



NEW JERSEY STATE LOTTERY COMMISSION

Financial Statements
with Additional Financial Information

June 30, 2001

(With Independent Auditors' Report Thereon)

NEW JERSEY STATE LOTTERY COMMISSION

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Short Hills, NJ 07078

Independent Auditors' Report

Commissioners of the
New Jersey State Lottery Commission:

We have audited the accompanying balance sheet of the New Jersey State Lottery Commission (the "Commission") as of June 30, 2001, and the related statement of revenues, expenditures and contributions and changes in fund balance for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional financial information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

September 14, 2001



NEW JERSEY STATE LOTTERY COMMISSION

Balance Sheet

June 30, 2001
(with comparative totals at June 30, 2000)

	Special Revenue Fund	Agency Fund	Administrative Fund	Total (Memorandum Only)	
				2001	2000
Assets					
Cash	\$ 1,411,000	—	250	1,411,250	2,879,450
Accounts receivable, net of allowance for doubtful accounts of \$150,000	15,698,463	—	—	15,698,463	12,865,671
Interfund receivable - administration	—	—	5,119,193	5,119,193	6,664,680
Investments:					
Deposit Fund contracts (note 2)	—	1,171,654,140	—	1,171,654,140	1,192,842,062
State of New Jersey Cash Management Fund	127,522,317	—	—	127,522,317	152,375,179
Prepaid expenses and other assets	9,942,911	—	—	9,942,911	8,719,977
Total assets	<u>\$ 154,574,691</u>	<u>1,171,654,140</u>	<u>5,119,443</u>	<u>1,331,348,274</u>	<u>1,376,347,019</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 16,330,832	—	4,627,759	20,958,591	32,034,725
Obligation for unpaid prize awards	47,252,192	—	—	47,252,192	64,499,883
Due to State of New Jersey - education and institutions	77,397,293	—	—	77,397,293	67,928,948
Interfund payable - administration	5,119,193	—	—	5,119,193	6,664,680
Installment prize obligations	—	1,171,654,140	—	1,171,654,140	1,192,842,062
Total liabilities	<u>146,099,510</u>	<u>1,171,654,140</u>	<u>4,627,759</u>	<u>1,322,381,409</u>	<u>1,363,970,298</u>
Fund Balances:					
Reserve for encumbrances	—	—	491,684	491,684	1,728,661
Reserve for prize awards	8,225,181	—	—	8,225,181	10,398,060
Reserve for bond insurance	250,000	—	—	250,000	250,000
Total fund balances	<u>8,475,181</u>	<u>—</u>	<u>491,684</u>	<u>8,966,865</u>	<u>12,376,721</u>
Total liabilities and fund balances	<u>\$ 154,574,691</u>	<u>1,171,654,140</u>	<u>5,119,443</u>	<u>1,331,348,274</u>	<u>1,376,347,019</u>

See accompanying notes to financial statements.

NEW JERSEY STATE LOTTERY COMMISSION

Statement of Revenues, Expenditures and Contributions and Changes in Fund Balance

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Revenues:		
Pick 3	\$ 437,647,365	435,357,544
Pick 6 Lotto	195,763,838	162,253,933
Pick 4	239,161,148	235,947,774
Jersey Cash 5	67,537,384	81,398,827
Lotzee	24,317,798	27,171,498
The Big Game	166,389,139	299,374,184
Instant games	675,877,939	597,336,867
	<u>1,806,694,611</u>	<u>1,838,840,627</u>
Other income:		
Forfeited prize awards	28,611,726	17,009,727
Interest income	6,540,964	5,428,009
Miscellaneous	2,484,374	1,036,638
	<u>37,637,064</u>	<u>23,474,374</u>
Total revenues	<u>1,844,331,675</u>	<u>1,862,315,001</u>
Expenditures:		
Allocation for prize awards	994,764,296	989,808,601
Commissions - agents	99,305,191	100,355,733
Operating expenditures	18,631,796	16,680,397
Vendor fees - machine	22,576,699	22,310,718
Vendor fees - instant	8,230,579	7,020,111
Multi-state fees	18,875	25,270
On-line network fees	6,816,802	6,703,067
Total expenditures	<u>1,150,344,238</u>	<u>1,142,903,897</u>
Contributions for aid to education and State institutions	<u>697,397,293</u>	<u>719,928,948</u>
Total expenditures and contributions for aid to education and State institutions	<u>1,847,741,531</u>	<u>1,862,832,845</u>
Revenues (under) over expenditures and contributions	(3,409,856)	(517,844)
Fund balance, beginning of year	<u>12,376,721</u>	<u>12,894,565</u>
Fund balance, end of year	<u>\$ 8,966,865</u>	<u>12,376,721</u>

