

Kansas Racing and Gaming Commission



Richard Petersen-Klein
Executive Director

2011 Annual Report

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Executive Summary CY 2011

The Kansas Racing and Gaming Commission (KRGCC) is the agency responsible for the regulation of expanded gaming and pari-mutuel wagering in Kansas. The mission of the KRGCC is to protect the integrity of the gaming and racing industries through enforcement of Kansas laws and regulations. The KRGCC is committed to preserving the public's trust and confidence in the Kansas gaming experience. The Kansas Expanded Lottery Act (KELA) and the Kansas Parimutuel Racing Act are the enabling legislation for expanded gaming and pari-mutuel wagering respectively. Currently, the KRGCC's primary responsibilities are to ensure compliance with gaming laws and regulations, administer the responsible gambling Voluntary Exclusion Program, and assist in helping to protect the public from illegal gambling operations. The KRGCC administers two programs: 1) the Expanded Gaming Regulation Program that regulates lottery gaming facility managers that operate state-owned games and the vendors of gaming equipment and supplies utilized by the lottery gaming facility managers; and 2) the Racing Operations Program that regulates the greyhound and horse racing industries, which is currently inactive. The Tribal Gaming Regulation Program that oversees the tribal casino industry in the state is administered solely by the State Gaming Agency, which reports separately.

The Expanded Gaming Regulation Program is administered to ensure that lottery and racetrack gaming facility managers and related vendors conduct state-owned gaming with the highest level of integrity by complying with the rules and regulations promulgated by the KRGCC under KELA, as well as other applicable state and federal laws. Under KELA, the Kansas Lottery is authorized to own and operate casino-style games in four specific geographic zones, and to own and operate electronic gaming machines at pari-mutuel racetracks. The northeast gaming zone consists of Wyandotte County where the Hollywood Casino at the Kansas Speedway opened in February 2012; the south-central gaming zone consists of Sedgwick and Sumner counties where the Kansas Star Casino opened in December 2011; the southwest gaming zone consists of Ford County where the Boot Hill Casino and Resort opened in December 2009; and the southeast gaming zone consists of Crawford and Cherokee counties, which is currently available but where no potential lottery gaming facility manager has applied.

The primary goals of the Racing Operation Program are to maintain the integrity of pari-mutuel wagering in Kansas and to protect the health, safety, and welfare of racing animals. Licensed racetrack activities in Kansas ceased operations in 2009. Since that time all pari-mutuel licenses have expired and no renewal applications have been filed. The KRGCC is governed by a Commission which consists of five members appointed by the Governor and confirmed by the Senate for four-year terms. The KRGCC meets monthly to address regulatory matters primarily related to casino-style gaming in Kansas. The members of the Commission consist of:



William Falstad (Chair) from Fredonia, Kansas served as President of Kansas Bank Note Co. from 1963 to 2002. KBNC was a printing company with customers throughout the United States, specializing in printed products for banks and other clients requiring security-oriented products. Mr. Falstad holds a degree in Business Administration from the University of Wisconsin. After graduation he worked in Chicago as a Certified Public Accountant for the accounting firm Arthur Andersen from 1956-1962, specializing in public utility audits, accounting systems and rate regulation. Mr. Falstad's career in public service began in 1970 when he became mayor of Fredonia, a position he held for eight years. He also served on the board of directors of the National Printing Association, Fredonia Regional Hospital and First National Bank of Fredonia. He was a member of the Kansas Chamber of Commerce from 1975 to 1977 and again from 1993 to 2008, serving as Chairman from 1997 to 1998. Mr. Falstad also had the pleasure of serving on the Kansas Performance Review Board and the Kansas Lottery Commission. He was appointed to the Kansas Racing and Gaming Commission in March 2005 by Governor Kathleen Sebelius and was appointed as Chairman by Governor Sam Brownback in January 2011 (current term expired January 15, 2012).



Glenn Braun (Vice-Chair and Chief Hearing Officer) from Hays, Kansas is a partner in Glassman, Bird, Braun & Schwartz, LLP, where he has practiced law for the past 30 years. He serves as the City of Hays prosecutor and previously was elected to two terms as Ellis County Attorney. Mr. Braun is a graduate of Kansas State University and received his juris doctorate, with honors, in 1981 from Washburn University School of Law, where he was the Student Bar Association President. He is a member of the Ellis County Bar Association, previously serving as President and Secretary/Treasurer. He has been active in the Kansa Bar Association, serving many years on its Executive Committee and most recently as President from 2010-2011. He was twice-selected by the Supreme Court Nominating Commission for a position with the Kansas Court of Appeals. Mr. Braun has held a variety of positions, including the State Board of CASA the Board of Directors of the Ellis County CASA program, where he served as President in 1992; Board of Directors for Big Brothers/Big Sisters; Board of Directors for the St. John's Rest Home Endowment Association; Thomas More Prep-Marian High School Council of Education; and presently is the Finance Council Chairman for Immaculate Heart of Mary Parish. Mr. Braun has taught criminal law, criminal procedure and introduction to law as an adjunct professor at Fort Hays State University and has participated in numerous presentations dealing with a variety of legal issues. Mr. Braun was appointed to the Kansas Racing and Gaming Commission in March 2005 by Governor Kathleen Sebelius and currently serves as Vice-Chair and Chief Hearing Officer (current term expired January 15, 2012).



