

\$529 Million Raised for Education



Benefitting New Mexico's Future®

Fiscal Year 2012 **Annual Report**

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A Letter From the CEO

Welcome to the Fiscal Year 2012 Annual Report for the New Mexico Lottery. Great things happened in FY 2012.

To start, we reached a fundraising milestone 16 years in the making. In December 2011, we announced that the New Mexico Lottery had raised a half billion dollars for education since launching in 1996.

With more than \$500 million in Lottery revenue, the citizens of New Mexico have built new schools, refurbished existing schools, and provided Legislative Lottery Scholarships to tens of thousands of students attending the state's public colleges and universities. Thanks to the store clerks who sell Lottery tickets and the players who buy them, students across New Mexico have had greater opportunities to achieve more and to give back more in the Land of Enchantment.

Next, net sales in FY 2012 came to \$133.8 million and the New Mexico Lottery delivered \$41.3 million to the

scholarship program. These were our second-highest fiscal year net revenues and they brought the total raised for education since 1996 to \$529 million.

Prizes in FY 2012 came to \$72 million. Players also won a record five prizes of \$1 million or more, including the nation's first \$1 million prize in the revised Powerball® game.

For selling tickets and cashing prizes, our 1,110 retailers earned \$8.7 million in commissions, money they used to reinvest in their stores and the local economy.

In FY 2012, our partnership with players, retailers, vendors and elected officials continued to do great things for the state of New Mexico. Thank you for your continued support in this most important effort.

Sincerely,



Tom Romero
CEO



Tom Romero
CEO

With more than \$500 million in Lottery revenue, the citizens of New Mexico have built new schools, refurbished existing schools, and provided Legislative Lottery Scholarships to tens of thousands of students.

"I plan on using my psychology degree to go back and work in behavioral health in the community that I grew up in."

Brandi

Legislative Lottery Scholarship recipient at the University of New Mexico



Department Highlights

Finance

- For the 17th consecutive fiscal year, received unqualified opinion on independent financial audit with no adjusting or passed adjusting entries
- Collected \$80,684,000 from retailers; \$1,789,000 in NSFs; only \$6,000 in write-offs; \$4,500 in NSF fee income
- Completed RFP process for Banking and Related Services; transitioned to new bank; projected savings of \$10,000
- Paid prizes for Winner Video Promotion, KISS® II and Star Trek™ 2nd Chance Drawings, VIP Club Player Survey Prize Drawing, and Facebook Hot Summer Cash Sweepstakes

Human Resources

- Negotiated health insurance premiums
- Negotiated no increases and a two-year rate guarantee for dental, short- and long-term disability and basic life insurance
- Provided lifting training

Marketing & Communications

- Produced the "\$500 Million" advertising campaign featuring Legislative Lottery Scholarship students from across the state
- Introduced Quicksters®, a new type of instant-win game, and launched the revised \$2 Powerball® game featuring bigger jackpots, better odds and more winners

- Increased winner awareness by promoting big winners, including five new millionaires
- Enhanced VIP Club and Facebook benefits by offering more newsletters, interactive games and fun contests, increasing VIP Club membership by 32% and Facebook fans by 300%
- Negotiated and implemented 323 radio promotions; participated in 11 major community and educational events

Management Information Systems

- Modified back-office coding and performed quality assurance testing to implement the revised Powerball game
- Wrote new back-office coding, performed quality assurance testing and implemented the new Quicksters product
- Designed, configured and installed new network infrastructure to improve security and efficiency
- Planned and designed required components for disaster recovery site, including high-speed communications and inventory of mission critical software applications as well as the hardware to support those applications
- Developed plan and infrastructure to allow retailers

