THE GEORGIA LOTTERY

Selected Summary Financial Information
from
Inception
(November 2, 1992)
Through Fiscal Year Ended
June 30, 2012

Greg S. Griffin
State Auditor

Department of Audits and Accounts
270 Washington Street, S.W. - Suite 1-156
Atlanta, Georgia 30334

The Georgia Lottery

Table of Contents

Letter of Transmittal	i
Introduction	1
The Georgia Lottery	3
Utilization of Lottery Income	5
Lottery Reserves	6
Top Ten Lottery Programmatic Areas	7
Appropriations for Education Compared with Total Appropriations	9
Object Classes to Which Lottery Funds Appropriated	10
Glossary of Terms	13

This report issued by the:

State of Georgia
Department of Audits and Accounts
State Government Division
270 Washington Street, S.W. - Suite 1-156
Atlanta, Georgia 30334
(404) 656 - 2180

DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2180

January 11, 2013

Honorable Nathan Deal, Governor
Members of the General Assembly
and
Citizens of the State of Georgia

Ladies and Gentlemen:

This special report contains selected pertinent summary financial information about The Georgia Lottery. The report covers that period of time from the approval and activation of the lottery on November 2, 1992 to the end of the fiscal year ended June 30, 2012. The information was obtained primarily from State of Georgia Comprehensive Annual Financial Reports and from other audited financial statements. The information has been presented in a manner which will provide insight relative to operation of the Lottery in Georgia. Summary financial information presented herein reflects lottery revenues, appropriations and other sources/uses of funds in formats similar to financial statements.

We are knowledgeable about matters regarding financial accounting and reporting for governmental units and have taken care in preparing the information for presentation herein. The financial presentations and information presented herein do not represent the financial activity of any single organization of the State of Georgia nor is it intended to be presented in accordance with accounting principles generally accepted in the United States of America. However, we believe the information provided is both useful and relevant to gaining an understanding of the Lottery program as operated in the State of Georgia. This special report is presented for informational purposes only and we do not express an opinion or any other form of assurance on the information presented in this report.

This report is intended for use by the leadership of the State of Georgia. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Respectfully submitted,

Greg S. Griffin

Greg S. Griffin
State Auditor

(This page intentionally left blank.)

Introduction

Purpose of Report

The purpose of this report is to provide a financial overview of The Georgia Lottery from the time of approval by the voters in November 1992 to the end of the most recent fiscal year which occurred on June 30, 2012. This report is not a detailed study of the lottery, nor is it an audit or review of the lottery program.

Preparation of Financial Information

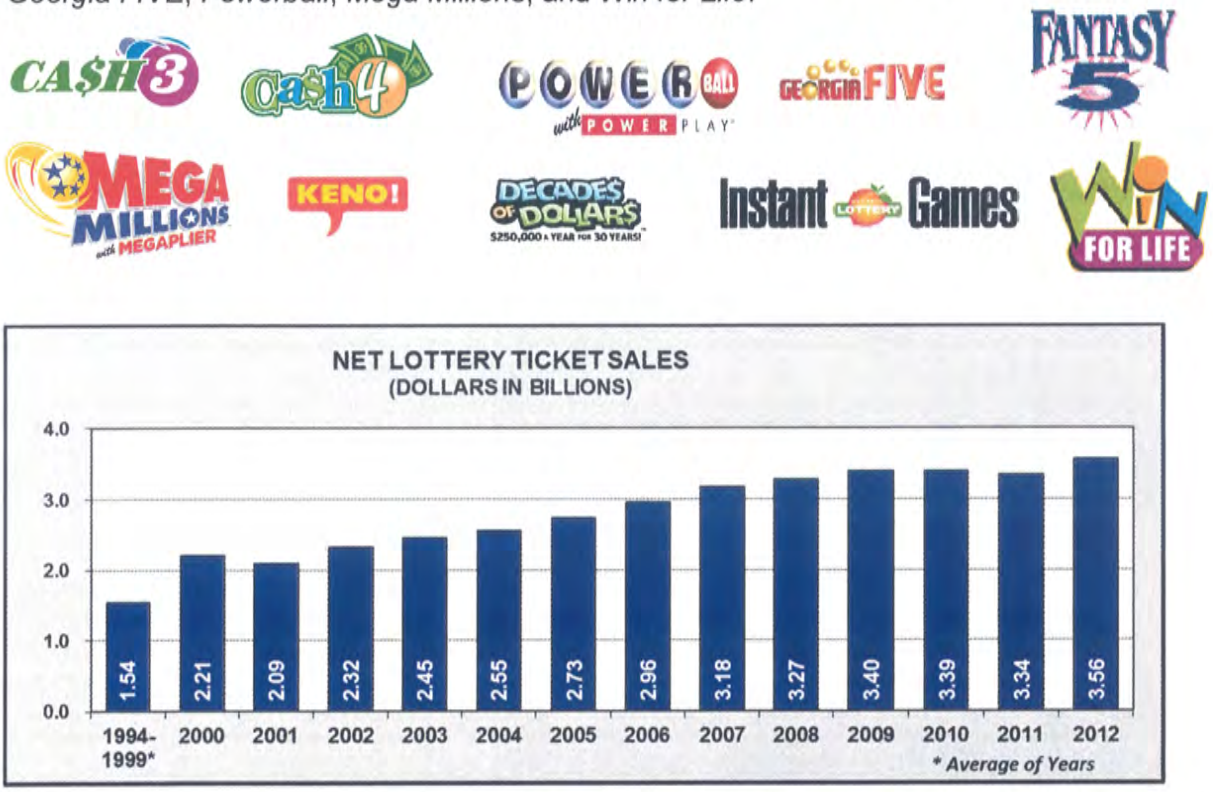
Financial activities associated with the lottery in Georgia take place in eight organizations of the State. The summary financial information presented in this report was obtained from the State of Georgia Comprehensive Annual Financial Report and reports and other data of the individual State organizations. Lottery financial information was extracted from these reports and is summarized and accumulated in this report.

