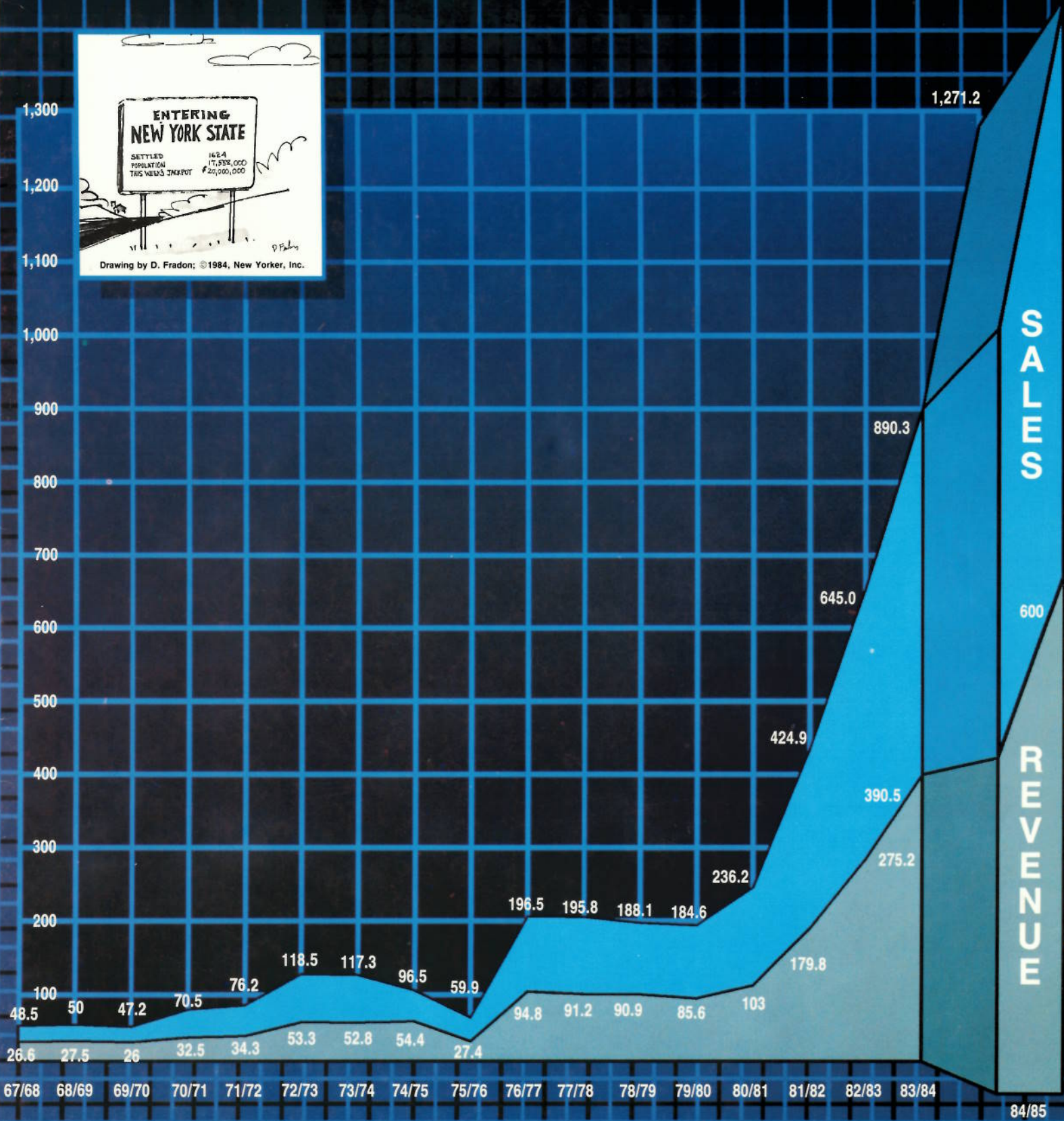




Annual Report 1984-85



SALES

REVENUE

84/85



THE NEW YORK STATE LOTTERY

SWAN STREET BUILDING
EMPIRE STATE PLAZA
ALBANY NEW YORK 12223

JOHN D. QUINN
DIRECTOR

November 25, 1985

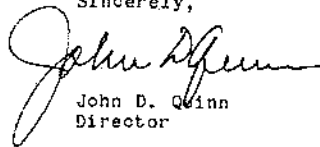
The Honorable Roderick Chu
Commissioner
New York State Department of Taxation and Finance
State Campus
Tax and Finance Building
Albany, New York 12227

Dear Commissioner Chu:

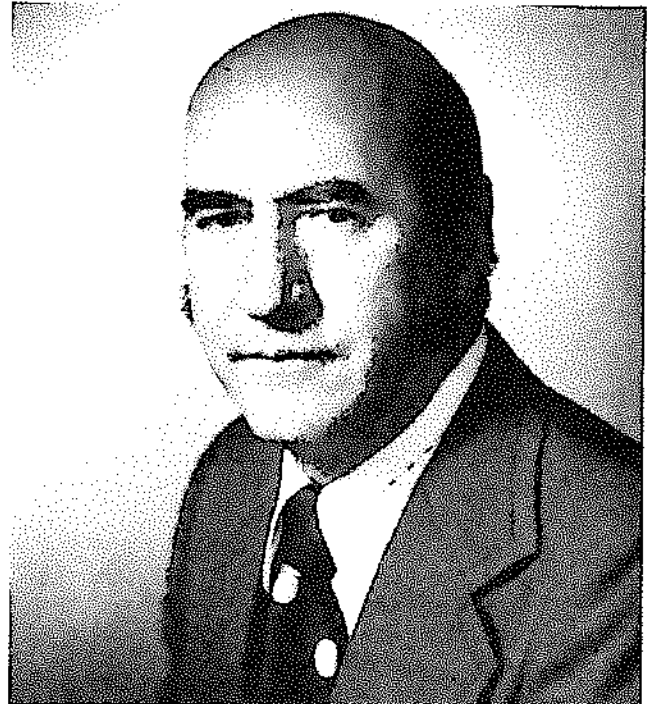
In accordance with the provisions of subdivision c of section 1604 of the law, I am pleased to submit herewith a copy of the annual report of the Division of the Lottery for fiscal year 1984-85.

The information in this report will provide the "summary of Lottery revenues, prize disbursements and other expenses," for fiscal year 1984-85 required in your report to the Governor and Legislature as specified in the above statute.

