GLOBAL CASINOS INC
Form 10-K
September 28, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2009

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-15415

GLOBAL CASINOS, INC.
(Exact name of Registrant as specified in its Charter)

Utah	87-0340206
(State or other jurisdiction of incorporation or organization)	I.R.S. Employer Identification number

1507 Pine Street, Boulder, Colorado 80302
(Address of principal executive offices) (Zip Code)

Registrant s telephone number: (303) 449-2100

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $.05 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act [___] Yes [__x_] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. [____]

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s

knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.. See definition of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer [___] Accelerated filer [__]

Non-accelerated filer [___] (Do not check if a smaller reporting company)

Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Exchange Act). Yes [ ] No [x]

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed fiscal year is $2,977,608.

The number of shares outstanding of the registrant s common stock, as of September 25 2009, are 6,032,488.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (*e.g.,* Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes

Exhibits

See Part IV, Item 15.

FORWARD LOOKING STATEMENTS

Certain statements made in this Annual Report are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements made in this Report are based on current expectations that involve numerous risks and uncertainties. The Company's plans and objectives are based, in part, on assumptions involving the growth and expansion of business. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Although the Company believes that its assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking statements made in this Report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements made in this Report, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

PART I

ITEM 1. BUSINESS

Overview

Global Casinos, Inc. ("the Company", "Global Casinos", or "Global") and its wholly owned subsidiaries operate in the domestic gaming industry. The Company is organized as a holding company for the purpose of acquiring and operating casinos, gaming properties, and other related interests. Global was organized under the laws of the State of Utah on June 8, 1978.

As of June 30, 2009, Global had two operating subsidiaries: one which owns and operates the Bull Durham Saloon & Casino ("Bull Durham") located in Black Hawk, Colorado; and one which owns and operates the Doc Holliday Casino (Doc Holliday) located in Central City, Colorado. In addition, Global also has a 25% equity investment in an entity which owns certain pending gaming technology patents. This investment is being accounted for under the equity method.

Description of Operations

Casinos U.S.A. - The Bull Durham Saloon and Casino

Background: Casinos U.S.A. was acquired on November 19, 1993. Global Casinos acquired 100% of the outstanding common stock of Casinos U.S.A., a Colorado corporation, and Lincoln Corporation ("Lincoln") and Woodbine Corporation ("Woodbine"), both South Dakota corporations, in exchange for 253,500 shares of the Company's common stock. Lincoln and Woodbine operated the Last Chance Saloon and Lillie's, respectively; both located in Deadwood, South Dakota. The Company permanently closed the Last Chance Saloon on May 31, 1994 and Lillie's on June 30, 1995 due to unprofitable operations. Both Lincoln and Woodbine are now inactive corporations.

In October 1995, Casinos U.S.A. filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code as it was in default under all of its secured obligations encumbering the Bull Durham Saloon and Casino. In January 1997, the Court approved the Debtor's Second Amended Plan of Reorganization (the "Plan"), and in February 1998 the bankruptcy was discharged upon being fully administered.

Operations: The Bull Durham is located approximately one hour from Denver, Colorado in the mountain town of Black Hawk. The Company has operated The Bull Durham since 1993, soon after limited stakes gambling was legalized in Black Hawk in 1992. The casino holds a retail liquor license issued by the State of Colorado and offers limited food service in addition to beverages.

Presently, the casino occupies approximately 7,400 square feet of space located at 110 Main Street in Black Hawk, Colorado. Casinos U.S.A. owns the building in which the Bull Durham operates, subject to two tiers of deeds of trust securing a total of $1,637,296 in debt, as of June 30, 2009.

As of June 30, 2009, we operated 188 slot machines. The Bull Durham does not operate any table games.

New slot machine designs are introduced every year by the equipment manufacturers. Certain games become more popular and older games tend to become less popular. During the past year, we replaced or upgraded 39 machines. The current popular trend is in the "penny" and "nickel" machines.

In 2005 we installed the Oasis Casino Management System ("Oasis System") produced by Aristocrat Technologies. The Oasis System connects our slot machines to a central computer that monitors all activity on each gaming device. It includes a "Player Tracking System" that allows us to implement new features and benefits into our Frequent Player Club (known as the "Sharpshooter Club") and also enables us to properly recognize our VIP players. As the system is fully automated, it provides several operational efficiencies in the collection and analysis of customer data, and allows us to target our marketing efforts towards the most active players. Our investment in the Oasis System totaled $380,000.

The Bull Durham's customer base consists primarily of day visitors from Denver. Many gamblers are transported to Black Hawk on charter buses provided by the casinos. A city bus stop is adjacent to the casino. We also directly contract with certain bus companies to transport guests to our casino from Denver and its surrounding communities.

As we do not have parking facilities available for our customers, we rely totally on "walk-in" traffic and charter bus traffic. This traffic declines during the winter months when the weather deteriorates. We do not have a full service restaurant. Some of our competitors provide extensive food service, including Las Vegas style buffets.

In March 2008, in order to provide some of the cash necessary to permit the Company to acquire Doc Holliday, Astraea consented to Casinos USA lending $550,000 to Global Casinos. The loan is evidenced by an unsecured promissory note that was assigned to Astraea as further collateral for its mortgage notes. As part of the arrangement, Casinos USA agreed to an increase in the interest rate applicable to the two Astraea mortgage notes to 12% per annum. The promissory note was due June 30, 2009.

In June 2009, Casinos USA loaned an additional $100,000 to Global Casinos. The proceeds of the loan were used to fund, in part, the purchase and installation of a digital surveillance system at Doc Holliday to comply with a new mandate of the Division of Gaming. The loan is evidenced by a promissory note which is repayable in two equal installments of $50,000 each, payable out of the quarterly profit distributions payable by Casinos USA to Global Casinos for the quarters ended June 30 and September 30, 2009. The first $50,000 installment has been paid, and the second is expected to be paid the end of October 2009.

Management is currently working to obtain debt or equity financing, or a combination of both, to restructure all Company debt. No agreements have been made as of the date of this report, and there can be no assurance such financing will be obtained.

Doc Holliday Casino II, LLC

Background: On March 18, 2008 the Company completed its acquisition of substantially all the assets and certain liabilities of the Doc Holliday Casino (Doc Holliday). The operating results of Doc Holliday have been included in the consolidated financial statements since that date. Doc

Holliday is a limited stakes gaming establishment located in Central City, Colorado and is generally considered to be in the same market and gaming environment as the Bull Durham Saloon and Casino. Our acquisition of Doc Holliday gives us an opportunity to benefit from joint marketing efforts, and to a lesser degree reduce our administrative operating expenses through economies of scale.

The purchase was accounted for under the purchase method of accounting in accordance with *Statement of Financial Accounting Standards No. 141, Business Combinations*. Under the purchase method of accounting, the total purchase price, including transaction costs, is allocated to the assets and liabilities acquired based on their fair values at the completion of the transaction. The aggregate purchase price was $2,900,471, including $1,665,376 in cash, 450,000 shares of the Company s common stock valued at $.75 per share totaling $337,500, and a business personal property appraisal expense of $7,000, as well as $365,580 of liabilities assumed, and new short-term debt of $525,015. The value of the common stock was determined by the average of the closing prices of the Company s common stock for the day prior through the day after the closing of the acquisition. Two unsecured notes payable were issued to the seller by Doc Holliday II, LLC. The first note was a 0% interest note of $400,000, due in full on or before March 31, 2009, and was valued at $369,345 using a discount rate of 8%. At June 30, 2009 the unpaid balance of the note was $366,667. The second note in the amount of $155,670, is an 8% installment note requiring monthly principal and interest payments of $13,541, and matured on March 18, 2009. The note was paid in full as scheduled during the year ended June 30, 2009. Management is currently working to obtain debt or equity financing, or a combination of both, to restructure all Company debt. No agreements have been made as of the date of this report, and there can be no assurance such financing will be obtained.

Operations: Doc Holliday is located approximately one hour from Denver, Colorado in the mountain town of Central City. The Company has operated Doc Holliday since March 2008. The casino holds a retail liquor license issued by the State of Colorado and offers limited food service in addition to beverages.

Presently, the casino occupies approximately 12,710 square feet of space located at 129 - 131 Main Street in Central City, Colorado. The casino occupies that space under a lease with a remaining term of seven years. There are presently no options to renew or extend the lease. The monthly rent is $25,362 plus triple net expenses, subject to a three percent cap on annual increases.

As of June 30, 2009, we operated 203 slot machines and three table games, consisting of Three Card Poker, Texas Hold em, and Blackjack.

New slot machine designs are introduced every year by the equipment manufacturers. Certain games become more popular and older games tend to become less popular. Since acquiring Doc Holliday in March 2008, we replaced or upgraded 26 machines. The current popular trend is in the "penny" and "nickel" machines.

We currently do not have a player tracking system similar to the Oasis system at Bull Durham. We plan to implement such a system when we have sufficient capital, as we estimate that a comparable system at Doc Holliday

will cost approximately $500,000.

The Doc Holliday customer base consists primarily of day visitors from Denver. Many gamblers are transported to Central City on charter buses provided by the casinos. We also directly contract with certain bus companies to transport guests to our casino from Denver and its surrounding communities.

We sublease a parking lot in close proximity to the casino at a cost of $5,500 per month. In addition, we rely on "walk-in" traffic and charter bus traffic. This traffic declines during the winter months when the weather deteriorates. We do not have a full service restaurant. Some of our competitors provide extensive food service, including Las Vegas style buffets.

Regulation

Both the Bull Durham and Doc Holliday Casinos operate as Class B Gaming Casinos, which limits each casino to four (4) gaming tables and fewer than two hundred fifty (250) slot machines. Under limited stakes gaming regulations in Colorado, maximum wagers are limited to $5.00 per bet.

Ownership and operation of gaming establishments are extensively regulated by states in which such activities are permitted. Colorado has adopted numerous statutes and regulations covering limited stakes gaming operations. Existing regulation includes various aspects of the gaming industry, including ownership, operation and employment in all limited stakes gaming operations, taxation of revenues and regulation of equipment utilized in connection with such activities. Virtually all aspects of ownership and operation of gaming facilities require licensing by the state. Operators, machine manufacturers and distributors, employees and retailers are all subject to extensive investigation and regulation prior to licensing to engage in gaming activities. The procedure for obtaining these licenses is time consuming and costly. Prior to November 1, 2002, Global held a gaming license to operate the Bull Durham. Effective November 1, 2002, the gaming license was transferred to Casinos, U.S.A., Inc., our subsidiary that owns the Bull Durham, as part of an overall restructuring of our business operations under the Astraea Term Sheet. This restructuring was undertaken, in part, at the behest of the Division of Gaming.

Because the Company is a publicly traded corporation, each of the officers, directors and shareholders owning 5% or more of the equity interest prior to November 1, 2002, had to be approved by the Colorado Division of Gaming. With the transfer of the gaming license to Casinos, U.S.A., the officers and directors of that subsidiary must be approved by the Division of Gaming. The criteria established in determining the suitability to conduct such operations include financial history, criminal record and character, in addition to satisfaction of application procedures set forth in the existing regulations.

Under current regulations promulgated by the Colorado Limited Gaming Commission (the "Gaming Commission"), no gaming licensee may issue shares except in accordance with Colorado gaming laws and regulations; and any such issuance will be ineffective and such stock shall not be deemed issued until compliance is obtained; no shares of the licensee may be transferred except in accordance with Colorado Gaming Laws and regulations; and if the Gaming Commission determines that a holder of a licensee's securities is unsuitable, the licensee or a suitable person must, within sixty days, purchase such securities at the lesser of the unsuitable person's investment or the current market price of such securities. Any person who becomes a beneficial owner of five percent or more of the Company's common stock must notify the Division of Gaming within ten days after such person acquires such securities and must provide such additional information and be subject to a finding of suitability as

required by the Division of Gaming Commission. The Company must notify each person who is subject to this regulation of its requirements as soon as it becomes aware of the acquisition. The same regulations apply to any person who becomes a beneficial owner of more than ten percent of any other class of voting securities of the Company.

Existing federal and state regulations may also impose civil and criminal sanctions for various activities prohibited in connection with gaming operations. State statutes and regulations also prohibit various acts in connection with gaming operations, including false statements on applications and failure or refusal to obtain necessary licenses described in such regulations. Violation of any of these existing or newly adopted regulations may have a substantial adverse effect on the operations of the Company and its subsidiaries.

The Company has been granted a casino tavern license issued under the Colorado Liquor Code for the Bull Durham. As revised in 1993, the Colorado Liquor Code now includes a casino tavern license issuable to duly licensed and operating limited stakes gaming casinos.

The beverage license is revocable and non-transferable. Licensing authorities may limit, condition, suspend or revoke the license. Violation of beverage laws or regulations can result in loss of license and may constitute a criminal offense punishable by fines, incarceration, or both.

Net profits derived from the operations of the Company and its subsidiaries are subject to taxation at the federal, state and local levels. The State of Colorado imposes a variable gaming tax on "adjusted gross proceeds" ("AGP"), which includes the total amount of all wagers made by players less all payments received by such players. As revised in July 1999 the progressive tax rate ranges from 0.25% on the first $2,000,000 of AGP to 20% on AGP in excess of $15,000,000. Local governmental units assess real and personal property taxes on the value of many assets, including land, building and gaming equipment. In addition, the city of Black Hawk assesses "device fees" on each gaming device utilized in a casino.

Competition

Competition in the gaming industry in the United States is intense. There are numerous competitors engaged in the same business as the Company, and the Company's operations also compete with other forms of gaming activities, such as Bingo, Lotto, table games, sports betting and pari-mutuel wagering. Competition in Black Hawk, Colorado is particularly intense as competitors are in very close proximity to the Company's operations. There are now 19 casinos operating in the Black Hawk market. Additionally, there are 6 casinos, including our Doc Holliday Casino, located approximately one mile west in Central City. The Bull Durham Casino in Black Hawk is relatively small in comparison to the other casinos in the market. There are currently 9,029 slot machines in the Black Hawk market and 2,042 in the Central City market. Based upon the number of slot machines in Black Hawk, the Bull Durham casino represents approximately 2.0% of the Black Hawk market, while the Doc Holliday Casino represents approximately 10% of the total slot machines in Central City. Part of our strategy to stay competitive is by continually upgrading the casinos gaming devices to provide the most state-of-the-art gaming experience possible, and by providing personalized customer services designed to promote customer loyalty. A direct mail marketing campaign was also developed that targets repeat customers as part of our efforts to maintain market share.

The 1991 referendum that authorized gaming in Colorado limited casinos to three mountain towns, Black Hawk, Central City, and Cripple Creek. There are two Native American casinos in Colorado, both in the southwest region of the state. However, future referendums could expand gaming to other locations. Other forms of legal gaming in Colorado include lottery games, dog and horse racing, and bingo.

It is possible that additional forms of gaming could be authorized. Colorado does not currently allow video lottery terminals ("VLT"). VLT's are games of chance similar to slot machines that generate a random set of numbers to be displayed on a video screen. Winning bets are rewarded with a ticket that can be exchanged for cash. An initiative to legalize VLT's that was on the ballot for the November 2003 general election was defeated.

Seasonality. Because the Bull Durham Casino is located in a small mountain community west of Denver, it experiences its peak business during the summer months when weather conditions are more favorable. The winter months tend to be substantially slower when weather conditions reduce the amount of traffic through the town.

Employees

The Company's President is Clifford L. Neuman, its Secretary is Pete Bloomquist and its Chief Financial Officer is Todd Huss.

The Bull Durham operates with an on-site general manager who shares his duties with the Doc Holliday casino. It currently employs 31 persons, including 29 that are considered full-time and two that are considered part-time. The Doc Holliday casino currently employs 26 persons, including 21 that are considered full-time and five that are considered part-time. The Company is not part of any collective bargaining agreement. There have been no work stoppages and the company believes its employee relations are good.

Global Gaming Technologies, LLC

On February 28, 2006, the Company entered into an Organization Agreement with a certain individual to form a for-profit limited liability company under the name of Global Gaming Technologies, LLC (GGT). Under the terms of the Agreement, the individual contributed to GGT all of his intellectual property rights related to two games of poker, which he individually developed. The Company agreed to make an initial cash capital contribution to GGT of $100,000, for which it received a 25% equity interest in GGT. At the Company s election, it may make an additional $100,000 cash capital contribution to GGT for which it will receive an additional 25% equity interest. The initial cash contribution will be used to further develop the two games and to investigate possible patent protection. At the present time, both games are still under development and neither has been approved for use in any gaming jurisdiction. As of June 30, 2009, GGT had no revenues.

The investment is being accounted for under the equity method. Its cash outlays have primarily been related to investigating patent protection for the products under development and for various product development, organizational start-up costs and limited marketing efforts. For the years ended June 30, 2009 and 2008 we have recorded $10,437 and $8,688, respectively, for various GGT product development expenditures. Since February 2006, we have recorded $49,590, cumulatively, for various GGT start-up, product development and marketing costs.

During the quarter ended June 30, 2009 we determined the investment in GGT was impaired due to GGT s inability to secure patents for the games in a reasonable time period which has provided significant uncertainty regarding the outcome of the patent process. Should patent protections not be obtained, the exclusivity of the games could be severely impaired, thereby significantly reducing the potential value of the games to GGT. Because of these uncertainties we

believe the investment impairment is other than temporary, and as such we have recorded an impairment charge of $50,410 at June 30, 2009.

As of June 30, 2009, the Company has made cash payments to GGT of $74,150 as part of the initial $100,000 cash capital payments required under the Agreement. The remaining $25,850 obligation was recorded as a current liability.

Intellectual Property

The Company does not claim any intellectual property protection to any of its assets and does not believe that intellectual property protection is material to its operations.

