

***COLORADO LOTTERY  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION***

**INCLUDING STATEMENT OF LOTTERY REVENUES,  
PRIZE DISBURSEMENTS AND OTHER EXPENSES**

**(UNAUDITED)**

**FOR THE THREE (3) QUARTERS ENDED**

**MARCH 31, 2016**

**COLORADO LOTTERY  
FINANCIAL STATEMENTS  
(UNAUDITED)**

DISTRIBUTION

|                             |   |
|-----------------------------|---|
| Honorable John Hickenlooper | Governor                                  |
| Hon. Dennis Maes            | Chair, Lottery Commissioner               |
| Mr. Michael Weatherwax, CPA | Vice-Chair, Lottery Commissioner          |
| Mr. Jim Bensberg            | Lottery Commissioner                      |
| Mr. Jim Davis               | Lottery Commissioner                      |
| Ms. Stella Peterson         | Lottery Commissioner                      |
| Ms. Barbara Brohl           | Executive Director, Department of Revenue |
| Ms. Laura Solano            | Director, Colorado Lottery                |
| Mr. Robert Jaros            | State Controller                          |
| Ms. Dianne Ray              | State Auditor                             |

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# STATE OF COLORADO

**COLORADO LOTTERY DIVISION**  
Department of Revenue

**Headquarters**  
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John Hickenlooper  
Governor

Barbara Brohl  
Executive Director

Laura Solano  
Lottery Director

June 8, 2016

Members of the Lottery Commission and  
Ms. Laura Solano, Lottery Director

Pursuant to CRS 24-35-204, the Colorado Lottery is required to furnish monthly "a complete statement of lottery revenues, prize disbursements and other expenses."

The financial performance for the three quarters ended March 31, 2016 depicts total revenues of \$461.7 million, which includes gross ticket sales of \$461.2 million. Net income before proceeds distributions is \$111.5 million with a decrease in net position of \$0.2 million. Accordingly, a total of \$111.7 million in distributions will have been made by June 1, 2016 in the following manner; over \$55.8 million to the Great Outdoors Colorado Fund, nearly \$11.2 million to the Colorado Parks and Wildlife, and \$44.7 million to the Conservation Trust Fund, for distribution to cities and other local government agencies.

The attached financial statements for the three quarters ended March 31, 2016 have not been audited. They have been prepared in accordance with generally accepted accounting principles, using established accounting and internal control procedures. These procedures support the production of reliable financial statements. As with any system of accounting and internal control procedures, there are inherent limitations, and the procedures cannot be relied upon to completely eliminate the occurrence of discrepancies, errors or omissions, but should reduce that risk to a relatively low tolerable level.

Respectfully submitted,

A handwritten signature in cursive script that reads "John Caligaris".

John Caligaris  
Controller  
Colorado Lottery

**COLORADO LOTTERY  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**INCLUDING STATEMENT OF LOTTERY REVENUES  
PRIZE DISBURSEMENTS AND OTHER EXPENSES  
(UNAUDITED)**

**T A B L E   O F   C O N T E N T S**

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COLORADO LOTTERY  
 FINANCIAL HIGHLIGHTS  
 \$ IN MILLIONS  
 FOR THE THREE QUARTERS ENDED MARCH 31, 2016 AND 2015

The table included below and the graphs included on page 2 present certain summarized operating results of the Colorado Lottery for the three quarters ended March 31, 2016 and 2015 and should be read in conjunction with the financial statements presented herein. The graphs included on page 2 are presented for the purpose of demonstrating the Colorado Lottery's compliance with certain statutes that pertain to its operations.