Proper Use of Lottery Funds Defined

"Georgia Lottery for Education Act" states that: "net proceeds of lottery games...shall be used to support improvements and enhancements for educational purposes and that such net proceeds shall be used to supplement, not supplant, existing resources for educational purposes and programs."

Lottery Ticket Sales

The first lottery tickets were offered for sale on June 29, 1993 and in the final two days of the 1993 state fiscal year, net ticket sales were $18.6 million. With the exceptions of fiscal year 2001, fiscal year 2010 and fiscal year 2011, net ticket sales have increased steadily and reached almost $3.6 billion for fiscal year 2012. The Georgia Lottery Corporation offers a variety of lottery tickets for sale which include instant (scratch-off) ticket sales (i.e., Instant Games) and draw ticket sales for *Cash 3*, *Cash 4*, *Decades of Dollars, Fantasy 5*, *Keno!*, *Georgia FIVE*, *Powerball*, *Mega Millions*, and *Win for Life*.



The Georgia Lottery Defined

The term "The Georgia Lottery," as used in this report, includes all financial activity of the Georgia Lottery Corporation and financial activity of the Office of the State Treasurer related to Lottery funds. Information on the financial activities of agencies receiving appropriations is not included in this review.

The Georgia Lottery Corporation was created specifically to perform the various aspects of operating and managing a state lottery. The Corporation was created by an act of the General Assembly of Georgia (Georgia Lottery for Education Act, 1992) and was given operating authority by the citizens of Georgia. Activities of the Corporation are directed by a seven member board of directors appointed by the Governor and confirmed by the Senate.

The State of Georgia Office of the State Treasurer receives the net proceeds from The Georgia Lottery Corporation. As required by law, the Office of the State Treasurer maintains the "Lottery for Education" account, as a separate account, into which net lottery proceeds are deposited and maintained. These net proceeds along with their earnings are transferred to the respective State agencies based on appropriations made by the Georgia General Assembly.

Agencies of the State of Georgia Receiving Lottery Appropriations

The General Assembly may make appropriations from the Lottery for Education account to those State agencies having education responsibilities. The purposes for and amount of funding provided to these agencies is determined by the Governor and the General Assembly. The agencies are responsible for expending lottery funds in accordance with applicable provisions of the Georgia Lottery for Education Act. Agencies of the State which have received Lottery for Education appropriations are as follows:

Department of Education (includes Office of School Readiness prior to 2005)

Department of Early Care and Learning (successor to the Office of School Readiness)

