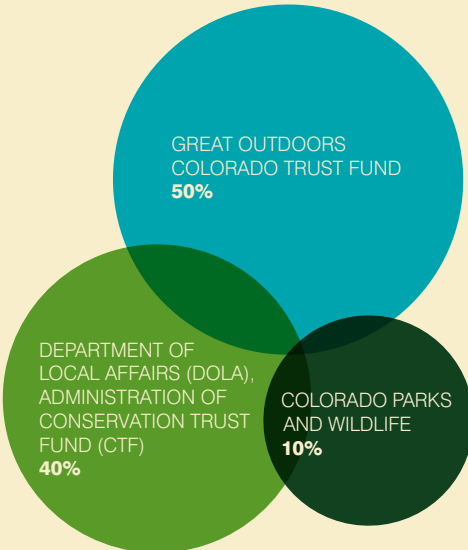


PROCEEDS CONTRIBUTIONS



PROCEEDS

Sales generated by the Lottery's more than 3,100 retailers raised \$113.4 million for the agency's proceeds partners – Great Outdoors Colorado, Department of Local Affairs – Administration of Conservation Trust Fund, and Colorado Parks and Wildlife. The three organizations received the following contributions from sales of Lottery tickets in FY11:



GREAT OUTDOORS COLORADO (GOCO): \$56.0M
Great Outdoors Colorado gives money to projects across the state that impact communities. Lottery proceeds have helped preserve, protect, enhance and manage Colorado's wildlife, park, river, trail and open-space heritage. In FY11, the distribution to GOCO was \$56.0 million.



DEPARTMENT OF LOCAL AFFAIRS (DOLA), ADMINISTRATION OF CONSERVATION TRUST FUND (CTF): \$45.3M
Local parks and recreation providers – towns, cities, counties and special districts – receive money from the Department of Local Affairs – Administration of Conservation Trust Fund in proportion to their population. We distributed \$45.3 million through the fund in FY11 for open space and land acquisition, equipment purchases, facility development, park maintenance and renovation or restoration of local facilities.



COLORADO PARKS AND WILDLIFE: \$11.3M
Colorado's 42 State Parks use Lottery money for trail construction and maintenance, equipment and facility purchases, land acquisition and maintenance of State Park facilities. \$11.3 million was distributed directly to State Parks in FY11.

In addition, the Lottery generated \$662,230 to the Public School Capital Construction Assistance Fund—Building Excellent Schools Today (BEST) program.

FEATURED WINNERS

Christopher Tracy | \$100K
MATCHPLAY

Ed Hohnadel | \$30K
POWERBALL

Marlene Mahaffey | \$20K
SCRATCH



IN CLOSING

We've enjoyed another successful year of service to the beautiful state of Colorado. We look forward to the new games, winners and proceeds that FY12 will bring.

DON'T FORGET TO PLAY™

To view the complete FY11 Annual Report, go to www.coloradolottery.com and click the "Annual Report" link on the bottom of the homepage.



ANNUAL REVIEW | **FY11**



LETTER FROM ABEL TAPIA

Fiscal year 2011 proved to be yet another incredibly busy and prosperous year for the Colorado Lottery. The Lottery achieved \$518.9 million in sales, a three and a half percent increase over FY10 and our best year ever. This achievement was largely driven by a significant increase in Scratch sales, which grew five percent over FY10 and comprised 66.5% of total sales. Jackpot game sales, which accounted for 33.5% of total sales in FY11, came to \$174 million.

Thanks to our loyal players and retail partners, the Colorado Lottery provided \$113.4 million to our proceeds partners. Through the allocation of these funds, improvements are continuously being made to Colorado that include the preservation, protection, enhancement and management of our state's natural beauty and expanded recreational opportunities all across Colorado.