|  | For the Three Quarters Ended March 31, |                   |                 |                   |
|--|--|-------------------|-----------------|-------------------|
|  | FY 2016                                |                   | FY 2015         |                   |
|  | Total                                  | Actual<br>Percent | Total           | Actual<br>Percent |
| <b>INCOME</b>                              |  |                   |                 |                   |
| Gross Ticket Sales                         | \$461.17                               |                   | \$402.13        |                   |
| Nonoperating revenue                       | 0.52                                   |                   | 0.48            |                   |
| <b>TOTAL INCOME</b>                        | <b>461.69</b>                          |                   | <b>402.61</b>   |                   |
| <b>LESS:</b>                               |  |                   |                 |                   |
| <b>PRIZES</b>                              | <b>\$287.95</b>                        | <b>62.4% (1)</b>  | <b>\$247.06</b> | <b>61.4% (1)</b>  |
| <b>RETAILER COMMISSIONS AND BONUSSES</b>   | <b>\$34.04</b>                         | <b>7.4% (2)</b>   | <b>\$29.83</b>  | <b>7.4% (2)</b>   |
| <b>ADMINISTRATIVE COSTS</b>                |  |                   |                 |                   |
| Ticket Costs and Vendor Fees               | 9.28                                   |                   | 8.05            |                   |
| Other Operating Expenses                   | 18.97                                  | (4)               | 21.80           |                   |
| <b>TOTAL ADMINISTRATIVE COSTS (Note 3)</b> | <b>28.25</b>                           | <b>6.1% (3)</b>   | <b>29.85</b>    | <b>7.4% (3)</b>   |
|  | <b>111.45</b>                          |                   | <b>95.87</b>    |                   |
| <b>NET CHANGE IN NET ASSETS</b>            | <b>(0.20)</b>                          |                   | <b>(0.29)</b>   |                   |
| <b>PROCEEDS DISTRIBUTION</b>               | <b>\$111.65</b>                        | <b>24.2% (3)</b>  | <b>\$96.16</b>  | <b>23.9% (3)</b>  |

Note 1: Percent of gross ticket sales - per C.R.S. 24-35-210 (9) total disbursements for lottery prizes shall be no less than fifty percent of the total revenue accruing from the sale of lottery tickets or shares.

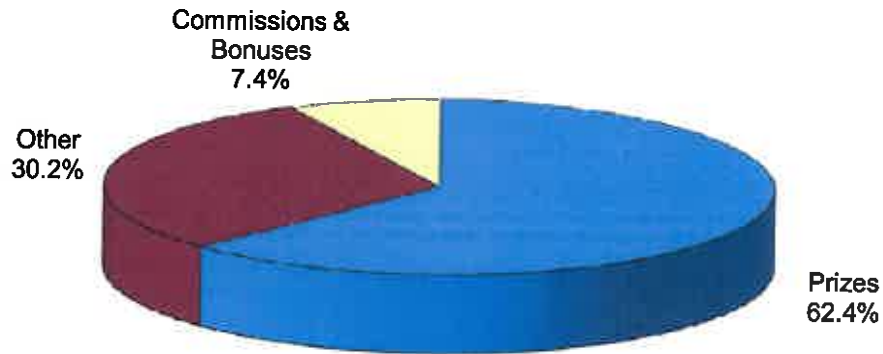
Note 2: Percent of gross ticket sales.

Note 3: Percent of total income.

Note 4: Total operating expenses per the statement of revenues, expenses and changes in fund net position includes unappropriated expenses such as depreciation and accrued annual and sick leave. The actual administrative costs percentage would be slightly lower if they were removed from the calculation.

