

12-13-2013

# Bureau of Alcoholic Beverages and Lottery Operations Financial Statements Fiscal Year Ending June 30, 2013

Maine Department of Administrative and Financial Services

Bureau of Alcoholic Beverages and Lottery Operations

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# State of Maine



Department of Administrative and Financial Services

## Bureau of Alcoholic Beverages and Lottery Operations

Financial Statements  
Fiscal Year Ending June 30, 2013



STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
**DIVISION OF FINANCIAL AND PERSONNEL SERVICES**  
74 STATE HOUSE STATION, AUGUSTA, MAINE 04333

PAUL R. LEPAGE  
JR.  
GOVERNOR

H. SAWIN MILLETT.  
COMMISSIONER

December 13, 2013

Gerald Reid, Director  
Timothy R. Poulin, Deputy Director  
Bureau of Alcoholic Beverages and Lottery Operations  
8 State House Station  
Augusta, Maine 04333-0008

Dear Mr. Reid and Mr. Poulin,

Submitted herein is the annual report for the Bureau of Alcoholic Beverages and Lottery Operations for the fiscal year ending June 30, 2013. This report presents the financial position of lottery operations. The report does not reflect sales or operating expenses of the lottery retail agents.

If you have any suggestions or comments about these schedules please contact us at your earliest convenience. If there are other schedules that you wish to be included in our next annual report, please let us know so that we may work together on the design of the report.

Sincerely,

---

Kimberly A. Smith  
Director,  
General Government Service Center

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Carol W. Cody  
Deputy Director,  
General Government Service Center



## Maine Lottery

The Maine State Lottery is proud of its commitment to providing the citizens of Maine with fun and exciting entertainment. Since 1974, the Maine State Lottery has generated over \$4 billion in sales revenues, including over \$2.3 billion in prizes to players and over \$282 million in commissions and bonuses to support our local economy. Over \$1 billion has been transferred to the State's General Fund to support programs and services all across Maine.



[www.maineLOTtery.com](http://www.maineLOTtery.com)

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Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages and Lottery Operations  
**HISTORICAL GROSS SALES AS COMPARED TO TOTAL TRANSFERS**

**For Fiscal Years 1994 - 2013**

<b>Fiscal Year</b>	<b>Liquor Sales</b>		<b>Lottery Sales</b>	<b>Heritage Sales</b>	<b>Total Sales</b>
2013	135,094,600	*	225,640,604	2,083,042	362,818,246
2012	129,546,318	*	226,387,260	1,966,301	357,899,879
2011	124,160,700	*	214,100,761	2,325,493	340,586,954
2010	120,827,000	*	214,746,496	2,286,077	337,859,573
2009	116,973,000	*	208,026,397	2,643,774	327,643,171
2008	112,659,700	*	225,500,155	3,018,616	341,178,471
2007	107,516,600	*	227,184,778	2,839,097	337,540,475
2006	100,391,300	*	226,231,509	3,472,515	330,095,324
2005	52,676,422	+	206,168,485	3,130,645	261,975,552
2004	89,054,685		182,645,792	3,228,538	274,929,015
2003	85,395,495		161,689,836	2,943,273	250,028,605
2002	81,576,220		152,828,875	5,079,880	239,484,975
2001	79,647,455		140,635,023	5,955,682	226,238,160
2000	76,599,135		143,134,147	4,779,464	224,512,746
1999	72,382,945		137,529,119	7,057,795	216,969,859
1998	70,426,846		144,670,300	4,219,798	219,316,944
1997	68,075,556		142,040,139	4,214,863	214,330,558
1996	68,181,524		143,185,328	5,504,375	216,871,227
1995	68,112,331		153,204,327		221,316,658
1994	71,186,901		145,197,086		216,383,987

<b>Fiscal Year</b>	<b>Liquor Transfer</b>		<b>Lottery Transfer</b>	<b>Heritage Transfer</b>	<b>Total Transferred</b>	<b>% of Sales</b>
2013	10,979,738	*	52,908,602	593,629	64,481,969	17.77%
2012	10,254,968	*	53,785,567	530,622	64,571,157	18.04%
2011	9,405,382	*	49,547,800	645,824	59,599,007	17.50%
2010	8,823,077	*	52,201,531	669,789	61,694,397	18.26%
2009	8,217,940	*	49,839,434	734,120	58,791,494	17.94%
2008	7,513,763	*	49,491,086	811,844	57,816,693	16.95%
2007	6,356,499	*	50,624,742	810,598	57,791,839	17.12%
2006	4,443,800	*	50,879,647	908,065	56,231,512	17.03%
2005	51,536,907	**	49,328,103	800,309	101,665,319	38.81%
2004	103,957,966	**	41,752,637	774,917	146,485,520	53.28%
2003	27,749,668		39,442,111	811,296	68,003,076	27.20%
2002	26,821,646		39,317,891	1,171,888	67,311,425	28.11%
2001	25,860,058		35,450,105	1,389,111	62,699,274	27.71%
2000	26,094,244		38,125,786	1,427,972	65,674,871	29.25%
1999	21,255,952		39,620,893	1,749,542	62,626,387	28.86%
1998	22,139,996		40,742,055	1,104,635	64,086,118	29.22%
1997	22,250,530		40,717,655	1,068,469	64,206,056	29.96%
1996	23,085,031		37,757,632	1,617,105	62,459,768	28.80%
1995	21,785,740		41,185,167		62,970,907	28.45%
1994	23,755,033		44,616,761		68,371,794	31.60%

