



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

New Hampshire Lottery Commission

*A Department of the State of New Hampshire*



**NH Lottery**

Over \$2 Billion and Counting for our Schools

**COVER PHOTO:**

**“In A World Full Of Chaos, Always Show Your Kindness.”**

Justin Spencer, founder of the rock band Recycled Percussion performed on behalf of the New Hampshire Lottery at the Dover Middle School in Dover, New Hampshire. His brand, Chaos & Kindness, was created to inspire people to be kind and to live life to its fullest in this often chaotic world. That was the message he brought to the school on our behalf.

**NEW HAMPSHIRE LOTTERY COMMISSION**  
**A Department of the State of New Hampshire**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2023**

*Prepared by the Finance Department of the  
New Hampshire Lottery Commission*

Charles R. McIntyre, Executive Director  
James C. Duris, Chief Financial Officer



Over \$2 Billion and Counting for our Schools

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**NH Lottery**

iLOTTERY WINNER!

**BIG WINNER!**

**SERIES 2 GAME**

**#LuckyMe**

Ashley Bogrett won \$131,478 playing New Hampshire Bonus Wheel Jackpots!

e-Instant games

### Ashley Bogrett

Ashley Bogrett of Exeter won \$131,478 playing the e-Instant game Bonus Wheel Jackpot.

### Shannon Francois

Shannon Francois of Portsmouth won \$392,702 playing the e-Instant game Premier Jackpot.

**NH Lottery**

iLOTTERY WINNER!

**Biggest iLottery Win!**

Shannon Francois from Portsmouth won \$392,702 on Premier Jackpot!

**NH Lottery**

**SCRATCH TICKET WINNER!**

**ARE YOU GAME?**

**CHRISTOPHER MEESON**  
Kingsland, Georgia  
**WON \$100,000**  
Purchased at Market Basket in Portsmouth

### Christopher Meeson

Christopher Meeson of Kingsland, Georgia purchased a \$5 10 Fold scratch ticket and won \$100,000.

## Cheryl and Brian Vasson

Cheryl and Brian Vasson of Colorado Springs, Colorado won \$1,000,000 playing Mega Millions here in New Hampshire.



## Robert Parish

New Hampshire Lottery celebrates the 4<sup>th</sup> Anniversary of Sports Betting by hosting Boston Celtics Legend Robert Parish at The Brook Casino in Seabrook.

## Bubba Wallace Event at NH Motor Speedway

New Hampshire Lottery Commissioner Erle Pierce, along with Governor Chris Sununu present NASCAR Driver Bubba Wallace with a New Hampshire themed racing helmet. They are joined by Krista Thomas, Senior Director for DraftKings.



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# **Introductory Section (Unaudited)**

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Over \$2 Billion and Counting for our Schools

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Over \$2 Billion and Counting for our Schools

GOVERNOR Christopher T. Sununu  
CHAIRMAN Debra M. Douglas  
COMMISSIONER H. Andy Crews  
COMMISSIONER Erle B. Pierce  
EXECUTIVE DIRECTOR Charles R. McIntyre

December 20, 2023

To the Citizens of the State of New Hampshire,  
The Governor and Executive Council of the State of New Hampshire, and  
The New Hampshire Lottery Commission:

We are pleased to submit this Annual Comprehensive Financial Report of the New Hampshire Lottery Commission (Lottery) for the fiscal year ended June 30, 2023. The finance department of the Lottery has prepared this comprehensive report. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and cash flows of the Lottery. All disclosures necessary to enable the reader to gain an understanding of the Lottery's financial activities have been included.

## Internal Control

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Management of the Lottery is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or abuse; and to ensure that the accounting systems allow compilation of accurate and timely financial information. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of cost and benefits requires estimates and judgments by management.

Access to the Lottery's office and instant ticket warehouse is limited through high-level security. The Lottery has segregated responsibilities to enhance controls over accounting procedures relative to personnel and payroll; purchasing and accounts payable; sales and accounts receivable; and general ledger. Management personnel maintain oversight and approval authority over all areas of operations. The Lottery's independent auditors review significant and relevant areas annually and issue a report to the Legislative Fiscal Committee on internal control and compliance in conjunction with their financial audit.

The Lottery manages ticket inventory and controls the payment of prizes. As such, various precautions (internal controls) are taken to ensure the integrity and security of lottery operations.

They are as follows:

- High-level security at the Lottery's headquarters restricts access to office and warehouse areas to authorized Lottery personnel.

- Security cameras are located in key locations throughout the inside and outside of the Lottery headquarters building; they record activity at all times and are monitored by security personnel.
- Criminal record checks are performed on all new lottery employees, Keno retailers, and other employees performing services at Lottery headquarters.
- All scratch tickets are produced utilizing special inks, dyes, coatings, and security codes, among other proprietary security measures.
- Prize checks are printed with special non-erasable ink.
- Drawings held at Lottery headquarters have a designated secure drawing room, which is monitored 24 hours a day. The actual drawings are executed according to detailed procedures, witnessed by certified public accounting firm personnel, and recorded by primary and backup security cameras.
- Credit checks are performed on all Lottery retailers and contractors.
- Various levels of access and other controls are provided within the computer system.

The Lottery's financial statements have been audited by the State of New Hampshire Office of Legislative Budget Assistant, Audit Division (LBA). The LBA has issued an unmodified ("clean") opinion on the Lottery's financial statements for the year ended June 30, 2023. The independent auditor's report is presented as the first component in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the financial statements and should be read in conjunction with this transmittal letter.

The Lottery, as a department of the State of New Hampshire, is included within the State's Annual Comprehensive Financial Report. This report presents all activities of the Lottery in a single enterprise fund and does not include data or information related to any other state agency or fund.

## Profile of the Lottery

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### Lottery Division

The New Hampshire Lottery Commission (Lottery) was created in 1963 through the enactment of New Hampshire Revised Statutes Annotated (RSA) 284:21-a, for the sole purpose of raising revenues to help fund education in New Hampshire. The first tickets went on sale in March of 1964, making New Hampshire the first modern state-run lottery. A three-member Commission is appointed for a staggered term of two years by the Governor and Executive Council to oversee the Lottery. The lottery industry in the United States is comprised of 45 state lotteries, the District of Columbia, the U.S. Virgin Islands, and Puerto Rico.

The Lottery headquarters is located in the capital city of Concord, which is in the central part of the state. The Lottery operates enterprise activities as a department of the State of New Hampshire. These activities include the sale of lottery tickets to the public,

administration of sports betting and simulcast racing, regulation of charitable gaming and all necessary support functions. All profits are used exclusively for state aid to education in New Hampshire.

The Lottery is required to submit a biennial operating budget to the Governor for approval. The budget is further submitted to the Legislature for its approval and is ultimately included in the State of New Hampshire's operating budget. Due to the nature of the Lottery's activities, the majority of its cost of sales expenses, such as prizes, vendor fees and retailer commissions, are not included in the budget. The Lottery budgets for approximately 3% of its total expenses that consist primarily of salaries and benefits, and maintenance expenses, advertising and instant ticket printing costs. Financial management staff consistently monitors adherence to budgeted appropriations.

The New Hampshire Lottery Commission provides customers the opportunity to participate in a variety of instant and on-line lottery games, and sports betting on mobile and retail platforms. The Commission is also responsible for licensing and regulatory activities of sports betting and charitable gaming operations. The Lottery is a member of three lottery joint ventures: the Tri-State Lotto Commission, comprised of New Hampshire, Maine, and Vermont Lotteries; the Multi-State Lottery Association (MUSL), currently comprised of 36 member state lotteries, plus the District of Columbia, Puerto Rico, and the United States Virgin Islands, and as such, operates a number of on-line games under those jurisdictions; and Lucky for Life, which as of November 2023, is comprised of lotteries in twenty-two states plus the District of Columbia. The following sections describe the products offered by the Lottery.

## Instant Games

**Instant Games** were introduced in New Hampshire in 1975 with a ticket called Lucky X. Instant Games are played by scratching the “scratch off” from the play area on the ticket. There are several ways to win on an instant, or scratch, ticket, including matching three like dollar amounts, symbols, or letters; or adding up numbers to a specified total; or the more traditional play type of key number match. If the correct combination appears, the player becomes an instant winner without having to wait for the results of a drawing (although some tickets have a component that allows entry into a drawing). The instant games offer a wide variety of themes and ticket prices. Players can win from one dollar to \$2 million, with ticket prices ranging from \$1 to \$25. The Lottery offered 105 instant games during fiscal year 2023.



**The Price is Right™** licensed property was leveraged to help make these \$2 and \$5 games the best-selling at their respective price points. Coinciding with the longest running gameshow's 50th anniversary, these games offered a familiar brand paired with instant chances to win, and the opportunity to enter non-winning tickets through the Lottery's mobile app and rewards program for a second chance prize. Three winners were chosen at random to win a 4-day/3-night trip for the prize winner and guest to Las Vegas to attend the Come On Down Challenge event for a chance to win \$50 million! All players were guaranteed to win at least \$1,000 at the event. In total, the three NH players won \$19,500 collectively.

The best-selling game of fiscal year 2023 was a low-top prize \$25 ticket, **\$100, \$250 or \$500**. With no breakeven prizes, the lowest prize is \$100 or four times the ticket cost. Though the odds are longer than normal, a person has the chance to win more in an average purchase, making this a player favorite. As the first low top prize game offered at the \$25 price point, it has quickly established itself as a core game. So popular in fact, that the game was re-ordered. Leveraging an early December launch and prime Holiday sales, this ticket was purposely designed with bright red and accents of rich purple and printed on holographic foil substrate to add to the brilliance of the game. The perceived value of the game was further enhanced with 25 chances to win in the base play area and further heightened with 3 bonus spots where a player could win up to \$500 instantly. For marketing support, an ad campaign personified the ticket and put the game front and center, highlighting the value proposition to the player.



## Tri-State Lotto Commission Draw-Based Games



**Pick 3/Pick 4** has been offered in New Hampshire since 1977, and by Tri-State since 1985. This is the only game that offers tickets for less than a dollar: players can wager from 50 cents to \$5 for twice-daily drawings that take place at mid-day and in the evening. Players select a three (Pick 3) or a four (Pick 4) digit number and select from several different play options. Numbers are drawn seven days a week for fixed prize amounts ranging from \$2.50 to \$25,000, depending on the amount bet. Although the Pick 3/Pick 4 game is considered a mature product, it continues to maintain strong sales through its loyal player base.



**Tri-State Megabucks** was the first multi-state product to be offered by any jurisdiction in the United States. It was also the Lottery's first lotto-style game, and year after year it maintains a faithful player base. Megabucks has undergone some significant enhancements since its introduction in September, 1985. The Megabucks game began with a six of 30 matrix and a weekly drawing each Saturday. The matrix changed to six of 36 in 1986

and to six of 40 in 1988. In 1990, the Tri-State Lotto Commission added a second weekly jackpot drawing. More changes came to the game in 1997 with the addition of a bonus number, a new matrix of six of 42, and a guaranteed jackpot of \$500,000. In July, 2009, Megabucks changed to Megabucks Plus, with guaranteed starting jackpots of \$1 million and lower tier prizes ranging from \$2 to \$30,000. The cost of a ticket went from \$1 to \$2. Players now choose five numbers from a matrix of 41 and one Megaball number from 1 to 6. A jackpot winner may choose to be paid in cash or as an annuity in 25 annual installments. Although this game is over 30 years old, it still remains a profitable product for the Lottery with a committed player base. The last day a player could purchase a subscription for Megabucks was October 31, 2022. This was in preparation for a game change and addition to iLottery in September 2023.



**Fast Play** is a Tri-State game that began in June, 2006. It is an online game that plays like an instant ticket and is generated by the lottery terminal at the time of purchase. There is no waiting

for a drawing like the other online games: players know instantly if they have won. Up to twenty different Fast Play games are offered each year. In April, 2015, the Lottery introduced progressive jackpot Fast Play games for sale at \$1, \$2, and \$5 price points. Examples of the different games offered are Roulette Riches, Fabulous 5, and a progressive family of games called Granite State Jackpot. Tickets cost \$1, \$2, \$5, \$10, or \$20 each depending on the game. Top prizes range from \$300 to \$5,000 on fixed-prize games, and progressive jackpots have reached over \$300,000. This game has proven to be a successful companion offering on Keno self-service kiosks.



**Tri-State Gimme 5** was launched in May of 2013 in conjunction with the Vermont and Maine State Lotteries. For this lotto game, tickets are sold for \$1 per play, and players can either let the computer generate an Easy Pick, or they can choose five numbers

from a matrix of 1–39. Players are permitted to purchase up to 30 draws on one ticket and drawings are held every weekday at the New Hampshire Lottery headquarters. Prizes include \$2, \$7, \$250, and a jackpot of \$100,000. Since July 2021, Gimme 5 is also available through the iLottery platform, where players can also purchase an Auto-Renewal, which permits a player to subscribe to the number of drawings and draws they desire, as well as the numbers they wish to play.

## Multi-State Lottery Draw-Based Games (MUSL)

NEW HAMPSHIRE



**New Hampshire Powerball** is a draw game jointly operated by the member lotteries of MUSL. A total of 48 lotteries participate in the sale of Powerball tickets, including 45 states as well as Washington DC, Puerto Rico and the US Virgin Islands. This game was introduced in New Hampshire in November, 1995, although it has

been operated by MUSL since April, 1992. Powerball holds the record for the largest national lottery jackpot of \$2.04 billion from November 7, 2022. Players select one set of five numbers and one additional number designated as the Powerball for each draw. The matrix is five numbers of a field of 1 through 69 plus one Powerball number from a field of 1 of 26. The minimum jackpot is \$20 million, which rolls over in the event that no ticket matches all five numbers and the Powerball. Powerball offers eight secondary prizes of fixed amounts ranging from \$4 to \$1,000,000 for a \$2 bet. For an extra \$1, players can choose the Power Play multiplier option for the chance to increase their winnings (except for the jackpot prize) up to \$2,000,000. A jackpot winner may choose to be paid in cash or as a graduated annuity in 30 annual installments. Powerball has been offered through iLottery since September 4, 2018. An additional draw day was added on August 23, 2021. Drawings are held at the Florida Lottery's studio on Mondays, Wednesdays and Saturdays. In fiscal year 2021, subscription sales ceased, though players can purchase an auto-renewal option through the iLottery platform.



**New Hampshire Mega Millions** sales began in January of 2010. Like Powerball, Mega Millions is a MUSL game; although prior to January 31, 2010 any state that sold Powerball could not sell Mega Millions and vice versa. There are a total of 45 states, the U.S. Virgin Islands, and the District of Columbia that currently participate. Originally a \$1 per play game, a multiplier option for an additional \$1 was added. In October, 2017, the game changed to \$2 per play, plus \$1 Megaplier option. Players select five numbers from a field of 1 to 70 and a Megaball from a field of 1 to 20. Jack-

pots start at \$20 million, and other prizes range from \$2 to \$5,000,000. Jackpot winners may choose to be paid in cash or as a graduated annuity in 30 annual installments. Drawings are held in Atlanta, Georgia on Tuesdays and Fridays. Mega Millions has been offered through iLottery since September 4, 2018. In fiscal year 2021, subscription sales ceased, though players can purchase an auto-renewal option through the iLottery platform.





**Lucky for Life** sales began in March of 2012. It is a multi-jurisdictional game originally operated by the six New England state lotteries but expanded in January, 2015, and now includes 22 states and the District of Columbia. Players choose five numbers from a field of 1 to 48, and one Lucky Ball from a field of 1 to 18. Easy Pick remains a choice as well. For \$2 per chance, players have the opportunity to win from 10 different prize levels ranging from \$3 up to \$25,000 a year for life, or the top prize of \$1,000 a day for life. Beginning on July 19, 2021, drawings are now held seven evenings a week in Hartford, Connecticut. On December 12, 2022 Lucky for Life was launched through the iLottery platform, also allowing players to purchase an auto-renewal for their favorite numbers.

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## New Hampshire Lottery Draw Games, Internet Lottery, Sports Betting and 603 Rewards

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**Keno** was signed into law as an exclusive revenue source for kindergarten funding in New Hampshire in July, 2017. Branded KENO 603, it launched on December 15, 2017 and is unique in that each municipality must vote whether to allow it in its jurisdiction. Retail locations are limited to adult environments such as restaurant bars and taverns, so applicants must hold a valid liquor license. Players can use either a paper play slip or conduct their purchase at a self-service kiosk. They wager from \$1 to \$25 per draw, and can add the multiplier option Keno Plus, which gives winners the chance to multiply their prize by 3, 4, 5, or 10 times. The players choose between one and 12 numbers (“spots”) from a field of 1 to 80. Every five minutes, the computer randomly picks 20 numbers, and players win based on the number of spots they match. Up to 20 consecutive draws can be played, and the game runs from 11 a.m. to 1 a.m. seven days a week. In September, 2019, HB 4 repealed Keno as the exclusive kindergarten funding source, and its revenues now go into the general Education Trust Fund. The expansion of Keno to grocery and convenient stores occurred in July 2022, allowing those locations in municipalities that legally permit keno to also sell it at traditional lottery retail locations.



House Bill 517 was signed into law in June, 2017 allowing the Commission “to sell lottery tickets on the Internet and by mobile applications and create certain practices to address problem gaming in such sales.” **Internet Lottery (“iLottery”)** was developed and launched in the first quarter of fiscal year 2019 on the Lottery’s website. Electronic games called e-Instants resemble scratch tickets and are available in demo mode for free play or money mode to play for cash prizes. When a player creates their account, their location and age are verified; and deposits are limited to daily, weekly, and monthly maximums to encourage responsible gaming. Access to money mode is strictly limited to within the physical borders of New Hampshire. Participants can set the value of their wager from \$0.01 to \$30 for e-Instants, and Powerball, Mega Millions, Lucky for Life and

Tri-states' Gimme 5 draw-based games can be purchased through iLottery for up to 20 consecutive drawings. Players can also use the auto-renewal option for draw games to subscribe to their favorite numbers and draws. In spring of 2020, NH Lottery contracted with additional gaming vendors to provide a wider variety of e-Instant games.



In July, 2019, House Bill 480 was signed into law, authorizing the New Hampshire Lottery Commission to conduct and regulate sports wagering. The legislation allows three channels of sports wagering through contracted agents and vendors across internet and mobile platforms, at up to ten physical sports book retail locations, and through traditional lottery retailers. In November, 2019, two vendors were contracted for services: **DraftKings**

supplies the mobile app and supports retail sports book operations; and Intralot will provide a retail lottery solution. The mobile app launched on December 30, 2019. There are currently three retail sports book locations: The Brook in Seabrook, Filotimo – Manchester, and Filotimo – Dover.



**My603Rewards** and the NH Lottery mobile application launched February 2022. The mobile app is available for iOS and Android and offers users the ability to scan their tickets to see if they are winners, check winning numbers and jackpot amounts, find a retailer, and provides easy access to QR codes for Fast Play games to scan at retail. Additionally, users can register with My603Rewards which allows players to enter second chance drawings and participate in surveys. As of June 30, 2023 there were 112,817

NH Lottery app downloads (8.7% of NH's population), a 314% increase over the previous year. 58% of all downloads are from iOS devices. 33% of all players who download the app registered for the Rewards and second chance program. Of those, 23% or almost 9,000 people total have taken a welcome survey to share what games they like to play. Over 600,000 tickets were entered into second chance drawings in FY23.

## Investigation and Compliance Division (Formerly Racing and Charitable Gaming Division)

The Racing and Charitable Gaming Division of the New Hampshire Lottery Commission was renamed as the Investigation and Compliance Division pursuant to RSA 284:3-a, effective January 1, 2022. The Division is charged with the regulation and oversight of pari-mutuel wagering, historic horse racing, Games of Chance, Bingo, and Lucky 7 ticket sales. Additionally, the division provides investigative and auditing support to the Division of Sports Wagering.

The Division's authority derives from several distinct statutes: in 1933, RSA 284 was enacted to allow for public wagering on live horse races. Subsequently in 1971 and 1980, RSA 284 was amended to include greyhound racing and simulcast wagering respectively. In 2009, live greyhound racing in New Hampshire was banned by the legislature. Live horse racing was discontinued in New Hampshire due to unfavorable eco-

conomic conditions and has not been re-instated to date. In June 2021, RSA 284 was again amended to include historical horse racing, a machine based style of gaming that is limited to facilities licensed to offer Games of Chance pursuant to RSA 287-D.

In 1949, RSA 287 was enacted to allow Bingo games and the sale of Lucky 7 tickets for charitable purposes only. In 1977, RSA 287-D was enacted to allow for Games of Chance for charitable purposes. RSA 287 was repealed and re-enacted in 1983 with various amendments as RSA 287-E.

In 2019, RSA 287-I legalized sports betting through the Lottery Commission's Division of Sports Wagering, which relies on the Investigation and Compliance Division for investigative and auditing support.

The Division is vested with the civil and administrative powers as are necessary to effectuate the purposes of RSA 284 and 287, including the power to receive intelligence on an applicant or licensees and to investigate any suspected violations of those chapters or any suspected violations of illegal gambling.

The Division is comprised of three units. The licensing unit is responsible for reviewing and issuing seventeen distinct licenses relating to pari-mutuel wagering, historic horse wagering, Games of Chance, Bingo, Lucky 7, and Daily Fantasy Sports. The licensing unit also works with the Lottery's finance division to collect all revenues associated with gaming.

The audit unit is responsible for auditing charitable organizations, gaming operators, distributors, manufacturers, and facilities to ensure that licensees are complying with the relevant laws and regulations relating to gaming and to ensure that payments to charities and the state are made in a timely and accurate manner.

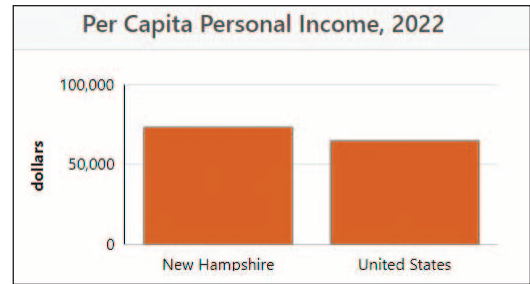
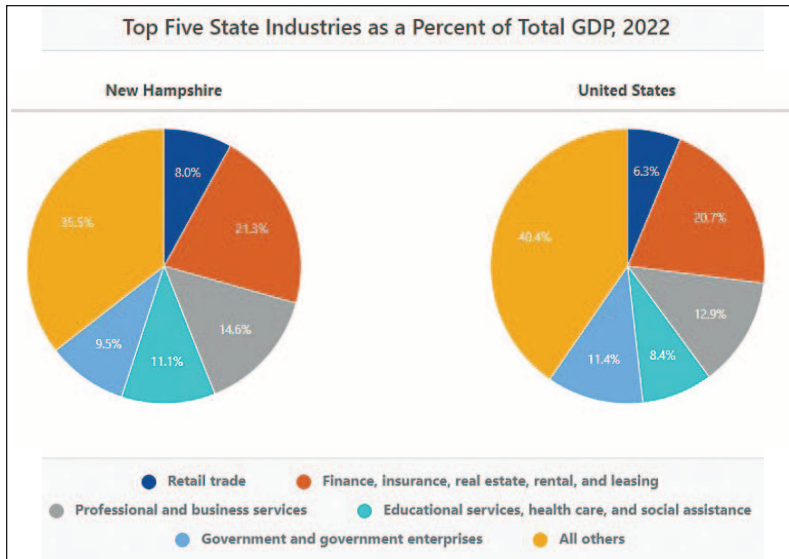
The Enforcement Unit reviews and inspects Games of Chance facilities, Sports Betting retail locations, commercial Bingo halls, and Bingo and Lucky 7 charitable organizations to ensure that licensing documentation, equipment, accounting, and game operations are in compliance. This unit is also primarily responsible for conducting suitability determinations on license applicants in conjunction with the Department of Justice. Finally, the enforcement unit includes an independent hearings examiner who is responsible for the adjudication of hearings under the Lottery Commission's administrative rules.

## **New Hampshire's Economy**

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New Hampshire is a small state with a population of over 1.3 million. Various news outlets and business publications have conducted surveys and rankings, and New Hampshire consistently rates within the top five best states to live. Criteria include education, state economy, business friendliness and employment opportunities, crime rates, and natural environment.

There is no sales tax, use tax, broad-base income tax, or capital gains tax in New Hampshire and the Tax Foundation ranked New Hampshire 6th best in America for overall tax in 2023. The Tax Foundation, a nonprofit fiscal policy research group, ranked New Hampshire's 2023 local and state tax burden as 16th in the United States (1 being the highest



BEA: BEARFACTS. <https://apps.bea.gov/regional/bearfacts/>

tax burden), at 9.6% of income; the U.S. average of state and local tax burden for 2022 is 10.6% of income. A state’s business tax climate measures how each state’s tax laws affect economic performance. For September 2023, according to the State of New Hampshire Economic and Labor Market Information Bureau, the seasonally adjusted unemployment rate for New Hampshire was 2.0%, compared with the national average of 3.8%.

The most recent data from the Bureau of Economic Analysis (BEA) states New Hampshire’s per capita personal income ranks 8th highest in the nation for calendar year 2022, at \$73,910, which is higher than the United States average of \$65,470 by 12.9%. New Hampshire’s 2022 current dollar Gross Domestic Product (GDP), reported by BEA, ranked 39th in the United States (1 being the highest GDP) at \$105,025 million. In 2022, real GDP for New Hampshire grew 0.3% compared to 1.9% increase for the nation. BEA reported that in 2022, the largest industries in New Hampshire were finance, insurance, real estate, rental, and leasing, accounting for 21.3% of GDP (4.4% growth). Business services made up 14.6%, and had a 5.9% real decline.

