



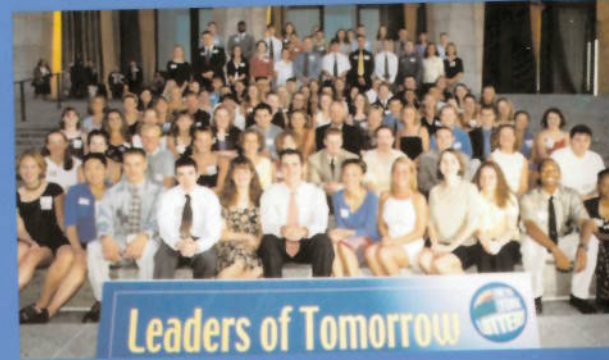
NEW YORK LOTTERY
1999-2000
ANNUAL REPORT



www.nylottery.org

In addition to the revenues contributed to New York State Aid to Education, the Lottery sponsors a number of programs and special events that encourage academic excellence, recognize outstanding educators, and highlight the benefits of healthy competition.

Providing More Educational Opportunities



Leaders of Tomorrow

The *Leaders of Tomorrow Scholarship Program* is the newest and largest educational program sponsored by the New York Lottery. The program offers a \$4,000, four-year college scholarship, paid in annual increments of \$1,000 to one graduating senior from every public and private high school in New York State. Eligible seniors must carry at least a B average, possess demonstrable leadership skills and have documented experience in extracurricular and community activities. Scholarships are applicable toward tuition costs at any accredited New York college, university, community college or trade school.

Educator of the Week

In an effort to foster public appreciation for the accomplishments of outstanding teachers and administrators, the Lottery created the *Educator of the Week* program. This program partners the Lottery with local TV stations. The stations produce and air video segments showcasing the talents of these educators.

Education Wins!

As the next step in the successful *New York Wired for Education* program, *Education Wins!* has awarded over \$4 million in computer equipment to New York schools.



The New York Lottery is a major sponsor of the Empire State Games, which is the largest amateur athletic competition in the country. These winter games promote the values of hard work, competition and fair play.



Launched by the New York Lottery and the Goodwill Games in conjunction with the Empire State Games, *Winter Achievers* challenges intermediate school students to write an essay describing how sports and athletic competition make them better students and citizens. This year's winning students were awarded a personal computer in addition to a trip to the 2000 Goodwill Games for them and their families.



For a group of exceptional high school students, New York became one large living classroom. The students of the *New York Expeditions* program traveled around the state learning about New York's history, environment and economy. From the falls of Niagara to Manhattan's towers of finance, a video crew captured three years of the students' adventures and discoveries. The footage from this program was compiled into a video curriculum for all New York students to enjoy. This series is being distributed by BOCES programs and it has been picked up by PBS stations statewide.

Visit www.nylottery.org for the *New York Expeditions Broadcast Schedule*.

The Education Bus

The Lottery Bus stages mobile exhibitions across the state, circulating information on the Lottery's education programs. The bus also offers kids of all ages a fun way to learn about the past, present and future of their home state.





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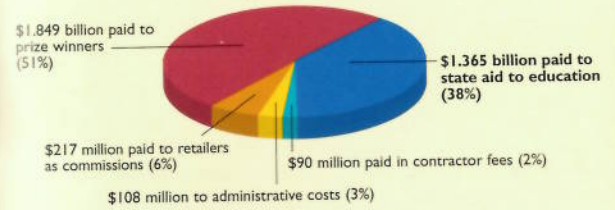
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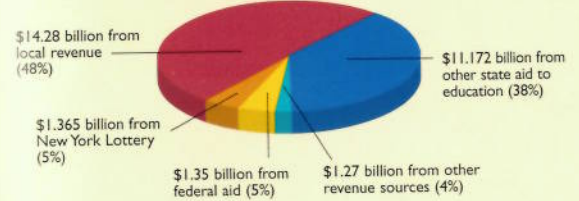


