



EXPECT THE UNEXPECTED™



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A LOOK INTO THE COLORADO LOTTERY

MORE THAN \$2.8 BILLION IN PROCEEDS TO COLORADO SINCE 1983



ABOUT: THE LOTTERY

Over the past 32 years, we are proud that more than \$2.8 billion has been returned to Colorado for parks, recreation, open space, wildlife projects, and public school construction.

In FY2015, we generated \$538 million in sales and \$128 million for our beneficiary partners. This could not have been accomplished without the diligence and hard work of our committed retail partners, employees, and the support of our valued players.

As we forge through FY2016, the Lottery will continue on its mission to create and sell Lottery games of chance that are held to the highest standards of integrity, entertainment and efficiency in order to maximize proceeds for the people of Colorado.

OVER THE PAST 32 YEARS,
MORE THAN
\$2.8 BILLION
HAS BEEN RETURNED TO
COLORADO



ABOUT: LAURA SOLANO LOTTERY DIRECTOR

Laura Solano of Pueblo was appointed the Lottery Director in January 2014. Solano brings to the Lottery a strong financial background having worked in public service at Federal and State agencies for more than 30 years. As Director, Solano oversees the Lottery, an agency within the Department of Revenue, that generates more than \$500 million in gross sales on an annual basis and provides proceeds to fund Great Outdoors Colorado (GOCO), Conservation Trust Fund (CTF), Colorado Parks and Wildlife (CPW), and Building Excellent Schools Today (BEST).

Solano leads a staff of 120 Lottery employees who work collaboratively with more than 3,000 retailers to achieve its fiscal responsibilities to these proceeds beneficiaries.



ABOUT: BARBARA BROHL EXECUTIVE DIRECTOR, DEPARTMENT OF REVENUE

Since 2011 Barbara Brohl has lead various business units at the Colorado Department of Revenue. Brohl is responsible for Colorado's Lottery Division, Tax Division, the Division of Motor Vehicles, Enforcement for Gaming, Liquor and Tobacco, Racing, and Marijuana. The department has more than 1,500 employees and annually brings in more than \$11 billion in fees and taxes for the state. Prior to her move to state government, Brohl was an attorney practicing telecommunications law with Qwest Communications.

Born and raised in Colorado, Brohl received a juris doctorate from the University of Denver College of Law. In recognition of her commitment to service, Brohl has received several professional, leadership and community service awards over the past several years. She most recently received the 2015 Trailblazer Award from the Latinas First Foundation, and the 2015 Denver Business Journal Outstanding Women in Business Award – Banking, Finance, and Accounting.



GREAT OUTDOORS COLORADO (GOCO)

Great Outdoors Colorado invests in parks, trails, rivers, wildlife and open spaces via competitive grants to land trusts and local governments and through support of Colorado Parks and Wildlife. The Colorado Lottery is the sole funding source for GOCO, which receives up to 50 percent of proceeds based on an inflation indexed formula. Funds that exceed this proceeds amount go to school capital construction projects.



PROCEEDS BENEFICIARY OVERVIEW

TOTAL LOTTERY PROCEEDS CONTRIBUTION IN **FY2015 WAS \$128 MILLION**



COLORADO PARKS AND WILDLIFE (CPW)

Colorado's state parks receive 10 percent of the Lottery's proceeds. These proceeds support a variety of projects throughout the 43 parks, including wildlife habitat protection, maintenance and enhancement of park facilities, trail construction and visitor education.



DEPARTMENT OF LOCAL AFFAIRS (DOLA) – CONSERVATION TRUST FUND (CTF)

Forty percent of Lottery proceeds provide local governments, counties, cities, towns and Title 32 special districts the flexibility to determine how best to utilize these funds. Proceeds support local parks and recreation projects, including the creation of parks, facility enhancement and development, playground upgrades and trail maintenance.



COLORADO DEPARTMENT OF EDUCATION, CAPITAL CONSTRUCTION – BUILDING EXCELLENT SCHOOLS TODAY (BEST)

The BEST program receives Lottery spillover funds assisting Colorado schools in meeting students' fundamental educational needs. To date, BEST has received more than \$71 million from the Lottery to enhance schools across the state.



PROCEEDS BREAKDOWN:
**GREAT OUTDOORS
COLORADO (GOCO)**



Cuatro Vientos/Four Winds Park is the first park built in Denver's Westwood neighborhood in 30 years. The one-acre location, which was a dilapidated trailer park, now features two playgrounds, a water play area, basketball court, skate park elements, fields and a walking trail.

The Colorado Lottery awarded a 2015 Starburst Community Award to the City and County of Denver for using Lottery funds to help create Cuatro Vientos/Four Winds Park. The park was completed last fall with support from a Lottery-funded GOCO grant of \$550,000.