According to the New Hampshire Business Resource Center, New Hampshire offers exceptional quality of life because of its overall low taxes, low crime, high quality health care, good schools, cultural opportunities, location, and environment.

In New Hampshire, within reasonable driving distance, one can visit beautiful mountains, the ocean, or the city, attracting a wide range of active, talented, and creative people, who in turn attract diverse industries. All of these favorable qualities suggest continued growth for New Hampshire.

The New Hampshire Lottery does well in per capita sales and experienced growth in fiscal year 2023. According to LaFleur’s Magazine, a research company that reports facts and statistics on lotteries, New Hampshire's per capita sales ranked 12th of the forty-five reporting state lotteries. LaFleur’s also estimates U.S. lotteries paid over \$63 billion to prize winners and \$28 billion to their respective governments in fiscal year 2023. According to LaFleur’s, fiscal year instant ticket sales for U.S. lotteries remained steady at \$63.1 billion, representing 63% of total traditional sales. New Hampshire's revenue grew

8% in fiscal year 2023, the seventeenth largest percentage increase in the United States.<sup>1</sup>

## Long-term Financial Planning

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The Lottery, as a department of the State of New Hampshire, follows a two year budget process and is limited by State regulations in long term financial planning. The Lottery transfers all estimated net income, on a monthly basis, to the State Education Trust Fund.

New Hampshire does not have a sales tax or income tax, and sources of State revenues are limited. The Lottery plays a significant part in the State revenue process by producing revenue to fund education in the State. As such, the Lottery always explores additional gaming options and revenue streams as ways of producing higher revenues.

## Relevant Financial Policies

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All investments of the Lottery's excess cash are made by the New Hampshire State Treasury Department, which is responsible for the investment of all State funds. RSA 6:8 sets forth the policies the State Treasurer must adhere to when investing State funds. The types of investments authorized, with the approval of the Governor and Council, include obligations of the United States Government, legal investments for savings banks and trust companies, savings accounts, participation units in the public deposit investment pool, and various certificates of deposit.

All profits from Lottery operations are designated for education by the State Constitution. Once a month, Lottery net income is transferred to the Education Trust Fund from investments made from Lottery cash flows by the State Treasurer. Prize payments due winners for jackpot prizes awarded under Megabucks are fully funded by investments in US Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) held by the Tri-State Lotto Commission (Tri-State). Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they mature at par. STRIPS are backed by the U.S. government and offer minimal risk.

The payments due winners for jackpot prizes awarded under Powerball and Mega Millions are satisfied through securities purchased by the Multi-State Lottery Association (MUSL). MUSL purchases U.S. government obligations to fund jackpot prizes, which are held in irrevocable trust or securities clearing accounts. The Lottery does not record a liability for jackpot awards which are payable in installments from funds provided by Tri-State or MUSL. Jackpot/grand prizes for Lucky for Life winners are payable in installments and are satisfied through insurance annuities purchased by MUSL. MUSL purchases insurance annuities, on behalf of the member states, based on either \$365,000 or \$25,000 per year (depending on first or second prize level won) deferred annuity paid annually on the anniversary of the claim date, for the lifetime of the jackpot/ grand prize winner. Accordingly, the Lottery does not record a liability for jackpot awards which are payable in installments from funds provided by MUSL or the other party lotteries. The Lottery does accrue a current amount due for its proportionate share of prizes and expenses.

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<sup>1</sup>La Fleur's Fiscal 2023 Report, *La Fleur's Magazine*, Vol. 31 No. 1, September/October 2023, pages 35-41.

# Awards and Acknowledgements

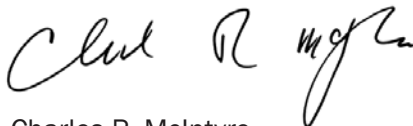
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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the New Hampshire Lottery Commission for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty-third consecutive year that the Lottery has received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This ACFR reflects our commitment to improve and maintain the Lottery's financial statements and record keeping systems in conformity with the highest standards of accountability. This report also reflects the Lottery's commitment to maintaining the public's trust through high ethics and uncompromising integrity. The dedicated efforts of the entire Lottery team, including those in the finance, product development, distribution, licensing and enforcement, and sales and marketing departments are greatly appreciated. We would also like to recognize Commission Chair Debra Douglas, Commissioner H. Andy Crews, Commissioner Erle B. Pierce, and Governor Christopher T. Sununu and Executive Council of the State of New Hampshire, for their support, guidance, and dedication in operating the New Hampshire Lottery Commission.

Respectfully submitted,



Charles R. McIntyre  
*Executive Director*



James C. Duris  
*Chief Financial Officer*

# New Hampshire Lottery Mission Statement

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The mission of the New Hampshire Lottery Commission is to maximize revenues for aid to public education by providing secure and entertaining gaming products to its players. The commission's dedicated staff recognizes that New Hampshire was the first state to offer a lottery in modern times and that the lottery shall continue to be an industry leader by striving to exceed minimum industry standards and goals established for accounting, security, marketing, and game design.

The mission of the Licensing and Enforcement Division of New Hampshire Lottery is to protect the interest of the public, while fulfilling the objective of gaming as a source of revenue for education in the state. This is accomplished by ensuring the integrity of legalized gambling through the enforcement of applicable laws and regulations, licensing of qualified individuals and entities as well as encouraging economic opportunities.

## Our History

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State Representative Larry Pickett of Keene saw a sweepstakes as a viable and voluntary method of raising money for education. Between 1953 and 1963, Pickett proposed a Sweepstakes bill five times, finally succeeding in getting it passed in 1963. On April 30 of that year, Governor John King signed the bill. New Hampshire cities and towns voted by special ballot, with 198 of the state's 211 communities voting in favor of starting a lottery. On March 12, 1964, two days after the vote, Sweepstakes tickets went on sale – and the benefits to New Hampshire schools began.

The New Hampshire Lottery has seen a great deal of change over the years. We have gone from offering only one type of ticket that cost \$3 each to offering a variety of lotto-type games, numerous scratch games, online lottery, Keno, and Sports Betting. Since the start of the Lottery, sales have gone from \$5.7 million in 1964 to over \$547 million in 2023.

While players have come from both inside and outside New Hampshire, all of the revenue from the New Hampshire Lottery has stayed in the state, benefiting our local communities through our contributions to public education. To date, those contributions have amounted to over \$2 billion and have upheld the mission of the New Hampshire Lottery: to maximize revenues for aid to public education by providing secure and entertaining gaming products to its players.

Our Lottery was the first in the nation; now 45 states, plus the District of Columbia, Puerto Rico and the U.S. Virgin Islands have followed suit. We take pride in setting the example of dedicating our profits to public education. When you play the lottery, everyone wins.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**New Hampshire Lottery Commission**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# NEW HAMPSHIRE LOTTERY COMMISSION

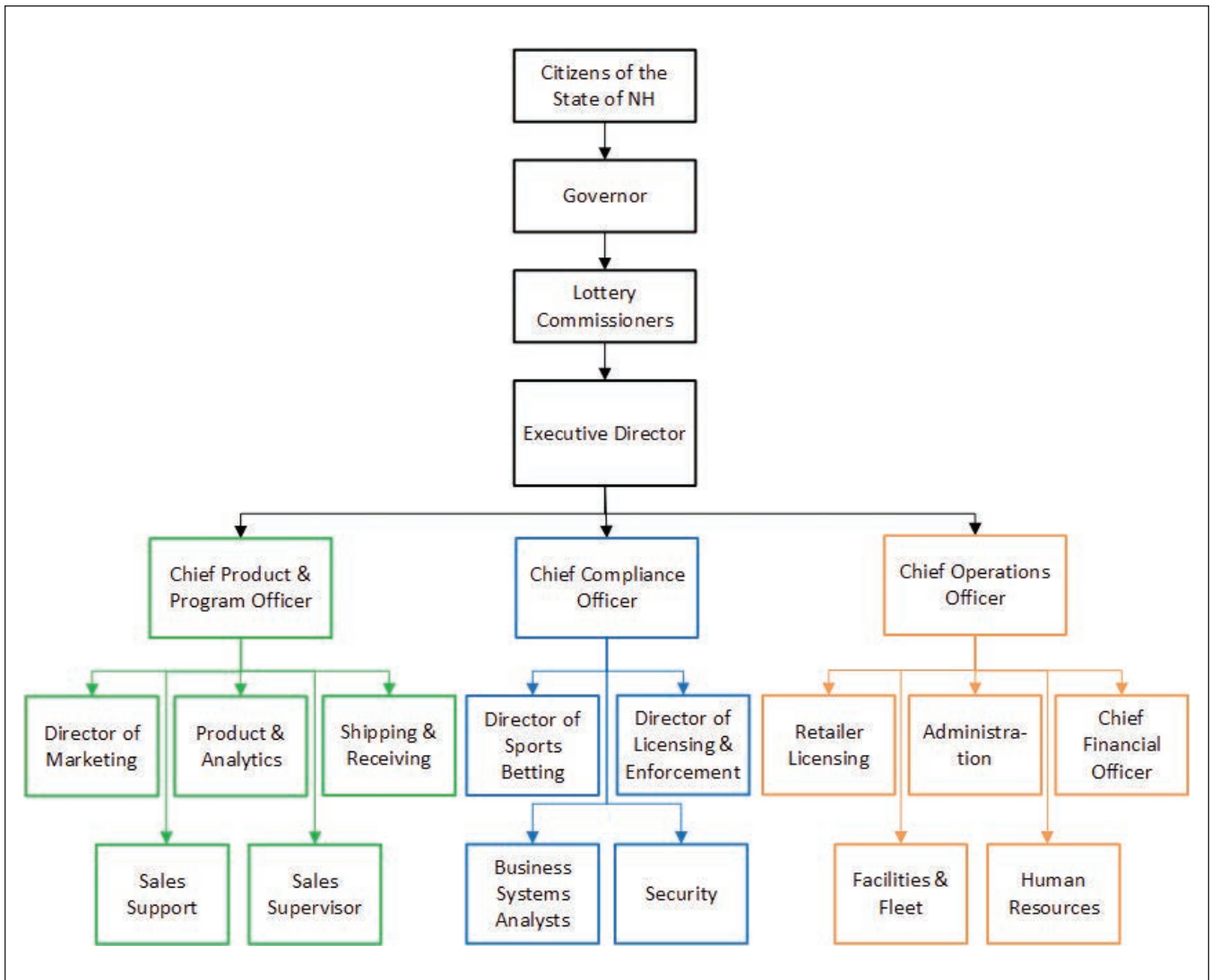
## Appointed Officials and Organizational Chart

### Appointed Officials

**Debra M. Douglas**  
 Commission Chairman  
 Term ends 6/29/2025

**H. Andy Crews**  
 Commissioner  
 Term ends 6/29/2026

**Erle B. Pierce**  
 Commissioner  
 Term ends 6/29/2024



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# Financial Section

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Over \$2 Billion and Counting for our Schools

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MICHAEL W. KANE, MPA  
Legislative Budget Assistant  
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## State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT  
State House, Room 102  
Concord, New Hampshire 03301

CHRISTINE L. YOUNG, CPA  
Director, Audit Division  
(603) 271-2785

### **Independent Auditor's Report**

*To The Fiscal Committee Of The General Court:*

#### **Report on the Audit of the Financial Statements**

##### ***Opinion***

We have audited the financial statements of the New Hampshire Lottery Commission which comprise the Statement of Net Position, as of June 30, 2023, and the related Statements of Revenues, Expenses, and Changes in Net Position and Cash Flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the New Hampshire Lottery Commission, as of June 30, 2023, and the changes in its net position, and its cash flows for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New Hampshire Lottery Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### ***Emphasis of Matter – Reporting Entity***

As discussed in Note 1, the New Hampshire Lottery Commission's financial statements include all financial activity of the New Hampshire Lottery Commission in a separate enterprise fund. They do not purport to, and do not, present fairly the financial position of any other State agency

or fund, as of June 30, 2023, or changes in financial position, or cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Hampshire Lottery Commission's ability to continue as a going concern for one year after the date the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Hampshire Lottery Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Hampshire Lottery Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 31 through 44 and the Schedules of the Lottery Commission's Proportionate Share of the Net Pension Liability, the Lottery Commission's Contributions, and the Lottery Commission's Proportionate Share of the Total Other Postemployment Benefits Liability on page 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the New Hampshire Lottery Commission's financial statements. The Supplemental Schedule of Revenues, Expenses, and Distributions on page 70 is presented for purposes of additional analysis and is not a required part of the financial statements. The Supplemental Schedule of Revenues, Expenses, and Distributions is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of Revenues, Expenses, and Distributions is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section and statistical section but does not include the financial statement and auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required By Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the New Hampshire Lottery Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Hampshire Lottery Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Hampshire Lottery Commission's internal control over financial reporting and compliance.



Office Of Legislative Budget Assistant

December 20, 2023



# Management's Discussion and Analysis (Unaudited)

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As management of the New Hampshire Lottery Commission (Lottery), we offer readers of the Lottery's financial statements this narrative overview and analysis of the financial activities of the New Hampshire Lottery Commission for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements contained in this annual comprehensive financial report and our letter of transmittal, which begins on page 9.

## Financial Highlights

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- Operating revenues for the Lottery program increased by \$66.8 million, or 12.4% for the current fiscal year. Revenue from instant scratch games increased \$5.9 million or 1.9%, still exceeding \$300 million in sales for a third year. MUSL games revenue increased \$27.4 million or 46.1%. Instant scratch games contributed 53.0% to total revenue and MUSL games contributed 14.4%. Tri-State games, which contributed 6.4% to total revenue, decreased \$1.2 million. Lucky for Life sales increased \$2.9 million or 34.8% during fiscal year 2023.
- Revenues for the iLottery platform increased \$7.6 million or 25.5% for the year. It offers an array of e-Instant (scratch-style) games with both set top prizes based on price point and progressive prizes through the website.
- Keno revenues were \$54.2 million in fiscal year 2023. This was an increase of \$1.2% over the previous year. Keno was offered in 465 locations during the year including over 250 newly offered retail locations.
- Sports Betting contributed 6.1% of total revenues or \$36.7 million. This was an increase of \$13.6 million compared to the prior year. Retail sites operated at three locations contributing \$5.4 million or 14.6% of the total sports betting revenue.
- Historic Horse Racing (HHR) began operations in April 2022. Historic horse racing is a terminal based game that is authorized to be played in licensed games of chance facilities. In fiscal year 2023, historic horse racing revenues were \$10.1 million. It operated in 8 charitable gaming locations during the year.
- Operating revenues for the Investigative and Compliance Division (formerly the Racing & Charitable Gaming Division (RCGD)) were \$18.7 million. This includes historic horse racing. Primary sources of revenue for this division include simulcast racing tax, games of chance, historic horse racing tax, and Bingo/Lucky 7 tax, and license fees from racetracks, charitable organizations, game operators, facilities, manufacturers and distributors. Investigative and Compliance revenues contributed 3.1% to total Lottery revenues.
- The Lottery's administrative costs for the current fiscal year increased approximately \$2.5 million, or 29.4% mainly due to increases in retirement benefits compared to the prior year.
- Distributions to the Education Trust Fund increased \$43.0 million or 29.3% due to increases in revenues from most game platforms.

## Overview of the Financial Statements

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This discussion and analysis is intended to serve as an introduction to the New Hampshire Lottery's (Lottery) basic financial statements. The Lottery is accounted for as an enterprise fund, using the accrual basis of accounting. The Lottery's basic financial statements are comprised of four components: 1) the statement of net position, 2) the statement of revenues, expenses and changes in net position, 3) the statement of cash flows, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The statement of net position on page 46 presents information on all of the Lottery's assets, liabilities, deferred inflows and outflows of resources. The total liabilities and deferred inflows of resources of the Lottery exceeded total assets and deferred outflows of resources at fiscal year ending June 30, 2023 by \$17.0 million.

The statement of revenues, expenses and changes in net position on page 47 reports the Lottery's revenues and expenses and measures the success of the Lottery's operations over the past year. The Lottery is required by law to transfer all revenues, in excess of its administrative and operating costs, to the Education Trust Fund; therefore the change in net position reflects those transfers.

The statement of cash flows on page 48 provides information about the Lottery's cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The supplementary schedule of revenues, expenses, and distributions provides detailed information on the Lottery's operating revenues and expenses.

The Lottery is a self-supporting department of the State of New Hampshire. The financial statements of the Lottery represent all its functions, which are supported from the sale of Lottery tickets, sports betting and the regulation of the State's Racing and Charitable Gaming activities. The Lottery's financial statements are also included in the State of New Hampshire's Annual Comprehensive Financial Report as an enterprise fund of the State however with less detail in the notes to the financial statements than found in this report.

For fiscal year 2023, the Lottery produced \$603.4 million in total operating revenues, a 12.4% increase from fiscal year 2022's \$536.7 million. Instant scratch games sales increased over the previous fiscal year by approximately \$5.9 million or 1.9%. Multi-State (MUSL) games revenues increased \$27.4 million or 46.1% during fiscal year 2023 as compared to fiscal year 2022. Tri-State games revenues decreased by \$1.2 million or 3.0% for fiscal year 2023 as compared to fiscal year 2022. Lucky for Life game revenue increased \$2.9 million in fiscal year 2023 as compared to fiscal year 2022. Keno revenue increased \$0.7 million in fiscal year 2023 as compared to fiscal year 2022. iLottery revenues increased \$7.6 million or 25.5% in fiscal year 2023 as compared to fiscal year 2022. The Lottery distributed \$189.5 million of operating income to the Education Trust Fund in fiscal year 2023, a \$43.0 million increase from fiscal year 2022; \$2.4 million being due to the trust fund as of June 30, 2023. Total revenues since the inception of the Lottery in 1963 are more than \$9.1 billion and the Lottery has distributed over \$2.6 billion to help fund education in New Hampshire.

## Net Position and Changes in Net Position

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Article 6-b of the Constitution of the State of New Hampshire declares “All moneys received from a state-run lottery and all the interest received on such moneys shall, after deducting the necessary costs of administration, be appropriated and used exclusively for the school districts of the state. Such moneys shall be used exclusively for the purpose of state aid to education and shall not be transferred or diverted to any other purpose.” As a result, the net position of the Lottery consists only of prize funds held on deposit with the Multi-State Lottery Association (MUSL) and the Tri-State Lotto Commission (Tri-State), net investments in capital assets, as well as the Lottery’s unrestricted net deficit for pension liability and other postemployment benefits liabilities.

The total liabilities and deferred inflows of resources of the Lottery exceeded total assets and deferred outflows of resources at fiscal year ending June 30, 2023, by \$17.0 million. A decrease of \$129 thousand was recorded in 2023.

Comparable figures for total assets at June 30, 2023 and 2022 were \$18.4 million and \$17.0 million, respectively. This represents an increase of \$1.4 million from fiscal year 2022 to 2023. Cash and cash equivalents were \$1.3 million at June 30, 2023 and \$943 thousand at June 30, 2022.

Accounts receivable of lottery games were \$8.9 million at June 30, 2023 and \$7.4 million at June 30, 2022. Due from other funds for fiscal year 2023 consisted of the amount due from the state Liquor Commission for tickets sold. Instant scratch games ticket inventories were \$124.1 thousand at June 30, 2023 and \$353.4 thousand at June 30, 2022. Inventory values continue to decrease due to prior year changes in instant scratch ticket distribution system. There is a balance due to the State’s Education Trust Fund (ETF) of \$2.4 million; the Lottery estimates the profits for June and transfers the funds to the ETF based on that estimate, June’s estimate was understated. Noncurrent, restricted deposits, which represent New Hampshire’s share of prize reserve funds held by MUSL and Tri-State, decreased during fiscal year 2023. Capital assets, net of depreciation (Note 4), decreased \$73.5 thousand during fiscal year 2023. This was due to the annual depreciation and amortization outweighing the purchase of new assets. Deferred outflows of resources, which represent a consumption of net assets that are applicable to a future period, are specifically related to pension and other postemployment benefit (OPEB) expenses for the Lottery.

The Lottery is required by law to transfer all revenues, in excess of its operating costs, to the Education Trust Fund, therefore the change in net position reflects the actual results of the Lottery’s operations after distributions to the Education Trust Fund.

The following table shows Condensed Net Position as of June 30, 2023, and June 30, 2022:

	2023	2022
Current and other assets	\$ 15,306,653	\$ 13,806,805
Capital assets (net of accumulated depreciation)	3,129,332	3,202,811
<b>Total assets</b>	<b>18,435,985</b>	<b>17,009,616</b>
Deferred outflows of resources	3,547,666	4,302,604
Current liabilities	16,924,488	14,022,938
Noncurrent liabilities	17,704,541	19,477,768
<b>Total liabilities</b>	<b>34,629,029</b>	<b>33,500,706</b>
Deferred inflows of resources	4,381,226	4,708,975
<b>Net position:</b>		
Net investments in capital assets	3,000,705	309,843
Restricted assets	4,523,536	4,652,677
Unrestricted (deficit)	(24,550,843)	(21,859,981)
<b>Total net position</b>	<b>\$ (17,026,602)</b>	<b>\$ (16,897,461)</b>

## Liabilities

The Lottery's current liabilities consist primarily of accounts payable, unclaimed prizes, accrued payroll, benefits, leases, due to other funds, due to the education trust fund and ticket sales for future draws (draws occurring after June 30). Noncurrent liabilities consist of compensated absences, long term leases (Note 8), annuity payable (Note 11) and net pension liability (Note 6) and other postemployment benefits payable (Note 7). Total liabilities during the current fiscal year increased \$1.1 million (Note 3). The year end balances for total liabilities for fiscal years 2023 and 2022 were \$34.6 million and \$33.5 million, respectively. Unclaimed prizes increased \$1.7 million and unearned ticket sale revenue for future draws decreased \$155 thousand. Net pension liability increased \$1.3 million, while post-employment benefits decreased by \$2.9 million. Funds due to the education trust fund increased \$1.14 million. Accounts Payable increased in fiscal year 2023 by \$3.0 million. Deferred inflows of resources, which represent an acquisition of net assets that are applicable to a future period, are specifically related to pension and OPEB expense for the Lottery.

## Operating Revenues: Game Sales

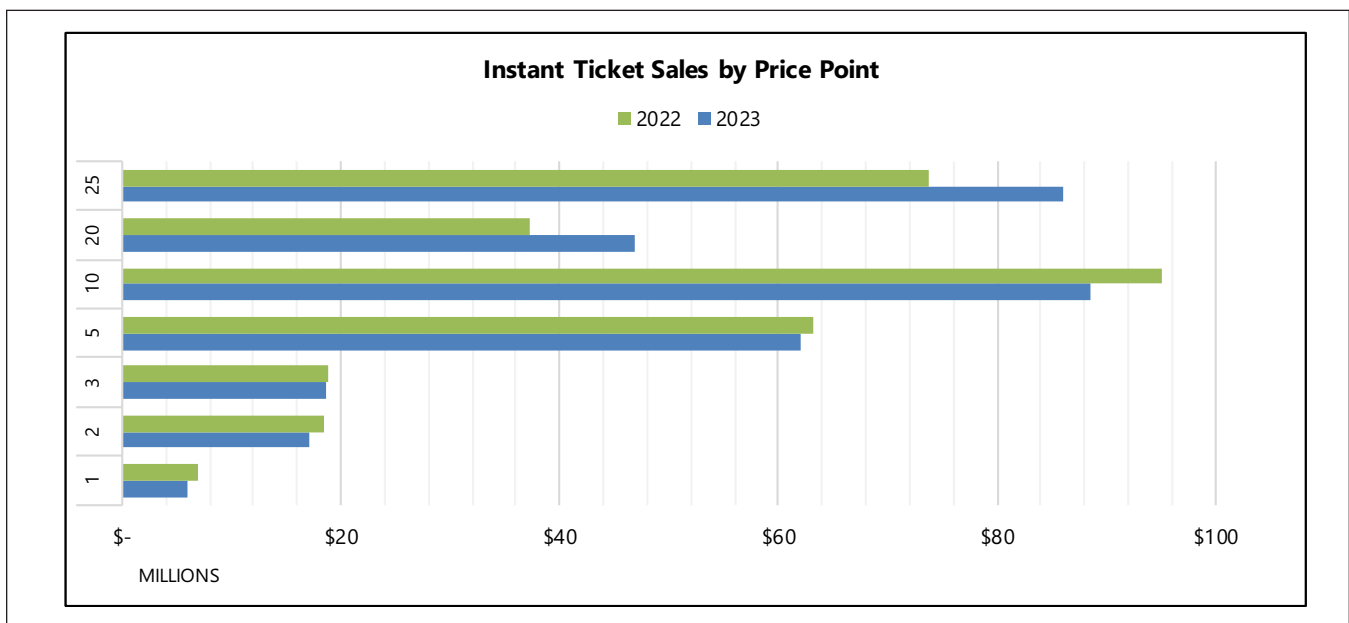
The New Hampshire Lottery's game revenues result from the sales of a variety of instant, online lottery and sports betting products. The Lottery is an active member of three separate joint venture arrangements: the Tri-State Lotto Commission (Tri-State), the Multi-State Lottery Association (MUSL), and Lucky for Life, operating several online games under those jurisdictions. MUSL online games consist of Powerball and Mega Millions. Tri-State games consist of Megabucks, Pick 3, Pick 4, Fast Play, and Gimme 5. Lucky for Life is the name of the game and also the joint venture, of which the Lottery became a member in March, 2012. iLottery, mobile sports betting, retail sports betting and compliance fees have all become major contributors to revenues.