Consultants

On April 1, 2008 the Company entered into Consultation Agreement (Agreement) with an independent contractor to provide corporate development services. The Agreement was to terminate on September 1, 2008, but was extended by both parties on a month to month as needed basis by verbal agreement. The agreement required the Company pay the consultant a fee equal to $50,000 For the year ended June 30, 2008, $28,320 was charged to operating, general and administrative expenses. For the year ended June 30, 2009, $21,680 was charged to operating, general and administrative expenses.

In August, 2008, we entered into an agreement with an investor relations firm. The agreement has a term of six months and provides for a monthly retainer of $2,000. During the year ended June 30, 2009 the agreement was extended on a month to month basis.

ITEM 1A. RISK FACTORS

An investment in our securities is speculative and involves a high degree of risk. Please carefully consider the following risk factors, as well as the possibility of the loss of your entire investment, before deciding to invest in our securities.

We will require additional capital and have no commitments for funding.

Our operations consist solely of the Bull Durham and Doc Holliday casinos. We believe this operation can be self-sustaining. However, it is not expected to be sufficiently profitable to fund the capital resource needs of the parent company. These conditions make it unlikely that we could take advantage of future opportunities without a significant capital infusion. We will have to obtain such additional capital through borrowings or from additional equity financing. Additional future equity financing may occur through the sale of either unregistered common stock in exempt offerings or through the public offering of registered stock. In any case, such additional equity financing may result in additional dilution to investors. There can be no assurance that any additional capital, funding or revenues can satisfactorily be arranged. We have no arrangements for the acquisition of additional capital.

We have leveraged our assets to secure repayment of debt. If we default in the repayment of the debt, we could forfeit our productive assets.

All of our assets have been pledged as security for the repayment of debt in the approximate amount of $1.6 million. If we are unable to pay any of the debt, our assets would be subject to foreclosure by the creditor. Should foreclosure occur, it is likely that we would be forced to discontinue operations and our interest in the assets could be forfeited. These debts are currently due and we do not have the resources to retire the obligations. If the debt holders demand payment we could be forced to seek bankruptcy protection or be forced to liquidate the assets to satisfy the debts. We are currently engaged in discussions with both our existing lenders as well as new lenders to refinance the debt. While we have no agreement or commitments, we are optimistic that a refinance can be accomplished on reasonable terms.

Risks Related to our Gaming Operations

If we fail to comply with gaming regulations, we could lose our gaming license or be subject to substantial fines.

The operation of a casino gaming facility in Colorado requires a Colorado Limited Gaming License. A Colorado gaming license is a non-transferable, revocable privilege in which the licensee acquires no vested interest. The Colorado Gaming Commission could choose not to renew that license if it has concerns about our management, operations, business practices or associations. Additionally, any violation of gaming laws or regulations could result in the assessment of substantial fines against us and the persons involved. The suspension, revocation or non-renewal of any of our licenses or the levy on us of substantial fines could have a material adverse effect on our business, financial condition and results of operations.

Holders of our stock are subject to investigation by the Colorado Gaming Commission.

The Colorado Gaming Commission requires that any beneficial owner of five percent or more of our securities, including holders of our common stock, file an application for a finding of suitability. The gaming authority has the power to investigate an owner's suitability and the owner must pay all costs of the investigation. If the owner is found unsuitable, then the owner may be required by law to dispose of our securities. The Colorado Division of Gaming is currently requiring certain of our shareholders to file an application for finding of suitability. If they are found by the division to be unsuitable, they could be required to divest their share positions.

Changes in regulatory environment could have a material adverse effect on our operating results.

From time to time, legislators and special interest groups have proposed legislation that would expand, restrict or prevent gaming operations or which may otherwise adversely impact our operations. Any expansion of gaming or restriction on or prohibition of our gaming operations could have a material adverse effect on our operating results.

We face substantial competition from other gaming operations and other forms of gaming that could have a material adverse effect on our future operations.

We operate in a very competitive environment. Casinos offering hotel accommodations for overnight stays may have a competitive advantage over our casino. In addition, many of the casinos

in Black Hawk and Central City are operated by large companies with multi-state operations and substantial resources. Our casinos also indirectly face competition from other forms of gaming, including the Colorado state-run lottery, multi-state lottery, online computer gaming, charitable bingo and horse and dog racing, as well as other forms of entertainment.

Additional legalization of gaming in Colorado could adversely affect our business.

Additional legalization of gaming in or near any area from which our casino draws customers would adversely affect our business. Colorado law requires statewide voter approval for any expansion of limited gaming into additional locations and depending on the authorization approved by the statewide vote, may also require voter approval from the locality in question. Several attempts have been made by various parties in recent years to expand gaming in Colorado. However, to date none of this legislation has passed. However, there can be no assurance that such legislation will not be implemented in Colorado. If such legislation is approved by the Colorado legislature or Colorado voters, it would likely have a material adverse impact on our future operating results.

Construction of a new roadway from Interstate 70 to Central City has not had a material beneficial impact on our business.

In November 2004, Central City completed a new four-lane road from Interstate 70 at Hidden Valley directly into downtown Central City. This roadway allows drivers to reach Central City without driving through Clear Creek Canyon and Black Hawk. While there was an initial increase in business following the opening of the highway, for the past several years that business has been waning, and we do not believe that it will have any lasting positive impact on Doc Holliday operations.

We may face difficulties in attracting and retaining qualified employees for our casinos.

The operation of our casinos requires qualified executives, managers and skilled employees with gaming industry experience and qualifications to obtain the requisite licenses. Currently, there is a shortage of skilled labor in the gaming industry. We believe this shortage will make it increasingly difficult and expensive for the manager of our casino to attract and retain qualified employees. Increasing competition in Black Hawk, Central City and competing markets may lead to higher costs in order to retain and attract qualified employees. We may incur higher labor costs in order for the casino management to attract qualified employees from existing gaming facilities. While we believe that we will be able to attract and retain qualified employees, we may have difficulty attracting a satisfactory number, and we may incur higher costs than expected as a result.

Adverse weather, road conditions and infrastructure limitations affect our ability to attract customers.

The location of our casinos in the Rocky Mountains creates a risk that it will be subject to inclement weather, particularly snow. Severe weather conditions could cause significant physical damage to the casino or result in reduced hours of operation or access to the casinos. Black Hawk and Central City are served by winding mountain roads that require cautious driving, particularly in bad weather, and are subject to driving restrictions and closure. Congestion on the roads leading to Black Hawk and Central City is common during the peak summer season, holidays and other times and may discourage potential customers from traveling to the casinos, particularly if road construction is in process.

Because we are dependent on two casinos for all of our cash flow, local economic conditions and other local conditions and circumstances beyond our control could adversely affect our business.

We are entirely dependent upon our two casinos for all of our cash flow. Therefore, we are subject to greater risks than a geographically diversified gaming company. These greater risks include those caused by any of the risks described in this section, including:

- local economic and competitive conditions;
- inaccessibility due to road construction or closure on primary access routes;
- changes in local and state governmental laws and regulations;
- natural and other disasters;
- a decline in the number of residents near or visitors to Black Hawk and Central City; or
- a decrease in gaming activities in Black Hawk and Central City.

Any of the factors outlined above could adversely affect our ability to generate sufficient cash flow to continue to operate our casino. A recession or economic slowdown could cause a reduction in visitation to the casino, which would adversely affect our operating results.

The smoking ban in casinos has had a material adverse impact on gaming operations in Colorado, including our casinos.

Effective January 1, 2008, a new Colorado law imposed a smoking ban applicable to all casinos in the state. Our data shows that a vast majority of our most important customers are smokers, and may be deterred from gaming because of the ban. Smoking bans in other jurisdictions have resulted in revenue declines of 10% or more. While the impact of the smoking ban on our casinos is uncertain, it is likely to have an adverse impact on our gaming revenues.

Increases in the price of gasoline has had a material adverse impact on the gaming industry.

Black Hawk and Central City are only accessible by auto or bus. As a result, the recent sharp increases in the price of gasoline has had a material adverse impact on our operations, inasmuch as the primary demographic of our customers is retired persons on fixed incomes. It is unlikely that we will be able to offset the effects of increased transportation costs with marketing and other incentives.

We are subject to environmental laws and potential exposure to environmental liabilities, which could be costly.

We are subject to laws and regulations that impose liability and clean-up responsibility for releases of hazardous substances into the environment. Under certain of these laws and regulations, we could be held liable for the costs of remediating contaminated soil or groundwater on or from our property without regard to whether we knew of, or caused, the contamination, as well as incur liability to third parties impacted by such contamination. The presence of contamination, or failure to remediate it properly, may adversely affect our ability to sell or rent such property.

Our casino is located within the geographic footprint of the Clear Creek/Central City Superfund Site, a large area of historic mining activity, which is the subject of state and federal clean-up actions. Although we have not been named a potentially responsible party for this Superfund Site, it is possible that as a result of our ownership and operation of our property (on which mining may have occurred in the past), we may occur costs related to this matter in the future. To date, none of these matters of other matters arising under environmental laws has had a material adverse effect on our business, financial condition, or results of operations; however, there can be no assurance that such matters will not have such an effect in the future.

The rate of taxation on gaming profits may increase in the future.

The Colorado Constitution permits a gaming tax of up to 40% on adjusted gross gaming proceeds. The Colorado Gaming Commission has the authority to set gaming tax rates and the current rate structure is a progressive scale with a maximum tax of 20%. The cities of Black Hawk and Central City have imposed an annual device fee of $750 per gaming device and it revises the same from time to time. The Colorado Gaming Commission has eliminated its annual device fee for gaming machines. The Colorado Gaming Commission may revise the gaming tax or re-impose the state device fee at any time and has been conducting annual reviews to reconsider and reevaluate the gaming taxes on or about July 1st of each year. We cannot assure you that the tax rates applicable to the casino will not be increased in the future by either the Colorado Gaming Commission or the cities of Black Hawk or Central City. Additionally, from time to time, certain federal legislators have proposed the imposition of a federal tax on gaming revenues. Any such tax could adversely affect our financial condition or results of operations.

Energy and fuel price increases may adversely affect our costs of operations and our revenues.

Our casino properties use significant amounts of electricity, natural gas and other forms of energy. While no shortages of energy have been experienced, the recent substantial increases in the cost of electricity in the United States may negatively affect our results of operations. The extent of the impact is subject to the magnitude and duration of the energy and fuel price increases.

We experience quarterly fluctuations in our results of operations.

Our quarterly operating results fluctuate because of seasonality and other factors. We typically generate the best operating profits in our fourth and first fiscal quarters, which end in June and September, respectively. These seasonal trends may impact our financial condition to the extent we need more funds during periods of slower activity in the future.

We have not paid dividends and do not anticipate paying any dividends on our common stock in the foreseeable future.

We anticipate that we will retain all future earnings and other cash resources for the future operation and development of our business. Except for dividends payable on our outstanding shares of Series D Preferred Stock, we do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of our Board of Directors after taking into account many factors, including our operating results, financial condition, current and anticipated cash needs, and other factors.

The existence of outstanding convertible preferred stock, options and warrants may impair our ability to raise capital.

At September 21, 2009, there were 935,000 shares of common stock issuable upon conversion of convertible preferred stock and exercise of outstanding options and warrants at a weighted average exercise price of $0.90 per share. During the life of the preferred stock, options and warrants, the holders are given an opportunity to profit from a rise in the market price of our common stock with a resulting dilution in the interest of the other shareholders. Our ability to obtain additional financing during the period the warrants are outstanding may be adversely affected and the existence of the warrants may have an effect on the price of our common stock. The holders of the warrants may be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the warrants.

There are trading risks for low priced stocks.

Our common stock is currently traded in the over-the-counter market on the "Electronic Bulletin Board" of the National Association of Securities Dealers, Inc. As a consequence, an investor could find it more difficult to dispose of, or to obtain accurate quotations as to the price of, our securities.

The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure, relating to the market for penny stocks, in connection with trades in any stock defined as a penny stock. The Commission recently adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. Such exceptions include any equity security listed on NASDAQ and any equity security issued by an issuer that has (i) net tangible assets of at least $2,000,000, if such issuer has been in continuous operation for three (3) years, (ii) net tangible assets of at least $5,000,000, if such issuer has been in continuous operation for less than three (3) years, or (iii) average annual revenue of at least $6,000,000, if such issuer has been in continuous operation for less than three (3) years. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated therewith.

If our securities are not quoted on NASDAQ, or we do not have $2,000,000 in net tangible assets, trading in our securities will be covered by Rules 15-g-1 through 15-g-6 promulgated under the Exchange Act for non-NASDAQ and non-exchange listed securities. Under such rules, broker-dealers who recommend such securities to persons other than established customers and accredited investors must make a special written suitability determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to this transaction.

Securities are exempt from these rules if the market price of the common stock is at least $5.00 per share.

The market price of our securities could be adversely affected by sales of restricted securities.

Actual sales or the prospect of future sales of shares of our common stock under Rule 144 may have a depressive effect upon the price of, and market for, our common stock. As of September 25, 2009, 6,032,488 shares of our common stock were issued and outstanding. Approximately 3,098,812 of these shares are "restricted securities" and under some circumstances may, in the future, be under a registration under the Securities Act or in compliance with Rule 144 adopted under the Securities Act.

We cannot predict what effect, if any, that sales of shares of common stock, or the availability of these shares for sale, will have on the market prices prevailing from time-to-time. Nevertheless, the possibility that substantial amounts of common stock may be sold in the public market may adversely effect prevailing prices for our common stock and could impair our ability to raise capital in the future through the sale of equity securities.

Our ability to issue additional securities without shareholder approval could have substantial dilutive and other adverse effects on existing stockholders and investors in this offering.

We have the authority to issue additional shares of common stock and to issue options and warrants to purchase shares of our common stock without shareholder approval. Future issuance of common stock could be at values substantially below the exercise price of the warrants, and therefore could represent further substantial dilution to you as an investor in this offering. In addition, we could issue large blocks of voting stock to fend off unwanted tender offers or hostile takeovers without further shareholder approval.

Our corporate charter makes certain limitations on director liability.

Our Articles of Incorporation provide, as permitted by Utah law, that our directors shall not be personally liable to the corporation or our stockholders for monetary damages for breach of fiduciary duty as a director, with certain exceptions. These provisions may discourage stockholders from bringing suit against a director for breach of fiduciary duty and may reduce the likelihood of derivative litigation brought by stockholders on behalf of us against directors. In addition, our Articles of Incorporation and bylaws provide for mandatory indemnification of directors and officers to the fullest extent permitted by Utah law.

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Changes in the corporate and securities laws and regulations are likely to increase our costs.

The Sarbanes-Oxley Act of 2002 (SOX), which became law in July 2002, has required changes in some of our corporate governance, securities disclosure and compliance practices. In response to the requirements of SOX, the SEC and major stock exchanges have promulgated new rules and listing standards covering a variety of subjects. Compliance with these new rules and listing standards that are likely to increase our general and administrative costs, and we expect these to continue to increase in the future. In particular, we are required to include the management report on internal control as part of this annual report for the year ending June 30, 2009 pursuant to Section 404 of SOX. We have evaluated our internal control systems in order (i) to allow management to report on, as required by these laws, rules and regulations, (ii) to provide reasonable assurance that our public disclosure will be accurate and complete, and (iii) to comply with the other provisions of Section 404 of SOX. Beginning with our annual report for the fiscal year ending June 30, 2010, we will be required to include with the management report the attestation of our independent registered auditors. Future compliance with SOX 404 will require a significant expenditure of human resources and finances, and could adversely impact our operations. Furthermore, there is no precedent available by which to measure compliance adequacy. If we are not able to implement the requirements relating to internal controls and all other provisions of Section 404 in a timely fashion or achieve adequate compliance with these requirements or other requirements of SOX, we might become subject to sanctions or investigation by regulatory authorities such as the SEC or NASD. Any such action may materially adversely affect our reputation, financial condition and the value of our securities, including our common stock. We expect that SOX and these other laws, rules and regulations will increase legal and financial compliance costs and will make our corporate governance activities more difficult, time-consuming and costly. We also expect that these new requirements will make it more difficult and expensive for us to obtain director and officer liability insurance.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential shareholders could lose confidence in our financial reporting, which would harm our business and the trading price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide financial reports or prevent fraud, our business reputation and operating results could be harmed. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

Members of our management have conflicts of interest.

Our directors, are, or may become in their individual capacity, officers, and directors, controlling shareholders and/or partners of other entities engaged in a variety of businesses. Thus, they may develop conflicts of interest including, among other things, time, effort, and corporate opportunity, involved in participation with such other business entities. The amount of time that our directors will devote to our business will be limited.

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Current difficult conditions in the financial services markets may materially and adversely impact our business

Dramatic declines in the values of, among other things, various derivative instruments, credit default swaps and the housing market during the prior year, with falling home prices and increasing foreclosures and unemployment, have resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks. Many lenders and institutional investors have reduced, and in some cases, ceased to provide funding to borrowers, including other financial institutions. This market turmoil and tightening of credit have also led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and possibly a general reduction of business activity. A continuation of these conditions could have, among other things, the following potential negative effects:

1.

A reduction in discretionary spending by consumers could significantly impact the customer traffic and revenues of our casino operations; and

2.