Sincerely,



John D. Quinn
Director



Director John D. Quinn



The Lottery 1976 – 1985

*“For the first time ever,
sales surged past the
Billion Dollar mark . . .”*

For the fifth year in a row, New York Lottery sales and revenues earned for local education soared in Fiscal 1984-85 to highs never before attained.

For the first time ever, sales soared past the Billion dollar mark, reaching a Fiscal Year total of \$1.271.2 Billion. On the way to this record achievement, New York's Lottery completed its first Billion Dollar Sales in a 12-month period on July 10, 1984. (\$1,000,713,628 in sales from July 13, 1983 to July 10, 1984.)

Success in the market-place made it possible for the Lottery to turn over \$600 million to help fund the State's share of aid to the more than 700 local school districts – \$1.54 for every \$1 raised the year before and \$6.58 for every \$1 raised in Fiscal 1977-78, the first full year of the re-organized Lottery's efforts on behalf of education.

Fiscal 1984-85 raised the total of New York Lottery sales since tickets were offered to the public on September 8, 1976, to \$4.232.6 Billion.

The \$600 million made available for education in Fiscal 1984-85 was 54 percent higher than the \$390.5 million of the year before and 118 percent higher than the \$275.2 million of two years ago.

Since the resumption of sales in 1976, the Lottery has earned \$1.911 Billion for New York State, just about all of it to help fund the State's share of aid to education to local elementary and secondary schools.

The \$600 million in revenue for educational purposes made it possible for the Lottery to contribute about 12 cents of every dollar provided by the State to local school districts in Fiscal 1984-85 – earnings that relieve the burden of raising this money from other tax sources and money that is provided without any new taxes.

The record \$600 million is almost six-and-one-half times greater than the \$94.8 million in 1976-77's first year of resumed Lottery operations and 22 times greater than the \$26.6 million of the very first year of Lottery sales in 1967-68.

With the exception of \$94.7 million, all of this

revenue has gone to helping local education. The exceptions were \$90.7 million of the 1976-77 earnings to help meet a State fiscal crisis and \$4 million raised by the Olympic Lottery in 1978-80.

Following are the Lottery's sales and revenues since tickets went on sale on September 8, 1976:

SALES

Fiscal years 1976-84	\$2,961,400,000
Fiscal year 1984-85	\$1,271,200,000
TOTAL	\$4,232,600,000

REVENUE EARNED FOR STATE

Fiscal years 1976-84	\$1,311,000,000
Fiscal year 1984-85	600,000,000
TOTAL	\$1,911,000,000

Thousands of small New York State businessmen, many of them neighborhood "mom and pop" stores, earned more than \$76 million in 1984-85, bringing their earnings since 1976 to \$255 million.

Lottery prizes set all time record highs in Fiscal 1984-85.

Venero Pagano, a retired carpenter from the Bronx, won \$20 million in the July 25, 1984 drawing, the richest payout to a single person in New York State Lottery history at that time.

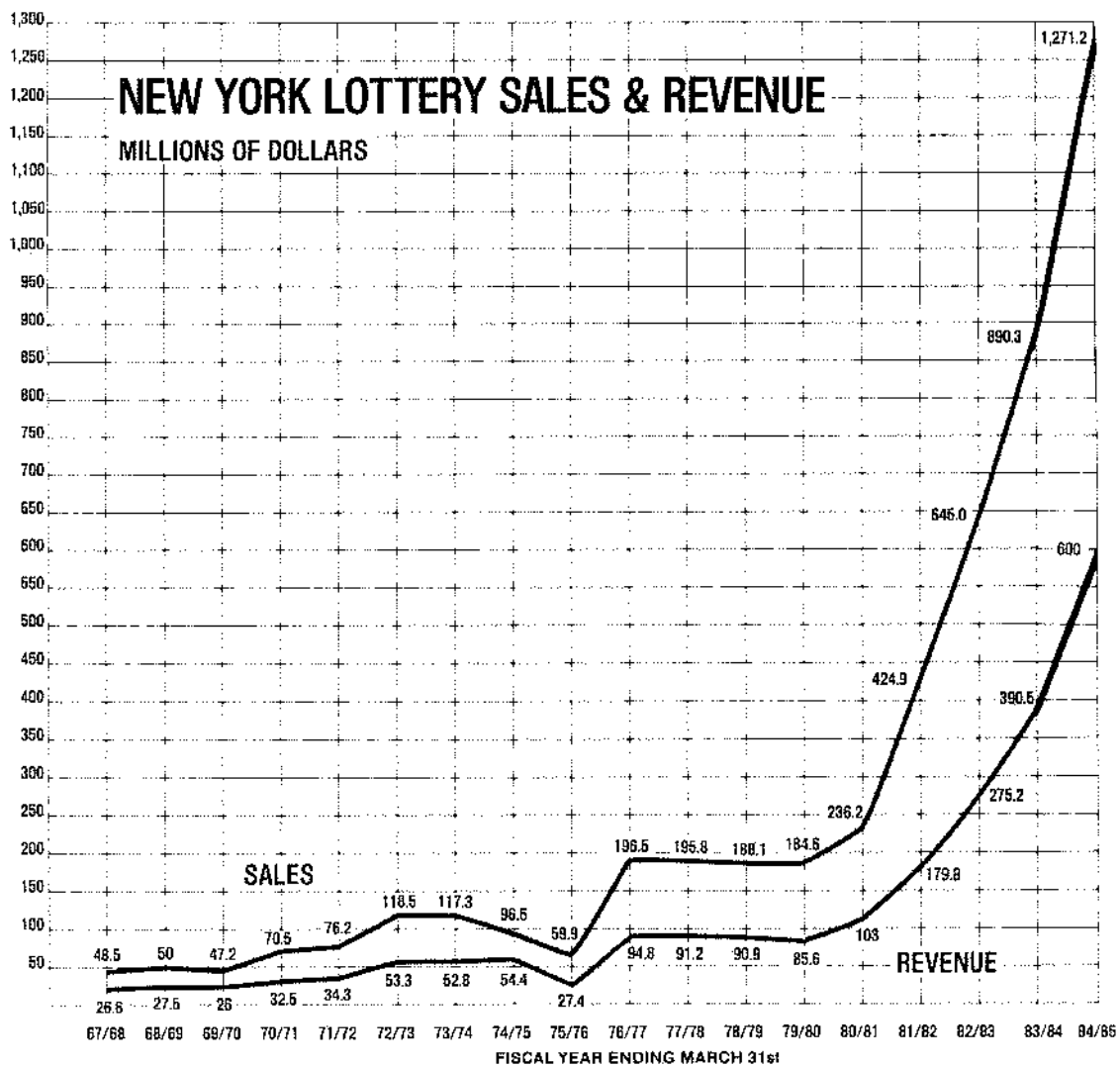
The most lucrative total jackpot prize ever awarded by the New York Lottery reached \$22.8 million, shared by four winners in the May 12, 1984 drawing.

