

FUND DISTRIBUTIONS FOR FISCAL YEAR 2009



- ① Prizes: \$301.3M (60.7%)
- ② Education Contributions: \$102.0M (20.5%)
- ③ Retailer Commissions: \$30.8M (6.2%)
- ④ Cost of Sales: \$31.2M (6.3%)
- ⑤ Stadium Contributions (Qwest and Safeco): \$13.8M (2.8%)
- ⑥ Administration: \$12.3M (2.5%)
- ⑦ Economic Development: \$2.4M (0.5%)
- ⑧ General Fund: \$2.0M (0.4%)
- ⑨ Problem Gambling Education: \$0.2M (0.1%)

**Total Contributions and Expenses:
\$495.9M (100%)**

KEEPING WASHINGTON GREEN

Washington's Lottery gives away a lot of green, but we work hard to preserve it, too. The Lottery is deeply committed to the sustainability of natural resources and has implemented several responsible practices, such as recycling of unused *Scratch* tickets and retail signage, acquiring hybrid vehicles for sales personnel, conserving and re-using office materials, utilizing teleconferencing instead of travel when possible, and switching to non-toxic cleaning products. These practices have earned the Lottery praise and recognition as a model agency for the state of Washington.

WASHINGTON'S LOTTERY – THE TICKET TO FUN

Washington's Lottery offers a diverse product mix designed to entertain. From our flagship *Lotto* and multi-state *Mega Millions* to the great odds of *Hit 5* and *Match 4* to the instant win of *Scratch*, we've got a game for you.

Enjoy all of Washington's Lottery games!

-  **Lotto**
-  **Mega Millions**
-  **Scratch**
-  **Hit 5**
-  **Match 4**
-  **The Daily Game**
-  **Daily Keno**

For winning numbers, call 1-800-545-7510.

For customer service, call 1-800-732-7510.

Visit **walottery.com** for more information about the Lottery and our products, and for information on becoming a Lottery retailer.

Problem Gambling Helpline: 1-800-547-6133.

This publication is available in an alternative format upon request. Please call 1-360-664-4815 or TDD/TTY 1-360-586-0933.



*Whose world
could you change?*

WHERE THE MONEY GOES



OUR VISION: LEADER IN PUBLIC VALUE, FIRST IN FUN

Often associated with the fun of winning big prizes, Washington's Lottery also prides itself on being a responsibly run business. In addition to rewarding our customers, we are dedicated to providing funds to support vital state programs. So yes, we are a business. But we're a business built on fun.

And what could be more fun than winning millions of dollars? In fiscal year 2009, Washington's Lottery made 14 people millionaires. Even better, since the Lottery's inception in 1982, 599 Washington winners have added "millionaire" to their name.

In fact, you may have met one of our winners without even realizing it. They're all over Washington – the retiree, the next door neighbor, the grocer down the street, the local elementary school, and even your favorite professional sports team. They're all beneficiaries of Washington's Lottery.

IT'S ALL IN THE NUMBERS

As Washington's Lottery reflects on our 27 years, it's clear that our financial contributions to the state continue to make a strong impact.

- **\$2.8 billion** allocated to state programs, including education.
- **\$5.6 billion** paid out as prizes to winners.
- **\$579.7 million** in commissions paid to Lottery retailers.

FISCAL YEAR 2009

walottery.com

CONTRIBUTING TO WASHINGTON'S COMMUNITIES

Making Every Dollar Count

Since 1982, Washington's Lottery has generated more than \$2.8 billion to important state programs, including education construction, stadium debt reduction, economic development and problem gambling prevention and treatment. In FY09 alone, Lottery's contributions totaled more than \$120 million. In FY10 Lottery dollars will go into the state general fund which is used to support various state programs. Washington's Lottery is deeply committed to making sure every Lottery dollar counts when it comes to supporting vital state programs.

The State General Fund helps to support a wide variety of programs, and our beneficiaries range from schools, and community health programs, to transportation and beyond.