Tim Shultz (Secretary) from Topeka, Kansas is a partner in the Topeka law firm of Parker & Hay, LLP. During his career, he has practiced law in Dodge City, Manhattan and Topeka. His current practice includes business and corporate law, banking law, transactional law, insurance and professional liability defense litigation in the areas of lender liability, financial institution bonds, professional liability, UCC negotiable instruments law, employment and civil rights law, construction law, and general insurance defense and litigation. Mr. Shultz is admitted to practice in the state courts of Kansas and Nebraska, U.S. District Courts for the Districts of Kansas, Nebraska, the Eastern and Western Districts of Arkansas, the Western District of Missouri and the Tenth Circuit Court of Appeals. He has been admitted on a case-by-case basis to represent clients in numerous other states, including Illinois, Missouri, Mississippi, Texas, Colorado, Wyoming, and Minnesota, among others. Originally from Dodge City, Mr. Shultz graduated from Washburn University with a Bachelor of Arts Degree including a double major in History and Political Science and a minor in English Literature. While at Washburn, he was inducted into the Honorary History Society and was named an All-American Scholar. He received his Juris Doctor degree from Washburn University School of Law in 1993 and was admitted to the Kansas Bar the same year. After graduation, he practiced law in Dodge City, Manhattan and Topeka. He is a member of the Topeka Bar Association, Kansas Bar Association, American Bar Association, the Kansas Association of Defense Counsel and the Nebraska State Bar Association. Mr. Shultz was appointed to the Kansas Racing and Gaming Commission in March 2011 by Governor Sam Brownback (current term expires January 15, 2013).



Dennis McKinney from Greensburg, Kansas is a former State Treasurer and State Representative. Currently he is engaged in farming and owning/raising livestock in Kiowa and Comanche counties. In May 1992, Mr. McKinney was appointed to the Kansas House of Representatives, District 116, and was re-elected for nine terms. In the Kansas House of Representatives, Mr. McKinney served as the Democratic minority leader from January 2003 until December 2008. In his role as House Minority Leader, Rep. McKinney served on the State Finance Council, Calendar and Printing Committee, Interstate Cooperation Committee, and the Legislative Coordinating Council. He was in charge of organizing caucus activities, streamlining legislative business, and uniting members on both sides of the aisle to accomplish goals for Kansas. In November 2008, Governor Kathleen Sebelius appointed Mr. McKinney as Kansas State Treasurer, a position which he held until January 2011. Prior to serving in the Kansas Legislature, he served as a Kiowa County Commissioner from January 1989 through May 1992. Mr. McKinney was appointed to the Kansas Racing and Gaming Commission in March 2011 by Governor Sam Brownback (current term expires January 15, 2015).



Jay Shadwick from Overland Park, Kansas is an attorney with the law firm of Duggan, Shadwick, Doerr & Kurlbaum, P.C. where his practice consists primarily of real estate, banking, and business transactions. He received his B.S. in Secondary Education in 1984 at the University of Kansas and his law degree in 1987 at the University of Arkansas. Mr. Shadwick is licensed to practice law in Kansas and Missouri and is also a licensed sports agent with LS Sports Management, LLC. Mr. Shadwick served as the Chairman of the Johnson County Republican Party from 1996 to 1998. He is a member of the board of directors of CrossFirst Holdings, LLC which owns two Johnson County banking institutions. He served on the Johnson County Airport Commission from 2002 to 2005, and remains active with political, community and non-profit activities and organizations. Mr. Shadwick is the founder of A More Civil Society (AMCS), an organization designed to promote civility in private and public life. The organization promotes a true civil society which depends on social and cultural change through the voluntary association of individuals and organizations instead of dependency on large government. Mr. Shadwick was appointed to the Kansas Racing and Gaming Commission in March 2011 by Governor Sam Brownback (current term expires January 15, 2015).

Historical Overview

Expanded Gaming

In 2007, the Kansas Legislature passed the Kansas Expanded Lottery Act (KELA), establishing four commercial gaming zones in Kansas. The act also authorized the Kansas Lottery to negotiate with pari-mutuel facility operators for the placement of electronic gaming machines at racetracks in the gaming zones. The KRGC is responsible for regulating the operation of lottery and racetrack gaming facilities in Kansas under KELA.

The Lottery Gaming Facility Review Board (LGFRB) was created by KELA to review the applications forwarded from the Kansas Lottery to determine the “best possible contract” in the four gaming zones. Once the LGFRB awarded a contract to an operator, the KRGC conducted a background investigation on the selected operator to determine the eligibility of that operator to engage in gaming activities based upon the high standards established by KELA.