These record prizes produced record sales.

The three-day selling period (Thursday-Saturday) for the May 12, 1984 drawing brought sales of \$24,430,908 in LOTTO alone. Total Lottery sales for the entire week preceding the May 12 drawing in all games reached \$42,806,343. This produced more than \$18 million for education for that week alone.

A mid-week sales record was set for the July 25, 1984 drawing which awarded the \$20 million prize to Mr. Pagano. The four-day total from Sunday through Wednesday set a record at \$18,561,027. Sales for Wednesday, July 25, of \$8,981,205 set a record for a Wednesday.

In Fiscal 1984-85, prizes valued at \$760.2 million, including annuity interest and free tickets, were awarded.



SALES/REVENUE BY FISCAL YEAR

(MILLIONS OF DOLLARS)

YEAR	SALES	+ OR - PREVIOUS YEAR	REVENUE	+ OR - PREVIOUS YEAR	CUM. SALES	CUM. REVENUE
76-77	196.5	—	94.8	—	196.5	94.8
77-78	195.8	— .3%	91.2	— 3.8%	392.3	186
78-79	188.1	— 3.9%	90.9	— .3%	580.4	276.9
79-80	184.6	— 1.8%	85.6	— 5.8%	765	362.5
80-81	236.2	+ 27.9%	103	+ 20.3%	1001.2	465.5
81-82	424.9	+ 79.8%	179.8	+ 74.6%	1426.1	645.3
82-83	645	+ 51.8%	275.2	+ 53.1%	2071.1	920.5
83-84	890.3	+ 38%	390.5	+ 41.9%	2961.4	1311
84-85	1271.2	+ 43%	600	+ 54%	4232.6	1911



Lotto Tops in Game Sales

"New York State pioneered the introduction of LOTTO into the United States . . . now it is one of the most popular and productive of all lottery games . . ."

LOTTO, introduced into the United States by New York in 1978, has changed the face of lotteries across the nation.

The first successful LOTTO game in the nation in New York State in November 1978, offered a jackpot prize of \$250,000 and weekly ticket sales in the thousands of dollars were recorded manually.

LOTTO prizes today are routinely multi-million dollar jackpots, climbing to a record high of \$22.8 million in New York State.

Today, a network of about 3,200 ticket sellers

using automated computer terminals handle weekly sales in the millions of dollars — sales which climbed to a record high of \$24.4 million for the three-days preceding the May 12, 1984, drawing.

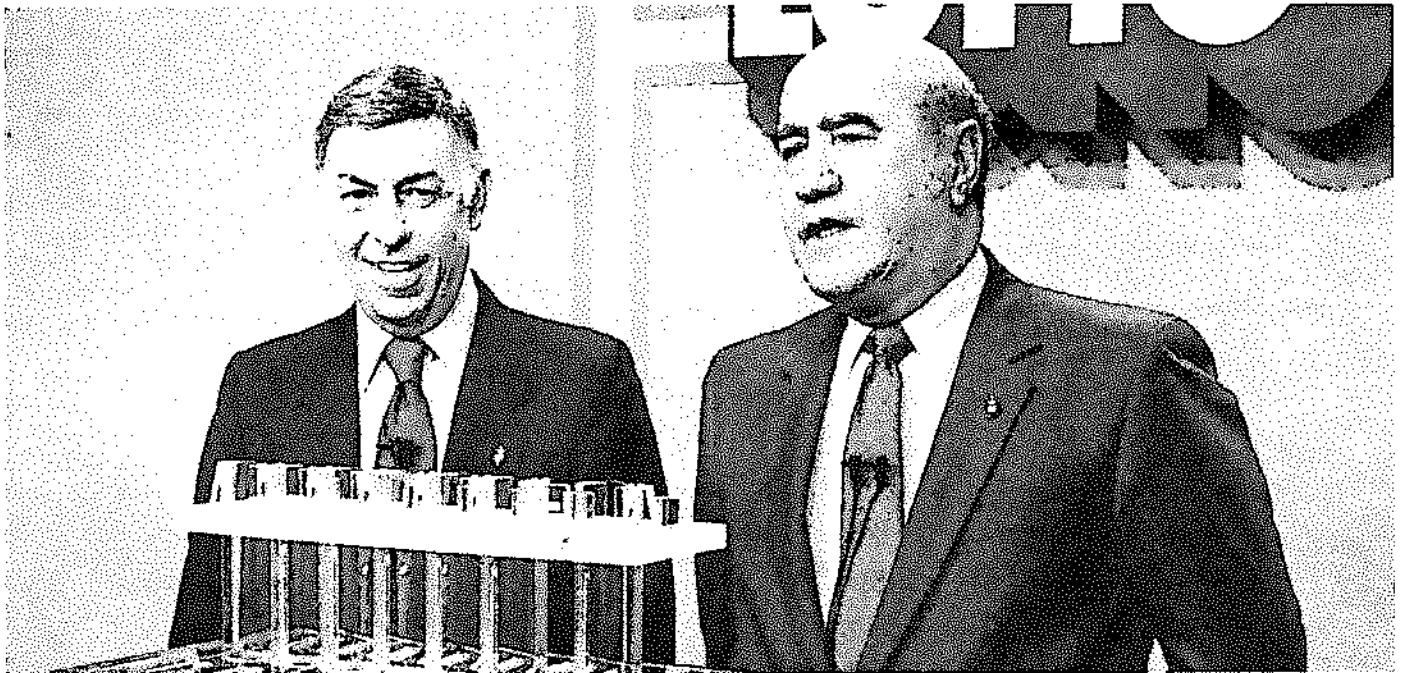
LOTTO's first full year of sales in 1979-80 recorded \$49.2 million in sales.

LOTTO in Fiscal 1984-85 had total sales of \$768.8 million.

LOTTO sales in Fiscal 1984-85 represented six of every ten dollars spent on Lottery tickets.