GOCO HAS INVESTED NEARLY
\$1 BILLION
IT HAS RECEIVED FROM THE
LOTTERY TO FUND THE WAYS
COLORADO PLAYS
SINCE 1992



PROCEEDS BREAKDOWN:
**DEPARTMENT OF
LOCAL AFFAIRS
(DOLA) –
CONSERVATION
TRUST FUND (CTF)**



The City of Pueblo used Lottery funds to revitalize the 2.5-acre dog park at City Park. The park created an area within City Park for dogs and their owners to socialize in a safe environment. The project was completed by utilizing local vendors for fencing, trees, concrete work, sod and signage. With the park located on a main thoroughfare, it provides an opportunity for visitors to stop at a local dog-friendly park while passing through Pueblo.

The Colorado Lottery awarded a 2015 Starburst Community Award to the City of Pueblo for using Lottery funds to help revitalize the dog park. The updates were completed by leveraging \$138,677 from the Conservation Trust Fund that receives 40 percent of the Lottery's annual proceeds.

THE LOTTERY HAS
DISTRIBUTED OVER
\$1 BILLION
TO CTF SINCE 1983





PROCEEDS BREAKDOWN:
**COLORADO PARKS
AND WILDLIFE
(CPW)**



Thanks to Colorado Lottery funding through GOCO, Colorado Parks and Wildlife (CPW) launched the Schools and Outdoor Learning Environments (SOLE) program in 2013. Currently in its third year, SOLE is designed to connect students and their families to the outdoors. Fourth-grade students from 25 schools across Colorado go on field trips, enjoy a family nature night, participate in hands-on classroom activities, learn archery in their P.E. classes, and create art for SOLE student art contests.

SOLE takes advantage of the offerings available from all of CPW's partners in order to create the best possible suite of opportunities that connect students and their families to the outdoors.



THE LOTTERY
HAS DISTRIBUTED
\$271 MILLION
TO CPW SINCE 1983



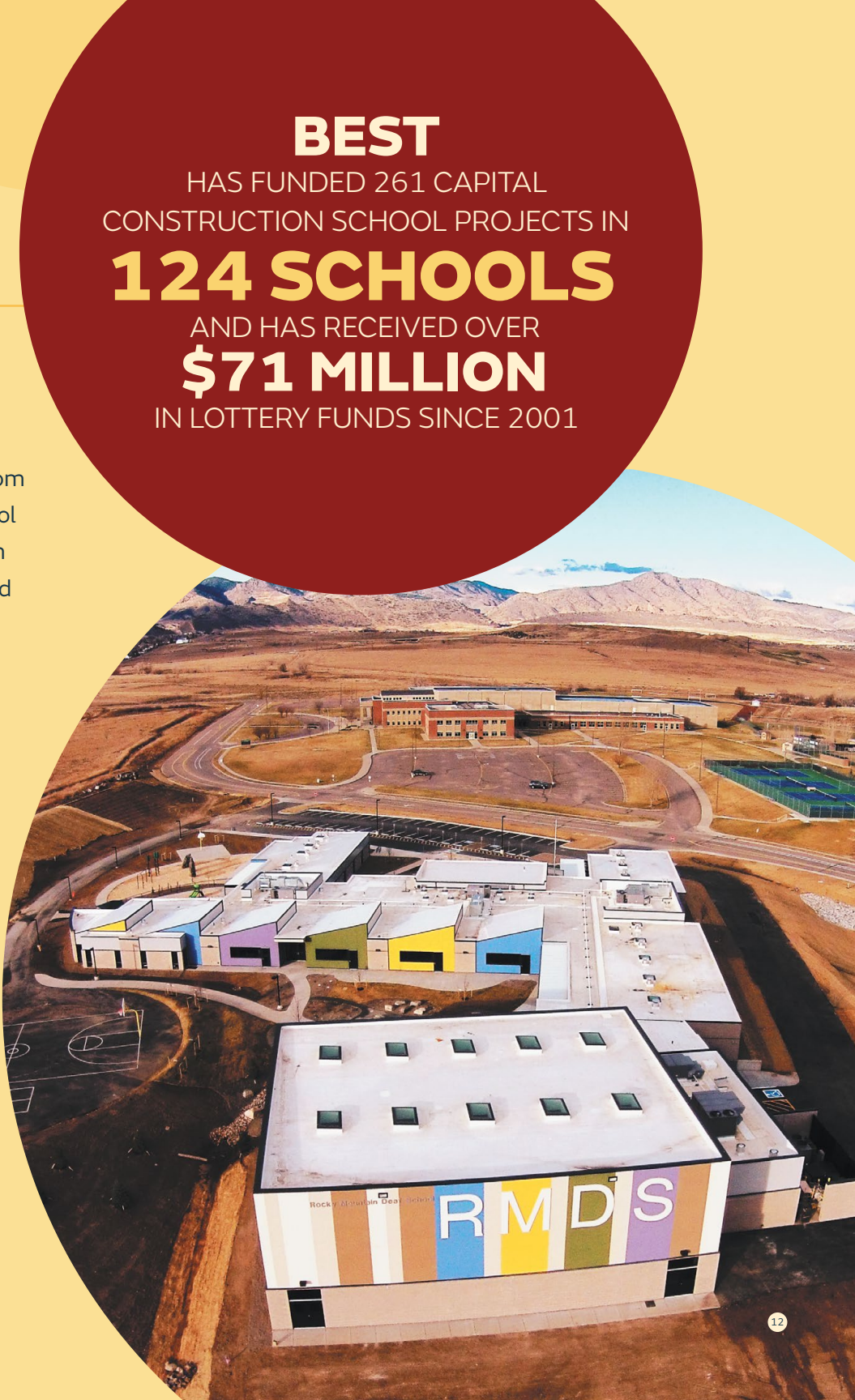
PROCEEDS BREAKDOWN:
**COLORADO
 DEPARTMENT OF
 EDUCATION, CAPITAL
 CONSTRUCTION –
 BUILDING EXCELLENT
 SCHOOLS TODAY
 (BEST)**