Investing In The Future

Where New York Lottery Sales Go Fiscal Year '99-'00



Where Schools Get Their Money Fiscal Year '99-'00



How Much Did Your County Receive? Fiscal Year '99-'00

COUNTY	LOTTERY AID	COUNTY	LOTTERY AID
ALBANY COUNTY	\$14,344,399.50	ONEIDA COUNTY	\$23,864,794.00
ALLEGANY COUNTY	\$6,326,781.95	ONONDAGA COUNTY	\$43,972,813.95
BROOME COUNTY	\$19,596,574.42	ONTARIO COUNTY	\$10,210,812.33
CATTARAUGUS COUNTY	\$12,249,021.55	ORANGE COUNTY	\$32,049,400.01
CAYUGA COUNTY	\$8,300,134.21	ORLEANS COUNTY	\$6,050,829.19
CHAUTAUQUA COUNTY	\$16,840,697.18	OSWEGO COUNTY	\$14,540,403.38
CHEMUNG COUNTY	\$9,907,773.15	OTSEGO COUNTY	\$6,078,059.08
CHENANGO COUNTY	\$7,431,396.56	PUTNAM COUNTY	\$4,262,172.95
CLINTON COUNTY	\$8,810,685.91	RENSSELAER COUNTY	\$13,260,263.96
COLUMBIA COUNTY	\$3,833,269.37	ROCKLAND COUNTY	\$9,281,208.09
CORTLAND COUNTY	\$5,558,393.82	SAINT LAWRENCE COUNTY	\$13,287,596.41
DELAWARE COUNTY	\$3,874,447.09	SARATOGA COUNTY	\$18,013,724.20
DUTCHESS COUNTY	\$17,710,204.39	SCHENECTADY COUNTY	\$10,862,585.10
ERIE COUNTY	\$76,293,592.37	SCHOHARIE COUNTY	\$3,196,322.58
ESSEX COUNTY	\$1,529,446.99	SCHUYLER COUNTY	\$1,804,696.80
FRANKLIN COUNTY	\$5,625,769.19	SENECA COUNTY	\$3,372,911.69
FULTON COUNTY	\$6,394,183.63	STEBEN COUNTY	\$13,199,729.00
GENESEE COUNTY	\$7,551,392.64	SUFFOLK COUNTY	\$91,771,419.62
GREENE COUNTY	\$2,933,085.80	SULLIVAN COUNTY	\$4,250,995.57
HAMILTON COUNTY	\$10,845.00	TIOGA COUNTY	\$7,097,306.74
HERKIMER COUNTY	\$7,986,258.41	TOMPKINS COUNTY	\$6,520,897.61
JEFFERSON COUNTY	\$12,745,104.76	ULSTER COUNTY	\$11,221,536.46
LEWIS COUNTY	\$3,502,732.28	WARREN COUNTY	\$4,584,101.66
LIVINGSTON COUNTY	\$6,946,204.36	WASHINGTON COUNTY	\$7,015,611.80
MADISON COUNTY	\$8,110,451.47	WAYNE COUNTY	\$12,219,426.79
MONROE COUNTY	\$64,549,296.37	WESTCHESTER COUNTY	\$24,739,832.04
MONTGOMERY COUNTY	\$5,338,399.58	WYOMING COUNTY	\$4,187,191.73
NASSAU COUNTY	\$43,931,650.81	YATES COUNTY	\$1,525,248.42
NEW YORK CITY*	\$532,417,231.56		
NIAGARA COUNTY	\$21,888,643.39	TOTAL	\$1,344,979,958.87

The above amounts are based on the New York State Education Department's Division of Aid to Localities for Education from the State Lottery Fund as stated in the New York State Budget. For a complete listing contact the Lottery Press & Community Relations office at 518-388-3415. *Includes Bronx, Queens, Kings, New York and Richmond Counties.