SALES BY GAMES IN 1984-85 were:

LOTTO	\$768.8 million
NUMBERS	330.7 million
WIN-4	73.3 million
INSTANT	98.4 million
TOTAL	\$1.271.2 billion



Lottery Director John D. Quinn joins Emcee Bob Brown on the historic May 12, 1984 LOTTO drawing, to announce that the jackpot for that drawing

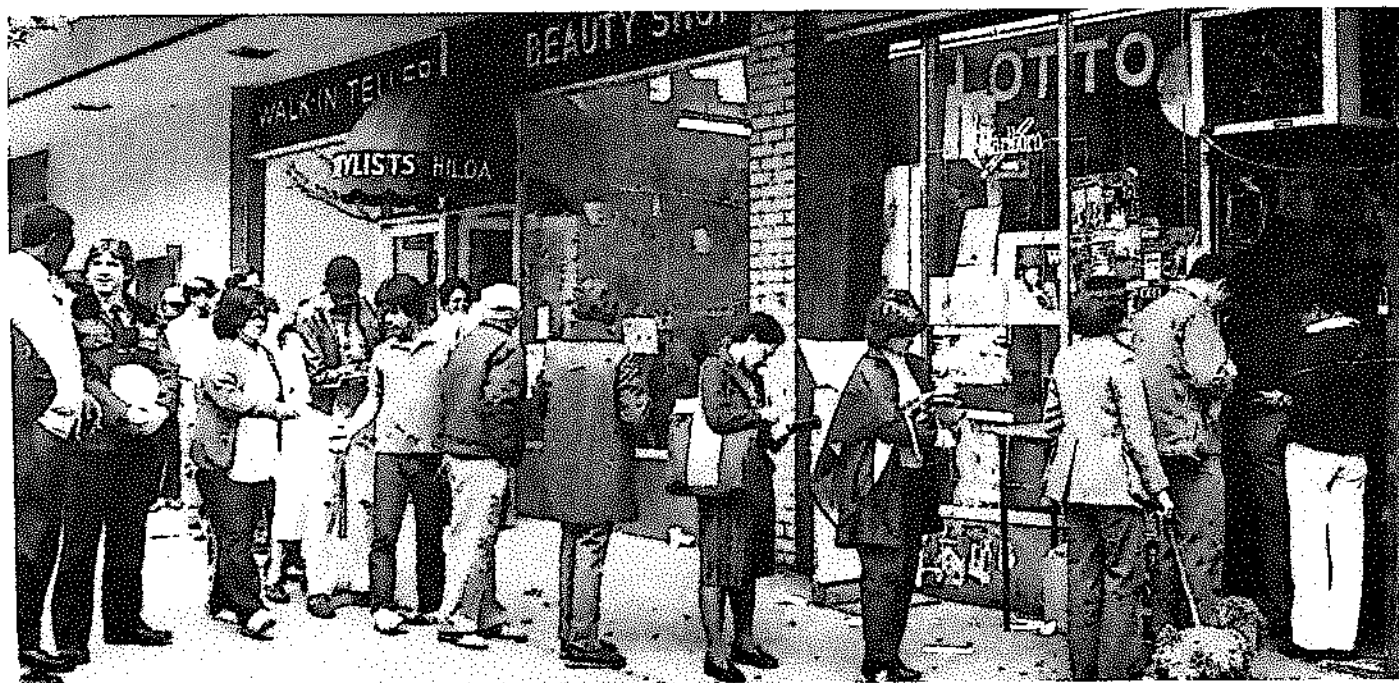
had soared to \$22.8 million — highest in New York State Lottery history.

ACTUAL SALES BY GAME

MILLIONS OF DOLLARS

YEAR	INSTANT	WEEKLY	OLYMPIC	NUMBERS	WIN-4	LOTTO	TOTAL
76-77	186.9 (95%)	9.6 (5%)	—	—	—	—	196.5
77-78	155.4 (79%)	40.4 (21%)	—	—	—	—	195.8
78-79	155.7 (83%)	10.9 (6%)	15.1 (8%)	—	—	6.4 (3%)	188.1
79-80	118.2 (64%)	4.4 (2%)	12.8 (7%)	—	—	49.2 (27%)	184.6
80-81	92.9 (39%)	—	—	65.4 (28%)	—	77.9 (33%)	236.2
81-82	93.1 (22%)	—	—	168.8 (40%)	13.7 (3%)	149.3 (35%)	424.9
82-83	87.1 (13.5%)	—	—	237.0 (36.7%)	41.6 (6.5%)	279.3 (43.3%)	645
83-84	85.2 (9.8%)	—	—	276.6 (31.1%)	68.5 (7.7%)	460 (51.7%)	890.3
84-85	98.4 (8%)	—	—	330.7 (26%)	73.3 (6%)	768.8 (60%)	1271.2
TOTAL	1072.9 (25%)	65.3 (2%)	27.9 (1%)	1078.5 (25%)	197.1 (5%)	1790.9 (42%)	4232.6

(% OF TOTAL)





Aid to Education

“Lottery revenues accounted for more than 12 cents of every State aid school dollar . . . an increase of more than 300 percent . . .”

The most definitive measure of the New York Lottery's success has been the increasing role it is playing in helping to fund the financial assistance the State provides to its more than 700 local school districts.

In 1977-78, the first full year of sales by the new Lottery to benefit education, it accounted for less than three cents of every State aid school dollar.

In 1984-85, the record high \$600 million raised by the lottery for educational purposes accounted for more than 12 cents of every State aid school dollar – an increase of more than 300 percent.

Lottery earnings benefiting the elementary and secondary schools relieve the burden of reducing services elsewhere or of raising this money from other tax sources. It is money provided voluntarily by our players.

Forty-five cents of every LOTTO and Instant game sales dollar, and 35 cents of every Number's and Win-4 sales dollar goes to education, the amount

increasing dramatically on a day to day basis.

Each and every day of the 1984-85 Fiscal year saw the Lottery raise \$1,643,835 for education – better than 50 percent higher than the \$1,069,863 the Lottery raised every day of the year before.

Lottery aid to local school districts is based on the formula used by the State Education Department to allocate regular State assistance. The formula includes such factors as local school district pupil population, grade levels of the pupils, special student needs and full value property within the district. It is paid to the school districts in three installments in early September, October and November. The balance of the State's aid payments for these months is paid to the district by the 15th of the month. This procedure was developed to assist local school districts with their cash flow needs at the beginning of the school year.

Lottery aid payments made in 1984-85 are listed by county at the right. A complete list of the Lottery payments made to the more than 700 individual school districts, within these counties, is available on request from the Lottery. Mail requests should be addressed to the New York Lottery, Public Relations Unit, Empire State Plaza, Albany, New York 12223.