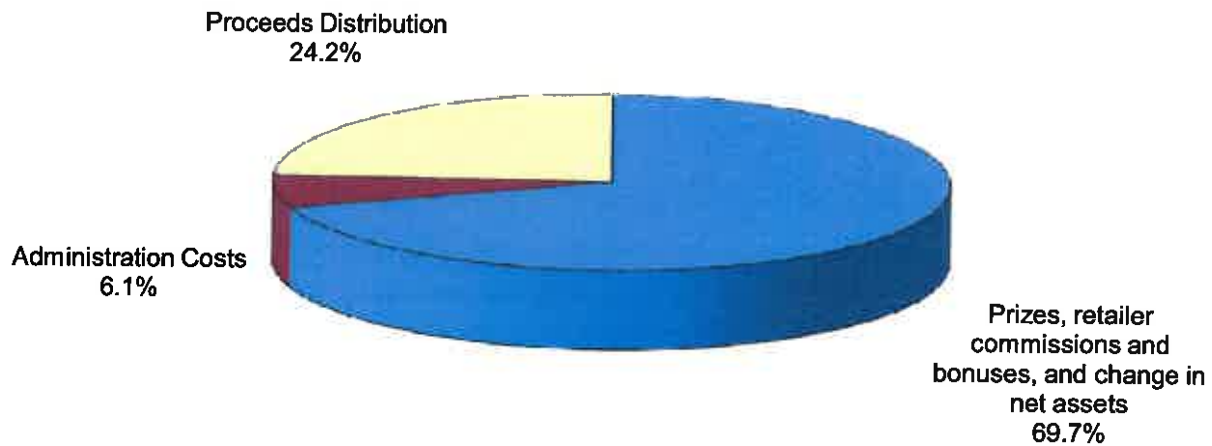
COLORADO LOTTERY  
SUPPLEMENT OF FINANCIAL HIGHLIGHTS  
FOR THE THREE QUARTERS ENDED MARCH 31, 2016

**PERCENT OF GROSS TICKET SALES**



To depict compliance with the 50% prize payment statute and the commission/bonus rules.

**PERCENT OF TOTAL INCOME**



To depict status of administrative expenditures to date.

COLORADO LOTTERY  
STATEMENTS OF NET POSITION  
MARCH 31, 2016 AND 2015  
(UNAUDITED)

| ASSETS   | <u>FY 2016</u>       | <u>FY 2015</u>       |
|--|----------------------|----------------------|
| <b>Current Assets:</b>   |                      |                      |
| Cash and Investments   | \$ 62,289,454        | \$ 39,723,618        |
| Accounts Receivable, net of the allowance for doubtful accounts of \$204,727 in 2016 and \$196,258 in 2015 | 20,357,754           | 22,120,160           |
| Consignment Inventory, at Cost   | 106,601              | 107,325              |
| Warehouse Inventory, at Cost   | 1,390,173            | 1,075,636            |
| Prepaid Expenses   | 137,551              | 138,859              |
| Total Current Assets   | <u>84,281,533</u>    | <u>63,165,598</u>    |
| <b>Reserve and Restricted Assets:</b>  |                      |                      |
| Cash and Investments-Operating Reserve   | 1,500,000            | 1,500,000            |
| Cash and Investments-Licensed Agent Recovery   |                      |                      |
| Reserve Receipts   | 412,280              | 360,028              |
| Prepaid Prize Expense with MUSL  | 4,541,395            | 4,581,628            |
| Total Reserve and Restricted Assets  | <u>6,453,675</u>     | <u>6,441,656</u>     |
| <b>Capital Assets:</b>   |                      |                      |
| Equipment  | 5,966,333            | 5,971,272            |
| Leasehold Improvements   | 64,711               | 64,711               |
| Less Accumulated Depreciation and Amortization   | (5,714,329)          | (5,448,441)          |
| Total Capital Assets   | <u>316,715</u>       | <u>587,542</u>       |
| TOTAL ASSETS   | <u>\$ 91,051,923</u> | <u>\$ 70,194,796</u> |
| <b>LIABILITIES</b>   |                      |                      |
| <b>Current Liabilities:</b>  |                      |                      |
| Accounts Payable   | \$ 695,020           | \$ 1,372,241         |
| Prize Liability  | 34,404,444           | 28,146,341           |
| Payable to MUSL  | 288,008              | 62,615               |
| Wages and Benefits   | 9,563                | -                    |
| Accrued Annual and Sick Leave  | -                    | -                    |
| Retailer Bonus Liability   | 1,489,560            | 1,194,005            |
| Funds Available for Distribution   | 51,140,511           | 36,079,643           |
| Total Current Liabilities  | <u>88,027,106</u>    | <u>66,854,845</u>    |
| <b>Long-Term Liabilities:</b>  |                      |                      |
| Accrued Annual and Sick Leave  | 756,333              | 831,656              |
| Expired Warrants Liability   | 39,489               | 60,725               |
| Total Long-Term Liabilities  | <u>795,822</u>       | <u>892,381</u>       |
| TOTAL LIABILITIES  | <u>88,822,928</u>    | <u>67,747,226</u>    |
| <b>NET POSITION</b>  |                      |                      |
| Investment in Capital Assets   | 316,715              | 587,542              |
| Restricted-Licensed Agent Recovery Reserve   | 412,280              | 360,028              |
| Restricted-Operating Reserve   | 1,500,000            | 1,500,000            |
| Unrestricted-Other   | -                    | -                    |
| TOTAL NET POSITION   | <u>2,228,995</u>     | <u>2,447,570</u>     |
| TOTAL LIABILITIES AND NET POSITION   | <u>\$ 91,051,923</u> | <u>\$ 70,194,796</u> |