**The following table shows operating revenues by Lottery game for the years ended June 30, 2023 and 2022. Tri-State Other represents Fast Play and Gimme 5:**

<b>Game</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>% of Change</b>
Instant Scratch Games	\$319,750,816	\$313,815,608	\$5,935,208	1.9%
Keno	54,185,609	53,537,242	648,367	1.2%
MUSL Powerball	47,847,020	40,580,666	7,266,354	17.9%
MUSL Mega Millions	38,895,323	18,804,815	20,090,508	106.8%
Tri-State Megabucks	6,463,592	6,830,234	(366,642)	-5.4%
Tri-State Pick 3	5,024,988	5,390,000	(365,012)	-6.8%
Tri-State Pick 4	4,793,524	4,926,078	(132,554)	-2.7%
Lucky for Life	11,253,684	8,351,369	2,902,315	34.8%
Tri-State Gimme 5	4,444,189	4,467,667	(23,478)	-0.5%
Tri-State Fastplay	17,833,808	18,142,052	(308,244)	-1.7%
iLottery, Net Wins	37,460,105	29,856,652	7,603,453	25.5%
Sports Betting	36,710,686	23,153,279	13,557,407	58.6%
Investigation and Compliance	18,732,185	8,696,963	10,035,222	115.4%
Other Income	25,981	187,785	(161,804)	-86.2%
<b>Total Operating Revenues</b>	<b>\$603,421,510</b>	<b>\$536,740,410</b>	<b>\$66,681,100</b>	<b>12.4%</b>

The Lottery saw a 12.4% increase in total operating revenues for fiscal year 2023. Instant scratch games sales continue to be the Lottery’s most popular product contributing approximately 53.0% and 58.5%, to total revenue for fiscal years 2023 and 2022 respectively. Instant scratch games sales increased \$5.9 million or 1.9% in fiscal year 2023 compared to fiscal year 2022. The increase in instant scratch game sales is mainly due to the strong line up of games highlighting higher price points and integrated marketing campaigns.

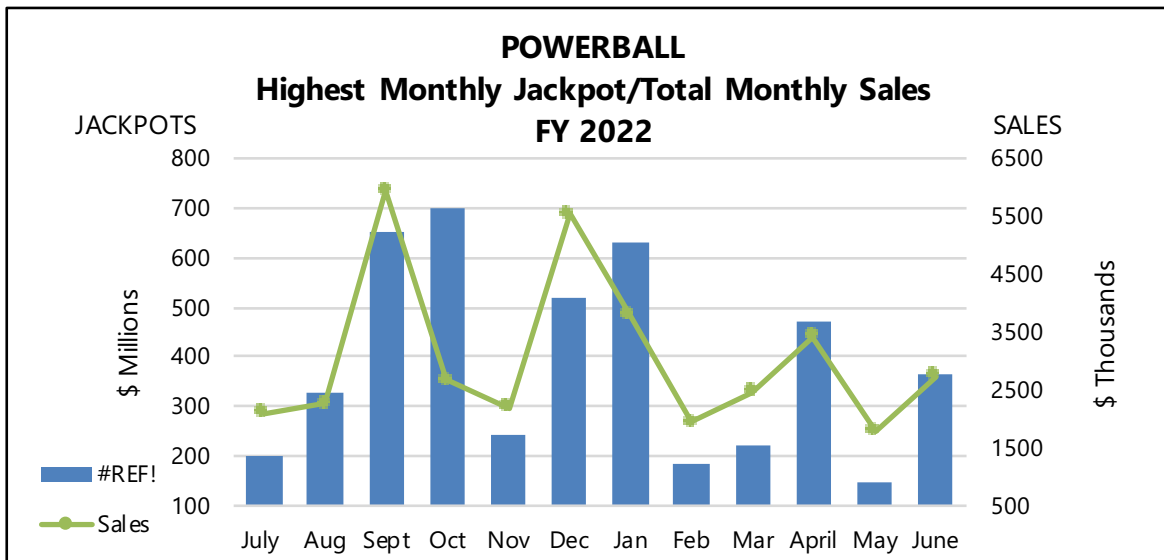
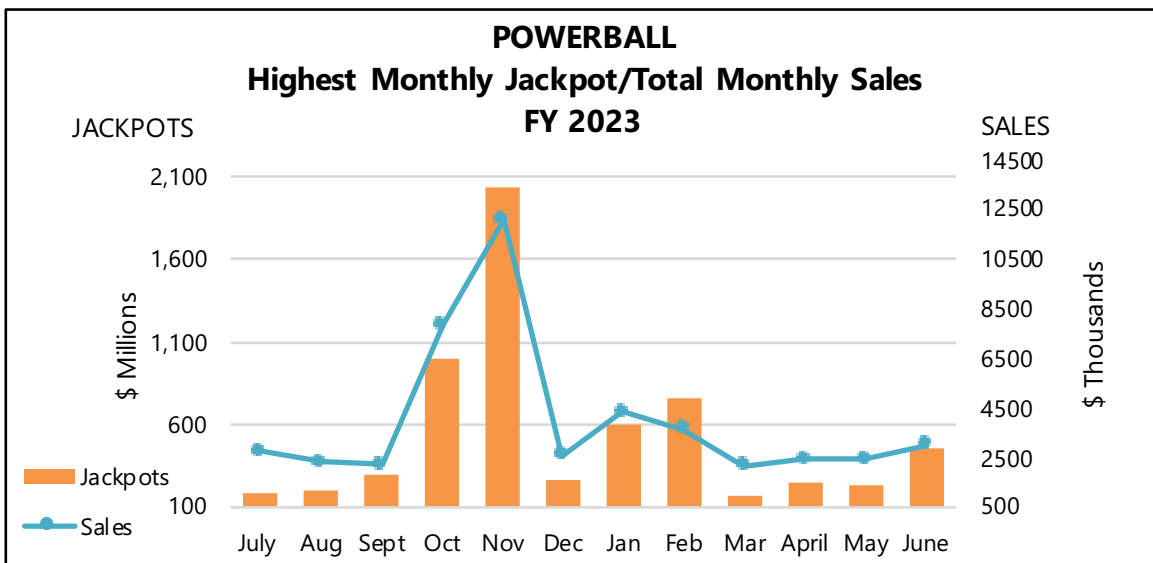
**The following graph shows Instant scratch games for fiscal year 2023 and 2022 by selling price of ticket:**



The sales in big jackpot games are directly related to the size of the jackpot, which causes a high level of uncertainty for revenues. The more frequently jackpots are won, the smaller the jackpot amount, which consequently lowers demand for tickets. When jackpots are won less frequently, they have more time to accrue. As jackpots rise in amount, so does the demand for tickets. This trend has shown that the public demands higher jackpot amounts every year before there is a noticeable increase in sales.

Powerball, a game in the MUSL jurisdiction, is the Lottery’s third most popular product contributing 7.9% and 7.6% to total fiscal year 2023 and 2022 sales. The graphs on the following page illustrate the correlation between jackpot amounts and game sales for the last two fiscal years.

**The following two graphs show the relationship between jackpot amount and sales for fiscal years 2023 and 2022:**



Mega Millions is another high jackpot MUSL game sold by the Lottery. Mega Millions sales for fiscal year 2023 were \$38.9 million, an increase of \$20.1 million above 2022, mainly due to multiple large jackpots during the fiscal year.

Megabucks, another draw game offered by the Tri-State Lottery, had sales of \$6.5 million for fiscal year 2023, slightly below the prior fiscal year. Megabucks is the oldest jackpot style game the Lottery offers, holding strong at 37 years. Megabucks retains a committed player base and accounts for 1.1% of revenues.

Pick 3 and Pick 4 sales decreased from fiscal year 2022 to fiscal year 2023 for both games. Pick 3 decreased \$365 thousand and Pick 4 decreased \$133 thousand from the previous year. Tri-State sales revenues decreased for both Gimme 5 and Fastplay. Fastplay decreased \$308 thousand and Gimme 5 decreased \$23 thousand below the prior year.

Overall, Tri-State games' combined sales decreased compared to the prior year. Tri-State games in total amounted to 6.4% and 7.4% of total Lottery sales for fiscal years 2023 and 2022, respectively.

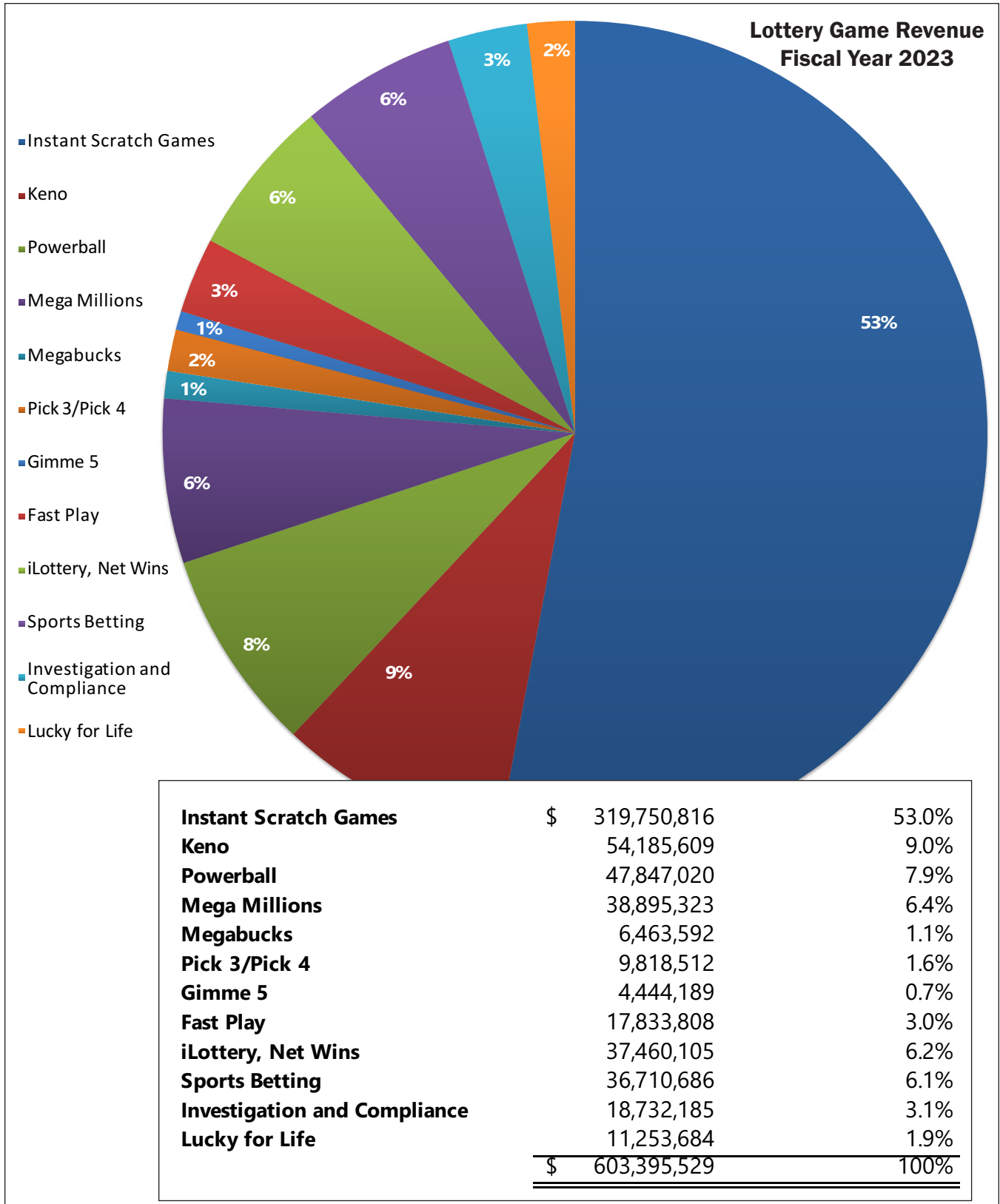
Keno sales grew slightly in fiscal year 2023. Sales for 2023 were \$54.1 million, an increase of \$648 thousand over 2022. Keno machines also offer other draw based games, Powerball, Mega Millions, Megabucks, Lucky for Life and Fast Play.

Lucky for Life sales revenues experienced a large increase of \$2.9 million or 34.8% in fiscal year 2023 with sales of \$11.3 million as compared to \$8.4 million 2022. This increase is mainly due to the game being offered seven draw days per week and being offered on the iLottery platform.

The iLottery program showed significant growth over the year. Players register and make a deposit to their iLottery account then can begin playing iLottery e-Instants of their choice and limited draw based games. iLottery currently includes e-Instants scratch games, and draw-based games Powerball, Mega Millions and Gimme 5 and Lucky for Life. Prizes of \$599 or less are deposited directly to their account while prizes of \$600 or more have an electronic claim created to be processed. Claims of \$10.0 thousand or more must be presented at Lottery Headquarters. eInstant iLottery net wins in fiscal year 2023 were \$37.5 million, an increase of \$7.6 million or 25.5% over 2022 (refer to Note 12 in the accompanying financial notes).

In December of 2019, the Lottery and Draft Kings entered into an agreement to offer mobile and retail sports betting in New Hampshire. While players do not need to be New Hampshire residents, they do need to be within the boundaries of the State while betting on games. Players have the ability to bet on sporting events from across the world. All of the odds and betting is managed by Draft Kings while the Lottery retains oversight. Revenues are reported on a net income basis or sales less winnings and promotional expense. Revenues generated from sports betting totaled \$36.7 million for 2023, an increase of \$13.6 million or 58.6% over the prior year.

The following graph displays Lottery revenues by product/game for the fiscal year ended June 30, 2023:





## Operating Expenses — Cost of Sales: Prizes

Prizes are the largest operating expense of the Lottery. Prize expense in general will increase or decrease from year to year in proportion to the increase or decrease in sales for that particular game. Fiscal year 2023 prize expense of \$339.4 million reflects a 5.5% increase from fiscal year 2022 prize expense of \$321.8 million. This increase in prizes reflects a corresponding increase in total operating revenues.

Games in which the player wins instantly pay out at a higher percentage than draw games. Therefore, net profit will grow more quickly with an increase in the sales of draw games as compared to instant win type games. Traditional instant win games on average have a 62% to 79% (of possible sales) prize payout for each game, depending on price point, whereas draw games typically have a 50% to 60% (of sales) prize payout built into the design of the game. Keno has a prize payout of approximately 69%. More specifically, for instant scratch games, the higher the price point of the ticket, the higher the prize payout. For example, \$1 games provide a payout to the player of 62%, while a \$20 game provides players with a 74% payout. This means the hold for the Lottery is 38% for a \$1 game and 26% for a \$20 game.

**The following two tables show prizes to sales (operating revenues) profit margin for Lottery games by venture for the years ended June 30, 2023 and 2022:**

<b>2023</b>	<b>Gross Games Revenues</b>	<b>Prize Expense</b>	<b>Gross Profit After Prizes</b>	<b>Profit Margin After Prizes</b>
Instant Scratch Games	\$319,750,816	\$228,867,661	\$90,883,155	28.4%
Keno	54,185,609	36,820,929	17,364,680	32.0%
Tri State Games	38,560,101	24,263,614	14,296,487	37.1%
MUSL Games	86,742,343	42,437,287	44,305,056	51.1%
Lucky for Life	11,253,684	6,976,415	4,277,269	38.0%

Refer to Note 13 for iLottery information.

<b>2022</b>	<b>Gross Games Revenues</b>	<b>Prize Expense</b>	<b>Gross Profit After Prizes</b>	<b>Profit Margin After Prizes</b>
Instant Scratch Games	\$313,815,608	\$226,566,803	\$87,248,805	27.8%
Keno	53,537,242	36,770,703	16,766,539	31.3%
Tri State Games	39,756,031	24,675,024	15,081,007	37.9%
MUSL Games	59,385,481	28,601,231	30,784,250	51.8%
Lucky for Life	8,351,369	5,136,490	3,214,879	38.5%

As the tables above show, the profit margin after prizes paid is less for instant scratch games and Keno versus online games. High jackpots drive sales for online games, whereas the different types of games on the market and the number of winning tickets (prizes) in a game drives instant scratch games sales.

The actual prizes paid percentage can be slightly less than the designed prize percentage built into the game due to unclaimed prizes (prizes that winners never claim). Lottery prize winners have one year (365 days) to claim their prizes. Expired unclaimed prize money for instant scratch games, MUSL games, Lucky for Life, Keno, and iLottery goes to the Education Trust Fund. Unclaimed prize money for Tri-State games goes back to the players through promotions or increases to jackpots.

**The following table shows prize expense by game for the years ended June 30, 2023 and 2022:**

<b>Game</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>% of Change</b>
Instant Scratch Games	\$228,867,661	\$226,566,803	\$2,300,858	1.0%
Keno	36,820,929	36,770,703	50,226	0.1%
MUSL Powerball	23,205,024	19,412,777	3,792,247	19.5%
MUSL Mega Millions	19,232,263	9,188,454	10,043,809	109.3%
Tri-State Megabucks	3,351,138	3,345,909	5,229	0.2%
Tri-State Pick 3	2,505,106	2,695,113	(190,007)	-7.1%
Tri-State Pick 4	2,392,912	2,463,151	(70,239)	-2.9%
Tri-State Gimme 5	2,299,445	2,395,729	(96,284)	-4.0%
Tri-State Fast Play	13,715,013	13,775,122	(60,109)	-0.4%
Lucky for Life	6,976,415	5,136,490	1,839,925	35.8%
<b>Total prize expense</b>	<b>\$339,365,906</b>	<b>\$321,750,251</b>	<b>\$17,615,655</b>	<b>5.5%</b>

Refer to Note 12 for iLottery information.

## Other Cost of Sales

In addition to prizes, there are other costs of sales that include retailer commissions, vendor fees, cost of instant scratch games, including delivery of instant scratch games to retailers, and expense pool costs (administrative costs) for joint ventures. These other costs of sales totaled \$64.0 million for fiscal year 2023 and \$57.1 million for fiscal year 2022. Retailer commissions increased by \$3.0 million or 9.8% for fiscal year 2023 compared to fiscal year 2022. Retailer commissions are based on 5% of sales plus additional commissions for retailers who meet certain incentive criteria for increasing sales and selling higher tier winners; Keno retailers receive 8% of sales. Vendor fees for fiscal year 2023 increased \$3.7 million over fiscal year 2022 due to increased sales overall and a higher rate for iLottery fees. Vendor fees are based on 1.435% of sales plus additional charges for equipment such as vending machines that sell tickets and digital signs that advertise the amount of the jackpot. iLottery vendor fees are 28.6% of net wins for instant games and 15% of sales for draw based games.

**The table below shows comparative costs of sales expenses for Lottery games for the years ended June 30, 2023 and 2022 (excluding I&C, Sports Betting, and other income):**

	<b>2023</b>	<b>% of Sales</b>	<b>2022</b>	<b>% of Sales</b>
Retailer commissions	\$ 33,393,787	6.1%	\$ 30,416,668	6.0%
Vendor fees	23,043,527	4.2%	19,304,279	3.8%
Keno license expense	—	0.0%	225	0.0%
Cost of instant tickets	7,073,382	1.3%	7,020,007	1.4%
Expense pools	534,416	0.1%	352,297	0.1%
Other cost of sales	64,045,112	11.7%	57,093,476	11.3%
Prize expense	339,365,906	61.9%	321,750,251	63.8%
<b>Total cost of sales</b>	<b>\$403,411,018</b>	<b>73.6%</b>	<b>\$378,843,727</b>	<b>75.1%</b>

The table below shows cost of sales to gross revenues for Lottery games for the years ended June 30, 2023 and 2022 (excluding I&C, Sports Betting, and other income):

Total Lottery Games	2023	2022	Change	% of Change
Gross Revenues	\$547,952,658	\$504,702,383	\$43,250,275	8.6%
Cost of Sales	403,411,018	378,843,727	24,567,291	6.5%
<b>Gross profit</b>	<b>\$144,541,640</b>	<b>\$125,858,656</b>	<b>\$18,682,984</b>	<b>14.8%</b>
<b>Gross profit margin</b>	<b>26.4%</b>	<b>24.9%</b>		

Administrative costs increased \$2.5 million in fiscal year 2023 from fiscal year 2022, mainly due to a change in assumptions of future obligations for retirement benefits. The supplemental schedule of revenues, expenses, and distributions located after the notes to the financial statements, itemizes the components of other operating expenses.

### Non-operating Revenues (Expenses)

Non-operating revenues totaling \$426 thousand consists of income earned on deposits held with the Tri- State Lotto joint venture and interest from New Hampshire Treasury on Lottery cash balances.

In 2022, the Lottery implemented GASB Statement No. 87, which capitalized the lease for an off-site property. Interest for 2023 was recorded for this lease in the amount of \$1,281.

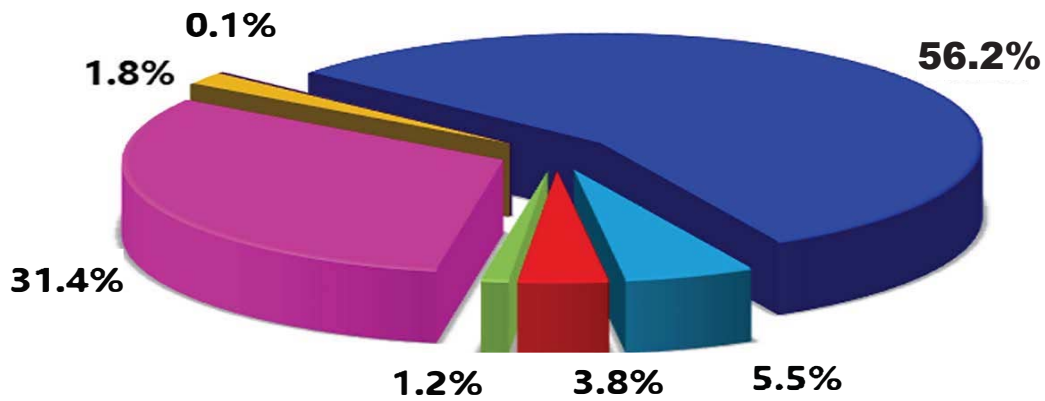
Non-operating expenses are distributions to the Education Trust Fund. The Lottery is required by law to transfer all revenues in excess of its operating costs to the Education Trust Fund. Fiscal year 2023 distributions to education were \$189.5 million and fiscal year 2022 distributions were \$146.6 million.

**The following table shows total revenues, expenses, and change in net position for the Lottery for the years ended June 30, 2023 and 2022:**

	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>% of Change</b>
<b>Operating revenues</b>				
Instant and online ticket sales	\$547,952,658	\$504,702,383	\$43,250,275	8.6%
Sports Betting	36,710,686	23,153,279	13,557,407	58.6%
Revenues from RCGD	18,732,185	8,696,963	10,035,222	115.4%
Other Income	25,981	187,785	(161,804)	-86.2%
<b>Total operating revenues</b>	<b>603,421,510</b>	<b>536,740,410</b>	<b>66,681,100</b>	<b>12.4%</b>
<b>Operating expenses</b>				
Cost of sales	403,411,018	378,843,727	24,567,291	6.5%
Administrative costs	10,881,074	8,406,687	2,474,387	29.4%
Depreciation expense	170,064	156,999	13,065	8.3%
<b>Total operating expenses</b>	<b>414,462,156</b>	<b>387,407,413</b>	<b>27,054,743</b>	<b>7.0%</b>
<b>Operating Income</b>	<b>188,959,354</b>	<b>149,332,997</b>	<b>39,626,357</b>	<b>26.5%</b>
<b>Non-operating Revenues</b>				
Interest	425,724	30,622	395,102	1290.3%
<b>Net profit before transfers</b>	<b>189,385,078</b>	<b>149,363,619</b>	<b>40,021,459</b>	<b>26.8%</b>
<b>Nonoperating expenses</b>				
Interest on lease	(1,281)	(1,649)	368	-22.3%
Interest on mortgage loan payable	—	(6,210)	6,210	-100.0%
Distributions to Education Trust Fund	(189,512,938)	(146,560,830)	(42,952,108)	29.3%
Change in net position	(129,141)	2,794,930	(2,924,071)	-104.6%
Net position — July 1	(16,897,461)	(19,692,391)	2,794,930	-14.2%
<b>Net position — June 30</b>	<b>\$(17,026,602)</b>	<b>\$(16,897,461)</b>	<b>\$(129,141)</b>	<b>0.8%</b>
Distributions to Education Trust Fund (net profit) as a percentage of operating revenues	-31.4%	-27.3%	-4.2%	

The chart below displays expenses and distributions to the Education Trust Fund as a percentage of operating revenues for the Lottery for the year ended June 30, 2023:

### Expenses and Distributions as a Percentage of Revenues for Fiscal Year 2023



- Prizes
- Vendor fees
- Distributions to Education Trust Fund
- Other
- Retailer commissions
- Instant tickets & delivery
- Administrative costs

## Other Potentially Significant Matters

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The State's economy is a factor that affects the Lottery. The Lottery is dependent on customers' discretionary income, so when there is less income available, customers spend less on lottery tickets.

The Lottery relies on high jackpots to increase sales of online games. The two highest jackpot selling games in the United States are Powerball and Mega Millions. High jackpot amounts trigger higher sales of tickets. The sales in these games are directly related to the size of the jackpot, which causes a high level of uncertainty for revenues. The more frequently jackpots are won, the smaller the jackpot amount, which consequently results in the sale of fewer tickets. The less frequently jackpots are won, the more time they have to build/roll in amount. The trend has shown that the public demands higher jackpot amounts every year before there is a noticeable increase in sales.

There is, as always, ongoing research and development to enhance current games or replace them with new games in order to increase sales. Consumers want and demand newer, technologically advanced forms of gambling. The Lottery is limited by statute in what it can offer.