DISTRIBUTION OF NEW YORK LOTTERY REVENUES

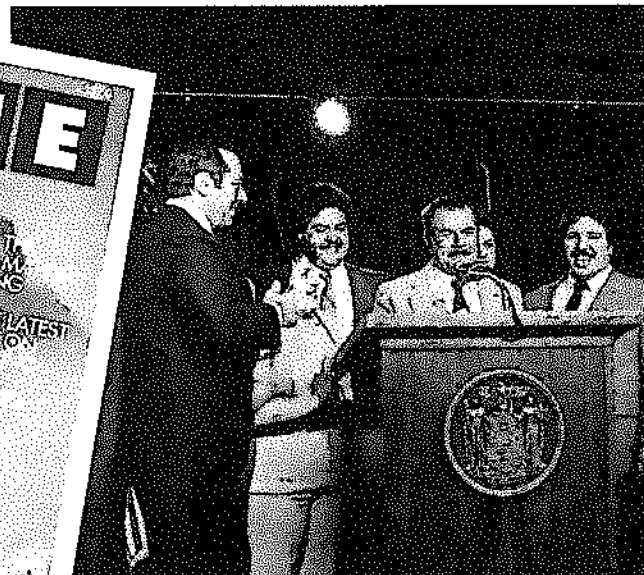
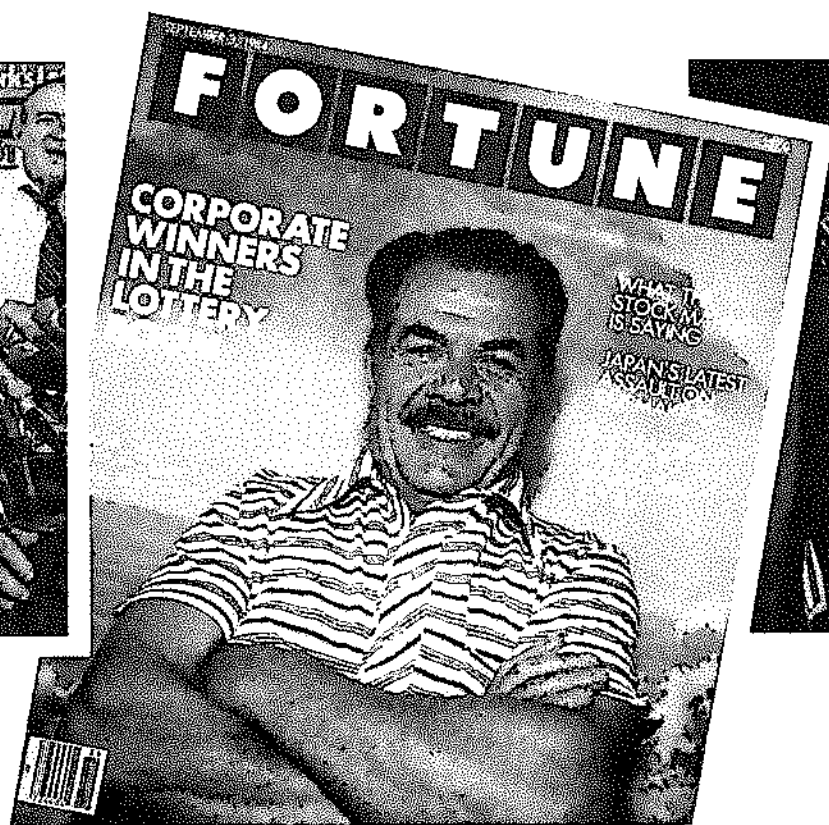
	INSTANT/LOTTO	DAILY NUMBERS/WIN-4
Education	45%	35%
Prizes	40%	50%
Administration . .	15%	15%
	100%	100%

COUNTY	DISTRIBUTION	CUMULATIVE
	FY 1984-85 APRIL 1, 1984 - MARCH 31, 1985	DISTRIBUTION FY 1977-85 APRIL 1, 1977 - MARCH 31, 1985
ALBANY	\$6,512,882.79	\$21,025,556.22
ALLEGANY	2,957,941.06	8,783,826.41
BROOME	9,082,960.65	29,511,510.50
CATTARAUGUS	5,624,560.69	16,512,784.95
CAYUGA	4,039,778.80	12,092,151.64
CHAUTAUQUA	7,062,991.52	21,745,827.16
CHEMUNG	4,298,858.25	13,256,297.50
CHENANGO	3,554,585.93	10,522,225.78
CLINTON	4,320,264.60	13,266,015.73
COLUMBIA	2,239,459.95	6,764,938.76
CORTLAND	2,555,727.12	7,381,002.83
DELAWARE	1,962,821.99	5,864,897.34
DUTCHESS	9,597,657.02	29,509,812.32
ERIE	37,494,810.81	116,815,575.90
ESSEX	946,896.94	3,138,750.18
FRANKLIN	2,605,694.77	8,238,955.12
FULTON	3,094,708.31	9,136,013.28
GENESEE	3,190,486.21	9,741,117.92
GREENE	1,206,834.91	3,737,599.80
HAMILTON	4,005.00	36,625.00
HERKIMER	3,862,111.96	11,595,395.88
JEFFERSON	4,807,889.62	14,679,882.41
LEWIS	1,611,774.94	4,944,167.06
LIVINGSTON	2,806,100.11	8,437,044.33
MADISON	3,983,505.01	12,178,726.39
MONROE	23,628,105.27	73,624,436.54
MONTGOMERY	2,461,442.65	7,340,282.21
NASSAU	31,706,139.07	101,435,421.64
NEW YORK CITY	194,960,187.49	549,188,096.78
NIAGARA	9,995,738.69	31,472,791.32
ONEIDA	12,508,933.64	38,576,202.21
ONONDAGA	19,420,413.69	59,945,200.34
ONTARIO	4,321,296.68	12,956,733.79
ORANGE	13,965,932.76	40,064,674.27
ORLEANS	2,665,031.57	7,873,515.88
OSWEGO	6,667,739.08	19,078,710.69
OTSEGO	2,453,492.13	7,346,328.45
PUTNAM	3,259,314.51	9,605,576.49
RENSSELAER	7,291,010.24	21,646,870.15
ROCKLAND	8,363,939.97	26,459,131.16
ST. LAWRENCE	6,715,490.20	20,120,559.25
SARATOGA	9,364,163.67	27,961,495.80
SCHENECTADY	5,005,030.41	15,778,850.33
SCHOHARIE	1,502,285.81	4,476,028.67
SCHUYLER	900,580.10	2,703,331.50
SENECA	1,613,822.38	5,025,920.01
STEUBEN	6,168,424.94	18,441,484.82
SUFFOLK	69,517,128.88	206,688,360.81
SULLIVAN	1,474,321.94	4,366,497.61
TIOGA	3,307,991.03	9,942,915.27
TOMPKINS	2,894,371.41	8,832,673.12
ULSTER	5,568,911.79	17,001,242.41
WARREN	2,375,218.60	7,249,514.35
WASHINGTON	3,731,251.95	11,110,128.66
WAYNE	5,529,188.40	16,431,394.66
WESTCHESTER	13,802,996.19	46,171,978.02
WYOMING	1,768,943.09	5,368,217.61
YATES	642,370.35	2,131,065.30

FAME &



FORTUNE



Venero Pagano was happy in his retirement, raising tomatoes in his back yard garden in the Bronx. But July 25, 1984, changed the 63-year old one-time carpenter's life completely.