\* - These amounts include listing fees, premium tax and the profit sharing amount received from Maine Beverage Company; and the Liquor Sales, are calculated on a calendar year basis.

\*\* - In May of 2004, the State signed a ten year lease with Maine Beverage Company for the warehousing and distribution of spirits subject to pricing regulation by the state. Maine Beverage paid the state \$75 million in FY '04 and \$50 million in FY '05 for this privilege.

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**BALANCE SHEET**  
*For Month ending June 30,*

**ASSETS:**

	2013	2012
<b>Current Assets</b>		
Cash	\$ -	\$ -
Petty Cash - Imprest Fund	750,200	750,200
Accounts Receivable	21,794,938	19,958,952
Reserve for Doubtful Accounts	(561,852)	(610,273)
Prepaid Expense	150,026	91,800
<b>Total Current Assets</b>	<b>\$ 22,133,312</b>	<b>\$ 20,190,679</b>
<b>Fixed Assets</b>		
Equipment	\$ 44,202	\$ 44,202
Less: Reserve for Depreciation	(44,202)	(44,202)
<b>Total Fixed Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL ASSETS</b>	<b>\$ 22,133,312</b>	<b>\$ 20,190,679</b>

**LIABILITIES:**

Accounts Payable	\$ 1,042,126	\$ 819,149
Accrued Payroll	83,223	(1) 94,247
Accrued Subscriptions	263,459	289,558
Accrued Vacation Liability	118,564	107,804
Vouchers Payable	855	(2) 855
Due to Other Funds	6,090,203	(3) 5,353,873
<b>TOTAL LIABILITIES</b>	<b>\$ 7,598,428</b>	<b>\$ 6,665,486</b>

**RESERVES:**

MUSL Prize Reserve	\$ 2,674,784	(4) \$ 2,423,793
Lucky For Life Expired Prize Reserve	488,457	(5) 276,400
Lucky For Life Prize Reserve	191,692	(6) -
Instant Ticket Prize Reserve	11,145,460	(7) 10,765,000
Reserve for Instant Game Annuities	15,000	(8) 60,000
Untransferred Profit	19,491	(11) -
<b>TOTAL RESERVES</b>	<b>\$ 14,534,884</b>	<b>\$ 13,525,193</b>
<b>TOTAL LIABILITIES &amp; RESERVES</b>	<b>\$ 22,133,312</b>	<b>\$ 20,190,679</b>

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**Comparative Statements of Income and Expense**  
*For Fiscal Years ending June 30,*

