

# A FIELD GUIDE TO PLAY

*FY12 Annual Review*





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# LETTER FROM THE DIRECTOR

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On behalf of the Colorado Lottery, I am pleased to present the fiscal year 2012 Annual Report. I'd like to take a moment to reflect on some of our accomplishments, successes and priorities over the past year.

In fiscal year 2012, we reached a new sales record of \$545.3 million. Thanks to our loyal players and retail partners, the Colorado Lottery provided \$123.2 million to our proceeds partners. We also reached the remarkable \$2.4 billion milestone in proceeds given to our beneficiaries since the start of the Lottery. 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. Additionally, we were able to provide just over \$4.5 million to the Building Excellent Schools Today (BEST) program for public school construction. 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 2008–2012, the Colorado Lottery has contributed approximately \$10.84 million and 284 schools throughout Colorado have been impacted through the BEST program.

The breakdown of proceeds for FY12 were:

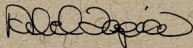
- Great Outdoors Colorado: \$57.1 million
- Conservation Trust Fund: \$49.3 million
- Colorado Parks and Wildlife: \$12.3 million
- Public School Construction Fund (BEST): \$4.5 million



This past fiscal year's success was largely based on another great year in Scratch sales and a historic Mega Millions jackpot run. Scratch ticket sales were up 5.6% from the previous year's sales, generating a record \$364.2 million. Jackpot game sales were up 4.1% from the previous year's sales, generating \$181 million. When the Mega Millions jackpot hit a record \$656 million on March 30, 2012, the Colorado Lottery sold more than \$17.7 million during the jackpot run, which ran from January 27 through March 30. This drove total Mega Millions sales to \$37.1 million for FY12, up \$12 million from FY11. Total Lottery sales were up \$26 million from FY11.

We also returned more to our players and retailers in FY12. In total, the Lottery paid out \$349.8 million in prizes—compared to \$328.3 million in FY11—and 27 players joined the hundreds of Coloradans who have become millionaires playing Colorado Lottery games. And, total commissions paid to our valued retailers increased as well, from \$34.5 million in FY11 to \$36.3 million in FY12.

It is our mission to always strive to be more efficient, elegant and effective in how we do business. In the coming year, maintaining our responsible stewardship, excellent customer service and our highly diverse and qualified workforce will continue to be key objectives for the Lottery. As the Lottery embarks on its fourth decade, the top priority is, as it always has been, to create profitable games to serve the state and generate proceeds to help preserve the environment and enhance Colorado's communities for years to come.



Abel J. Tapia, Director, Colorado Lottery

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# PROCEEDS CONTRIBUTIONS 2002-2012

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2002

**\$110.0  
MILLION**

2003

**\$104.8  
MILLION**

2004

**\$104.1  
MILLION**

2005

**\$103.8  
MILLION**

2006

**\$125.6  
MILLION**

2007

**\$119.0  
MILLION**

2008

**\$122.3  
MILLION**

2009

**\$119.6  
MILLION**

2010

**\$112.9  
MILLION**

2011

**\$113.4  
MILLION**

2012

**\$123.2  
MILLION**



## TOTAL SALES

**\$545.3  
MILLION**

## TOTAL PRIZES

**\$349.8  
MILLION**

## TOTAL PROCEEDS

**\$123.2  
MILLION**

## GAME SALES

- **SCRATCH** | \$364.2 M
- **POWERBALL** | \$81.9 M
- **CASH 5** | \$19.5 M
- **LOTTO** | \$33.3 M
- **MATCHPLAY** | \$9.3 M
- **MEGA MILLIONS** | \$37.1 M

## RETAILER COMMISSIONS

<b>2012</b>   \$36.3 M	<b>2006</b>   \$31.0 M
<b>2011</b>   \$34.5 M	<b>2005</b>   \$27.8 M
<b>2010</b>   \$33.3 M	<b>2004</b>   \$26.6 M
<b>2009</b>   \$32.8 M	<b>2003</b>   \$26.0 M
<b>2008</b>   \$33.7 M	<b>2002</b>   \$27.0 M
<b>2007</b>   \$30.3 M	

## SALES HISTORY

<b>2012</b>   \$545.3 M	<b>2006</b>   \$468.8 M
<b>2011</b>   \$518.9 M	<b>2005</b>   \$417.0 M
<b>2010</b>   \$501.2 M	<b>2004</b>   \$401.3 M
<b>2009</b>   \$493.4 M	<b>2003</b>   \$391.5 M
<b>2008</b>   \$505.8 M	<b>2002</b>   \$408.0 M
<b>2007</b>   \$455.9 M	

## FY12 FINANCIALS

<b>Operating Revenues</b> (in millions)	<b>2012</b>	<b>2011</b>
Powerball	81.9	70.0
Mega Millions	37.1	25.1
Lotto	33.3	39.3
MatchPlay	9.3	11.4
Cash 5	19.5	19.2
Scratch	364.2	344.9
Millionaire Raffle	—	5.5
Bonus Millionaire Raffle	—	3.4
<b>Total Sales</b>	<b>545.3</b>	<b>518.9</b>

### **Operating Expenses** (in millions)

Commissions	36.3	34.5
Bonuses	5.3	5.1
Prizes Awarded	342.6	326.7
Vendor Fees	8.3	7.9
Ticket Costs	2.8	3.0
Marketing and Communications	13.4	14.8
Scratch Ticket Delivery	1.0	1.0
MUSL Admin. Fees	0.1	0.1
Other Admin. Costs	14.0	13.2
<b>Total Other</b>	<b>39.6</b>	<b>40.0</b>

<b>TOTAL:</b>	<b>423.8</b>	<b>406.3</b>
Net Operating Income	121.5	112.6
Other Revenue	0.5	0.7
Less Net Change in Assets	(1.2)	(0.1)
Distributions	123.2	113.4



## PROCEEDS

Sales generated by the Lottery's more than 3,000 retailers raised \$123.2 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 partners received the following contributions from sales of Lottery tickets in FY12:

### GREAT OUTDOORS COLORADO TRUST FUND (GOCO)



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 FY12, the distribution to GOCO was \$57.1 million.**

### DEPARTMENT OF LOCAL AFFAIRS, ADMINISTRATION OF CONSERVATION TRUST FUND



Local parks and recreation providers receive money from the Conservation Trust Fund in proportion to their population so that qualifying towns, cities, counties and special districts in Colorado benefit from Lottery funds. **In FY12, the Lottery distributed more than \$49.3 million to the fund.**

### COLORADO PARKS AND WILDLIFE



Colorado's 42 state parks use Lottery money for trail construction and maintenance, land acquisition, equipment and facility purchases and maintenance of state park facilities. The Lottery improves the state park experience for more than 12 million annual visitors. **In FY12, \$12.3 million was distributed directly to state parks.**

In addition, the Lottery generated over \$4.5 million for the Public School Capital Construction Assistance Fund—Building Excellent Schools Today (BEST) program.



*Photo: Kochevar Open Space, Gunnison County;  
© 2010 John Fielder and The Great Outdoors Colorado Trust Fund*

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## IN CLOSING

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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 FY13 will bring.

# DON'T FORGET TO PLAY™

To view the complete FY12 Annual Report, go to [www.coloradolottery.com](http://www.coloradolottery.com) and click the "Annual Report" link on the bottom of the homepage.