## Contacting the Lottery's Financial Management

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This financial report is designed to provide New Hampshire citizens, the New Hampshire state legislature and the executive branch of government, and other interested parties, a general overview of the Lottery's financial activity for fiscal year 2023 and to demonstrate the Lottery's accountability for the money it received from the sale of lottery products. If you have any questions about this report or need additional information, contact the New Hampshire Lottery Commission, Finance Department, Chief Financial Officer, 14 Integra Drive, Concord, NH 03301.

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**New Hampshire Lottery Commission**  
**Statement of Net Position**  
**June 30, 2023**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,321,222
Accounts receivable	8,854,741
Due from other funds (Liquor)	366,638
Instant scratch games ticket inventories	124,105
Prepaid expenses and other	116,411
Total current assets	<u>10,783,117</u>

Noncurrent assets:

Restricted deposits (Note 1)	4,523,536
Capital assets net of accumulated depreciation (Notes 4 & 8)	<u>3,129,332</u>
Total noncurrent assets	<u>7,652,868</u>
Total assets	<u>18,435,985</u>

Deferred outflows of resources (Notes 6 & 7)	<u>3,547,666</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	7,618,937
Accrued payroll and benefits	282,843
Ticket sales for future draws	353,848
Unclaimed prizes net of estimated expired prizes (Note 1)	6,074,483
Compensated absences (Note 3)	79,299
Annuity Payable (Note 11)	66,667
Workers Compensation Claims	3,000
Lease (Note 8)	56,107
Restricted Deposit – HHR Breakage	38,222
Due to Education Trust Fund	2,351,082
Total current liabilities	<u>16,924,488</u>

Noncurrent liabilities:

Compensated absences (Note 3)	591,024
Annuity Payable (Note 11)	1,799,999
Lease (Note 8)	72,520
Net post-employment benefits liability (Note 7)	9,966,998
Net pension liability (Note 6)	<u>5,274,000</u>
Total noncurrent liabilities	<u>17,704,541</u>

Total liabilities	<u>34,629,029</u>
Deferred inflows of resources (Notes 6 & 7)	<u>4,381,226</u>

**NET POSITION**

Net investments in capital assets	3,000,705
Restricted for prize funds (Note 1)	4,523,536
Unrestricted (deficit)	<u>(24,550,843)</u>
Total net position	<u>\$ (17,026,602)</u>

*The notes to the financial statements are an integral part of this statement.*



**New Hampshire Lottery Commission**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2023**

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**OPERATING REVENUES:**

Instant scratch games	\$ 319,750,816
Keno	54,185,609
Multi-State online games	86,742,343
Tri-State online games	38,560,101
Lucky for Life game	11,253,684
iLottery, Net Wins (Note 12)	37,460,105
Bingo/Lucky 7/Racing & Charitable Gaming	18,732,185
Sports Betting	36,710,686
Other income	25,981
Total operating revenues	<u>603,421,510</u>

**OPERATING EXPENSES:**

Cost of sales:	
Prizes	339,365,906
Retailers' commissions	33,393,787
Other	30,651,325
Total cost of sales	<u>403,411,018</u>
Administration	10,881,074
Depreciation	170,064
Total operating expenses	<u>414,462,156</u>
Operating income	<u>188,959,354</u>

**NONOPERATING REVENUES (EXPENSES):**

Interest expense and miscellaneous income	425,724
Interest on lease	(1,281)
Distributions to the State's Education Trust Fund	<u>(189,512,938)</u>
Total nonoperating revenues (expenses)	<u>(189,088,495)</u>
Change in net position	(129,141)
Net position, July 1	<u>(16,897,461)</u>
Net position, June 30	<u>\$ (17,026,602)</u>

*The notes to the financial statements are an integral part of this statement.*

**New Hampshire Lottery Commission**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers, retailers and joint ventures (net of retailer commissions and prizes paid by retailers)	\$ 317,247,255
Payments to winners and joint ventures	(88,565,126)
Payments to suppliers (goods and services)	(30,688,676)
Payments to employees for salaries and benefits	(6,845,807)
Net cash provided by operating activities	<u>191,147,646</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Distributions to Education Trust Fund	(188,333,107)
Net cash used for noncapital financing activities	<u>(188,333,107)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Payment to general fund	(2,710,006)
Purchase of capital assets	(96,585)
Lease payments	(54,336)
Interest on lease	(1,281)
Net cash used by capital and related financing activities	<u>(2,862,208)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and other income received	425,724
Net cash provided by investing activities	<u>425,724</u>
Net increase in cash and cash equivalents	378,055
Cash and cash equivalents, July 1	<u>943,167</u>
Cash and cash equivalents, June 30	<u>\$ 1,321,222</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 188,959,354
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	170,064
Change in net post employment benefits payable, net of deferred amounts	(1,232,854)
Change in net pension liability, net of deferred amounts	70,000
(Increase) decrease in accounts receivable/due from other funds	(1,379,618)
(Increase) decrease in instant scratch games ticket inventory	229,341
(Increase) decrease in prepaid expenses and other	(100,658)
(Increase) decrease in restricted deposits	129,141
Increase (decrease) in accounts payable and other liabilities	2,807,817
Increase (decrease) in unclaimed prizes	1,716,303
Increase (decrease) in ticket sales for future draws	(154,577)
Increase (decrease) in annuity payable	(66,667)
Total adjustments	<u>2,188,292</u>
Net cash provided by operating activities	<u>\$ 191,147,646</u>

*The notes to the financial statements are an integral part of this statement.*

## New Hampshire Lottery Commission

### Notes to the Financial Statements – Fiscal Year Ended June 30, 2023

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#### **Note 1 – Summary of Significant Accounting Policies**

##### **A. Reporting Entity**

The New Hampshire Lottery Commission, also known as the New Hampshire Lottery (Lottery), was established in 1964 in accordance with the provisions of Chapter 284:21-a of the New Hampshire Revised Statutes Annotated (RSA). The Lottery is comprised of the Lottery division and the Licensing and Enforcement division. The Lottery division is responsible for conducting traditional and internet lottery games authorized under RSA 284:21-h and keno games authorized under RSA 284:41. The Investigation and Compliance Division is responsible for the administration of sports betting authorized under RSA 287-I, and the oversight of Games of Chance authorized under RSA 287-D, bingo and Lucky 7 games authorized under RSA 287-E, live and simulcast racing and historic horse racing authorized under RSA 284:22-b and fantasy sports contests authorized under RSA 287-H. The financial statements include the consolidated operations of the two divisions. The Lottery has three commissioners appointed by the Governor and Executive Council for a staggered term of three years. The administration of the Lottery is overseen by an executive director, appointed by the Commissioners for a term of four years. The Lottery is authorized to operate for the sole purpose of funding state aid to education pursuant to RSA 198:38-49 and RSA 284:21-j. In 1990, the New Hampshire Constitution was amended by Part 2, Article 6-b, which restricted all lottery revenue and interest, after the deduction of the necessary costs of administration, exclusively for state aid to education.

For financial reporting purposes, the New Hampshire Lottery Commission is considered a department of the State of New Hampshire. The Lottery's financial statements include all Lottery activity in a separate enterprise fund and do not include any activity related to any other state agency. The Lottery's financial activities are reported in the Lottery Commission enterprise fund in the State's annual comprehensive financial report (ACFR).

The State of New Hampshire issues a publicly available annual comprehensive financial report, which may be obtained by writing to the State of New Hampshire, Department of Administrative Services, 25 Capitol Street, Room 310, Concord, New Hampshire, 03301-6312 or accessed online at <https://www.das.nh.gov/accounting/ACFR.aspx>

##### **B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accompanying financial statements of the Lottery have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The Lottery accounts for its operations as a single enterprise fund and accordingly uses the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the related liability is incurred. The Lottery's financial statements are reported using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the Lottery are included on the Statement of Net Position. All reve-

nues and expenses of the Lottery are reported on the Statement of Revenues, Expenses, and Changes in Net Position.

*Cash and cash equivalents* are investments with a maturity date of three months or less from the date of purchase. The majority of the Lottery's cash is held by the State Treasurer for pooled investment purposes in short-term, highly liquid investments, which are considered to be cash equivalents. Cash equivalents are recorded at cost.

*Accounts receivable* consists of amounts due from retailers for lottery ticket sales and amounts due from third party gaming vendors. Due from other funds consists of amounts due from the State Liquor Commission for lottery tickets sold at State liquor stores, which have not been transferred to Lottery as of June 30.

*Inventory* represents ticket inventories for instant scratch games, which are valued at the lower of cost or market using the specific identification method. The cost of consumable supplies is expensed when the supplies are received.

*Prepaid expenses and other* consist of payments to vendors that reflect costs applicable to future accounting period.

*Capital assets and depreciation*, capital assets consist of building, land, equipment and vehicles, recorded at cost. The Lottery's threshold for capitalization is \$10,000 for equipment and \$100,000 for building and land. Depreciation on capital assets is computed using the straight-line method over an estimated useful life of five to forty years. Salvage values are not recognized, as asset disposals are officially transferred to the New Hampshire Surplus Property program. Any income derived from surplus property sales is recorded as miscellaneous income when received. Losses on the disposal of surplus equipment are recorded at the time of disposal.

*Restricted deposits* represent noncurrent, restricted assets, deposited with the Multi-State Lottery Association (MUSL) and the Tri-State Lotto Commission (Tri-State), that are held as prize reserves to protect the Lottery against unforeseen prize liabilities. These prize reserves are a condition of participation in the joint ventures and are refundable after a one year waiting period if a member state leaves. The Tri-State portion of the reserves is committed to be returned to the players; however the MUSL reserves would be returned to the New Hampshire Education Trust Fund. At June 30, 2023, MUSL reserves were \$2,694,602 and Tri-State reserves were \$1,828,934.

*Compensated absences* represent accrued leave for the Lottery's 67 full-time, classified employees at June 30, 2023. Full-time classified employees of the Lottery accrue annual, bonus, compensatory, and vested sick leave at various rates within the limits prescribed by a collective bargaining agreement. In conformity with GASB Statement No. 16, the Lottery accrues all types of leave benefits as earned by its classified employees. The compensated absences liability represents the total liability for the cumulative balance of employees' annual, bonus, compensatory, and sick leave based on years of service rendered along with the state's share of social security and retirement contributions. The current portion of the leave liability is calculated based on the characteristics of the type of leave and on a LIFO (last in first out) basis, which assumes employees use their most recent earned leave first. The accrued liability for annual leave does not exceed the maximum cumulative balance allowed which ranges from 32 to 50 days based on years of

service. The accrual for sick leave is made to the extent it's probable that the benefits will result in termination payments rather than be taken as absences due to illness.

*Short Term Leases*, for leases with a maximum possible term of twelve months or less at commencement, Lottery recognizes expense based on the provisions of the lease contract.

*Long Term Lease*, the Lottery Commission is a lessee for a noncancellable lease of a building. It is a five year, long-term lease. The Lottery recognizes a lease liability and an intangible right-to-use asset.

*Restricted Deposits*, historic horse racing revenues include breakage. The breakage revenues are restricted to be used as payment for problem gaming services.

*Deferred outflows of resources and deferred inflows of resources*; deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

*Net pension liability*; for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the New Hampshire State Retirement System (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

*Postemployment benefits payable*; for purposes of measuring other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense have been determined on the same basis as reported by the State OPEB Plan. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms.

*Ticket sales for future draws* consists of subscriptions for Megabucks retail and online ticket sales prior to fiscal year end for game draws subsequent to June 30, 2023. Subscriptions are ticket purchases for periods of 26, 52, or 104 draws. Powerball and Mega Millions subscriptions ended in fiscal year 2021 while Lucky for Life's ended in fiscal year 2022.

*Unclaimed prizes* represent prizes won, but not paid. The Lottery is required to hold unclaimed prize money for one year (365 days) after the prize is won for online prizes or one year after the official game end for instant scratch games prizes. Due to the nature of instant scratch games not being online or computerized, the Lottery records a liability for unclaimed and unpaid prizes on an estimated basis for instant scratch game prizes. For online games, the Lottery knows what its unclaimed and unpaid prize liability is at fiscal year-end. The one year prize liability is adjusted based on past history of expired prizes (prizes that are not claimed within the one year). The unclaimed prize liability for fiscal year 2023 of \$6,074,483 is the net amount after being reduced by an estimate of

\$1,445,408 for Powerball, Mega Millions, and Keno prizes expected to expire as unclaimed, and also includes unclaimed prize money from the gaming rooms for simul-cast racing in the amount of \$189,264. Implementation of this standard had no impact on Lottery's financial statements.

*Operating revenues* represents gross lottery game sales less any sales adjustments and promotional tickets, revenue from racing and charitable gaming, and other income. Other income includes miscellaneous operating income.

*Cost of sales* represents expenses directly related to lottery operating revenue, including paid and accrued prizes, retailers' sales commissions, licensing expense and incentives, the Lottery's pro-rata share of joint venture expenses, vendor fees, the cost of instant scratch games, including delivery to retailers.

*Administration expense* represents those expenses indirectly related to the operation of the Lottery programs. These expenses consist mainly of advertising costs and promotional materials, employee salaries and benefits, and other Lottery operating expenses.

*Non-operating revenue* represents revenues such as investment income received from the State Treasury Department, Tri-State Lotto, and Multi-State Lottery (MUSL).

*Non-operating expense* represents distributions to the Education Trust Fund, which are Lottery revenues to help fund education in New Hampshire. The Lottery, as a department of the State of New Hampshire, in accordance with RSA 284:21-j, transfers all Lottery revenue and interest, after the deduction of necessary administrative costs to the State's Education Trust Fund for distribution to local school districts. Lease interest for 53 Regional Drive, Concord, NH is also classified as non-operating expense.

*Restricted for prize funds* represents restricted deposits held in prize reserves with MUSL and Tri-State. These deposits are a condition of participation in the joint ventures. At June 30, 2023 MUSL reserves were \$2,694,602 and Tri-State reserves were \$1,828,934. The Tri-State reserves are committed to be returned to the players upon dissolution or termination of participation in the joint venture.

*Use of estimates*; the preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Adoption of new accounting pronouncements*; during the fiscal year ended June 30, 2023, the Lottery Commission adopted the following new accounting standards issued by the Government Accounting Standards Board (GASB):

GASB Statement No. 91: *Conduit Debt Obligations*. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of this standard had no impact on Lottery's financial statements.

GASB Statement No. 94: *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement establishes financial reporting standards for

public-private partnerships, public-public partnerships, and availability payment arrangements (PPPs and APAs). PPPs comprise a wide variety of arrangements between a government and another party that are engaged in providing services to a government's constituents. An APA is a practice used to procure governmental services. A PPP is recognized in these financial statements. The implementation of this standard had no impact on Lottery's financial statements.

GASB Statement No. 96: *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. A SBITA is a contract conveying the right-to-use a vendor's information technology software, sometimes in combination with a tangible underlying capital asset, in an exchange or exchange-like transaction. A subscription liability and an intangible asset is recognized in the financial statements. The implementation of this standard had no impact on Lottery's financial statements.

GASB Statement No. 99: *Omnibus 2022*. Paragraph 26-32 will improve the consistency of the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. Requirements related to leases, PPPs, and SBITAs are effective for State fiscal year 2023. Implementation of the remainder of GASBS 99 is planned for State fiscal year 2024. The implementation of this standard had no impact on Lottery's financial statements.

**Note 2 – Cash and Cash Equivalents**

The Lottery's cash and cash equivalents as reported on the Statement of Net Position as of June 30, 2023 consists of the following:

Cash in banks (carrying amount)	\$1,431,333
Cash and cash equivalents in State Treasury	(115,111)
Petty cash	5,000
Total cash and cash equivalents	<u>\$1,321,222</u>

The Lottery maintains two non-interest bearing commercial bank accounts, one being a revolving account, used to pay prizes and the other being a zero-balance account. The revolving account is replenished by the State Treasurer's office from Lottery income. The bank sweeps the net balance of the zero-balance account at the end of each business day into the New Hampshire State Treasury Department's bank account, in order to aggregate the State's assets and maximize the investment of available balances.

Statutory requirements and Treasury Department policies have been adopted to minimize risk associated with deposits. RSA 6:7 establishes the policy the State Treasurer must adhere to when depositing public monies. All banks, where the State has deposits and/or active accounts, are monitored as to their financial health through the services of Veribanc, Inc., a bank rating firm. In addition, ongoing reviews with officials of depository institutions are used to allow for frequent monitoring of custodial credit risk. All payments to the State are to be in U.S. dollars, therefore there is no foreign currency risk.

*Custodial credit risk:* In the case of deposits held with financial institutions, this is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2023 the Lottery's total deposits held with financial institutions were \$1,578,328 (bank balance), all of which were insured and collateralized.

### Note 3 – Changes in Long Term Liabilities

The following is a summary of the changes in long term liabilities for year ended June 30, 2023:

	<b>Beginning Balance 6/30/2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 6/30/2023</b>	<b>Current</b>	<b>Non-Current</b>
Compensated Absences	\$ 663,228	\$ 7,095	–	\$ 670,323	\$ 79,299	\$ 591,024
Long Term Annuity Payable	1,933,333	–	66,667	1,866,666	66,667	1,799,999
Other Post-Employment Benefits	12,892,041	–	2,925,043	9,966,998	–	9,966,998
Net Pension Liability	3,939,000	1,867,300	532,300	5,274,000	–	5,274,000
Lease	182,962	–	54,336	128,626	54,336	74,290
<b>Total</b>	<b>\$19,610,564</b>	<b>\$1,874,395</b>	<b>\$3,578,346</b>	<b>\$17,906,613</b>	<b>\$200,302</b>	<b>\$17,706,311</b>

### Note 4 – Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

<b>Capital Assets</b>	<b>Beginning Balance 6/30/22</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 6/30/23</b>
Land & Buildings	\$2,999,339	\$ –	\$ –	\$2,999,339
Equipment & Vehicles	957,570	96,585	–	1,054,155
<b>Total capital assets</b>	<b>3,956,909</b>	<b>96,585</b>	<b>–</b>	<b>4,053,494</b>
<b>Accumulated Depreciation</b>				
Buildings	224,347	62,608	–	286,955
Equipment & Vehicles	718,210	60,341	–	778,551
<b>Total accumulated depreciation</b>	<b>942,557</b>	<b>122,949</b>	<b>–</b>	<b>1,065,506</b>
<b>Total capital assets, net</b>	<b>\$3,014,352</b>	<b>\$( 26,364)</b>	<b>\$ –</b>	<b>2,987,988</b>
Lease Assets, Net (Note 8)				<u>\$141,344</u>
Total Lottery Activity capital assets, Net as reported on Statement of Net Position				<u><b>\$3,129,332</b></u>

### Note 5 – General Budgetary Policies and Procedures

As a department of the State of New Hampshire, the Lottery is required to submit a biennial budget to the Governor of the State of New Hampshire where it is approved and further submitted to the Legislature for its approval. Approved biennial appropriations are provided in annual amounts. The Lottery's official budget, as adopted by the Legislature, is prepared principally on a modified cash basis.

Due to the nature of the Lottery's activities, the majority of its expenses, such as prizes, retailer commissions, and vendor fees are not included in the State's biennial budget.



The Lottery budgets for approximately 3% of its expenses, primarily salaries and benefits, and advertising.

**Note 6 – Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Plan Description: The New Hampshire Retirement System is the administrator of a cost-sharing multiple- employer Public Employee Retirement System (“NHRS”) established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401 (a) and 501 (a) of the Internal Revenue Code. NHRS is a contributory defined-benefit plan providing service, disability, death, and vested retirement benefits to members and beneficiaries. NHRS covers substantially all full-time State employees, public school teachers and administrators, permanent firefighters, and police officers within the State of New Hampshire. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. NHRS is divided into two membership groups. Group I consists of State and local employees and teachers. Group II consists of firefighters and police officers. All assets are in a single trust and are available to pay retirement benefits to its members and beneficiaries.

Group I members at age 60 (age 65 for members beginning service on or after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final compensation (AFC). The yearly pension amount is  $1/60$  (1.667%) of average final compensation multiplied by years of creditable service ( $1/66$  of AFC times creditable service for members beginning service on or after July 1, 2011). AFC is defined as the average of the three highest salary years for members vested as of January 1, 2012 and five years for members not vested as of January 1, 2012. At age 65, the yearly pension amount is recalculated at  $1/66$  (1.515%) of AFC multiplied by years of creditable service.

Members in service with 10 or more years creditable service who are between age 50 and 60 or members in service with at least 20 or more years of service, whose combination of age and service is 70 or more, are entitled to a retirement allowance with appropriate graduated reduction based on years of creditable service.

Group II members who are age 60, or members who are at least age 45 with a minimum of 20 years of creditable service (age 50 with a minimum of 25 years of creditable service or age 60 for members beginning service on or after July 1, 2011) can receive a retirement allowance at a rate of 2.5% of AFC for each year of service not to exceed 40 years (2% of AFC times creditable service up to 42.5 years for members beginning service on or after July 1, 2011). A member who began service on or after July 1, 2011 shall not receive a service retirement allowance until attaining age 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service. However, the allowance will be reduced by  $1/4$  of one percent for each month prior to age 52.5 that the member receives the allowance.

Group II members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 are subject to graduated transition provisions for years of service required for regular service retirement, the minimum age for service retirement, and the multiplier used to calculate the retirement annuity, which shall be applicable on January 1, 2012.

All Lottery employees are members of Group I.

Members of both groups may qualify for vested deferred allowances, disability allowances, and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation, service, or both.

Pursuant to RSA 100-A:52, RSA 100-A:52-a, and RSA 100-A:52-b, NHRS also provides a postretirement medical premium subsidy for Group I employees and teachers and Group II police officers and firefighters.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their web site at <http://www.nhrs.org>.

Funding Policy: NHRS is financed by contributions from the members, the State and local employers, and investment earnings. By statute, Group I members contributed 7.0% of gross earnings. Group II firefighter members contributed 11.80% of gross earnings and group II police officers contributed 11.55% of gross earnings. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. Lottery required and actual contributions to NHRS for the fiscal year ending June 30, 2023 were \$522,368.

As of June 30, 2023, the Lottery Commission reported a liability of \$5,274,000 for its proportionate share of the net pension liability of the Plan. This net pension liability is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll the total pension liability forward to June 30, 2022. The State's proportion of the net pension liability was based on the State's share of contributions to the Plan relative to the contributions of all participating employers, actuarially determined. The Lottery Commission's net pension liability and pension expense, along with related deferred outflows of resources and deferred inflows of resources was calculated using an allocated proportion among the State's governmental and business-type activities (0.4949%), based on percentage of pension plan contributions. For the year ended June 30, 2023, the Lottery Commission recognized pension expense of \$582,344.

As of June 30, 2023, the Lottery Commission reported deferred outflows and inflows of resources relating to pensions from the following sources:

<b>(in thousands)</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 200	\$ —
Differences between expected and actual experience	99	(20)
Change in actuarial assumptions	281	—
Changes in employer proportion	39	(43)
Change in employer proportion (entity)	373	( 5)
Contributions subsequent to the measurement date	516	—
<b>Total</b>	<b>\$1,508</b>	<b>\$(68)</b>

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30</b>	<b>Amount (in thousands)</b>
2024	\$ 337
2025	303
2026	(20)
2027	303
<b>Total</b>	<b>\$ 923</b>

*Actuarial Assumptions.* The Plan total pension liability, measured as of June 30, 2022, was determined by a roll forward of the actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Inflation	2.0%
Salary increases	5.4% average, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality tables with credibility adjustments for each group and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015–June 30, 2019.

*Long-Term Rates of Return.* The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and geometric real rates of return for each asset class:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Geometric Return</b>
Broad US Equity	30.00%	7.60%
Global Ex-US Equity	20.00%	7.90%
Total Public Equity	<u>50.00%</u>	
Real Estate Equity	10.00%	6.60%
Private Equity	10.00%	8.85%
Total Private Market Equity	<u>20.00%</u>	
Private Debt	5.00%	7.25%
Total Private Debt	<u>5.00%</u>	
Core US Fixed Income	25.00%	3.60%
Total fixed income	<u>25.00%</u>	
Inflation		2.25%
Total	<u>100.00%</u>	<u>7.30%</u>

**Discount Rate.** The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are determined based on the expected payroll of current members only. Employer contributions are determined based on the Pension Plan’s actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long- term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table illustrates the sensitivity of the Lottery Commission’s proportionate share of the Pension Plan’s net pension liability to changes in the discount rate. In particular, the table presents the Lottery Commission’s proportionate share of the Pension Plan’s net pension liability measured at June 30, 2022 assuming it was calculated using a single discount rate that is one percentage point lower or one percentage point higher than the single discount rate (in thousands):

<b>1% Decrease to 5.75%</b>	<b>Current Single Rate Assumption 6.75%</b>	<b>1% Increase to 7.75%</b>
\$7,076	\$5,274	\$3,775

**Note 7 – Other Postemployment Benefits**

*Non Trusted Other Postemployment Benefits (OPEB)*

**Plan Description:** RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single employer (primary government with component units) defined post employment benefit plan. These benefits include group hospitalization, hospital medical care, surgical care and other medical care. Substantially all of the State’s employees who were hired on or before June 30, 2003 and

have 10 years of service, may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for health benefits. During fiscal year 2011, legislation was passed that requires Group II employees to have 20 years of state service to qualify for retiree health benefits. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of state service and increased the normal retirement age for Group I and Group II employees hired after July 1, 2011. These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund (Fund), a single-employer group health fund, which is the State's self-insurance internal service fund for active State employees and retirees. The Fund covers the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees and eligible spouses. An additional major source of funding for retiree benefits is from the NHRS medical subsidy payment. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their web site at <http://www.nhrs.org>.