See accompanying notes to financial statements.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

(1) **Organization and Summary of Significant Accounting Policies**

Organization

The New Jersey State Lottery Commission (the "Commission") was established in 1970 pursuant to the "State Lottery Law," N.J.S.A. 5:9-1, et seq. The Commission operates within the Department of Treasury of the State of New Jersey. The Commission's financial statements include the operations for which the Commission is financially accountable and exercises oversight responsibility. The Commission is authorized and empowered to promulgate rules and regulations regarding the conduct of lottery games, including the price or prices of tickets, the number and size of prizes on winning tickets, the licensing of agents and the apportionment of ticket revenues.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting practices of the Commission:

Basis of Accounting

The Commission prepares its financial statements using the modified accrual basis of accounting for governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Expenditures are recorded when the liability is incurred, if measurable.

Fund Accounting

The various funds of the Commission are included within the financial reporting entity of the State of New Jersey. Within the general purpose financial statements of the State of New Jersey, the Commission is accounted for within three funds. The following funds are included in the Commission's financial statements:

- Special Revenue Fund - This fund is established to account for revenues and expenditures of lottery games, which are included in the State's Special Revenue Fund.
- Agency Fund - This fund accounts for installment prize obligations and the related investments held to satisfy those obligations. This fund is included as part of the State's Agency Fund.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

- **Administrative Fund** - This fund accounts for expenditures for administration of the Commission, which are included in the State's General Fund.

For financial reporting purposes, the revenues, expenditures and changes in fund balance of the Special Revenue Fund and the Administrative Fund have been combined. For the year ended June 30, 2001, the contribution for administrative expenses and encumbrance obligation aggregated \$18,474,821 of which \$5,119,193 was payable to the State Treasury at June 30, 2001.

Contributions and Prize Awards

The State Lottery Law requires at least 30% of gross revenues from ticket sales to be paid to the State Treasury for aid to education and State institutions. Pursuant to this law, the Commission has also designated all unallocated revenues for aid to education and State institutions. Contributions for the year ended June 30, 2001 aggregated \$697,397,293 of which \$77,397,293 was due to the State Treasury at June 30, 2001.

The Commission has designated that a minimum of 45% of gross revenues be reserved for prize awards, including agent bonuses. A prize award obligation is established when the winning ticket number is selected for the respective lottery game based on eligible winning tickets sold. The obligation is funded from the respective prize reserve accounts.

Forfeited Prizes

New Jersey Law requires that prizes not claimed within one year from the date of the drawing are forfeited. Effective November 21, 1991, the Commission authorized that 70% of forfeited prizes are to be maintained in a reserve for prize awards. Such funds are available to augment future prize awards or, at the discretion of the Executive Director, to augment the Lottery's contribution for aid to education and State institutions. For the year ended June 30, 2001 unclaimed prizes aggregating \$29,133,530 were forfeited of which \$8,611,726 is included in other income for the year ended June 30, 2001. During June 2001, the Executive Director authorized the use of \$20,000,000 in reserve for prize awards funds to be used for additional contributions for aid to education and State institutions, and is included in other income for the year ended June 30, 2001. At June 30, 2001, accounts payable and accrued expenses include \$3,726,273 related to forfeited prizes.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

Revenue Recognition

“The Big Game” is a multi-state lottery which offers a minimum jackpot of \$5 million and nine ways to win. Other member states include Georgia, Illinois, Maryland, Massachusetts, Michigan and Virginia. To play “The Big Game” players chose five numbers from a pool of 50 and one number, “The Big Money Ball” from a pool of 36. To win the top prize, players must match all five numbers and “The Big Money Ball” number. “The Big Game” drawings take place in Atlanta, Georgia every Tuesday and Friday at 11:00 p.m.