Rocky Mountain Deaf School (RMDS), located in west Denver, serves deaf students throughout the Denver area from preschool through 12th grade. The school was built from grant funds received from the BEST program that is partially funded with Colorado Lottery proceeds.

The vision of building a school has been a long journey for the RMDS community, which has existed in several temporary locations. The new school boasts spacious hallways, lots of natural light, a gymnasium, and state-of-the-art technology. The school even includes floors that vibrate so teachers can maintain students' attention.

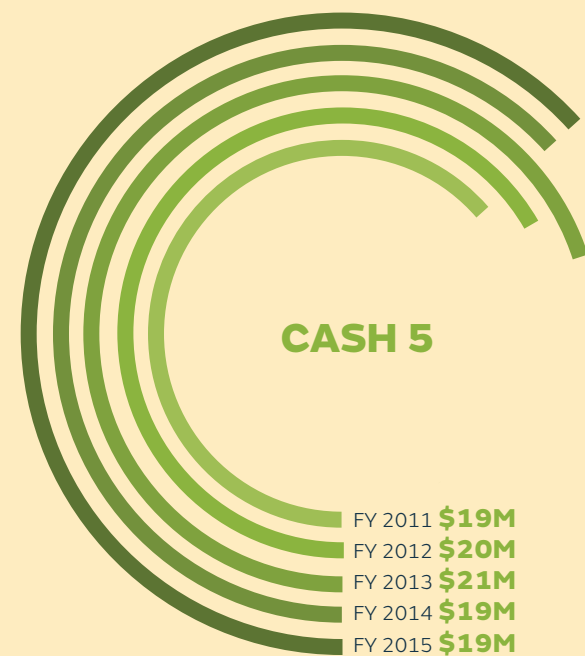
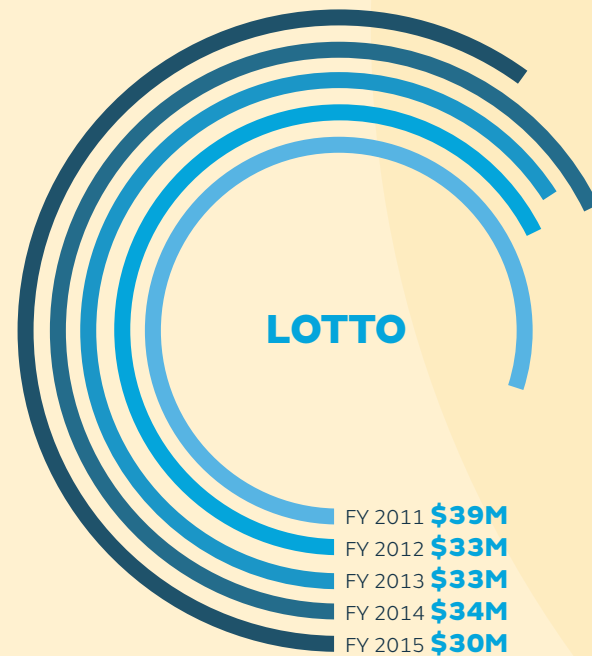
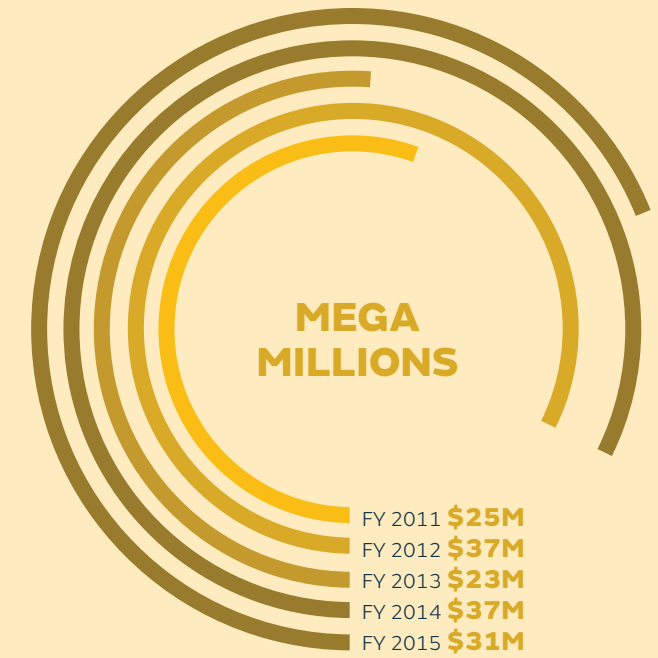
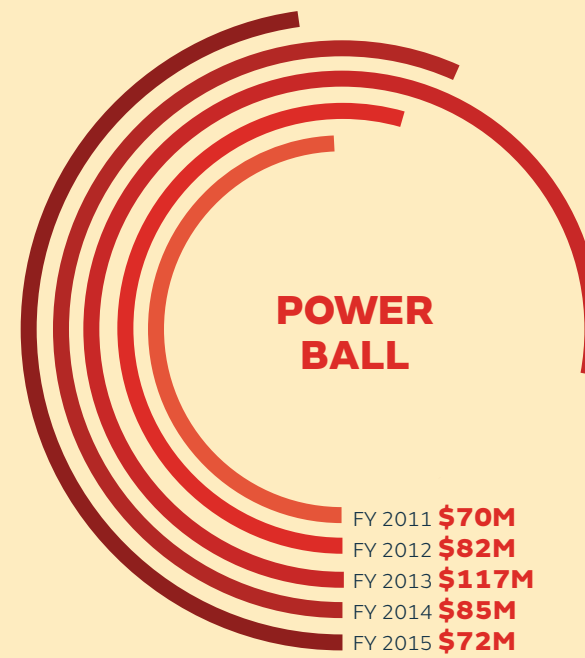
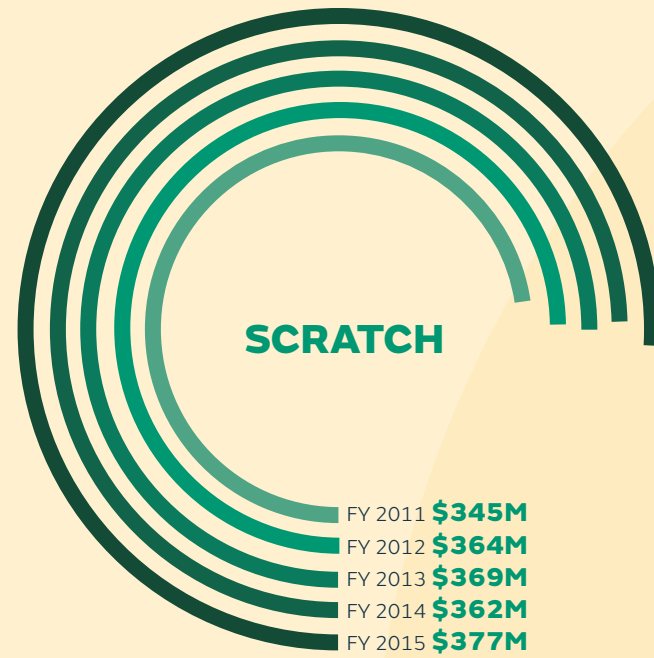
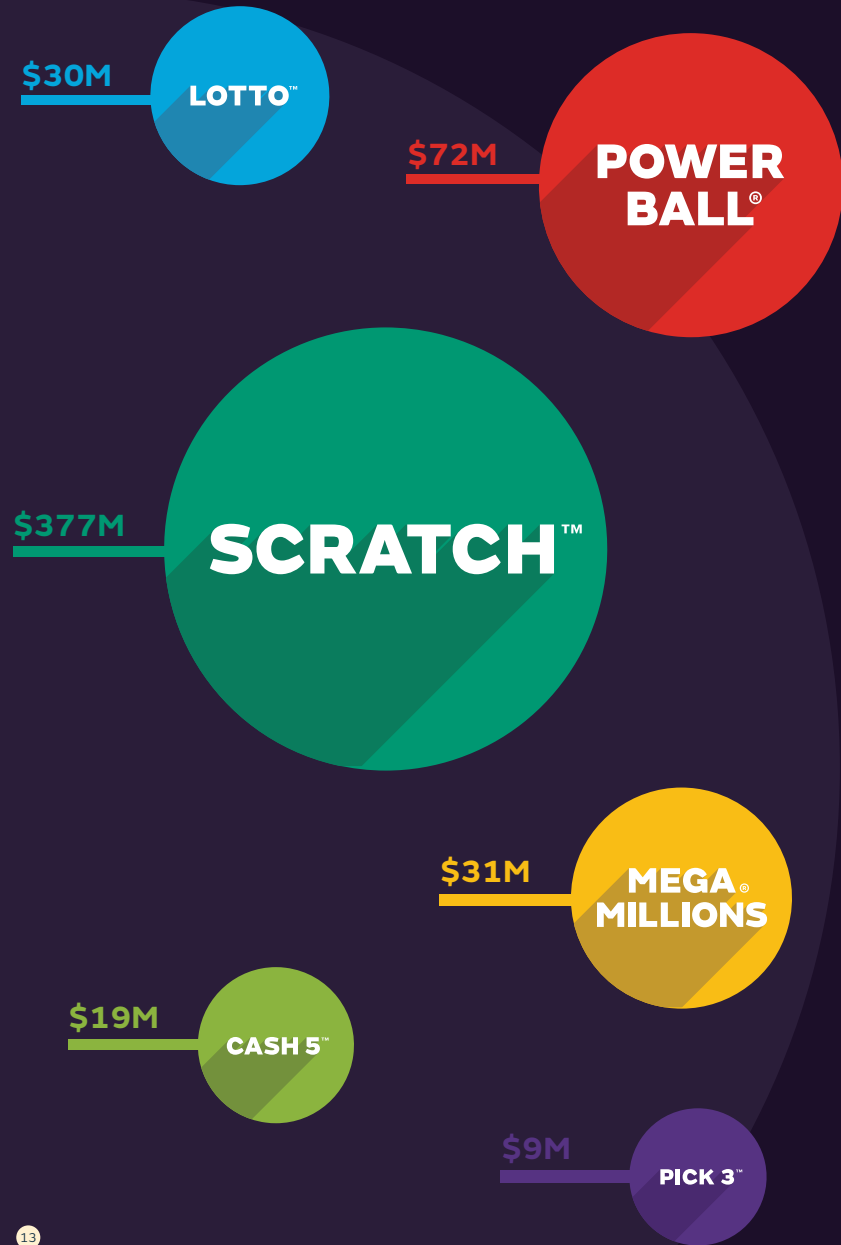
The Colorado Lottery is proud to continue its relationship with BEST. Since 2001, the Lottery has provided more than \$71 million in proceeds to the BEST program, improving learning facilities and environments for Colorado students.