Regents, University System of Georgia

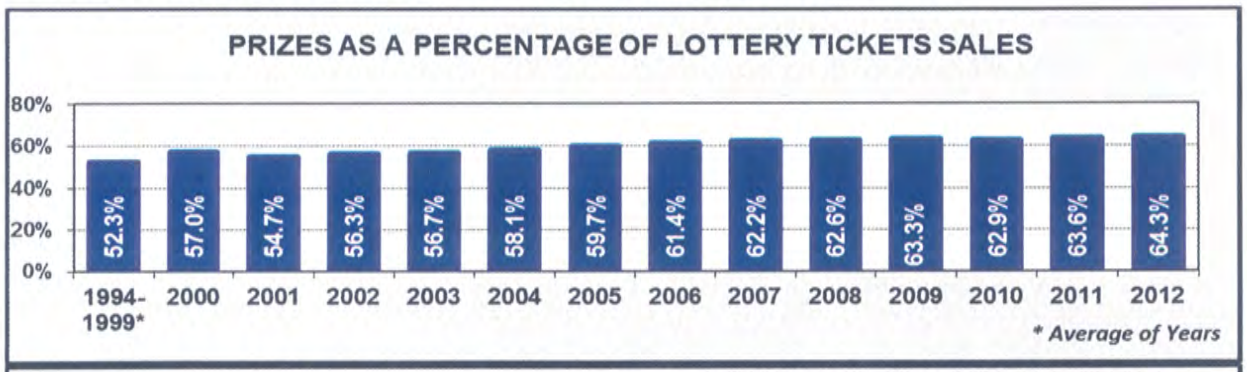
Georgia Student Finance Commission

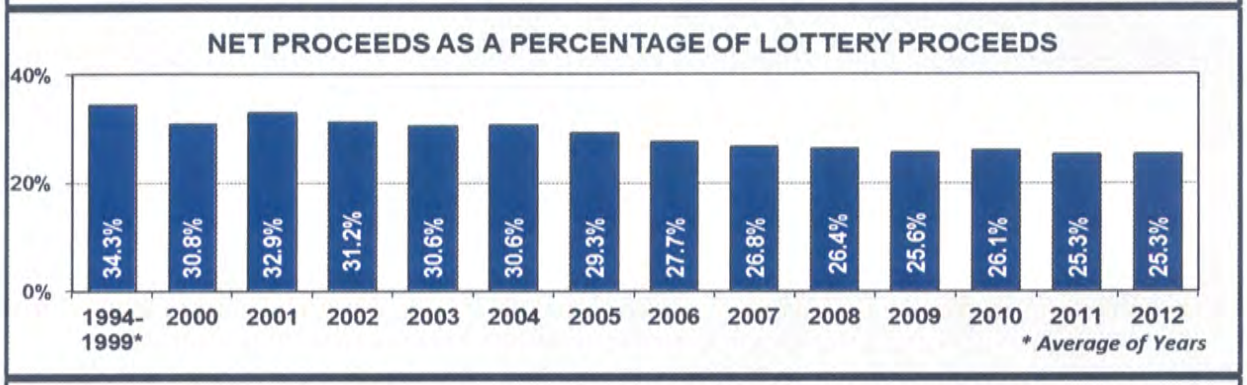
Technical College System of Georgia (formerly the Department of Technical and Adult Education)

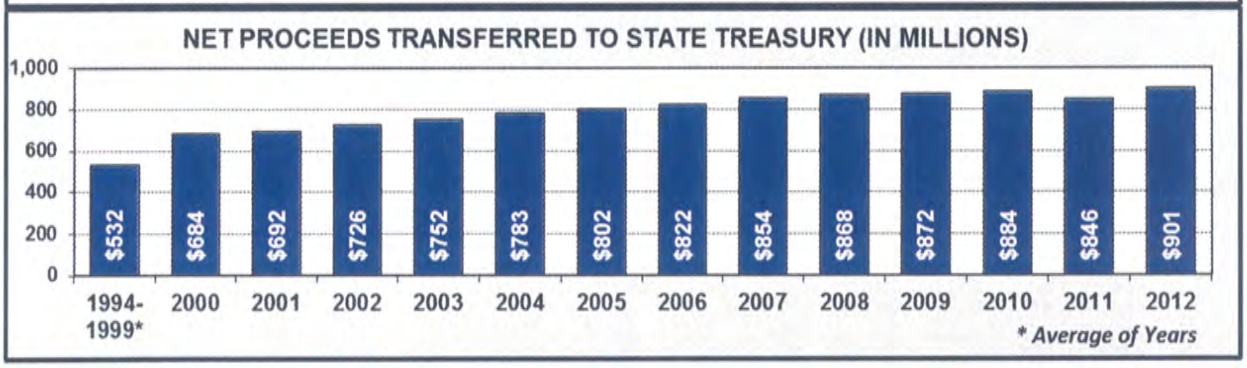
Office of the Governor

The Georgia Lottery

The Georgia Lottery for Education Act provides that as nearly as practical, at least 45% of the amount of money from the actual sale of lottery tickets shall be made available as prize money. Through June 30, 2012, prizes amounted to 59.1% of lottery ticket sales, net of tickets provided as prizes. The Georgia Lottery for Education Act also provides that, as nearly as practical, net proceeds shall equal at least 35% of the Georgia Lottery Corporation's lottery proceeds. Net proceeds are required to be transferred to the Office of the State Treasurer quarterly. From inception to June 30, 2012, the Lottery Corporation has transferred 29%, over $13.6 billion, of lottery proceeds to the Office of the State Treasurer. The following three charts depict the prizes (percentage), net proceeds (percentage) and net proceeds (dollars transferred) from inception through June 30, 2012.







Lottery tickets sales, together with interest income and fees, have reached almost $47.2 billion in just over nineteen years of lottery operations. The interest earned as reported on page 4 includes Georgia Lottery Corporation interest ($73.0 million to date), as well as, amounts earned by the Office of the State Treasurer ($271.2 million to date) on Lottery Funds awaiting appropriation.

The Georgia Lottery

From November 2, 1992 to June 30, 2012

Income		
Lottery Ticket Sales (Net of Tickets Provided as Prizes)		$ 46,715,849,000
Interest Income		344,181,765
Fees (On-line and Retailer)		83,908,000
Other Funds		17,314,000
Total Income		$ 47,161,252,765
Utilization of Lottery Income		
Georgia Lottery Corporation Expenses		
Prizes	$ 27,607,496,000	
Operating Expenses	5,607,452,885	$ 33,214,948,885
Lottery Appropriations (Net of Lapsed Funds)		
Department of Education	$ 3,170,552,292	
Department of Early Care and Learning	2,524,597,484	
Georgia Student Finance Commission	7,108,173,300	
Regents, University System of Georgia	555,547,247	
Technical College System of Georgia	272,355,538	
Office of the Governor	2,000,000	
	$ 13,633,225,861	
Less: Appropriations Returned to Office of the State Treasurer Return of Surplus Thru FY 2012	(330,742,593)	13,302,483,268
Total Expenses and Appropriations		46,517,432,153
Lottery Funds Remaining at June 30, 2012		
Office of the State Treasurer		
Shortfall Reserve	$ 423,053,000	
Unrestricted Reserve	220,767,612	
	643,820,612	
Georgia Lottery Corporation - Retained Earnings	0	643,820,612
Total Utilization of Lottery Income		$ 47,161,252,765

Utilization of Lottery Income

Of each dollar of total income on page 4, 11.9 cents was used to pay operating expenses and 58.5 cents was paid out in prizes.

For every DOLLAR generated from all sources by The Georgia Lottery

PRIZES	STATE TREASURY	OPERATING EXPENSES
58.5 cents	**29.6 cents**	**11.9 cents**

The remaining 29.6 cents was appropriated as follows:

14.8 cents for HOPE Financial Aid:
- 9.7 cents for HOPE Scholarships-Public
- 1.6 cents for HOPE Scholarships-Private
- 1.7 cents for HOPE Scholarships-Books
- 1.8 cents for HOPE Scholarships-Fees

9.9 cents for Pre-Kindergarten,

1.5 cents for Capital Outlay and

2.0 cents for all other Lottery funded programs.