Revenues from the sale of lottery tickets are recognized as follows:

- “Pick-3”, “Pick 4”, “Pick-6” Lotto, “Jersey Cash 5”, “Lotzee” and “The Big Game” on the drawing date
- Instant games, daily based upon the settlement of instant game inventory packs by selling agents.

Sales adjustments are recorded based upon final reconciliations prepared after the termination of a lottery instant game. Lottery tickets claimed and disbursed by agents as free ticket prizes are not reflected as lottery ticket sales or prize awards.

Cash Management Fund

Investments in the State of New Jersey Cash Management Fund are valued at cost, which approximates fair value. The State of New Jersey Cash Management Fund is a common trust fund administered by the State Department of the Treasury, Division of Investment. Securities in the fund are insured, registered or held by the Division of Investment or its agent in the Commission's name.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

Accounts Receivable

Accounts receivable is comprised primarily of amounts due from agents.

Equipment and Inventory

Equipment and inventory of the Commission are recorded within the general purpose financial statements of the State of New Jersey in the General Fixed Asset Account Group. The Commission follows the policy of not capitalizing equipment and inventory purchases. Items of this nature are recognized as expenditures by the Commission in the statement of revenues, expenditures and contributions and changes in fund balance during the period in which they are acquired.

Installment Prize Obligations and Amount Allocated to Prize Amounts

Installment prize obligations are recorded based upon the present value of an annuity at terms to yield a series of future payments needed to meet the obligations of the Commission for prize disbursements. The Commission purchases annuity contracts from insurance companies and U.S. Government Securities to fund its liability for installment prize obligations. Amounts allocated to prize awards reflect the anticipated cost of annuity contracts and U.S. Government Securities necessary to satisfy stated prize awards plus any single payment awards.

Vacation and Sick Leave

Accumulated unpaid vacation, sick pay, and other employee benefits are not accrued. In the event of retirement, certain employees are reimbursed for accumulated sick leave equal to one-half of the unused days, not exceeding \$15,000. Upon termination, an employee is reimbursed for accumulated vacation pay. Accumulated vacation and accumulated sick leave are estimated to be immaterial by the management of the Commission and are not recorded in the accompanying financial statements.

Total Memorandum Only Columns

Total memorandum only columns are presented for additional analysis and are not intended to present consolidated financial information of the Commission.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Annuity contracts

The Commission purchases annuity contracts from insurance companies and U.S. Government securities to fund its liability for future installment prize obligations. An annuity contract represents an obligation by an insurance company to provide a fixed series of payments over a specified period. U.S. Government securities are carried at fair value. Annuity contracts are carried at their current contract values, which are based upon their original purchase price adjusted for credited interest and amounts already received. Annuity contracts are subject to credit risk. The Commission seeks to control its exposure to such credit risk by purchasing annuity contracts only from insurance companies, which meet certain minimum standards. Such standards include a minimum required claims payment rating from Standard and Poors Corporation, a private rating agency, of at least "AA". However, due to the long-term nature of these contracts, the credit quality of the issuer is subject to change. At June 30, 2001, the Commission held annuity contracts totaling \$1,171,654,140 issued through thirteen insurance companies. The projected future costs of installment prize obligations amount to \$1,762,745,080 which are due in installments ranging from ten years to the lifetime of the recipient. A significant portion of the Commission's investment in annuity contracts at such date is concentrated among five companies as follows:

Alexander Hamilton Life Insurance Co.
New York Life Insurance Co.
Mutual of America
Ohio National Life
Great West Life Assurance Co.