While we do not depend on credit from the financial markets to finance our operations, all our long-term debt has matured and must be refinanced. As of June 30, 2009 a note payable to the seller of the Doc Holliday Casino in the amount of $366,667 had matured on March 31, 2009, and was therefore in default. And, as of the date of this report, other mortgage debt totaling $1,637,296 had also matured on September 19, 2009. Within the past several months, the financial markets have experienced disruption that has had a dramatic impact on the availability and cost of capital and credit. Our ability to re-finance our matured long-term debt will likely be affected by the current financial market conditions. If we are successful in obtaining financing of our long-term debt, there can be no assurance that we will be able to negotiate rates and terms similar to those we currently have, and such negotiated rates could be significantly higher than those currently existing on our long-term debt.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None

ITEM 2. PROPERTIES

Corporate Offices

Prior to January 2006, we leased approximately 4,200 square feet of space used as its corporate offices. The lease required monthly payments of approximately $3,500. A portion of the space was subleased for monthly rental income of approximately $2,500. In January 2006, the lease with the landlord was terminated and assumed by Gunpark Asset Management, LLC (Gunpark), a company operated by the Company s former President and Director. Concurrently, the Company entered into a Shared Services Agreement with Gunpark. The agreement required Gunpark provide sufficient office space to the Company, and requires the Company make monthly payments directly to the landlord of $3,000. The monthly payment was allocated as $2,000 to rent expense, and $1,000 to clerical services. In March 2008, the agreement was modified by both parties due to changes in the delivery of clerical services to be provided under the previous agreement. By mutual agreement of

both parties, the current agreement expired June 1, 2008. Upon termination of the Shared Services Agreement, we began utilizing certain office functions and systems managed by the Company s president and chief executive officer in Boulder, Colorado. As such, we have significantly reduced our corporate office space requirements and do not expect additional further office space or services will be required under the current corporate operating structure.

Operating Subsidiaries

The facilities and properties of the Company's operating subsidiaries are more fully described in Item 1 of this Report and are incorporated herein by this reference.

The Company believes that each of its facilities is adequate for its intended purpose and does not plan any significant investment in additional facilities during the next year.

ITEM 3. LEGAL PROCEEDINGS

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None, except as previously disclosed.

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The outstanding shares of Common Stock are traded over-the-counter and quoted on the OTC Bulletin Board ("OTCBB") under the symbol "GBCS". The reported high and low bid and ask prices for the common stock are shown below for the period from July 1, 2007 through June 30, 2009.

	Bid		Ask	
	High	Low	High	Low
2008 Fiscal Year				
July - Sept 2007	$0.88	$0.70	$0.95	$0.80
Oct - Dec 2007	0.90	0.60	1.01	0.73
Jan - Mar 2008	0.80	0.52	0.95	0.70
Apr - June 2008	0.88	0.52	0.96	0.64
2009 Fiscal Year				
July - Sept 2008	$1.12	$0.55	$1.20	$0.68
Oct Dec 2008	0.76	0.51	1.10	0.58
Jan Mar 2009	0.72	0.25	0.85	0.50
Apr June 2009	0.54	0.20	0.60	0.36

The bid and ask prices of the Company's common stock as of September 21, 2009 were $0.42 and $0.50 respectively, as reported on the OTCBB. The OTCBB prices are bid and ask prices which represent prices between broker-dealers and do not include retail mark-ups and mark-downs or any commissions to the broker-dealer. The prices do not reflect prices in actual transactions. As of September 21, 2009,there were approximately 720 record owners of the Company's common stock.

The OTC Bulletin Board is a registered quotation service that displays real-time quotes, last sale prices and volume information in over-the-counter (OTC) securities. An OTC equity security generally is any equity that is not listed or traded on NASDAQ or a national securities exchange. The OTCBB is not an issuer listing service, market or exchange. Although the OTCBB does not have any listing requirements, per se, to be eligible for quotation on the OTCBB, issuers must remain current in their filings with the SEC or applicable regulatory authority.

The Company's Board of Directors may declare and pay dividends on outstanding shares of common stock out of funds legally available therefore in its sole discretion; however, to date other than the 8% dividend payable on our

outstanding shares of Series D Preferred Stock, no dividends have been paid on common stock and the Company does not anticipate the payment of dividends in the foreseeable future. Further, under the terms of the convertible preferred stock issued by the Company, the Company is restricted from paying cash dividends on common stock during the period that the convertible preferred stock is outstanding.

Recent Sales of Unregistered Securities

1. Schmidt Conversion

a.

In November, 1996, the Company completed the sale of two promissory notes in the

aggregate principal amount of $25,000. In December 2005, and pursuant to the agreement of the noteholder who held the notes, the Company agreed to issue to the investor an aggregate of 22,250 shares of Common Stock and $33,000 in consideration of the investor s surrender of the notes and any further claims against the Company. Under the agreement with the noteholder, the shares were valued at $1.00 per share.

b.

The shares issued upon conversion of the two notes were issued exclusively to one person who represented and warranted as to his financial sophistication. The shares issued upon conversion of the notes were restricted securities under the Securities Act.

c.

The Company paid no fees or commissions in connection with the note conversion.

d.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided each investor in the offering with disclosure of all aspects of our business, including providing each investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

Not applicable.

f.

There were no proceeds received as a result of the conversion of the notes.

2. Jennings Option Exercise

a.

In December, 2005, the Company completed the sale of an aggregate of 150,000 shares of common stock, $.05 par value (Common Stock) at an average price of $.12 per share pursuant to the exercise of issued and outstanding options. The Company received gross proceeds of $17,500 from the exercise of the options. The options had been granted to our former President and Director for his services to the Company.

b.

The Securities were sold exclusively to one person who qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933 as amended (the "Securities Act"). The shares issued upon exercise of the warrants were restricted securities under the Securities Act.

c.

The Company paid no fees or commissions in connection with the option exercise.

d.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Section 4(2) thereunder. The investor qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D, as he was an executive officer and director

of the Company at the time of exercise. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided each investor in the offering with disclosure of all aspects of our business, including providing each investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the accredited investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

The exercise terms of the options are described in Item 3.02(a) above.

f.

The proceeds of the option exercise will be used to provide working capital to the Company.

3. Marketing Services Agreement

a.

Between July 2005 and January 2006, the Company issued an aggregate of 6,000 shares of common stock, (1,000 shares per month) for services under a marketing services agreement. The shares were valued at $1.00 per share.

b.

The shares issued for marketing services were issued exclusively to one person who represented and warranted that she qualified as an accredited investor within the meaning of Rule 501(a) of Regulation D. The shares issued for services were restricted securities under the Securities Act.

c.

The Company paid no fees or commissions in connection with the share issuances.

d.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. In addition, the

Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided each investor in the offering with disclosure of all aspects of our business, including providing each investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

Not applicable.

f.

There were no proceeds received as a result of the issuance of the shares.

4. General Manager Options Exercise

a.

On January 30, 2007, a previously awarded stock option grant to our General Manager at the Bull Durham Casino that was to expire on that date was extended for an additional year. Total compensation cost associated with the extension was $29,664, and is included in operating, general, and administrative expenses for the year ended June 30, 2007. The fair value of the option extension was estimated utilizing the Black-Scholes option pricing model with the following assumptions: expected life of 0.5 years; expected volatility of 65%; risk free interest rate of 5.11% and no dividend yield. On February 20, 2007 all the options associated with the extension were exercised, and as a result, 50,000 shares of common stock were issued. The Company realized proceeds of $6,500 associated with the exercise of the options.

b. The shares issued were issued exclusively to one person who serves on the board of directors of our subsidiary, Casinos USA, Inc. and General Manager of the Bull Durham Casino. The shares issued upon exercise of the options were restricted securities under the Securities Act.

c. The Company paid no fees or commissions in connection with the share issuances.

d.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided each investor in the offering with disclosure of all aspects of our business, including providing each investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

Not applicable.

f. The proceeds from the option exercise were used for general working capital.

5.

On March 17, 2008, the Company accepted a subscription agreement pursuant to which the Company agreed to issue, an aggregate of 100,000 shares of common stock, $.05 par value (the Common Stock or Shares) in consideration of $50,000.

a.

The shares were issued to one person who qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933 as amended (the "Securities Act"). The shares issued were restricted securities under the Securities Act.

b.

The Company paid no fees or commissions in connection with the issuance of the Shares.

c.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. The investor qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided the investor with disclosure of all aspects of our business, including providing the investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the accredited investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

d.

Not applicable.

e.

The proceeds received were used in connection with the acquisition of substantially all of the tangible and intangible assets used in connection with the operation of the Doc Holliday Casino, Central City, Colorado which was finalized March 18, 2008.

6.

On April 15, 2008, the Company accepted a subscription agreement pursuant to which the Company agreed to issue, an aggregate of 100,000 shares of common stock, $.05 par value (the Common Stock or Shares) in consideration of $50,000.

a.

The shares were issued to one person who qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933 as amended (the "Securities Act"). The shares issued were restricted securities under the Securities Act.

b.

The Company paid no fees or commissions in connection with the issuance of the Shares.

c.

The sale of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. The investor qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided the investor with disclosure of all aspects of our business, including providing the investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the accredited investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

d.

Not applicable.

e.

The proceeds received were used in connection with the acquisition of substantially all of the tangible and intangible assets used in connection with the operation of the Doc Holliday Casino, Central City, Colorado which was finalized March 18, 2008.

7.

Stock Grant for Services

a. On September 2, 2008, the Company awarded an aggregate of 90,000 shares of common stock, $.05 par value (the Common Stock or Shares) valued at $0.50 per share in consideration of services provided by the Company s directors and executive officers.

b. The shares were issued to four persons, each of whom qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933 as amended (the "Securities Act"). The shares issued were restricted securities under the Securities Act.

c.

The Company paid no fees or commissions in connection with the issuance of the Shares.

d.

The grant of the Securities was undertaken without registration under the Securities Act in reliance upon an exemption from the registration requirements of the Securities Act set forth in Sections 4(2) thereunder. The investor qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D. In addition, the Securities, which were taken for investment purposes and not for resale, were subject to restrictions on transfer. We did not engage in any public advertising or general solicitation in connection with this transaction, and we provided the investor with disclosure of all aspects of our business, including providing the investor with our reports filed with the Securities and Exchange Commission and other financial, business and corporate information. Based on our investigation, we believed that the accredited investor obtained all information regarding the Company that he requested, received answers to all questions posed and otherwise understood the risks of accepting our Securities for investment purposes.

e.

Not applicable.

f.

Not applicable.

EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plans (excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	-0-	$0.00	-0-
Equity compensation plans not approved by security holders[1]	235,000	$.62	-0-
Total	235,000	$.62	-0-

(1) Includes nonqualified options granted to directors and officers.

ITEM 6. Selected Financial Data

We have set forth below certain selected financial data. The information has been derived from the financial statements, financial information and notes thereto included elsewhere in this report.

Statement of Operations Data:

	Year Ended June 30, 2009	Year Ended June 30, 2008
Total revenues	$ 6,387,816	$ 4,402,454
Operating expenses	$ 6,177,305	$ 4,164,151
Net income (loss)	$ (11,467)	$ 123,636
Net income (loss) attributable to common shareholders	$ (68,245)	$ 105,780
Basic earnings (loss) per common share	$ (0.01)	$ 0.02
Shares used in computing basic earnings per share	5,940,420	5,836,006
Diluted earnings per share	$ (0.01)	$ 0.02
Shares used in computing diluted earnings per share	5,940,420	5,923,088

Balance Sheet Data:	**June 30, 2009**	**June 30, 2008**
Working capital (deficit)	$ (1,154,348)	$ 109,613
Total assets	$ 7,025,633	$ 7,248,316
Total liabilities	$ 2,843,038	$ 3,042,476
Stockholders' equity	$ 4,182,595	$ 4,205,840

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations which are not historical facts are forward-looking statements such as statements relating to future operating results, existing and expected competition, financing and refinancing sources and availability and plans for future development or expansion activities and capital expenditures. Such forward-looking statements involve a number of risks and uncertainties that may significantly affect our liquidity and results in the future and, accordingly, actual results may differ materially from those expressed in any forward-looking statements. Such risks and uncertainties include, but are not limited to, those related to effects of competition, leverage and debt service financing and refinancing efforts, general economic conditions, changes in gaming laws or regulations (including the legalization of gaming in various jurisdictions) and risks related to development and construction activities. The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report.

Overview

We operate in the domestic gaming industry. We were organized as a holding company for the purpose of acquiring and operating casinos, gaming properties and other related interests.

As of June 30, 2009, our operating subsidiaries were Casinos USA, Inc. ("Casinos USA, a Colorado corporation), which owns and operates the Bull Durham Saloon and Casino ("Bull Durham"), located in the limited stakes gaming district of Black Hawk, Colorado, and Doc Holliday Casino II, LLC (a Colorado limited liability company), which operates the Doc Holliday Casino (Doc Holliday), located in the limited stakes gaming district of Central City, Colorado. Doc Holliday Casino II, LLC was incorporated in the state of Colorado on June 15, 2007 for the purpose of acquiring substantially all the assets and certain liabilities of the Doc Holliday Casino, and to operate the casino. The acquisition was completed on March 18, 2008. The results of Doc Holliday's operations have been included in the consolidated financial statements since that date.

Our operations are seasonal. Our casinos typically experience a significant increase in business during the summer tourist season.

We operate in a highly regulated environment subject to the political process. Our retail gaming licenses are subject to annual renewal by the Colorado Division of Gaming. Changes to existing statutes and regulations could have a negative effect on our operations.

Results of Operations Year Ended June 30, 2009 Compared to the Year Ended June 30, 2008

We recognized a net loss attributable to common shareholders after $56,778 of dividends on our Series D preferred stock of $(68,245) ($(0.01) per share) for the year ended June 30, 2009, compared to net income attributable to common shareholders after dividends of $17,856, of $105,780 ($0.02 per share) for the year ended June 30, 2008. The decrease in our net income attributable to common shareholders is primarily due to the preferred stock dividends, increases in our corporate expenses of

approximately $34,000 and operating results of the Doc Holliday Casino which contributed a net loss of approximately $(175,000) during the year ended June 30, 2009. We assumed the operations of the Doc Holliday Casino on March 19, 2008. We are currently taking steps to improve its operations through improvements in its marketing strategies, floor operations, and to its customer loyalty programs.

Revenues

Casino revenues for the year ended June 30, 2009 were $6,551,412 compared to $4,561,095 for the year ended June 30, 2008, an increase of $1,990,317 or 43.6%. Total full period revenues for the Bull Durham were $3,989,928, while revenues for Doc Holliday were $2,561,484 for the year ended June 30, 2009. The full period coin-in for the Bull Durham casino was up 4.7% for the year ended June 30, 2009 over the year ended June 30, 2008, and we also experienced a 0.02% increase in our hold percentage for the year ended June 30, 2009 over the year ended June 30, 2008.

Promotional allowances primarily include anticipated redemptions associated with the Bull Durham Casino s Sharpshooter s Club which awards customers with cash payouts dependent upon the frequency and amount of their gaming activities on our slot machines. The total allowances increased by $4,955 from $158,641 to $163,596 for the years ended June 30, 2008 and 2009, respectively.

Operating Expenses

Casino operations: Includes all expenses associated with the operations of the Bull Durham Casino and the Doc Holliday casino for the years ended June 30, 2009 and 2008. As noted elsewhere, operations for the Doc Holliday Casino began on March 19, 2008, and therefore expenses attributable to Doc Holliday for the year ended March 31, 2008 include only approximately three months. The following table summarizes such expenses for comparison and discussion purposes:

	For the years ended			
	June 30, 2009	**June 30, 2008**	**$ Variance**	**% Variance**
Labor & Benefits	$ 2,202,784	$ 1,547,141	$ 655,643	42.4%
Marketing & Advertising	1,248,133	735,897	512,236	69.6%
Depreciation & Amortization	612,707	523,936	88,771	16.9%
Food & Beverage	357,091	239,753	117,338	48.9%
Repair, Maintenance & Supplies	224,882	189,524	35,358	18.7%
Device fees	434,180	231,896	202,284	87.2%

Professional fees	132,995	104,438	28,557	27.3%
Insurance, Taxes & Licenses	218,504	138,202	80,302	58.1%
Utilities & Telephone	181,773	109,739	72,034	65.6%
Occupancy	206,805	-	206,805	n/a
Other casino expenses	108,238	128,513	(20,275)	-15.8%
	$ 5,928,092	$ 3,949,039	$ 1,979,053	50.1%

Labor & Benefits: Includes all salary and contract labor costs associated with the operations of the casinos, payroll taxes, as well as costs associated with the casinos employee benefit and health insurance plans. The 42.4% increase is primarily attributable to Doc Holliday operations. Total labor and benefits costs for the Bull Durham operations increased 3.4%, from $1,254,832 to $1,297,864 for the years ended June 30, 2008 and 2009, respectively, and are primarily attributed to normal annual merit increases and performance bonuses. Total labor and benefits costs as a percentage of casino revenues decreased slightly from 33.9% to 33.6% for the years ended June 30, 2008 and 2009, respectively.

Marketing & Advertising: Includes all costs associated with our advertising and marketing efforts including promotional activities designed to drive customers to our casinos, and programs designed to foster customer loyalty. Approximately $472,000 of the increase is attributed to the Doc Holliday operations for the year ended June 30, 2009. The remaining approximately $40,000 of the increase is attributed to increased promotional activity at the Bull Durham Casino including charter bus arrangements and customer mailings which are both designed to drive customers to the casino.

Depreciation & Amortization: Primarily includes depreciation on our gaming equipment, casino building improvements, furniture and fixtures, as well as amortization on our customer tracking software. The increase of $88,771 is attributable to depreciation of the furniture and fixtures, and gaming assets of the Doc Holliday Casino for the year ended June 30, 2009. We are continuing our efforts to upgrade and maintain the quality and appearance of the machines in both casinos as part of our strategy to provide the best customer experience possible to enhance customer loyalty.

Food & Beverage: Includes all costs associated with our bar and limited menu food services. The $117,338 increase from the year ended June 30, 2008 is primarily the result of Doc Holliday operations for the year ended June 30, 2009. Total food and beverage costs as a percentage of casino revenues was 5.5% for the year ended June 30, 2009 compared to 5.3% for the year ended June 30, 2008.