That was the day he won \$20 million, the richest single prize in New York Lottery history.

Fame and fortune arrived in abundant quantities on that day.

Newspaper headlines across the continent — and across the globe — reported his bonanza; Governor Mario Cuomo presented him with the first of the \$950,000 checks he would receive from New York State for twenty years; and the prestigious FORTUNE magazine carried his photo on Page One.

Life would never be the same for Venero and his family.

Pagano was one of 138 men and women who won prizes of one million dollars or more in the New York Lottery in Fiscal 1984-85.

What does it mean to win a million dollars or more?

One winner put it all in perspective:

"I finally knew what happiness was all about . . . free from worries . . . free to think and do the things I always dreamed of all my

life . . . but most of all it was the comfort and reassurance that at last I had financial security for my family and me . . . for the rest of our lives . . ."

Pagano's fellow "millionaires" in 1984-85 included a widow, a sewing machine operator, a lawyer, a mechanic, a certified public accountant, an unemployed truck driver, a glass engraver, a tax consultant. Almost every walk of life was represented.

Three times in Fiscal 1984-85 the LOTTO jackpot soared to \$20 million . . . once it climbed as high as \$22.8 million, to be shared by four New Yorkers.

One of the "millionaires" made it into "Believe It or Not" with his amazing win.

Bronx letter carrier Bill Green was despondent when he failed to enter his six-number combination into the July 25, 1984 drawing. Had he played his "regular" numbers, he said, he would have been a winner, sharing the bonanza.

But despondency turned to euphoria, for a "brand new" six-number combination won \$1,622,222 for him — a share of the \$8.2 million jackpot offered just about two months later, in the September 29, 1984 drawing.



Lottery Prize Winners

Happiness is winning the New York State Lottery. For 138 men and women, 1984-85 saw dreams never thought possible come true. Each of them won a prize of one million dollars or more in the New York State Lottery.

These 138 were the luckiest among millions of other New York State Lottery players who collected

prizes valued at more than \$760.2 million in Fiscal 1984-85. These winnings included free ticket prizes and the annuity interest included in the richer prizes.

Since the Lottery put its tickets on sale in September, 1976, prizes valued at more than \$2.3 billion have been awarded.



\$1,000,000*

THOMAS B. TIERNEY, Elmira

*20 annual payments of \$50,000.



\$1,000,000*

WALTER KLINE, Webster

*20 annual payments of \$50,000.

\$50,000

MILDRED SPANO, Yonkers

\$25,000

VERA NOWAK, Albany

\$10,000

JOHN SZWETKOWSKI, Delanson

JOHN KISSELL, JR., North Tonawanda

\$5,000

DIANE MOROS, Brooklyn

DERYLINE COCHRAN, Rochester

BARBARA KASSAY, Lk Ronkonkoma

CLAIRE COHEN, Staten Island

THERESA HOWE, Stony Point

\$50,000

KUM C. GERHART, New Hartford

\$25,000

LIVIA CERSOSIMO, The Bronx

\$10,000

RAYMOND SOBIESKI, Clay

JESUS M. OQUENDO, New York City

\$5,000

CAROL ANN McQUEENEY, Auburn

ELINOR M. LEVY, Long Beach

MERLE DRAKE, Churchville

ROBERT MACKEY, Newburgh

PAULA MORELLI, Springfield Gardens

NEW YORK LOTTERY PRIZES AWARDED

YEAR	INSTANT*	WEEKLY	OLYMPIC	NUMBERS	WIN-4	LOTTO	TOTAL
76 - 3/31/84	\$473,826,665	\$27,841,388	\$18,873,254	\$346,810,202	\$59,396,400	\$622,049,590	\$1,548,797,499
4/84 - 3/31/85	\$54,054,667	—————	—————	\$164,505,694	\$32,477,500	\$509,227,729	\$760,265,590
TOTAL	\$527,881,332	\$27,841,388	\$18,873,254	\$511,315,896	\$91,873,900	\$1,131,277,319	\$2,309,063,089

Figures based on DH&S data and interest on prize winnings.
*Includes free tickets.



\$1,000,000*
MICHAEL HEARTY, Elmsford
*20 annual payments of \$50,000.



\$1,000,000*
IRENE CHOBERKA, Queens
*20 annual payments of \$50,000.

\$50,000
WILMA ANDERSON, Earlton

\$25,000
GARY MROCZEK, Penfield

\$10,000
JEANNETTE NICHOLSON, Schenectady
AGNES CHUFFA, S. Ozone Park

\$5,000
MARIAN RODRIGUEZ, Flushing
GEORGE DANDRIDGE, NYC
GEORGE V. KAY, Massapequa Park
RUSSELL B. GRAHAM, NYC
MARTIN RABER, Northport

\$50,000
ARTHUR STEINKAMP, Medford

\$25,000
LAVERNE K. LAPP, Campbell

\$10,000
Mrs. VINNIE DANNECKER, Depew
HAROLD SILVERSTROM, Merrick

\$5,000
FRANCIS FISHER, Arkport
MARY JAYNE HUBERT, Hauppauge
ELIZABETH STRIKA, Brooklyn
JOHN GOZDZIEWSKI, L.I.C.
WILLIAM P. EPKE, New York City



Auditor's Report

AUDITORS' OPINION

The New York State Lottery:

We have examined the statements of assets and liabilities of New York State Lottery as of March 31, 1985 and 1984 and the related statements of revenue and revenue allocations for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the assets and liabilities of the Lottery at March 31, 1985 and 1984 and the revenue and revenue allocations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

DeLutte, Haskins & Sells

June 20, 1985

STATEMENTS OF ASSETS AND LIABILITIES MARCH 31, 1985 and 1984 (In Thousands)

