2012 Progress Report

More Than $6.8 Billion In Proceeds For West Virginia Since 1986
Over the past 26 years, the Lottery has been very fortunate to have a dependable revenue stream generating more than $6.8 billion for the State of West Virginia. With the ongoing support of the Governor and the West Virginia Legislature, the Lottery has been able to operate all forms of gaming under one umbrella creating synergies with our retailers, operators, vendors and most importantly the customers who continue to drive our business.

When I think back to the Lottery’s most profitable years and compare the challenges we face today, there’s no question that the landscape of the gaming industry is much different. We are no longer offering gaming unique to West Virginia, and have started to experience the financial pressures of increasing competition on our borders. Understanding that the past no longer determines our future, we have to work even harder to position the Lottery for the future growth and strive to protect the revenue we generate today.

The importance of the Lottery stretches far beyond a record year of sales or a reported surplus within a given year. The sustainability of the many good causes that Lottery dollars support each year depends on our success. In closing, I want to take this opportunity to express our sincere appreciation for the continued support of our constituents, and hope that this report reflects the hard work and integrity in which we operate the Lottery every day.

John C. Musgrave
Director
West Virginia Lottery
Since 2002, the West Virginia Lottery has provided more than $254 million to the PROMISE Scholarship Program.

In fiscal year 2012, the PROMISE Scholarship Program received $29 million to provide higher education opportunities for many of West Virginia’s best and brightest high school graduates attending an in-state college or university. Since 2002, the West Virginia Lottery has provided more than $254 million to the PROMISE Scholarship Program.

West Virginia Lottery proceeds have helped the PROMISE Scholarship program provide scholarships to more than 43,000 West Virginia students who meet the academic requirements, allowing them to pursue their higher education goals.

The largest portion of Lottery revenue appropriated by the West Virginia Legislature helps support one of the state’s most valuable resources, our children, through public education. Since its inception in 1986, hundreds of thousands of West Virginia students have benefitted in a myriad of ways from the more than $2.5 billion generated by the West Virginia Lottery for education.

In fiscal year 2012, $209.6 million in Lottery revenue was directed by the West Virginia Legislature to support education programs across the state.

Lottery revenue has been put to use in the construction and renovation of public schools throughout the state through the West Virginia School Building Authority (WVSBA), assisted in the purchase of more than 130,000 computers for schools, provided higher education improvement bonds, Community & Technical College bonds, funding for PROMISE scholarships. Lottery revenue impacts every level of education in West Virginia from Pre-K through Higher Education.

In addition, Lottery revenue from the Excess Lottery Fund and other Legislative distributions continue to be directed to the WVSBA. This funding has aided in new construction and the completion of much needed improvements at hundreds of schools across the state. Approximately $37 million from the Lottery was utilized by the WVSBA in fiscal year 2012.

In fiscal year 2012 alone, $209.6 million in Lottery revenue was directed by the West Virginia Legislature to support education programs across the state.

The West Virginia Lottery provides $29 million annually to support the PROMISE Scholarship Program.
The West Virginia Lottery has played a vital role in fostering a strong tourist industry, providing more than $759.8 million to enhance West Virginia tourism and related areas since 1986.

Since 1986, West Virginia’s senior citizens have benefitted from more than $775.4 million in Lottery proceeds.

In fiscal year 2012, the Lottery contributed $9.8 million to a matching grants program established with the West Virginia Division of Tourism. In addition, Lottery revenue was appropriated from the Excess Lottery Fund by the West Virginia Legislature to the Division of Tourism, the Division of Natural Resources, and the State Park Improvement Fund, bringing the total fiscal 2012 contribution to $15.7 million.

Since 1994, $181 million of revenue generated by Racetrack Video Lottery has been directed by the Legislature to advertising funds for the state tourism industry through this matching grants program.

According to data provided by the Division of Tourism, those resources have helped to attract more than 13.5 million overnight and 45.3 million day visitors to the Mountain State annually, resulting in an economic impact of more than $4.2 billion.

Lottery funds have also helped the Bureau of Senior Services match Medicaid funding for services to seniors, senior programs administered at the regional Area Agencies on Aging, the state’s Aging & Disability Resource Centers and the 56-county senior centers across the state.

The difference Lottery proceeds make in the lives of older West Virginians goes far beyond dollars generated. These proceeds assist thousands of West Virginians with long-term care needs, service needs that include transportation to medical appointments, more than two million meals to more than 38,000 seniors in either their homes or at county nutrition sites, and many more important services needed by seniors each day. Lottery proceeds also cover the cost of a refundable credit on property tax for senior citizens.

In fiscal year 2012, $10 million dollars in lottery proceeds were utilized by the state to cover the cost of a refundable property tax credit for West Virginia seniors.
Traditional Lottery Products

INSTANT games were the Lottery's first type of game introduced in January 1986. The instant game offers a wide variety of game themes. During fiscal year 2012, there were 45 new games introduced. Instant games provided approximately 8.1 percent of total fiscal year 2012 sales at 1,592 retail locations.