Between December 2007 and December 2010, the LGFRB held 39 days of public meetings and evaluated 13 facility management contract proposals for the four gaming zones established by KELA.

The LGFRB selected Butler National Service Corporation (BNSC), a wholly-owned subsidiary of Butler National Corporation, as the operator for the southwest gaming zone where BHCMC, LLC, a joint venture between BNSC and BHC Investment Company, L.C., operate the Boot Hill Casino and Resort in Dodge City, Kansas; Peninsula Gaming, LLC as the operator for the south-central gaming zone where Kansas Star Casino, LLC, a wholly owned entity of Peninsula Gaming, LLC, operates the Kansas Star Casino in Mulvane, Kansas; and Kansas Entertainment, LLC, a joint venture between the International Speedway Corporation and Penn National Gaming, Inc., as the operator in the northeast gaming zone where it operates the Hollywood Casino at the Kansas Speedway in Kansas City, Kansas. The application for a facility in the southeast gaming zone was withdrawn. The LGFRB was disbanded in 2011. If an application by a lottery gaming facility operator for the southeast gaming zone is submitted the LGFRB will be reconstituted.

Casino Regulation

KELA requires that the KRGC regulate state-owned and operated casino-style games at lottery and racetrack gaming facilities.

Boot Hill Casino and Resort in Dodge City, Kansas

In December 2009, the Boot Hill Casino & Resort began operations in Dodge City, Kansas. The facility currently has 580 electronic gaming machines, 12 table games and 2 poker tables. The United Wireless Arena, a 6,000 seat arena and 10,000 sq. ft. convention center funded through local funds, opened in February 2011. The arena, although not owned or operated by Boot Hill, is located adjacent to the facility. A hotel that is also adjacent to the Boot Hill Casino facility is part of the lottery gaming enterprise and opened to the public March 15, 2012 after the KRGC issued BHC Lodging, L.C. a temporary license. The Boot Hill Casino began expansion activities in March 2012 to add electronic gaming machines, table games and poker tables to the facility under its agreement with the Kansas Lottery. Boot Hill Casino & Resort expects to see increased activity resulting from these expansion efforts.

Kansas Star Casino in Mulvane, Kansas

The Kansas Star Casino in Mulvane began operations December 20, 2011 with limited hours in the arena casino while construction of the main casino facility continues. The arena casino began 24/7 operations in January 2012 and currently offers over 1,300 electronic gaming machines, 32 table games and a poker room that opened in February 2012. The main casino, which is expected to open by January 2013, will include up to 2,000 electronic gaming machines, 50 table games and an expanded poker room along with 150 hotel rooms. The final phase is expected to be completed in 2015 and include an additional 150 hotel rooms. The equestrian center is expected to open also in 2015 following conversion from the arena casino and the construction of other facilities.

Hollywood Casino at the Kansas Speedway, Kansas City, Kansas

The Hollywood Casino at the Kansas Speedway in Kansas City opened in February 2012. The facility currently offers 2,000 electronic gaming machines, 52 table games and a poker room along with five restaurants.

Pari-Mutuel Racing

In 1986, Kansas voters approved an amendment to the Kansas Constitution authorizing the Kansas Legislature to license, regulate, and tax pari-mutuel wagering. In 1987, the Kansas Legislature enacted the Kansas Parimutuel Racing Act. The provisions of this act apply to horse and greyhound racing. Racing conducted under the pari-mutuel system of wagering began in 1988 and continued until 2009, when the last county fair racing meet occurred at Anthony Downs. Since 2009 no legalized pari-mutuel wagering has occurred in Kansas.

In September 2008, the KRGC issued a notice of violation to each of the racetrack operators and non-profit organizations that they had failed to conduct the required number of live horse and/or greyhound races to maintain their respective licenses. Each of these notices required the licensee to cure the violation by a date certain in order to maintain their license or the license would be subject to revocation. In December 2008, the KRGC issued an Administrative Order extending the deadline 30 days after the Kansas legislative session adjournment sine die. The deadline was extended twice more in 2009 to expire 30 days following the final adjournment of the 2010 Kansas legislative session. Each extension by the KRGC was an effort to provide additional time for legislative changes making horse and dog racing more attractive to participants and encourage the continuation of pari-mutuel wagering. Legislative changes that were attempted failed to pass. In June 2010, the last of the extended deadlines to cure the failure to conduct the agreed upon number live horse and/or greyhound races expired and the licenses of all three racetracks and all three non-profit organizations were revoked.

KRGC Key Programs and Operational Divisions

The day-to-day operations of the agency are administered by an executive director and staff. Governor Brownback appointed Richard Petersen-Klein Executive Director of the Kansas Racing and Gaming Commission in April 2011.

Mr. Petersen-Klein is a certified public accountant and attorney with more than 30 years of financial and accounting experience, including 20 years in commercial banking. As a commercial banker he developed a working knowledge of the gaming industry in Arizona, Nevada and New Jersey. His experience included the management of the banking relationship of a casino operator that owned and operated four casinos in Nevada and New Jersey.

