



In a 1976 referendum regarding the establishment of a state lottery, 66% of those casting ballots voted in favor of the proposal. Based on those results, Public Act No. 82 was enacted by the 1977 General

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Instant Games

Instant Games are sold by all licensed

Vermont Lottery agents. Instant Games, also

referred to as "scratch off" tickets are paper

tickets with latex-covered play areas that

instantly reveal i4withc6Tfheaswon when 3scratceds.

Vermont LotterV

Vermont Lottery Agents

In FY06, there were 770 Lottery sales agents in Vermont. Of those, 744 (total throughout the fiscal year) sold Powerball and Tri-State products. All Lottery agents sold Instant games. Agents received 6% of their total Powerball ticket sales and 5.75% of all other Lottery product sales. In addition, agents received a 1% bonus for selling winning tickets of \$500 and up (agent bonus capped at \$30,000). In FY06, the commission and bonuses paid to agents totaled \$6.15 million.

Top Five Agents in FY06 Commission Earned

Tri-State Draws

In 1997, Tri-State draws no longer aired on live television.

All draw equipment was moved from WMUR-TV in Manchester, NH (where the draws were held previously) to

the New Hampshire Lottery's draw room ed 7 6211rdwher ATe New Hampshire Lotterydraw room eas mbuil sapecifiTj(-)Tj0 -1.474 T
(raw rsuperisio)74(, Nraw rontitr snd bindependet wauditr 74(,)Tj0(11 draw nere hece1rdd futilizing)he cfollowing)ece1rdng

Responsible Gaming

During FY06, The Vermont Lottery Commission, in association with the Vermont Council on Problem Gambling, began its tenth year in support of efforts to create awareness of available resources to individuals who have

Sales

The overall results of sales this year showed an increase of 13.2%. Total sales equaled \$104,853,954. Ticket sales were as follows:

Instant ticket sales were \$79,323,471. This was an 11.4% increase over FY05. Instant ticket sales represented 75% of total sales.

Pick 3 and Pick 4 combined sales were \$3,062,155, an 8.9% increase over FY05. These games represented 3% of total sales.

Megabucks sales were \$5,879,135 this year. This was a 4.2% increase over FY05. Megabucks sales represented 6% of total sales.

Triple Play and Add-A-Play combined sales were \$1,700,015, a 43.9% increase over Heads or Tails in FY05. Triple Play and Add-A-Play combined represented 2% of total sales.

Powerball sales were \$14,889,178, a 26.7% increase over FY05. Powerball sales represented 14% of total sales.

**Mudgett
Jennett &
Krogh-Wisner, P.C.**

Sales

The following shows ticket sales by game:



	2006	2005
OPERATING REVENUE:		
Ticket sales	\$ 104,853,954	\$ 92,589,803
Agents' license fees and other receipts	24,670	9,806
Total operating revenues	104,878,624	
OPERATING EXPENSES:		
Cash prizes	66,450,281	57,895,819
Commissions - agents	6,151,262	

STATEMENTS OF
CASH FLOWS

for the years ended june 30, 2006 and 2005 • Page 1 of 2

	2006	2005
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 22,609,153	\$ 20,869,851
Adjustments to reconcile operating income to net cash provided by operating activities -		
	37,449	85,114
	Accounts receivable	
	Inventory	
	Increase (decrease) in the following liabilities:	
	Accounts payable	

1. Summary of significant accounting policies:

1. Summary of significant accounting policies (continued):

C. Revenue recognition - Sales of instant lottery tickets are made to licensed retailers who market the tickets to

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

ANUALJ5

EstimatesJ

Riskaccounmanagement

Cash and cash equivalents:



NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005