<b>SALES</b>	<b>2013</b>		% of Sales	<b>2012</b>	% of Sales	% Change 2012 to 2013
<b>Instant Tickets</b>						
\$1 Instant	\$ 13,244,412		5.82%	\$ 15,423,555	6.75%	(14.13%)
Heritage Game	2,083,042		0.91%	1,966,301	0.86%	5.94%
\$2 Instant	29,047,124		12.76%	30,411,208	13.32%	(4.49%)
\$3 Instant	29,401,302		12.91%	26,999,784	11.82%	8.89%
\$5 Instant	39,587,135		17.38%	36,483,175	15.98%	8.51%
\$10 Instant	24,432,350		10.73%	25,257,710	11.06%	(3.27%)
\$20 Instant	25,645,020		11.26%	28,599,800	12.52%	(10.33%)
<i>Total Instant</i>	\$ 163,440,385		71.77%	\$ 165,141,533	72.32%	(1.03%)
<b>Draw Games</b>						
Pick 3	\$ 5,154,634		2.26%	\$ 5,269,562	2.31%	(2.18%)
Pick 4	4,207,134		1.85%	4,310,427	1.89%	(2.40%)
Megabucks	14,097,576		6.19%	16,401,625	7.18%	(14.05%)
Powerball	27,304,108		11.99%	22,076,382	9.67%	23.68%
Gimme 5	374,814		0.16%	-	N/A	N/A
Weekly Grand	-		N/A	2,252,693	N/A	N/A
Lucky for Life	6,654,250		2.92%	2,474,782	1.08%	168.88%
Hot Lotto	2,031,279		0.89%	2,464,831	1.08%	(17.59%)
Mega Millions	4,459,466		1.96%	7,961,726	3.49%	(43.99%)
<i>Total Draw</i>	\$ 64,283,261		28.23%	\$ 63,212,028	27.68%	1.69%
<i>Total Ticket Sales</i>	\$ 227,723,646		100.00%	\$ 228,353,561	100.00%	
<b>Misc Sales</b>						
Sale of Clothing	\$ -		N/A	\$ -	N/A	
<b>OTHER INCOME</b>						
Distribution Expenses paid by IF&W	\$ 52,076		0.02%	\$ 49,158	0.02%	5.94%
Expired Instant Prize Reserve	1,857,229 (9)		0.82%	2,826,176	1.24%	(34.28%)
Expired Instant Prize Reserve - Heritage	70,332 (9)		0.03%	47,111	0.02%	49.29%
Interest Income - Tri State	26,775		0.01%	22,724	0.01%	17.83%
Misc Income	278,966		0.12%	(198,781)	(0.09%)	(240.34%)
<i>Total Other Income</i>	\$ 2,285,378		1.00%	\$ 2,746,388	1.20%	(16.79%)
<i>Total Receipts</i>	\$ 230,009,024			\$ 231,099,949		(0.47%)
<b>EXPENSES</b>						
Cost of Goods Sold	\$ 167,808,028		73.69%	\$ 168,950,235	73.99%	(0.68%)
Maine Operating Expenses	3,945,968		1.73%	3,866,689	1.69%	2.05%
Tri-State Operating Expenses	3,173,562 (10)		1.39%	2,471,593	1.08%	28.40%
Heritage Game Expenses	1,559,745		0.68%	1,482,790	0.65%	5.19%
<i>Total Expenses</i>	\$ 176,487,303		77.50%	\$ 176,771,307	77.41%	(0.16%)
<b>Transfer</b>						
Transfer to General Fund	\$ 52,908,601		23.23%	\$ 53,785,567	23.55%	(1.63%)
Transfer to Fish & Wildlife	593,629		0.26%	530,622	0.23%	11.87%
Profit Due from/to Gen. Fund	19,491 (11)		0.01%	12,453	0.01%	56.51%
<i>Total Transfer</i>	\$ 53,521,721		23.50%	\$ 54,328,642	23.79%	(1.49%)
<b>Changes from FY 2012 to FY 2013</b>						
<b>Sales:</b>						
Instant	Dollars (1,701,148)		%			(1.03%)
Draw	1,071,233					1.69%
<b>Total</b>	(629,915)					(0.28%)
<b>Cost of Goods Sold</b>						
Cost of Goods Sold	(1,142,207)		(0.68%)			
Maine Operating Expenses	79,279		2.05%			



**Department of Administrative and Financial Services**

**Division of Lottery**

**HERITAGE GAME INCOME STATEMENT**

*For Fiscal Years ending: June 30,*

	2013	2012
<b>SALES</b>		
Game 943 - Roadkill Cash	\$ -	\$ (213)
Game 969 - Big Bass Bucks	-	135,762
Game 101 - Turkey Tripler	-	1,074,251
Game 125 - Fast Cash	63,319	756,501
Game 149 - Moose Money	1,215,091	-
Game 172 - Big Cash	804,632	-
<b>Total Sales</b>	<b>\$ 2,083,042</b>	<b>\$ 1,966,301</b>
 <b>OTHER INCOME</b>		
Expired Prize Reserve	\$ 70,332	\$ 47,111
<b>Total Income</b>	<b>\$ 2,153,374 (12)</b>	<b>\$ 2,013,412</b>
 <b>EXPENSES</b>		
Game 943 - Roadkill Cash	\$ -	\$ (129)
Game 969 - Big Bass Bucks	-	81,769
Game 101 - Turkey Tripler	-	647,675
Game 125 - Fast Cash	38,120	455,038
Game 149 - Moose Money	731,242	-
Game 172 - Big Cash	485,274	-
Vendor Fees	85,910	91,415
Agent Commissions	166,643	157,304
Agent Bonuses	480	560
Advertising	-	-
Sta Cap	-	-
Distribution Expenses	52,076	49,158
<b>Total Expenses</b>	<b>\$ 1,559,745</b>	<b>\$ 1,482,790</b>
 <b>Inland Fish &amp; Wildlife Profit</b>	<b>\$ 593,629</b>	<b>\$ 530,622</b>

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**Maine Operating Expense Schedule**  
**Year To Date**  
*For Fiscal Years ending June 30,*