NEW JERSEY STATE LOTTERY COMMISSION

Notes to Financial Statements

June 30, 2001

The estimated fair value of annuity contracts approximates the carrying value reflected in the accompanying balance sheet at June 30, 2001. Fair value has been estimated by discounting future cash flows using the current rates of annuity contracts with similar credit ratings and maturities.

(3) Litigation

The Commission is a party to a number of legal actions arising out of the conduct of its business. While the ultimate results of the lawsuits or other proceedings against the Commission cannot be predicted with certainty, management of the Commission does not expect that these matters will have a material adverse effect on the financial position or results of operations of the Commission.

(4) Commitments

Contractual arrangements

The Commission maintains a gaming network of over 6,000 on-line locations where all games are sold. GTECH Corporation (GTECH) is responsible for operating the on-line games and providing courier services under a contract expiring November 23, 2006.

Operating leases

The Commission leases certain office facilities under noncancellable operating lease agreements expiring through 2004.

Future minimum lease payments are as follows:

<u>June 30</u>	<u>Amount</u>
2002	\$668,650
2003	668,650
2004	668,650
2005	278,604

Rent expense for office facilities in 2001 was \$857,015.

Schedule 1

NEW JERSEY STATE LOTTERY COMMISSION

Statement of Revenues, Expenditures and Contributions
and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
Revenue:			
Sales, all games	\$ 1,815,000,000	1,806,694,611	(8,305,389)
Other income:			
Forfeited prize awards	15,000,000	28,611,726	13,611,726
Interest income	5,000,000	6,540,964	1,540,964
Miscellaneous	1,150,000	2,484,374	1,334,374
Total revenues	<u>1,836,150,000</u>	<u>1,844,331,675</u>	<u>8,181,675</u>
Expenditures:			
Allocation for prize awards	969,985,000	994,764,296	(24,779,296)
Commissions - agents	99,324,000	99,305,191	18,809
Operating expenditures	16,773,000	18,631,796	(1,858,796)
Vendor fees - machine	22,008,000	22,576,699	(568,699)
Vendor fees - instant	6,960,000	8,230,579	(1,270,579)
Multi-state fees	—	18,875	(18,875)
On-line network fees	8,100,000	6,816,802	1,283,198
Total expenditures	<u>1,123,150,000</u>	<u>1,150,344,238</u>	<u>(27,194,238)</u>
Contributions for aid to education and State institutions	<u>713,000,000</u>	<u>697,397,293</u>	<u>15,602,707</u>
Total expenditures and contributions for aid to education and State institutions	<u>1,836,150,000</u>	<u>1,847,741,531</u>	<u>(11,591,531)</u>
Revenues under expenditures and contributions	—	(3,409,856)	(3,409,856)
Fund balance, beginning of year	<u>12,376,721</u>	<u>12,376,721</u>	<u>—</u>
Fund balance, end of year	<u>\$ 12,376,721</u>	<u>8,966,865</u>	<u>(3,409,856)</u>

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Win For Life (J)	\$ —	(210)
Win For Life (L)	—	6,900
Win For Life (M)	—	201,966
Win For Life (N)	(1,641)	10,882,938
Win For Life (O)	7,854	16,307,322
Win For Life (P)	862,614	15,954,156
Win For Life (Q)	15,377,055	1,530,348
Win For Life (R)	16,745,040	—
Win For Life (S)	9,201,954	—
All New Bingo	1,807,294	4,682,018
All New Bingo (B)	10,606,428	—
All New Bingo (C)	9,390,524	—
All New Bingo (D)	3,598,532	—
Baseball Bucks	14,282	3,295,187
Baseball Bucks (B)	2,913,296	—
Bingo (B)	45,674	13,184,270
Bingo Extra	538,191	4,404,519
Blizzard Bucks	—	(224)
Blizzard Bucks (B)	10,962,704	—
Cash Vault (B)	(600)	611,400
Celebrate 30 years	5,823,057	5,755,911
Celebrate 30 years (B)	7,355,979	—
Crossword	6,012	16,257,885
Crossword (B)	20,325	15,952,758
Crossword (C)	389,067	16,035,858
Crossword (D)	9,781,272	5,486,013
Crossword (E)	16,086,315	—
Crossword (F)	16,777,146	—
Crossword (G)	31,379,118	—
Crossword (H)	8,013,264	—
Double Dollars (A)	—	5,400
Double Dollars (B)	298	1,312,538
Double Dollars (C)	47,780	10,264,712
Deuces Wild	(900)	527,293
Deuces Wild (B)	6,925,579	—
Father's Day (A)	(300)	(1,200)