access to their billing information and other information online

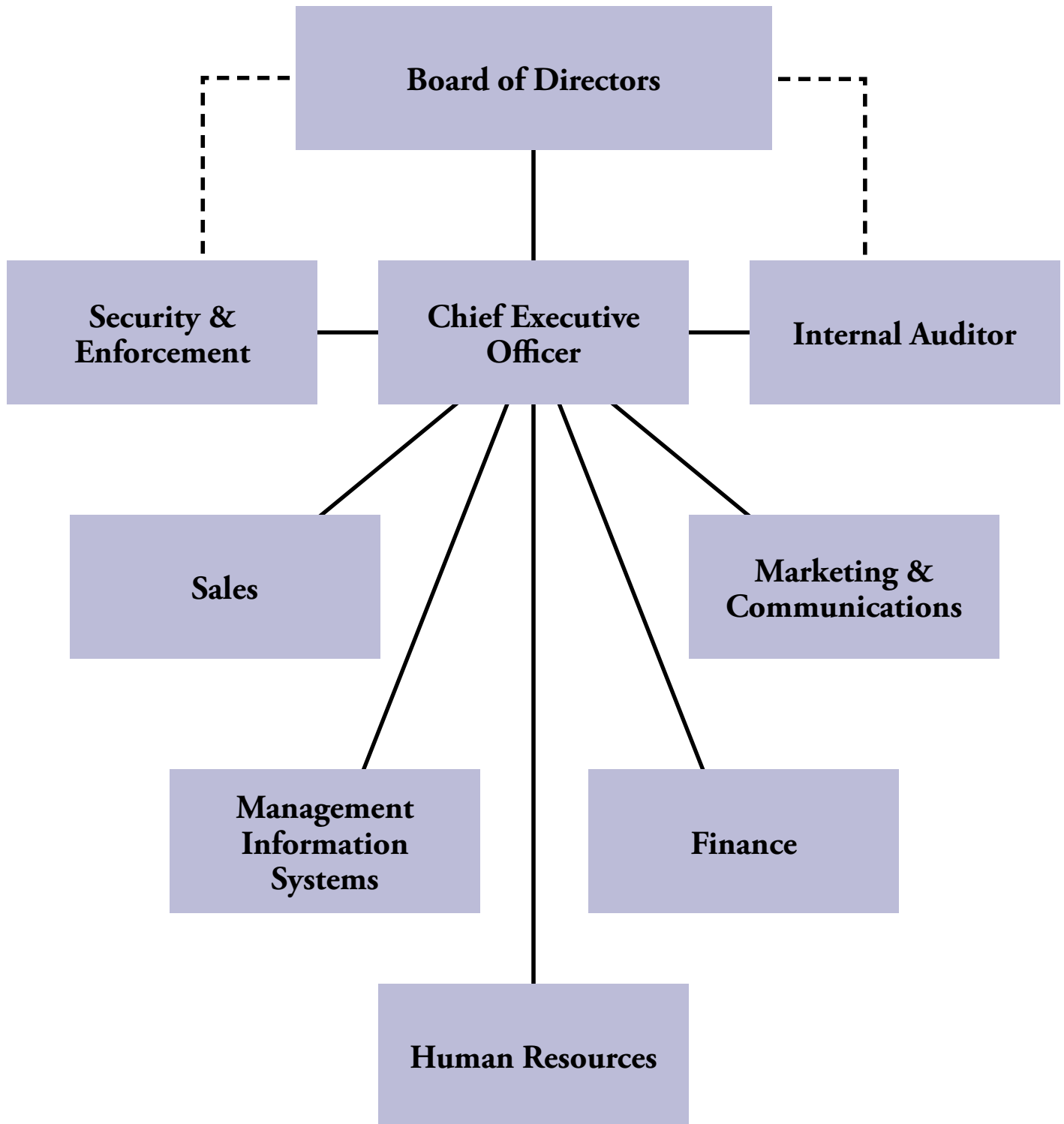
Sales

- Conducted sales training in 90 retailer locations statewide
- Installed 53 new retailers
 - › 27 independents
 - › 26 chain store locations
- Increased Lottery visibility by installing 288 additional electronic jackpot signs and 51 neon signs; installed 358 custom signs in retailer locations statewide, including banners, winner boards and car stops
- Conducted 150 wheel spin promotions/events statewide
- Processed 60,062 ticket orders for 253,000 ticket packs

Security & Enforcement

- Security and Enforcement agents conducted two stolen ticket investigations resulting in charges being filed
- Assisted law enforcement agencies with stolen ticket cases throughout the state
- Performed 235 retailer inspections; monitored stores for sales to minors as a precaution
- Conducted background investigations of 75 retailers and 65 prospective Lottery employee/vendor employees
- Validated and authorized payment for 490 prizes of more than \$600; 21 prizes of more than \$100,000

Organizational Divisions



Historical Review

Fiscal Year	Gross Revenues**	Net Revenues for Public Education**
FY 1996*	\$28.5 Million	\$6.3 Million
FY 1997	\$82.4 Million ↗	\$21.9 Million ↗
FY 1998	\$85.4 Million ↗	\$20.1 Million ↘
FY 1999	\$89.7 Million ↗	\$19.6 Million ↘
FY 2000	\$111.2 Million ↗	\$24.5 Million ↗
FY 2001	\$113.7 Million ↗	\$25.9 Million ↗
FY 2002	\$129.5 Million ↗	\$29.6 Million ↗
FY 2003	\$133.6 Million ↗	\$33.1 Million ↗
FY 2004	\$142.6 Million ↗	\$35.9 Million ↗
FY 2005	\$134.7 Million ↘	\$32.2 Million ↘
FY 2006	\$150.6 Million ↗	\$36.9 Million ↗
FY 2007	\$148.8 Million ↘	\$34.8 Million ↘
FY 2008	\$147.8 Million ↘	\$40.8 Million ↗
FY 2009	\$142.6 Million ↘	\$40.8 Million →
FY 2010	\$143.6 Million ↗	\$43.6 Million ↗
FY 2011	\$135.6 Million ↘	\$41.3 Million ↘
FY 2012	\$133.9 Million ↘	\$41.3 Million →
Totals	\$2.05 Billion	\$528.8 Million