	2013	2012	% Change 2012 to 2013
<b>Lottery Administration</b>			
Personal Services	\$ 1,623,998 (13)	\$ 1,613,092	0.68%
State Services	163,625	157,901	3.62%
Non-State Services	39,021	11,809	230.44%
Travel Expenses	29,683	5,384	451.36%
Rents	152,069	100,738	50.95%
Office Supplies	18,273	17,589	3.89%
Gen Operations	47,429	140,520	(66.25%)
Portion paid by IFW	(27,372)	(26,025)	5.18%
<i>Total Administrative</i>	<b>\$ 2,046,724</b>	<b>\$ 2,021,008</b>	1.27%
<b>Lottery Operations</b>			
General Operations	\$ 143,935	\$ 127,132	13.22%
Other Instant Expense	140,568	174,341	(19.37%)
Other Draw Expense	116,063	290,731	(60.08%)
Customer Service	42,764	47,924	(10.77%)
State Post Office	-	1	N/A
Other Agent Expenses	-	-	N/A
Portion paid by IFW	(5,851)	(8,138)	(28.11%)
<i>Total Operational</i>	<b>\$ 437,480</b>	<b>\$ 631,991</b>	(30.78%)
<b>Advertising Charges</b>			
Ad Agency Fees	\$ 196,650	\$ 158,996	23.68%
TV Production	222,252	176,956	25.60%
TV Media	780,728	705,022	10.74%
Promotional Material	148,293	120,160	23.41%
Advertising Notices	5,599	1,516	269.33%
StaCap	75,019	16,877	344.52%
Portion paid by IFW	(18,853)	(14,995)	25.72%
<i>Total Advertising</i>	<b>\$ 1,409,688</b>	<b>\$ 1,164,532</b>	21.05%
<i>Subtotal</i>	\$ 3,893,892	\$ 3,817,531	2.00%
Plus: IF&W reimbursement	52,076	49,158	5.94%
<b>Total Maine Operating Expenses</b>	<b>\$ 3,945,968</b>	<b>\$ 3,866,689</b>	2.05%
<b>Total Sales Including Heritage</b>	\$ 227,723,646	\$ 228,353,561	(0.28%)
<b>Total Operating Expense as % of Sales</b>	1.73%	1.69%	

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**Cost of Goods Sold Schedule (excluding Heritage)**  
*For Fiscal Years ending June 30,*

	2013	% of Sales	2012	% of Sales	% Change 2012 to 2013
<b>Prize Expense</b>					
\$1 Instant	\$ 8,054,106	60.81%	\$ 9,345,465	60.59%	(13.82%)
\$2 Instant	19,062,623	65.63%	19,955,872	65.62%	(4.48%)
\$3 Instant	19,482,853	66.27%	17,895,226	66.28%	8.87%
\$5 Instant	26,832,494	67.78%	24,643,765	67.55%	8.88%
\$10 Instant	17,424,308	71.32%	18,028,333	71.38%	(3.35%)
\$20 Instant	19,089,936	74.44%	21,120,741	73.85%	(9.62%)
Pick 3	2,577,439	50.00%	2,631,875	49.94%	(2.07%)
Pick 4	2,107,243	50.09%	2,146,687	49.80%	(1.84%)
Megabucks	6,960,141	49.37%	8,089,687	49.32%	(13.96%)
Powerball	13,626,748	49.91%	11,007,577	49.86%	23.79%
Gimme 5	198,652	53.00%	-	N/A	N/A
Weekly Grand	12	N/A	1,155,052	51.27%	N/A
Lucky for Life	3,963,322	59.56%	1,484,971	N/A	N/A
Hot Lotto	1,015,405	49.99%	1,231,072	49.95%	(17.52%)
Mega Millions	2,287,942	51.31%	4,097,742	51.47%	(44.17%)
<i>Total Prize Expense</i>	<b>\$ 142,683,224</b>	<b>63.23%</b>	<b>\$ 142,834,065</b>	<b>63.09%</b>	<b>(0.11%)</b>
<b>Vendor Fees</b>					
\$1 Instant	\$ 543,631	4.10%	\$ 715,374	4.64%	(24.01%)
\$2 Instant	1,196,080	4.12%	1,409,224	4.63%	(15.12%)
\$3 Instant	1,200,498	4.08%	1,249,210	4.63%	(3.90%)
\$5 Instant	1,624,316	4.10%	1,692,001	4.64%	(4.00%)
\$10 Instant	1,001,672	4.10%	1,171,424	4.64%	(14.49%)
\$20 Instant	1,053,509	4.11%	1,322,325	4.62%	(20.33%)
Pick 3	211,429	4.10%	244,312	4.64%	(13.46%)
Pick 4	172,783	4.11%	199,862	4.64%	(13.55%)
Megabucks	580,493	4.12%	760,282	4.64%	(23.65%)
Powerball	1,119,814	4.10%	1,021,513	4.63%	9.62%
Gimme 5	14,618	3.90%	-	N/A	N/A
Weekly Grand	-	N/A	105,668	4.69%	N/A
Lucky for Life	272,500	4.10%	111,736	4.52%	N/A
Hot Lotto	83,163	4.09%	114,571	4.65%	(27.41%)
Mega Millions	183,293	4.11%	366,163	4.60%	(49.94%)
<i>Total Vendor Fees</i>	<b>\$ 9,257,799</b>	<b>4.10%</b>	<b>\$ 10,483,665</b>	<b>4.63%</b>	<b>(11.69%)</b>
<b>Agent Commissions and Bonuses</b>					
\$1 Instant	\$ 928,161	7.01%	\$ 1,081,517	7.01%	(14.18%)
\$2 Instant	2,051,451	7.06%	2,149,384	7.07%	(4.56%)
\$3 Instant	2,076,117	7.06%	1,911,330	7.08%	8.62%
\$5 Instant	2,826,513	7.14%	2,600,864	7.13%	8.68%
\$10 Instant	1,748,445	7.16%	1,805,670	7.15%	(3.17%)
\$20 Instant	1,852,327	7.22%	2,072,186	7.25%	(10.61%)
Pick 3	256,601	4.98%	263,716	5.00%	(2.70%)
Pick 4	219,824	5.23%	224,304	5.20%	(2.00%)
Megabucks	675,973	4.79%	791,565	4.83%	(14.60%)
Powerball	1,361,585	4.99%	1,088,569	4.93%	25.08%
Gimme 5	18,737	5.00%	-	N/A	N/A
Weekly Grand	-	N/A	112,599	5.00%	N/A
Lucky for Life	331,557	4.98%	124,803	5.04%	165.67%
Hot Lotto	101,580	5.00%	123,694	5.02%	(17.88%)
Mega Millions	221,688	4.97%	397,584	4.99%	(44.24%)
<i>Total Agent Commissions &amp; Bonuses</i>	<b>\$ 14,670,559</b>	<b>6.50%</b>	<b>\$ 14,747,785</b>	<b>6.51%</b>	<b>(0.52%)</b>
<b>Other Expenses</b>					
Royalty Fees	\$ 310,349	0.14%	\$ 140,963	0.06%	120.16%
Telephone	-	N/A	-	N/A	N/A
Postage	388,436	0.17%	391,741	0.17%	(0.84%)
Rental of equipment	497,661	0.22%	352,016	0.16%	41.37%
<i>Total Other Expenses</i>	<b>\$ 1,196,446</b>	<b>0.53%</b>	<b>\$ 884,720</b>	<b>0.39%</b>	<b>35.23%</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 167,808,028</b>	<b>74.37%</b>	<b>\$ 168,950,235</b>	<b>74.63%</b>	<b>(0.68%)</b>
<b>Total Sales (excluding Heritage)</b>	<b>\$ 225,640,604</b>		<b>\$ 226,387,260</b>		<b>(0.33%)</b>
<b>Cost of Goods Sold as % of Sales (excluding Heritage)</b>	<b>74.37%</b>		<b>74.63%</b>		