HOPE Financial Aid
14.8 cents

Pre-Kindergarten
9.9 cents

Capital Outlay
1.5 cents

Other Lottery Funded Programs
2.0 cents

After providing for these appropriations, 1.4 cents remained in the Office of the State Treasurer at June 30, 2012 which was reserved for use at a later date.

Reserved in State Treasury and Lottery Retained Earnings
($643,820,612 as of June 30, 2012)
1.4 cents

In addition, a total of $330,742,593 of Lottery Appropriations was remitted to the Office of the State Treasurer as surplus through June 30, 2012; of which $27,089,474 was remitted during the fiscal year ended June 30, 2012.

Lottery Reserves

The Georgia Lottery for Education Act initially required the Office of the State Treasurer to maintain two restricted reserve funds (Scholarship Shortfall Reserve and the Shortfall Reserve) to provide contingency funding for the various lottery programs through Fiscal Year 2011. The law changed to a single requirement of a 50% shortfall reserve based on the net proceeds deposited into the Lottery for Education Account for the preceding fiscal year beginning in Fiscal Year 2012. This reserve can be drawn upon to meet any deficiencies should lottery revenues decrease to the extent that net proceeds are insufficient to meet amounts appropriated for the various lottery programs.

In addition, after providing for the restricted reserves shown above, any **Unrestricted Reserve** which remains in the Lottery for Education account at the Office of the State Treasurer is available for appropriation by the General Assembly. The exhibits below depict the amounts in each type of reserve fund.

Lottery Reserves in State Treasury at Fiscal Year End

	Average 1994 - 1999	2000	2001	2002	2003	2004	2005
Scholarship Shortfall Reserve							
Statutorily Required	$ 24,482,251	$ 88,766,861	$ 110,084,878	$ 134,004,202	$ 178,809,360	$ 188,758,757	$ 216,086,253
Governor's Request	27,714,795	0	0	0	0	0	0
Scholarship Total	$ 52,197,046	$ 88,766,861	$ 110,084,878	$ 134,004,202	$ 178,809,360	$ 188,758,757	$ 216,086,253
Shortfall Reserve	42,380,127	64,670,500	68,382,700	69,167,200	72,620,200	75,155,700	78,269,200
Unrestricted Reserve	115,404,180	167,304,968	144,507,357	162,319,870	211,005,757	295,481,567	318,680,765
Total Reserves	$ 209,981,354	$ 320,742,329	$ 322,974,935	$ 365,491,272	$ 462,435,317	$ 559,364,024	$ 613,036,218

	2006	2007	2008	2009	2010	2011	2012
Scholarship Shortfall Reserve							
Statutorily Required	$ 223,220,798	$ 227,245,246	$ 235,444,428	$ 239,770,942	$ 272,993,887	$ 332,256,982	$ 0
Governor's Request	0	0	0	0	0	0	0
Scholarship Total	$ 223,220,798	$ 227,245,246	$ 235,444,428	$ 239,770,942	$ 272,993,887	$ 332,256,982	$ 0
Shortfall Reserve	80,208,300	82,279,661	85,364,087	85,835,500	88,146,705	86,388,235	423,053,000
Unrestricted Reserve	440,784,391	569,613,783	652,429,771	672,950,635	482,213,422	160,033,786	220,767,612
Total Reserves	$ 744,213,489	$ 879,138,690	$ 973,238,286	$ 998,557,077	$ 843,354,014	$ 580,679,003	$ 643,820,612

Top Ten Lottery Programmatic Areas

The following list describes the top 10 programmatic areas that have received appropriations from the Lottery for Education account. The totals represent appropriations from inception through fiscal year 2012. The charts on page 10, 11 and 12 provide information on the appropriations by fiscal year.

The top ten programmatic areas account for 95.4% of Lottery for Education appropriations.

1. **Pre-Kindergarten - $4,658,467,525 -** A voluntary program offered by school systems and private providers designed to give 4-year-olds developmentally appropriate programs to enable them to begin kindergarten ready to learn.

2. **HOPE Financial Aid – Tuition (Public Institutions) - $4,562,462,275** Helping Outstanding Pupils Educationally (HOPE) is a unique scholarship program that rewards students' efforts with financial assistance in degree, diploma, or certificate programs at any eligible Georgia public college, university or technical college.

3. **HOPE Financial Aid – Fees - $868,949,791 -** Helping Outstanding Pupils Educationally (HOPE) covers HOPE-approved mandatory fees which vary at each college. This program was discontinued effective Fiscal Year 2012.

4. **HOPE Financial Aid – Books - $774,628,598 -** Helping Outstanding Pupils Educationally (HOPE) grants provide a $100 per quarter/$150 per semester book allowance. This program was discontinued effective Fiscal Year 2012.

5. **HOPE Scholarships - Private Colleges/Tuition Equalization Grants - $769,713,472-** Students at Private Colleges can qualify for a total award of $2,150 per semester which consists of HOPE Scholarship of $1,800 and a Georgia Tuition Equalization Grant, currently paid from General Appropriations in the amount of $350.

6. **Capital Outlay - $715,882,891 -** Appropriations made to the Department of Education, the University System of Georgia and the Technical College System of Georgia for capital outlay projects.