Repair, Maintenance & Supplies: Includes costs associated with the general upkeep of the facility, as well as parts and repair efforts to maintain the quality of our slot machines. The increase of $35,358 is primarily attributable to Doc Holliday operations for the year ended June 30, 2009. Total repair, maintenance and supplies costs as a percentage of casino revenues decreased from 4.2% to 3.4% for the years ended June 30, 2008 and 2009, respectively.

Device Fees: Includes fees paid to the local jurisdictions of the casinos based on the number of slot machines in operation. The increase of $202,284 is attributed entirely to Doc Holliday operations for the year ended June 30, 2009.

Professional Fees: Includes all costs and fees associated with legal services, accounting and auditing services, and the Board of Directors of Casinos USA (d/b/a The Bull Durham Saloon & Casino). The increase of $28,557 is primarily attributed to a bonus paid to the directors of Casinos USA in November 2008.

Insurance, Taxes & Licenses: Includes all non-payroll taxes, liability and property insurance, and licenses associated with the operation of the casinos. The increase of $80,302 is attributed to Doc Holliday operations for the year ended June 30, 2009. Total insurance, taxes and licenses as a

percentage of casino revenues increased slightly from 3.0% to 3.3% for the year ended June 30, 2008 and 2009, respectively.

Utilities & Telephone: Includes all costs associated with the casinos telephone systems, cell phone usage, and utility costs. The increase of $72,034 is primarily attributed to the Doc Holliday operations for the year ended June 30, 2009, and to a lesser degree general increases in utility costs, particularly water, gas and electricity. Total utilities and telephone costs as a percentage of revenues increased from 2.4% to 2.8% for the years ended June 30, 2008 and 2009, respectively.

Occupancy: Includes lease costs of the Doc Holliday Casino, which leases approximately 13,000 square feet of space used for its gaming activities, supporting offices and storage space under an operating lease that terminates in July 2015. Effective August 1, 2008, the monthly lease payments escalated to $25,362 from $17,029 per month. The lease requires the Casino to pay for a portion of the building expenses until the landlord secures additional tenants to occupy the remaining building space. To the extent the Casino pays total building expenses in excess of the Casino s portion as defined by the lease, any excess amounts paid are credited to the following lease year s rent payments. As of June 30, 2009, prepaid rent credits available to offset future rent payments was approximately $88,000 and are recorded as prepaid expenses and other current assets. For the year ended June 30, 2009, the total cash paid for rent at the Casino was $223,564. The difference between the amount recorded as occupancy expense and the cash paid for rent is due to the accrual of prepaid rent credits for 2009 resulting from certain payments of building expenses as discussed above.

Other Casino Expenses: Includes all other costs of the casino operations not included in the above categories, including travel, armored car services, postage, casino entertainment, employee education programs, and lease costs associated with off-site storage units. Total other casino expenses as a percentage of revenues was 1.7% and 2.8% for the years ended March 31, 2009 and 2008, respectively.

Operating, general, and administrative expenses: Generally includes all expenses associated with the operations of the parent entity, Global Casinos, Inc., including legal and executive services provided by the company s principal executive officer, accounting services provided by the company s principal accounting officer, as well as clerical and bookkeeping services, corporate marketing efforts, stock-based compensation costs relating to the company s executive officers, directors, and subsidiary management, and occupancy costs associated with the corporate office.

For the year ended June 30, 2009, total operating, general, and administrative costs were $249,213, as compared to $215,112 for the years ended June 30, 2009 and 2008, respectively, a net increase of $34,101 or 15.9%, and is attributable to three primary factors as well as the corporate occupancy costs discussed below. First, on September 2, 2008 the Company awarded an aggregate of 90,000 shares of common stock valued at $45,000 ($.50 per share) in consideration of services provided by the Company s directors and executive officers. No stock compensation expense was incurred during the year ended June 30, 2008. Second, on April 1, 2008 we entered into a consulting agreement with an independent contractor to provide corporate development services. The agreement required us to pay the consultant a fee equal to $50,000 payable in sums of not less than $10,000 per month. For the year ended June 30, 2009, $21,680 was charged to consulting expense under the agreement. For the year ended June 30, 2008, $28,320 was charged under the agreement. Finally, in August 2008 we entered into a consulting agreement to provide public

and shareholder relation services. The agreement requires monthly retainer fees of $2,000, plus certain expenses. During the year ended June 30, 2009, we have paid approximately $27,000 under this agreement.

Corporate occupancy: Prior to January 2006, we leased approximately 4,200 square feet of space used as its corporate offices. The lease required monthly payments of approximately $3,500. A portion of the space was subleased for monthly rental income of approximately $2,500. In January 2006, the lease with the landlord was terminated and assumed by Gunpark Asset Management, LLC (Gunpark), a company operated by the Company s former President and Director. Concurrently, the Company entered into a Shared Services Agreement with Gunpark. The agreement required Gunpark provide sufficient office space to the Company, and requires the Company make monthly payments directly to the landlord of $3,000. The monthly payment was allocated as $2,000 to rent expense, and $1,000 to clerical services. In March 2008, the agreement was modified by both parties due to changes in the delivery of clerical services to be provided under the previous agreement. By mutual agreement of both parties, the current agreement expired June 1, 2008. Net rent expense after giving effect to sublease income received was $-0- and $22,000 for the years ended June 30, 2009 and 2008, respectively, and is included in operating, general and administrative expenses. Upon termination of the Shared Services Agreement, we began utilizing certain office functions and systems managed by the Company s president and chief executive officer in Boulder, Colorado. As such, we have significantly reduced our corporate office space requirements and do not expect additional further office space or services will be required under the current corporate operating structure.

Other than the above discussed items, there were no significant variances in operating, general, and administrative costs between the comparable periods.

Stock based compensation: In fiscal year ending June 30, 2007, we adopted the provisions of, and account for stock-based compensation in accordance with, the Financial Accounting Standards Board s (FASB) Statement of Financial Accounting Standards No. 123 revised 2004 (SFAS 123R), *Share-Based Payment* which replaced` Statement of Financial Accounting Standards No. 123 (SFAS 123), *Accounting for Stock-Based Compensation* and supersedes APB Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the period during which the holder is required to provide services in exchange for the award, i.e., the vesting period. We elected the modified-prospective method, under which prior periods are not revised for comparative purposes. For the year ended June 30, 2009 we recognized $45,000 of stock based compensation associated with the stock awards to the Company s directors and executive officers as discussed above. No stock compensation expense was incurred during the year ended June 30, 2008

Interest Expense

Interest expense was $157,851 for the year ended June 30, 2009 compared to $105,979 for the year ended June 30, 2008, and primarily represents regularly scheduled payments on various senior and junior mortgages collateralized by the Bull Durham Saloon and Casino real estate, as well as certain debt incurred to facilitate the acquisition of the Doc Holliday Casino in March 2008. The increase is generally attributable to the debt issued associated with the acquisition of the Doc Holliday Casino in March 2008, and to a lesser degree an increase in the interest rate in March 2008 from 7% to 12% on the senior mortgage secured by the Bull Durham Casino. Interest expense is partially offset by interest income earned on certain cash balances maintained at financial institutions.

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Loss on asset disposals

During the year ended June 30, 2009 we disposed certain casino equipment with a book value of $3,680, for which we received $400. The resulting $3,280 loss was recorded as a loss on asset disposals. No disposals were made during the year ended June 30, 2008.

Other

Global Gaming Technologies: On February 28, 2006, we entered into an Organization Agreement with a certain individual to form a for-profit limited liability company under the name of Global Gaming Technologies, LLC (GGT). GGT was formed for the purpose of bringing to market two games of poker developed by the other party to the agreement, whose contribution included all of his intellectual property rights related to the two games which he developed. At the present time, both games are still under development and neither has been approved for use in any gaming jurisdiction. At this time GGT has no revenues and none are expected until such time that patent protections are secured and significant marketing of the games can commence. The investment is being accounted for under the equity method. Its cash outlays have primarily been related to investigating patent protection for the products under development and for various product development and organizational costs. For the years ended June 30, 2009 and 2008 we recorded $10,437 and $8,688, respectively, for various GGT organizational, product development and marketing expenditures.

During the quarter ended June 30, 2009 we determined the investment in GGT was impaired due to GGT s inability to secure patents for the games in a reasonable time period which has provided significant uncertainty regarding the outcome of the patent process. Should patent protections not be obtained, the exclusivity of the games could be severely impaired, thereby significantly reducing the potential value of the games to GGT. Because of these uncertainties we believe the investment impairment is other than temporary, and as such we have recorded an impairment charge of $50,410 at June 30, 2009.

Series D Preferred Stock: In March 2008 we sold 700,000 shares of Series D preferred stock at its stated value of $1.00 per share. The proceeds from the sale were used as partial compensation to the seller of the Doc Holliday casino. The holders of the preferred shares are entitled to receive dividends at the rate of 8% per year, declared quarterly and payable the 15th day of April, July, October and January of each year. For the year ended June 30, 2008, dividends of $56,778 were declared on the Series D Preferred Stock, of which $42,622 had been paid as of June 30, 2009. The remaining unpaid dividends declared on June 30, 2009 are included in accrued expenses at June 30, 2009.

Net Operating Loss Carryover: For federal income tax purposes, Global has a net operating loss carryover (NOL) approximating $5,700,000, which can be used to offset future taxable income, if any. Under the Tax Reform Act of 1986, the amounts of and the benefits from NOL's are subject to certain limitations including restrictions imposed when there is a loss of business continuity or when ownership changes in excess of 50% of outstanding shares, under certain circumstances. We do not believe the acquisition of Doc Holliday will result in impairment of our NOL.

However, there is no guarantee that Global will be able to utilize its NOL before it expires and accordingly, no potential benefit has been recorded in the financial statements.

Inflation did not have a material impact on the Company's operations for the period.

Other than the foregoing, management knows of no trends, demands, or uncertainties that are reasonably likely to have a material impact on the Company's results of operations.

Liquidity and Capital Resources

Our primary source of cash is internally generated through operations. As of June 30, 2009, neither the Company nor its subsidiaries have commercial bank credit facilities. Consequently, we believe that cash necessary for future operating needs must be internally generated though operations. Cash flow at one of the Company s operating subsidiaries, Bull Durham, has been sufficient to fund operations and we believe that cash flow will be sufficient during the next twelve months to continue our operations. Cash flows from our other operating subsidiary, Doc Holliday, have not been sufficient to fund its operations and necessary capital improvements, however operating changes we have implemented since its acquisition have stabilized its cash flows to near break-even for fiscal year ended June 30, 2009, our first full year of operating this casino. From time to time, we have depended on funds received through debt and equity financing to address operating shortfalls and capital requirements. We have also relied, from time to time, upon loans from affiliates to meet immediate cash demands. There can be no assurance that these affiliates or other related parties will continue to provide funds to us in the future if necessary, as there is no legal obligation on these parties to provide such loans.

At June 30, 2009, the Company had cash and cash equivalents of $1,378,074, substantially all of which was utilized in our casino operations. Pursuant to state gaming regulations, the casinos are required to maintain cash balances sufficient to pay potential jackpot awards. Our cash balances at June 30, 2009 were in excess of funds required by gaming regulations.

Our working capital decreased by $1,263,961 to a working capital deficit of $(1,154,348) at June 30, 2009 from working capital of $109,613 at June 30, 2008. The decrease in our working capital is principally due to our mortgage debt and debt associated with the acquisition of the Doc Holliday casino now due or maturing within one year, and as such is classified as short term liabilities at June 30, 2009. Cash flows generated from our operations have been sufficient to service the monthly installments on the mortgage debt. We are currently exploring options to refinance all our debt. There can be no assurance these efforts will be successful. In the event such efforts are not successful, we intend to work with the various creditors to extend or restructure the outstanding debt.

Cash provided by operating activities was $767,642 for the year ended June 30, 2009. For the year ended June 30, 2008, operating activities provided net cash of $584,466. The increase in cash provided by operating activities of $183,176 was primarily the result of increases in certain non-cash charges including depreciation, impairment on our investment in Global Gaming Technologies, stock based compensation, and amortization of a debt discount, as well as favorable changes in certain operating assets and liabilities during the year ended June 30, 2009.

Cash used by investing activities was $210,685 for the year ended June 30, 2009, and represents purchases of gaming and security equipment, as well as $400 of proceeds received on the disposal of certain equipment. Also during the year ended June 30, 2009 we acquired $51,606 of gaming equipment in non-cash vendor financing arrangements. During the year ended June 30, 2008 we purchased a total of $47,350 of gaming equipment. In addition, we acquired $44,804 of gaming equipment in non-cash vendor financing arrangements. Lacking other financing options, we expect

some of the equipment financing activity to continue to be short-term financing by our vendors under similar terms.

For the year ended June 30, 2010 we expect to acquire approximately $250,000 in gaming equipment and other capital items, primarily to continue our efforts to upgrade and purchase new slot machines and improve the customer experience. We are also contemplating installing a customer tracking system at the Doc Holliday casino similar to the system operating at the Bull Durham casino. Such a system would require the outlay of approximately $400,000, and as of the date of this report no specific financing has been obtained.

On March 18, 2008 we completed the acquisition of substantially all the assets and certain liabilities of the Doc Holliday casino. The Asset Purchase and Sale Agreement (Agreement) required us to deposit into escrow $100,000 as earnest money, which was done during fiscal year 2007. Upon closing of the acquisition, these funds were released from escrow. The aggregate purchase price was $2,900,471, including $1,665,376 in cash, 450,000 shares of the Company s common stock valued at $.75 per share totaling $337,500, and a business personal property appraisal expense of $7,000, as well as $365,580 of liabilities assumed, and new short-term debt of $525,015.

On February 28, 2006, we entered into an Organization Agreement with a certain individual to form a for-profit limited liability company under the name of Global Gaming Technologies, LLC (GGT). GGT was formed for the purpose of bringing to market two games of poker under development by the other party to the agreement, whose contribution included all of his intellectual property rights related to the two games which he developed. At the present time, both games are still under development and neither has been approved for use in any gaming jurisdiction. At this time GGT has no revenues and none are expected until such time that patent protections are secured and marketing of the games can commence. Under the terms of the agreement we agreed to make an initial cash contribution to GGT of $100,000 in exchange for a 25% equity interest. As of June 30, 2009, we had made total cash contributions totaling $74,150. The balance due of $25,850 under the terms of the agreement has been recorded as a current liability. The timing of the future cash payments required under the agreement is dependent upon the cash requirements of GGT to execute its business plan. Also under the terms of the agreement, we have the option to make additional cash contribution of $100,000 in exchange for an additional 25% equity interest. The investment is being accounted for under the equity method. Its cash outlays have primarily been related to investigating patent protection for the products under development and for various product development, organizational and marketing costs.

During the quarter ended June 30, 2009 we determined the investment in GGT was impaired due to GGT s inability to secure patents for the games in a reasonable time period which has provided significant uncertainty regarding the outcome of the patent process. Should patent protections not be obtained, the exclusivity of the games could be severely impaired, thereby significantly reducing the potential value of the games to GGT. Because of these uncertainties we believe the investment impairment is other than temporary, and as such we have recorded an impairment charge of $50,410 at June 30, 2009.

Cash flows used by financing activities were $342,299 for the year ended June 30, 2009, compared to cash provided of $387,426 during the year ended June 30, 2008. Principal payments on our long term debt totaled $285,521 for the year ended June 30, 2009, and represents principal payments on our mortgage debt, debt associated with the acquisition of the Doc Holliday casino, and equipment financing obligations. Principal payments on long term debt

totaled $408,874 for the year ended June 30, 2008, and

also represent principal payments on our mortgage debt, debt associated with the acquisition of the Doc Holliday casino, and equipment financing obligations.

In March 2008, we completed a private offering of 700,000 shares of Series D Preferred stock. The preferred stock has a stated value of $1.00 per share, and its holders are entitled to receive dividends at the rate of 8% per year, declared quarterly and payable on the 15th day of April, July, October and January of each year. The dividends are cumulative and may be paid in cash, or at the option of the holder in shares of the Company s common stock valued at the market price on the dividend record date. During the year ended June 30, 2009, dividends declared totaling $56,778 were paid, including $14,156 of dividends declared on June 30, 2008. On June 30, 2009 dividends totaling $14,156 were declared and are included in accrued expenses at June 30, 2009. The preferred stock is redeemable at any time only at the option of the Company. At the option of the holder, each preferred share is convertible to one share of the Company s common stock. The $700,000 proceeds from the private offering were used as partial payment to the seller of Doc Holliday at the acquisition closing on March 18, 2008.

Also in March 2008, the Company completed a private offering of 100,000 shares of common stock at a price of $.50 per share. The proceeds of $50,000 received from the sale were also used as partial payment to the seller of Doc Holliday at the acquisition closing on March 18, 2008.

Corporate Development Consulting Agreement

On April 1, 2008 the Company entered into a Consultation Agreement (Agreement) with an independent contractor to provide corporate development services. The Agreement was to terminate on September 1, 2008, but was extended by both parties on a month to month as needed basis by verbal agreement. The agreement required the Company pay the consultant a fee equal to $50,000. Through June 30, 2009 a total of $50,000 has been charged on the contract, of which $40,000 had been paid to the consultant as of June 30, 2009. The remaining $10,000 on the consulting contract is included in accrued expenses at June 30, 2009.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Securities and Exchange Commission regulation S-K.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates included herein relate to the recoverability of assets, the value of long-lived assets and liabilities, including estimates of liabilities incurred under customer rewards programs, the value of share based compensation transactions, the long-term viability of the business, the future impact of gaming regulations, and future obligations under various tax statutes. Actual results may differ from estimates.

Other than the foregoing, management knows of no trends, demands, or uncertainties that are reasonably likely to have a material impact on the Company's liquidity and capital resources.

ITEM 7A.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT

MARKET RISK.