Mr. Petersen-Klein holds a bachelor's degree in Finance from Michigan State University. He earned a Masters of Business Administration degree from Arizona State University in 1986. He received his Juris Doctorate with honors in 2004 from Washburn University School of Law. Prior to being appointed to the KRGC he worked as an attorney with Fisher, Patterson, Saylor & Smith, LLP in the Topeka area.

Responsible Gambling Program

The Responsible Gambling Program is one of the key programs administered by the KRGC. This program is managed by the KRGC's Responsible Gambling Program Coordinator. The primary responsibility of the Responsible Gambling Program Coordinator is to review and monitor the responsible gambling plans for each of the lottery gaming facility managers. The responsible gambling plan for each facility manager is intended to ensure that the employees of the facility managers are properly trained and actually able to recognize the danger signs related to problem gambling behavior and take the appropriate action to help individuals obtain treatment. Boot Hill Casino and Resort, the Kansas Star Casino, and the Hollywood Casino all have responsible gambling plans that are approved by the KRGC. The KRGC's Responsible Gambling Program Coordinator monitors the responsible gambling training programs for casino employees to determine the effectiveness of that training. In addition, the Responsible Gambling Program Coordinator reviews signage, brochures, advertisements and other promotional materials related to the dissemination of material to educate casino patrons about problem gambling and the treatment services available and reviews all promotional material to ensure that the integrity of gaming in Kansas is maintained at the highest level.

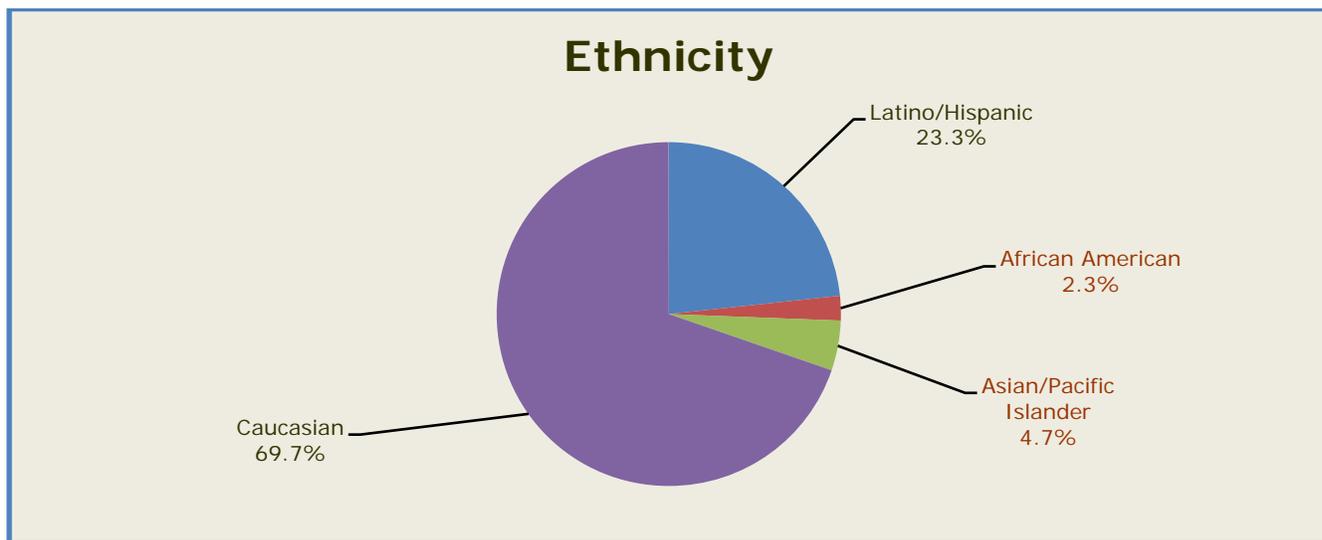
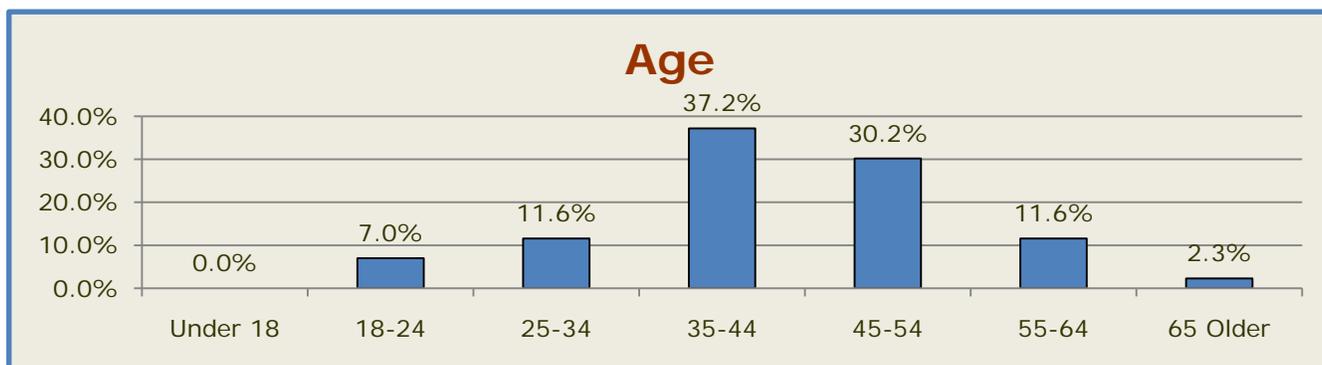
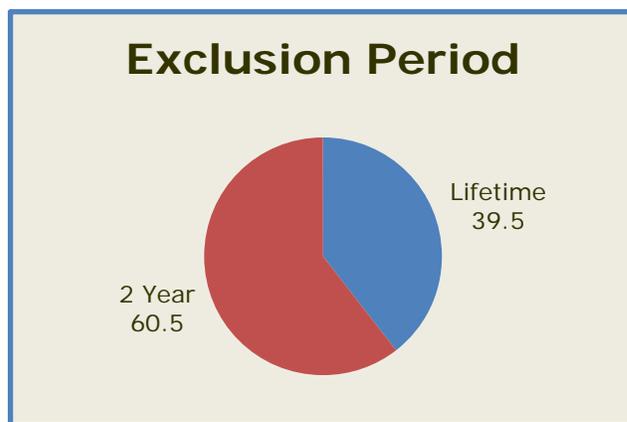
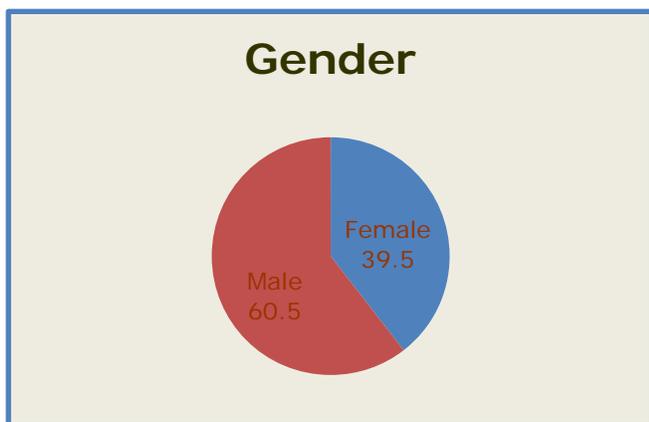
An important component of the Responsible Gambling Program and another responsibility of the Responsible Gambling Program Coordinator is the administration of the statewide Voluntary Exclusion Program (VEP). The VEP program is intended to help problem gamblers refrain from entering lottery gaming facilities. Under the program, individuals exclude themselves from Kansas casinos operating state-owned casino games. Individuals choose to exclude themselves for a term of two years or for life. Those individuals who exclude themselves for two years must complete the Healthy Choices Curriculum and undergo an assessment from a Kansas certified problem gambling counselor at the end of the two year exclusion period before the KRGC will consider removing them from the list.