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Father's Day (B)	\$ (6,216)	2,413,772
Father's Day (C)	2,323,799	1,431,836
Happy Birthday (A)	—	(1,515)
Happy Birthday (B)	7,277	4,694,051
Happy Birthday (C)	10,665,956	—
Leprechaun Luck (A)	(300)	78,541
Leprechaun Luck (B)	5,255,887	—
Mother's Day (A)	—	(3,300)
Mother's Day (B)	(1,847)	429,701
Mother's Day (C)	934,865	4,157,612
Mother's Day (D)	4,643,693	—
Red Hot Doubler (A)	—	(600)
Red Hot Doubler (B)	39,457	8,342,548
Royal Ransom (A)	2,184,890	7,922,394
Super 7's (A)	—	286
Super 7's (C)	—	47,100
Super 7's (D)	76	5,641,286
Wild Money	4,533	5,995,325
Wild Money (B)	10,928,402	—
Zodiac	—	2,700
Zodiac (B)	4,474,330	6,010,594
Caesars Palace	17,001,740	—
Mardi Gras	16,798,160	—
Pinball Wizard	16,228,560	—
Blackout Bingo	14,866,020	—
Keno	14,248,887	—
Instant Battleship	12,339,684	—
\$1,000,000 Stocking	12,200,550	—
High 5's	11,041,080	—
Betty Boop	10,940,216	—
Abra-Ca-Da-Bra	10,880,560	—
Pharaoh's Fortune	10,707,852	—
Bahama Bonus Poker	10,580,736	—
Instant Million	10,184,990	—
Double Down	9,870,330	6,911,515
Golden Lips	9,600,362	—

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Windfall	\$ 9,593,158	—
Shore Excitement	9,178,870	966,000
Cool Winnings	8,734,654	—
Lucky Number Bingo	8,670,387	—
Triple Tripler	8,376,567	—
Color of Money	8,291,730	—
Snake Eyes	8,263,491	—
Nines In A Line	8,206,030	2,850,000
Green Garden	8,072,860	—
Elvis	8,031,004	—
Double Dare	8,019,803	—
Holiday Gift Pack (A)	7,980,405	—
Fat Cat Doubler	7,927,302	—
Blue Chip Stock	7,795,418	—
Super Blackjack	7,420,560	—
3's For The Money	7,183,706	—
Golf & Cash	7,106,718	—
Deep Sea Doubler	6,383,406	—
2001:A Cash Odyssey	6,166,587	—
Red Hot Spots	6,036,036	—
Wild Cherry Slots	6,031,404	—
Touchdown Dollars	5,904,957	—
Red White Blue Shots	5,675,837	233,100
Double Diamond Slots	5,662,053	—
Double Your Luck	5,651,591	2,756,063
Instant Pick 4	5,446,392	—
Louisville Slugger	5,429,242	4,928,742
Monster Money	5,259,160	—
Bridal Bucks	5,149,920	3,245,494
Crack the Safe	4,900,556	6,265,478
Cash Bam Boom	4,838,462	1,150,111
Spam	4,378,786	—
Sunny Money	4,164,178	—
Wild Bingo	3,581,196	12,276,459
Stakes Are High	2,663,355	14,355,060
30th Anniversary	2,573,616	11,200,128