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements are filed as part of this report:

1. Report of Independent Registered Public Accounting Firm Schumacher & Associates
2. Consolidated Balance Sheets as of June 30, 2009 and June 30, 2008
3. Consolidated Statements of Earnings for the Years Ended June 30, 2009 and 2008
4. Consolidated Statement of Stockholders' Equity for the Years Ended June 30, 2009 and 2008
5. Consolidated Statements of Cash Flows for the Years Ended June 30, 2009 and 2008
6. Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Board of Directors

Global Casinos, Inc.

We have audited the accompanying consolidated balance sheets of Global Casinos Inc. and Consolidated Subsidiaries as of June 30, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for the two years ended June 30, 2009 and 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Casinos, Inc. and Consolidated Subsidiaries as of June 30, 2009 and 2008, and the results of its operations and cash flows for the two years ended June 30, 2009 and 2008, in conformity with accounting principles generally accepted in the United States of America.

SCHUMACHER & ASSOCIATES, INC.

Denver, Colorado
September 25, 2009

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

		June 30, 2009		*June 30, 2008*
ASSETS				
Current Assets				
Cash and cash equivalents	$	1,378,074	$	1,163,416
Accrued gaming income		190,516		219,821
Inventory		19,309		16,469
Prepaid expenses and other current assets		100,791		92,972
Total current assets		1,688,690		1,492,678
Acquisition escrow deposit		-		-
Investment in Global Gaming Technologies		-		60,847
Land, building and improvements, and equipment:				
Land		517,950		517,950
Building and improvements		4,121,308		4,121,308
Equipment		3,192,703		3,057,670
Total land, building and improvements, and equipment		7,831,961		7,696,928
Accumulated depreciation		(4,393,514)		(3,900,633)
Land, building and improvements, and equipment, net		3,438,447		3,796,295
Goodwill		1,898,496		1,898,496
Total assets	$	7,025,633	$	7,248,316

(CONTINUED ON FOLLOWING PAGE)

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(CONTINUED FROM PREVIOUS PAGE)

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2009	June 30, 2008
Current liabilities:		
Accounts payable, trade	$ 140,541	$ 75,196
Accounts payable, related parties	18,507	68,332
Accrued expenses	360,774	359,461
Accrued interest	6,720	6,390
Joint venture obligation	25,850	30,000
Current portion of long-term debt	2,038,068	589,581
Other	252,578	254,105
Total current liabilities	2,843,038	1,383,065
Long-term debt, less current portion	-	1,659,411
Commitments and contingencies		
Stockholders' equity:		
Preferred stock: 10,000,000 shares authorized		
Series A - no dividends, $2.00 stated value, non-voting,		
2,000,000 shares authorized, 200,500 shares issued and outstanding	401,000	401,000
Series B - 8% cumulative, convertible, $10.00 stated value, non-voting,		
400,000 shares authorized, no shares issued and outstanding	-	-
Series C - 7% cumulative, convertible, $1.20 stated value, voting		
600,000 shares authorized, no shares issued and outstanding	-	-
Series D - 8% cumulative, convertible, $1.00 stated value, non-voting		
	700,000	700,000

1,000,000 shares authorized, 700,000 shares issued and outstanding		
Common stock - $0.05 par value; 50,000,000 shares authorized;		
5,955,215 and 5,865,215 shares issued and outstanding	297,761	293,261
Additional paid-in capital	14,010,815	14,027,093
Accumulated deficit	(11,226,981)	(11,215,514)
Total equity	4,182,595	4,205,840
Total liabilities and stockholders' equity	$ 7,025,633	$ 7,248,316

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
for the year ended June 30, 2009 and 2008

		2009		*2008*
Revenues:				
Casino	$	6,551,412	$	4,561,095
Promotional allowances		(163,596)		(158,641)
Net Revenues		6,387,816		4,402,454
Expenses:				
Casino operations		5,928,092		3,949,039
Operating, general, and administrative		249,213		215,112
		6,177,305		4,164,151
Income (loss) from operations		210,511		238,303
Other income (expense):				
Interest		(157,851)		(105,979)
Equity in earnings of Global Gaming Technologies		(10,437)		(8,688)
Impairment of investment in Global Gaming Technologies		(50,410)		-
Loss on asset disposals		(3,280)		-
Income (loss) before provision for income taxes		(11,467)		123,636
Provision for income taxes		-		-
Net income (loss)		(11,467)		123,636
Series D Preferred dividends		(56,778)		(17,856)
Net income (loss) attributable to common shareholders	$	(68,245)	$	105,780
Earnings (loss) per common share:				
Basic	$	(0.01)	$	0.02
Diluted	$	(0.01)	$	0.02

Weighted average shares outstanding:		
Basic	5,940,420	5,836,006
Diluted	5,940,420	5,923,088

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
July 1, 2007 through June 30, 2009

	SERIES A PREFERRED STOCK		SERIES D PREFERRED STOCK		COMMON STOCK				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid In Capital	Accumulated (Deficit)	
Balance as of June 30, 2007	200,500	$ 401,000	-	$ -	5,202,907	$260,146	$ 13,632,564	$(11,339,150)	$2,
Sale of Series D Preferred stock	-	-	700,000	700,000	-	-	-	-	
Sales of common stock	-	-	-	-	200,000	10,000	90,000	-	
Issue common stock	-	-	-	-	450,000	22,500	315,000	-	
Conversion of accounts payable to common stock	-	-	-	-	12,308	615	7,385	-	
Series D Preferred dividends	-	-	-	-	-	-	(17,856)	-	
Net Income	-	-	-	-	-	-	-	123,636	
Balance as of June 30, 2008	200,500	$ 401,000	700,000	$700,000	5,865,215	$293,261	$ 14,027,093	$(11,215,514)	$4,
Common stock issued to officers and directors	-	-	-	-	90,000	4,500	40,500	-	

Series D Preferred dividends	-	-	-	-	-	-	(56,778)	-	
Net loss	-	-	-	-	-	-	-	(11,467)	
Balance as of June 30, 2009	200,500	$ 401,000	700,000	$700,000	5,955,215	$297,761	$ 14,010,815	$(11,226,981)	$4,

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended June 30, 2009 and 2008

	2009	*2008*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (11,467)	$ 123,636
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	612,709	531,600
Equity in losses of Global Gaming Technologies	10,437	8,688
Impairment of investment in Global Gaming Technologies	50,410	-
Stock based compensation	45,000	-
Loss on disposals of fixed assets	3,280	-
Amortization of debt discount	22,991	-
Changes in operating assets and liabilities		
Accrued gaming income	29,305	(180,548)
Inventories	(2,840)	879
Other current assets	(7,819)	19,419
Accounts payable and accrued expenses	16,833	69,149
Accrued interest	(1,527)	2,538
Other current liabilities	330	9,105
Net cash provided by operating activities	767,642	584,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of building improvements and equipment	(206,935)	(47,350)
Release of acquisition escrow funds	-	100,000
Acquisition of Doc Holliday net assets	-	(1,672,376)
Proceeds from sale of assets	400	-
Investment in Global Gaming Technologies	(4,150)	(10,000)
	(210,685)	(1,629,726)

Net cash used by investing activities

(CONTINUED ON FOLLOWING PAGE)

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the year ended June 30, 2009 and 2008

(CONTINUED FROM PREVIOUS PAGE)

	2009	*2008*
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(285,521)	(408,874)
Proceeds from sale of Series D preferred stock	-	700,000
Proceeds from sale of common stock	-	100,000
Payment of Series D preferred stock dividends	(56,778)	(3,700)
Net cash provided by (used in) financing activities	(342,299)	387,426
Net (decrease) increase in cash	214,658	(657,834)
Cash at beginning of period	1,163,416	1,563,968
Cash acquired in acquisition of Doc Holliday		257,282
Cash at end of period	$ 1,378,074	$ 1,163,416
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 141,276	$ 116,456
Cash paid for income taxes	$ -	$ -
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Equipment financing obligations	$ 51,606	$ 44,804
Accrued and unpaid dividends on Series D preferred stock	$ 14,156	$ 14,156
Common stock issued in acquisition of Doc Holliday	$ -	$ 337,500
Debt assumed in acquisition of Doc Holliday	$ -	$ 653,087
Accounts payable converted to common stock	$ -	$ 8,000

See accompanying notes to these financial statements

GLOBAL CASINOS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Global Casinos, Inc. (Company) is presented to assist in understanding the Company s financial statements. The financial statements and notes are representations of the Company s management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization and Consolidation

Global Casinos, Inc. (the "Company or "Global"), a Utah corporation, operates two gaming casinos.

As of June 30, 2009, the Company s operating subsidiaries were Casinos USA, Inc. ("Casinos USA, a Colorado corporation), which owns and operates the Bull Durham Saloon and Casino ("Bull Durham"), located in the limited stakes gaming district of Black Hawk, Colorado, and Doc Holliday Casino II, LLC (a Colorado limited liability company), which operates the Doc Holliday Casino (Doc Holliday), located in the limited stakes gaming district of Central City, Colorado. Doc Holliday Casino II, LLC was incorporated in the state of Colorado on June 15, 2007 for the purpose of acquiring substantially all the assets and certain liabilities of the Doc Holliday Casino, and to operate the casino. The acquisition was completed on March 18, 2008. The results of Doc Holliday's operations have been included in the consolidated financial statements since that date.

The consolidated financial statements of the Company include the accounts of its wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates included herein relate to the recoverability of assets, the value of long-lived assets and liabilities, the value of share based compensation transactions, the long-term viability of the business, the future impact of gaming regulations, and future obligations under various tax statutes. Actual results may differ from estimates.

Risk Considerations

The Company operates in a highly regulated environment subject to the political process. Our retail gaming licenses are subject to annual renewal by the Colorado Division of Gaming. Changes to existing statutes and regulations could have a negative effect on our operations. In addition, since the Company s two gaming facilities are both located in the Central City and Black Hawk, Colorado geographic area, the potential for severe financial impact can result from negative effects of economic conditions within the market or geographic area. This concentration results in an associated risk and uncertainty.

Concentrations of Credit Risk

Financial instruments that potentially subject the company to concentrations of credit risk consist principally of cash and cash equivalents, and accounts receivables. At June 30, 2009, the Company had approximately $289,000 of cash or cash equivalents in financial institutions in excess of amounts insured by agencies of the U.S. Government.

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The Company's financial instruments include cash, accrued gaming income, accounts payable, accrued expenses, other current liabilities and long-term debt. Except for long-term debt, the carrying value of financial instruments approximated fair value due to their short maturities.

The carrying value of long-term debt approximated fair value because interest rates on these instruments are similar to quoted rates for instruments with similar risks.

Cash and Cash Equivalents

Cash consists of demand deposits and vault cash used in casino operations. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accrued Gaming Income

Gaming income represents the difference between the cash played by customers, and the cash paid out by the casino machines. On a regular basis, the cash representing the casino s revenue is pulled from the machines and deposited. However, this process does not always occur at the end of the last business day of the month. Accrued gaming income represents the amount of revenue (cash) in the machines that has not yet been pulled and deposited at the end of the reporting period. At June 30, 2009 and June 30, 2008, $190,516 and $219,821 of income, respectively, was accrued and recorded as a current asset.

Inventories

Inventories primarily consist of food and beverage supplies and are stated at the lower of cost or market. Cost is determined by the specific-cost method.

Land, Building and Improvements, and Equipment

Land, building and improvements, and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives. The building is depreciated over 31 years, and improvements and equipment are depreciated over five to seven years. Depreciation expense for the years ended June 30, 2009 and 2008 was $612,709 and $531,600, respectively.

Impairment of Long-Lived Assets

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets,* the Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value to future undiscounted cash flows expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is determined as the amount by which the carrying value exceeds the fair value of the assets.

Revenue Recognition

In accordance with gaming industry practice, the Company recognizes casino revenues as the net win from gaming activities, which is the difference between gaming wins and losses. Anticipated payouts resulting from our customer loyalty program (Sharpshooter s Club), in which registered customers are awarded cash based on the frequency and amounts of their gaming activities are included in promotional allowances. In accordance with gaming industry practice and EITF 00-22, these promotional allowances are presented as a reduction of casino revenues.

Advertising Costs

The Company expenses all advertising costs as they are incurred. Advertising costs were $476 and $1,318 for the years ended June 30, 2009 and 2008, respectively.

Income Taxes

The Company uses the liability method of accounting for income taxes. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates resulting from new legislation is recognized in income in the period of enactment. A valuation allowance is established against deferred tax assets when management concludes that the "more likely than not" realization criteria has not been met.

Earnings Per Common Share

Earnings (or loss) per share ("EPS") are calculated in accordance with the provisions of SFAS No. 128**,** *Earnings Per Share.* SFAS No. 128 requires the Company to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all dilutive potential common shares outstanding, except where the effect of their inclusion would be anti-dilutive.

Potentially dilutive shares of 84,997 and 39,399 were not included in the calculation of diluted earnings per share for the years ended June 30, 2009 and 2008, respectively, as their inclusion would have been anti-dilutive.

Stock-Based Compensation

During the year ended June 30, 2007, we adopted the provisions of, and account for stock-based compensation in accordance with, the Financial Accounting Standards Board s (FASB) Statement of Financial Accounting Standards No. 123 revised 2004 (SFAS 123R), *Share-Based Payment* which replaced` Statement of Financial Accounting Standards No. 123 (SFAS 123), *Accounting for Stock-Based Compensation* and supersedes APB Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the period during which the holder is required to provide services in exchange for the award, i.e., the vesting period. We elected the modified-prospective method, under which prior periods are not revised for comparative purposes. The valuation provisions of SFAS 123R apply to new grants and to grants that were outstanding as of the effective date and are subsequently modified. Estimated compensation for grants that were outstanding as of the effective date will be recognized over the remaining service period using the compensation cost estimated for the SFAS 123 pro forma disclosures.

On September 2, 2008, the Company s board of directors granted a total of 90,000 shares of the Company s common stock to its members and certain members of senior management as consideration of services provided by the Company s directors and executive officers. The services were valued at $.50 per share, and as such $45,000 of stock based compensation was recorded and included in operating, general and administrative expenses for the year ended June, 2009.

Comprehensive Income

SFAS No. 130, *Reporting Comprehensive Income,* established standards for reporting and display of comprehensive income, its components and accumulated balances. For the years ended June 30, 2009 and 2008, there were no differences between reported net income and comprehensive income.

Derivative Instruments and Hedging Activities

SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities,* established requirements for disclosure of derivative instruments and hedging activities. During the periods covered by the financial statements the Company did not have any derivative financial instruments and did not participate in hedging activities.

Segment Information

The Company currently operates in one business segment as determined in accordance with SFAS No. 131, *Disclosure about Segments of an Enterprise and Related Information.* The determination of reportable segments is based on the way management organizes financial information for making operating decisions and assessing performance. All operations are located in the United States of America.

Recent Pronouncements

In April 2009, the FASB issued FSP FAS 107-1 and Accounting Principles Board (APB) 28-1 *Interim Disclosures about Fair Value of Financial Instruments*. The FSP amends SFAS No. 107 *Disclosures about Fair Value of Financial Instruments* to require an entity to provide disclosures about fair value of financial instruments in interim financial information. This FSP is to be applied prospectively and is effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of this FSP is not expected to have an impact on the Company s consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (SFAS 165). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 is effective for the Company as of June 30, 2009. The adoption of SFAS 165 did not have a material impact on the Company s consolidated financial statements.

In July 2009, the FASB issued SFAS No. 168, *FASB Accounting Standards Codification* (SFAS 168), as the single source of authoritative nongovernmental U.S. generally accepted accounting principles. The Codification is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in SFAS 168. All other accounting literature not included in the Codification is non-authoritative. Management is currently evaluating the impact of the adoption of SFAS 168 but does not expect the adoption of SFAS 168 to impact the Company s consolidated financial statements.

There were various other accounting standards and interpretations issued during 2009 and 2008, none of which are expected to have a material impact on the Company s consolidated financial position, operations, or cash flows.

2. ACQUISITION

On March 18, 2008 the Company completed its acquisition of substantially all the assets and certain liabilities of the Doc Holliday Casino (Casino). The results of the Casino have been included in the consolidated financial statements since that date. The Casino is a limited stakes gaming establishment located in Central City, Colorado and is

generally considered to be in the same market and gaming environment as the Bull Durham Saloon and Casino. We anticipate our acquisition of the Casino will allow us to benefit from joint marketing efforts, and to a lesser degree reduce its administrative operating expenses through economies of scale.

The purchase was accounted for under the purchase method of accounting in accordance with *Statement of Financial Accounting Standards No. 141, Business Combinations*. Under the purchase method of accounting, the total purchase price, including transaction costs, is allocated to the assets

and liabilities acquired based on their fair values at the completion of the transaction. The aggregate purchase price was $2,900,471, including $1,665,376 in cash, 450,000 shares of the Company s common stock valued at $.75 per share totaling $337,500, and a business personal property appraisal expense of $7,000, as well as $365,580 of liabilities assumed, and new short-term debt of $525,015. The value of the common stock was determined by the average of the closing prices of the Company s common stock for the day prior through the day after the closing of the acquisition. Two notes payable were issued to the seller by Doc Holliday II, LLC. The first note was a 0% interest note of $400,000, and was due in full on or before March 31, 2009, and was valued at $369,345 using a discount rate of 8%. The second note in the amount of $155,670 is an 8% installment note requiring monthly principal and interest payments of $13,541, and matured on March 18, 2009.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of the acquisition. Intangible assets purchased have been determined to have minimal value, and as such none have been recorded.

	At March 18, 2008
Current assets, including $257,282 in cash	$ 366,005
Furniture, fixtures and equipment	635,970
Goodwill	1,898,496
Total assets acquired	2,900,471
Current liabilities	237,508
Debt	653,087
Total liabilities assumed	890,595
Net assets acquired	$ 2,009,876

Goodwill resulting from the transaction has not been allocated to specific intangible assets. It is expected that all goodwill will be deductible for tax purposes.