BEST
 HAS FUNDED 261 CAPITAL
 CONSTRUCTION SCHOOL PROJECTS IN
124 SCHOOLS
 AND HAS RECEIVED OVER
\$71 MILLION
 IN LOTTERY FUNDS SINCE 2001

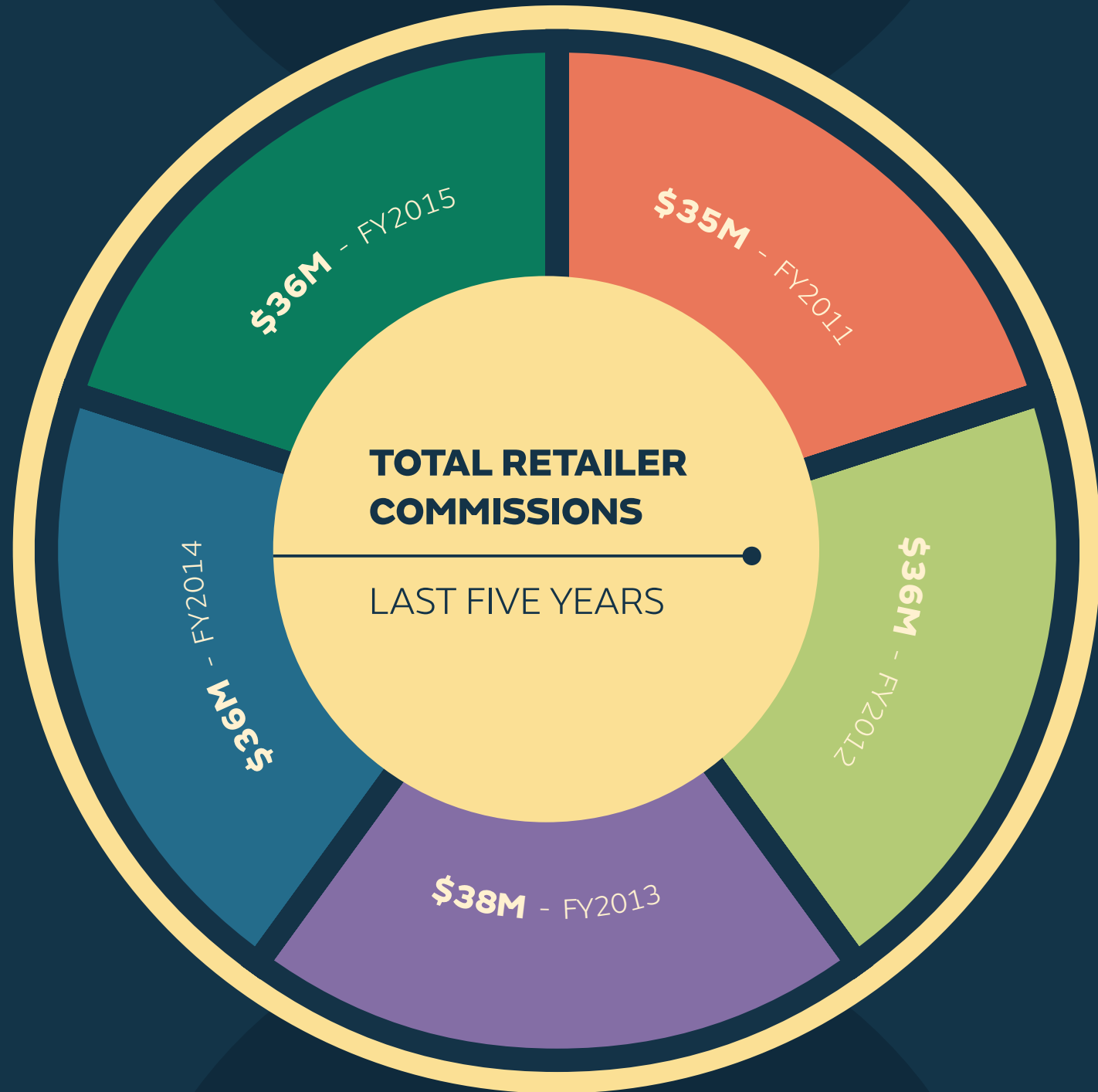
LOTTERY GAME SALES BREAKDOWN