The KRGC participates in the Kansas Responsible Gambling Alliance. In addition to the KRGC, the Alliance is currently comprised of the Kansas Lottery, Kansas Department of Social and Rehabilitation Services, Kansas Coalition on Problem Gambling and Kansas Department of Corrections, a representative from each of the active gaming zones (i.e. Ford, Sumner and Wyandotte counties), and a representative from each of the lottery gaming facility managers. The Alliance was formed in 2008 to provide helpful information and support for Kansans with gambling problems. The Alliance developed and maintains

the Kansas problem gambling website, www.ksgamblinghelp.com, to provide resources for individuals with gambling problems and to raise awareness about problem gambling. In addition to the website, the Kansas Problem Gambling Helpline (800-522-4700) information is included in all promotional materials.

Voluntary Exclusion Program

The following graphs depict the data collection for CY 2011.



Legal Division

The KRGC Legal Division includes the general counsel, legal assistant, and one currently unfilled position for a staff attorney. The work of the Legal Division can generally be divided into three areas: administrative, criminal and civil. Administratively, the KRGC's attorneys research and prepare regulations, prepare agency action notices, conduct administrative hearings, and research licensing and other agency issues.

Because the KRGC is also a law enforcement agency, the KRGC's attorneys assist in criminal matters. Specifically, attorneys coordinate the KRGC's response to complaints and information related to illegal gambling issues and act as counsel for the agency's enforcement agents.

