

A NOTE FROM THE *Governor*



As our country's oldest state lottery, the New Hampshire Lottery this year celebrated its landmark 50th anniversary. Since 1964, more than \$1.6 billion has been raised for New Hampshire public schools, helping our children develop the skills and innovative thinking needed for success.

Fiscal year 2014 proved to be another impressive year, as more than \$72 million in net profit went to strengthening public education. With the help of the Lottery, New Hampshire's public schools are giving our children the opportunity to attain a quality education.

On behalf of the people of the Granite State, I want to extend my thanks to every member of the Lottery staff, and retailers across the state for working diligently to achieve such strong levels of support and playing a significant role in strengthening public education, as well as our hard-working teachers for everything that they do to prepare our children for success.

With every good wish,

Maggie Hassan

MARGARET WOOD HASSAN,
GOVERNOR

A MESSAGE FROM THE *Director*



As you know, this year the New Hampshire Lottery celebrated its 50th anniversary and what an amazing year it has been. Record sales, new and innovative games, more winners, and most importantly \$72.3 million more to support public education in the Granite State.

Total sales for FY'14 came in at just under \$276 million, with scratch tickets making up a majority of that revenue with \$195.2 million in sales. Another \$80 million was generated through sales of our draw games including Powerball, Mega Millions, Megabucks, Pick 3/Pick 4, Gimme 5, Lucky for Life and Fast Play.

Our 50th year was also a year of celebration and player appreciation. We introduced a variety of anniversary promotions throughout the year, including a limited edition \$25 Granite Millions commemorative scratch ticket with a top prize of \$2 million and the highest instant ticket payout in the United States. Our players certainly liked it, and in the first four months it generated \$13.8 million in sales.

In addition, the Lottery continued its commitment to being an industry leader and improving the player experience, incorporating player suggestions and offering new and relevant games with higher payouts and second chance opportunities.

continued on next page



1963

1963

1964

1964

1974

The past 50 years have been filled with record jackpots and payouts and more than \$250 million in sales commissions to retailers. Through it all, the Lottery has stayed true to its mission to maximize revenues for aid to public education in New Hampshire by providing secure and entertaining games to its players. As always, none of our success would have been possible without the dedication of our 1,250 retail partners and Lottery staff. When you play the Lottery, everyone wins.



CHARLES MCINTYRE,
EXECUTIVE DIRECTOR



1976

1977

1985

1986

1987

1988

FISCAL YEAR 2014

Highlights

Celebrating our 50th year, the New Hampshire Lottery once again had a very strong year — with \$275.9 million in revenues — particularly in how much was contributed in fiscal year 2014 to benefit public school students across the Granite State.

This year alone added up to more than \$72.3 million to the State's Education Fund, and those contributions over the course of 50 years have totaled more than \$1.6 billion dedicated solely to education in New Hampshire.

For the Lottery, fiscal year 2014 was a memorable year, for more than having reached that iconic anniversary. One such event was in reintroducing the Mega Millions game in July, seeking to excite our players with larger and faster-growing jackpots, to go with a higher second prize, while also creating more winners.



1988



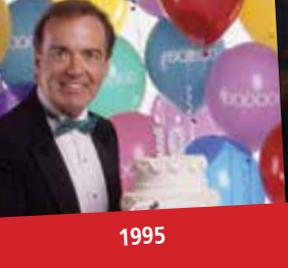
1989



1990



1990



1995



Those combined changes all helped push an increase in sales for Mega Millions tickets by 54.1 percent over last year, with a particular boost coming from sales leading up to the second largest jackpot ever of \$648 million in December. Powerball as

well had a solid fiscal year with \$35.1 million in sales revenue helped by a trio of large jackpots over the fiscal year: three winning tickets split a \$448.4 million jackpot won on August 7, 2013; a single winner took home a \$425.3 million jackpot won on February 19, 2014, and a single ticket won a \$399.4 million jackpot on September 18, 2013. Overall, sales of Powerball, Mega Millions and Hot Lotto tickets added up to more than \$51.6 million in sales for the Lottery.



Beyond the success during fiscal year 2014 with the Multi-State games, scratch tickets added up to 71% of the Lottery's overall revenue, accounting for more than \$195.2 million in revenue.

Much of that can be attributed to the wide variety of fun and entertaining scratch tickets that were introduced to our players this year, which ranged from the limited edition \$25 Granite Millions ticket, to the \$5 Red Sox, \$2 Wheel of Fortune, \$10 Caesar's, \$10 Jumbo Bucks, and \$2 Betty Boop tickets.

Also helping the Lottery toward achieving a strong year was the success of its Tri-State games of Megabucks Plus, Pick 3, Pick 4, Gimme 5, and Fast Play, all of which added up to \$22.2 million in sales revenue.