7. **Computers in the Classroom - $264,340,525 -** Grants to local school districts to be used to purchase computers for use by students in the classroom.

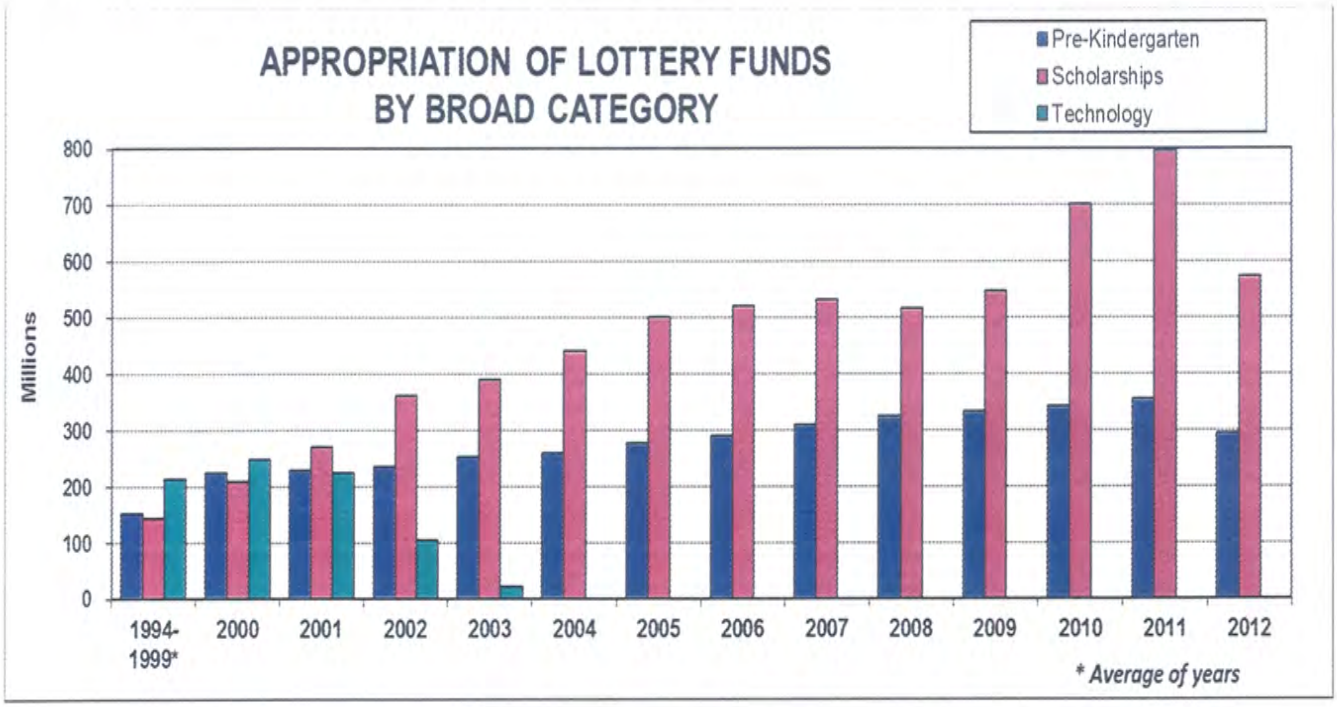
8. **Equipment - $207,842,958 -** Various object classes specifically designating equipment in the object class. The largest appropriations and their respective object classes are $123,840,056 for "Equipment - Technical Institutes" and $40,187,500 for "Media Center and Library Equipment."

9. **Equipment, Technology & Construction Trust Fund - $186,226,311** - This fund, created by the General Assembly for the purpose of purchasing needed equipment at state supported colleges and universities under the Board of Regents, is funded by lottery appropriations.

10. **Other Scholarship Programs - $175,960,611** – Scholarships provided for other scholarship programs. The largest appropriations are $85,926,285 for Teacher Scholarships and $60,703,670 for Promise Scholarships.

Lottery Appropriations by Broad Categories

Although the preceding list includes a number of different object classes, Lottery for Education appropriations are generally made in three broad categories; Pre-Kindergarten, Scholarships and Technology. The chart below reflects these three broad categories of appropriations for fiscal years 1994 through 2012.



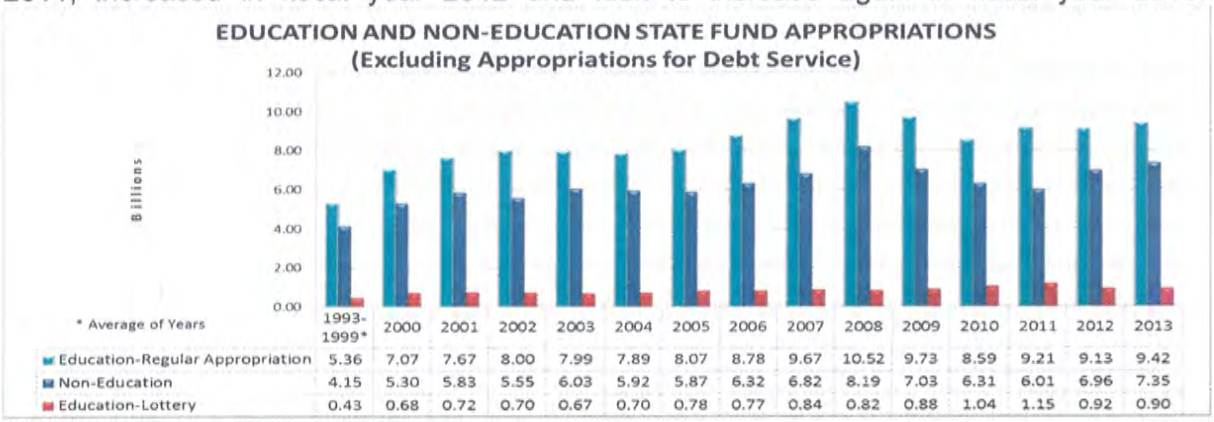
Appropriations for Education Compared with Total Appropriations