COLORADO LOTTERY  
 STATEMENTS OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE THREE QUARTERS ENDED MARCH 31, 2016 AND 2015  
 (UNAUDITED)

|   | <u>FY 2016</u>       | <u>FY 2015</u>      |
|---|----------------------|---------------------|
| <b>OPERATING REVENUES</b>                         |                      |                     |
| Gross Ticket Sales                                | \$ 461,172,445       | \$ 402,129,307      |
| <b>DIRECT OPERATING EXPENSES</b>                  |                      |                     |
| Prize Expense                                     | 287,947,995          | 247,054,132         |
| Retailer Commissions and Bonuses                  | 34,040,945           | 29,830,691          |
| Cost of Tickets and Vendor Fees                   | <u>9,282,644</u>     | <u>8,052,756</u>    |
| Total Direct Operating Expenses                   | <u>331,271,584</u>   | <u>284,937,579</u>  |
| <b>GROSS PROFIT ON SALE OF TICKETS</b>            | <u>129,900,861</u>   | <u>117,191,728</u>  |
| <b>OTHER OPERATING EXPENSES</b>                   |                      |                     |
| Marketing and Communications                      | 8,396,437            | 10,358,005          |
| Administration Fees Paid to MUSL                  | 79,182               | 114,168             |
| Wages and Benefits                                | 6,949,217            | 7,161,217           |
| Professional Services                             | 96,906               | 226,204             |
| State Agencies Services                           | 527,450              | 525,490             |
| Department of Revenue Services                    | 345,195              | 440,082             |
| Travel  | 74,402               | 79,546              |
| Equipment   | 26,973               | 49,368              |
| Depreciation                                      | 399,332              | 419,004             |
| Accrued Annual and Sick Leave                     | (912)                | 131,419             |
| Space Rental                                      | 593,087              | 578,206             |
| Rents for Equipment                               | 21,296               | 19,895              |
| Motorpool Leasing                                 | 217,350              | 245,430             |
| Materials and Supplies                            | 92,104               | 103,828             |
| Telephone   | 178,936              | 305,939             |
| Data Processing Supplies and Services             | 0                    | 26,739              |
| Equipment Maintenance                             | 150,472              | 163,161             |
| Printing  | 13,716               | 12,732              |
| Delivery Expense                                  | 704,021              | 732,707             |
| Other   | 99,352               | 107,876             |
| Total Other Operating Expenses                    | <u>18,964,516</u>    | <u>21,801,016</u>   |
| <b>OTHER OPERATING REVENUE (EXPENSE)</b>          | 99,055               | 135,256             |
| <b>TOTAL OPERATING INCOME</b>                     | <u>111,035,400</u>   | <u>95,525,968</u>   |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |                      |                     |
| Investment Income                                 | 419,638              | 341,752             |
| Funds Distributed for Current Year                | (60,514,125)         | (60,081,608)        |
| Funds Available for Distribution for Current Year | <u>(51,140,511)</u>  | <u>(36,079,643)</u> |
| Total Nonoperating Revenues (Expenses)            | <u>(111,234,998)</u> | <u>(95,819,499)</u> |
| <b>NET INCOME (LOSS)</b>                          | <u>\$ (199,598)</u>  | <u>\$ (293,531)</u> |
| <b>NET POSITION, BEGINNING OF YEAR</b>            | 2,428,593            | 2,741,101           |
| Net Change in Net Position                        | <u>(199,598)</u>     | <u>(293,531)</u>    |
| <b>NET POSITION, END OF PERIOD</b>                | <u>\$ 2,228,995</u>  | <u>\$ 2,447,570</u> |