Lottery Tuition Fund: \$462,254,996 (1996 to present)

Public School Capital Outlay Fund: \$66,553,850 (1996 to 2001)

Raised for public education through Fiscal Year 2012: \$528,808,846

* Represents partial fiscal year of November 1995 - June 30, 1996

** Rounded



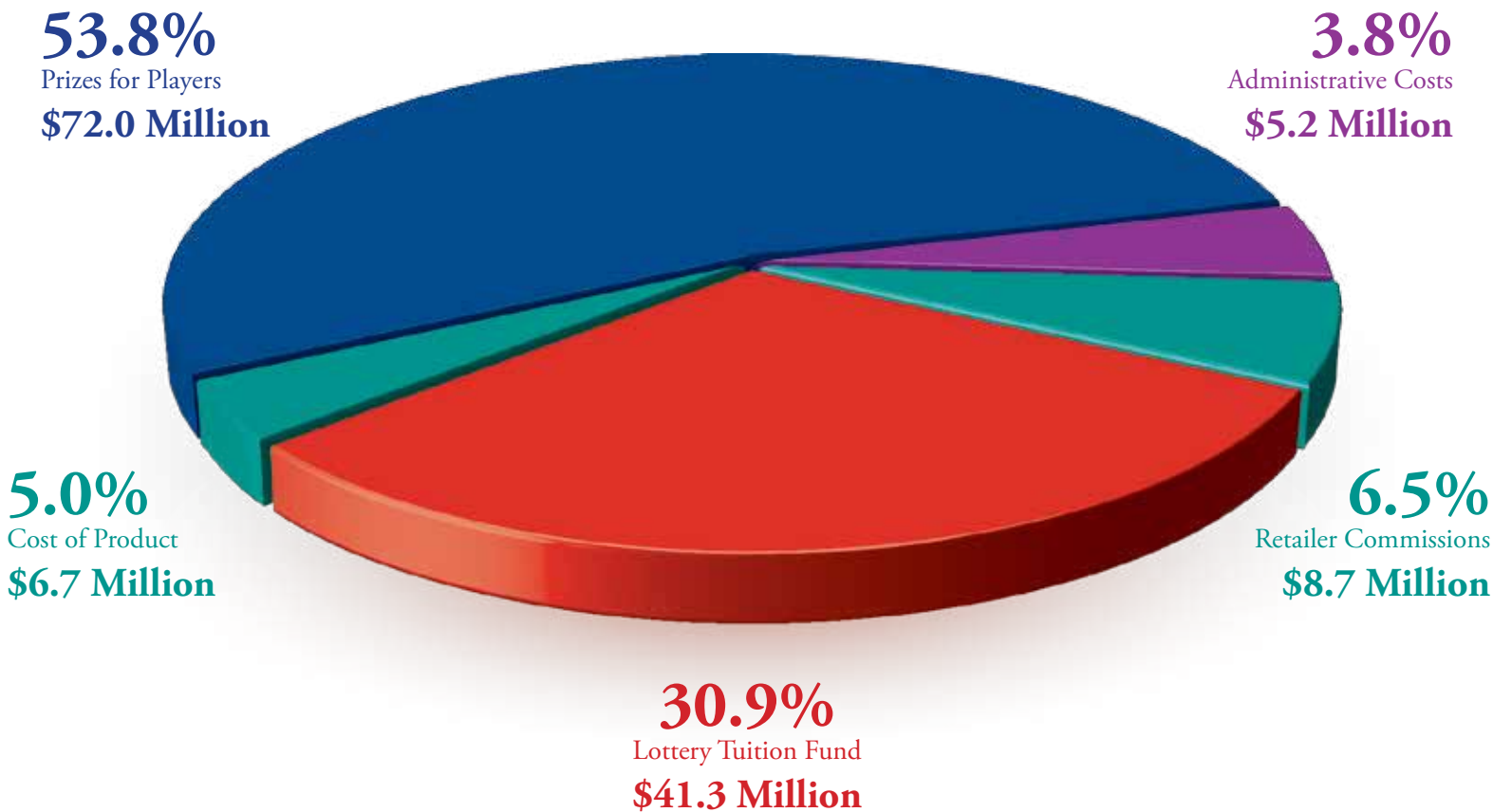
"Every time you play the Lottery you're investing in the economy of New Mexico. You're investing in the future workers, the future business people and the future scientists."

Jonathan
Legislative Lottery Scholarship recipient at the University of New Mexico

Where the Money Goes

\$133.9 Million in Gross Revenues

(Numbers are rounded)



By statute, the Lottery is required to return a minimum of 50% of proceeds to players in the form of prizes and 30% of gross revenues to the Lottery Tuition Fund. The remaining funds are allocated to cover the cost of product as well as retailer commissions and administrative costs.