	NOTES	1985	1984
ASSETS:			
Cash (including short-term cash investments)	2	\$ 90,574	\$ 62,600
Accounts receivable	8	27,282	38,449
Investments:	2		
U.S. Government-backed obligations (maturity value, \$533,053 in 1985 and \$199,178 in 1984 less unamortized discount of \$318,197 in 1985 and \$115,872 in 1984)		214,856	83,306
Long-term cash investments (maturity value, \$8,090 in 1985 and \$4,310 in 1984 less unamortized discount of \$111 in 1985 and \$90 in 1984)		7,979	4,220
TOTAL		\$340,691	\$188,575
LIABILITIES:			
Prizes:			
Allocation of accrued revenue		\$ 11,192	\$ 18,102
Unclaimed and future prizes	10	69,887	40,313
Long-term prize obligations of \$537,243 in 1985 and \$197,525 in 1984 less unamortized discount of \$315,464 in 1985 and \$114,299 in 1984	3,10	221,779	83,226
		302,858	141,641
Education:			
Allocation of accrued revenue		10,547	17,411
Allocation of cash revenue payable	10	13,441	21,608
		23,988	39,019
Administration:			
Allocation of accrued revenue		1,756	2,879
Allocation of cash revenue payable (overpaid)	10	2,747	(480)
		4,503	2,399
Deferred revenue for unclaimed free tickets on open games and other payables		9,342	5,516
TOTAL		\$340,691	\$188,575

STATEMENTS OF REVENUE AND REVENUE ALLOCATIONS (In Thousands)

	NOTES	1985	1984
REVENUE:			
Ticket sales	1,4,8	\$1,271,167	\$890,276
Less:			
Vendor and distributor commissions	7,8	(78,850)	(55,691)
Contractor fees	7,8	(23,865)	(37,010)
Net revenue from ticket sales		1,168,452	797,575
Interest income	2	26,347	9,646
Other		1,605	112
NET REVENUE		\$1,196,404	\$807,333
REVENUE ALLOCATIONS:			
Prizes	1	\$ 560,567	\$392,002
Education	3,5	599,945	390,542
Administration	6	35,892	24,789
TOTAL REVENUE ALLOCATIONS	7	\$1,196,404	\$807,333

See notes to financial statements.

COMPOSITION OF REVENUE AND REVENUE ALLOCATIONS (In Thousands)

The following table presents the composition of revenue and revenue allocations from September 8, 1976, the start of current lottery operations, to March 31, 1985:

	9/8/76 to 3/31/84	4/1/84 to 3/31/85	9/8/76 to 3/31/85
Revenue:			
Instant games sales	\$ 974,679	\$ 98,422	\$1,073,101
Lotto games sales	1,022,069	768,762	1,790,831
Daily Numbers/Win-Four games sales	871,433	403,983	1,275,416
Other games sales	93,168	—	93,168
Lottery ticket sales	2,961,349	1,271,167	4,232,516
Interest income	34,101	26,347	60,448
Old lottery interest (1976-77)	2,560	—	2,560
Other	112	1,605	1,717
Total revenue	\$2,998,122	\$1,299,119	\$4,297,241
Revenue Allocated to Prizes:			
Instant games (40%)	\$ 389,871	\$ 39,369	\$ 429,240
Lotto games (40%)	408,828	307,505	716,333
Daily Numbers/Win-Four games (50%)	435,716	201,991	637,707
Other games (40%)	37,267	—	37,267
Allocation of lottery ticket sales	1,271,682	548,865	1,820,547
Interest income	16,103	22,910	39,013
Unclaimed prizes	(16,418)	(11,208)	(27,626)
Unclaimed free tickets	(1,828)	—	(1,828)
Total revenue allocated to prizes	1,269,539	560,567	1,830,106
Lottery prizes paid	(1,127,898)	(399,350)	(1,527,248)
Balance	141,641	161,217	302,858
Current year accrual (included above)	(18,102)	(11,192)	(11,192)
Prior year accrual	—	18,102	—
Prizes to be paid	\$ 123,539	\$ 168,127	\$ 291,666
Allocation of prizes to be paid:			
Unclaimed and future prizes	\$ 40,313	\$ 29,574	\$ 69,887
Long-term prize obligations	83,226	138,553	221,779
	\$ 123,539	\$ 168,127	\$ 291,666
Revenue Allocated to Education:			
Instant games (45%)	\$ 438,605	\$ 44,290	\$ 482,895
Lotto games (45%)	459,932	345,943	805,875
Daily Numbers/Win-Four games (35%)	305,000	141,394	446,394
Other games (45%)	41,926	—	41,926
Allocation of Lottery ticket sales	1,245,463	531,627	1,777,090
Interest income	14,468	247	14,715
Old Lottery interest (1976-77)	2,560	—	2,560
Unclaimed prizes	16,418	11,208	27,626
Administration surplus	32,099	56,863	88,962
Other	32	—	32
Total revenue allocated to Education	1,311,040	599,945	1,910,985
Revenue transferred for Education	(1,272,021)	(614,977)	(1,886,998)
Balance	39,019	(15,032)	23,987
Current year accrual (included above)	(17,411)	(10,547)	(10,547)
Prior year accrual	—	17,411	—
Allocation of cash revenue payable (overpaid)	\$ 21,608	\$ (8,168)	\$ 13,440
Revenue Allocated to Administration:			
Instant games (15%)	\$ 146,202	\$ 14,763	\$ 160,965
Lotto games (15%)	153,310	115,315	268,625
Daily Numbers/Win-Four games (15%)	130,716	60,597	191,313
Other games (15%)	13,975	—	13,975
Allocation of Lottery ticket sales	444,203	190,675	634,878
Interest income	3,530	3,190	6,720
Unclaimed free tickets	1,828	—	1,828
Other	80	1,605	1,685
Administration surplus	(32,099)	(56,863)	(88,962)
Total revenue allocated to administration	417,542	138,607	556,149
Vendor and distributor commissions and contractor fees	(289,544)	(102,715)	(392,259)
Net revenue allocated to administration	127,998	35,892	163,890
Amount transferred for administrative expenses	(125,599)	(33,788)	(159,387)
Balance	2,399	2,104	4,503
Current year accrual (included above)	(2,879)	(1,756)	(1,756)
Prior year accrual	—	2,879	—
Allocation of cash revenue payable (overpaid)	\$ (480)	\$ 3,227	\$ 2,747



Agents Earn \$76 Million

"Lottery commissions continue to be the 'salvation' of many small stores . . . providing an economic support that has made it possible to stay in business or to expand business . . ."