COLORADO LOTTERY  
STATEMENTS OF CASH FLOWS  
FOR THE THREE QUARTERS ENDED MARCH 31, 2016 AND 2015  
(UNAUDITED)

|  | FY2016         | FY2015         |
|--|----------------|----------------|
| <b>Operating Activities</b>  |                |                |
| Cash received from retailers   | \$ 461,344,797 | \$ 399,241,797 |
| Cash paid in prizes  | (279,728,513)  | (244,799,304)  |
| Cash paid in retailer commissions  | (30,631,979)   | (26,824,718)   |
| Cash payments to suppliers   | (22,021,304)   | (23,401,387)   |
| Cash payments to employees for services  | (7,740,755)    | (7,940,669)    |
| Cash paid in retailer bonus  | (3,261,157)    | (3,346,072)    |
| Net cash provided by operating activities  | 117,961,089    | 92,929,647     |
| <b>Noncapital Financing Activities</b>   |                |                |
| Distribution of net proceeds   | (92,333,742)   | (90,590,115)   |
| Net cash used by noncapital financing activities   | (92,333,742)   | (90,590,115)   |
| <b>Capital and Related Financing Activities</b>  |                |                |
| Acquisition of capital assets  | (166,357)      | (48,979)       |
| Proceeds from the sale of capital assets   | -              | -              |
| Net cash used by capital and related financing activities  | (166,357)      | (48,979)       |
| <b>Investing Activities</b>  |                |                |
| Interest received  | 419,638        | 341,752        |
| Change in fair market value of investments   | -              | -              |
| Net cash provided by investing activities  | 419,638        | 341,752        |
| <b>Increase (Decrease) in Cash and Investments</b>   | 25,880,628     | 2,632,305      |
| <b>Cash and Investments, Beginning of Year (including \$1,878,903 and \$1,783,534, respectively, in restricted accounts)</b> | 38,321,106     | 38,951,341     |
| <b>Cash and Investments, End of Period, (including \$1,912,280 and \$1,860,028 respectively, in restricted accounts)</b>     | \$ 64,201,734  | \$ 41,583,646  |
| <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>                                       |                |                |
| <i>Operating income</i>  | \$ 111,035,400 | \$ 95,525,968  |
| <i>Depreciation</i>  | 399,332        | 419,004        |
| <i>Loss (gain) on disposition of equipment</i>   | -              | -              |
| <i>Change in:</i>  |                |                |
| <i>Accounts Receivable</i>   | (139,831)      | (3,177,879)    |
| <i>Ticket Inventory</i>  | (371,650)      | 72,704         |
| <i>Prepaid Expenses</i>  | (61,818)       | 44,805         |
| <i>Prepaid Prize Expense with MUSL</i>   | 40,245         | 371,190        |
| <i>Liabilities (excluding funds available for distribution)</i>  | 7,059,411      | (326,145)      |
| <b>Net cash provided by operating activities</b>   | \$ 117,961,089 | \$ 92,929,647  |
| <b>Statement of Net Position Classification</b>  |                |                |
| Cash and investments   | \$ 62,289,454  | \$ 39,723,618  |
| Cash and investments- Licensed Agent Recovery Reserve  | 412,280        | 360,028        |
| Cash and investments- Operating Reserve  | 1,500,000      | 1,500,000      |
| <b>Cash and Investments, End of Period</b>   | \$ 64,201,734  | \$ 41,583,646  |

**COLORADO LOTTERY**  
**POWERBALL ANNUITY WINNERS TRUST FUND**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**MARCH 31, 2016 AND 2015**