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**Cost of Goods Sold - Draw Games**  
For Fiscal Years ending: June 30,

<b>2013</b>										
	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Weekly Grand	Hot Lotto	Mega Millions	Total Draw
Sales	\$ 14,097,576	\$ 5,154,634	\$ 4,207,134	\$ 27,304,108	\$ 6,654,250	\$ 374,814	\$ -	\$ 2,031,279	\$ 4,459,466	\$ 64,283,261
Prize Expense	6,960,141	2,577,439	2,107,243	13,626,748	3,963,322	198,652	12	1,015,405	2,287,942	32,736,904
Vendor Fees	580,493	211,429	172,783	1,119,814	272,500	14,618	-	83,163	183,293	2,638,093
Agent Commissions	675,973	256,601	219,824	1,361,585	331,557	18,737	-	101,580	221,688	3,187,546
Telephone*	-	-	-	-	-	-	-	-	-	-
<b>Total COGS</b>	<b>\$ 8,216,607</b>	<b>\$ 3,045,469</b>	<b>\$ 2,499,850</b>	<b>\$ 16,108,147</b>	<b>\$ 4,567,379</b>	<b>\$ 232,007</b>	<b>\$ 12</b>	<b>\$ 1,200,148</b>	<b>\$ 2,692,923</b>	<b>\$ 38,562,542</b>
Gross Profit on Sales	\$ 5,880,969	\$ 2,109,165	\$ 1,707,284	\$ 11,195,961	\$ 2,086,871	\$ 142,807	\$ (12)	\$ 831,131	\$ 1,766,543	\$ 25,720,719
Gross Profit Percent	41.72%	40.92%	40.58%	41.00%	31.36%	38.10%	N/A	40.92%	39.61%	40.01%