**Other Postemployment Benefits (OPEB) Liability:** The Lottery Commission's proportionate share of the State's Total Non Trusted OPEB liability of \$9,966,998 was measured as of June 30, 2022, and was determined by an actuarial valuation as of December 31, 2020, adjusted forward. The Lottery Commission's proportionate share of the State's Total Non Trusted OPEB liability is the ratio attributable to each fund/component unit based on each participant's calculated liability. As of the measurement date, the Lottery Commission's proportion was 0.618%, which was a decrease of twelve basis points from its proportion measured as of the previous measurement date. The OPEB expense for FY 2023 is a negative \$1.2 million.

**Actuarial Assumptions and Other Inputs:** The total Non Trusted OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Wage Inflation** 2.75%

**Salary Increases** Group I employees: 14.75% decreasing over 12 years to an ultimate level of 3.25%  
Group II employees: 27.75% decreasing over 8 years to an ultimate level of 4.25% (police) and 3.75% (fire).

**Discount Rate** 3.54% as of June 30, 2022 and 2.16% as of June 30, 2021

**Healthcare Trend Rates\***

*Medical*

- Non-Medicare: 0.0% for one year, 17.1% for one year, then 5.25% decreasing by 0.25% each year to an ultimate level of 4.5% per year

- Medicare: N/A through contract period, then 4.5% per year
- Prescription Drug*
- Non-Medicare: 15% for one year, 25.7% for one year, then 7.5% decreasing by 0.25% each year to an ultimate level of 4.5% per year
  - Medicare: 9.5% for one year, –2.6% for one year, then 8.5% decreasing by 0.5% each year to an ultimate level of 4.5% per year

*Administration Expense:* 1% for one year, 2% for one year, then 3% per year thereafter

*Contributions:* Retiree contributions are expected to increase with a blended medical, prescription drug, and administrative expense trend.

\*First year and second year prescription drug and non-Medicare medical trends reflect known per capita cost changes.

The discount rate was based on the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index, in accordance with GASB Statements 74 and 75 for determining the Total OPEB Liability and Net OPEB Liability.

Changes in assumptions reflect 1) the discount rate was increased from 2.16% to 3.54%; and 2) the trend assumptions were updated to reflect known changes.

Mortality rates were based on the PubG-2010 Headcount-Weighted Employee/Healthy Retiree General Mortality Tables for Group I and the PubS-2010 Headcount-Weighted Employee/Healthy Retiree Safety Mortality Tables for Group II projected generationally for males and females with Scale MP-2019 and the PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Table for Group I and the PubS-2010 Headcount-Weighted Safety Disabled Retiree Mortality Table for Group II projected generationally for males and females with Scale MP-2019. The assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study by the New Hampshire Retirement System for the period July 1, 2015 through June 30, 2019.

*Sensitivity of the Total Non Trusted OPEB liability to changes in the discount rate:* The following presents sensitivity of the Lottery Commission’s proportionate share of the Total Non Trusted OPEB liability to changes in the discount rate. In particular, the table presents the Lottery Commission’s proportionate share of the Total Non Trusted OPEB liability measured at June 30, 2022 if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (in thousands):

<b>1% Decrease to 2.54%</b>	<b>Current Discount Rate 3.54%</b>	<b>1% Increase to 4.54%</b>
\$11,667	\$9,968	\$8,610

*Sensitivity of the Total Non Vested OPEB liability to changes in the healthcare cost trend rates:* The following presents sensitivity of the Lottery Commission’s proportionate share

of the total Non Trusted OPEB liability to changes in the healthcare cost trend rates. In particular, the table presents the Lottery Commission's proportionate share of the Total Non Trusted OPEB liability measured at June 30, 2022, if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare trend cost rates (in thousands):

<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
\$8,308	\$9,968	\$12,109

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:* For the year ended June 30, 2023, the Lottery Commission recognized OPEB expense of (\$1.2) million. As of June 30, 2023, the Lottery Commission reported deferred outflows and inflows of resources on its financial statements related to the Non Trusted OPEB Plan of \$1.8 million (excluding \$219 thousand in contributions subsequent to the measurement date) and \$4.3 million respectively, from the following sources:

<b>(in thousands)</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ —	\$(243)
Change in assumptions	1,821	(3,021)
Changes in employer proportion	—	(1,049)
Contributions subsequent to the measurement date	219	—
<b>Total</b>	<b>\$2,040</b>	<b>\$(4,313)</b>

Amounts reported as deferred outflows of resources related to the Non Trusted OPEB Plan resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the total Non Trusted OPEB Plan liability in the year ended June 30, 2023. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30</b>	<b>Amount (in thousands)</b>
2023	\$ (964)
2024	(346)
2025	(483)
2026	(699)
<b>Total</b>	<b>\$ (2,492)</b>

#### **Note 8 — Long Term Lease**

At lease commencement, the Lottery initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the

lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the Lottery is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset. The Lottery generally uses its estimated incremental borrowing rate as the discount rate for leases.

Annual Lease payments are as follows:

<b>Lease assets</b>	<b>Beginning Balance 6/30/22</b>	<b>Increases</b>	<b>Remeasurement</b>	<b>Decreases</b>	<b>Ending Balance 6/30/23</b>
Buildings	\$235,574	\$ —	\$ —	\$ —	\$235,574
<b>Accumulated Amortization</b>					
Buildings	47,115	47,115	—	—	94,230
<b>Total accumulated amortization</b>	<b>47,115</b>	<b>47,115</b>	<b>—</b>	<b>—</b>	<b>94,230</b>
<b>Total lease assets, net</b>	<b>\$188,459</b>	<b>\$(47,115)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$141,344</b>

Annual Lease payments are as follows:

	<b>Principal</b>	<b>Interest</b>
2024	\$ 56,107	900
2025	57,925	508
2026	14,594	102
	<b>\$128,626</b>	<b>\$1,510</b>

#### **Note 9 — Joint Ventures**

GASB Statement No.14, *The Financial Reporting Entity*, defines a joint venture as a legal entity which results from a contractual arrangement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Lottery Commission is an active participant in three separate joint venture arrangements: the Tri-State Lotto Commission (Tri-State), the Multi-State Lottery Association (MUSL), and Lucky for Life. Tri-State and MUSL joint ventures are audited by separate audit firms hired by the particular joint venture. For fiscal year 2023 Wipfli LLP, of South Portland, Maine audited Tri-State and UHY of West Ames, Iowa audited MUSL.

#### **A. Tri-State Lotto Commission**

In September 1985, RSA 287-F established the Tri-State Lotto Commission (Tri-State) whereby the New Hampshire Lottery Commission entered into a joint venture with the Maine and Vermont lotteries. Tri-State is composed of one commissioner from each of the three state lotteries and is authorized to promulgate rules and regulations regarding the conduct of lottery games and the licensing of retailers. In addition, each of the member states contributes services towards the management and advisory functions.



The payments due winners for prizes awarded under Megabucks are fully funded by deposit fund contracts and investments in U.S. Treasury strips, held by Tri-State. Accordingly, the New Hampshire Lottery Commission does not record a liability for jackpot awards which are payable in installments from funds provided by Tri-State. At June 30, 2023, Tri-State reported total installment prize obligations owed to jackpot winners of \$9.8 million, payable through the year 2045.

Each member state, and the Lottery, shares in all joint venture sales and expenses, including prize expenses, based on its pro-rata share of sales. Direct charges, such as advertising, vendor fees and the Lottery's per-diem payments are charged to participating states based on services received. Tri-State has established a Designated Prize Reserve, which acts as a contingency to protect Tri-State against unforeseen liabilities. The balance in the Tri-State reserve at June 30, 2023 was \$4,345,585. The allocation for this reserve is based on each state's pro-rata share of sales; it is estimated that New Hampshire's portion of the reserve amounts to \$1,828,934. Lottery prize reserves held by Tri-State are invested in U.S. Treasury notes. Tri-State policy dictates that if Tri-State dissolves or a state withdraws, these reserve amounts will be used as future prizes to the states' lottery players.

The New Hampshire Lottery Commission's portion of the Tri-State Lotto Commission games for fiscal year 2023 is summarized below:

<b>Tri-State</b>	
Operating revenues	\$ 38,560,101
Operating expenses	
Prizes	24,263,614
Retailer Commissions	2,176,473
Advertising and promotional	1,582,850
Vendor Fees	874,074
Other operating expenses	384,798
<b>Total operating expenses</b>	<b>29,281,809</b>
Net operating income	9,278,292
Interest income	258,939
<b>Net income from Tri-state</b>	<b>\$ 9,537,231</b>

The Tri-State Lotto Commission maintains its own financial statements, which have been audited by an independent CPA firm. The report dated November 17, 2023 issued an un-qualified opinion on the Tri-State Lotto financial statements for the fiscal year ended June 30, 2023. The Tri-State Lotto Commission issues a publicly available annual financial report, which may be obtained by writing to the Tri-State Lotto Commission, 1311 US Route 302 Suite 100, Barre, Vermont 05671.

#### **B. Multi-State Lottery Association**

The New Hampshire Lottery Commission became a member of the Multi-State Lottery Association (MUSL) in November 1995. MUSL is currently comprised of 36 member state lotteries plus the District of Columbia, Puerto Rico, and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to

administer the Multi-State Lottery Powerball, Lotto America, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit.

The Lottery sells Powerball tickets, collects all revenues, and remits prize funds to MUSL net of lower tier prize awards. Jackpot prizes that are payable in installments are satisfied through investments purchased by MUSL. MUSL purchases U.S. government obligations, which are held in irrevocable trusts established by MUSL for the benefit of participating state lotteries. Accordingly, the Lottery does not record an obligation for jackpot awards which are payable in installments from funds provided by MUSL.

Each member state participates in the sale of Powerball tickets. Each member state including the Lottery shares in all joint venture sales and expenses, including prize expenses, based on its pro-rata share of sales. Each week MUSL allocates 50 percent of sales to the prize pool. Two percent of that prize pool is placed into two Powerball prize reserve funds. One of these funds, the Powerball prize reserve fund, acts as a contingency reserve to protect MUSL members against unforeseen liabilities and is to be used at the discretion of the MUSL Board of Directors. The prize reserve fund monies, which are maintained on MUSL's balance sheet, are refundable after a one-year waiting period if a member leaves the Association or if the Association disbands. New Hampshire's total share of prize reserves held by MUSL amounted to \$2,694,602 at June 30, 2023.

At June 30, 2023, the total MUSL Powerball prize reserve fund had a balance of \$85,362,392. New Hampshire's portion of the prize reserve fund balance amounted to \$1,057,074. The second Powerball prize reserve fund, Powerball set prize reserve, is used when low tier prizes won exceed statistically calculated low tier prize monies. At June 30, 2023, the total MUSL – Powerball set prize reserve fund had a balance of \$40,000,000. New Hampshire's portion of the prize reserve fund balance amounted to \$475,702. The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$19,061,568 at June 30, 2023. New Hampshire's portion of this unreserved fund amounted to \$392,601. This balance also includes the released Hot Lotto restricted funds. MUSL's Powerball operating expenses are paid from interest earned on the prize reserves. Any needed additional funds are billed to the individual lotteries.

Forty-five states plus the District of Columbia and the US Virgin Islands have elected to participate in the sale of Mega Millions tickets. Mega Millions has been offered to MUSL members since January 2010. MUSL allocates 50 percent of the weekly sales to the prize pool and an extra 1% to a prize reserve fund. At June 30, 2023 the MUSL Mega Millions prize reserve fund was \$97,061,601 with New Hampshire's share being \$1,161,826. Each participating member pays for a share of Mega Millions operating expenses based upon the member's proportionate share of total Mega Millions game sales.

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to

direct obligations of the United States Government, perfected repurchase agreements, obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The New Hampshire Lottery Commission's portion of the Multi-State Lottery's games for fiscal year 2023 is summarized below:

**MUSL**

Operating revenues	\$ 86,742,343
Operating expenses	
Prizes	42,437,287
Retailer Commissions	3,850,912
Advertising and promotional	586,214
Vendor Fees	3,940,509
Other operating expenses	138,836
<b>Total operating expenses</b>	<b>50,953,758</b>
Net operating income	35,788,585
Interest income	(500)
<b>Net income from MUSL</b>	<b>\$ 35,788,085</b>

MUSL maintains its own financial statements, which have been audited by an independent CPA firm. MUSL issues a publicly available annual financial report, which may be obtained by writing to the Multi-State Lottery Association, 4400 NW Urbandale Drive, Urbandale, Iowa 50322.

**C. Lucky for Life**

The New Hampshire Lottery Commission became a member of the game known as Lucky for Life beginning sales on March 11, 2012, with the first drawing held on March 15, 2012. Lucky for Life is currently comprised of lotteries in 22 states and the District of Columbia. The member lotteries, each represented by a director or designee, jointly operate the Lucky for Life game.

The Lottery sells Lucky for Life tickets, collects all revenues, and remits prize funds and operating funds to MUSL. While Lucky for Life is not a MUSL game, the party lotteries pay a fee to MUSL to act as the game administrator (clearinghouse agent) for the Lucky for Life game. MUSL collects and re-distributes funds to the party lotteries when funds are due and purchases insurance annuities for the top two highest prize tiers when a winner does not choose a cash pay-out. The top two prize tiers are payable in installments and are satisfied through insurance annuities purchased by MUSL when a winner chooses the annuity option. MUSL purchases insurance annuities, on behalf of the member states, based on \$365,000 (top prize tier) or \$25,000 (second highest prize tier) per year deferred annuity paid annually on the anniversary of the claim date for the lifetime of the top prize winner. Accordingly, the Lottery does not record an obligation for jackpot awards which are payable in installments from funds provided by MUSL or the other party lotteries.

Each member state including the Lottery shares in all joint venture sales and expenses, including prize expenses, based on its pro-rata share of sales. The top two prize tiers' liability for each Lucky for Life drawing is shared by each member Lottery based on an amount equal to a percentage of that member Lottery's Lucky for Life sales, said percentage being the proportion of the total jackpot/grand prize liability to total Lucky for Life sales. The member Lotteries are responsible for the prize liability for low-tier/set prizes (prize levels two through ten) as follows: each member Lottery is responsible for an amount equal to a percentage of that member Lottery's Lucky for Life sales, said percentage being the proportion of total Lucky for Life prize liability to total Lucky for Life sales.

The Lucky for Life game was designed to have a total prize percentage payout of 60 percent of sales, providing approximately one jackpot/grand prize winner annually and 17 second prize tier winners annually. The prize percentage of 60 percent is broken down to include a jackpot/grand prize amount equal to 10% of total sales, second highest prize tier equal to 12% of sales, and low-tier prizes of 38% of sales. Online lottery games are designed to provide an average payout over an extended period of time.

The New Hampshire Lottery Commission's portion of the Lucky for Life game for fiscal year 2023 is summarized below:

**Lucky for Life**

Operating revenues	\$11,253,684
Operating expenses	
Prizes	6,976,415
Retailer Commissions	556,593
Advertising and promotional	39,834
Vendor Fees	504,703
Other operating expenses	10,782
<b>Total operating expenses</b>	<b>8,088,327</b>
<b>Net income from Lucky for Life</b>	<b>\$ 3,165,357</b>

**Note 10 – Risk Management**

The Lottery Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and natural disasters.

*Principle of Self-insurance*

As a general operating rule, the State self-insures against all damages, losses and expenses except to the extent that provisions of law require the purchase of commercial insurance or a risk assessment has indicated that commercial insurance is economical and beneficial for the State or the general public. In such instances, the State may elect to purchase commercial insurance. There are approximately 25 such commercial insurance programs in effect. These include, but are not exclusive to, state owned real property insurance, fleet automobile liability, watercraft insurance, foster parent liability, ski area liability for Cannon Mountain, data security and privacy cyber liability insurance, and a fidelity and faithful performance bond. In general, claims settled in the past three years under the insurance programs have not exceeded commercial insurance coverage. As

of June 30, 2023, there are no outstanding fleet claims related to Lottery that are currently expected to exceed the policy coverage. The Lottery's exposure per claimant is limited by law to a total of \$475 thousand under RSA 541-B:14 and the State's current fleet policy coverage is \$250 thousand per claimant.

#### *Employee and Retiree Health Benefits*

During fiscal year 2004, the State established an Employee Benefit Risk Management Fund (the Fund), an internal service fund, to account for its uninsured risks of loss related to employee and retiree health benefits. Currently, the Lottery Commission retains all of the risk associated with the self-funded benefits, and utilizes an actuarially-established IBNR (incurred but not reported) claims reserve. In addition, state law requires the Fund to maintain a reserve in the amount of at least 3% of estimated annual self-funded claims and administrative costs, for unexpected costs. Health and dental plan rates are established annually, by actuaries, based on an analysis of past claims, State and other medical trend, and annual projected plan claims and administrative expenses.

The process used in estimating claim liabilities may not result in an exact payout amount due to variables such as medical inflation, or changes in law, enrollment or plan design.

#### *Workers' Compensation*

Since February 2003, the State has been self-insured for its workers' compensation exposures, retaining all of the risk associated with workers' compensation claims. The State utilizes an actuarial study that provides an annual estimate of the outstanding liabilities for the prior years' claims. The study also contains assumptions about loss development patterns, trends, and other claim projections based upon the State's historical loss experience.

#### **Note 11 – Prize Annuity Due Winner**

On November 29, 2006, the Lottery purchased from American National Insurance Company a 19 year annuity, on behalf of a prize winner. The American National Insurance Company has a rating of A (strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances) from Standard & Poor's. The annuity is in the name of the prize winner and the Lottery does not recognize a liability for this annuity. The annual payment paid to the winner by the insurance company is \$50,000. The likelihood of this becoming a liability to the Lottery is low.

On July 16, 2021, the Lottery purchased from Lincoln Financial Group, a 19 year annuity, on behalf of a prize winner. The Lincoln Financial Group has a rating of AA- (strong capacity to meet financial commitments) from Standard & Poor's. The annuity is in the name of the prize winner and the Lottery does not recognize a liability for this annuity.

The annual payment paid to the winner by the insurance company is \$25,000. The likelihood of this becoming a liability to the Lottery is low.

On July 26, 2021, the Lottery self-financed an annuity for a term of 30 years on behalf of a prize winner. The Lottery does recognize the liability for this annuity. An annual payment of \$66,667 to paid to the winners (split claim). As of June 30, 2023, 28 years remain outstanding on the annuity totaling \$1,866,667.

### Note 12 — iLottery Net Wins

iLottery e-instant game revenue is reported as ticket sales net of bonus and prize expense in the Statement of Revenues, Expenses, and Changes in Net Position and Supplementary Schedule of Revenue and Expenses, and Distributions. Bonuses are a part of the Lottery's customer relationship management. iLottery e-Instant games range in payout from 83% to 87% with an average prize payout of 85% (of possible sales) for the full portfolio. The following schedule details the iLottery e-instant game sales, bonus and prize activity on a cash basis for the fiscal year ended June 30, 2023:

<b>iLottery E-Instant Games</b>	<b>2023</b>
Gross Sales	\$ 318,813,108
Prizes	(276,069,679)
Bonuses	( 5,294,818)
<b>Net Wins</b>	<b>\$ 37,460,105</b>
<b>Gross Profit Margin</b>	<b>11.7%</b>

### Note 13 — Sports Betting

Legalization of Sports Betting (RSA 287-I): In July 2019, the Governor signed House Bill 480 into law authorizing the New Hampshire Lottery Commission to operate and regulate sports betting within the State. Pursuant to the statute, the Commission issued a Request for Proposals (RFP) for sports betting agents on August 7, 2019. Based on the results of the RFP, the Commission entered into contracts with two agents who were approved by the Governor and Executive Council on November 25, 2019: DraftKings of Boston, Massachusetts for the mobile and sports book retail channels; and Intralot, Inc. of Duluth, Georgia for the lottery retail channel. The lottery retail channel has not been launched at this time.

Sports betting began operations on December 29, 2019 for mobile and internet based betting. Revenues are reported on a net income basis or gross bets (handle) less winnings and 15% of promotional expense. Promotional expense is capped at 15% of the Gross Gaming Revenue (GGR) and is reconciled at the end of the contract year. Lottery receives 51% of the of the GGR less promotional expenses.

Retail locations began opening on August 12, 2020. During the year, three retail locations were operating. Revenues are reported on a net income basis as defined above. Promotional expense is capped at 10% of the Gross Gaming Revenue (GGR) and is not reconciled at the end of the contract year. Lottery receives 50% of the GGR less promotional expenses.

## New Hampshire Lottery Commission Required Supplementary Information (Unaudited) – Fiscal Year Ended June 30, 2023

The tables below and on the following page display information about the New Hampshire Retirement System Plan and Postemployment Benefits.

### Schedule of the Lottery's Proportionate Share of the Net Pension Liability

(dollars in thousands)	2023	2022	2021	June 30, 2020	2019	2018	2017	2016	2015
Lottery's Proportion of the Net Pension Liability	0.09%	0.09%	0.08%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%
Lottery's Proportionate Share of the Net Pension Liability	\$5,274	\$3,939	\$5,404	\$3,835	\$3,789	\$4,402	\$4,948	\$3,675	\$3,400
Lottery's Covered Payroll	3,261	3,127	2,892	2,634	2,569	2,652	2,688	2,622	2,465
Lottery's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	161.73%	125.97%	186.89%	147.59%	147.47%	166.01%	184.08%	140.16%	137.93%
NHRS Fiduciary Net Position as a Percentage of the Total Pension Liability	65.12%	72.22%	58.72%	65.59%	64.73%	62.66%	58.30%	65.47%	66.32%

**Note:** The amounts presented were determined as of and for the measurement periods ended June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014.

Schedule is intended to show 10 years. Additional years will be added as they become available.

See accompanying independent auditor's report.

### Schedule of Lottery Contributions

(dollars in thousands)	2023	2022	2021	2020	June 30, 2019	2018	2017	2016	2015	2014
Required Lottery Contribution	\$516	\$536	\$411	\$378	\$350	\$330	\$330	\$330	\$300	\$294
Actual Lottery Contributions	516	536	411	378	350	330	330	330	300	294
Excess/(Deficiency) of Lottery Contributions	–	–	–	–	–	–	–	–	–	–
Lottery's Covered Payroll	3,464	3,174	2,942	2,706	2,654	2,714	2,808	2,617	2,648	2,465
Lottery Contribution as a Percentage of its Covered-Employee Payroll	14.90%	16.89%	13.97%	13.97%	13.19%	12.16%	11.75%	12.61%	11.33%	11.93%

Schedule is intended to show 10 years. Additional years will be added as they become available.

### Schedule of the Lottery's Proportionate Share of the Total OPEB Liability (Unaudited)

(dollars in thousands)	2023	2022	2021	June 30, 2020	2019	2018	2017
Lottery's Proportion of the total OPEB Liability	0.62%	0.63%	0.64%	0.69%	0.71%	0.72%	0.73%
Lottery's Proportionate Share of the total OPEB Liability	\$9,967	\$12,892	\$14,256	\$12,438	\$13,560	\$16,144	\$20,943
Lottery's Covered Payroll	\$3,261	\$3,127	\$2,892	\$2,634	\$2,569	\$2,652	\$2,688
Lottery's Proportionate Share of the total OPEB Liability as a Percentage of its Covered Payroll	305.64%	412.28%	492.95%	472.21%	527.83%	608.75%	779.13%

**Note:** The amounts presented were determined as of and for the measurement periods ended June 30, 2022, 2021, 2020, 2019, 2018, 2017 and 2016.

The schedule is intended to show 10 years. Additional years will be added as they become available.

Changes in assumptions reflect trend assumption revisions to reflect current experience.

#### Notes to the Required Supplementary Information:

There are no assets accumulated in a trust that meets the criteria in paragraph 4 to pay related benefits.

See accompanying independent auditor's report.

**New Hampshire Lottery Commission Other Supplementary Information  
Supplemental Schedule of Revenues, Expenses, and Distributions  
For the Year Ended June 30, 2023**

<b>OPERATING REVENUES</b>	
Instant tickets	\$319,750,816
Keno	54,185,609
MUSL Powerball	47,847,020
MUSL Mega Millions	38,895,323
Tri-State Megabucks	6,463,592
Tri-State Pick 3	5,024,988
Tri-State Pick 4	4,793,524
Tri-State Gimme 5	4,444,189
Tri-State Fast Play	17,833,808
Lucky for Life	11,253,684
iLottery, Net Wins	37,460,105
Racing & Charitable Gaming	18,732,185
Sports Betting	36,710,686
Other income	25,981
<b>Total operating revenues</b>	<b>603,421,510</b>
<b>OPERATING EXPENSES</b>	
<b>Cost of sales</b>	
<i>Prize awards</i>	
Instant tickets	228,867,661
Keno	36,820,929
MUSL Powerball	23,205,024
MUSL Mega Millions	19,232,263
Tri-State Megabucks	3,351,138
Tri-State Pick 3	2,505,106
Tri-State Pick 4	2,392,912
Lucky for Life	6,976,415
Tri-State Gimme 5	2,299,445
Tri-State Fast Play	13,715,013
<b>Total prize awards</b>	<b>339,365,906</b>
Retailers' commissions	33,393,787
Vendor fees	23,043,527
Cost of instant scratch games (printing and delivery)	7,073,382
Expense pools	534,416
<b>Total cost of sales</b>	<b>403,411,018</b>
<b>Administration:</b>	
Salaries and benefits	5,478,851
Advertising and promotional	4,178,650
Information technology	423,674
Other expenses	799,899
<b>Total administration</b>	<b>10,881,074</b>
Depreciation expense	170,064
<b>Total operating expenses</b>	<b>414,462,156</b>
Operating income	188,959,354
Nonoperating revenues (expenses)	
Interest and miscellaneous income	425,724
Interest on captial lease	(1,281)
<b>Net income</b>	<b>189,383,797</b>
Distributions to Education Trust Fund	(189,512,938)
Change in net position	\$ (129,141)

See accompanying independent auditor's report



# Statistical Section (Unaudited)

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Over \$2 Billion and Counting for our Schools

# Description of Statistical Section Contents

This part of the New Hampshire Lottery Commission’s annual comprehensive financial report presents detailed information as a context for understanding the content of the financial statements, note disclosures, and supplementary information. It is intended to illustrate the Lottery’s overall financial health.