Here's one example of how Lottery dollars have contributed to local communities:



Union Gap Elementary, Union Gap

Students at Union Gap Elementary School moved into a new school building in Fall 2009 thanks in part to the state's education construction funds. The school, originally built in the 1930s, underwent its first significant remodel and new construction since the mid-1980s. The new facility offers Union Gap Elementary School's 600 students more space, new facilities, improved technology, and most importantly enhanced security technologies such as electronic doors. In total, the school increased its facility from 69,000 square feet to 81,000 square feet.

MAKING WASHINGTON'S DREAMS COME TRUE

In fiscal year 2009, Washington's Lottery validated more than 31 million winning tickets to customers all across Washington State.

Here is just a handful of last year's winners:



Daniel Melendez of Bremerton
Lotto, \$5.2 million



June Kramer of Spokane
Scratch, "Big Payout," \$250,000



Tracey Mosier of Lynnwood
Hit 5, \$240,000



Randy Pagana of Olalla
Match 4, \$10,000



Herman Did It LLC of Bellevue
Lotto, \$8.9 million



Severn Wells of Tacoma
Mega Millions, \$250,000

LOTTERY RETAILERS: OUR PARTNERS IN SUCCESS

Washington's Lottery retailers are some of the strongest ambassadors of our business. They are the face of our games and a cornerstone of our success.



Retailers such as 2009 Lottery Retailer of the Year Rainier Place in Union Gap take our partnership seriously. A locally owned business, Rainier Place is an outstanding Lottery retailer, maintaining an immaculate store that is warm and inviting. Creating a fun atmosphere through terrific customer service keeps patrons coming back again and again for Lottery products. That fun attitude paid off when Rainier Place sold a winning \$250,000 Mega Millions ticket in 2007, earning the store a retail selling bonus. Who says you can't make your own luck?



Retailers who sell top prize-winning Mega Millions, Lotto and Hit 5 tickets receive a bonus that leads to increased sales and ultimately helps support the local economy. Some retailers, such as Fred Meyer and Safeway, choose to return their bonuses to their communities.

FINANCIALS FOR FISCAL YEAR 2009

COMPARATIVE FINANCIAL SUMMARY		
For the fiscal years ended	2009	2008
Scratch sales		
Scratch ticket sales	\$307,004,644	\$330,520,307
Draw game sales		
Lotto	58,245,291	56,918,875
Mega Millions	59,577,333	65,445,763
Match 4	14,593,640	0
The Daily Game	18,341,004	19,799,094
Daily Keno	5,523,067	6,507,227
Hit 5	24,433,700	29,799,251
Raffle	0	12,112,080
Total Draw sales	180,714,035	190,582,290
Total sales	487,718,679	521,102,597
Cost of sales		
Prizes	301,279,527	314,923,284
Retailer commissions	30,751,766	32,391,044
Vendor expense	14,026,413	14,637,059
Advertising and research expense	12,161,926	11,292,640
Promotional expense	1,927,483	2,863,065
Uncollectible accounts	81,474	66,853
Other operating expenses	2,999,241	2,127,923
Total cost of sales	363,227,830	378,301,868
Administrative expenses		
Salaries and benefits	9,446,681	9,232,680
Goods and services	2,375,804	2,658,744
Travel	369,462	519,150
Depreciation	110,969	117,647
Total administrative expenses	12,302,916	12,528,221
Operating income	112,187,933	130,272,508
Non-operating revenues (expenses)		
Miscellaneous non-operating revenues (expenses)	3,377,106	17,905,741
Education Construction Account	(102,000,000)	(102,000,000)
General Fund	(1,990,239)	(11,091,970)
Economic Development Reserve Account	(2,377,226)	(3,677,118)
Problem Gambling Account	(243,995)	(268,038)
Stadium & Exhibition Center (Qwest)	(8,881,466)	(8,539,871)
King County (Safeco)	(4,899,160)	(4,710,730)
Total Contributions	(120,392,086)	(130,287,727)
Net non-operating expenses	(117,014,980)	(112,381,986)

*In fiscal year 2009, monies were released from restricted net assets resulting in additional contributions to beneficiaries.