<b>2012</b>										
	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Weekly Grand	Hot Lotto	Mega Millions	Total Draw
Sales	\$ 16,401,625	\$ 5,269,562	\$ 4,310,427	\$ 22,076,382	\$ 2,474,782	N/A	\$ 2,252,693	\$ 2,464,831	\$ 7,961,726	\$ 63,212,027
Prize Expense	8,089,687	2,631,875	2,146,687	11,007,577	1,484,971	N/A	1,155,052	1,231,072	4,097,742	31,844,660
Vendor Fees	760,282	244,312	199,862	1,021,513	111,736	N/A	105,668	114,571	366,163	2,924,108
Agent Commissions	791,565	263,716	224,304	1,088,569	124,803	N/A	112,599	123,694	397,584	3,126,834
Telephone*	-	-	-	-	-	N/A	-	-	-	-
<b>Total COGS</b>	<b>\$ 9,641,534</b>	<b>\$ 3,139,903</b>	<b>\$ 2,570,852</b>	<b>\$ 13,117,659</b>	<b>\$ 1,721,510</b>	<b>N/A</b>	<b>\$ 1,373,319</b>	<b>\$ 1,469,336</b>	<b>\$ 4,861,489</b>	<b>\$ 37,895,602</b>
Gross Profit on Sales	\$ 6,760,091	\$ 2,129,659	\$ 1,739,575	\$ 8,958,723	\$ 753,272	N/A	\$ 879,374	\$ 995,495	\$ 3,100,237	\$ 25,316,425
Gross Profit Percent	41.22%	40.41%	40.36%	40.58%	30.44%	N/A	39.04%	40.39%	38.94%	40.05%

**Percentage Change FY 2012 to FY 2013**

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Weekly Grand	Hot Lotto	Mega Millions	Total Draw
Sales	(14.05%)	(2.18%)	(2.40%)	23.68%	168.88%	N/A	N/A	(17.59%)	(43.99%)	1.69%
COGS	(14.78%)	(3.01%)	(2.76%)	22.80%	165.31%	N/A	N/A	(18.32%)	(44.61%)	1.76%
Gross Profit	(13.00%)	(0.96%)	(1.86%)	24.97%	177.04%	N/A	N/A	(16.51%)	(43.02%)	1.60%

\* Telephone expense for the draw games is allocated by sales dollars

**Department of Administrative and Financial Services**  
**Division of Lottery**  
**Cost of Goods Sold - Instant Tickets (excluding Heritage)**  
For Fiscal Years ending: June 30,

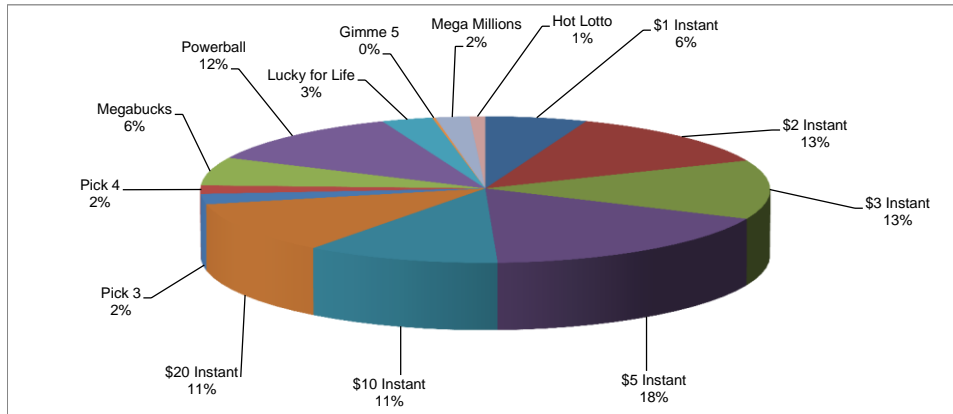
<b>2013</b>							
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 13,244,412	\$ 29,047,124	\$ 29,401,302	\$ 39,587,135	\$ 24,432,350	\$ 25,645,020	\$ 161,357,343
Prize Expense	8,054,106	19,062,623	19,482,853	26,832,494	17,424,308	19,089,936	109,946,321
Vendor Fees	543,631	1,196,080	1,200,498	1,624,316	1,001,672	1,053,509	6,619,706
Agent Commissions	928,161	2,051,451	2,076,117	2,826,513	1,748,445	1,852,327	11,483,013
Royalty Fees/Sta Cap	-	-	0	310,349	-	-	310,349
Postage / Rental of Eq.	72,732	159,513	161,458	217,393	134,171	140,830	886,097
<b>Total COGS</b>	<b>\$ 9,598,630</b>	<b>\$ 22,469,666</b>	<b>\$ 22,920,925</b>	<b>\$ 31,811,065</b>	<b>\$ 20,308,596</b>	<b>\$ 22,136,603</b>	<b>\$ 129,245,486</b>
Gross Profit on Sales	\$ 3,645,782	\$ 6,577,458	\$ 6,480,377	\$ 7,776,070	\$ 4,123,754	\$ 3,508,417	\$ 32,111,857
Gross Profit Percent	27.53%	22.64%	22.04%	19.64%	16.88%	13.68%	19.90%

