

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

(UNAUDITED)

FOR THE TEN MONTHS ENDED

APRIL 30, 2010

**COLORADO LOTTERY
FINANCIAL STATEMENTS
(UNAUDITED)**

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STATE OF COLORADO

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Department of Revenue

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Bill Ritter, Jr.
Governor

Roxy Huber
Executive Director

Tom Kitts
Acting Lottery Director

June 15, 2010

Members of the Lottery Commission and
Mr. Tom Kitts, Acting 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 statements).

The attached financial statements have not been audited.

The financial statements presented for the ten months ended April 30, 2010, have been prepared in accordance with generally accepted accounting principles, using established accounting and internal control procedures. These procedures include, but are not limited to, documentation and accounting estimates, which 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, error or omissions, but should reduce the risk to a relatively low tolerable level.

Respectfully submitted,

A handwritten signature in cursive script that reads "Barb Aggson".

Barb Aggson
Controller, Colorado Lottery
Colorado Department of Revenue

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

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COLORADO LOTTERY
FINANCIAL HIGHLIGHTS
\$ IN MILLIONS
FOR THE TEN (10) MONTHS ENDED APRIL 30, 2010 AND 2009

The table included below and the graphs included on page 2 present certain summarized operating results of the Colorado Lottery for the ten months ended April 30, 2010, and 2009 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 Ten Months Ended April 30,			
	2010		2009	
	Total	Actual Percent	Total	Actual Percent
INCOME				
Gross Ticket Sales	\$413.73		\$411.84	
Nonoperating revenue	0.88		1.43	
TOTAL INCOME	414.61		413.27	
LESS:				
PRIZES	\$256.71	62.0% (1)	\$251.11	61.0% (1)
RETAILER COMMISSIONS AND BONUSES	\$31.52	7.6% (1)	\$30.77	7.5% (1)
ADMINISTRATIVE COSTS				
Ticket Costs and Vendor Fees	8.80		8.59	
Other Operating Expenses	23.41		20.00	
TOTAL ADMINISTRATIVE COSTS (Note 3)	32.21	7.8% (2)	28.59	6.9% (2)
	94.17		102.80	
NET CHANGE IN NET ASSETS	1.03		1.43	
PROCEEDS DISTRIBUTION	\$93.14	22.5% (2)	\$101.37	24.5% (2)

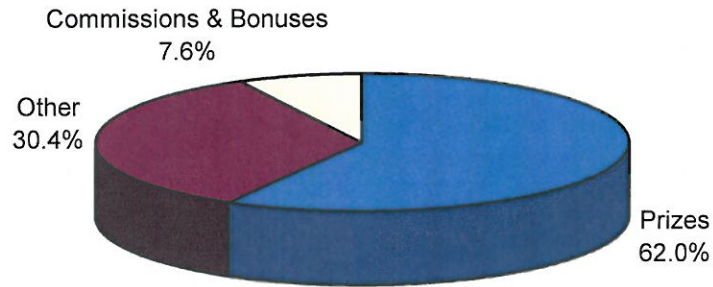
Note 1: Percent of gross ticket sales.

Note 2: Percent of total income.

Note 3: Total operating expenses per the statement of revenues, expenses and changes in fund net assets 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.

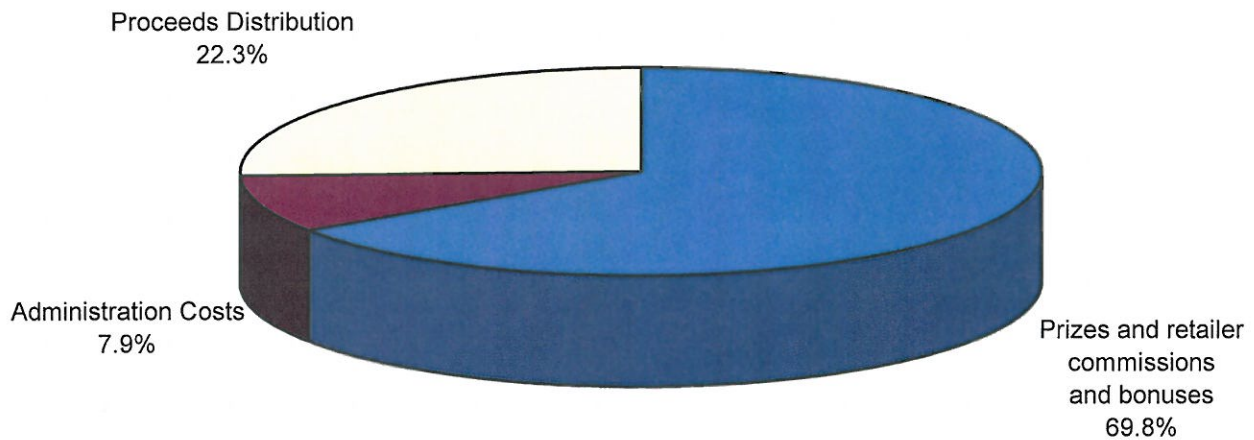
COLORADO LOTTERY
SUPPLEMENT OF FINANCIAL HIGHLIGHTS
FOR THE TEN MONTHS
ENDED APRIL 30, 2010