(UNAUDITED)

| <b>ASSETS</b>                                    | <u>FY 2016</u>              | <u>FY 2015</u>              |
|--|-----------------------------|-----------------------------|
| <b>Current Assets:</b>                           |                             |                             |
| Current Portion Long Term Investments-PB Annuity | 508,000                     | 488,000                     |
| <b>Long Term Assets:</b>                         |                             |                             |
| Long Term Investments-PB Annuity                 | <u>10,101,985</u>           | <u>10,055,312</u>           |
| <b>TOTAL ASSETS</b>                              | <b>\$ <u>10,609,985</u></b> | <b>\$ <u>10,543,312</u></b> |
| <br><b>NET POSITION</b>                          |                             |                             |
| Held in Trust for Powerball Winner               | <u>10,609,985</u>           | <u>10,543,312</u>           |
| <b>TOTAL NET POSITION</b>                        | <b>\$ <u>10,609,985</u></b> | <b>\$ <u>10,543,312</u></b> |

**COLORADO LOTTERY**  
**POWERBALL ANNUITY WINNERS TRUST FUND**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2016 AND 2015**

(UNAUDITED)

|  | <u>FY 2016</u>              | <u>FY 2015</u>              |
|--|-----------------------------|-----------------------------|
| <b>Additions</b>   |                             |                             |
| Investment Income  | \$ <u>428,428</u>           | \$ <u>382,251</u>           |
| Total Additions  | <u>428,428</u>              | <u>382,251</u>              |
| <br><b>Deductions</b>                                      |                             |                             |
| Prize Payments   | <u>488,000</u>              | <u>469,000</u>              |
| Change in net position                                     | (59,572)                    | (86,749)                    |
| <br><b>Net Position held in Trust for Powerball Winner</b> |                             |                             |
| Beginning of Year  | <u>10,669,557</u>           | <u>10,630,061</u>           |
| End of Period  | \$ <u><u>10,609,985</u></u> | \$ <u><u>10,543,312</u></u> |

**COLORADO LOTTERY**  
**SCHEDULE OF REVENUE AND COSTS FOR SCRATCH AND JACKPOT GAMES**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2016**  
(With Comparative Totals for the Three Quarters Ended March 31, 2015)

|   | Scratch             | Scratch \$50       | Jackpot Games      |                     |                    |                    | FY 16              | FY 15                |                              |
|---|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|----------------------|------------------------------|
|   |                     |                    | Lotto              | Powerball           | Cash 5             | Mega Millions      | Pick 3             | Total                | Scratch and<br>Jackpot Games |
| TICKET SALES  | \$274,709,133       | \$28,646,750       | \$21,189,896       | \$96,456,820        | \$14,355,003       | \$19,150,374       | \$6,664,469        | \$461,172,445        | \$402,129,307                |
| PRIZE EXPENSE   | (183,535,353)       | (24,475,323)       | (12,633,861)       | (47,031,535)        | (7,902,125)        | (9,164,528)        | (3,205,270)        | (287,947,995)        | (247,054,132)                |
| NET REVENUE<br>AFTER PRIZES                                     | <u>91,173,780</u>   | <u>4,171,427</u>   | <u>8,556,035</u>   | <u>49,425,285</u>   | <u>6,452,878</u>   | <u>9,985,846</u>   | <u>3,459,199</u>   | <u>173,224,450</u>   | <u>155,075,175</u>           |
| COMMISSIONS, BONUSES,<br>TICKET COSTS<br>& VENDOR FEES (Note 1) |                     |                    |                    |                     |                    |                    |                    |                      |                              |
| Retailer Commission   | (19,187,573)        | (1,998,073)        | (1,268,781)        | (5,773,795)         | (859,257)          | (1,145,925)        | (398,575)          | (30,631,979)         | (26,824,718)                 |
| Retailer Bonus  | (2,414,119)         | (253,743)          | (120,601)          | (373,146)           | (118,718)          | (81,849)           | (46,790)           | (3,408,966)          | (3,005,973)                  |
| Cost of Tickets Sold  | (1,829,529)         | (34,600)           | N/A                | N/A                 | N/A                | N/A                | N/A                | (1,864,129)          | (1,877,828)                  |
| Telecomm Reimbursements   | 344,304             | 35,907             | 26,558             | 120,894             | 17,992             | 24,002             | 8,353              | 578,010              | 583,530                      |
| Jackpot Vendor Fees   | (4,791,602)         | (499,673)          | (369,085)          | (1,633,599)         | (250,311)          | (333,656)          | (118,599)          | (7,996,525)          | (6,758,458)                  |
| TOTAL   | <u>(27,878,519)</u> | <u>(2,750,182)</u> | <u>(1,731,909)</u> | <u>(7,659,646)</u>  | <u>(1,210,294)</u> | <u>(1,537,428)</u> | <u>(555,611)</u>   | <u>(43,323,589)</u>  | <u>(37,883,447)</u>          |
| GROSS PROFIT ON SALE<br>OF TICKETS                              | <u>\$63,295,261</u> | <u>\$1,421,245</u> | <u>\$6,824,126</u> | <u>\$41,765,639</u> | <u>\$5,242,584</u> | <u>\$8,448,418</u> | <u>\$2,903,588</u> | <u>\$129,900,861</u> | <u>\$117,191,728</u>         |
| AVERAGE DAILY<br>TICKET SALES                                   | <u>\$998,942</u>    | <u>\$215,389 *</u> | <u>\$77,054</u>    | <u>\$350,752</u>    | <u>\$52,200</u>    | <u>\$69,638</u>    | <u>\$24,234</u>    | <u>\$1,676,991</u>   | <u>\$1,467,625</u>           |