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Megabucks Slots	\$ 2,259,500	6,005,352
Spring Blossoms	2,100,304	9,087,884
Jeopardy	2,089,136	8,885,988
Sand Treasures	1,950,300	—
Triple Action	1,750,249	6,935,564
Spin to Win	1,743,638	8,864,476
Carnival Cash	1,707,265	15,174,745
Lucky 7's Bingo	1,621,503	14,191,695
Happy Father's Day	1,565,958	—
Money Maze	1,341,705	7,471,773
Cash Blast	1,144,135	—
Keys to the Castle	1,109,298	10,038,740
Crazy Aces	850,895	7,289,246
Turn of the Century	713,421	14,324,763
Break the Bank	586,004	10,506,358
Gone Fishing	545,100	—
Sunshine & Daydreams	540,106	8,916,292
Beach Blanket Bingo	535,536	—
Lucky Eightball	482,188	8,765,964
7-11-21	416,021	7,997,409
Ticket to Ride	346,680	6,318,798
Touchdown	286,928	7,792,584
Cold Cash Doubler	285,611	8,151,717
Deal Me In	275,798	7,238,017
Quick Silver	253,632	8,080,594
Casino Action	248,545	16,813,285
Hearts are Wild	225,109	5,075,305
Autumn Glory	180,630	10,839,930
Countdown to the Holidays	103,850	11,882,240
St. Patty's Day	95,337	5,943,669
Golden Ghost	52,396	5,815,132
50 Smackers	40,008	6,800,300
Winner Wonderland	29,878	11,152,372
Holiday Wishes	12,900	3,160,650
Caribbean Stud Poker	11,472	9,838,060
Amazin 8's	11,144	10,707,422

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001	2000
Seymour Bucks	\$ 9,942	5,794,205
Blue Skies and Buttercups	9,900	3,138,672
Ace in the Hole	5,891	1,363,488
Wedding Celebration	5,844	2,596,150
Tripling Dollars	5,358	8,118,768
Treasure Hunt	4,346	7,821,018
Old Glory	3,599	3,696,290
Holiday Surprise (A)	993	260,328
Bullseye	5	140,594
50 Grand	—	1,007,096
Wild Bills	—	255,119
Triple Your Luck	—	214,710
Catch 5	—	43,904
Strike it Rich	—	28,460
Autumn Gold	—	21,482
Heart of Gold	—	17,235
Summer Sizzler	—	11,746
Fat Cat	—	7,415
Jokers Wild	—	300
Double Doubler	—	203
Cash In A Flash	—	(14)
Monte Carlo	—	(82)
Double Header	—	(100)
Harley Davidson	—	(280)
Frosty Doughman	—	(288)
Dream Cash Doubler	—	(300)
Jacks or Better	—	(300)
Cash Cow	—	(309)
Hot Cash	—	(329)
Twilight Zone	—	(584)
Lucky Dollars	—	(595)
Blossom Bucks	—	(600)
Lucky Shot	—	(885)
Cash Stampede	—	(1,200)
Musical Cats	—	(1,200)
In the Chips	—	(1,217)

Schedule 2

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Instant Game Revenues

Year Ended June 30, 2001
(with comparative amounts for 2000)