FY2015



LOTTERY SALES BY PRODUCT

LAST 5 YEARS



FY2015 TOP 10 CHAIN RETAILERS

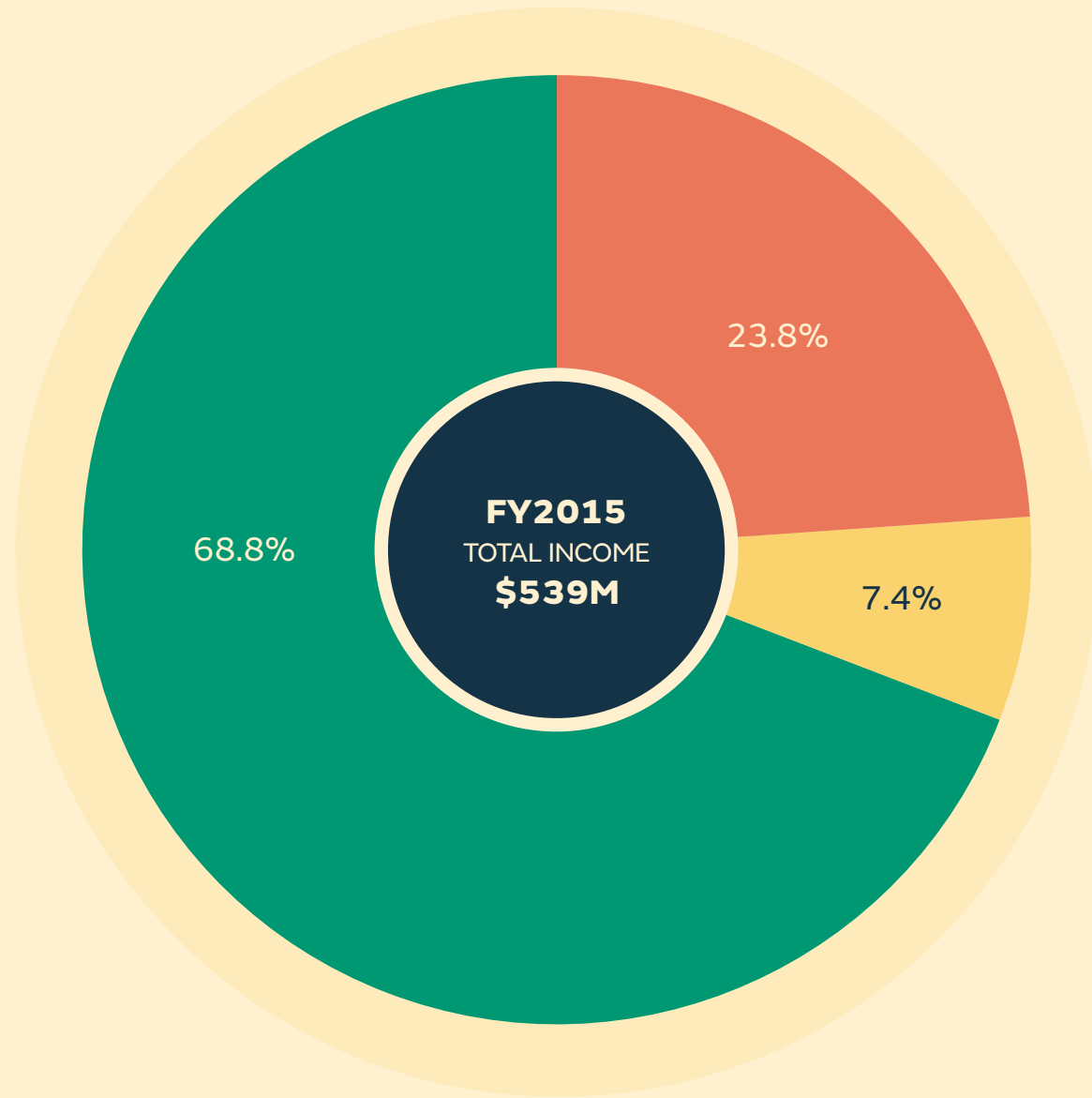
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FY2015 TOP 10 INDEPENDENT RETAILERS