"The degree will help me bring new ideas back to the farm and help incorporate more technology."

Sarah
Legislative Lottery Scholarship recipient
at New Mexico State University

82,619

High School Graduates and GED Recipients Have Attended College on Legislative Lottery Scholarships

Student Count By County Fall 1997 — Spring 2012

County	LLS Students	Total Awards	Total Graduates So Far
Bernalillo	25,460	\$ 166,307,273	12,351
Catron	113	\$ 717,837	60
Chaves	2,885	\$ 11,207,615	1,348
Cibola	986	\$ 4,232,745	500
Colfax	450	\$ 2,442,176	208
Curry	2,077	\$ 7,402,601	925
De Baca	127	\$ 616,929	68
Doña Ana	9,344	\$ 53,107,821	4,590
Eddy	2,396	\$ 10,198,651	1,178
Grant	1,340	\$ 7,231,328	710
Guadalupe	204	\$ 958,088	94
Harding	78	\$ 385,983	49
Hidalgo	220	\$ 1,226,197	106
Lea	1,751	\$ 4,742,424	789
Lincoln	836	\$ 4,214,689	393
Los Alamos	1,315	\$ 9,101,803	694
Luna	799	\$ 4,145,665	329
McKinley	2,313	\$ 8,956,069	881
Mora	254	\$ 1,140,780	124
Otero	2,507	\$ 12,283,666	1,279
Quay	464	\$ 1,885,505	221
Rio Arriba	2,132	\$ 9,266,797	998
Roosevelt	1,086	\$ 4,494,079	488
San Juan	4,202	\$ 15,197,185	1,986
San Miguel	1,444	\$ 6,651,606	762
Sandoval	4,515	\$ 26,660,344	1,968
Santa Fe	5,311	\$ 28,132,383	2,381
Sierra	313	\$ 1,993,318	144
Socorro	549	\$ 3,426,082	287
Taos	1,302	\$ 6,366,503	537
Torrance	602	\$ 3,258,250	284
Union	180	\$ 943,547	97
Valencia	3,460	\$ 16,544,467	1,502
Other ¹	1,415	\$ 5,310,189	483
No Response ²	189	\$ 756,615	115
Total	82,619	\$441,507,210	38,929

(1) "Other" includes New Mexico students who graduated from a Texas or Arizona high school under a reciprocal agreement with the State Department of Education and Arizona residents on the Navajo Reservation who qualify for Legislative Lottery Scholarships

(2) "No Response" accounts for students that did not provide county information on their admission forms; this information is requested, but not required

- Source: New Mexico Higher Education Department (NMHED), (800) 279-9777 www.hed.state.nm.us; table represents Legislative Lottery Scholarship (LLS) draws through Spring 2012
- This report was prepared using the institution-supplied student and student financial aid files
- These figures will always differ slightly in different categories because of official reconciliation adjustments between NMHED and the various institutions
- Some students may be counted more than once because of transfers or other factors, according to NMHED
- Graduates so far: non-graduates may still be enrolled, may no longer be on LLS, or may have left the institution
- Graduates and degrees may include duplicates if a student attained more than one degree — i.e., a student received an associate's degree and continued for a bachelor's degree; degrees include bachelor's, associate's, certificate and professional; several graduate students are also included because their Legislative Lottery Scholarships applied to undergraduate tuition that was part of their simultaneous graduate programs
- Rio Rancho High School's first graduating class was in FY 1999; some student data may be split between Bernalillo and Sandoval counties
- \$66,553,850 in Lottery revenues were allocated previously to the Public School Capital Outlay Fund for state-awarded school construction and repair grants. Following action by the New Mexico Legislature, the Lottery's contribution to this fund ended in FY 2001 and the last grants made with Lottery revenues occurred in FY 2002