*Financial Trends:* These schedules and graphs contain information to help the reader understand how the Lottery’s financial performance has changed over time. Please keep in mind the increase or decrease in net position does not reflect the condition of the Lottery’s financial position because, by law, the Lottery is required to distribute all net profits to the Education Trust Fund on a monthly basis. These trends are illustrated in the tables and graphs that reflect the last ten fiscal years and include:

- Revenues, Expenses, and Changes in Net Position
- Sales by Game
- Distributions to Education (Net Profit)
- Expenses
- Powerball and Instant Sales
- Online Game Sales Excluding Powerball
- Instant versus Online Sales

*Operating Information:* These schedules illustrate miscellaneous statistics by comparing certain information contained in the Lottery’s financial report as it relates to the programs it offers and the activities it performs:

- Game Statistics
- Prizes by Game

*Demographic and Economic Information:* These schedules and graphs offer demographic and economic indicators to help the reader understand the environment within which the Lottery’s operations take place and where it derives its revenues. The data includes nine to ten fiscal years of the following areas:

- Top Ten Revenue Producers
- Lottery Commission Employee Statistics
- New Hampshire Demographic Economic Statistics

*Industry Comparisons:* This data is sourced from the leading industry almanac and offers an understanding of New Hampshire Lottery’s performance in comparison to other state lotteries in Fiscal Year 2023:

- Unaudited Lottery Sales, Prizes, Gross Gaming Revenue and Government Transfers by GDP
- Sales by Game
- Fiscal Year 2023 versus 2022 Instant Sales by Price Point
- US Lotteries Total Sales for Fiscal Year 2023 – Ranked (Unaudited)
- US Lotteries Ranked by Instant Sales

# Revenues, Expenses, and Changes in Net Position for Last Ten Years

Thousands	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues (in thousands)</b>										
Instant Scratch Games	\$ 195,293	\$ 208,938	\$ 218,037	\$ 223,368	\$ 238,867	\$ 250,477	\$ 272,265	\$ 320,336	\$ 313,816	\$ 319,751
Keno	-	-	-	-	8,357	26,959	28,988	47,902	53,537	54,186
MUSL Powerball	35,034	28,669	42,546	32,446	36,780	37,618	23,913	31,187	40,581	47,847
MUSL Mega Millions	13,499	12,533	11,265	11,287	16,948	31,611	17,495	26,890	18,805	38,895
MUSL Hot Lotto	3,160	3,697	2,699	2,749	1,322	-	-	-	-	-
Tri-State Megabucks	8,105	7,432	7,838	7,645	8,740	9,359	8,087	8,068	6,830	6,464
Tri-State Daily Pick 3/Pick 4	9,855	9,968	10,333	10,809	10,384	10,254	10,499	11,150	10,316	9,819
Tri-State Other Games	4,304	4,623	5,329	5,531	5,909	7,969	8,115	20,260	22,610	22,278
Lucky for Life	6,361	5,272	5,295	5,319	5,445	5,607	5,539	5,634	8,351	11,254
iLottery	-	-	-	-	-	4,513	10,733	23,720	29,857	37,460
Racing & Charitable Gaming <sup>6</sup>	-	-	5,038	4,892	5,010	5,996	4,426	7,107	8,697	18,732
Sports Betting	-	-	-	-	-	-	2,158	16,724	23,153	36,711
Income Other than Ticket Sales	375	1,850	188	275	134	675	432	27	218	452
Total Sales and Other Revenue <sup>2</sup>	\$ 275,986	\$ 282,982	\$ 308,568	\$ 304,321	\$ 337,895	\$ 391,038	\$ 392,651	\$ 519,005	\$ 536,771	\$ 603,847
<b>Operating Expenses</b>										
Prizes	171,846	176,415	192,963	191,778	211,534	240,812	246,878	310,919	321,750	339,366
Retailer Commissions & Incentives	15,823	16,256	18,057	17,204	19,909	23,468	23,083	32,146	30,417	33,394
Other Costs of Sales	7,217	7,800	8,262	8,444	8,569	11,278	13,887	20,645	26,677	30,651
Administration & Depreciation Expenses	8,624	8,264	10,205	10,742	10,499	8,896	9,369	10,813	8,564	11,051
Total Expenses	203,510	208,735	229,487	228,168	250,510	284,454	293,217	374,523	387,407	414,462
<b>Non-operating Expenses</b>										
Transfer in of RCGC operations	-	-	(1,089)	-	-	-	-	-	-	-
Interest on mortgage payable	-	-	-	-	-	50	98	94	6	-
Interest on capital lease	-	-	-	-	-	-	-	-	2	1
Distributions to Education	72,380	74,325	79,185	76,120	87,279	105,853	99,791	144,237	146,561	189,513
<b>Change in Net Position</b>										
Change in Net Position <sup>1</sup>	96	(78)	(1,193)	34	107	681	(453)	151	2,795	(129)
Invested in capital assets	246	187	211	145	72	73	169	283	310	3,001
Restricted for prize funds	4,230	4,152	4,048	4,083	4,189	4,869	4,417	4,568	4,653	4,524
Unrestricted Deficit <sup>3, 4</sup>	(246)	(2,777)	(3,890)	(3,824)	(24,332)	(24,333)	(24,429)	(24,543)	(21,860)	(24,551)
Ending Net Position <sup>5</sup>	\$ 4,230	\$ 1,562	\$ 369	\$ 404	\$ (20,071)	\$ (19,390)	\$ (19,842)	\$ (19,692)	\$ (16,897)	\$ (17,027)

<sup>1</sup>The change in net position does not reflect the condition of the Lottery's financial position, because by law the Lottery is required to transfer all net profits to the Education Trust Fund on a monthly basis.

<sup>2</sup>State law restricts the maximum sales amount of a ticket to \$30.

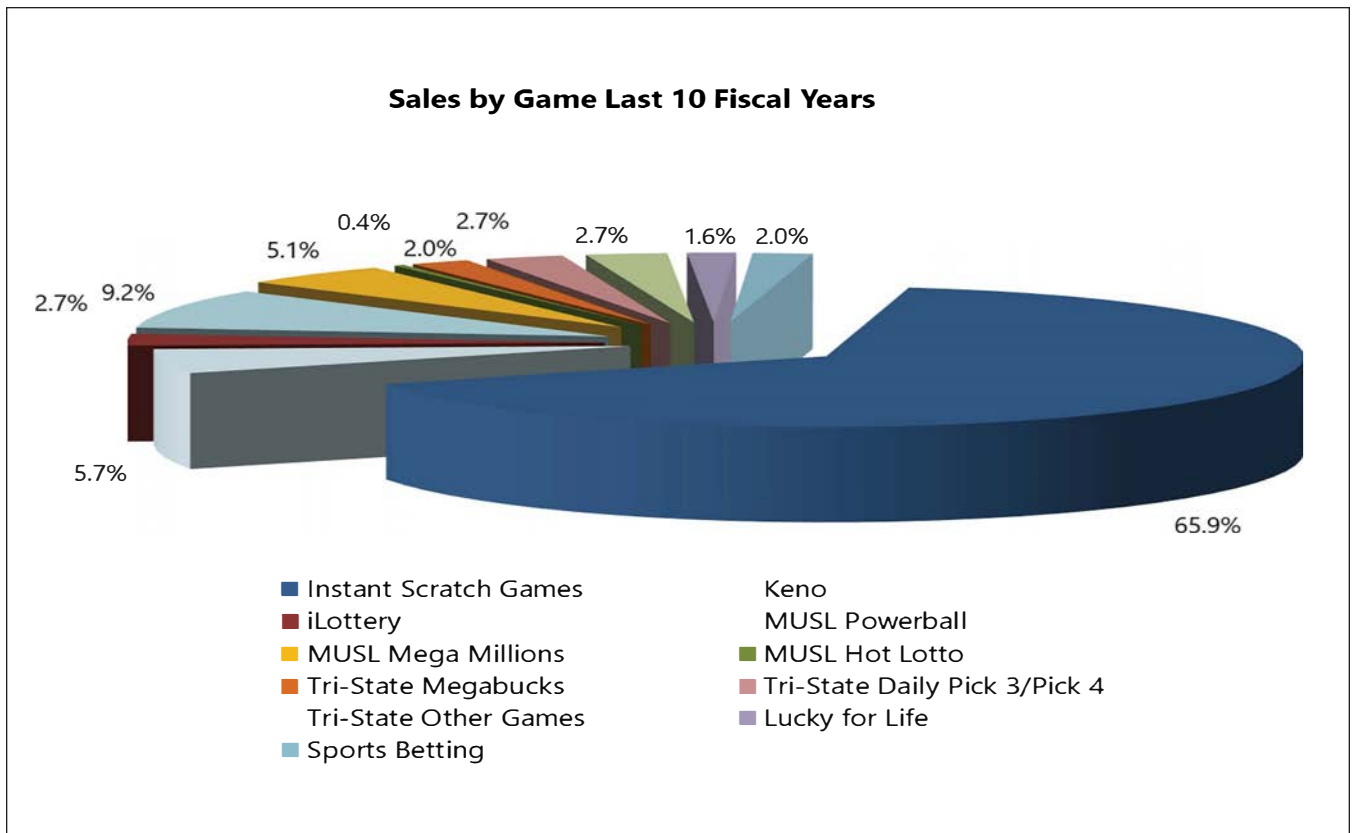
<sup>3</sup>The increase in Unrestricted Deficit was due to an accounting change for fiscal year 2015 in accordance with GASB Statement No. 68.

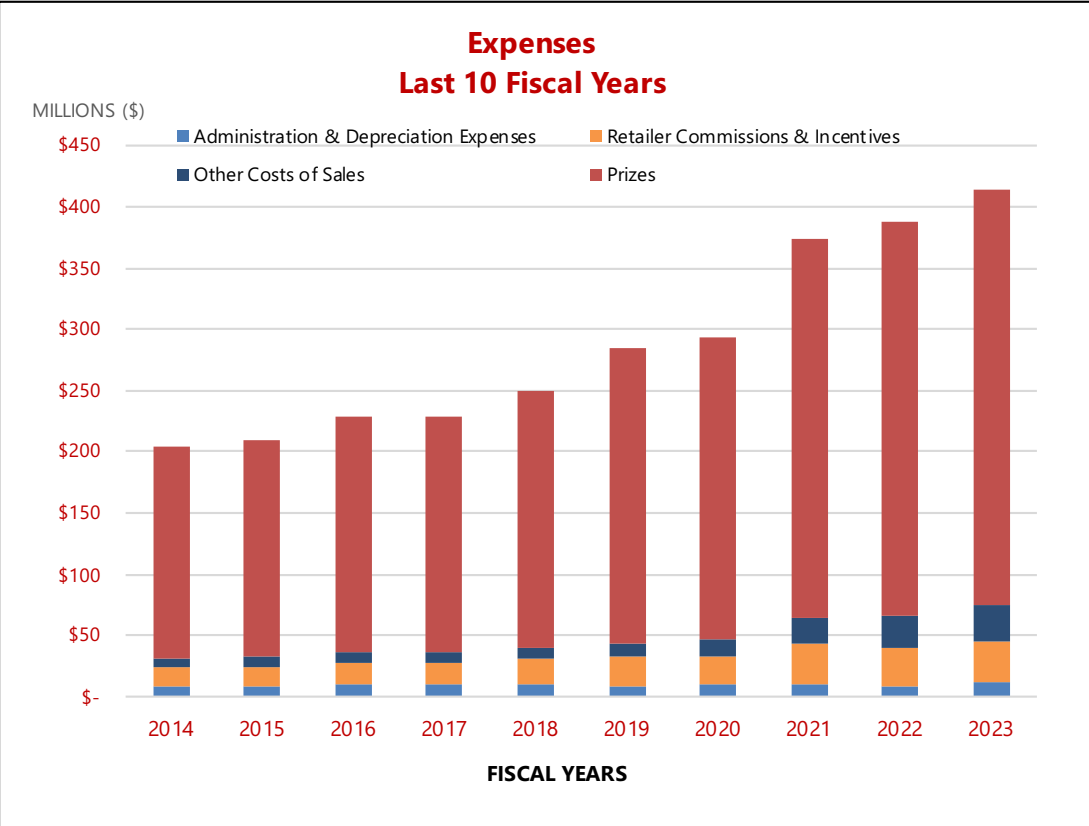
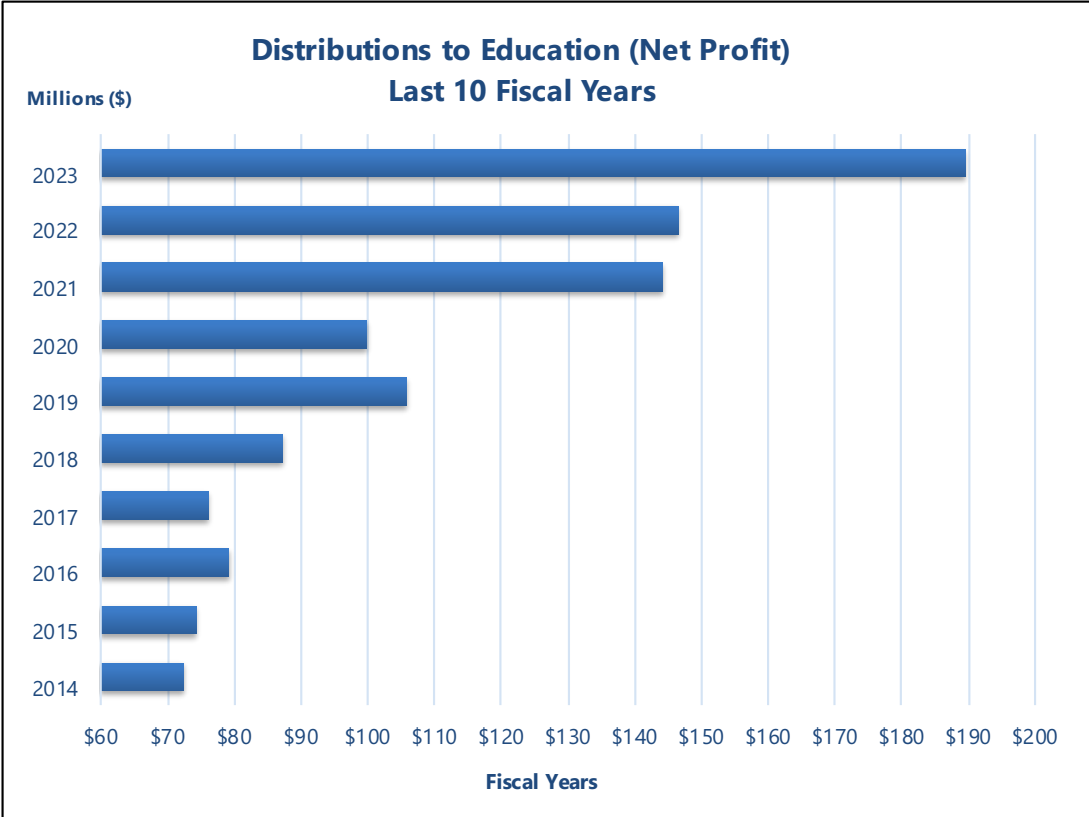
<sup>4</sup>The increase in Unrestricted Deficit in 2016 was due to the merger with Racing and Charitable Gaming (RCGC). See Note 1.

<sup>5</sup>FY 2018 restated for the effects of implementing new accounting standard GASB Statement No. 75.

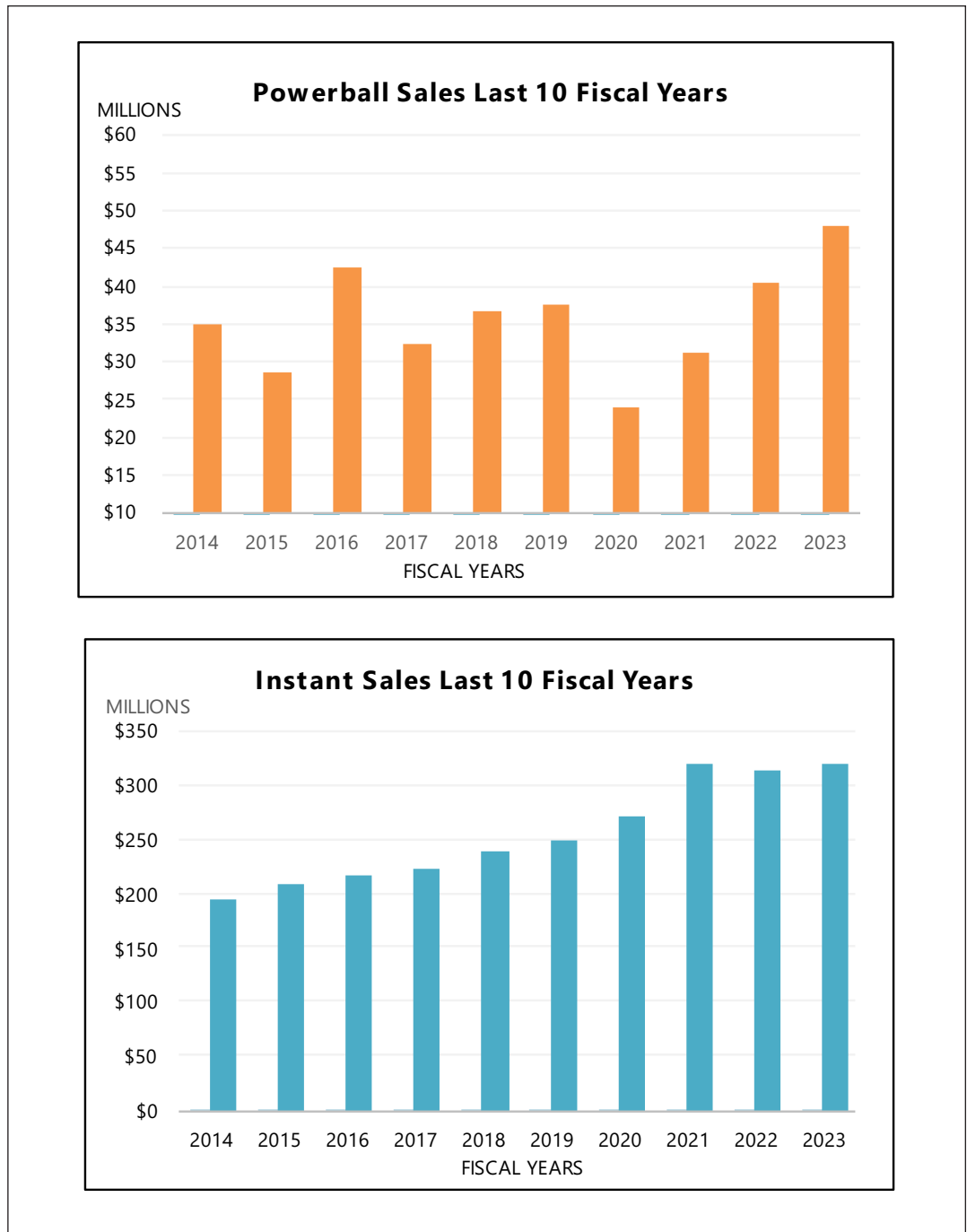
<sup>6</sup>Historic Horseracing operations began in April 2022.

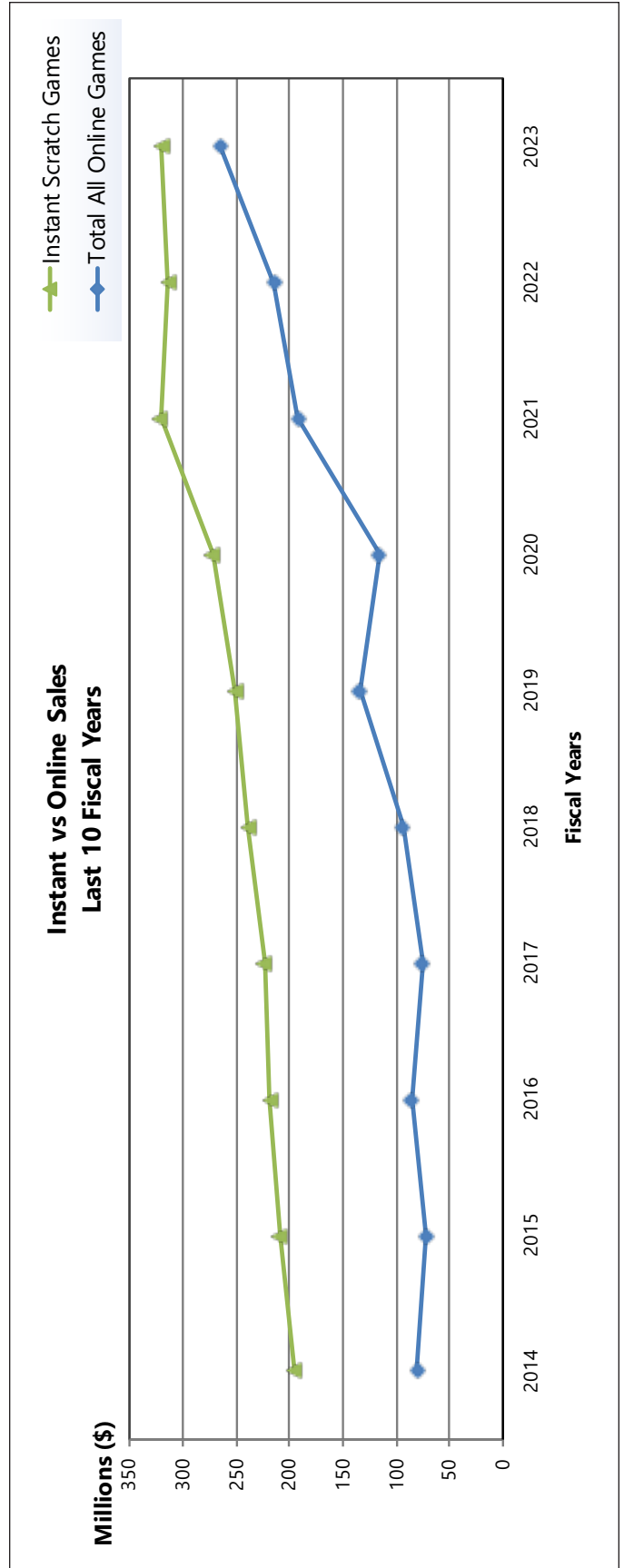
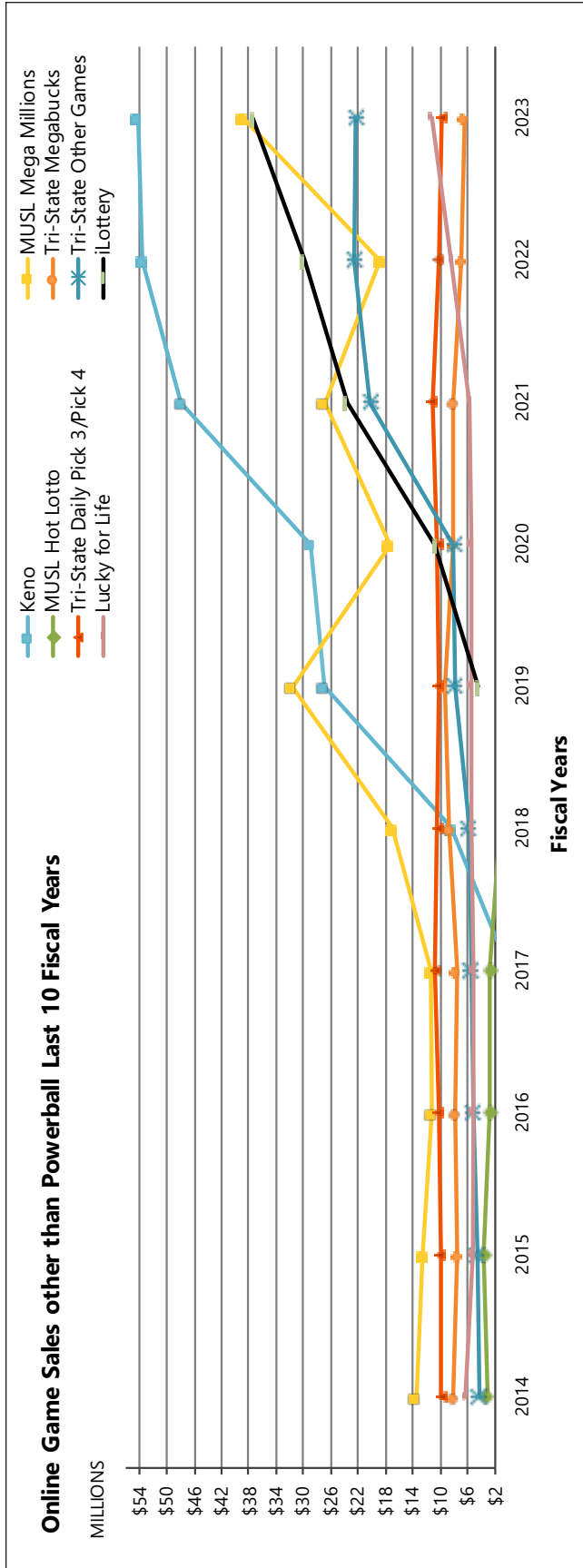
# Sales by Game Last Ten Fiscal Years





Over the last ten years, instant scratch games sales were the strongest of all lottery products. Instant Games are, for the most part, an impulse purchase depending on discretionary spending. Consumers' demand for more technologically advanced types of gambling also has affected sales. Powerball sales fluctuated widely over the last ten years due to the number and size of jackpots. A \$300 million jackpot can sell three times as many tickets as a \$40 million jackpot, however, large jackpots cannot be predicted and are subject to the “luck of the draw.” In November of 2022, Powerball had a record-breaking jackpot of \$2.0 billion.