Note 1: Administrative costs of Lottery operations, including wages, advertising and other expenses are not shown.

\* \$50 Scratch game started October 19, 2015

**COLORADO LOTTERY**  
**SCHEDULE OF PERCENT OF PRIZE EXPENSE TO GROSS TICKET SALES**  
**FOR THE THREE QUARTERS ENDED MARCH 31, 2016**

|                                   | Scratch                                    | Scratch \$50                             | Lotto                                    | Powerball                                | Cash 5                                  | Mega Millions                           | Pick 3                                 | FY 16  | FY 15                                      |
|-----------------------------------|--|--|--|--|---|---|--|--|--|
|                                   |  |  |  |  |   |   |  | Total  | Total                                      |
| Prize Expense<br>(/)/Ticket Sales | <u>\$183,535,353</u><br><u>274,709,133</u> | <u>\$24,475,323</u><br><u>28,646,750</u> | <u>\$12,633,861</u><br><u>21,189,896</u> | <u>\$47,031,535</u><br><u>96,456,820</u> | <u>\$7,902,125</u><br><u>14,355,003</u> | <u>\$9,164,528</u><br><u>19,150,374</u> | <u>\$3,205,270</u><br><u>6,664,469</u> | <u>\$287,947,995</u><br><u>\$461,172,445</u> | <u>\$247,054,132</u><br><u>402,129,307</u> |
| Prize %                           | <u>66.81%</u>                              | <u>85.44%</u>                            | <u>59.62%</u>                            | <u>48.76%</u>                            | <u>55.05%</u>                           | <u>47.86%</u>                           | <u>48.09%</u>                          | <u>62.44%</u>                                | <u>61.44%</u>                              |

