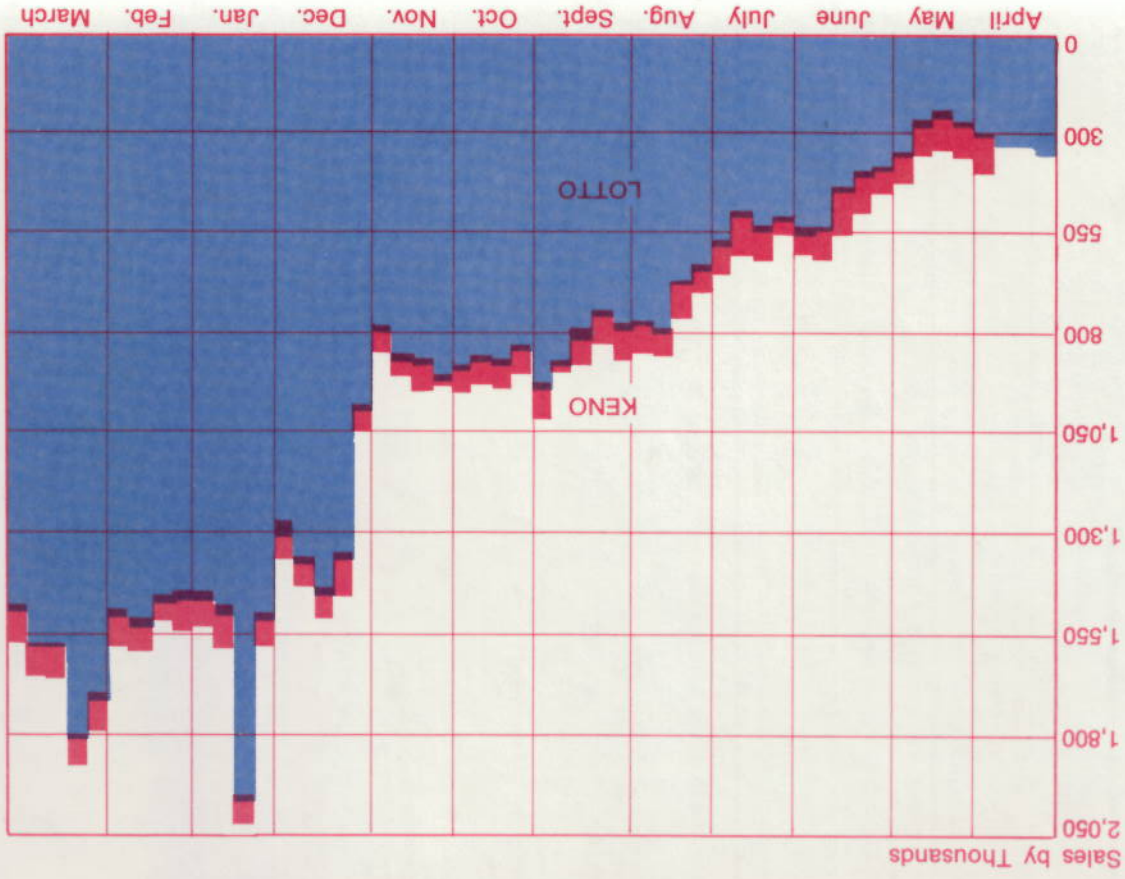


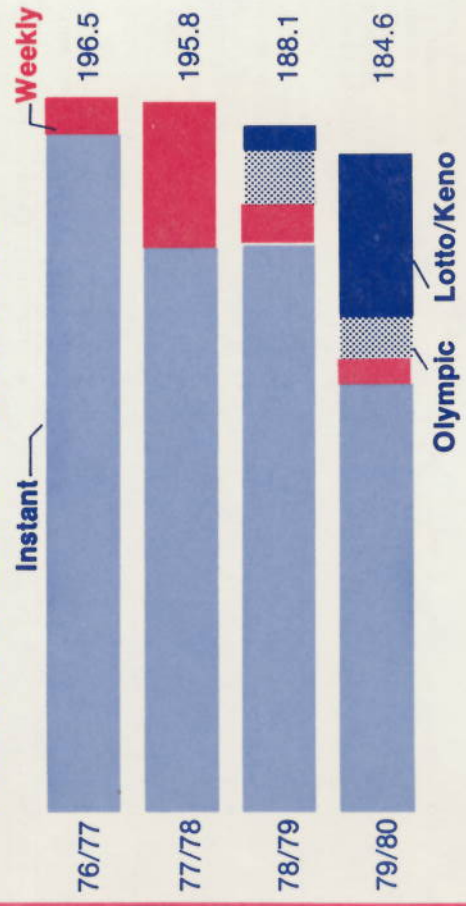
PRIZES PAID

Prize	Number of Winners	Total
\$2,000,000	6	\$ 12,000,000
1,000,000	23	23,000,000
Colossal	1	981,641
100,000	28	2,800,000
75,000	6	450,000
50,000	32	1,600,000
28,200	5	141,000
26,250	15	418,359
25,000	68	1,700,000
20,000	84	1,680,000
15,000	81	1,215,000
10,000	812	7,880,180
8,500	110	935,000
5,000	3,736	18,680,000
3,000	222	666,000
2,500	2,517	6,272,500
2,000	40	80,000
1,000	6,885	6,885,000
900	93	83,700
600	104	62,400
500	15,681	7,840,500
300	737	221,100
200	1,231	246,200
100	34,654	3,464,500
50	113,170	5,658,500
25	26,032	650,800
20	587,612	11,752,240
10	596,354	5,963,540
5	15,152,210	75,761,050
2	34,154,304	68,308,608
1	6,093,372	6,093,372
KENO	2,794	1,397,000
LOTTO	565,757	19,504,795
MISC.	6,193	4,104,591
SUBTOTAL	57,364,969	\$298,517,576
FREE TICKETS	41,772,083	41,772,083
OLYMPIC TICKETS	426,093	4,260,930
TOTAL	99,563,145	\$344,550,589

LOTTO KENO 1979-1980 WEEKLY SALES



ANNUAL SALES BY YEAR/GAME



THE BIG STAKES

NEW YORK'S LOTTERY

REPORT 1979-80



New York's Lottery millionaires are welcomed to the group's annual meeting by Lottery Director John D. Guinn, kneeling right.

Since resuming sales in September 1976, the New York Lottery has sold more than \$765 million worth of lottery tickets and raised more than \$362 million in revenues. These revenues have been generated at the rate of

- \$101.274 MILLION A YEAR;
- \$ 8.432 MILLION A MONTH;
- \$ 1.949 MILLION A WEEK.



JOHN D. QUINN
DIRECTOR

December 22, 1980

The Honorable James H. Tully, Jr.
Commissioner, New York State Department of Taxation
and Finance
Executive Bureau
State Campus
Tax & Finance Building
Albany, New York 12227

Dear Commissioner Tully:

In accordance with the provisions of subdivision c of section 1604 of the tax law, I am pleased to submit herewith a copy of the annual report of the Division of the Lottery for fiscal year 1979-80.

The information in this report will provide the "summary of Lottery revenues, prize disbursements and other expenses," for fiscal year 1979-80 required in your report to the Governor and Legislature as specified in the above statute.