17,136

Legislative Lottery Scholarships — Spring Semester 2012

	Spring 2012 LLS Students	Total Students (Fall '97 - Spring '12)	Total LLS Awards (Fall '97 - Spring '12)
Research Universities			
New Mexico Institute of Mining and Technology — Socorro	* 494	1,994	\$ 13,915,195
New Mexico State University — Las Cruces (Main Campus)	* 3,903	18,859	\$ 127,705,428
University of New Mexico — Albuquerque (Main Campus)	7,199	32,397	\$ 243,753,671
Comprehensive Universities			
Eastern New Mexico University — Portales (Main Campus)	* 924	4,948	\$ 18,967,557
New Mexico Highlands University — Las Vegas	300	1,959	\$ 5,941,182
Northern New Mexico College — Española & El Rito	180	1,250	\$ 1,560,172
Western New Mexico University — Silver City	* 196	1,287	\$ 4,160,301
Two-Year Branch Colleges			
Eastern New Mexico University — Roswell	220	1,870	\$ 1,736,490
Eastern New Mexico University — Ruidoso	* 65	381	\$ 205,194
New Mexico State University — Alamogordo	124	1,292	\$ 1,567,625
New Mexico State University — Carlsbad	89	1,052	\$ 1,032,667
New Mexico State University — Doña Ana	* 688	3,805	\$ 4,772,227
New Mexico State University — Grants	46	496	\$ 558,488
University of New Mexico — Gallup	127	1,087	\$ 1,178,517
University of New Mexico — Los Alamos	43	643	\$ 597,492
University of New Mexico — Taos	68	474	\$ 521,179
University of New Mexico — Valencia (Los Lunas)	* 251	1,788	\$ 2,037,090
Independent Community/Junior Colleges			
Central New Mexico Community College — Albuquerque	* 1,318	8,268	\$ 5,730,679
Clovis Community College	93	1,191	\$ 760,527
Luna Community College — Las Vegas	* 91	355	\$ 235,084
Mesalands Community College — Tucumcari	* 41	285	\$ 386,541
New Mexico Junior College — Hobbs	113	1,337	\$ 651,768
New Mexico Military Institute — Roswell	22	170	\$ 195,389
San Juan College — Farmington	308	2,779	\$ 1,893,029
Santa Fe Community College	* 233	1,893	\$ 1,443,718
Total Campuses — 25			
Total Students Spring 2012 Semester		17,136	
Total Since Inception Through Spring 2012			\$441,507,210

(1) Some satellite campuses are reflected in main campus information

(2) Luna Community College was formerly known as Luna Vocational Technical College

(3) Mesalands Community College was formerly known as Mesa Technical College

(4) Northern New Mexico College was formerly known as Northern New Mexico Community College; it now offers both two- and four-year programs

(5) Central New Mexico Community College was formerly known as Albuquerque Technical Vocational Institute

(6) Legislative Lottery Scholarship (LLS) debits and student count may be adjusted by New Mexico Higher Education Department (NMHED) in subsequent semesters, pending reviews, audits and/or appeals; these may also reflect minor financial differences due to overall decimal point rounding, and are statistically insignificant

(7) LLS transfer, draw and usage figures will always differ slightly in different categories because of official reconciliation and adjustments between NMHED and the various institutions

(8) The less than 1 percent discrepancy (0.26%) in total LLS awards stems from the difference in data sources

* Record-breaking Spring semester LLS enrollment

Source:
New Mexico Higher Education Department,
(800) 279-9777
www.hed.state.nm.us

Legislative Lottery Scholarship Recipients and Amounts Awarded by Semester

Not Reported '97 (88 students)	\$ 65,260	Spring '04 (12,023 students)	\$ 13,142,538	Fall '09 (12,866 students)	\$ 21,385,426
Summer '97 (45 students)	\$ 11,641	Summer '04 (3 students)	\$ 4,083	Spring '10 (16,343 students)	\$ 25,633,991
Not Reported '98 (5,208 students)	\$ 4,327,019	Fall '04 (10,014 students)	\$ 12,775,860	Summer '10 (31 students)	\$ 133,462
Summer '98 (46 students)	\$ 11,683	Spring '05 (12,770 students)	\$ 15,531,521	Fall '10 (13,623 students)	\$ 24,400,568
Fall '99 (6,293 students)	\$ 5,088,456	Summer '05 (3 students)	\$ 3,129	Spring '11 (17,021 students)	\$ 28,670,066
Not Reported '99 (8,037 students)	\$ 8,029,942	Fall '05 (10,657 students)	\$ 14,802,211	Summer '11*	-
Spring '00 (9,804 students)	\$ 7,639,693	Spring '06 (13,067 students)	\$ 17,345,946	Fall '11 (13,909 students)	\$ 26,774,948
Fall '00 (7,377 students)	\$ 6,712,523	Summer '06 (16 students)	\$ 23,394	Spring '12 (17,101 students)	\$ 31,180,423
Spring '01 (10,249 students)	\$ 8,814,067	Fall '06 (11,032 students)	\$ 16,259,849	Summer '12 (32 students)	\$ 143,648
Summer '01 (1 student)	\$ 978	Spring '07 (13,788 students)	\$ 19,540,205		
Fall '01 (8,133 students)	\$ 8,327,143	Summer '07 (43 students)	\$ 81,740		
Spring '02 (10,602 students)	\$ 10,423,916	Fall '07 (11,513 students)	\$ 17,671,062		
Summer '02 (1 student)	\$ 1,074	Spring '08 (14,395 students)	\$ 21,106,409		
Fall '02 (8,753 students)	\$ 9,551,759	Summer '08 (41 students)	\$ 82,164		
Spring '03 (11,273 students)	\$ 11,724,857	Fall '08 (12,046 students)	\$ 19,443,158		
Summer '03 (2 students)	\$ 2,328	Spring '09 (15,565 students)	\$ 23,711,548		
Fall '03 (9,470 students)	\$ 10,840,562	Summer '09 (40 students)	\$ 86,960		

Data provided by New Mexico Higher Education Department for the Legislative Lottery Scholarship program through FY 2012.