3. NOTES PAYABLE AND LONG-TERM DEBT

At June 30, 2009, notes payable and long-term debt consisted of the following:

Senior mortgage payable to an investment company, collateralized by real estate, interest at 12%, monthly payments of $7,646 through September 19, 2009. Final payment of $721,475.	$ 722,324

Junior mortgages payable to private lenders, collateralized by real estate, interest at 4%, monthly payments of $5,054 through September 19, 2009. Final payment of $908,940.	914,972
Note payable to seller of Doc Holliday Casino, uncollateralized, total principal due March 31, 2009, no interest. Default interest rate of 8% applies until note paid in full.	366,667
Installment note payable to equipment supplier, collateralized by equipment, requiring monthly payments of $2,323, no interest, final payment due December 13, 2009.	11,614

Installment note payable to equipment supplier, collateralized by equipment, requiring monthly payments of $7,603, interest at 8.5%, final payment due September 18, 2009.	22,491
Total notes payable and long-term debt	2,038,068
Less current portion	(2,038,068)
Long-term debt, net	$ 0

The note payable to the seller of Doc Holliday Casino in the amount of $366,667, was in default at June 30, 2009 and as of the date of this report. Under the terms of the agreement, the unpaid principal and any costs of collection shall accrue interest from the date of default at the rate of 8%. Management is currently working to obtain debt or equity financing, or a combination of both, to restructure all Company debt. No agreements have been made as of the date of this report, and there can be no assurance such financing will be obtained.

Scheduled maturities of notes payable and long-term debt for the one year period ending June 30, 2010 is as follows:

2010	$ 2,038,068

4. STOCKHOLDERS' EQUITY

Preferred Stock

The Company has authorized 10,000,000 shares of preferred stock. These shares may be issued in series with such rights and preferences as may be determined by the Board of Directors.

Series A Convertible Redeemable Preferred Stock

The Company's Board of Directors has authorized 2,000,000 shares of $2.00 stated value, Series A Preferred Stock. The preferred stock has a senior liquidation preference value of $2.00 per share. It does not bear dividends. The conversion privileges originally included with the stock have expired. The preferred stock originally contained a mandatory redemption feature that required the Company to redeem the outstanding stock on May 31, 1995 at a rate of $2.00 per share. On May 31, 1995, a majority of the preferred stockholders agreed to waive the mandatory redemption in consideration for a lower conversion price into common shares at $1.125 per share. Subsequently, holders of 1,205,750 shares of Series A preferred stock converted their holdings into common stock. The remaining 200,500 outstanding shares of Series A preferred stock are held by owners who chose not to participate in the revised offer and remain outstanding at June 30, 2009. During the year ended June 30, 2005, the Company determined that the mandatory redemption feature expired due to the statute of limitations. Accordingly, the Series A preferred stock was reclassified from current liabilities to stockholders' equity.

Series B Convertible Redeemable Preferred Stock

The Company's Board of Directors has authorized 400,000 shares of $10.00 stated value, Series B Convertible Preferred Stock. Each share of Series B preferred stock is convertible into one share of

the Company's common stock or may be redeemed at an exercise price of $10.00 per share. In addition, the Series B shares have a junior liquidation preference of $10.00 per share. Holders of the Series B preferred stocks are entitled to receive an annual dividend payable at the rate of 8% per annum, which is cumulative, and unpaid dividends bear interest at an annual rate of 12%. As of June 30, 2009 there were no shares outstanding.

Series C Convertible Preferred Stock

In January 1999, the Board of Directors of the Company ratified the issuance of Series C preferred stock. The Company has authorized 600,000 Series C shares with a stated value of $1.20 per share. Series C shares are convertible into common stock at a rate of $1.20 per share. Holders of Series C preferred stock are entitled to vote and to receive dividends at the annual rate of 7% based on the stated value per share. In addition, the holders of Series C preferred stock are entitled to participate, pro rata, in dividends paid on outstanding shares of common stock. The dividends are cumulative and unpaid dividends bear interest at an annual rate of 10%. As of June 30, 2009 there were no shares outstanding.

Series D Convertible Preferred Stock

In February 2008, the Board of Directors of the Company established a series of the class of preferred stock designated Series D Convertible Preferred Stock (Series D preferred stock) and authorized an aggregate of 1,000,000 non-voting shares with a stated value of $1.00 per share. Holders of the Series D preferred stock are entitled to receive dividends at the annual rate of eight percent (8%) based on the stated value per share computed on the basis of a 360 day year and twelve 30 day months. Dividends are cumulative, shall be declared quarterly, and are calculated from the date of issue and payable on the fifteenth day of April, July, October and January. The dividends may be paid, at the option of the holder either in cash or by the issuance of shares of the Company s common stock valued at the market price on the dividend record date. Shares of the Series D preferred stock are redeemable at the Company s option. At the option of the holder shares of the Series D preferred stock plus any declared and unpaid dividends are convertible to shares of the Company s common stock at a conversion rate of $1.00 per share.

In March 2008, the Company completed a private offering of 700,000 shares of Series D Preferred stock. The $700,000 proceeds from the private offering were used as partial payment to the seller of Doc Holliday at the acquisition closing on March 18, 2008. On June 30, 2009, $14,156 of dividends were declared and are included in accrued expenses at June 30, 2009. All other quarterly dividends declared were paid during the year ended June 30, 2009.

Common Stock

The Company has authorized 50,000,000 shares of $0.05 par value common stock.

In April 2008, the Company sold 100,000 shares of its common stock to an investor at a price of $0.50 per share. The $50,000 proceeds were utilized for general working capital purposes.

In March 2008, the Company completed a private offering of 100,000 shares of common stock at a price of $.50 per share. The proceeds of $50,000 received from the sale were also used as partial payment to the seller of Doc Holliday at the acquisition closing on March 18, 2008.

As partial consideration for the acquisition of Doc Holliday, the Company issued 450,000 shares of common stock to the seller. The shares were valued at $.75 per share using the average of the closing prices of the common stock for the day prior through the day after the closing of the acquisition on March 18, 2008.

In June 2008, $8,000 of amounts due to the company s Chief Financial Officer for prior services was converted to common stock. As a result, 12,308 shares valued at $0.65 per share were issued.

On September 2, 2008, the Company s board of directors granted a total of 90,000 shares of the Company s common stock to its members and certain members of senior management as consideration of services provided by the Company s directors and executive officers. . The services were valued at $.50 per share, and as such $45,000 of stock based compensation was recorded and included in operating, general and administrative expenses for the year ended June 30, 2009.

On January 5, 2007, the stockholders approved a proposal to adopt and approve a reverse split of up to a ratio of one-for-five of the issued and outstanding shares of our common stock, and issued and outstanding options, warrants and other rights convertible into shares of our common stock, all at the discretion of our Board of Directors to be implemented in the future as and when determined by our Board of Directors. That reverse split has not been implemented.

5. COMMITMENTS AND CONTINGENCIES

Leases

The Doc Holliday Casino currently leases approximately 13,000 square feet of space used for its gaming activities, supporting offices and storage space for $25,362 per month under an operating lease that terminates in July 2015. The lease requires the Casino to pay for all building expenses until the landlord secures additional tenants to occupy the remaining building space. If the building is fully leased the Casino s proportionate share will be equal to 32% of the total building expense burden. The lease also provides for a credit against future monthly rent payments if the total building expenses increase by more than 3% over a base year calculation, and is calculated in April each year. At June 30, 2009 the total credit available to apply against future minimum rent payments through July 31, 2010 was $87,779. Rent expense for the years ended June 30, 2009 and 2008 was $296,012 and $59,209, respectively. Future minimum lease payments before application of rent credits for the fiscal years ending June 30 are as follows:

2010	$ 304,344
2011	304,344
2012	304,344

2013		304,344
2014	and thereafter	329,706
Total		$ 1,547,082

6. INCOME TAXES

The Company and its subsidiaries are subject to income taxes on income arising in, or derived from, the tax jurisdictions in which they operate.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets are comprised mainly of net operating loss carry-forwards.

For the years ended June 30, 2009 and 2008, the reconciliation between the statutory federal tax rate and the effective tax rate as a percentage is as follows:

	2009	2008
Statutory federal income tax rate	34%	34%
Effect of net operating loss carry-forward	(34)	(34)
	-%	-%

At June 30, 2009, the Company had net operating loss carry forwards of approximately $5,585,000 available to reduce future taxable income. The net operating loss carry forwards expire in the years ending June 30 as follows:

2010	1,003,000
2011	518,000
2012	790,000
2013	1,985,000
2014	316,000
2015	985,000
2016	82,000
2023	108,000
	$5,787,000

When more than a 50% change in ownership occurs, over a three-year period, as defined, the Tax Reform Act of 1986 limits the utilization of net operating loss (NOL) carry forwards in the years following the change in ownership. Therefore, the Company's utilization of its NOL carry forwards may be partially reduced as a result of changes in stock ownership. No determination has been made as of June 30, 2009, as to what implications, if any, there will be in the net operating loss carry forwards of the Company. In addition, the Company has a limited history of earnings, and

there is no guarantee of future earnings to offset the net operating loss carry forwards. The deferred tax asset of approximately $1,968,000 is offset by a valuation allowance due to the uncertainty of the realization of the net operating loss carry forwards. The net increase in the valuation allowance was approximately $69,000 from June 30, 2008 to June 30, 2009.

7. STOCK INCENTIVE PLAN

The Company has a Stock Incentive Plan (the "Incentive Plan"), that allows the Company to grant incentive stock options and/or purchase rights (collectively "Rights") to officers, employees, former employees and consultants of the Company and its subsidiaries.

A summary of stock option activity is as follows:

	Number of shares	Weighted average Exercise price
Balance at June 30, 2007	235,000	$ 0.62
Granted	0	
Exercised	0	
Balance at June 30, 2008	235,000	$ 0.62
Granted	0	
Exercised	0	
Balance at June 30, 2009	235,000	$ 0.62

The following table summarizes information about fixed-price stock options at June 30, 2009**:**

	Outstanding			Exercisable	
Exercise Prices	Weighted Average Number Outstanding	Weighted Average Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Exercise Price
$ 0.10	100,000	0.1 years	$ 0.10	100,000	$ 0.10
$ 1.00	135,000	3.5 years	$ 1.00	135,000	$ 1.00
	235,000			235,000	

During the year ended June 30, 2007, we adopted the provisions of, and account for stock-based compensation in accordance with, the Financial Accounting Standards Board s (FASB) Statement of Financial Accounting Standards No. 123 revised 2004 (SFAS 123R), *Share-Based Payment* which replaced` Statement of Financial Accounting Standards No. 123 (SFAS 123), *Accounting for Stock-Based Compensation* and supersedes APB Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the period during which the holder is required to provide services in exchange for the award, i.e., the vesting period. We elected the modified-prospective method, under which prior periods are not revised for comparative purposes. The valuation provisions of SFAS 123R apply to new grants and to grants that were outstanding as of the effective date and are subsequently modified. Estimated compensation for grants that were

outstanding as of the effective date will be recognized over the remaining service period using the compensation cost estimated for the SFAS 123 pro forma disclosures.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility as well as expected trends for any known or expected events that might affect the volatility of our future stock prices. Because of the

lack of historical forfeiture data, no adjustments to the expected option life were made for expected forfeitures. The expected life represents an estimate of the time options are expected to remain outstanding. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. treasury yield in effect at the time of grant.

For the years ended June 30, 2009 and 2008 no options or warrants to purchase common stock were granted, and as such we recorded no compensation expense under the requirements as discussed above. In addition, during the years ended June 30, 2009 and 2008, no stock options were exercised.

8. CONSULTING AGREEMENTS

On April 1, 2008 the Company entered into Consultation Agreement (Agreement) with an independent contractor to provide corporate development services. The Agreement was to terminate on September 1, 2008, but was extended by both parties on a month to month as needed basis by verbal agreement. The agreement required the Company pay the consultant a fee equal to $50,000. For the year ended June 30, 2008, $28,320 was charged to operating, general and administrative expenses. For the year ended June 30, 2009, $21,680 was charged to operating, general and administrative expenses.

In August 2008, we entered into an agreement with a marketing firm to provide investor relations services. The agreement had an original term of six months and has been extended on a month to month basis, and requires a monthly fee of $2,000.

9. RELATED PARTIES

An officer and director operates a law firm that provides legal services to the Company. During the years ended June 30, 2009 and 2008, his billings to the Company totaled $63,819 and $113,214 respectively. At June 30, 2009 and 2008, amounts due to him were $10,657 and $63,831, respectively, and are included in accounts payable, related parties.

In 2006, the Company contracted an officer to provide management and accounting services to the Company. During the years ended June 30, 2009 and 2008, his billings to the company for services were $19,650 and $29,900, respectively. At June 30, 2009 and 2008, amounts due him were $7,850 and $4,500, respectively, and are included in accounts payable, related parties. In addition, in June 2008, $8,000 of amounts due to the officer for prior services was converted to common stock. As a result, 12,308 shares valued at $0.65 per share were issued.

On August 29, 2008, the Company awarded an aggregate of 90,000 shares of common stock, $.05 par value, valued at $0.50 per share in consideration of services provided by the Company s directors and executive officers.

10. INVESTMENT IN GLOBAL GAMING TECHNOLOGIES

On February 28, 2006, the Company entered into an Organization Agreement with a certain individual to form a for-profit limited liability company under the name of Global Gaming Technologies, LLC (GGT). Under the terms of the Agreement, the individual contributed to GGT all of his intellectual property rights related to two games of poker, which he individually developed. The Company agreed to make an initial cash capital contribution to GGT of $100,000, for which it received a 25% equity interest in GGT. At the Company s election, it may make an additional

$100,000 cash capital contribution to GGT for which it will receive an additional 25% equity interest. The initial cash contribution will be used to further develop the two games and to investigate possible patent protection. At the present time, both games are still under development and neither has been approved for use in any gaming jurisdiction. As of June 30, 2009, GGT had no revenues.

The investment is being accounted for under the equity method. Its cash outlays have primarily been related to investigating patent protection for the products under development and for various product development, organizational start-up costs and limited marketing efforts. For the years ended June 30, 2009 and 2008 we have recorded $10,437 and $8,688, respectively, for various GGT product development expenditures. Since February 2006, we have recorded $49,590, cumulatively, for various GGT start-up, product development and marketing costs.

During the quarter ended June 30, 2009 we determined the investment in GGT was impaired due to GGT s inability to secure patents for the games in a reasonable time period which has provided significant uncertainty regarding the outcome of the patent process. Should patent protections not be obtained, the exclusivity of the games could be severely impaired, thereby significantly reducing the potential value of the games to GGT. Because of these uncertainties we believe the investment impairment is other than temporary, and as such we have recorded an impairment charge of $50,410 at June 30, 2009.

As of June 30, 2009, the Company has made cash payments to GGT of $74,150 as part of the initial $100,000 cash capital payments required under the Agreement. The remaining $25,850 obligation was recorded as a current liability.

11. SUBSEQUENT EVENTS

On August 15, 2009, the Company issued to Clifford L. Neuman, the Company s President and a Director, 77,273 shares of common stock, $.05 par value pursuant to his cashless exercise of options exercisable to purchase 100,000 shares of common Stock at an exercise price of $0.10 per share. For purposes of the cashless exercise, the shares were valued at $0.44 per share, which was equal to 100% of the public trading price of the Common Stock on August 15, 2009 as quoted on the OTC Electronic Bulletin Board. As a result, the Company received the surrender of 22,737 options in consideration of the cashless exercise.

Effective September 19, 2009, all of the secured obligations of Casinos, USA, Inc., a wholly-owned subsidiary of Global Casinos, Inc. matured and became due and payable. The secured obligations are secured by deeds of trust encumbering the Bull Durham casino property located in Blackhawk, Colorado. Those secured obligations consist of: a senior mortgage note with a remaining principal balance at June 30, 2009 of $722,324; a second mortgage note with a remaining principal balance at June 30, 2009 of $625,272; and, third tier mortgage notes with an aggregate remaining principal balance at June 30, 2009 of $289,700.

Management has been in communication with the noteholders concerning the need to extend the maturity dates of the notes. While no agreements have been reached as of the date of this report, we are engaged in active and cooperative discussions with two noteholders regarding terms for a refinance and extension of their notes. Until their maturity, all payments required under the notes have been made in a timely fashion. We intend to continue to make payments under the notes pending our efforts to renegotiate their maturity dates.

The Colorado Gaming Commission requires that any beneficial owner of five percent or more of the Company s securities, including holders of common stock, file an application for a finding of suitability. The gaming authority has the power to investigate an owner's suitability and the owner must pay all costs of the investigation. If the owner is found unsuitable, then the owner may be required by law to dispose of the securities. The Colorado Division of Gaming is currently requiring certain of the Company s shareholders to file an application for finding of suitability. If they are found by the division to be unsuitable, they could be required to divest their share positions. A contingency exists with respect this matter, the ultimate resolution of which cannot presently be determined.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company s Chief Financial Officer and with the participation of the Company's President and Chief Executive Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of June 30, 2009. In performing its assessment of the Company's internal control over financial reporting, management used the criteria set forth in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of that date for purposes of recording, processing, summarizing and timely reporting material information required to be disclosed in reports that the Company files under the Securities Exchange Act of 1934.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States, and includes those policies and procedures that:

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and,

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the Company s financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. Furthermore, smaller reporting companies face additional limitations. Smaller reporting companies employ fewer individuals and find it difficult to properly segregate duties. Often, one or two individuals control every aspect of the Company's operation and are in a position to override any system of internal control. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company s Chief Financial Officer, and with the participation of the Company s President and Chief Executive Officer, has conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2009, based on the criteria for effective internal control described in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of June 30, 2009.