Here's the breakdown of allocation of these funds for FY11:

- Great Outdoors Colorado: \$56.0 million
- Department of Local Affairs (DOLA), Administration of Conservation Trust Fund (CTF): \$45.3 million
- Colorado Parks and Wildlife: \$11.3 million

We also returned \$662,230 to the Public School Capital Construction Assistance Fund, which funds the Building Excellent Schools Today (BEST) program. Along with Colorado Department of Education grants and matching district funds, the Lottery has assisted with funding capital construction projects around the state. For fiscal years 2009-2011, the Colorado Lottery has contributed \$6.3 million, impacting two hundred and twenty-six schools throughout Colorado through the BEST program.

While the total dollar amount of proceeds returned to the state in FY11 exceeded the prior year, the percent of sales returned to proceeds was not as high as it has been historically. This was primarily due to the balance of sales coming from Scratch games vs. Jackpot games. Scratch games are less profitable overall than Jackpot games. Additionally, Jackpot game sales remained relatively flat, despite the presence of two new Jackpot offerings – Mega Millions and MatchPlay, and our Millionaire Raffle games, which were introduced in FY11. While our initial Millionaire Raffle game sold out completely, the second Raffle did not, making the Raffle game not as profitable as we had projected it would be.

Our biggest partners, comprised of more than 3,100 retailers across the state who sell our products, earned \$34,531,189 in commissions in FY11. Payments in retailer bonuses in FY11 were \$5,267,198.

It is our mission to stay true to the core values of the Department of Revenue: To provide graceful customer service and retail support in an elegant manner, to continue our commitment to deliver impactful products and maintain solid business practices through our effectiveness, and utilizing our valuable resources that we have at the Lottery with our resolute use of efficiency. We are proud of the accomplishments we have made in FY11. We look forward to the coming year and are grateful for your support as we continue to give back to our customers, community and the great outdoors.

Abel J. Tapia
Director, Colorado Lottery

PROCEEDS CONTRIBUTIONS 2002-2011



Photo: Bluff Lake Nature Center, Denver, CO

TOTAL SALES

\$518.9 MILLION

TOTAL PROCEEDS

\$113.4 MILLION

TOTAL PRIZES

\$328.3 MILLION

SALES HISTORY

2011		\$518.9 M
2010		\$501.2 M
2009		\$493.4 M
2008		\$505.8 M
2007		\$455.9 M
2006		\$468.8 M
2005		\$417.0 M
2004		\$401.3 M
2003		\$391.5 M
2002		\$408.0 M

GAME SALES

Scratch		\$344.9 M
Powerball		\$70.0 M
Lotto		\$39.3 M
Cash 5		\$19.2 M
MatchPlay		\$11.4 M
Mega Millions		\$25.1 M
Millionaire Raffle		\$5.5 M
Bonus Millionaire Raffle		\$3.4 M

RETAILER COMMISSIONS

2011		\$34.5 M
2010		\$33.3 M
2009		\$32.8 M
2008		\$33.7 M
2007		\$30.3 M
2006		\$31.0 M
2005		\$27.8 M
2004		\$26.6 M
2003		\$26.0 M
2002		\$27.0 M

FY11 FINANCIALS

OPERATING REVENUES	2011	2010
<i>in millions</i>		
SALES:		
Powerball	\$70.0	\$101.6
Mega Millions	25.1	2.4
Lotto	39.3	41.6
MatchPlay	11.4	6.2
Cash 5	19.2	21.3
Scratch	344.9	328.1
Millionaire Raffle	5.5	-
Bonus Millionaire Raffle	3.4	-
TOTAL SALES	518.9	501.2

OPERATING EXPENSES

<i>in millions</i>		
Commissions	34.5	33.3
Bonuses	5.1	4.9
Prizes Awarded	326.7	310.4

OTHER:

Vendor Fees	7.9	7.6
Ticket Costs	3.0	3.1
Marketing and Communications	14.8	14.8
Scratch Ticket Delivery	1.0	0.3
MUSL Admin. Fees	0.1	0.1
Other Admin. Costs	13.2	13.7
TOTAL OTHER	40.0	39.6

TOTAL:

TOTAL:	406.3	388.2
Net Operating Income	112.6	113.0
Other Revenue	0.7	1.5
Less Net Change in Assets	(0.1)	1.6
Distributions	113.4	112.9