Sincerely,

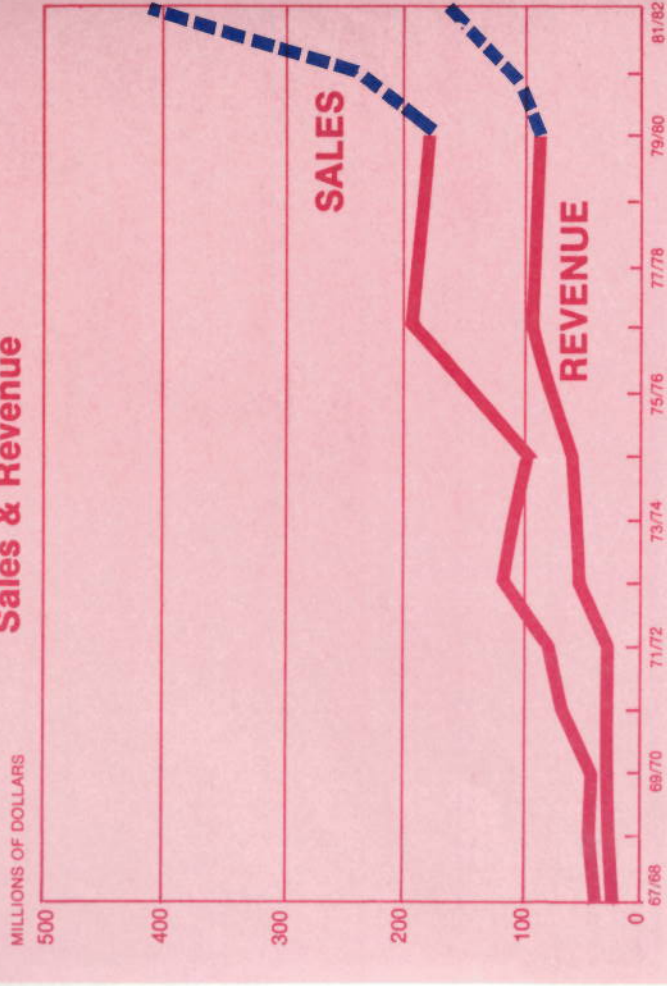
John D. Quinn
John D. Quinn
Director

By law, revenue produced by the Lottery goes to education. Since the time the new Lottery began selling tickets in September, 1976, two exceptions pertaining to use of Lottery funds were enacted. The first authorized the \$90 million dollars realized during Fiscal Year 1976/1977 to be used to help balance the state budget that year. The second authorized the \$4 million dollars realized from the Olympic Lottery to be placed in the Winter Sports Education Trust Fund for use in winter sports education

and physical fitness activities — to include maintenance of physical facilities. The remainder of Lottery revenues, approximately \$268 million, has been provided to benefit education in New York.
Revenue for education is delivered by the State through education aid payments to local school districts.
The chart below shows the status of sales and revenues for the new Lottery (1976-1980) and similar data for the old Lottery (1967-1975).

OLD LOTTERY		NEW LOTTERY	
June 67-Oct 75		Sept 76-March 80	
MILLIONS OF DOLLARS		MILLIONS OF DOLLARS	
Sales	684.63	765.0	
Average Annual Sales	81.310 (8.42 Years)	213.687 (3.58 Years)	
Average Monthly Sales	6.779 (101 Months)	17.79 (43 months)	
Average Weekly Sales	1.567 (437 weeks)	4.113 (186 weeks)	
Revenue	334.887	362.561	
Average Annual Revenue	39.773 (8.42 years)	101.274 (3.58 years)	
Average Monthly Revenue	3.316 (101 months)	8.432 (43 months)	
Average Weekly Revenue	.766 (437 weeks)	1.949 (186 weeks)	

Sales & Revenue



Sales of \$184,600,000 in Fiscal Year 1979-80 were off about 2 percent from the previous year and revenues of \$85,300,000 declined by about 5.5 percent. Projections for the future are optimistic. Total sales history and projections for Fiscal Year 1980/1981 and 1981/1982 are shown in the chart above.

The Lottery's menu during the 1979-80 fiscal year consisted of the instant game, the weekly game and LOTTO.
The instant game, in which the player knows immediately upon rubbing off covered boxes on the ticket if it is a winner, remained the most popular of Lottery games, although its sales were down from previous years.

The weekly game, in which the computer preselects the numbers for the player, has never been a top seller in New York and it has been dropped from the mix of games at this time. It may reappear from time to time in the form of "special games" offered for a short run.

LOTTO, a weekly pick-your-own numbers game, produced the most sales improvement, making dramatic gains and showed evidence that the attraction of this game for bettors in foreign countries, is equally as strong in the United States.

1979-80 also produced major developments which portend improvement in Lottery sales and revenues and improved administrative efficiency!