To celebrate the landmark year, with its 50th anniversary, a wide range of events were held, from launching the \$5 Patriots scratch ticket at Hampton Beach with an Elvis tribute band in August, to holding anniversary celebrations at 11 different businesses across the state chosen specifically as they have been retail partners historically with us the longest, to having David "Big Papi" Ortiz of the Boston Red Sox at the State House in Concord launching the \$5 Red Sox scratch ticket in April. Throughout the fiscal year, there were many places where our players had their share of fun and excitement in Lottery-sponsored events, including where five "Set for Life" scratch game finalists took part in a second-chance drawing at New Hampshire Motor Speedway in Loudon, for the chance to win \$100,000 a year for life, along with lots of other places where our players had other opportunities to win money prizes.



1995

1996

1996

1997

1997

1999

A MESSAGE FROM THE *Commission Chairman*

To get an overall sense of the success of the New Hampshire Lottery, it's hard not to be impressed with how it has performed over the course of the 50 years that it has been in existence as it has recorded almost \$5.5 billion in lottery sales and other earnings over the years since Lottery tickets first went on sale March 12, 1964.

Over that time, the Lottery has paid out more than \$3.1 billion in prizes to our players and also contributed more than \$1.6 billion toward the education of the state's children.

Most recently, though, the Lottery achieved near-record sales for fiscal 2014 totaling almost \$276 million. As a result, the Lottery was able to contribute more than \$72.3 million to benefit public education in New Hampshire, with most of that made possible by way of a record of more than \$195.2 million in instant scratch ticket sales alone.

During the Lottery's 50th year, to recognize that milestone, Lottery officials have toured the state to give our players additional chances to win. In continuing to celebrate the anniversary the Lottery has paired up with some of its longest-serving partner retailers, with future events planned where Lottery players will have their fill of fun and games with chances to win \$50 cash prizes and more.

With fiscal year 2014 being another with strong sales, our players also enjoyed a notable \$171.8 million in prize payouts. In addition, the solid year was in large part made possible because the work by our lottery retailers, with those partners earning \$15.8 million in commissions this fiscal year.

I also want to graciously thank the Executive Council for their ongoing support of the Lottery and its mission to support public education students: Joseph D. Kenney, Christopher C. Pappas, Debora B. Pignatelli, Christopher T. Sununu, and Colin Van Ostern, along with my fellow Commission members: Paul J. Holloway and Doug Scamman as well as the New Hampshire Lottery staff and all of our Lottery retailers.



DEBRA DOUGLAS,
CHAIRMAN



Chairman
Debra Douglas



Commissioner
Doug Scamman



Commissioner
Paul J. Holloway



2001

2000

2007

2009

2009

Income Statement

Balance Sheet

	FOR THE YEAR ENDED JUNE 30, 2014
OPERATING REVENUES	
Instant scratch games	\$195,292,751
Multi-State online games	51,693,099
Tri-State online games	22,264,886
Lucky for Life	6,360,538
Other income	321,833
Total operating revenues	<u>275,933,107</u>
OPERATING EXPENSES	
Cost of sales:	
Prizes	171,846,304
Retailer's Commissions	15,822,516
Other	7,216,732
Total cost of sales	<u>194,885,552</u>
Administration	8,624,055
Total operating expenses	<u>203,509,607</u>
Operating income	<u>72,423,500</u>
NONOPERATING REVENUES (EXPENSES)	
Interest and miscellaneous income	52,573
Distributions to the State's Education Trust Fund	(72,380,273)
Total nonoperating revenues (expenses)	<u>(72,327,700)</u>
Change in net position	95,800
Net position – July 1	4,134,458
Net position – June 30	<u>\$4,230,258</u>

	AS OF JUNE 30, 2014
ASSETS	
Cash and cash equivalents	\$2,247,304
Accounts receivable	4,145,316
Instant ticket inventories	778,775
Prepaid expenses and other	38,341
Restricted deposits	4,230,258
Capital assets net of accumulated depreciation	245,670
Total assets	<u>\$11,685,664</u>
LIABILITIES	
Accounts payable	1,602,150
Accrued payroll and benefits	160,965
Ticket sales for future draws	1,047,379
Unclaimed prizes (net of estimated expired prizes)	1,927,887
Lucky for Life prizes payable	2,343,383
Compensated absences	373,642
Total liabilities	<u>7,455,406</u>
NET POSITION	
Net investments in capital assets	245,670
Restricted for prize funds	4,230,258
Unrestricted (deficit)	(245,670)
Total net position	<u>\$4,230,258</u>



2012

2012

2012

2013

2014

2014



14 Integra Drive, Concord, NH 03301
603-271-3391
nhlottery.com