

LBA Financial Audit Report Summary:

Sweepstakes Commission Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2000

The New Hampshire Sweepstakes Commission (the Commission) was established in 1964 by Chapter 284:21-a of the New Hampshire Revised Statutes Annotated (RSA) and became the first modern state-run lottery program to benefit public education. The Commission has three members appointed by the Governor and an executive director who is appointed by the Commission. The Commission operates both instant and on-line games for the purpose of funding state aid to education. The Commission is a member of two joint lottery ventures, the Tri-State Lotto Commission and the Multi-State Lottery Association, and offers the Tri-State Megabucks and Powerball games among others. The Commission also licenses and taxes 1) charitable organizations which hold Bingo games and 2) the manufacture, distribution and retail sales of Lucky 7 tickets.

We audited the general purpose financial statements of the Commission as of and for the years ended June 30, 2000 and 1999 and issued our unqualified report thereon dated December 1, 2000. A copy of the Commission's comprehensive annual financial report may be obtained from the New Hampshire Sweepstakes Commission, P.O. Box 1208, Concord, New Hampshire, 03301-1208

A management letter dated December 1, 2000 describing certain internal control, compliance, and other management matters has been issued under a separate cover. A printed copy of the letter may be obtained from the Office of Legislative Budget Assistant, Audit Division, 107 North Main Street, State House Room 102, Concord, New Hampshire, 03301-4906.

During fiscal year 2000, the Commission had total sales of \$190.9 million, a 4% decrease from 1999. The majority of sales, as in past years, continued to be from instant "scratch" tickets, accounting for 66% of fiscal year 2000 sales. Net profit contributed toward public education totaled \$61.5 million, exceeding by \$5.5 million the Commission's estimated share of state aid to education.