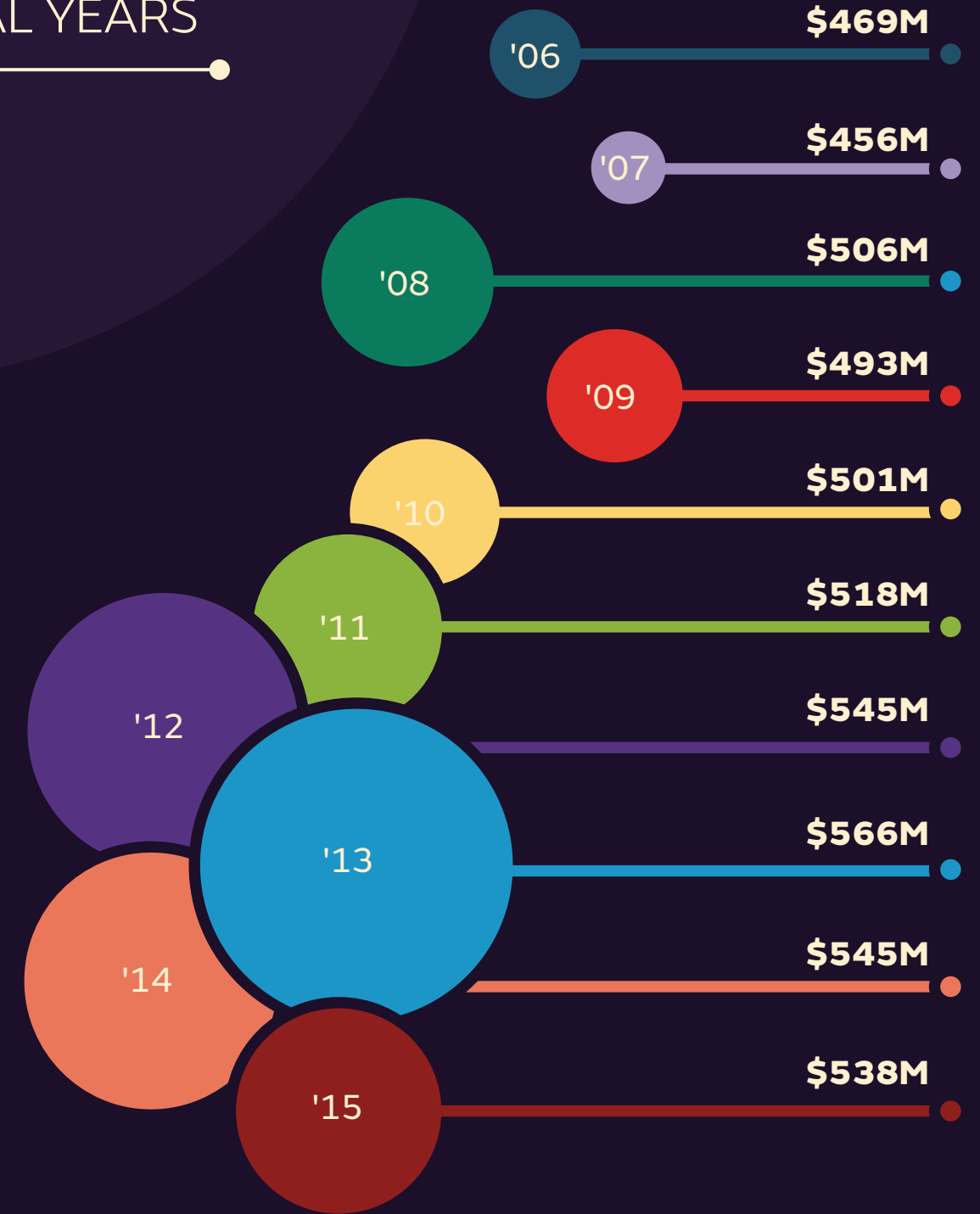
- BORDERLINE** - CARR
- DISCOUNT GAS AND CONVENIENCE** - LAKEWOOD
- FLORIDA MARKET** - DENVER
- B.G.'s** - GRAND JUNCTION
- R & S FOOD AND GAS** - LOVELAND
- ORCHARD MESA MARKET** - GRAND JUNCTION
- GATEWAY SERVICES** - DINOSAUR
- KWIK WAY #757** - COLORADO SPRINGS
- A - Z CONVENIENCE** - AURORA
- Z STOP** - GOLDEN