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 ASSETS
APRIL 30, 2010 AND 2009
(UNAUDITED)

ASSETS	2010	2009
Current Assets:		
Cash and Investments	\$ 47,684,273	\$ 47,503,532
Accounts Receivable, net of the allowance for doubtful accounts of \$237,548 in 2010 and \$182,804 in 2009	16,065,513	17,862,172
Consignment Inventory, at Cost	133,878	120,761
Warehouse Inventory, at Cost	1,289,339	1,048,311
Prepaid Expenses	79,275	181,028
Total Current Assets	65,252,278	66,715,804
Reserve and Restricted Assets:		
Cash and Investments-Operating Reserve	1,200,000	1,100,000
Cash and Investments-Licensed Agent Recovery Reserve Receipts	366,197	385,116
Prepaid Prize Expense with MUSL	3,944,710	3,944,710
Total Reserve and Restricted Assets	5,510,907	5,429,826
Capital Assets:		
Equipment	6,506,573	4,942,216
Leasehold Improvements	0	0
Less Accumulated Depreciation and Amortization	(2,805,102)	(2,753,182)
Total Capital Assets	3,701,471	2,189,034
TOTAL ASSETS	\$ 74,464,659	\$ 74,334,664
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 3,164,315	\$ 2,503,395
Prize Liability	25,493,060	26,126,508
Payable to MUSL	193,683	219,133
Wages and Benefits	113,280	31,200
Accrued Annual and Sick Leave	0	0
Retailer Bonus Liability	1,053,513	993,367
Funds Available for Distribution	38,108,374	39,450,764
Deferred Revenue	0	288,533
Total Current Liabilities	68,126,225	69,612,900
Long-Term Liabilities:		
Accrued Annual and Sick Leave	987,633	953,302
Expired Warrants Liability	83,132	94,313
Total Long-Term Liabilities	1,070,765	1,047,615
TOTAL LIABILITIES	69,196,990	70,660,515
NET ASSETS		
Investment in Capital Assets	3,701,471	2,189,034
Restricted-Licensed Agent Recovery Reserve	366,197	385,116
Restricted-Operating Reserve	1,200,000	1,100,000
Unrestricted-Other	0	0
TOTAL NET ASSETS	5,267,668	3,674,150
TOTAL LIABILITIES AND NET ASSETS	\$ 74,464,658	\$ 74,334,664

COLORADO LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE TEN (10) MONTHS ENDED APRIL 30, 2010 AND 2009
(UNAUDITED)

	2010	2009
OPERATING REVENUES		
Gross Ticket Sales	\$ 413,725,381	\$ 411,839,828
DIRECT OPERATING EXPENSES		
Prize Expense	259,371,931	250,652,558
Powerball Prize Variance	(2,655,709)	456,821
Retailer Commissions and Bonuses	31,522,654	30,766,721
Cost of Tickets and Vendor Fees	8,797,379	8,586,082
GROSS PROFIT ON SALE OF TICKETS	116,689,126	121,377,646
OTHER OPERATING EXPENSES		
Marketing and Communications	11,509,019	9,517,109
Administration Fees Paid to MUSL	113,555	89,162
Wages and Benefits	6,800,238	7,195,454
Professional Services	197,029	235,602
State Agencies Services	101,293	97,316
Department of Revenue Services	440,748	463,893
Travel	86,729	99,702
Equipment	1,264,222	22,244
Depreciation	516,381	106,616
Accrued Annual and Sick Leave	68,713	130,056
Space Rental	586,492	565,119
Rents for Equipment	26,681	24,055
Motorpool Leasing	260,623	340,321
Materials and Supplies	107,344	72,051
Telephone	84,528	86,646
On-Line Telecommunications	416,641	294,415
Data Processing Supplies and Services	24,807	16,311
Equipment Maintenance	395,032	236,081
Postage	44,575	64,646
Printing	14,200	9,986
Delivery Expense	237,919	199,252
Other	112,849	129,477
Total Other Operating Expenses	23,409,618	19,995,514
OPERATING INCOME	93,279,508	101,382,132
NONOPERATING REVENUES (EXPENSES)		
Other Revenue	119,025	154,056
Investment Income	760,698	1,272,716
Funds Distributed for Current Year	(55,031,661)	(61,925,285)
Funds Available for Distribution for Current Year	(38,108,374)	(39,450,764)
Total Nonoperating Revenues (Expenses)	(92,260,312)	(99,949,277)
NET INCOME(LOSS)	\$ 1,019,196	\$ 1,432,855
NET ASSETS, BEGINNING OF YEAR	4,248,472	2,241,295
Net Change in Net Assets	1,019,196	1,432,855
NET ASSETS, END OF PERIOD	\$ 5,267,668	\$ 3,674,150