POWERBALL® is an on-line game jointly operated by 42 state lotteries, the District of Columbia and the Virgin Islands, who are members of the Multi-State Lottery Association (MUSL) or the Mega Millions® Group. This game was introduced in April 1992. Drawings are held twice weekly on Wednesday and Saturday. Powerball® sales are approximately 2.7 percent of total 2012 sales at 1,592 retail locations.

MEGA MILLIONS® is an on-line game jointly operated by 42 state lotteries, the District of Columbia, and the Virgin Islands, with members belonging to the same groups that operate POWERBALL®. Drawings are held twice weekly on Tuesday and Friday. Mega Millions® sells at 1,592 retail locations.

West Virginia players had a big year in fiscal year 2012! The popular multi-state lottery games of Powerball® and Mega Millions® produced five millionaires during the year and all of them were West Virginia residents.

HOT LOTTO SIZZLER® is an on-line game jointly operated by 14 states and the District of Columbia who are members of MUSL. This game was introduced in April 2002 with drawings on Wednesday and Saturday.

DAILY 3 is an on-line game introduced in February of 1987. Players choose three numbers from 0 to 9 for prizes ranging from $40 to $500. Drawings are held six nights a week.

MEGA MILLIONS® also produced two West Virginia millionaires. John Wiles of Tunnelton and Judy Price of Fairview both won $1 million for matching five numbers with the Megaplier® option.

DAILY 4 is an on-line game also introduced in February of 1987. Players choose four numbers from 0 to 9 for prizes ranging from $100 to $5,000. Drawings are held six nights a week.

CASH 25 is an on-line game, which was introduced in February 1990. Players pick six numbers from 1 to 25 for a chance to win cash prizes ranging from $1 to $25,000. Drawings are held four nights a week on Monday, Tuesday, Thursday and Friday.

TRAVEL KENO is a game restricted to lottery retailers with specific types of West Virginia Alcohol Beverage Control Administration licenses and was introduced in December 1992. The winning numbers are displayed on monitors at 305 Travel Keno locations.

Throughout the year the Lottery’s newest advertising icon has been featured in many commercials which have won several advertising industry awards.

Three West Virginians took advantage of the new POWERBALL® format and won big. Beckley Native John Robinson won $1 million, while Michael Shaver and Ronald Simmons split $14 million playing POWERBALL® for matching five numbers. Shaver and Simmons, Vietnam veterans, recorded the largest non-jackpot win in West Virginia Lottery history by matching five numbers, seven times, with the Powerplay® option!

Mega Millions® also produced two West Virginia millionaires. John Wiles of Tunnelton and Judy Price of Fairview both won $1 million for matching five numbers with the Megaplier® option.

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The West Virginia Lottery’s nightly drawing show, featuring the Daily 3, Daily 4 and Cash 25 draws, is televised statewide Monday through Saturday. The broadcast originates from West Virginia Public Broadcasting in Charleston and is shown live on a network of six commercial stations that cover every market in the state.

The West Virginia players had a big year in fiscal year 2012! The popular multi-state lottery games of Powerball® and Mega Millions® produced five millionaires during the year and all of them were West Virginia residents.
Video, Racetrack and Table Games

Lottery Revenue

Fiscal Year 2012 Breakdown

HISTORIC RESORT implemented video lottery and table games in fiscal year 2010 when the West Virginia Legislature passed the Casino Act, which also required the passage of local referendums. In October 2009, The Greenbrier began operating both video lottery and table games. Table Games offered are BlackJack, Roulette and Three Card Poker.

LIMITED VIDEO LOTTERY games were approved by the Legislature in April 2001. The legislation provides up to 9,000 video lottery terminals to be placed in retailer locations with specific types of West Virginia Alcohol Beverage Control Administration licenses. West Virginia is one of three state lotteries to regulate and operate limited video lottery. Limited video lottery sales were 27.9 percent of total 2012 sales at 1,542 operating retailer locations.

TABLE GAMES were implemented in fiscal year 2008 when the West Virginia Legislature passed the Racetrack Table Games Act, making table games available to the four racetracks in the state subject to passage of local referendums. In October 2007, two racetracks (Mountaineer Casino Racetrack & Resort and Wheeling Island Hotel, Casino & Racetrack) began operating with poker tables only and added full table games in December 2007. In August 2008, a third racetrack (Mardi Gras Casino & Resort) began operating with poker tables only and added full table games in October 2008. The fourth racetrack (Hollywood Casino at Charles Town Races) began operating full table games on July 1, 2010. Games offered are Poker, BlackJack, Caribbean Stud, Craps, Roulette, Three and Four Card Poker, and other miscellaneous games. Racetrack Table Games sales were 5.4 percent of total 2012 sales.