FY2015 FINANCIAL HIGHLIGHTS



- PRIZES, RETAILER COMMISSIONS, SELLING BONUSES, AND CHANGE IN NET ASSETS
\$371M
- PROCEEDS DISTRIBUTION
\$128M
- ADMINISTRATIVE COSTS
\$40M

SALES REVENUE LAST 10 FISCAL YEARS



FISCAL YEAR 2015 FINANCIAL STATEMENTS

COLORADO LOTTERY STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014)

	2015	2014
OPERATING REVENUES		
Gross Ticket Sales	538,025,144	545,030,260
DIRECT OPERATING EXPENSES		
Prize Expense	331,498,987	336,511,493
Retailer Commissions and Bonuses	39,815,292	40,212,982
Cost of Tickets and Vendor Fees	10,834,131	10,805,730
Total Direct Operating Expenses	\$382,148,410	\$387,530,205
GROSS PROFIT ON SALE OF TICKETS	155,876,734	\$157,500,055
OTHER OPERATING EXPENSES		
Marketing and Communications	13,823,454	13,629,282
Administration Fees Paid to MUSL	127,709	85,228
Wages and Benefits	9,635,406	9,256,494
Professional Services	308,721	178,471
State Agencies Services	724,982	267,553
Department of Revenue Services	529,826	486,936
Travel	103,739	51,803
Equipment (including loss on disposition of equipment of \$0 and \$825, respectively)	104,848	521,428
Depreciation	557,445	960,109
Space Rental	775,080	754,269
Rents for Equipment	29,076	25,557
Motor Pool Leasing	311,069	368,640
Materials and Supplies	117,657	100,755
Telephone	307,533	233,137

	2015	2014
On-Line Telecommunications	57,368	431,334
Data Processing Supplies and Services	35,657	329,666
Equipment Maintenance	208,613	272,636
Printing	18,227	21,526
Delivery Expense	961,753	961,938
Other	158,571	131,927
Total Other Operating Expenses	\$28,896,734	\$29,068,689
OTHER OPERATING REVENUE	\$195,041	\$382,539
TOTAL OPERATING INCOME	\$127,175,041	\$128,813,905
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	442,094	554,251
Unfunded Pension Expense	(660,976)	-
Proceeds Distributions	(127,980,868)	(130,113,508)
Total Non-operating Revenues (Expenses)	(\$128,199,750)	(\$129,559,257)
NET INCOME	(\$1,024,709)	(\$745,352)
NET POSITION, BEGINNING OF YEAR	\$2,917,333	\$3,662,685
Restatement - Adoption of New Accounting Standard	(22,031,023)	-
NET POSITION, BEGINNING OF YEAR - As Restated	(\$19,113,690)	\$3,662,685
NET CHANGE IN NET POSITION	(\$1,024,709)	(\$745,352)
NET POSITION, END OF PERIOD	(\$20,138,399)	\$2,917,333

A FEW OF OUR FY2015 BIG WINNERS

\$331 MILLION
PRIZES PAID IN
FY2015



\$90,000,000

**POWER
BALL**



\$200,000

SCRATCH



\$5,975,656

LOTTO



\$250,000

SCRATCH



\$20,000

**MEGA
MILLIONS**



\$20,000

CASH 5





COLORADO LOTTERY COMMISSION

The Colorado Lottery Commission plays an important role in the oversight and governance of the Colorado Lottery and in fulfilling their fiduciary responsibilities with regards to all Lottery games. Its mission is to ensure that all Colorado Lottery games are held to the highest level of integrity, and are representative of the values of the State of Colorado and its citizens.

The Commission is comprised of five members who are appointed by the Governor with the consent and approval of the Colorado Senate. To serve, one member must have been a Colorado practicing attorney for at least five years, at least one member must have been a certified public accountant who practiced accountancy in Colorado for the last five years, and at least one member of the Commission must have been a law enforcement officer for at least five years.



COLORADOLOTTERY.COM

DEPARTMENT OF REVENUE
Barbara Brohl — Executive Director

COLORADO LOTTERY
Laura Solano — Director
Jane Biglin — Deputy Director

COLORADO LOTTERY COMMISSIONERS FY2015
Frances A. Koncilja — Chair, Attorney at Law
Honorable Charles Dennis Maes — Vice Chair, Attorney at Law
Michael Weatherwax — Commissioner, Certified Public Accountant
Jim Davis — Commissioner, Law Enforcement
Jim Bensberg — Commissioner, Member of the Public

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