The Georgia Lottery for Education Act mandates that net proceeds (profits) from Georgia's lottery cannot be used to supplant funding for educational programs. This requirement ensures that lottery funds are not used to fund base level education programs previously funded with non-lottery funds.

For purposes of this report, appropriations for education purposes are defined as those non-lottery appropriations made to the following agencies of the State:

Department of Education (includes Office of School Readiness prior to 2005)
Department of Early Care and Learning (successor to the Office of School Readiness)
Regents, University System of Georgia
Georgia Student Finance Commission
Technical College System of Georgia (formerly the Department of Technical and Adult Education)
Office of the Governor
Teachers' Retirement System of Georgia
Public School Employees Retirement System of Georgia

Total State appropriations have increased from over $8.2 billion in fiscal year 1993 to $19.3 billion in fiscal year 2013. *Education appropriations of non-lottery funds* steadily increased in fiscal years 1994-2002, were fairly constant fiscal years 2003-2005, steadily increased again in fiscal years 2006-2008, declined in fiscal years 2009 and 2010, increased in fiscal year 2011, remained fairly constant in 2012 and looks to increase for fiscal year 2013. *Education appropriations of lottery funds* increased in fiscal year's 1994-1997 and has experienced both increases and decreases since fiscal year 1998; with an overall increase during that time span. During the four fiscal periods from 1993 to 1996, education and non-education appropriations moved in a somewhat similar pattern. In fiscal years 1997-2008, education appropriations grew at higher percentage rates than those for non-educational purposes. Both appropriations decreased in fiscal years 2009 and 2010. Education appropriations increased in fiscal year 2011, remained fairly constant in 2012 and look to increase in fiscal year 2013; while non-education appropriations decreased in fiscal year 2011, increased in fiscal year 2012 and look to increase again in fiscal year 2013.



* Average of Years	1993-1999*	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Education-Regular Appropriation	5.36	7.07	7.67	8.00	7.99	7.89	8.07	8.78	9.67	10.52	9.73	8.59	9.21	9.13	9.42
Non-Education	4.15	5.30	5.83	5.55	6.03	5.92	5.87	6.32	6.82	8.19	7.03	6.31	6.01	6.96	7.35
Education-Lottery	0.43	0.68	0.72	0.70	0.67	0.70	0.78	0.77	0.84	0.82	0.88	1.04	1.15	0.92	0.90

Annual appropriations for fiscal years 1993-2012 are based upon the Amended Appropriations Act.
Annual appropriations for fiscal year 2013 are based upon the fiscal year 2013 Original Appropriations Act.

Object Classes to Which Lottery Funds Appropriated

DEPARTMENT OF EDUCATION
LOTTERY FOR EDUCATION APPROPRIATIONS

OBJECT CLASS TO WHICH APPROPRIATED	Nineteen Year TOTALS*	Fiscal Years 1994 through 2010	Fiscal Year 2011	Fiscal Year 2012
Algebra Classrooms	$ 753,000	$ 753,000	$ 0	$ 0
Alternative Programs	15,175,400	15,175,400		
Applied Technology Labs	22,260,000	22,260,000		
Assistive Technology	14,000,000	14,000,000		
Capital Outlay	536,807,306	536,807,306		
Computer Hardware/Software in Classrooms	33,087,500	33,087,500		
Computers in the Classroom	231,253,025	231,253,025		
Distant Learning - Hardware and Cabling	14,138,078	14,138,078		
Distant Learning - Satellite Dishes	5,407,839	5,407,839		
Drug and Anti-Violence Education	2,025,000	2,025,000		
Educational Technology Centers	5,244,236	5,244,236		
Financial and Management Equipment	15,548,180	15,548,180		
Fort Discovery National Science Center	2,635,000	2,635,000		
Instructional Technology	31,238,000	31,238,000		
Learning Logic Sites	3,324,000	3,324,000		
Media Center and Library Equipment	40,187,500	40,187,500		
Model Technology Schools	10,750,000	10,750,000		
Next Generation Schools	2,000,000	2,000,000		
Post Secondary Options	22,208,555	22,208,555		
Pre-Kindergarten for 4-year-olds	707,591,090	707,591,090		
Pre-Kindergarten - Grants **	1,374,678,108	1,374,678,108		
Pre-Kindergarten - Operations **	32,233,177	32,233,177		
Pre-Kindergarten - Personal Services **	12,367,666	12,367,666		
Safe Schools Grant	24,000,000	24,000,000		
Technology Installation	18,990,000	18,990,000		
Sub-Total	3,177,902,660	3,177,902,660	0	0
Less: Lapsed Funds	(7,350,368)	(7,350,368)		
Total - Department of Education	$ 3,170,552,292	$ 3,170,552,292	$ 0	$ 0