POWERBALL ANNUITY WINNERS TRUST FUND
 STATEMENTS OF FIDUCIARY NET ASSETS
 APRIL 30, 2010 AND 2009

(UNAUDITED)

	2010	2009
ASSETS		
Current Assets:		
Current Portion Long Term Investments-PB Annuity	401,000	386,000
Long Term Assets:		
Long Term Investments-PB Annuity	9,610,741	10,410,500
TOTAL ASSETS	\$ 10,011,741	\$ 10,796,500
 NET ASSETS		
Held in Trust for Powerball Winner	10,011,741	10,796,500
TOTAL NET ASSETS	\$ 10,011,741	\$ 10,796,500

COLORADO LOTTERY
 POWERBALL ANNUITY WINNERS TRUST FUND
 STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE TEN MONTHS ENDED APRIL 30, 2010 AND 2009

(UNAUDITED)

	2010	2009
Additions		
Investment Income	\$ 411,567	\$ 1,363,205
Contributions from Multi-State Lottery Association	0	0
Total Additions	411,567	1,363,205
 Deductions		
Prize Payments	386,000	371,000
Change in net assets	25,567	992,205
 Net Assets held in Trust for Powerball Winner		
Beginning of Year	9,986,174	9,804,295
End of Period	\$ 10,011,741	\$ 10,796,500

COLORADO LOTTERY
SCHEDULE OF REVENUE AND COSTS FOR SCRATCH AND ON-LINE GAMES
FOR THE TEN MONTHS ENDED APRIL 30, 2010
(With Comparative Totals for the Ten Months Ended April 30, 2009)

	Games in Progress					FY 10	FY 09
	Scratch	Lotto	Powerball	Cash 5	Matchplay	Total	Scratch and On-Line
TICKET SALES	\$273,382,444	\$32,997,998	\$85,418,452	\$18,088,607	\$3,837,880	\$413,725,381	\$411,839,828
PRIZE EXPENSE	(186,348,728)	(17,953,680)	(43,278,739)	(9,650,117)	(2,140,667)	(259,371,931)	(250,652,558)
POWERBALL PRIZE VARIANCE	N/A	N/A	2,655,709	N/A	N/A	2,655,709	(456,821)
NET REVENUE AFTER PRIZES	87,033,716	15,044,318	44,795,422	8,438,490	1,697,213	157,009,159	160,730,449
COMMISSIONS, BONUSSES, TICKET COSTS & VENDOR FEES (Note 1)							
Retailer Commission	(19,110,153)	(1,972,758)	(5,108,992)	(1,082,073)	(230,436)	(27,504,412)	(27,417,957)
Retailer Bonus	(3,044,467)	(216,796)	(550,446)	(169,951)	(36,582)	(4,018,242)	(3,348,764)
Cost of Tickets Sold	(2,483,354)	N/A	N/A	N/A	N/A	(2,483,354)	(2,096,746)
Telecomm Reimbursements	408,471	49,304	127,627	27,027	5,734	618,163	611,193
On-Line Vendor Fees	(4,601,235)	(549,178)	(1,415,100)	(303,195)	(63,480)	(6,932,188)	(7,100,529)
TOTAL	(28,830,738)	(2,689,428)	(6,946,911)	(1,528,192)	(324,764)	(40,320,033)	(39,352,803)
GROSS PROFIT ON SALE OF TICKETS	\$58,202,978	\$12,354,890	\$37,848,511	\$6,910,298	\$1,372,449	\$116,689,126	\$121,377,646
AVERAGE DAILY TICKET SALES	\$997,746	\$120,431	\$311,746	\$66,017	\$98,407	\$1,509,947	\$1,354,736