* As of the time of this writing Summer 2011 data is unavailable due to reporting issues and under review by NMHED.

Mega Prizes!

In March, the Mega Millions® jackpot skyrocketed to \$656 million, shattering the game's previous record prize of \$390 million.

In the March 30 drawing, players won prizes on more than 87,000 tickets sold in New Mexico. Winners included Raechel Halwood of Fruitland, who won \$250,000.

"I felt a little queasy," Halwood said of discovering her six-figure win. "It felt unreal."

Several tickets won \$10,000. Those winners include:

- William and Martha Johnson of Albuquerque;
- Jacqueline Padilla of Rio Rancho;
- Janelle Reed of Farmington;
- Albuquerque firefighters Sitien Do, Clinton Anderson, Paul McClure, Steven Keffer and Jedediah Hyland.

Jed Hyland discovered the prize after the crew returned from fighting a fire.

"Being the calm, collected professional emergency responder that I am, I took the ticket in one hand and went screaming down the hallway to tell everybody we had hit five of six numbers," Hyland joked for Lottery officials in Albuquerque.

Freddie Brinquis of Albuquerque won \$10,000 in the March 27 drawing.

Albuquerque Fire Station 8 Crew

Won \$10,000 playing Mega Millions



Freddie Brinquis, Albuquerque

Won \$10,000 playing Mega Millions



Raechel Halwood, Fruitland

Won \$250,000 playing Mega Millions



Aristeo Chavez, Ruidoso

Won \$50,000 playing Scratchers™

Aristeo's sister Alexandra attends Eastern New Mexico University on a Legislative Lottery Scholarship.



Udell Vigil, Las Cruces

Won \$200,000 playing Powerball

Udell's two sons received Legislative Lottery Scholarships to attend New Mexico State University. One son graduated with a degree in fine arts while the other son is studying criminal justice.



New Powerball® Delivers

In January 2012, Powerball became a new game.

The starting jackpot jumped from \$20 million to \$40 million, the highest starting jackpot of any lottery game in the nation.

The prize for matching five white balls jumped from \$200,000 to \$1 million.

The \$3 prize for matching the red Powerball went to \$4.

To increase prizes, the price of a Powerball ticket changed to \$2.

After the changes went into effect on Jan. 15, the new game's first \$1 million prize landed in New Mexico. The winning ticket was purchased by Larry and Cynthia Martinez of Blanco.

Larry and Cynthia Martinez, Blanco

The first players in the nation to win the new \$1 million Powerball prize for matching five white balls



Patrick and Sharon Yazzie

The Yazzies bought a Powerball ticket in Black Hat, New Mexico and won a \$1 million prize



Adama Vasquez, Loving, with granddaughter Candice Molina

Won \$250,000 playing Roadrunner Cash™

Adama's granddaughter Candice Molina attended the University of New Mexico on a Legislative Lottery Scholarship. Candice graduated with a bachelor's degree in accounting and then earned a master's degree.



Regina Romero, Santa Fe

Won \$30,000 playing Scratchers

"I think the scholarship program is amazing. It's a great opportunity for my kids to take that next step."



New Mexico Lottery Authority

STATEMENTS OF NET ASSETS

June 30, 2012 and 2011

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,885,806	\$ 5,561,825
Accounts receivable (net of allowance for doubtful accounts)	1,225,638	885,691
Reserves on deposit	3,396,831	2,925,251
Inventory	33,077	11,334
Prepaid expenses	80,686	113,005
Total current assets	11,622,038	9,497,106
CAPITAL ASSETS, NET	305,550	168,065
Total assets	\$ 11,927,588	\$ 9,665,171
CURRENT LIABILITIES		
Accounts payable and other current liabilities	\$ 1,955,328	\$ 1,829,650
Current portion of capital lease obligation	11,016	6,228
Prizes payable	6,860,315	4,592,530
Due to Lottery Tuition Fund	3,039,205	3,215,482
Total current liabilities	11,865,864	9,643,890
LONG-TERM LIABILITIES		
Noncurrent portion of capital lease obligation	61,724	21,281
Total liabilities	\$ 11,927,588	\$ 9,665,171
NET ASSETS		
Invested in capital assets, net of related debt	\$ 305,550	\$ 168,065
Unrestricted net assets (deficit)	(305,550)	(168,065)
Total net assets	\$ -	\$ -