DEPARTMENT OF EARLY CARE AND LEARNING
LOTTERY FOR EDUCATION APPROPRIATIONS

OBJECT CLASS TO WHICH APPROPRIATED	Eight Year TOTALS***	Fiscal Year 2005 through 2010	Fiscal Year 2011	Fiscal Year 2012
Pre-Kindergarten - Grants	$ 2,464,028,046	$ 1,828,068,634	$ 346,772,562	$ 289,186,850
Pre-Kindergarten - Operations	46,264,928	32,514,928	5,265,872	8,484,128
Pre-Kindergarten - Personal Services	21,304,510	15,306,863	2,977,625	3,020,022
Sub-Total	2,531,597,484	1,875,890,425	355,016,059	300,691,000
Less: Lapsed Funds	(7,000,000)	0	0	(7,000,000)
Total - Early Care and Learning	$ 2,524,597,484	$ 1,875,890,425	$ 355,016,059	$ 293,691,000

Beginning with the fiscal year 2006 Appropriation Act, the State changed from results-based budgeting focusing on object classes to a prioritized program-based budget methodology. However, for comparative purposes, the data in these tables is presented at the object class level.

*-In state fiscal years 2004 through 2012, the Department of Education received no appropriation of Lottery for Education Funds. **-Appropriations made to Office of School Readiness, a Budget Unit of the Department of Education, fiscal years 2001-2004. ***-Beginning with fiscal year 2005, Office of School Readiness changed to the Department of Early Care and Learning and became a separate budget unit.

REGENTS, UNIVERSITY SYSTEM OF GEORGIA
LOTTERY FOR EDUCATION APPROPRIATIONS

OBJECT CLASS TO WHICH APPROPRIATED	Nineteen Year TOTALS****	Fiscal Years 1994 through 2010	Fiscal Year 2011	Fiscal Year 2012
Capital Outlay	$ **20,469,980**	$ 20,469,980	$ 0	$ 0
Capital Outlay - Agricultural Experiment Stations	**1,500,000**	1,500,000		
Capital Outlay - Albany State College	**16,639,611**	16,639,611		
Capital Outlay - GPTC	**30,942,512**	30,942,512		
Capital Outlay - Georgia College	**300,000**	300,000		
Capital Outlay - Georgia Military College	**3,500,000**	3,500,000		
Chehaw Education Center	**2,000,000**	2,000,000		
Computer Labs - Vocational Instruction	**240,000**	240,000		
Distant Learning - Satellite Dishes	**400,000**	400,000		
Educational Equipment	**200,000**	200,000		
Educational Technology Center	**1,910,000**	1,910,000		
Equipment	**1,000,000**	1,000,000		
Equipment - GMC	**438,000**	438,000		
Equipment - GPTC	**3,300,000**	3,300,000		
Equipment - Public Libraries	**800,000**	800,000		
Equipment - Vocational Instruction	**2,000,000**	2,000,000		
Equipment, Technology and Construction Trust Fund	**186,226,311**	186,226,311		
Georgia Military College - Computer Charges	**140,000**	140,000		
Georgia Public Telecommunications Commission	**15,186,000**	15,186,000		
Georgia Research Alliance	**100,996,689**	100,996,689		
Internet Connection Initiative	**13,173,422**	13,173,422		
Mercer University Grant - Equipment	**250,000**	250,000		
Per Diem, Fees and Contracts	**50,000**	50,000		
Research Consortium - Georgia Research Alliance	**24,200,000**	24,200,000		
Special Funding Initiatives	**103,605,500**	103,605,500		
Student Information System	**20,000,000**	20,000,000		
Technology Equipment Initiative	**3,579,222**	3,579,222		
Zoo Atlanta Resources Center	**2,500,000**	2,500,000		
Sub-Total	**555,547,247**	555,547,247	0	0
Less: Lapsed Funds	**0**	0	0	0
Total - University System of Georgia	**$ 555,547,247**	$ 555,547,247	$ 0	$ 0

Beginning with the fiscal year 2006 Appropriation Act, the State changed from results-based budgeting focusing on object classes to a prioritized program-based budget methodology. However, for comparative purposes, the data in this table is presented at the object class level.

****-In state fiscal years 2004 through 2012, the University System of Georgia received no appropriation of Lottery for Education Funds.

GEORGIA STUDENT FINANCE COMMISSION
LOTTERY FOR EDUCATION APPROPRIATIONS

OBJECT CLASS TO WHICH APPROPRIATED	Nineteen Year TOTALS	Fiscal Years 1994 through 2010	Fiscal Year 2011	Fiscal Year 2012
Engineer Scholarships	$ 9,545,500	$ 8,925,500	$ 620,000	$
Georgia Military College Scholarships	13,526,795	12,298,087	1,228,708	
HOPE Financial Aid	39,413,797	39,413,797		
HOPE Financial Aid - Books	774,628,598	712,375,057	62,253,541	
HOPE Financial Aid - Fees	868,949,791	796,348,158	72,601,633	
HOPE Financial Aid -Tuition	4,523,048,478	3,400,060,680	586,913,162	536,074,636
HOPE Joint Enrollment	46,399,225	37,264,625	9,134,600	
HOPE Scholarships - Private Colleges	641,857,044	529,766,186	58,663,937	53,426,921
LEPD Scholarship	2,202,613	2,202,613		
Low Interest Loans	20,000,000			20,000,000
Operating Services - HOPE Administration	23,411,937	17,946,270	2,315,204	3,150,463
Personal Services - HOPE Administration	31,377,302	22,061,083	4,650,310	4,665,909
Promise Scholarships	60,703,670	60,703,670		
College Opportunity Grant	4,944,000		4,944,000	
Promise II Scholarships	4,055,748	4,055,748		
Public Safety Memorial Grant	1,897,861	1,535,100	362,761	
Teacher Scholarships	85,926,285	85,926,285		
Tuition Equalization Grants	127,856,428	127,856,428		
Sub-Total	7,279,745,072	5,858,739,287	803,687,856	617,317,929
Less: Lapsed Funds	(171,571,772)	(118,735,274)	(9,000,000)	(43,836,498)
Total - Georgia Student Finance Commission	$ 7,108,173,300	$ 5,740,004,013	$ 794,687,856	$ 573,481,431