<b>2012</b>							
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 15,423,555	\$ 30,411,208	\$ 26,999,784	\$ 36,483,175	\$ 25,257,710	\$ 28,599,800	\$ 163,175,232
Prize Expense	9,345,465	19,955,872	17,895,226	24,643,765	18,028,333	21,120,741	110,989,403
Vendor Fees	715,374	1,409,224	1,249,210	1,692,001	1,171,424	1,322,325	7,559,558
Agent Commissions	1,081,517	2,149,384	1,911,330	2,600,864	1,805,670	2,072,186	11,620,950
Royalty Fees/Sta Cap	-	-	66,772	74,191	-	-	140,963
Postage / Rental of Eq.	70,301	138,615	123,066	166,291	115,125	130,359	743,756
<b>Total COGS</b>	<b>\$ 11,212,658</b>	<b>\$ 23,653,094</b>	<b>\$ 21,245,603</b>	<b>\$ 29,177,112</b>	<b>\$ 21,120,553</b>	<b>\$ 24,645,611</b>	<b>\$ 131,054,630</b>
Gross Profit on Sales	\$ 4,210,897	\$ 6,758,114	\$ 5,754,181	\$ 7,306,063	\$ 4,137,157	\$ 3,954,189	\$ 32,120,601
Gross Profit Percent	27.30%	22.22%	21.31%	20.03%	16.38%	13.83%	19.68%

<b>Percentage Change FY 2012 to FY 2013</b>							
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	(14.13%)	(4.49%)	8.89%	8.51%	(3.27%)	(10.33%)	(1.11%)
COGS	(14.39%)	(5.00%)	7.89%	9.03%	(3.84%)	(10.18%)	(1.38%)
Gross Profit	(13.42%)	(2.67%)	12.62%	6.43%	(0.32%)	(11.27%)	(0.03%)

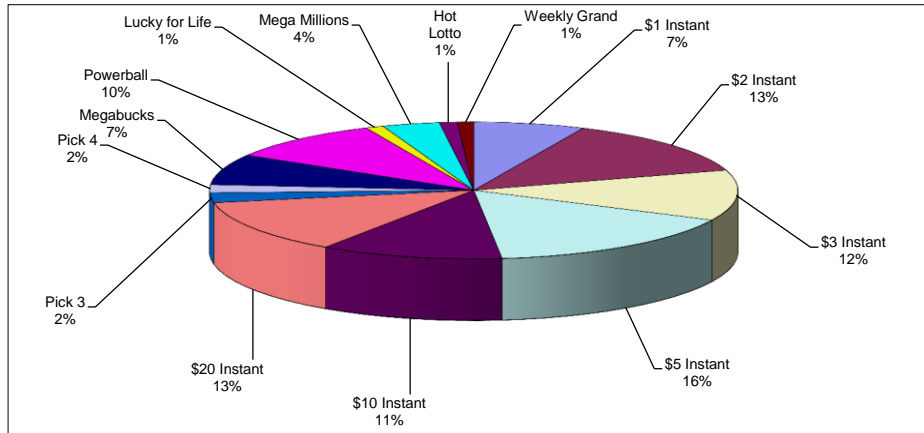
Note : Schedule excludes Heritage Game

**Department of Administrative and Financial Services  
Division of Lottery  
COMPARATIVE SALES ANALYSIS  
FOR FISCAL YEARS 2013-2012**



**2013**

\$1 Instant	\$	13,244,412	**
\$2 Instant		29,047,124	
\$3 Instant		29,401,302	
\$5 Instant		39,587,135	
\$10 Instant		24,432,350	
\$20 Instant		25,645,020	
Pick 3		5,154,633	
Pick 4		4,207,134	
Megabucks		14,097,576	
Powerball		27,304,108	
Lucky for Life		6,654,250	
Gimme 5		374,814	
Mega Millions		4,459,466	
Hot Lotto		2,031,279	
		<u>\$ 225,640,603</u>	

