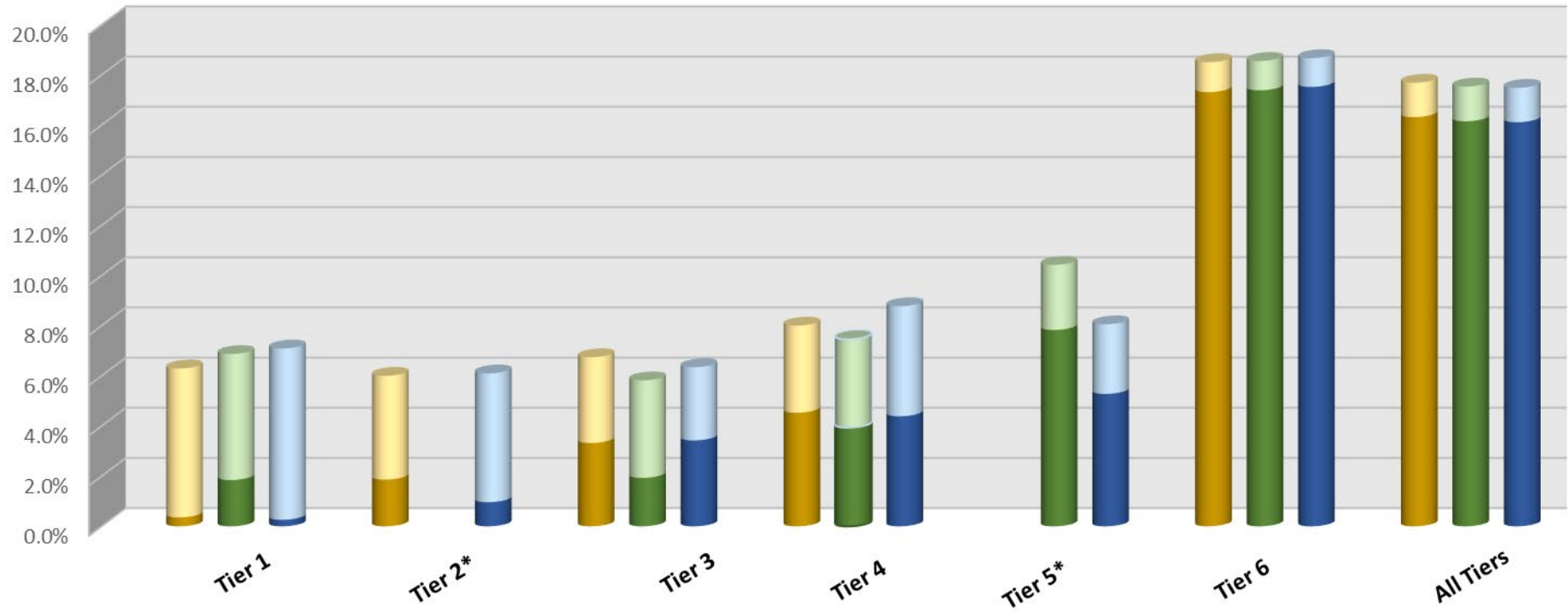


Average Operating Expenses Per Casino (in Millions)							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	\$ 0.9 M	\$ 4.3 M	\$ 6.0 M	\$ 6.0 M	*	\$ 38.3 M	\$ 24.4 M
2023	\$ 1.0 M	*	\$ 5.0 M	\$ 7.3 M	\$ 10.9 M	\$ 41.7 M	\$ 25.4 M
2024	\$ 1.3 M	\$ 2.9 M	\$ 6.1 M	\$ 6.8 M	\$ 10.6 M	\$ 45.0 M	\$ 25.9 M

2024 Avg Net Revenue	\$ 1.7 M	\$ 4.5 M	\$ 7.8 M	\$ 9.8 M	\$ 14.6 M	\$ 58.9 M	\$ 34.1 M
2024 Avg OpEx of Avg Net Revenue	76.3%	64.4%	77.8%	68.9%	72.4%	76.5%	75.9%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Gaming Taxes & Device Fees as a Percentage of AGP by Tax Tier



State Gaming Taxes as % of AGP							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	0.4%	1.9%	3.3%	4.5%	*	17.3%	16.3%
2023	0.3%	*	1.9%	3.9%	7.8%	17.4%	16.2%
2024	0.3%	1.0%	3.4%	4.4%	5.3%	17.5%	16.1%

Device Fees as % of AGP							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	5.9%	4.1%	3.4%	3.5%	*	1.2%	1.4%
2023	5.0%	*	3.9%	3.5%	2.6%	1.2%	1.4%
2024	6.8%	5.1%	2.9%	3.3%	2.8%	1.1%	1.4%

Total Gaming Taxes and Device Fees as % of AGP							
	Tier 1	Tier 2*	Tier 3	Tier 4	Tier 5*	Tier 6	All Tiers
2022	6.3%	6.0%	6.7%	8.0%	*	18.5%	17.7%
2023	5.3%	*	5.8%	7.4%	10.4%	18.6%	17.6%
2024	7.1%	6.1%	6.3%	7.7%	8.1%	18.6%	17.5%

* For confidentiality reasons, Tier 5 has been combined with Tier 6 in 2022 and Tier 2 has been combined with Tier 3 in 2023.

Financial Ratios: Industry Trends 2022 to 2024