The more than 13,500 ticket agents — ranging in size from the neighborhood "mom and pop" store to the chain supermarkets — earned more than \$76 million in commissions in Fiscal 1984-85 for selling Lottery tickets.

This brought to \$255 million the commissions ticket sellers have earned since they first went on sale in September 1976.

More than 3,200 of these agents had automated terminals handling LOTTO, Numbers and WIN-4 tickets and many of them earned \$60,000 and more over the 12 months.

Food stores, news stands and stationery stores top the list of Lottery ticket sellers.

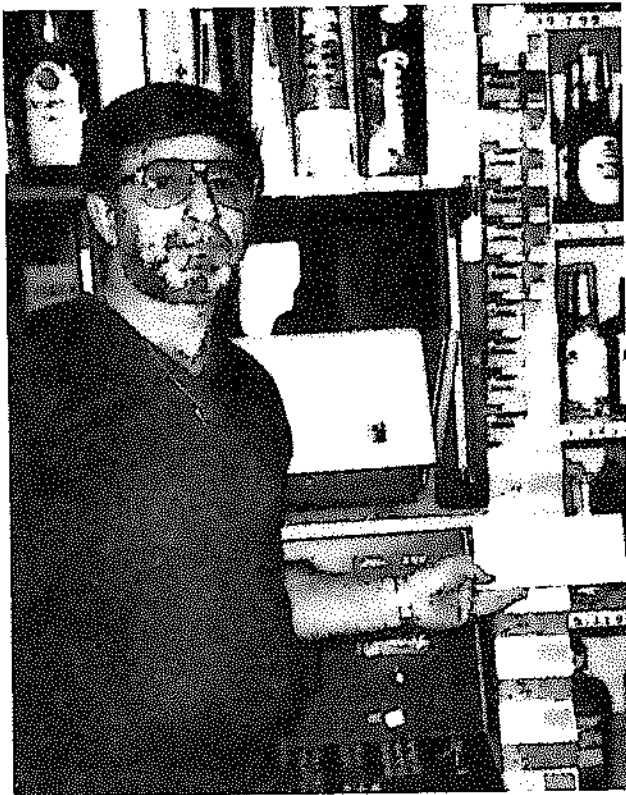
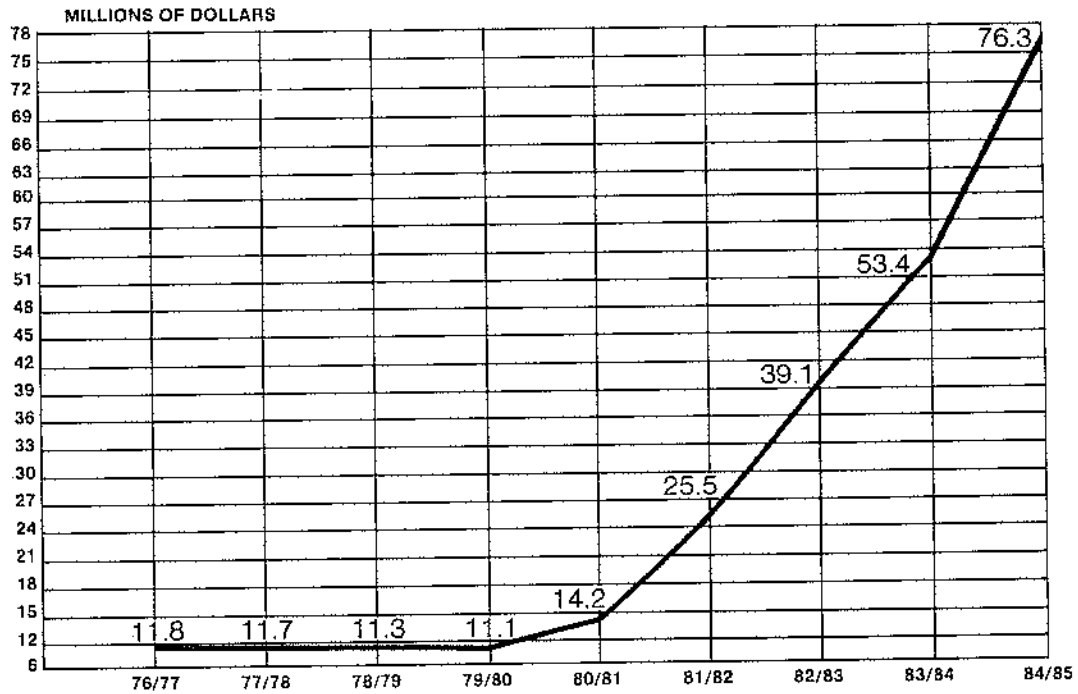
Lottery commissions continued to be the "salvation" of many small stores, providing an economic support that has made it possible to stay in business or to expand their business.

On average, an agent who has been selling Lottery tickets since September 1976, has earned more than \$21,000 — without the need of capital investment.

Here's how the ticket sellers' commissions on Lottery sales have grown over the years:



AGENT COMMISSIONS BY FISCAL YEAR



Agent Lou Nannariello of Crest Wine and Liquors of Spring Valley, collects a \$1,000 Agent prize won in October.



\$1,000 Agent Prize Winner Ernest Kalmanovits, right, of Hudson Tobacco Company in New York City accepts his \$1,000 check from Charles Hamilton, assistant regional director for New York City.



The Lottery is Good for Business

“the benefits of the Lottery have been spread over the entire business spectrum, from small stores to leaders in technology . . .”

In its eight-and-a-half years of operations – from September 1976 through March 1985 – the New York Lottery has paid a total of more than \$392 million to its agents, contractors and distributors. As a direct result of the successful Lottery operations, hundreds of jobs have been created in the private sector.

The benefits have been spread across the entire business spectrum, from the small neighborhood

store selling lottery tickets to the contractors providing the sophisticated technology for a vast network of automated terminals.

These are the shareholders in the Lottery's success:

Ticket sellers	\$254.9 million
Distributors and banks	\$ 21.9 million
Contractors fees	\$115.5 million

Just about every hometown across the State is sharing in the Lottery's success; the earning of small stores making the difference between a profit or loss year or providing the funding for needed expansion. In all, operations which employ many thousands, are helped.

THE LOTTERY IS GOOD FOR BUSINESS

FEEES AND COMMISSIONS

SEPT 76-MAR 85

(MILLIONS OF DOLLARS)

COMMISSIONS TO SALES AGENTS	\$254.9
DISTRIBUTION FEES TO BANKS AND DISTRIBUTORS	\$21.9
CONTRACTORS FEES	\$115.5
<hr/>	
TOTAL	\$392.3