**The table below shows Prizes as a Percentage of Sales for Instant and Online Games (in thousands)**

		Prizes as a Percentage of Sales for Instant and Online Games (in thousands)										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Instant Games</b>												
Sales	\$	195,293	\$ 208,938	\$ 218,037	\$ 223,368	\$ 238,867	\$ 250,477	\$ 272,265	\$ 320,336	\$ 313,816	\$ 319,751	
Prizes		132,561	141,186	149,753	153,260	162,587	170,732	189,990	221,774	226,567	228,868	
Prizes % of sales		67.78%	67.57%	68.68%	68.61%	68.07%	68.16%	69.78%	69.23%	72.20%	71.58%	
<b>Online Games</b>												
Sales	\$	80,318	\$ 72,193	\$ 85,305	\$ 75,787	\$ 93,885	\$ 133,890	\$ 115,528	\$ 191,535	\$ 214,040	\$ 264,913	
Prizes		39,485	35,229	43,210	38,519	48,947	70,081	56,889	89,146	95,184	110,498	
Prizes as a % of sales		49.16%	48.80%	50.65%	50.83%	52.13%	52.34%	49.24%	46.54%	44.47%	41.71%	



**Game Statistics for Last Ten Fiscal Years**

Fiscal Year	Number of Lottery Retailers	Number of Online Games Offered <sup>4</sup>	Number of Instant Games On the Market	Highest Priced Instant Ticket	Number of Subscriptions <sup>6</sup>	Number of Replay Members <sup>9</sup>	Number of Powerball Jackpot Runs that Exceeded <sup>2</sup> \$100 Million	Highest Powerball Jackpot Amount	Expired Unclaimed Powerball Prizes <sup>3</sup>
2023	1361	10	105	\$25	412	0	6	\$2,040,100,000	\$781,537 <sup>(5)</sup>
2022	1384	10	109	\$25	2,513	0	5	\$699,800,000	\$465,993
2021	1365	10	128	\$25	7,787	0	4	\$731,100,000	\$419,858
2020	1350	10	105	\$25	7,741	0	6	\$396,900,000	\$330,194
2019	1363	10	107	\$25	7,868	0	6	\$768,400,000	\$672,952
2018	1348	10 <sup>(6)</sup>	106	\$25	8,188	313,536	7	\$758,700,000	\$756,293
2017	1228	9	101	\$25	8,808	285,465	8	\$487,000,000	\$564,363
2016	1239	9	107	\$25	8,857	300,822	7	\$1,586,400,000	\$790,051
2015	1236	10 <sup>(1)</sup>	95	\$25	8,059	194,553	6	\$564,100,000	\$330,239
2014	1239	9	86	\$25	7,681	283,212	8	\$448,400,000	\$452,677

<sup>1</sup> Monopoly offered from 10/24/14 - 12/26/14. <sup>2</sup> The higher the jackpot amount, the more ticket sales increase. <sup>3</sup> Expired unclaimed Powerball prize money goes to the Education Trust Fund.

<sup>4</sup> Pick 3 & Pick 4 counted as two games. <sup>5</sup> This is an estimate. <sup>6</sup> The Lottery lost subscription purchases due to Master Card and Visa changing the Lottery coding to a gambling establishment rather than a government agency, thereby charging customers higher fees. Mega Millions and Powerball subs ended in FY2022.

<sup>8</sup> Hot Lotto ended in FY18. Last drawing held on 10/28/17. Keno began 12/15/17.

<sup>9</sup> Traditional replay ended 12/6/17.

**Prizes by Game for Last Ten Fiscal Years**

Fiscal Year	Instant Games	Keno <sup>a</sup>	MUSL Powerball	MUSL Other Lotto	Tri-State Megabucks	Tri-State Pick 3 & Pick 4	Tri-State Other	Lucky for Life	Other - Replay <sup>b</sup>	Fiscal Year Total Prizes
2023	\$228,867,661	\$36,820,929	\$23,205,024	\$19,232,263	\$3,351,138	\$4,898,018	\$16,014,458	\$6,976,415	\$0	\$339,365,906
2022	\$226,566,803	\$36,770,703	\$19,412,777	\$9,188,454	\$3,345,909	\$5,158,264	\$16,170,851	\$5,136,490	\$0	\$321,750,251
2021	\$221,774,478	\$33,292,049	\$15,159,869	\$13,108,466	\$3,648,605	\$5,613,640	\$14,593,266	\$3,728,927	\$0	\$310,919,300
2020	\$189,990,318	\$20,011,985	\$11,541,816	\$7,827,801	\$4,131,902	\$5,249,577	\$5,224,376	\$2,900,121	\$0	\$246,877,896
2019	\$170,732,028	\$18,491,109	\$18,055,504	\$15,436,958	\$4,552,843	\$5,127,254	\$5,103,637	\$3,312,359	\$0	\$240,811,692
2018	\$162,587,401	\$5,727,033	\$17,623,212	\$8,871,460	\$4,558,213	\$5,191,942	\$3,679,525	\$3,293,573	\$1,146	\$211,533,505
2017	\$153,259,505	-	\$15,596,479	\$6,979,459	\$3,771,251	\$5,401,945	\$3,429,185	\$3,223,925	\$116,654	\$191,778,403
2016	\$149,752,984	-	\$20,582,304	\$6,843,711	\$4,197,978	\$5,166,995	\$3,398,390	\$2,913,422	\$107,604	\$192,963,388
2015	\$141,186,490	-	\$13,974,195	\$7,928,740	\$3,800,663	\$4,970,674	\$2,707,801	\$1,735,469	\$111,321	\$176,415,353
2014	\$132,361,282	-	\$16,134,004	\$8,132,813	\$3,959,434	\$4,941,370	\$2,483,648	\$3,674,431	\$159,322	\$171,846,304

<sup>a</sup> Keno began 12/15/17. <sup>b</sup> Traditional replay ended 12/6/17.

## Top Ten Revenue Producers Last Ten Fiscal Years (in millions)

	2023		2022		2021		2020		2019	
<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>
Circle K	\$ 46.5	Circle K	\$ 33.9	Circle K	\$ 40.5	Circle K	\$ 33.1	Circle K	\$ 32.7	Circle K
Demoulas Market Basket	23.8	Cumberland Farms	18.3	Cumberland Farms	24.6	Cumberland Farms	21.4	Cumberland Farms	21.9	Cumberland Farms
Cumberland Farms	23.5	Global Montello	17.4	Global Montello	21.2	Hannaford Food & Drug	18.1	Demoulas Market Basket	19.3	Demoulas Market Basket
Global Montello	22.9	Hannaford Food & Drug	15.3	Hannaford Food & Drug	19.1	Global Montello	17.8	Hannaford Food & Drug	18.7	Hannaford Food & Drug
Hannaford Food & Drug	22.0	Demoulas Market Basket	14.3	Demoulas Market Basket	19.0	Demoulas Market Basket	15.1	Global Montello	16.6	Global Montello
Nouria Energy (Shell)	13.9	7- Eleven	11.5	7- Eleven	15.1	7- Eleven	13.0	7- Eleven	13.5	7- Eleven
7- Eleven	12.9	Nouria Energy (Shell)	10.6	Nouria Energy (Shell)	12.6	Nouria Energy (Shell)	11.6	Nouria Energy (Shell)	12.7	Nouria Energy (Shell)
NH State Liquor Comm	11.4	NH State Liquor Comm	9.0	Shaws Supermarket	11.1	NH State Liquor Comm	10.5	NH State Liquor Comm	12.0	NH State Liquor Comm
Shaws Supermarket	10.5	Shaws Supermarket	7.9	NH State Liquor Comm	11.1	Shaws Supermarket	9.7	Shaws Supermarket	10.3	Shaws Supermarket
CN Brown Big Apple	5.2	CN Brown Big Apple	4.3	CN Brown Big Apple	5.4	CN Brown Big Apple	4.5	CN Brown Big Apple	4.1	CN Brown Big Apple
	2018		2017		2016		2015		2014	
<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>	<b>Amount</b>	<b>Retailers</b>
Circle K	\$ 30.1	Circle K	\$ 26.9	Circle K	\$ 26.4	Circle K	\$ 22.8	Circle K	\$ 21.0	Circle K
Cumberland Farms	20.3	Cumberland Farms	18.4	Cumberland Farms	18.9	Cumberland Farms	17.2	Hannaford Food & Drug	16.4	Hannaford Food & Drug
Hannaford Food & Drug	18.0	Hannaford Food & Drug	17.6	Hannaford Food & Drug	18.4	Hannaford Food & Drug	17.2	Cumberland Farms	15.7	Cumberland Farms
Demoulas Market Basket	17.7	Demoulas Market Basket	16.5	Demoulas Market Basket	16.3	Demoulas Market Basket	14.0	Demoulas Market Basket	15.0	Demoulas Market Basket
7- Eleven	12.8	7- Eleven	11.6	Nouria Energy (Shell)	11.1	Nouria Energy (Shell)	10.4	Shaws Supermarket	9.6	Shaws Supermarket
Nouria Energy (Shell)	11.8	Nouria Energy (Shell)	10.9	Shaws Supermarket	10.5	Shaws Supermarket	9.9	Nouria Energy (Shell)	9.5	Nouria Energy (Shell)
NH State Liquor Comm	11.2	NH State Liquor Comm	10.5	NH State Liquor Comm	9.9	NH State Liquor Comm	9.5	NH State Liquor Comm	9.4	NH State Liquor Comm
Shaws Supermarket	10.0	Shaws Supermarket	10.0	7- Eleven	8.8	7- Eleven	8.6	7- Eleven	8.6	7- Eleven
Global Montello	6.7	Global Montello	5.5	Global Montello	5.8	Global Montello	5.4	Tedeschi Food Shops	5.0	Tedeschi Food Shops
Cheshire Oil T-Birds	5.0	Cheshire Oil T-Birds	4.3	Tedeschi Food Shops	4.1	Tedeschi Food Shops	4.8	Global Montello	4.8	Global Montello

## New Hampshire Lottery Commission Employee Statistics for Ten Fiscal Years

Fiscal Year	Number of Employees <sup>1</sup>	Salaries Paid	Benefits Paid to Employees	Number of Retirees and Spouses	Other Post-Employment Benefits Paid <sup>2</sup>
2023	70	\$ 4,165,642	\$ 2,139,914	101	\$ 336,149
2022	73	\$ 4,068,667	\$ 2,189,328	99	\$ 249,970
2021	71	3,790,356	1,754,553	98	518,418
2020	69	3,620,630	1,813,413	106	591,986
2019	67	3,216,759	1,668,826	107	611,332
2018	66	3,096,478	1,572,514	107	607,903
2017	64	3,181,302	1,462,336	113	614,028
2016	68	3,319,789	1,518,548	105	547,599
2015	52	2,296,906	1,109,007	65	373,195
2014	58	2,227,878	1,154,200	66	320,596
2013	56	2,192,082	1,111,644	62	323,491
2012	63	2,042,681	956,953	61	371,537

<sup>1</sup> Includes part-time employees <sup>2</sup> The Lottery is required to pay retiree benefits due to being a self-funded agency.

## New Hampshire Demographics and Economic Statistics

Calendar Year	Population	Personal Income <sup>1</sup>	Per Capita Personal Income <sup>1</sup>	Unemployment Rate <sup>2</sup>
2022	1,395	103,121	73,910	2.40%
2021	1,389	101,674	73,200	3.00%
2020	1,378	90,745	66,418	6.71%
2019	1,359	86,345	63,502	2.60%
2018	1,356	83,293	61,405	2.60%
2017	1,343	77,309	57,574	2.70%
2016	1,331	74,687	55,945	2.90%
2015	1,330	72,549	54,543	3.40%
2014	1,327	69,624	52,400	4.30%
2013	1,323	68,262	61,611	5.10%
2012	1,321	68,482	51,844	5.50%
2011	1,318	65,340	49,562	5.40%

Source: US Dept. of Commerce, Bureau of Census  
<sup>1</sup>NH Dept. of Employment Security, Economic and Labor Market Information Bureau, NH Vital Signs Yrs 2011 - 2020. U.S. Bureau of Economic Analysis, State annual summary statistics Yrs 2021 -2022.  
<sup>2</sup>NH Dept. of Employment Security, Economic and Labor Market Information Bureau, Economic Conditions Seasonally Adjusted June Estimated

Fiscal 2023 U.S. Unaudited Lottery Sales, Prizes & Government Transfers Measured by GDP

Lottery	2022 Pop. <sup>1</sup> (Mil)	1Q23 GDP <sup>2</sup>	Lottery Sales	VLT (net) <sup>3</sup>	Prizes <sup>4</sup>	Gov't Transfer <sup>5</sup>	Lottery PC Sales	PC Gov't	Lottery Sales as % of GDP	Gov't Transfer as % of GDP	Prizes as % of Sales	Transfer as % of Lottery
Arizona	7.4	479,759	1,516.7		1,020.7	318.4	\$206	\$43	0.316%	0.066%	67.3%	21.0%
Arkansas	3.0	171,152	607.6		416.8	114.8	\$200	\$38	0.355%	0.067%	68.6%	18.9%
California	39.0	3,755,487	9,250.4		5,988.4	3,262.0	\$237	\$84	0.246%	0.087%	64.7%	35.3%
Colorado	5.8	502,026	889.8		575.5	195.3	\$152	\$33	0.177%	0.039%	64.7%	21.9%
Connecticut	3.6	333,102	1,451.2		902.5	401.3	\$400	\$111	0.436%	0.120%	62.2%	27.7%
Delaware 4,5	1.0	91,581	254.7	414.3	144.4	239.6	\$250	\$235	0.278%	0.262%	56.7%	
D.C.	0.7	168,559	197.3				\$294		0.117%			
Florida	22.2	1,468,015	9,801.8		6,698.1	2,454.1	\$441	\$110	0.668%	0.167%	68.3%	25.0%
Georgia	10.9	792,151	6,136.9		3,852.9	1,516.4	\$562	\$139	0.775%	0.191%	62.8%	24.7%
Idaho	1.9	114,923	422.6		285.9	82.0	\$218	\$42	0.368%	0.071%	67.6%	19.4%
Illinois	12.6	1,071,552	3,609.6		2,364.9	881.6	\$287	\$70	0.337%	0.082%	65.5%	24.4%
Indiana	6.8	473,353	1,746.3		1,146.1	370.2	\$256	\$54	0.369%	0.078%	65.6%	21.2%
Iowa	3.2	241,248	481.5		305.3	108.2	\$150	\$34	0.200%	0.045%	63.4%	22.5%
Kansas	2.9	220,402	351.3		205.0	85.1	\$120	\$29	0.159%	0.039%	58.4%	24.2%
Kentucky	4.5	271,994	1,499.8		950.9	384.3	\$332	\$85	0.551%	0.141%	63.4%	25.6%
Louisiana	4.6	289,945	652.4		373.1	212.1	\$142	\$46	0.225%	0.073%	57.2%	32.5%
Maine	1.4	88,258	410.3		284.0	73.2	\$296	\$53	0.465%	0.083%	69.2%	17.8%
Maryland 4,5	6.2	488,116	2,764.4	1,347.9	1,732.9	714.3	\$448	\$116	0.566%	0.146%	62.7%	
Massachusetts	7.0	721,876	6,111.5		4,483.7	1,175.8	\$875	\$168	0.847%	0.163%	73.4%	19.2%
Michigan 6	10.0	645,293	4,864.0		3,041.8	1,273.0	\$485	\$127	0.754%	0.197%	62.5%	26.2%
Minnesota	5.7	464,987	787.2		488.0	196.1	\$138	\$34	0.169%	0.042%	62.0%	24.9%
Mississippi	2.9	146,796	467.7		256.9	122.4	\$159	\$42	0.319%	0.083%	54.9%	26.2%
Missouri	6.2	406,936	1,644.5		1,089.6	425.0	\$266	\$69	0.404%	0.104%	66.3%	25.8%
Montana	1.1	67,785	87.6		49.4	24.6	\$78	\$22	0.129%	0.036%	56.4%	28.1%
Nebraska	2.0	170,145	220.2		129.0	55.8	\$112	\$28	0.129%	0.033%	58.6%	25.3%
N. Hampshire	1.4	109,985	548.0		340.3	186.9	\$393	\$134	0.498%	0.170%	62.1%	34.1%
New Jersey	9.3	776,923	3,899.0		2,230.5	1,300.0	\$421	\$140	0.502%	0.167%	57.2%	33.3%
New Mexico	2.1	124,480	168.5		91.9	50.6	\$80	\$24	0.135%	0.041%	54.5%	30.0%
New York 4,5	19.7	2,135,672	8,292.3	1,835.1	4,924.1	3,685.3	\$421	\$187	0.388%	0.173%	59.4%	
N. Carolina	10.7	762,866	4,342.7		2,863.7	1,015.3	\$406	\$95	0.569%	0.133%	65.9%	23.4%
N. Dakota	0.8	73,886	39.3		20.2		\$50		0.053%		51.2%	
Ohio 4,5	11.8	852,903	4,463.7	1,354.6	2,800.3	1,464.2	\$380	\$125	0.523%	0.172%	62.7%	
Oklahoma	4.0	243,350	379.8		234.2		\$95		0.156%		61.6%	
Oregon 4	4.2	316,593	440.6	1,181.8	270.8	99.3	\$104	\$23	0.139%	0.031%	61.5%	
Pennsylvania	13.0	961,946	5,136.0		3,317.5	1,102.5	\$396	\$85	0.534%	0.115%	64.6%	21.5%
R. Island 4,5	1.1	74,094	316.3	532.0		434.7	\$289	\$397	0.427%	0.587%		
S. Carolina	5.3	308,927	2,402.7		1,582.6	599.7	\$455	\$114	0.778%	0.194%	65.9%	25.0%
S. Dakota 4,5	0.9	70,316	85.2	329.5	50.4	17.1	\$94	\$19	0.121%	0.024%	59.1%	
Texas	30.0	2,436,346	8,725.7		5,818.1	2,161.5	\$291	\$72	0.358%	0.089%	66.7%	24.8%
Vermont	0.6	42,239	161.5				\$250		0.382%			
Virginia	8.7	676,734	2,774.0		1,582.1	867.4	\$319	\$100	0.410%	0.128%	57.0%	31.3%
Washington	7.8	761,415	1,003.5		618.8	384.6	\$129	\$49	0.132%	0.051%	61.7%	38.3%
W. Virginia 4	1.8	96,012	265.2	996.0	164.7	53.5	\$149	\$30	0.276%	0.056%	62.1%	
Wisconsin	5.9	417,301	981.7				\$167		0.235%			
Wyoming	0.6	47,420	44.3		12.3	6.5	\$76	\$11	0.093%	0.014%	27.9%	14.6%
<b>Total</b>	<b>312.4</b>	<b>24,934,849</b>	<b>100,697.0</b>	<b>7,991.1</b>	<b>63,708.1</b>	<b>28,114.5</b>	<b>\$322</b>	<b>\$90</b>	<b>0.404%</b>			

Fiscal year ends June 30 except New York (March 31), Texas (August 31) and Michigan (Sept. 30).

<sup>1</sup> Source: U.S. Census Bureau; <sup>2</sup> Source: U.S. Bureau of Economic Analysis; <sup>3</sup> VLT net machine income

<sup>4</sup> Prizes do not include VLT prizes paid; <sup>5</sup> Includes transfers for VLT, casino games & sports; <sup>6</sup> Estimated FY23 sales

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U.S. Lotteries' Unaudited Fiscal Year 2023 Sales by Game

	Pop. (M)	(in \$Millions)											Total Sales	PC Sales	VLT <sup>1</sup>		
		Instant	Pull Tab	3- Digit	4- Digit	In State Lotto	S. Bloc Lotto	Power Ball	Mega Millions	For Life	Monitor ITG	Monitor Games				Other	
Arizona	7.3	1,063.0	15.5	16.3		71.2		162.4	142.3			46.2			1,516.7	\$208	
Arkansas	3.0	476.6		12.3	6.7	15.6		39.1	32.3	7.1	17.9			607.6	\$201		
California	39.2	6,585.5		180.1	35.5	454.3		750.5	792.7			451.8		9,250.4	\$236		
Colorado	5.8	596.7		15.5		59.9		109.8	84.6	23.2				889.8	\$153		
Connecticut	3.6	754.9		133.8	130.9	44.7		100.8	79.2	30.2	40.7	135.9		1,451.2	\$402		
D.C.	0.7	42.1		37.0	50.3			9.7	8.0	3.1	9.8	12.7	24.7	197.3	\$294		
Delaware	1.0	117.2		32.8	29.0	4.2	4.2	28.4	23.2	5.3		10.5		254.7	\$254	414.3	
Florida	21.8	7,043.9		462.3	304.9	591.4		632.6	511.6	64.6			190.6	9,801.8	\$450		
Georgia	10.8	3,694.1		572.0	400.5	122.6		214.8	221.1	26.7	4.9	228.3	652.0	6,136.9	\$568		
Idaho	1.9	239.8	80.6	2.3	1.1	6.2	3.7	39.3	28.7	5.2	13.2		2.5	422.7	\$222		
Illinois	12.7	2,042.5		275.1	281.8	237.0		219.5	218.4		334.0		1.5	3,609.6	\$285		
Indiana	6.8	1,306.7		48.9	47.6	91.1		120.8	85.1	7.0	29.5		9.5	1,746.3	\$257		
Iowa	3.2	293.6	13.0	9.1	5.8		10.4	65.6	43.8	8.4	31.8			481.5	\$151		
Kansas	2.9	216.9		8.5		10.2	10.3	44.1	32.5	7.9		18.0	3.0	351.3	\$120		
Kentucky	4.5	943.5		177.2	53.3	15.9		87.9	65.0	11.9	17.1	75.2	52.8	1,499.8	\$333		
Louisiana	4.6	319.3		69.5	57.3	30.9		84.1	61.3		18.5		11.7	652.4	\$141		
Maine	1.4	317.9		6.2	5.0	1.1	12.2	27.6	20.1	6.6	13.6			410.3	\$299		
Maryland	6.2	1,063.1		249.8	318.2	46.6		157.8	147.0	20.2	79.1	604.3	63.3	2,749.4	\$446	1,347.9	
Massachusetts	7.0	4,043.6	0.8		340.9	106.3		169.7	159.5	44.8		1,245.8		6,111.5	\$875		
Michigan <sup>2</sup>	10.1	2,324.4	42.6	482.7	563.2	109.7		146.8	141.3	23.0	97.8	622.3	310.5	4,864.0	\$484		
Minnesota	5.7	545.7		20.8		29.3	18.3	93.8	63.7		8.5		7.0	787.2	\$138		
Mississippi	2.9	311.5		18.8	16.7	17.1		49.2	41.1			13.3		467.7	\$159		
Missouri	6.2	1,159.7		100.0	68.8	49.1		109.6	82.2	10.4		50.8	13.8	1,644.5	\$267		
Montana	1.1	26.6				13.0	2.7	16.2	11.5	3.9	8.2		5.6	87.6	\$79		
Nebraska	2.0	116.6		8.1		17.1	2.0	41.8	26.7	8.0				220.2	\$112		
New Hampshire	1.4	320.2		5.0	4.8		9.2	38.2	30.9	9.0	17.8	54.2	58.8	548.0	\$395		
New Jersey	9.3	2,169.9		398.2	250.8	202.4		308.6	293.7	62.7	53.0	159.8		3,899.0	\$421		
New Mexico	2.1	88.0		4.9	1.9	6.8	6.1	33.7	26.0		1.1			168.5	\$80		
New York	19.8	4,406.3		886.2	930.0	276.2		516.9	492.3	119.5		630.1	34.9	8,292.3	\$418	1,835.1	
North Carolina	10.6	2,979.9		457.5	219.7	72.1		231.3	176.5	44.8	75.9	84.4	0.6	4,342.7	\$412		
North Dakota	0.8						8.2	15.3	11.8	4.1				39.4	\$51		
Ohio	11.8	2,338.9		410.9	257.5	81.8		202.7	210.6	40.3	180.8	676.5	63.9	4,463.7	\$379	1,354.6	
Oklahoma	4.0	248.9		6.7		3.8	9.2	55.6	43.1	6.9	5.6			379.8	\$95		
Oregon	4.2	158.0			2.0	37.4		75.9	55.8			109.1	2.5	440.6	\$104	1,181.8	
Pennsylvania	13.0	3,348.6		260.5	225.1	265.9		334.1	260.5	26.0	145.2	50.7	219.4	5,136.0	\$396		
Rhode Island	1.1	124.3	0.0		22.3	8.3		29.7	20.9	7.7		88.8	14.4	316.3	\$289	532.0	
S. Carolina	5.2	1,628.6		287.1	157.1	27.1		134.4	95.8				72.6	2,402.7	\$463		
South Dakota	0.9	48.2				2.3	2.5	17.8	10.4	4.0				85.2	\$95	329.5	
Texas	29.5	6,729.3		295.6	148.8	409.5		616.7	525.8					8,725.6	\$296		
Vermont	0.6	116.1		1.3	1.3		4.0	13.7	9.9	3.0	12.3			161.5	\$250		
Virginia	8.6	1,281.7		324.8	353.2	45.2		178.8	182.9	29.6	52.9	35.7	291.3	2,776.0	\$321		
Washington	7.7	669.0		21.6		93.6		107.2	106.0				6.0	1,003.4	\$130		
West Virginia	1.8	171.9		7.5	4.9	4.5	7.3	37.3	24.8			4.7	2.3	265.2	\$149	502.4	
Wisconsin	5.9	653.0	1.4	26.7	18.1	83.9		107.5	82.7		7.3		1.1	981.7	\$166		
Wyoming	0.6					14.2	1.3	11.7	9.9	2.8		4.4		44.3	\$77		
<b>Total</b>	<b>311.2</b>	<b>63,125.8</b>	<b>153.9</b>	<b>6,333.5</b>	<b>5,314.8</b>	<b>3,779.3</b>	<b>111.5</b>	<b>6,588.8</b>	<b>5,792.9</b>	<b>677.8</b>	<b>1,322.6</b>	<b>5,367.1</b>	<b>2,116.0</b>	<b>100,684.1</b>	<b>\$324</b>	<b>7,497.5</b>	