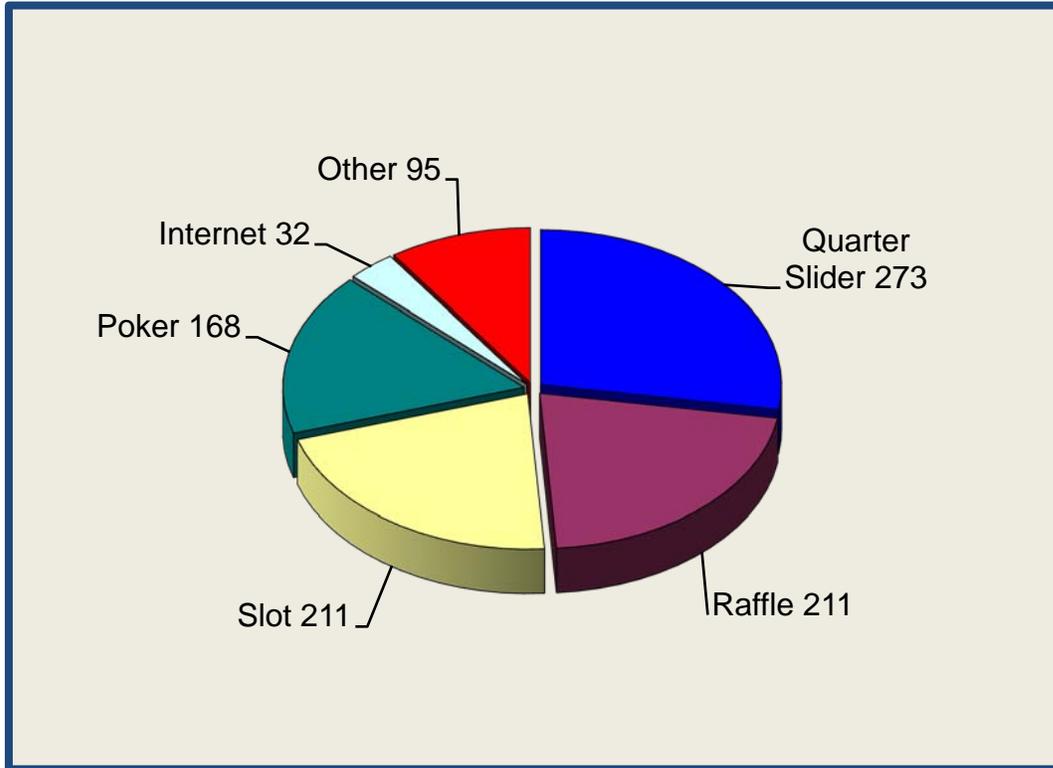
On civil issues, the KRGC's attorneys assume both litigation and transactional roles – that is, the attorneys prepare contracts and represent the agency in law suits. The attorneys also act as in-house counsel providing research, analysis and communication necessary to either represent the agency or resolve any legal issues it has.

In addition to legal support, the Legal Division administers the Illegal Gambling Program. Beginning in 2007 with the passage of KELA, the KRGC became the primary coordinator for state level illegal gambling complaints. Since that time, the KRGC has received over 990 complaints and calls regarding illegal gambling. Those complaints have come from 72 of the state's 105 counties.

In order to maximize the limited resources of all law enforcement and other state and local agencies regarding illegal gambling, the KRGC works with local law enforcement and prosecutors throughout the state to educate the public and gain compliance with state law regarding illegal gambling issues. The KRGC focused on non-device matters and educational outreach activities in 2011.

Types of Illegal Gambling Complaints

July 2007 - December 2011



A few notes provide context for the chart:

- The graph does not reflect constituents who receive answers from our Illegal Gambling Frequently Asked Questions web page, located here: www.krgc.ks.gov/illegalfaqs.
- The graph does not reflect calls made directly to KRGC agents by other law enforcement officers around the state.
- The graph does not reflect time by agents and counsel involved in assisting in local investigations and prosecutions. For example, during the fourth quarter of 2011, commission staff spent numerous hours assisting a municipal police department by preparing an affidavit for a search warrant, testing several seized illegal gaming machines, and preparing a preliminary report of related findings.

Security and Licensing Division

Most of the Security and Licensing Division's personnel are vested with the power and authority of law enforcement officers in the execution of the duties performed for the KRGC under the provisions of KELA and the Parimutuel Racing Act. Currently, the division's goals are:

- to ensure the integrity of gaming in Kansas;
- to ensure gaming sites are a safe entertainment venue for patrons and employees;
- to be proactive and responsive to gaming laws and regulations; and
- to protect the interests of the public and the State as they relate to gaming.

Security and Licensing personnel work toward these goals by monitoring activities at the lottery gaming facilities, and investigating violations of the law and KRGC regulations. They serve as on-site regulatory staff for the KRGC acting as support to lottery gaming facility managers' security personnel and as a liaison between lottery gaming facility personnel and local law enforcement authorities.

The Security and Licensing Division conducts background investigations of lottery gaming facility management companies and their employees, lottery gaming facility suppliers and vendors and certain of their employees, as well as KRGC employees. Background investigations are conducted to protect the public interest by ensuring that only businesses and individuals exhibiting honesty and good character are eligible to engage in gaming operations in Kansas.