New Mexico Lottery Authority

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Instant ticket sales	\$ 71,632,710	\$ 78,857,176
Powerball sales	33,795,664	29,113,287
Mega Millions sales	14,330,230	10,665,551
Roadrunner Cash sales	7,520,021	8,754,477
Hot Lotto sales	5,438,475	7,571,584
Pick 3 sales	3,638,558	3,731,680
Quickster sales	453,448	-
Retailer fees	16,250	12,674
Prize tickets	(2,890,810)	(3,086,281)
Spoiled, stolen, and promotional tickets	(130,944)	(66,440)
Bad debts	(12,000)	(12,000)
Total revenues	133,791,602	135,541,708
GAME EXPENSES		
Prize expense	72,027,308	73,613,337
Retailer commissions	8,696,851	8,859,206
Advertising	2,277,892	2,286,794
On-line vendor fees	2,139,754	2,170,366
Ticket vendor fees	1,177,708	1,350,379
Shipping and postage	410,422	423,742
Promotions	381,179	323,236
Drawing game	116,532	122,372
Responsible gaming	87,400	87,400
Game membership	65,502	57,450
Total game expenses	87,380,548	89,294,282
OPERATING EXPENSES		
Salaries, wages, and benefits	3,583,778	3,456,748
Leases and insurance	585,629	593,740
Utilities and maintenance	431,189	402,813
Materials and supplies	153,867	104,361
Professional fees	150,651	123,524
Depreciation and amortization	115,933	160,834
Travel	69,470	65,323
Other	55,727	67,746
Total operating expenses	5,146,244	4,975,089
OPERATING INCOME	41,264,810	41,272,337
NON-OPERATING INCOME		
Other income	45,464	11,396
Interest income	18,469	23,557
Total non-operating income	63,933	34,953
Net income before transfers	41,328,743	41,307,290
Transfers to Lottery Tuition Fund	41,328,743	41,307,290
Change in net assets	-	-
Net assets at beginning of year	-	-
Net assets at end of year	\$ -	\$ -

New Mexico Lottery Authority

STATEMENTS OF CASH FLOWS

Years ended June 30, 2012 and 2011

Increase (Decrease) in Cash and Cash Equivalents

	2012	2011
Cash flows from operating activities		
Cash received:		
From retailers — sales net of commissions, incentives, and prize, spoiled, and stolen ticket credits	\$ 124,762,104	\$ 128,008,488
From MUSL — Hot Lotto jackpots	1,153,023	-
Cash payments:		
To prize winners and related taxes	(57,149,803)	(60,028,057)
To MUSL	(13,762,743)	(12,306,989)
To suppliers of goods or services	(9,200,911)	(8,771,710)
To employees for services and related taxes	(2,838,626)	(2,827,093)
Net cash provided by operating activities	42,963,044	44,074,639
Cash flows from investing activities		
Receipts of interest	7,861	8,987
Other	23,971	227
Net cash provided by investing activities	31,832	9,214
Cash flows from noncapital financing activities		
Transfers to the Lottery Tuition Fund	(41,505,020)	(41,493,223)
Cash flows from capital and related financing activities		
Purchases of capital assets	(159,248)	(11,402)
Principal payments under capital lease	(6,627)	(6,229)
Net cash used by capital and related financing activities	(165,875)	(17,631)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,323,981	2,572,999
Cash and cash equivalents at beginning of year	5,561,825	2,988,826
Cash and cash equivalents at end of year	\$ 6,885,806	\$ 5,561,825

New Mexico Lottery Authority

STATEMENTS OF CASH FLOWS — CONTINUED

Years ended June 30, 2012 and 2011

Increase (Decrease) in Cash and Cash Equivalents

	2012	2011
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 41,264,810	\$ 41,272,337
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	115,933	160,834
Vendor's non-cash transactions	(18,678)	31,992
Interest on MUSL unreserved account	1,167	1,876
Net changes in assets and liabilities:		
Accounts receivable	(332,647)	1,325,986
Reserves on deposit	(471,580)	(227,116)
Inventory	(21,743)	85,008
Prepaid expenses	32,319	(9,604)
Accounts payable and other liabilities	125,678	155,035
Prizes payable	2,267,785	1,278,291
	\$ 42,963,044	\$ 44,074,639