—Future sales projections were enhanced by legislation clearing the way for a Daily Numbers game.

—Administrative efficiency was improved with the completion of a revised accounting system which enhances, controls and provides more timely and accurate data.

Legislation permitting a payout of 50 percent of sales in prizes in a daily numbers game enabled planning to begin for a Fall startup of a Daily Numbers game in New York State, with its prospects of expanded sales and revenues for the future.

The Daily Numbers Game planning calls for on line selling terminals to accept bets and to validate them for same-day payoff of winners. The automated systems would also be adaptable to LOTTO sales.

During the fiscal year, 1979-80, the New York Lottery completed its move from the banking

network which made use of local banks to supply ticket agents and to receive payment for tickets from them. The Lottery now sells its instant tickets and tickets for any special games through a distributor network. These are licensed private businessmen who buy tickets from the Lottery and sell them, less commissions, to agents. Delivery of the tickets is accomplished by the distributor to the agent's place of business. A distributor and agent bonding program was also put into place. In sum, the distributor network eliminates cumbersome accounting procedures previously used.

With the introduction of the daily numbers game and the installation of automated ticket selling for both that game and LOTTO, sales and revenue projections for the Lottery for the future are bright.

Deloitte Haskins & Sells

The World Trade Center
1271, 66th Street
New York, New York 10048
International Telex 66272

AUDITORS' OPINION

The New York State Lottery:

We have examined the statements of revenue and revenue allocations of the New York State Lottery for the fiscal years ended March 31, 1980 and 1979. Our report is based on an audit of the statements originally accepted auditing standards. In accordance with generally accepted auditing standards, we have also examined such other tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned financial statements present fairly the results of the Lottery's operations for the years ended March 31, 1980 and 1979, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins & Sells
November 5, 1980

NEW YORK STATE LOTTERY

STATEMENTS OF REVENUE AND REVENUE ALLOCATIONS
FOR THE FISCAL YEARS ENDED MARCH 31, 1980 AND 1979

	1980	1979
REVENUE:		
Lottery ticket sales (Notes 1 and 2):		
Instant Game Four	—	\$ 23,723,000
Instant Game Five	—	55,781,000
Instant Game Six	—	3,079,000
Instant Game Seven	—	51,979,000
Instant Game Eight	\$ 15,449,000	21,132,000
Instant Game Nine	47,369,000	—
Instant Game Ten	6,853,000	—
Instant Game Eleven	32,033,000	—
Instant Game Twelve	13,986,000	—
Instant Game Thirteen	2,544,000	—
Lotto/Keno Games	49,177,000	6,375,000
Olympic Game	12,799,000	15,111,000
Weekly Games	4,393,000	10,878,000
Interest Income (Note 1)	3,190,000	2,565,000
Total	187,793,000	190,623,000
Less vendor and distributor commissions (Note 5)	13,872,000	15,952,000
NET REVENUE FROM LOTTERY OPERATIONS	\$173,921,000	\$174,671,000
REVENUE ALLOCATIONS (Note 1):		
Lottery prizes paid (Note 4)	\$ 73,768,000	\$ 71,641,000
Less prize payments for games closed in the prior year	4,510,000	3,819,000
Prize payments for current year games	69,258,000	67,822,000
Provision for unclaimed and future prizes (Note 4)	5,356,000	6,609,000
Revenue allocated to prizes	74,614,000	74,431,000
Administrative expenses (Note 5)	17,380,000	14,967,000
Administrative expenses in excess of statutory provision for expenses (Note 5)	(3,635,000)	(719,000)
Revenue allocated to administrative expenses	13,745,000	14,248,000
Revenue transferred to the New York State Treasury for Education (Note 3)	83,218,000	85,422,000
Provision for accrued revenue allocated to education	2,344,000	570,000
Revenue allocated to education	85,562,000	85,992,000
TOTAL REVENUE ALLOCATIONS	\$173,921,000	\$174,671,000

See Notes to Financial Statements.*

(*The complete notes on the financial statements are on file at the New York State Lottery offices in Albany and are available for public inspection.)