This annual report does not include an attestation report of the Company s registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by the Company s registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management s report in this Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the year ended June 30, 2009, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations of Internal Controls

Our principal executive and financial officer do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive and financial officer have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The name, position with the Company, age of each Director and executive officer of the Company is as follows:

Name	Age	Position	Director/Officer Since
Clifford L. Neuman	61	President & Director	1997
Pete Bloomquist	52	Secretary & Director	2005
Todd Huss	57	Chief Financial Officer	2006

Clifford L. Neuman has served as a Director of the Company since 1997 and has been reelected annually. Mr. Neuman is a licensed, practicing attorney and a partner in the law firm of Clifford L. Neuman, P.C., with offices located in Boulder, Colorado. Mr. Neuman also serves as a director of BioMedical Technology Solutions Holdings, Inc., as well as two tax-exempt non-profits: The Ratna Foundation and Medicine Horse Program. Mr. Neuman received his Bachelor of Arts degree from Trinity College in 1970 and his Jurist Doctorate degree from the University of Pennsylvania School of Law in 1973.

Pete Bloomquist. From 2006 to present, Mr. Bloomquist has served as VP Corporate Finance with Smart Move, Inc. From July 1997 to 2006, Mr. Bloomquist was employed by Bathgate Capital Partners LLC in the corporate finance group. Bathgate Capital Partners, is a full service investment bank, working with micro-cap companies. From August 1994 to June 1997 Mr. Bloomquist was a the Chief Financial Officer and a Director of Global Casinos, Inc. From May 1989 to August 1994 he was employed by Cohig & Associates, Inc. in the corporate finance group. Cohig & Associates, Inc. was a full service broker dealer. From September 1980 to May 1989 Mr. Bloomquist worked for local and national accounting firms in the area of taxation. He received his Bachelor of Science degree in Business Management with an emphasis in Accounting from the University of Northern Colorado in 1980.

Todd Huss. Mr. Huss has been the Chief Financial Officer of the Company since January, 2006. Since 2002, Mr. Huss has performed contract accounting services for various public companies. From 1996 to 2002, he served as the Chief Financial Officer for Premier Concepts, Inc., the publicly-traded owner and operator of a national chain of specialty retail jewelry stores. From 1991 to 1995 he served as the Chief Financial Officer for Gardenswartz Sportz, Inc., a privately-held corporation which owned and operated eight full service retail sporting goods stores in New Mexico and Texas. Mr. Huss graduated from California State University-Long Beach in 1984, with a Bachelor of Science degree in business administration and professional accounting, and subsequently worked for KPMG Peat Marwick in its Los Angeles, California, and Albuquerque, New Mexico offices until 1991.

All directors serve until their successors have been duly elected and qualified and are subject to reelection at the Company's regular Annual Meeting of Shareholders, unless they earlier resign.

Board Meeting and Compensation

During the fiscal year ended June 30, 2009 meetings of the Board of Directors were held both in person and telephonically, and business of the board was also conducted by written unanimous consent. All Board members attended 100% of the Board meetings. Directors are entitled to reimbursement of their expenses associated with attendance at such meeting or otherwise incurred in connection with the discharge of their duties as a Director. The Board of Directors has not adopted a compensation plan for outside directors. Messrs. Neuman and Bloomquist were each granted 25,000 shares of common stock as compensation during fiscal 2009.

During fiscal 2009 the entire Board of Directors assumed all responsibilities of the Audit, Compensation and Nominating Committees. The board had no formal standing committees, but plans to create those committees when it determines that those committees would be beneficial. No member of the Audit, Compensation or Nominating Committees will receive any additional compensation for his service as a member of that Committee.

Audit Committee

The Board as a whole serves as the audit committee.

Mr. Neuman would not be deemed to be "independent" within the meaning of the National Association of Securities Dealers, Inc.'s listing standards. For this purpose, an audit committee member is deemed to be independent if he does not possess any vested interests related to those of management and does not have any financial, family or other material personal ties to management.

During the fiscal year ended June 30, 2009, the audit committee had no meetings. The committee is responsible for accounting and internal control matters. The audit committee:

- reviews with management, the internal auditors and the independent auditors policies and procedures with respect to internal controls;
- reviews significant accounting matters;
- approves any significant changes in accounting principles of financial reporting practices;
- reviews independent auditor services; and

- recommends to the board of directors the firm of independent auditors to audit our consolidated financial statements.

In addition to its regular activities, the committee is available to meet with the independent accountants, controller or internal auditor whenever a special situation arises.

The Audit Committee of the Board of Directors will adopt a written charter, which when adopted will be filed with the Commission.

Compensation Advisory Committee

The composition of the compensation advisory committee has not been determined.

The compensation advisory committee did not meet during fiscal 2009. The compensation advisory committee:

- recommends to the board of directors the compensation and cash bonus opportunities based on the achievement of objectives set by the compensation advisory committee with respect to our chairman of the board and president, our chief executive officer and the other executive officers;
- administers our compensation plans for the same executives;
- determines equity compensation for all employees;
- reviews and approves the cash compensation and bonus objectives for the executive officers; and
- reviews various matters relating to employee compensation and benefits.

Nomination Process

The Board of Directors has not appointed a standing nomination committee and does not intend to do so during the current year. The process of determining director nominees has been addressed by the board as a whole, which consists of two members. The board has not adopted a charter to govern the director nomination process.

Of the currently serving two directors, Messrs. Bloomquist and Neuman would not be deemed to be independent within the meaning of the National Association of Securities Dealers, Inc.'s listing standards. For this purpose, a director is deemed to be independent if he does not possess any vested interests related to those of management and does not have any financial, family or other material personal ties to management.

The board of directors has not adopted a policy with regard to the consideration of any director candidates recommended by security holders, since to date the board has not received from any security holder a director nominee recommendation. The board of directors will consider candidates recommended by security holders in the future. Security holders wishing to recommended a director nominee for consideration should contact Mr. Clifford L. Neuman, President, at the Company's principal executive offices located in Boulder, Colorado and provide to Mr. Neuman, in writing, the recommended director nominee's professional resume covering all activities during the past five years, the information required by Item 401 of Regulation SB, and a statement of the reasons why the security holder is making the recommendation. Such recommendation must be received by the Company before June 30, 2010.

The board of directors believes that any director nominee must possess significant experience in business and/or financial matters as well as a particular interest in the Company's activities.

All director nominees identified in this proxy statement were recommended by our President and Chief Financial Officer and unanimously approved by the board of directors.

Shareholder Communications

Any shareholder of the Company wishing to communicate to the board of directors may do so by sending written communication to the board of directors to the attention of Mr. Clifford L. Neuman, President, at the principal executive offices of the Company. The board of directors will consider any such written communication at its next regularly scheduled meeting.

Any transactions between the Company and its officers, directors, principal shareholders, or other affiliates have been and will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties on an arms-length basis and will be approved by a majority of the Company's independent, outside disinterested directors.

Code of Ethics

Our Board of Directors adopted a Code of Business Conduct and Ethics for all of our directors, officers and employees during the fiscal year ended June 30, 2004. We will provide to any person without charge, upon request, a copy of our Code of Business Conduct and Ethics. Such request should be made in writing and addressed to Investor Relations, Global Casinos, Inc. 1507 Pine Street, Boulder, CO 80302. Further, our Code of Business Conduct and Ethics was filed as an exhibit to our Annual Report on Form 10-KSB for the fiscal year ended June 30, 2004 and can be reviewed on the website maintained by the SEC at www.SEC.gov.

No family relationship exists between any director and executive officer.

In 1998, the Securities and Exchange Commission (the "Commission") commenced an administrative proceeding against The Rockies Fund, Inc. and its directors, Stephen G. Calandrella, Clifford C. Thygesen and Charles Powell. Until 2001, Messrs. Calandrella and Thygesen were also directors of the Company. In the administrative action, the Commission has alleged certain violations of federal securities laws and regulations by The Rockies Fund, Inc. and its directors. The allegations involve certain violations of the Investment Company Act of 1940, as amended, under which The Rockies Fund, Inc. is a regulated business development company, as well as violations of the Securities Exchange Act of 1934, as amended, and regulations thereunder arising from certain transactions in the securities of

another company unrelated to the Company. The Rockies Fund, Inc. and its directors have adamantly denied any violations of federal securities laws and have informed the Company that they intend to vigorously defend the matter. In November 1998, the matter went to hearing before an administrative law judge and a preliminary finding was issued in March 2001. In its Initial Decision, the Administrative Law Judge found that the Rockies Fund and its directors, including Messrs. Calandrella and Thygesen, had violated federal securities laws. The matter is presently on appeal. While there can be no assurance of the ultimate outcome of this matter or its potential effect upon the Company, Management does not believe that it will have an adverse material impact.

In response to this administrative proceeding and the initial decision of the Administrative Law Judge, Messrs. Calandrella and Thygesen resigned as officers and directors of the Company. In addition, the restructuring of our gaming operations, the transfer of our gaming license from Global Casinos to Casinos, U.S.A. and other matters addressed in the Astraea Term Sheet were undertaken, in part, at the request of the Division of Gaming in response to the results of this administrative proceeding. Furthermore, the Division of Gaming requested that Messrs. Jennings and Neuman, while not involved in the administrative proceeding, resign as officers and directors of Casinos, U.S.A. due to their prior affiliations with Messrs. Calandrella and Thygesen. Effective November 1, 2002, concurrently with the transfer of the gaming license to Casinos, U.S.A., Messrs. Jennings and Neuman resigned as officers and directors of Casinos, U.S.A. and were replaced by Barbara Fahey and Pete Bloomquist, persons unaffiliated with prior management of the Company.

Other than the foregoing, there are no material proceedings to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent (5%) of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Except as noted herein or below, during the last five- (5) years no director or officer of the Company has:

(1) had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(2) been convicted in a criminal proceeding or subject to a pending criminal proceeding;

(3) been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or

(4) been found by a court of competent jurisdiction in a civil action, the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Any transactions between the Company and its officers, directors, principal shareholders, or other affiliates have been and will be on terms no less favorable to the Company than could be obtained from unaffiliated third parties on an arms-length basis and will be approved by a majority of the Company's independent, outside disinterested directors.

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Indemnification and Limitation on Liability of Directors

The Company's Articles of Incorporation provide that the Company shall indemnify, to the fullest extent permitted by Utah law, any director, officer, employee or agent of the corporation made or threatened to be made a party to a proceeding, by reason of the former or present official of the person, against judgments, penalties, fines, settlements and reasonable expenses incurred by the person in connection with the proceeding if certain standards are met. At present, there is no pending litigation or proceeding involving any director, officer, employee or agent of the Company where indemnification will be required or permitted. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

The Company's Articles of Incorporation limit the liability of its directors to the fullest extent permitted by the Utah Business Corporation Act. Specifically, directors of the Company will not be personally liable for monetary damages for breach of fiduciary duty as directors, except for (i) any breach of the duty of loyalty to the Company or its stockholders, (ii) acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of law, (iii) dividends or other distributions of corporate assets that are in contravention of certain statutory or contractual restrictions, (iv) violations of certain laws, or (v) any transaction from which the director derives an improper personal benefit. Liability under federal securities law is not limited by the Articles. The officers of the Company will dedicate sufficient time to fulfill their fiduciary obligations to the Company's affairs. The Company has no retirement, pension or profit sharing plans for its officers and Directors.

Compliance with Section 16(a) of the Exchange Act

Under the Securities Laws of the United States, the Company's Directors, its Executive (and certain other) Officers, and any persons holding more than ten percent (10%) of the Company's common stock are required to report their ownership of the Company's common stock and any changes in that ownership to the Securities and Exchange Commission. Specific due dates for these reports have been established and the Company is required to report in this report any failure to file by these dates. All of these filing requirements were satisfied by its Officers, Directors, and ten- percent holders, except that Mr. Neuman failed to file one report covering one transaction in a timely fashion. In making these statements, the Company has relied on the written representation of its Directors and Officers or copies of the reports that they have filed with the Commission.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction. This Compensation Discussion and Analysis (CD&A) provides an overview of the Company s executive compensation program together with a description of the material factors underlying the decisions which resulted in the compensation provided for 2009 to the Company s Chief Executive Officer (CEO) and Chief Financial Officer (CFO) (the Named Executive Officers or NEOs), as presented in the tables which follow this CD&A. The following discussion and analysis contains statements regarding future individual and Company

performance targets and goals. These targets and goals are disclosed in the limited context of the Company s compensation programs and should not be understood to be statements of management s expectations or estimates of financial results or other guidance. The Company specifically cautions investors not to apply these statements to other contexts.

The Board has responsibility for determining and implementing the Company s philosophy with respect to executive compensation. To implement this philosophy, the Board oversees the establishment and administration of the Company s executive compensation program.

It is expected that the compensation of the executives in fiscal 2010, including equity awards, will be reviewed based on the expected performance of the Company as established by the Board of Directors

Compensation Philosophy and Objectives. The guiding principle of the Board s executive compensation philosophy is that the executive compensation program should enable the Company to attract, retain and motivate a team of highly qualified executives who will create long-term value for the Shareholders. To achieve this objective, the Board has developed an executive compensation program that is ownership-oriented and that rewards the attainment of specific annual, long-term and strategic goals that will result in improvement in total shareholder return. To that end, the Board believes that the executive compensation program should include both cash and equity-based compensation that rewards specific performance. In addition, the Board continually monitors the effectiveness of the program to ensure that the compensation provided to executives remains competitive relative to the compensation paid to executives in a peer group comprised of select container industry and other manufacturing companies. The Board annually evaluates the components of the compensation program as well as the desired mix of compensation among these components. The Board believes that a substantial portion of the compensation paid to the Company s NEOs should be at risk, contingent on the Company s operating and market performance. Consistent with this philosophy, the Board will continue to place significant emphasis on stock-based compensation and performance measures, in an effort to more closely align compensation with Shareholder interests and to increase executives focus on the Company s long-term performance.

Role of Executive Officers in Compensation Decisions. The Board makes all compensation decisions for the CEO and the CFO. Decisions regarding the compensation of other employees are made by the CEO and CFO in consultation with the Board. In this regard, the CEO and CFO provide the Board evaluations of executive performance, business goals and objectives and recommendations regarding salary levels and equity awards.

Market-Based Compensation Strategy. The Board adopted the following market-based compensation strategy:

Pay levels are evaluated and calibrated relative to other companies of comparable size operating in the business information systems industry (the Peer Group) as the primary market reference point. In addition, general industry data is reviewed as an additional market reference and to ensure robust

competitive data.

Target total direct compensation (target total cash compensation plus the annualized expected value of long-term incentives) levels for NEOs are calibrated relative to the Peer Group.

Base salary and target total cash compensation levels (base salary plus target annual incentive) for NEOs are calibrated to the Peer Group.

The long-term incentive component of the executive compensation program is discretionary and viewed in light of the target total direct compensation level.

The Board retains discretion, however, to vary compensation above or below the targeted percentile based upon each NEO s experience, responsibilities and performance.

Total Direct Compensation

Our objective is to target total direct compensation, consisting of cash salary, cash bonus and long term equity compensation at levels consistent with the surveyed companies, if specified corporate and business unit performance metrics and individual performance objectives are met. We selected this target for compensation to remain competitive in attracting and retaining talented executives. Many of our competitors are significantly larger and have financial resources greater than our own. The competition for experienced, technically proficient executive talent in the industry is currently particularly acute, as companies seek to draw from a limited pool of such executives.

We structure total direct compensation to the named executive officers so that some of this compensation is delivered in the form of equity awards in order to provide incentives to work toward long-term profitable growth that will enhance stockholder returns. We also structure their cash compensation so that a significant portion is at risk under the cash bonus plan, payable based on corporate, business unit and individual performance. In the following sections, we further detail each component of total direct compensation.

Components of Compensation. For the year ended June 30, 2009, the CEO received no base salary but rather was compensated on the basis of legal services which he performed for the Company in his capacity as legal counsel to the Company. For the year ended June 30, 2009, the CFO was paid a fixed hourly rate on all time devoted to his services to the Company. Neither the CEO nor CFO received a base salary. We did not provide additional compensation in the form of annual incentive bonus, long term incentives, retirement benefits, or perquisites.

The following tables and discussion set forth information with respect to all plan and non-plan compensation awarded to, earned by or paid to the Chief Executive Officer ("CEO"), and the Company's four (4) most highly compensated executive officers other than the CEO, for all services rendered in all capacities to the Company and its subsidiaries for each of the Company's last three (3) completed fiscal years; provided, however, that no disclosure has been made for any executive officer, other than the CEO, whose total annual salary and bonus does not exceed $100,000.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus	Stock Awards	Options Awards	Non equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Clifford L. Neuman, President	2009	$-0-(1)	-0-	$12,500	-0-	-0-	-0-	-0-	$12,500
	2008	$-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	2007	$-0- (1)	-0-	-0-	-0-	-0-	-0-	-0-	-0-

(1) Mr. Neuman receives no compensation for his services as President. He provides legal services to the Company, for which he was paid fees for services in the amount of $63,819 for the fiscal year 2009; $68,808 for the fiscal year 2008 and $72,287 for fiscal year 2007.

The following table sets forth information concerning compensation paid to the Company s directors during the most recently completed fiscal year:

DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Clifford L. Neuman	-0-	$12,500	-0-	-0-	-0-	-0-	$12,500
Pete Bloomquist	-0-	$12,500	-0-	-0-	-0-	-0-	$12,500

Company Stock Incentive Plans

In 1993, the Board of Directors and the Shareholders of the Company adopted the Global Casinos, Inc., Stock Incentive Plan (the "Incentive Plan"). The Incentive Plan allows the Company to grant incentive stock options non-qualified stock options and/or stock purchase rights (collectively "Rights") to officers, employees, former employees and consultants of the Company and its subsidiaries. Options granted to eligible participants may take the form of Incentive Stock Options ("ISO's") under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") or options which do not qualify as ISO's ("Non-Qualified Stock Options" or "NQSO's"). As required by Section 422 of the Code, the aggregate fair market value (as defined by the Incentive Plan) of the Company's Common Stock (determined as of the date of grant of ISO) with respect to which ISO's granted to an employee are exercisable for the first time in any calendar year may not exceed $100,000. The foregoing limitation does not apply

to NQSO's. Rights to purchase shares of the Company's Common Stock may also be offered under the Incentive Plan at a purchase price under terms determined by the Incentive Plan Administrator.

