



November 8, 2024

Members of the Legislative Finance Committee  
Department of Finance and Administration

Ladies and Gentlemen:

In compliance with New Mexico Lottery Act Section 6-24-27. Revenue and budget reports; records; independent audits. Subsection B., a copy of the annual operating budget forecast for the New Mexico Lottery Authority is enclosed for fiscal year 2026. This budget forecast includes an estimate of the net income to be deposited into the lottery tuition fund for fiscal years 2026 and 2025, subject to budget revisions based upon sales.

If you need any additional information, please contact us.

Sincerely,

A handwritten signature in black ink that reads "David M. Barden".

David M. Barden, Esq.  
Chief Executive Officer

DB/saj

Attachment (1)

cc: NMLA Board Members; NM Governor; NM Higher Education Dept.

**NEW MEXICO LOTTERY AUTHORITY**  
**FY 2026 ANNUAL BUDGET FORECAST AND FY 2025 ANNUAL BUDGET**

	<u>FY 2026</u>	<u>FY 2025</u>
	<u>ANNUAL BUDGET FORECAST</u>	<u>ANNUAL BUDGET*</u>
<b>OPERATING REVENUES</b>		
Instant ticket sales	\$ 90,000,000	\$ 90,000,000
Powerball sales	21,000,000	28,000,000
Mega Millions sales	16,000,000	16,500,000
Roadrunner Cash sales	6,300,000	7,000,000
Lotto America sales	4,500,000	4,200,000
Pick 3 Plus sales	4,800,000	5,000,000
Pick 4 Plus sales	1,800,000	2,000,000
Fast Play sales	2,100,000	1,700,000
Less tickets provided as prizes	(2,500,000)	(2,500,000)
Less spoiled, stolen, and promotional tickets	(225,000)	(225,000)
Net ticket sales	<u>143,775,000</u>	<u>151,675,000</u>
Retailer fees	10,000	10,000
Total operating revenues	<u>143,785,000</u>	<u>151,685,000</u>
<b>NON-OPERATING REVENUES</b>		
Interest income	15,000	25,000
Other income	-	-
Total non-operating revenues	<u>15,000</u>	<u>25,000</u>
<b>GROSS REVENUES</b>		
	<u>143,800,000</u>	<u>151,710,000</u>
<b>GAME EXPENSES</b>		
Prize expense	75,478,000	80,139,000
Retailer commissions	9,430,000	9,956,000
On-line vendor fees	4,750,000	5,104,000
Advertising	2,100,000	2,100,000
Ticket vendor fees	2,130,000	2,250,000
Promotions	130,000	137,000
Retailer equipment	200,000	216,000
Shipping and postage	550,000	577,000
Responsible gaming	70,000	70,000
Game membership	70,000	70,000
Total game expenses	<u>94,908,000</u>	<u>100,619,000</u>
<b>OPERATING EXPENSES</b>		
Salaries, wages and benefits	4,010,000	3,892,000
Leases and insurance	200,000	194,000
Utilities and maintenance	350,000	343,000
Depreciation and amortization	400,000	373,000
Professional fees	350,000	332,000
Other	440,000	455,000
Total operating expenses	<u>5,750,000</u>	<u>5,589,000</u>
<b>OPERATING INCOME</b>		
	<u>43,127,000</u>	<u>45,477,000</u>
<b>NON-OPERATING EXPENSE</b>		
Interest expense	<u>2,000</u>	<u>2,000</u>
Total non-operating expenses	<u>2,000</u>	<u>2,000</u>
<b>NET INCOME</b>		
	<u>\$ 43,140,000</u>	<u>\$ 45,500,000</u>

\* - FY 2025 Annual Budget was approved on June 20, 2024