BACKGROUND INVESTIGATIONS	CY 2010	CY 2011	LICENSES	CY 2010	CY 2011
Backgrounds Completed	449	889	Gaming Licenses Issued		
Backgrounds in Process			Corporations	10	23
Corporations	17	38	Corporate Employees	121	220
Corporate Employees	229	332	Boot Hill Employee Licenses Issued		
Boot Hill Casino	159	47	Commission Approved	215	391
Hollywood Casino	n/a	874	Denied	44	20
Kansas Star Casino	n/a	540	Temporary	223	245
			Denied	38	42
			Hollywood Casino Employee Licenses Issued		
			Commission Approved	n/a	53
			Denied	n/a	0
			Temporary	n/a	727
			Denied	n/a	100
			Kansas Star Casino Employee Licenses Issued		
			Commission Approved	n/a	75
			Denied	n/a	5
			Temporary	n/a	504
			Denied	n/a	40

Information Technology and Electronic Security Division

The Information Technology and Electronic Security (ITES) Division provides IT support for all KRGC locations, electronic certification of electronic gaming machines (EGMs) and information system security audits.

In 2011, the division implemented the KRGC's gaming regulatory system at the Kansas Star Casino and the Hollywood Casino in addition to providing on-going maintenance of the system at the Boot Hill Casino. The system is a comprehensive regulatory system that allows:

- processing of gaming licenses and ID card issuance;
- electronic fingerprint processing;
- electronic document storage and management; and
- electronic incident reporting and security logs.

In addition, the division is responsible for maintaining the IRIS system, which is the inventory tracking system for EGMs and EGM software located at the three lottery gaming facilities. This system is used by the KRGC to provide accurate, real-time tracking of all EGMs, EGM components and any associated issues.

ELECTRONIC SECURITY	CY 2010	CY 2011
EGM Disputes Investigated	3	0
Machine Software Inspections	140	523
EGM Certifications	125	1,315
EGM Hardware/Software Components Tested & Approved	419	2,606
Table Games Tested and Approved	5	5

Administration, Finance and Audit Division

The Administration, Finance and Audit Division manages the KRGC's audit program for the lottery gaming facility managers and provides general administrative and finance support for the KRGC. The audit program ensures that lottery gaming facility managers develop and implement KRGC approved internal control plans for the protection of state-owned assets and the public. The audit staff reviews all internal control amendments and recommends for Commission approval amendments that are consistent with required levels of protection while allowing for improved operations or accommodating changing conditions. In addition, audit staff performs quarterly reviews of internal audit operations of, and monthly reviews of financial and other reports submitted to the KRGC by lottery gaming facility managers.

AUDIT	CY 2010	CY 2011
Internal Control Plans Approved	0	1
Internal Control Plan Amendments Reviewed	96	98
Internal Control Plan Amendments Approved	87	88
Investigations of Audit Variances	28	24
Internal Control Violations Investigated	10	11
Casino Internal Control Audit Reports Reviewed	36	36
Casino Audits, On-Site	4	4
Casino Financial and Statistical Reports Reviewed	24	24
Revenue Analysis Reports	12	13

The division maintains the KRGC's accounting, purchasing, budgeting, and human resources functions. In 2011, the KRGC repaid the principal and interest of the \$5.0 million Pooled Money Investment Board (PMIB) loan provided to the KRGC in fiscal years 2007 and 2008. The loan was used by the KRGC to fund start-up and overhead expenditures related to lottery and racetrack gaming facilities until the number of lottery and/or racetrack gaming facilities was determined and the lottery and/or racetrack gaming facility manager for each gaming zone was selected. Following the selection of a lottery gaming facility manager for each of the southwest, south-central and northeast gaming zones the KRGC billed the selected lottery gaming facility managers for the principle and interest costs of the loan. The final payment from the lottery gaming facility managers was received, and the last loan payment was made to the PMIB in December 2011

A summary of actual expenditures for the past two fiscal years (FY) can be found on the following page.

Revenue and Expenditure

REVENUES	FY 2010	FY 2011
RACING		
Pari-mutuel Tax	\$ 9,882	\$ -
Admissions Tax	1,204	-
Unclaimed Winning Tickets	9,334	-
Breakage	4,548	-
License Fees & Fines	6,803	-
Operating Reimbursements	50	-
Transfers	(123)	36,300
Miscellaneous	<u>16,335</u>	<u>1,172</u>
Subtotal – Revenues	48,033	37,472
GAMING		
Review Board Charges	884,295	(127,395)
Background Reimbursements	205,039	434,302
Operations and Start-up Reimbursements	3,593,633	10,734,988
EGM Examination Deposits/Refunds	731,311	-
Miscellaneous		710
Transfers	<u>(14,091)</u>	<u>-</u>
Subtotal – Revenues	5,400,187	11,042,605
TOTAL REVENUES	\$ 5,448,220	\$ 11,080,077