New York State Governor
George E. Pataki

Most New Yorkers associate the Lottery with games and excitement. This is the face of the Lottery that everyone knows. But the Lottery has another face that I call the face of the future.

Since June of 1967 the Lottery has contributed nearly \$18 billion in aid to education in New York State. This past year the Lottery's contribution totaled nearly \$1.4 billion for the second consecutive year. No other state-run lottery has ever succeeded in raising this much revenue for the benefit of education or for any other cause.

Not only has the New York State Lottery excelled at raising funds, it does so with unparalleled efficiency. Less than five cents of every dollar is expended on the cost of running the Lottery, making the New York Lottery the most cost-effective operation of its kind in the nation. The aim of all this effort is to better prepare our children to face the social, economic and technological challenges of the 21st century.

With its proven ability to raise revenue while setting a national standard for operational efficiency, the New York Lottery continues to prove its worth as a leader in the effort to enhance the future of New York's most valuable asset, our children.

George E. Pataki



New York Lottery Director
Margaret R. DeFrancisco

As the Director of the New York Lottery, I am proud to say that our mission to support education in New York State is more evident and more focused today than at any previous time in Lottery history. In addition to the funds for education generated by Lottery sales, the Lottery also sponsors a number of programs and special events that foster the values of scholarship, leadership and discipline in New York's schoolchildren.

Nowhere is this more evident than in the New York Lottery's *Leaders of Tomorrow (LOT) Scholarship Program*. In our first year, almost 80% of our high schools participated in the program. Scholarships were awarded to nearly 1,100 students statewide. These students will be furthering their education at 147 different colleges, universities, community colleges and trade schools across New York State. The Lottery aims to build on the initial success of the LOT program with even greater student participation in the coming year.

I invite you to visit www.nylottery.org to learn more about the New York Lottery's mission and its programs that serve the schools and schoolchildren in your community.

Margaret R. DeFrancisco

New York Lottery Financial Summary

Statements of Revenue and Expenses

Years ended March 31, 2000, and 1999 (in thousands)

Revenue	2000	1999
Ticket sales	\$3,629,258	3,697,631
Investment income	44,057	132,583
Other income	281	534
Total revenue	3,673,596	3,830,748
Expenses		
Prizes	1,768,155	1,871,970
Agent commissions	217,429	221,840
Contractor fees	89,834	88,969
Instant game ticket printing	8,258	8,516
General and administrative expenses	99,946	97,500
Interest expenses	124,831	128,624
Total expenses	2,308,453	2,417,419
Net income and required allocation to education	\$1,365,143	1,413,329

Statements of Assets and Liabilities

Years ended March 31, 2000, and 1999 (in thousands)

Assets	2000	1999
Current assets:		
Cash and cash equivalents	\$154,426	191,560
Accounts receivable, net	163,031	122,185
Investments	207,298	205,641
Instant game ticket inventory	4,275	5,395
Total current assets	529,030	524,781
Long-term investments	1,472,361	1,604,321
Equipment and leasehold improvements, net of accumulated depreciation and amortization	689	1,247
Total assets	\$2,002,080	2,130,349
Liabilities		
Current liabilities:		
Prizes payable	\$208,929	205,405
Unclaimed and future prizes	301,204	397,799
Due to education	61,680	41,552
Due to administration	8,559	14,766
Deferred revenue	10,309	2,566
Other payables	14,905	15,558
Total current liabilities	605,586	677,646
Long-term prizes payable	1,396,494	1,452,703
Commitments and contingencies	—	—
Total liabilities	\$2,002,080	2,130,349



Questions or comments, please write to the Lottery's main office:

New York Lottery
One Broadway Center, PO Box 7500, Schenectady, NY 12301-7500
518.388.3300 or visit us at www.nylottery.org

©2000 New York Lottery. You must be 18 years or older to play Lottery games.

The New York Lottery's financial statements are audited by the firm KPMG Peat Marwick, LLP.