



Report from the Director
December 10, 2013

Comparative Income Statements

October 2013 and 2012

GAAP Basis Income Statement	October 2013	October 2012	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 26,541,683	\$ 28,682,567	\$ (2,140,884)	-7.5%
Online Tickets	6,684,173	5,181,764	1,502,409	29.0%
Retailer App/Fidelity	45,542	41,542	4,000	9.6%
TOTAL Revenues	33,271,398	33,905,873	(634,475)	-1.9%
Operating Expense				
Instant Prizes Net	19,329,937	19,841,828	511,891	2.6%
Online Prizes Net	3,532,738	2,582,476	(950,262)	-36.8%
Retailer Commissions	1,847,132	1,894,953	47,821	2.5%
Gaming Contract Costs	1,689,538	1,741,461	51,923	3.0%
Advertising	460,001	350,221	(109,780)	-31.3%
General and Admin.	661,384	643,081	(18,303)	-2.8%
Other Agency Services	91,233	135,000	43,767	32.4%
TOTAL Operating Expenses	27,611,963	27,189,020	(422,943)	-1.6%
Operating Income	5,659,435	6,716,853	(1,057,418)	-15.7%
 Interest Income	 17,908	 26,292	 (8,384)	 -31.9%
Income Before Transfers	\$ 5,677,343	\$ 6,743,145	\$ (1,065,802)	-15.8%
Net Proceeds	\$ 6,773,937	\$ 6,632,866	\$ 141,071	2.08%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

Actual Versus Budget October 2013

GAAP Basis Income <u>Statement</u>	October 2013 <u>Actual</u>	October 2013 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant tickets	\$ 26,541,683	\$ 30,958,333	\$ (4,416,650)	-14.3%
Online Tickets	6,684,173	7,247,887	(563,714)	-7.8%
Retailer App/Fidelity	<u>45,542</u>	<u>45,000</u>	<u>542</u>	<u>1.2%</u>
TOTAL Revenues	<u>33,271,398</u>	<u>38,251,220</u>	<u>(4,979,822)</u>	<u>-13.0%</u>
Operating Expense				
Instant Game Prizes	19,329,937	21,790,894	2,460,957	11.3%
Online Game Prizes	3,532,738	3,660,096	127,358	3.5%
Retailer Commissions	1,847,132	2,160,471	313,339	14.5%
Gaming Contract Cost	1,689,538	1,968,691	279,153	14.2%
Advertising	460,001	375,000	(85,001)	-22.7%
General and Admin.	661,384	689,329	27,945	4.1%
Other Agency Service	<u>91,233</u>	<u>129,167</u>	<u>37,934</u>	<u>29.4%</u>
TOTAL Operating Expenses	<u>27,611,963</u>	<u>30,773,648</u>	<u>3,161,685</u>	<u>10.3%</u>
Operating Income	5,659,435	7,477,572	(1,818,137)	-24.3%
Interest Income	<u>17,908</u>	<u>20,000</u>	<u>(2,092)</u>	<u>-10.5%</u>
Income before transfers	\$ <u>5,677,343</u>	\$ <u>7,497,572</u>	\$ <u>(1,820,229)</u>	<u>-24.3%</u>
Net Proceeds	\$ <u>6,773,937</u>	\$ <u>7,060,080</u>	\$ <u>(286,143)</u>	<u>-4.22%</u>

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

YTD October 31, 2013 Compared to October 31, 2012

<u>Statement</u>	<u>Actual</u> <u>YTD 10/31/13</u>	<u>Actual</u> <u>YTD 10/31/12</u>	<u>Favorable/</u> <u>(Unfavorable)</u>	<u>Percentage</u> <u>Variance</u>
Revenues				
Instant tickets	\$ 102,045,580	\$ 108,251,630	\$ (6,206,050)	-5.7%
Online Tickets	30,439,898	24,056,928	6,382,970	26.5%
Retailer app. fidelity	<u>193,585</u>	<u>193,261</u>	<u>324</u>	<u>0.2%</u>
TOTAL Revenues	<u>132,679,063</u>	<u>132,501,819</u>	<u>177,244</u>	<u>0.1%</u>
Operating Expense				
Instant Prizes Net	72,653,616	74,641,912	1,988,296	2.7%
Online Prizes Net	15,990,185	11,632,850	(4,357,335)	-37.5%
Retailer Commissions	7,383,315	7,385,285	1,970	0.0%
Gaming Contract Costs	6,510,400	6,645,019	134,619	2.0%
Advertising	1,309,585	1,201,567	(108,018)	-9.0%
General and Admin.	2,397,901	2,377,485	(20,416)	-0.9%
Other Agency Services	<u>364,932</u>	<u>540,000</u>	<u>175,068</u>	<u>32.4%</u>
TOTAL Operating Expenses	<u>106,609,934</u>	<u>104,424,118</u>	<u>(2,185,816)</u>	<u>-2.1%</u>
Operating Income	26,069,129	28,077,701	(2,008,572)	-7.2%
Interest Income	<u>97,039</u>	<u>114,364</u>	<u>(17,325)</u>	<u>-15.1%</u>
Income before transfers	\$ <u>26,166,168</u>	\$ <u>28,192,065</u>	\$ <u>(2,025,897)</u>	<u>-7.2%</u>
Net Proceeds	\$ <u>24,090,904</u>	\$ <u>25,163,610</u>	\$ <u>(1,072,706)</u>	<u>-4.3%</u>

Note – Net Proceeds does not include unclaimed prizes.

ADHE Transfer Analysis

<u>Month</u>	<u>2014 Transfers</u>	<u>2014 Unclaimed Prizes</u>	<u>2014 Budget</u>	<u>Over/Under Budget</u>	<u>Cumulative Balance</u>
July, 2013	\$4,891,372	\$747,115	\$5,621,039	\$17,448	\$17,448
August	6,401,829	87,431	6,959,900	-470,640	-453,192
September	6,023,766	618,079	7,279,088	-637,243	-1,090,435
October	6,773,937	94,334	7,497,572	-629,301	-1,719,736
November					
December					
January, 2014					
February					
March					
April					
May					
June					
Totals	<u>\$24,090,904</u>	<u>\$1,546,959</u>	<u>\$27,357,599</u>		



September 28, 2009 to October 31, 2013

Sales – Instant Tickets	\$1,576 Million
Sales – Online Tickets	\$317 Million
Total Sales	\$1,893 Million
Prizes – Instant Games	\$1,094 Million
Prizes – Online Games	\$157 Million
Total Prizes	\$1,251 Million
Commissions	\$107 Million
Net Proceeds	\$390 Million
Unclaimed Prizes	\$167 Million

• Number of Million Dollar Plus Instant's Paid	\$2 Million Plus	2
	\$1 Million to \$2 Million	11
• Largest Jackpot Paid (Powerball, February 2, 2010) (Lump Sum of \$25 Million Annuitized Jackpot)		\$12,153,622
• \$2 Million Powerball Prize		1
• \$1 Million Powerball Prizes		6
• \$1 Million Mega Millions Prizes		3
• \$1 Million Raffle Prizes		2
• Number of Retailers (10-31-2013)		1,896
• Number of Employees (10-31-2013)		80

Scholarships

Scholarships Funded for AY 2010 (FY 2011)	31,031
AY 2011 (FY 2012)	31,268
AY 2012 (FY 2013)	32,881
AY 2013 (FY 2014 – preliminary)	30,656
Total Amount Awarded (10-31-2013)	\$388,887,502

Allocation of Lottery Revenues For the Fiscal Year Ended June 30, 2013

Fiscal Year 2013 Revenue Distribution