EXPENDITURES	FY 2010	FY 2011
RACING		
Grants for Fair Meets	\$ 0	\$ 0
Racing Operations	130,112	0
Breed Supplements	63,510	0
Transfers/Miscellaneous	<u>0</u>	<u>11,781</u>
Subtotal – Expenditures	193,622	11,781
GAMING		
Central Office	\$ 1,966,381	\$ 2,532,887
PMIB Loan repayment, principle and interest		5,905,175
Review Board	825,106	65,003
Boot Hill	561,121	769,871
Wyandotte	26,467	297,705
Sumner		376,523
EGM Examinations	<u>579,446</u>	<u>6,229</u>
Subtotal – Expenditures	3,958,521	9,953,392
TOTAL EXPENDITURES	\$ 4,152,143	\$ 9,965,172

REVENUES AND EXPENDITURES	FY 2010	FY 2011
TOTAL REVENUES	\$ 5,448,220	\$ 11,080,077
TOTAL EXPENDITURES	\$ 4,152,143	\$ 9,965,172

Boot Hill Casino and Resort

4000 West Comanche Street
 Dodge City, Kansas 66111
 (877) 906-0777
www.boothillcasino.com



Facility Information

Opened:
 December 5, 2009

Gaming Floor:
 584 Electronic Gaming Devices
 16 Table Games

Amenities:
 Restaurant
 Snack Bar

Total Employment:
 Over 300 Full-time and part-time

Gaming Revenue

	CY 2010	CY 2011
Total Gaming Revenue	37,787,943	42,473,101
Distribution to Governments:		
State (22%)	8,313,347	9,344,082
Locals (3%)	1,133,638	1,274,193
Problem Gambling Fund (2%)	755,759	849,462

Hollywood Casino at Kansas Speedway

777 Hollywood Casino Blvd.
 Kansas City, Kansas 66111
www.hollywoodcasinokansas.com



Facility Information

Opened:
 February 3, 2012

Gaming Floor (Phase 1):
 2,000 Electronic Gaming Devices
 52 Table Games

Amenities (Phase 1):
 Steakhouse, Sports Bar, Buffet,
 Cafes
 Parking Garage

Total Est. Employment (Phase 1):
 Over 1,000 Full-time and part-time

Gaming Revenue

	CY 2010	CY 2011
Total Gaming Revenue	n/a	n/a
Distribution to Governments:		
State (22%)	n/a	n/a
Locals (3%)	n/a	n/a
Problem Gambling Fund (2%)	n/a	n/a

Kansas Star Casino

I-35 @ exit 33
 Mulvane, Kansas 67110
www.kansasstarcasino.com



Facility Information

Opened:
 December 20, 2011

Gaming Floor (Phase 1a):
 1,310 Electronic Gaming Devices
 32 Table Games

Amenities (Phase 1a):
 Grill and Snack Bars

Total Est. Employment (Phase 1a):
 Over 500 Full-time and Part-time

Gaming Revenue

	CY 2010	CY 2011
Total Gaming Revenue	n/a	6,005,930
Distribution to Governments:		
State (22%)	n/a	1,321,305
Locals (3%)	n/a	188,178
Problem Gambling Fund (2%)	n/a	120,119

State Gaming Agency

The State Gaming Agency is attached to the Kansas Racing and Gaming Commission. The budget of the State Gaming Agency, the number and qualifications of employees of the State Gaming Agency and expenditures by the State Gaming Agency for expenses of dispute resolution pursuant to a tribal-state gaming compact shall be subject to approval by the Kansas Racing and Gaming Commission. All other management functions of the State Gaming Agency are administered by the executive director, independent of the Kansas Racing and Gaming Commission. The State Gaming Agency's mission is to uphold the integrity of Indian gaming operations in Kansas by enforcing the tribal-state compacts and the Tribal Gaming Oversight Act. Four tribes continue to operate casinos in Kansas pursuant to tribal-state gaming compacts, and annual assessments from those tribes finance the agency's operations. The agency performs background investigations necessary prior to licensing for casino employees, management contractors, manufacturers and distributors for each tribal casino. In addition, the agency conducts inspections and monitors activity for compliance with not only the tribal-state gaming compacts but also applicable state and federal laws.

PERFORMANCE MEASURES	FY 2011
Individual employee background investigations	484
Manufacturer / distributor background investigations	31
Criminal investigations	65
Compact compliance investigations	12
Individual EGD (electronic gaming device) inspections	711

Class III Tribal Gaming Facilities in Kansas

GAMING FACILITY	LOCATION (Closest City)	OPERATING TRIBE/NATION
Casino White Cloud	White Cloud	Iowa Tribe of Kansas and Nebraska
Prairie Band Casino & Resort	Mayetta	Prairie Band Potawatomi Nation in Kansas
Golden Eagle Casino	Horton	Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas
Sac & Fox Casino	Powhattan	Sac & Fox Nation of Missouri in Kansas and Nebraska



Kansas Racing and Gaming Commission

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