Canadian Lotteries' Unaudited Fiscal Year 2023 Sales by Game

	Pop. (M)	(in C\$Millions)											Total Sales	PC Sales	VLT <sup>1</sup>
		Instant	Pull Tab	Lotto Numbers	Lotto 6/49	Other Lotto	Lotto Max	Spiel	Keno	Pools	Draw	Other			
Atlantic	2.5	248.4	99.2	0.8	77.5	58.5	144.2	50.1	10.4	63.5		105.2	857.6	\$348	401.4
BCLC	5.2	299.9	21.9		183.9	69.1	387.5	100.1	369.9	35.9	8.8	644.2	2,121.3	\$407	
Loto-Quebec	8.6	552.6		49.1	249.4	178.7	545.9	152.7	184.7	176.6	111.1	316.9	2,517.9	\$293	875.1
OLG	14.8	1567.1		201.5	575.0	291.9	1232.2	306.7	100.8	308.9		6.7	4,590.7	\$310	
WCLC	7.1	351.4		28.7	231.1	131.4	533.6	166.6	17.2	94.3		13.7	1,568.0	\$220	
<b>Total</b>	<b>38.2</b>	<b>3,019.5</b>	<b>121.1</b>	<b>280.1</b>	<b>1,316.9</b>	<b>729.5</b>	<b>2,843.4</b>	<b>776.3</b>	<b>683.0</b>	<b>679.1</b>	<b>119.9</b>	<b>1,086.6</b>	<b>11,655.4</b>	<b>\$305</b>	<b>1,276.6</b>

<sup>1</sup> VLT sales denote net machine income <sup>2</sup> Estimated FY23 sales

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U.S. Lotteries' Unaudited Fiscal Year 2023 vs. 2022 Instant Sales by Price Point  
(in \$millions)

	FY23								FY22							
	\$1	\$2	\$3	\$5	\$10/15	\$20	\$25/30+	\$50+	\$1	\$2	\$3	\$5	\$10/15	\$20	\$25/30	\$50+
Arizona	10.8	66.2	33.7	163.4	261.2	177.1	161.5	189.2	12.0	67.1	34.3	183.3	256.3	192.0	209.1	89.0
Arkansas	13.8	20.4	31.5	97.0	164.3	149.6			14.0	23.1	37.1	96.3	164.8	144.9		
California	108.1	161.5	409.6	1,130.6	1,730.9	1,992.0	1,053.0		99.5	189.4	456.0	1,129.3	1,811.8	2,298.8	857.7	
Colorado	16.3	16.7	26.2	106.1	150.5	141.2	15.9	124.1	16.7	17.8	25.7	112.1	161.9	138.8		117.3
Connecticut	18.3	30.7	43.1	146.0	208.4	189.9	118.5		18.6	34.2	50.6	149.4	227.3	200.2	120.9	
DC	2.0	2.5	1.3	11.9	13.1	7.8	3.4		2.4	2.8	1.1	12.8	15.0	7.2	4.1	
Florida	134.0	436.3	167.4	1,191.6	1,635.1	1,051.5	801.3	1,626.7	162.4	498.5	171.5	1,196.5	1,827.5	1,416.2	948.4	804.3
Georgia	88.1	0.3	156.5	560.7	805.5	626.4	951.8	245.3	107.8	303.1	169.7	624.9	857.1	686.1	994.5	
Idaho	4.6	7.1	13.3	54.9	49.3	40.9	30.4	39.3	5.3	6.3	13.8	53.8	52.8	41.2	43.9	5.3
Illinois	69.5	60.2	69.0	395.6	601.3	461.2	386.1		73.9	64.8	74.3	388.3	632.2	544.3	379.2	
Indiana	33.0	41.5	36.2	289.9	298.7	303.8	96.8	209.4	35.9	52.5	48.9	305.5	316.5	288.7	81.9	212.9
Iowa	7.4	20.4	25.9	57.0	83.6	46.2	39.0	14.1	8.1	18.8	29.8	62.4	87.4	47.4	39.4	
Kansas	10.7	34.4	8.4	44.9	47.5	41.1	30.0		12.4	38.2	9.4	48.9	46.0	38.3	27.1	
Kentucky	17.1	27.9	58.0	242.2	214.7	202.7	102.6	78.3	20.8	33.1	59.7	254.5	226.6	237.3	131.5	
Louisiana	41.0	47.6	34.2	73.4	89.2	33.9			41.8	49.5	37.8	72.1	91.6			
Maine	6.3	16.8	22.0	78.0	77.6	28.1	89.0		6.5	17.7	20.0	88.3	69.4	30.0	79.2	
Maryland	20.2	32.6	36.6	241.7	351.1	160.0	148.5	583.8	21.6	34.4	38.2	244.3	321.2	186.8	163.0	
Mass.	48.7	211.2		653.6	1,435.9	569.4	592.8	514.5	57.6	256.9		650.8	1,547.7	647.8	738.0	
Michigan	35.9	125.6		380.9	471.4	696.3	457.6	156.6	36.8	128.7		390.2	482.9	713.3	468.7	160.4
Minnesota	17.4	22.8	59.2	137.9	152.7	127.8			20.0	30.6	72.5	149.4	132.2	119.8		37.2
Mississippi	20.9	37.3	16.2	88.6	62.8	85.8			30.1	45.5	16.4	95.1	76.0	77.2		
Missouri	46.6	75.0	67.6	253.5	173.7	206.2	152.7	184.3	48.4	79.1	74.1	276.5	186.0	195.1	224.8	112.8
Montana	2.2	4.9	3.6	6.0	5.8	4.3			2.3	5.3	3.6	5.8	5.4	4.3		
Nebraska	8.4	6.6	17.5	26.0	22.1	25.4	10.7		9.5	8.1	18.5	26.8	23.0	31.6		
N. H.	5.8	16.9	18.3	61.0	87.1	46.4	84.7		6.9	18.5	18.8	63.3	95.3	37.4	73.8	
New Jersey	23.6	142.4	154.6	432.2	435.3	524.6	457.1		25.5	158.0	150.3	451.4	474.6	585.7	355.5	
N. Mexico	5.7	8.8	16.0	21.6	23.3	12.8			6.4	7.5	16.3	20.9	26.8	2.2		
New York	226.7	348.4	148.4	680.0	1,138.6	1,036.2	828.1		257.0	378.9	145.6	745.1	1,139.0	901.7	950.5	
N. Carolina	58.0	128.1	83.0	549.9	607.6	572.7	980.7		61.3	142.6	99.3	553.5	530.8	548.5	713.8	
Ohio	92.3	163.4	14.2	449.8	537.5	536.7	302.9	242.1	101.0	169.8	14.8	487.7	564.8	535.5	410.3	
Oklahoma	11.3	13.7	32.1	45.7	49.3	32.0	24.2	40.6	11.8	15.2	34.7	50.7	56.5	35.2	30.8	28.5
Oregon	9.5	27.2	12.0	37.2	44.1	27.9			10.3	30.1	12.4	40.8	42.3	27.5		
Pennsylvania	52.4	108.4	98.6	685.2	838.9	745.5	447.0	372.7	57.6	120.9	115.8	788.2	869.4	818.1	481.8	261.7
R. Island	4.8	8.2	4.1	40.0	33.2	17.0	17.1		5.2	8.3	5.8	42.1	35.0	17.6	16.7	
S. Carolina	35.4	74.4	57.0	254.9	1,088.3	118.8			38.5	79.2	67.8	249.4	1,164.1			
S. Dakota	2.4	3.6	6.4	11.8	9.4	13.2	1.4		2.4	4.4	6.4	13.6	8.7	12.8		
Texas	87.9	192.5	217.0	1,211.4	1,580.8	1,523.9	369.1	1,546.7	97.0	241.7	227.0	1,291.4	1,579.0	1,490.9	405.4	1,394.9
Vermont	2.7	4.3	8.6	39.1	34.2	14.0	13.0		3.2	5.5	10.2	44.4	31.8	12.9	13.4	
Virginia	42.6	57.7	29.1	278.6	274.7	227.3	193.6	178.1	48.0	65.8	41.6	295.3	318.7	278.4	277.2	
Washington	17.9	53.2	41.9	189.5	152.2	86.3	128.2		22.2	54.8	42.3	193.1	137.2	87.9	127.7	
W. Virginia	7.7	18.2	11.2	51.1	42.3	28.4	12.9		8.5	20.4	10.8	52.9	42.9	33.3		
Wisconsin	16.0	43.6	46.0	112.8	158.7	171.0	63.1	41.7	17.7	47.2	49.8	125.9	159.1	163.8	74.3	
<b>Total</b>	<b>1,483.5</b>	<b>2,919.5</b>	<b>2,335.0</b>	<b>11,583.5</b>	<b>16,241.8</b>	<b>13,102.8</b>	<b>9,164.5</b>	<b>6,415.2</b>	<b>1,644.7</b>	<b>3,573.9</b>	<b>2,532.7</b>	<b>12,126.5</b>	<b>16,894.8</b>	<b>13,876.6</b>	<b>9,442.3</b>	<b>3,224.4</b>
<b>% of Total</b>	<b>2%</b>	<b>5%</b>	<b>4%</b>	<b>18%</b>	<b>26%</b>	<b>21%</b>	<b>14%</b>	<b>10%</b>	<b>3%</b>	<b>6%</b>	<b>4%</b>	<b>19%</b>	<b>27%</b>	<b>22%</b>	<b>15%</b>	<b>5%</b>

Canadian Lotteries' Unaudited Fiscal Year 2023 vs. 2022 Instant Sales by Price Point  
(in C\$millions)

	FY23								FY22									
	\$1	\$2	\$3	\$4	\$5	\$7	\$10	\$20	\$25+	\$1	\$2	\$3	\$4	\$5	\$7	\$10	\$20	\$25+
Atlantic	2.9	16.1	28.4	27.6	60.6	11.1	62.5	14.4	24.8	2.8	17.1	26.3	26.1	64.1	9.7	69.0	15.7	22.9
BCLC	9.7	16.4	31.2		93.6		82.0	44.8	22.2	10.4	19.3	35.1		106.0		79.6	59.5	15.6
L-Quebec	6.1	63.2	134.3	24.3	150.3		112.7	42.3	19.6	6.8	72.2	141.9	36.2	149.9		105.8	37.0	38.5
OLG		18.7	259.4	45.7	371.5		458.8	143.3	269.8	1.3	18.5	272.7	48.5	436.7		490.1	142.1	153.6
<b>Total</b>	<b>18.6</b>	<b>114.5</b>	<b>453.2</b>	<b>97.6</b>	<b>676.0</b>	<b>11.1</b>	<b>716.1</b>	<b>244.8</b>	<b>687.7</b>	<b>21.3</b>	<b>127.1</b>	<b>476.1</b>	<b>110.8</b>	<b>756.7</b>	<b>9.7</b>	<b>744.5</b>	<b>254.3</b>	<b>590.1</b>
<b>% of Total</b>	<b>1%</b>	<b>4%</b>	<b>15%</b>	<b>3%</b>	<b>22%</b>	<b>0%</b>	<b>24%</b>	<b>8%</b>	<b>23%</b>	<b>1%</b>	<b>4%</b>	<b>15%</b>	<b>4%</b>	<b>24%</b>	<b>0%</b>	<b>24%</b>	<b>8%</b>	<b>19%</b>

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U.S. lotteries ranked by FY23 total sales  
(in US\$) Excludes VLT revenue

Rank		Pop. (M)	Total (\$M)
1	Florida	21.8	9,801.8
2	California	39.2	9,250.4
3	Texas	29.5	8,725.6
4	New York	19.8	8,292.3
5	Georgia	10.8	6,136.9
6	Massachusetts	7.0	6,111.5
7	Pennsylvania	13.0	5,136.0
8	Michigan	10.1	4,864.0
9	Ohio	11.8	4,463.7
10	North Carolina	10.6	4,342.7
11	New Jersey	9.3	3,899.0
12	Illinois	12.7	3,609.6
13	Virginia	8.6	2,776.0
14	Maryland	6.2	2,749.4
15	South Carolina	5.2	2,402.7
16	Indiana	6.8	1,746.3
17	Missouri	6.2	1,644.5
18	Arizona	7.3	1,516.7
19	Kentucky	4.5	1,499.8
20	Connecticut	3.6	1,451.2
21	Washington	7.7	1,003.4
22	Wisconsin	5.9	981.7
23	Colorado	5.8	889.8
24	Minnesota	5.7	787.2
25	Louisiana	4.6	652.4
26	Arkansas	3.0	607.6
27	New Hampshire	1.4	548.0
28	Iowa	3.2	481.5
29	Mississippi	2.9	467.7
30	Oregon	4.2	440.6
31	Idaho	1.9	422.7
32	Maine	1.4	410.3
33	Oklahoma	4.0	379.8
34	Kansas	2.9	351.3
35	Rhode Island	1.1	316.3
36	West Virginia	1.8	265.2
37	Delaware	1.0	254.7
38	Nebraska	2.0	220.2
39	D.C.	0.7	197.3
40	New Mexico	2.1	168.5
41	Vermont	0.6	161.5
42	Montana	1.1	87.6
43	South Dakota	0.9	85.2
44	Wyoming	0.6	44.3
45	North Dakota	0.8	39.4

C. lotteries ranked by FY23 total sales  
(in C\$) Excludes VLT revenue

Rank		Pop. (M)	Total (CSM)
1	OLG	14.8	4,590.7
2	Loto-Quebec	8.6	2,517.9
3	BCLC	5.2	2,121.3
4	WCLC	7.1	1,568.0
5	Atlantic	2.5	857.6

U.S. lotteries ranked by FY23 total PC  
(in US\$) Excludes VLT revenue

Rank		Pop. (M)	PC Sales
1	Massachusetts	7.0	\$875
2	Georgia	10.8	\$568
3	Michigan	10.1	\$484
4	South Carolina	5.2	\$463
5	Florida	21.8	\$450
6	Maryland	6.2	\$446
7	New Jersey	9.3	\$421
8	New York	19.8	\$418
9	North Carolina	10.6	\$412
10	Connecticut	3.6	\$402
11	Pennsylvania	13.0	\$396
12	New Hampshire	1.4	\$395
13	Ohio	11.8	\$379
14	Kentucky	4.5	\$333
15	Virginia	8.6	\$321
16	Maine	1.4	\$299
17	Texas	29.5	\$296
18	D.C.	0.7	\$294
19	Rhode Island	1.1	\$289
20	Illinois	12.7	\$285
21	Missouri	6.2	\$267
22	Indiana	6.8	\$257
23	Delaware	1.0	\$254
24	Vermont	0.6	\$250
25	California	39.2	\$236
26	Idaho	1.9	\$222
27	Arizona	7.3	\$208
28	Arkansas	3.0	\$201
29	Wisconsin	5.9	\$166
30	Mississippi	2.9	\$159
31	Colorado	5.8	\$153
32	Iowa	3.2	\$151
33	West Virginia	1.8	\$149
34	Louisiana	4.6	\$141
35	Minnesota	5.7	\$138
36	Washington	7.7	\$130
37	Kansas	2.9	\$120
38	Nebraska	2.0	\$112
39	Oregon	4.2	\$104
40	Oklahoma	4.0	\$95
41	South Dakota	0.9	\$95
42	New Mexico	2.1	\$80
43	Montana	1.1	\$79
44	Wyoming	0.6	\$77
45	North Dakota	0.8	\$51

C. lotteries ranked by FY23 total PC  
(in C\$) Excludes VLT revenue

Rank		Pop. (M)	PC Sales
1	BCLC	5.2	\$407
2	Atlantic	2.5	\$348
3	OLG	14.8	\$310
4	Loto-Quebec	8.6	\$293
5	WCLC	7.1	\$220

U.S. lotteries ranked % chg. FY23 total sales  
(in US\$) Excludes VLT revenue

Rank		Total (\$M)	% Chg.
1	Wyoming	44.3	62%
2	North Dakota	39.4	35%
3	New Mexico	168.5	23%
4	Montana	87.6	22%
5	South Dakota	85.2	13%
6	Idaho	422.7	12%
7	Louisiana	652.4	12%
8	North Carolina	4,342.7	12%
9	Iowa	481.5	11%
10	Oregon	440.6	11%
11	Arizona	1,516.7	11%
12	Wisconsin	981.7	11%
13	Washington	1,003.4	11%
14	Delaware	254.7	10%
15	West Virginia	265.2	9%
16	Nebraska	220.2	9%
17	New Hampshire	548.0	9%
18	Oklahoma	379.8	8%
19	Mississippi	467.7	8%
20	Kansas	351.3	8%
21	Colorado	889.8	8%
22	South Carolina	2,402.7	7%
23	Vermont	161.5	7%
24	Minnesota	787.2	6%
25	Maine	410.3	6%
26	Illinois	3,609.6	6%
27	Virginia	2,776.0	6%
28	Georgia	6,136.9	6%
29	Texas	8,725.6	5%
30	Florida	9,801.8	5%
31	Arkansas	607.6	5%
32	Massachusetts	6,111.5	5%
33	California	9,250.4	4%
34	Ohio	4,463.7	4%
35	Maryland	2,749.4	4%
36	Rhode Island	316.3	4%
37	New Jersey	3,899.0	3%
38	Indiana	1,746.3	3%
39	New York	8,292.3	1%
40	Kentucky	1,499.8	1%
41	Missouri	1,644.5	1%
42	Pennsylvania	5,136.0	0%
43	Connecticut	1,451.2	0%
44	Michigan	4,864.0	-1%
45	D.C.	197.3	-4%

C. lotteries ranked by % chg. FY23 total sales  
(in C\$) Excludes VLT revenue

Rank		Total (CSM)	% Chg.
1	BCLC	2,121.3	3%
2	Atlantic	857.6	3%
3	WCLC	1,568.0	1%
4	Loto-Quebec	2,517.9	0%
5	OLG	4,590.7	-1%

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U.S. lotteries ranked by FY23 instant sales (in US\$)

Rank		Pop. (M)	Instant (\$M)
1	Florida	21.8	7,043.9
2	Texas	29.5	6,729.3
3	California	39.2	6,585.5
4	New York	19.8	4,406.3
5	Massachusetts	7.0	4,043.6
6	Georgia	10.8	3,694.1
7	Pennsylvania	13.0	3,348.6
8	North Carolina	10.6	2,979.9
9	Ohio	11.8	2,338.9
10	Michigan	10.1	2,324.4
11	New Jersey	9.3	2,169.9
12	Illinois	12.7	2,042.5
13	South Carolina	5.2	1,628.6
14	Indiana	6.8	1,306.7
15	Virginia	8.6	1,281.7
16	Missouri	6.2	1,159.7
17	Maryland	6.2	1,063.1
18	Arizona	7.3	1,063.0
19	Kentucky	4.5	943.5
20	Connecticut	3.6	754.9
21	Washington	7.7	669.0
22	Wisconsin	5.9	653.0
23	Colorado	5.8	596.7
24	Minnesota	5.7	545.7
25	Arkansas	3.0	476.6
26	New Hampshire	1.4	320.2
27	Louisiana	4.6	319.3
28	Maine	1.4	317.9
29	Mississippi	2.9	311.5
30	Iowa	3.2	293.6
31	Oklahoma	4.0	248.9
32	Idaho	1.9	239.8
33	Kansas	3.2	216.9
34	West Virginia	1.8	171.9
35	Oregon	4.2	158.0
36	Rhode Island	1.1	124.3
37	Delaware	1.0	117.2
38	Nebraska	2.0	116.6
39	Vermont	0.6	116.1
40	New Mexico	2.1	88.0
41	South Dakota	0.9	48.2
42	D.C.	0.7	42.1
43	Montana	1.1	26.6

C. lotteries ranked by FY23 instant sales (in C\$)

Rank		Pop. (M)	Instant (CSM)
1	OLG	14.8	1,567.1
2	Loto-Quebec	8.6	552.6
3	WCLC	7.1	351.4
4	BCLC	5.2	299.9
5	Atlantic	2.5	248.4

U.S. lotteries ranked by FY23 instant PC (in US\$)

Rank		Pop. (M)	PC Sales
1	Massachusetts	7.0	\$579
2	Georgia	10.8	\$342
3	Florida	21.8	\$323
4	South Carolina	5.2	\$314
5	North Carolina	10.6	\$282
6	Pennsylvania	13.0	\$258
7	New Jersey	9.3	\$234
8	Maine	1.4	\$232
9	Michigan	10.1	\$231
10	New Hampshire	1.4	\$230
11	Texas	29.5	\$228
12	New York	19.8	\$222
13	Connecticut	3.6	\$209
14	Kentucky	4.5	\$209
15	Ohio	11.8	\$199
16	Indiana	6.8	\$192
17	Missouri	6.2	\$188
18	Vermont	0.6	\$180
19	Maryland	6.2	\$172
20	California	39.2	\$168
21	Illinois	12.7	\$161
22	Arkansas	3.0	\$158
23	Virginia	8.6	\$148
24	Arizona	7.3	\$146
25	Idaho	1.9	\$126
26	Delaware	1.0	\$117
27	Rhode Island	1.1	\$113
28	Wisconsin	5.9	\$111
29	Mississippi	2.9	\$106
30	Colorado	5.8	\$103
31	West Virginia	1.8	\$96
32	Minnesota	5.7	\$96
33	Iowa	3.2	\$92
34	Washington	7.7	\$86
35	Kansas	2.9	\$74
36	Louisiana	4.6	\$69
37	D.C.	0.7	\$63
38	Oklahoma	4.0	\$62
39	Nebraska	2.0	\$59
40	South Dakota	0.9	\$54
41	New Mexico	2.1	\$42
42	Oregon	4.2	\$37
43	Montana	1.1	\$24

C. lotteries ranked by FY23 instant PC (in C\$)

Rank		Pop. (M)	PC Sales
1	OLG	14.8	\$106
2	Atlantic	2.5	\$101
3	Loto-Quebec	8.6	\$64
4	BCLC	5.2	\$58
5	WCLC	7.1	\$49

U.S. lotteries ranked % chg. FY23 instant (in US\$)

Rank		Instant (\$M)	% Chg.
1	North Carolina	2,979.9	12%
2	New Mexico	88.0	10%
3	Louisiana	319.3	9%
4	Idaho	239.8	8%
5	Maryland	1,063.1	5%
6	Delaware	117.2	5%
7	Massachusetts	4,043.6	4%
8	Wisconsin	653.0	2%
9	Ohio	2,338.9	2%
10	Maine	317.9	2%
11	New Hampshire	320.2	2%
12	Arizona	1,063.0	2%
13	South Carolina	1,628.6	2%
14	West Virginia	171.9	2%
15	Colorado	596.7	1%
16	Washington	669.0	1%
17	Florida	7,043.9	0%
18	Iowa	293.6	0%
19	Montana	26.6	0%
20	Texas	6,729.3	0%
21	South Dakota	48.2	0%
22	Nebraska	116.6	-1%
23	Arkansas	476.6	-1%
24	Georgia	3,694.1	-1%
25	New Jersey	2,169.9	-1%
26	Kansas	216.9	-2%
27	Kentucky	943.5	-2%
28	Michigan	2,324.4	-2%
29	New York	4,406.3	-2%
30	Indiana	1,306.7	-3%
31	Minnesota	545.7	-3%
32	Missouri	1,159.7	-3%
33	Virginia	1,281.7	-3%
34	Oregon	158.0	-3%
35	California	6,585.5	-4%
36	Vermont	116.1	-4%
37	Pennsylvania	3,348.6	-5%
38	Rhode Island	124.3	-5%
39	Illinois	2,042.5	-5%
40	Oklahoma	248.9	-6%
41	Connecticut	754.9	-6%
42	D.C.	42.1	-8%
43	Mississippi	311.5	-8%

C. lotteries ranked by % chg. FY23 instant (in C\$)

Rank		Instant (CSM)	% Chg.
1	OLG	1567.1	0%
2	Atlantic	248.4	-2%
3	WCLC	351.4	-2%
4	Loto-Quebec	552.6	-6%
5	BCLC	299.9	-8%

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**BACK COVER PHOTO:**

Kimberly Lyndes, Principal of Dover Middle School, Dover, NH, receives a donation from New Hampshire Lottery Commissioner Erle Pierce along with Justin Spencer, founder of the rock band, Recycled Percussion.



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# DOVER MIDDLE SCHOOL