	<u>2001</u>	<u>2000</u>
Pennant Fever	\$ —	(1,468)
Star Trek	—	(1,522)
Gold Rush	—	(1,540)
Lucky Streak	—	(1,800)
Volcanic Cash	—	(2,100)
Firecracker Cash	—	(2,168)
High Hopes	—	(2,425)
You Lucky Dog	—	(3,060)
Kisses & Cash	(2)	24,350
Frosty Dollars	(46)	728,618
Frankencash	(139)	21,272
Football Fever	(300)	12,446
Winning Combination	(300)	(1,200)
\$1 Million Celebration	(300)	(8,120)
Merry Money	(308)	11,197
Super Slots	(438)	1,575,680
Blackjack	(600)	589,288
Three Wishes	(602)	602,948
\$5,000 Jackpot	(762)	1,475,931
Sands Casino Bucks	(830)	(5,890)
Open Sesame	(922)	3,710,368
12 Ways to Celebrate	(1,500)	255,520
League Night	(1,565)	3,010,745
Wild Wild Winnings	(1,610)	2,274,295
Winning Deal	(1,647)	347,762
Roulette Cash	(1,801)	325,357
The Winning Ticket	(2,608)	1,289,626
One for the Money	(2,995)	1,646,154
High Roller	(5,700)	7,758,265
Sales adjustment	(22,283)	154,875
Total instant game revenues	\$ <u>675,877,939</u>	<u>597,336,867</u>

NEW JERSEY STATE LOTTERY COMMISSION

Schedule of Administrative Fund Appropriations and Expenditures

Year Ended June 30, 2001
(with comparative amounts for 2000)

	2001					2000				
	Authorized appropriation transfers	Other authorized appropriations	Expenditures	Reserve for encumbrances	Lapsed	Authorized appropriation transfers	Other authorized appropriations	Expenditures	Reserve for encumbrances	Lapsed
Salaries and wages	\$ —	—	6,987,867	—	—	—	—	6,631,473	—	—
Personnel services	6,987,867	—	6,987,867	—	—	6,631,473	—	6,631,473	—	—
Printing and office supplies	—	—	313,832	19,578	—	—	—	305,114	10,262	—
Vehicular supplies	—	—	401	195	—	—	—	99	75	—
Household supplies	—	—	6,409	15	—	—	—	5,342	486	—
Other supplies	—	—	—	—	—	—	—	4,494	—	—
Materials and supplies	340,430	—	320,642	19,788	—	325,920	—	315,049	10,823	48
Travel	—	—	175,794	—	—	—	—	138,611	—	—
Telephone	—	—	86,952	—	—	—	—	88,252	—	—
Postage	—	—	96,000	—	—	—	—	90,008	—	—
Data processing	—	—	39,843	1,800	—	—	—	13,034	90	—
Household and security	—	—	191,673	1,256	—	—	—	158,105	4,273	—
Professional services	—	—	346,389	35,926	—	—	—	347,148	19,571	—
Advertising	—	—	8,927,632	79,093	—	—	—	7,615,705	1,368,061	—
Data processing - internal	—	—	63,432	—	—	—	—	16,949	—	—
Services other than personnel	10,045,790	—	9,927,715	118,075	—	9,859,809	—	8,467,812	1,391,995	2
Maintenance - buildings	—	—	9,529	4,201	—	—	—	6,806	2,537	—
Maintenance - office equipment	—	—	16,753	180	—	—	—	16,774	1,802	—
Maintenance - vehicles	—	—	333	—	—	—	—	—	—	—
Rent - building and ground	—	—	802,093	68,000	—	—	—	771,847	100,000	—
Rent - central motor pool	—	—	94,879	—	—	—	—	96,426	—	—
Rent - other	—	—	3,503	—	—	—	—	2,960	14	—
Maintenance and fixed charges	999,485	—	927,090	72,381	14	999,167	—	894,813	104,353	1
Other equipment	—	—	24,310	16,771	—	—	—	7,974	7,310	—
Information processing equipment	—	—	53,017	—	—	—	—	26,638	165	—
Additions and improvements	94,098	—	77,327	16,771	—	123,306	—	34,612	7,475	81,219
Total	18,467,670	—	18,240,641	227,015	14	17,939,675	—	16,343,759	1,514,646	81,270
Add:										
Prior year reserve for encumbrances expended during current year	—	1,728,661	391,155	264,669	1,072,838	—	948,628	336,638	214,015	397,975
Total Administrative Fund	\$ 18,467,670	1,728,661	18,631,796	491,684	1,072,852	17,939,675	948,628	16,680,397	1,728,661	479,245