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

COLORADO LOTTERY
SCHEDULE OF PERCENT OF PRIZE EXPENSE TO GROSS TICKET SALES
FOR THE TEN MONTHS ENDED APRIL 30, 2010

	Games in Progress					Powerball Prize Variance	FY 10 Total
	Scratch	Lotto	Powerball	Cash 5	Matchplay		
Prize Expense (/) Ticket Sales	\$186,348,728 / 273,382,444	\$17,953,680 / 32,997,998	\$43,278,739 / 85,418,452	\$9,650,117 / 18,088,607	\$2,140,667 / 3,837,880	-\$2,655,709 / N/A	\$256,716,222 / 413,725,381
Prize %	68.16%	54.41%	50.67%	53.35%	55.78%		62.05%

COLORADO LOTTERY
BUDGET STATUS
FOR THE TEN MONTHS ENDED APRIL 30, 2010

	FY10 Budget (Note 1)	Amount Expended (Note 3)	Amount Available	Percent Expended (Note 2)
Personal Services	\$8,900,998	\$6,707,042	\$2,193,956	75.4%
DOR Postage	5,054	0	5,054	0.0%
Amortization Equal	139,163	106,435	32,728	76.5%
Suppl Amortization Equalization	82,825	65,198	17,627	78.7%
Workmen's Compensation	47,158	38,634	8,524	81.9%
Health and Life	770,105	549,098	221,007	71.3%
Short Term Disability	10,207	8,571	1,636	84.0%
Operating	1,203,156	847,307	355,849	70.4%
Variable Vehicle	155,162	155,162	0	100.0%
Leased Space	678,351	581,363	96,988	85.7%
Leased Space-Grand Junction	7,019	5,129	1,890	73.1%
Risk Management	22,390	18,436	3,954	82.3%
Vehicle Lease Payments	117,305	94,594	22,711	80.6%
Travel	113,498	86,729	26,769	76.4%
Purch. Of Services-Computer Center	3,052	2,694	358	88.3%
Marketing, Communications & Sales	14,700,000	11,288,204	3,411,796	76.8%
Communications Services	2,060	1,695	365	82.3%
Payments to MNT	374,676	312,230	62,446	83.3%
Payments to Other Agencies	239,410	89,366	150,044	37.3%
Legal Services	32,473	11,926	20,547	36.7%
Indirect Costs	533,305	440,748	92,557	82.6%
Ticket Costs-Scratch	6,284,000	2,619,956	3,664,044	41.7%
Research	250,000	220,815	29,185	88.3%
Vendor Fees	12,376,154	8,134,329	4,241,825	65.7%
Prize Payments	400,264,560	259,371,931	140,892,629	64.8%
Retailer Compensation	49,290,600	31,522,654	17,767,946	64.0%
Multi-State Lottery Funds	177,433	113,555	63,878	64.0%
Lottery System Migration	3,281,051	1,185,081	2,095,970	36.1%
Powerball Prize Variance	12,960,000	6,431,884	6,528,116	49.6%
Rollforwards	13,920	13,920	0	100.0%
TOTAL	<u><u>\$513,035,085</u></u>	<u><u>\$331,024,686</u></u>	<u><u>\$175,482,283</u></u>	<u><u>64.52%</u></u>

FY10 Staffing (FTE) 126.0 (Appropriated) 114.974 (Projected)

Reconciliation of Expenses per "Statement of Revenues, Expenses and Changes in Retained Earnings" to Budgeted Expenditures:

Expenses Per Statement of Revenues, Expenses and Changes in Retained Earnings

Prize Expense	259,371,931
Powerball Prize Variance	(2,655,709)
Commissions and Bonuses	31,522,654
Cost of Tickets & Vendor Fees	8,797,379
Operating Expenses	23,409,618

Total Expenses per Statement of Revenues, Expenses and Changes in Retained Earnings 320,445,873

Plus: Powerball Variance classified as revenue	9,087,593
Telecommunications offset classified as revenue	618,163

Less: Non-appropriated expenses and other adjustments	
Depreciation	(516,381)
Accrued Annual and Sick Leave	(68,713)
Loss on Disposal of Equipment classified as revenue	(38,457)

Sub-Total 329,528,078

Plus: Capitalized Fixed Assets	1,496,608
	<u><u>331,024,686</u></u>

Note 1 - FY10 budget includes Lottery Long Bill and transfers from the Department of Revenue and anticipated supplemental funding.

Note 2 - Percent of fiscal year elapsed through April 30, 2010 is 83 1/3%.

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