RACETRACK VIDEO LOTTERY games were implemented in 1994 when the West Virginia Legislature passed the Racetrack Video Lottery Act, making video lottery terminals available to the four racetracks in the state subject to passage of local referendums. In September 1994, three racetracks (Mountaineer Casino Racetrack & Resort, Wheeling Island Hotel, Casino & Racetrack, and Mardi Gras Casino & Resort) began operating with 1,500 video lottery machines. A fourth racetrack (Hollywood Casino at Charles Town Races) began video gaming in September 1997. As of June 30, 2012, the West Virginia Lottery Commission had an average of 8,215 terminals available for play at the four racetracks in the state. Racetrack Video Lottery sales were 52.5 percent of total 2012 sales.

Detailed Revenue Numbers


Ten Year Revenue

Our retailers play a vital role in the success of the West Virginia Lottery. They serve as the direct link between the Lottery and our player base.
Lottery Sales By Product Last Ten Years

Limited Video Lottery County Proceeds Fiscal Year 2012

Barbour County $22,261.49 Kanawha County $235,541.56 Preston County $101,216.12
Berkeley County $248,878.81 Lewis County $55,578.33 Putnam County $125,986.03
Boone County $91,632.80 Lincoln County $18,158.62 Raleigh County $237,226.73
Braxton County $13,237.12 Logan County $148,360.24 Randolph County $58,758.84
Brooke County $193,266.74 Marion County $136,250.23 Ritchie County $81,197.37
Cabell County $197,713.98 Marshall County $121,795.04 Roane County $12,988.54
Calhoun County $1,047.09 Mason County $149,466.92 Summers County $12,135.85
Clay County $14,713.72 McDowell County $19,818.91 Taylor County $28,673.13
Doddridge County $6,203.87 Mercer County $185,544.00 Tucker County $179.76
Fayette County $78,888.56 Mineral County $153,348.58 Tyler County $11,105.80
Gino County $664.10 Mingo County $27,524.90 Upshur County $65,985.83
Grant County $4,151.26 Monongalia County $250,045.16 Wayne County $16,918.34
Greenbrier County $95,587.26 Monroe County $31,770.77 Webster County $56.56
Hampshire County $41,585.80 Morgan County $33,334.78 Wetzel County $46,933.89
Hancock County $161,212.63 Nicholas County $43,776.60 Wirt County $7,299.95
Hardy County $27,877.68 Ohio County $116,637.14 Wood County $277,364.28
Harrison County $187,109.88 Pendleton County $2,079.63 Wyoming County $37,198.08
Jackson County $56,378.80 Pleasants County $18,827.54 TOTAL $4,718,177.78
Jefferson County $1,034,838.45 Pocahontas County $939.99

On-Line Sales

Fiscal Year 2012 Traditional Retailer Commissions and Bonuses

Barbour County $124,240 Kanawha County $1,061,151 Preston County $249,348
Berkeley County $721,789 Lewis County $330,992 Putnam County $205,718
Boone County $255,740 Lincoln County $84,782 Raleigh County $793,639
Braxton County $125,181 Logan County $408,175 Randolph County $330,094
Brooke County $161,082 Marion County $135,458 Ritchie County $89,946
Cabell County $716,803 Marshall County $196,434 Roane County $71,751
Calhoun County $33,856 Mason County $149,142 Summers County $70,882
Clay County $75,502 McDowell County $238,960 Taylor County $84,632
Doddridge County $29,144 Mercer County $56,120 Tucker County $57,090
Fayette County $536,311 Mineral County $203,731 Tyler County $60,346
Gin County $49,985 Mingo County $137,716 Upshur County $206,305
Grant County $57,174 Monongalia County $682,311 Wayne County $163,737
Greenbrier County $401,306 Monroe County $69,042 Webster County $47,397
Hampshire County $135,832 Morgan County $93,161 Wetzel County $118,536
Hancock County $397,842 Nicholas County $243,969 Wirt County $21,110
Hardy County $135,485 Ohio County $442,984 Wood County $646,633
Harrison County $638,929 Pendleton County $2,079.63 Wyoming County $176,782
Jackson County $230,430 Pleasants County $43,638 TOTAL $15,220,514
Jefferson County $454,365 Pocahontas County $98,466

* Two percent of gross profit is distributed to counties and incorporated municipalities in the manner prescribed by the statute.

Table Games Sales

Instant Sales

Historic Resort Sales

Racetrack Video Sales

Limited Video Lottery Sales

On-Line Sales

Limited Video Lottery County Proceeds Fiscal Year 2012

* Retailer commissions and bonuses paid to Traditional Lottery Retailers for the sale and cashing prizes of Instant games and On-line games including Powerball, Mega Millions, Hot Lotto, Cash 25, Daily 3, and Daily 4.
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