COLORADO LOTTERY  
BUDGET STATUS  
FOR THE THREE QUARTERS ENDED MARCH 31, 2016

|                                   | FY16<br>Budget<br>(Note 1) | Amount<br>Expended<br>(Note 3) | Amount<br>Available  | Percent<br>Expended<br>(Note 2) |
|-----------------------------------|----------------------------|--------------------------------|----------------------|---------------------------------|
| Personal Services                 | \$9,500,081                | 5,823,482                      | \$3,676,599          | 61.3%                           |
| Amortization Equal                | 324,547                    | 212,677                        | 111,870              | 65.5%                           |
| Suppl Amortization Equalization   | 313,483                    | 204,463                        | 109,020              | 65.2%                           |
| Worker's Compensation             | 93,111                     | 69,833                         | 23,278               | 75.0%                           |
| Health and Life                   | 1,031,570                  | 720,144                        | 311,426              | 69.8%                           |
| Short Term Disability             | 16,059                     | 9,641                          | 6,418                | 60.0%                           |
| Operating                         | 1,203,156                  | 676,771                        | 526,385              | 56.2%                           |
| Variable Vehicle                  | 163,062                    | 117,714                        | 45,348               | 72.2%                           |
| Leased Space                      | 783,117                    | 586,588                        | 196,529              | 74.9%                           |
| Leased Space-Grand Junction       | 5,947                      | 4,455                          | 1,492                | 74.9%                           |
| Risk Management                   | 27,896                     | 20,922                         | 6,974                | 75.0%                           |
| Vehicle Lease Payments            | 153,061                    | 98,606                         | 54,455               | 64.4%                           |
| Travel                            | 113,498                    | 74,402                         | 39,096               | 65.6%                           |
| Marketing, Communications & Sales | 14,700,000                 | 8,240,212                      | 6,459,788            | 56.1%                           |
| Payments to Other Agencies        | 239,410                    | 52,924                         | 186,486              | 22.1%                           |
| Legal Services                    | 55,408                     | 47,768                         | 7,640                | 86.2%                           |
| Indirect Costs                    | 460,259                    | 345,195                        | 115,064              | 75.0%                           |
| Ticket Costs-Scratch              | 6,578,000                  | 2,608,693                      | 3,969,307            | 39.7%                           |
| Research                          | 250,000                    | 156,225                        | 93,775               | 62.5%                           |
| Vendor Fees                       | 12,571,504                 | 7,996,525                      | 4,574,979            | 63.6%                           |
| Prize Payments                    | 424,104,016                | 287,947,995                    | 136,156,021          | 67.9%                           |
| Retailer Compensation             | 52,241,350                 | 34,040,945                     | 18,200,405           | 65.2%                           |
| Multi-State Lottery Funds         | 177,433                    | 79,182                         | 98,251               | 44.6%                           |
| CORE Modernization                | 26,567                     | 19,926                         | 6,641                | 75.0%                           |
| OIT Payments                      | 569,011                    | 426,758                        | 142,253              | 75.0%                           |
| <b>TOTAL</b>                      | <u>\$525,701,546</u>       | <u>\$350,582,046</u>           | <u>\$174,977,247</u> | <u>66.69%</u>                   |

FY16 Staffing - FTE - (Note 4)

117.10 (Appropriated)

111.00 (Projected)

Reconciliation of Expenses per "Statement of Revenues, Expenses and Changes in Net Position" to Budgeted Expenditures:

Expenses Per Statement of Revenues, Expenses and Changes in Net Position

|                               |             |
|-------------------------------|-------------|
| Prize Expense                 | 287,947,995 |
| Commissions and Bonuses       | 34,040,945  |
| Cost of Tickets & Vendor Fees | 9,282,644   |
| Operating Expenses            | 18,964,516  |

Total Expenses per Statement of Revenues, Expenses and Changes in Net Position 350,236,100

Plus: Telecommunications offset classified as revenue 578,010

Less: Non-appropriated expenses and other adjustments

|   |           |
|---|-----------|
| Depreciation  | (399,332) |
| Accrued Annual and Sick Leave                       | 912       |
| Loss on Disposal of Equipment classified as revenue | 0         |

Sub-Total 350,415,690

Plus: Capitalized Fixed Assets

166,356  
\$350,582,046

Note 1 - FY16 budget includes Lottery Long Bill and transfers from the Department of Revenue and anticipated supplemental funding.

Note 2 - Percent of fiscal year elapsed through March 31, 2016 is 75.0%.

Note 3 - Amount expended includes expenditures for both capitalized and non-capitalized equipment.

Note 4 - The Governor's budget office has informed departments that the appropriated FTE can be exceeded by 10% for FY 2016