New Mexico Lottery Authority

BUDGETARY COMPARISON STATEMENTS

Years ended June 30, 2012 and 2011

	2012				2011			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues								
Instant ticket sales	\$ 80,000,000	\$ 72,000,000	\$ 71,632,710	\$ (367,290)	\$ 84,500,000	\$ 78,000,000	\$ 78,857,176	\$ 857,176
Powerball sales	27,000,000	34,000,000	33,795,664	(204,336)	36,000,000	27,000,000	29,113,287	2,113,287
Mega Millions sales	9,500,000	14,000,000	14,330,230	330,230	11,000,000	9,500,000	10,665,551	1,165,551
Roadrunner Cash sales	10,000,000	7,800,000	7,520,021	(279,979)	6,500,000	10,000,000	8,754,477	(1,245,523)
Hot Lotto sales	8,000,000	5,600,000	5,438,475	(161,525)	9,000,000	8,000,000	7,571,584	(428,416)
Pick 3 sales	3,600,000	3,700,000	3,638,558	(61,442)	3,000,000	3,600,000	3,731,680	131,680
Quickster sales	1,900,000	300,000	453,448	153,448	-	-	-	-
Retailer fees	11,000	14,000	16,250	2,250	16,000	11,000	12,674	1,674
Prize tickets	(3,400,000)	(3,100,000)	(2,890,810)	209,190	(3,800,000)	(3,250,000)	(3,086,281)	163,719
Spoiled, stolen, and promotional tickets	(187,000)	(147,000)	(130,944)	16,056	(192,000)	(137,000)	(66,440)	70,560
Bad debts	(24,000)	(24,000)	(12,000)	12,000	(24,000)	(24,000)	(12,000)	12,000
Total revenues	136,400,000	134,143,000	133,791,602	(351,398)	146,000,000	132,700,000	135,541,708	2,841,708
Total game expenses	89,964,000	88,173,000	87,380,548	(792,452)	96,271,000	87,567,000	89,294,282	1,727,282
Total operating expenses	5,456,000	5,368,000	5,146,244	(221,756)	5,975,000	5,344,000	4,975,089	(368,911)
Operating income	40,980,000	40,602,000	41,264,810	662,810	43,754,000	39,789,000	41,272,337	1,483,337
Total non-operating income	80,000	42,000	63,933	21,933	75,000	30,000	34,953	4,953
Net income before transfers								
to Lottery Tuition Fund	\$ 41,060,000	\$ 40,644,000	\$ 41,328,743	\$ 684,743	\$ 43,829,000	\$ 39,819,000	\$ 41,307,290	\$ 1,488,290

New Mexico Lottery Authority

SCHEDULES OF PERCENTAGE RETURN TO THE STATE OF NEW MEXICO

Years ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Instant ticket sales	\$ 71,632,710	\$ 78,857,176
Powerball sales	33,795,664	29,113,287
Mega Millions sales	14,330,230	10,665,551
Roadrunner Cash sales	7,520,021	8,754,477
Hot Lotto sales	5,438,475	7,571,584
Pick 3 sales	3,638,558	3,731,680
Quickster sales	453,448	-
Retailer fees	16,250	12,674
Prize tickets	(2,890,810)	(3,086,281)
Spoiled, stolen, and promotional tickets	(130,944)	(66,440)
Bad debts	(12,000)	(12,000)
Total revenues	133,791,602	135,541,708
NON-OPERATING INCOME		
Other income	45,464	11,396
Interest income	18,469	23,557
Total non-operating income	63,933	34,953
GROSS REVENUES	133,855,535	135,576,661
GAME EXPENSES		
Prize expense	72,027,308	73,613,337
Retailer commissions	8,696,851	8,859,206
Advertising	2,277,892	2,286,794
On-line vendor fees	2,139,754	2,170,366
Ticket vendor fees	1,177,708	1,350,379
Shipping and postage	410,422	423,742
Promotions	381,179	323,236
Drawing game	116,532	122,372
Responsible gaming	87,400	87,400
Game membership	65,502	57,450
Total game expenses	87,380,548	89,294,282
OPERATING EXPENSES		
Salaries, wages, and benefits	3,583,778	3,456,748
Leases and insurance	585,629	593,740
Utilities and maintenance	431,189	402,813
Materials and supplies	153,867	104,361
Professional fees	150,651	123,524
Depreciation and amortization	115,933	160,834
Travel	69,470	65,323
Other	55,727	67,746
Total operating expenses	5,146,244	4,975,089
OPERATING INCOME	41,264,810	41,272,337
NET INCOME	\$ 41,328,743	\$ 41,307,290
GROSS REVENUE PERCENTAGE RETURN	30.88%	30.47%



And be "Quickster" about it!

The "Quickster" line of games launched in March. Like Scratchers™, Quickster games can be played and redeemed for prizes immediately after purchase. Unlike Scratchers, Quickster players circle or mark matching numbers or symbols rather than remove a coating.

Quickster tickets print from the same in-store machines that print tickets for drawing games such as Powerball® and Mega Millions®. Players simply ask the store clerk for a Quickster ticket or purchase one from the Lottery's self-service vending machines.

Winners dream big



Katherine & John Alderete, Albuquerque
Won \$320,000 playing Roadrunner Cash™

The Alderetes have a dream that their 12-year-old daughter will be able to take advantage of a Legislative Lottery Scholarship.

"The Lottery Scholarship was one of the reasons that I stayed and I got my education here. That is why I'm still here working in the community as an educator."

Natalie
Legislative Lottery Scholarship recipient
at Eastern New Mexico University





Benefitting New Mexico's Future®

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*Complete financial information
for Fiscal Year 2012 and previous
New Mexico Lottery Authority
financial statements and audit
reports, and annual reports are
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"The Lottery Scholarship
has made it entirely
possible for me to go to
school."

Katelyn

Legislative Lottery Scholarship
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