TECHNICAL COLLEGE SYSTEM OF GEORGIA*****
LOTTERY FOR EDUCATION APPROPRIATIONS

OBJECT CLASS TO WHICH APPROPRIATED	Nineteen Year TOTALS******	Fiscal Years 1994 through 2010	Fiscal Year 2011	Fiscal Year 2012
Assistive Technology Grants	$ 500,000	$ 500,000	$ 0	$ 0
Capital Outlay	1,000,000	1,000,000		
Capital Outlay - Adult Literacy	3,480,000	3,480,000		
Capital Outlay - Computer Labs	2,544,000	2,544,000		
Capital Outlay - Technical Institute Satellite Facilities	98,699,482	98,699,482		
Computer Hardware and Software	2,818,000	2,818,000		
Computer Laboratories & Satellite Dishes - Adult Literacy	4,040,000	4,040,000		
Distant Learning - Satelite Dishes	439,000	439,000		
Equipment - Area Schools	2,000,000	2,000,000		
Equipment - State Schools	14,500,000	14,500,000		
Equipment - Technical Institutes	123,840,056	123,840,056		
Repairs and Renovations	18,295,000	18,295,000		
Special Education Equipment	200,000	200,000		
Sub-Total	272,355,538	272,355,538	0	0
Less: Lapsed Funds	0	0	0	0
Total - Technical and Adult Education	$ 272,355,538	$ 272,355,538	$ 0	$ 0

Beginning with the fiscal year 2006 Appropriation Act, the State changed from results-based budgeting focusing on object classes to a prioritized program-based budget methodology. However, for comparative purposes, the data in these tables is presented at the object class level.

*****-Formerly known as the Department of Technical and Adult Education. ******-In state fiscal years 2002 through 2012, the Technical College System of Georgia received no appropriation of Lottery for Education Funds.

In addition to the appropriations to the agencies shown on this and the previous pages, an appropriation of $2,000,000 was made for Technology Grants in the 1995 State fiscal year to the Office of the Governor.

Glossary of Terms

Administrative Expenses - Operating expenses such as salaries and benefits of employees, rents and utilities, professional fees, depreciation, and similar expenses.

Amended Appropriations Act - Legislation enacted by the General Assembly approximately midway through the fiscal year to increase/decrease funds which may be expended by State budget units. *(See also Appropriations Act and Original Appropriations Act).*

Appropriation - Approval by the General Assembly for a State organization to receive and expend State funds for specific purposes.

Appropriations Act - Legislation enacted by the General Assembly that lists amounts and purposes for which State funds (as well as other funds) may be expended by the various budget units (departments and agencies of the State). *(See also Amended Appropriations Act and Original Appropriations Act).*

Budget Unit - A term used in appropriation acts of the General Assembly to denote the separate departments and agencies of State government to which appropriations are made.

Lottery for Education - The official name of the account maintained at the Office of the State Treasurer to distinguish lottery funds from other State funds.

Lottery Proceeds - All revenue derived from the sale of lottery tickets plus all other money derived from lottery operations at the Georgia Lottery Corporation.

Lottery Ticket Sales - Gross lottery tickets sales less the value of any tickets provided as prizes.

Net Proceeds - Lottery proceeds less operating expenses of the Georgia Lottery Corporation. Net proceeds are required by law to be transferred from the Georgia Lottery Corporation to the Office of the State Treasurer.

Object Class - A term used in appropriation acts of the General Assembly prior to program budgeting to denote categories or classifications of expenditures for which funds are appropriated to be expended. *(See also Program-Based Budgeting).*

Operating Expenses - All costs of doing business, including, but not limited to, prizes, commissions, and other compensation paid to retailers, advertising and marketing costs, personnel costs, capital costs, and depreciation of property and equipment. For purposes of this report, operating expenses are presented sub-categorized as administrative expenses and retailing expenses.

Original Appropriations Act - Legislation enacted by the General Assembly approximately three or four months prior to the beginning of the fiscal year. *(See also Appropriations Act and Amended Appropriations Act).*

Program-Based Budgeting - A budgetary control prescribed by the Appropriations Act of the General Assembly which appropriates expenditures related to specific funding sources within programs. This budgetary control was first implemented in fiscal year 2006. *(See also Object Class).*

Retailing Expenses - Those operating expenses associated with selling and marketing, such as retailer commissions and bonuses, contractor fees, advertising, marketing and other similar expenses.

State Treasury - A term used to refer to the Office of the State Treasurer.

The Georgia Lottery - For purposes of this report, includes total financial activity of the Georgia Lottery Corporation, financial activity of the Office of the State Treasurer related to Lottery funds, and financial activity of State agencies appropriated Lottery for Education funds for specific purposes.

Total Income - All income generated by the Georgia Lottery Corporation plus interest earned on the Lottery for Education account at the Office of the State Treasurer.