Either the Board of Directors (provided that a majority of Directors are "disinterested" can administer the Incentive Plan), or the Board of Directors may designate a committee comprised of Directors meeting certain requirements to administer the Incentive Plan. The Administrator will decide when and to whom to make grants, the number of shares to be covered by the grants, the vesting schedule, the type of awards and the terms and provisions relating to the exercise of the awards.

An aggregate of 100,000 shares of the Company's Common Stock is reserved for issuance under the Incentive Plan. As of June 30, 2009, no options were outstanding under the Plan. However, options to purchase 235,000 shares of Common Stock were issued and outstanding with a

weighted average exercise price of $0.62 per share. No shares were available for future option grants.

The following table sets forth information concerning unexercised options, stock that has not vested and equity incentive plan awards for each named executive officer outstanding as of the end of the most recently completed fiscal year:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END TABLE

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards; Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Exercise Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares of Units That Have Not Vested	Equity Incentive Plan Awards; Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards; Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
Clifford L. Neuman	50,000	-0-	-0-	$1.00	2006	-0-	-0-	-0-	-0-
	100,000	-0-	-0-	$.10	2004	0	0	0	0

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth, as of September 25, 2009 and as adjusted for the sale of option and warrant stock, the stock ownership of (i) each person known by the Company to be the beneficial owner of five (5%) percent or more of the Company's Common Stock, (ii) all Directors individually, (iii) all Officers individually, and (iv) all Directors and Officers as a group. Each person has sole voting and investment power with respect to the shares shown, except as noted. In presenting the information contained in this Item 12, the Company has relied upon publicly available reports of beneficial ownership filed by persons required to do so pursuant to Section 13 of the Exchange Act.

Title Of Class	Name & Address of Beneficial Owner	Shares Beneficially Owned Number	Percent[1]
Common Stock	Clifford L. Neuman		
	1507 Pine Street	587,273 (2)	9.66%
	Boulder, Colorado 80302		
	Pete Bloomquist	125,500 (3)	2.06%
	Todd Huss	65,605 (4)	1.08%
	All Officers and Directors as a Group (3 Persons)	778,378	12.80% (5)

(1) Shares not outstanding but beneficially owned by virtue of the individuals' right to acquire them as of the date of this annual report or within sixty days of such date, are treated as outstanding when determining the percent of the class owned by such individual.

(2) Includes options exercisable to purchase 50,000 shares at an exercise price of $1.00 per share; 287,273 shares owned individually, 100,000 shares owned of record by Ratna Enterprises, LLC, of which Mr. Neuman is a Member; 100,000 shares owned of record by Sovereign Capital, LLC, of which Mr. Neuman is a Member; and 50,000 shares owned of record by Ratna Foundation, of which Mr. Neuman is a Director.

(3) Includes 25,500 shares owned individually, 50,000 shares owned of record by the Bloomquist Family Partnership, of which Mr. Bloomquist is a General Partner and 50% equity holder, and options exercisable to purchase 50,000 shares at an exercise price of $1.00 per share.

(4) Includes 30,605 shares of common stock owned individually, and options exercisable to purchase 35,000 shares of common stock at an exercise price of $1.00 per share.

(5) Based on 6,032,488 shares issued and outstanding on September 25, 2009.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Throughout its history, the Company has experienced shortages in working capital and has relied, from time to time, upon loans from affiliates to meet immediate cash demands. There can be no assurance that these affiliates or other related parties will continue to provide funds to the Company in the future, as there is no legal obligation to provide such loans.

In April 2006, Messrs. Neuman and Bloomquist were each granted non-qualified options exercisable to purchase 50,000 shares of common stock, and Mr. Huss was granted non-qualified options exercisable to purchase 35,000 shares common stock, all at an exercise price of $1.00 per share. The exercise price was at least 100% of the market price on the date of grant. The options were, as to each grant, 25% vested upon grant and 25% to vest on June 30, September 30 and December 31, 2006.

In September 2008, Messrs. Neuman and Bloomquist were granted restricted stock awards consisting of 25,000 shares each for services as officers and directors. Mr. Huss was granted a restricted stock award consisting of 15,000 shares for his services as CFO.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table details the aggregate fees billed to the Company by Schumacher & Associates, Inc., its current accountant, for each of the last two fiscal years:

	2009	**2008**
Audit Fees	$38,300	$39,300
Audit-Related Fees	7,500	-0-
Tax Fees	-0-	-0-
All Other Fees	-0-	-0-
Total	$45,800	$39,300

The caption "Audit Fees" includes professional services rendered for the audit of the annual consolidated financial statements and review of the quarterly consolidated financial statements.

It is the policy of the Board of Directors, acting as the audit committee to pre-approve all services to be performed by the independent accountants.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

	Exhibit No.	Title
#	9.01	Consolidated Balance Sheets as of June 30, 2009 and June 30, 2008
#	9.02	Consolidated Statements of Earnings for the Years Ended June 30, 2009 and 2008
#	9.03	Consolidated Statement of Stockholders' Equity for the Years Ended June 30, 2009 and 2008
#	9.04	Consolidated Statements of Cash Flows for the Years Ended June 30, 2009 and 2008
*	1.0	Articles of Amendment to the Articles of Incorporation dated June 22, 1994
*	3.1	Amended and Restated Articles of Incorporation
*	3.2	Bylaws
*	3.3	Certificate of Designations, Preferences, and Rights of Series A Convertible Preferred Stock
*****	3.4	Certificate of Designations, Preferences, and Rights of Series B Convertible Preferred Stock
*****	3.5	Certificate of Designations, Preferences, and Rights of Series C Convertible Preferred Stock
*****	3.6	Agreement Respecting Rights of Holders of Series C Convertible Preferred Stock
*	4.1	Specimen Certificate of Common Stock
*	4.2	Specimen Class A Common Stock Purchase Warrant
*	4.3	Specimen Class B Common Stock Purchase Warrant
*	4.4	Specimen Class C Common Stock Purchase Warrant
*	4.5	Warrant Agreement
*	5.0	Opinion of Neuman & Drennen, LLC regarding the legality of the securities being registered
*	10.1	Selling Agent Agreement
*	10.2	The Casino-Global Venture I Joint Venture Agreement
*	10.3	Assignment of Casino-Global Joint Venture Agreement dated January 31, 1994
*	10.4	Nonresidential Lease Agreement between Russian-Turkish Joint Venture Partnership with Hotel Lazurnaya and Global Casino

		Group, Inc. dated September 22, 1993
*	10.5	Contract by and between Aztec-Talas-Four Star, Inc. and Global Casinos Group, Inc. dated April 12, 1993, and Addendum to Agreement by and between Aztec-Talas-Four Star, Inc., Global Casinos Group, Inc. and Restaurant "Naryn" dated June 29, 1993.

*	10.6	Agreement and Plan of Reorganization among Silver State Casinos, Inc., Colorado Gaming Properties, Inc. and Morgro Chemical Company, dated September 8, 1993, incorporated by reference from the Company's Current Report on Form 8-K, dated September 20, 1993
*	10.7	Agreement and Plan of Reorganization among Casinos U.S.A., Lincoln Corporation, Woodbine Corporation and Morgro Chemical Company, dated October 15, 1993, incorporated by reference from the Company's Current Report on Form 8-K, dated November 19, 1993
*	10.8	Stock Pooling and Voting Agreement, incorporated by reference from the Company's Current Report on Form 8-K, dated November 19, 1993
*	10.9	Employment Agreement, dated September 28, 1993, between Morgro Chemical Company and Nathan Katz, incorporated by reference from the Company's Current Report on Form 8-K, dated November 19, 1993
*	10.10	Employment Agreement, dated October 15, 1993, between Morgro Chemical Company and William P. Martindale, incorporated by reference from the Company's Current Report on Form 8-K, dated November 19, 1993
*	10.11	Asset Acquisition Agreement by and among Global Casinos, Inc., Morgro, Inc. and MDO, L.L.C., dated as of February 18, 1994, incorporated by reference from the Company's Current Report on Form 8-K, dated February 18, 1994
*	10.12	Stock Purchase Agreement, dated March 25, 1994, incorporated by reference from the Company's Current Report on Form 8-K, dated April 29, 1994
*	10.13	Articles of Incorporation of BPJ Holding N.V., incorporated by reference from the Company's Current Report on Form 8-K, dated April 29, 1994
*	10.14	Aruba Caribbean Resort and Casino Lease Agreement, dated January 18, 1993, incorporated by reference from the Company's Current Report on Form 8-K, dated April 29, 1994
*	10.15	Aruba Gaming Permit issued to Dutch Hotel and Casino Development Corporation, incorporated by reference from the Company's Current Report on Form 8-K, dated April 29, 1994
*	10.16	Letter Agreement between Astraea Investment Management, L.P. and Global Casinos, Inc. dated May 11, 1994
*	10.17	Guaranty from Global Casinos, Inc. to Astraea Investment Management, L.P. dated May 19, 1994
*	10.18	Secured Convertible Promissory Note in favor of Global Casinos, Inc. from Astraea Investment Management, L.P. dated May 19, 1994
*	10.19	Registration Rights Agreement between Global Casinos, Inc. and Astraea Investment Management, L.P. dated May 11, 1994
*	10.20	Employment Agreement, dated July 1, 1994, between Global Casinos, Inc. and Peter Bloomquist
**	10.21	Letter of Agreement, dated September 16, 1994 between Astraea Management Services, L.P., Casinos U.S.A., Inc. and Global Casinos, Inc.
***	10.23	Letter of Agreement dated June 27, 1995, between Global Casinos, Inc., Global Casinos International, Inc., Global Casinos Group, Inc., Broho Holding, N.V., and Kenneth D. Brown individually.

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*	10.24		Second Amended Plan of Reorganization of Casinos USA, Inc., and Order Confirming Plan
*	10.25		Warrant Agreement
****	10.26		Stock Purchase and Sale Agreement between Alaska Bingo Supply, Inc., Global Alaska Industries, Inc. and Mark Griffin
*****	10.27		Convertible Promissory Note in the amount of $450,000 dated March 31, 1998 in favor of Mark Griffin
****	10.28		General Security Agreement from Global Alaska Industries, Inc. to Mark Griffin
****		10.29	Stock Pledge Agreement from Global Alaska Industries, Inc. to Mark Griffin
*****		10.30	Agreement to Convert Debt dated March 31, 1998 with Mark Griffin
*****		10.31	Tollgate Casino Lease and Option Agreement
*****		10.32	Equipment Lease with Plato Foufas & Co., Inc.
*****		10.33	Employment Agreement of Eric Hartsough
******		10.34	Stock Purchase Agreement dated December 30, 1999 between Arufinance, N.V. and Global Casinos, Inc.
*******		10.35	Term Sheet dated July 24, 2002 between Global Casinos, Inc., Astraea Investment Management L.P. and others.
*******		10.36	Agreement dated September 17, 2002 among Global Casinos, Inc., Casinos, U.S.A., Inc. and Astraea Investment Management L.P.
*******		10.37	Agreement and Amendment to Promissory Note dated September 17, 2002 between Casinos U.S.A., Inc. and Astraea Investment Management L.P. for promissory note in the original principal amount of $249,418.48.
*******		10.38	Agreement and Amendment to Promissory Note dated September 17, 2002 between Casinos U.S.A., Inc. and Astraea Investment Management L.P. for promissory note in the original principal amount of $750,000.
*******		10.39	Agreement and Amendment to Promissory Note dated September 17, 2002 between Casinos U.S.A., Inc. and Astraea Investment Management L.P. for promissory note in the original principal amount of $783,103.56.
*******		10.40	Assumption Agreement dated September 17, 2002 among, Global Casinos, Inc., Casinos U.S.A., Inc. and Astraea Investment Management L.P.
*******		10.41	Bill of Sale, Assignment and Assumption dated October ___, 2002 between Global Casinos, Inc. and Casinos, U.S.A., Inc.
*******		10.42	Option Agreement dated September 17, 2002 by and between Astraea Investment Management L.P. and Global Casinos, Inc.
*******		10.43	Security Agreement dated September 17, 2002 by Casinos U.S.A., Inc. in favor of Astraea Investment Management L.P.
*******		10.44	Service Agreement dated as of September 17, 2002 between Casinos U.S.A., Inc. and Global Casinos, Inc.
*******		10.45	Stock Pledge Agreement dated as of September 17, 2002 between Global Casinos, Inc. and Astraea Investment Management L.P.
*******		10.46	

		Voting Agreement dated as of September 17, 2002 between Casinos U.S.A., Inc. and Global Casinos, Inc.
*********	10.47	Asset Purchase and Sale Agreement dated June 14, 2007.
*********	10.48	Escrow Agreement dated June 20, 2007
**********	10.49	Amendment No. 1 to Asset Purchase and Sale Agreement dated June 14, 2007

********	14.	Code of Ethics
##	10.50	Amendment No. 2 to Asset Purchase and Sale Agreement dated June 14, 2007.
###	10.51	Amendment No. 3 to Asset Purchase and Sale Agreement dated June 14, 2007.
####	10.52	Amendment No. 4 to Asset Purchase and Sale Agreement dated June 14, 2007.
#####	10.53	Amendment No. 5 to Asset Purchase and Sale Agreement dated June 14, 2007.
######	10.54	Articles of Organization of Doc Holliday Casino II, LLC
######	10.55	Operating Agreement of Doc Holliday Casino II, LLC
######	10.56	Certificate of Series D for Global Casinos Inc
######	10.57	Consent to Assignment of Lease to Global Casinos
######	10.58	Consent to Assignment of Lease to Doc Holliday Casino II
######	10.59	Assignment & Assumption of Lease by Doc Holliday II
######	10.60	Promissory Note $550,000
######	10.61	Promissory Note $400,000
######	10.62	Promissory Note $155,000
######	10.63	Bill of Sale
######	10.64	Noncompetition and Confidentiality Agreement
######	10.65	Consultation Agreement
#######	10.66	Lease Agreement
#######	10.67	Addendum to Lease Agreement
#######	10.68	Addendum No. 2 to Lease Agreement
#######	10.69	Loan Agreement with Astraea Investment Management
#######	10.70	Assignment of Note
#######	10.71	Assignment and Assumption Agreement
#######	10.72	Second Amendment to Promissory Note
#	31	Certification
#	32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*	Incorporated by reference to the Registrant's Registration Statement on Form SB-2, Registration No. 33-76204, on file with the Commission on August 11, 1994.
**	Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for year ended June 30, 1994.
***	Incorporated by reference to the Registrant's Current Report on Form 8-K dated July 15, 1995.
****	Incorporated by reference to the Registrant's Current Report on Form 8-K dated August 1, 1997, as filed with the Commission on August 14, 1997.
*****	Incorporated by reference to the Registrant's Annual Report on Form 10KSB for the year ended June 30, 1999.
******	Incorporated by reference to the Registrant's Current Report on Form 8-K dated December 30, 1999, as filed with the Commission on January 14, 2000.
*******	Incorporated by reference to the Registrant's Annual Report on Form 10KSB for the year ended June 30, 2002.
********	Incorporated by reference to the Registrant's Annual Report on Form 10KSB for the year ended June 30, 2004.
*********	Incorporated by reference to the Registrant s Current Report on Form 8-K dated June 14, 2007 as filed with the Commission on June 19, 2007
**********	Incorporated by reference to the Registrant s Current Report on Form 8-K/A dated September 28, 2007 as filed with the Commission on October 2, 2007.

#	Filed herewith
##	Incorporated by reference to the Registrant s Current Report on Form 8-K dated November 30, 2007 as filed with the Commission on December 3, 2007.
###	Incorporated by reference to the Registrant s Current Report on Form 8-K dated December 5, 2007 as filed with the Commission on December 6, 2007.
####	Incorporated by reference to the Registrant s Current Report on Form 8-K dated January 30, 2008 as filed with the Commission on February 4, 2008.
#####	Incorporated by reference to the Registrant s Current Report on Form 8-K dated March 6, 2008 as filed with the Commission on March 6, 2008.
######	Incorporated by reference to the Registrant s Current Report on Form 8-K dated March 18, 2008 as filed with the Commission on March 24, 2008.
#######	Incorporated by reference to the Registrant s Current Report on Form 8-K/A dated March 18, 2008 as filed with the Commission on May 29, 2008.

Reports on Form 8-K

Current Report on Form 8-K, dated October 13, 2008, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on October 14, 2008.

Current Report on Form 8-K, dated November 13, 2008, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on November 14, 2008

Current Report on Form 8-K, dated January 15, 2009, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on January 20, 2009.

Current Report on Form 8-K, dated January 22, 2009, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on January 23, 2009.

Current Report on Form 8-K, dated February 18, 2009, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on February 18, 2009.

Current Report on Form 8-K, dated May 11, 2009, Item Nos. 2.03 and 9.01, as filed with the Commission on May 13, 2009.

Current Report on Form 8-K, dated May 14, 2009, Item Nos. 2.02, 7.01 and 9.01, as filed with the Commission on May 15, 2009.

Current Report on Form 8-K, dated August 15, 2009, Item No.3.02 as filed with the Commission on August 18, 2009.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL CASINOS, INC.

Date: September 25, 2009

By */s/ Clifford L. Neuman*

Clifford L. Neuman
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ *Clifford L. Neuman* Clifford L. Neuman	President & Director	September 25, 2009
/s/ *Pete Bloomquist* Pete Bloomquist	Secretary & Director	September 25, 2009
/s/ Todd Huss Todd Huss	Chief Financial Officer	September 25, 2009