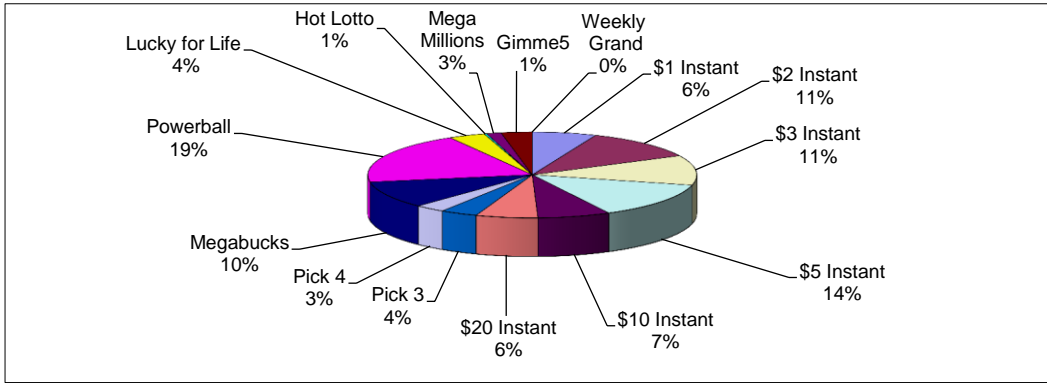


**2012**

\$1 Instant	\$	15,423,555	**
\$2 Instant		30,411,208	
\$3 Instant		26,999,784	
\$5 Instant		36,483,175	
\$10 Instant		25,257,710	
\$20 Instant		28,599,800	
Pick 3		5,269,562	
Pick 4		4,310,427	
Megabucks		16,401,625	
Powerball		22,076,382	
Lucky for Life		2,474,782	
Mega Millions		7,961,726	
Hot Lotto		2,464,831	
Weekly Grand		2,252,693	
		<u>\$ 226,387,259</u>	

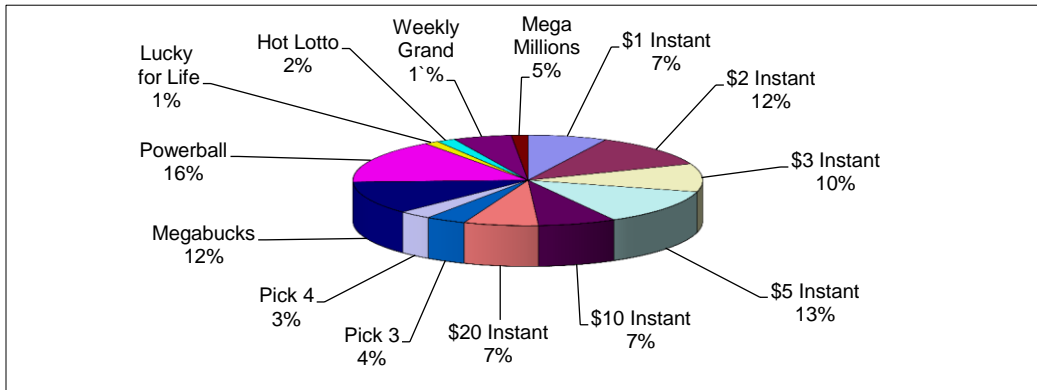
**\*\*Excludes Heritage Games and Promotional Sales**

**Department of Administrative and Financial Services  
Division of Lottery  
GROSS PROFIT COMPARISON  
FOR FISCAL YEARS 2013-2012**



**2013**

\$1 Instant	\$	3,645,782	**
\$2 Instant		6,577,458	
\$3 Instant		6,480,377	
\$5 Instant		7,776,070	
\$10 Instant		4,123,754	
\$20 Instant		3,508,417	
Pick 3		2,109,165	
Pick 4		1,707,284	
Megabucks		5,880,969	
Powerball		11,195,961	
Lucky for Life		2,086,871	
Gimme 5		142,807	
Hot Lotto		831,131	
Mega Millions		1,766,543	
Weekly Grand		(12)	
		<u>\$ 57,832,576</u>	



**2012**

\$1 Instant	\$	4,210,897	**
\$2 Instant		6,758,114	
\$3 Instant		5,754,181	
\$5 Instant		7,306,063	
\$10 Instant		4,137,157	
\$20 Instant		3,954,189	
Pick 3		2,129,659	
Pick 4		1,739,575	
Megabucks		6,760,091	
Powerball		8,958,723	
Lucky for Life		753,272	
Hot Lotto		995,495	
Mega Millions		3,100,237	
Weekly Grand		879,374	
		<u>\$ 57,437,028</u>	

**\*\*Excludes Heritage Games and Promotional Sales**

## *Lottery Operations Footnotes*

### *Balance Sheet:*

- (1) Accrued Payroll is necessary to help more accurately reflect total salary expense for Fiscal Year 2013 and represents fifteen days for June 2013.
- (2) Vouchers Payable represents invoices that have been processed and for which payment is due, that will not be disbursed until July.
- (3) Due to Other Funds reflects the amount of Lottery profit owed to the General Fund. This balance fluctuates depending on the timing of cash flow from the Lottery's accounts receivable bank sweeps through Treasury.
- (4) MUSL Prize Reserve represents the potential liability of prize winning Powerball, Hot Lotto and Mega Million tickets that have been sold but not yet redeemed.
- (5) Lucky for Life Prize Reserve represents the potential liability of prize winning Lucky for Life tickets that have been sold but not yet redeemed.
- (6) Lucky for Life Prize expired Reserve represents the potential liability of prize winning Lucky for Life tickets that have been sold but not yet redeemed.
- (7) The Instant Ticket Prize Reserve represents the potential liability of prize winning instant tickets that have been sold but not yet redeemed.
- (8) The balance in Reserve for Instant Game Annuities is the amount due to winners of multiple year payout instant ticket games.

### *Year to Date Comparative Statements of Income and Expenses:*

- (9) Expired Instant Prize Reserve represents the income received from winning expired instant tickets that were never redeemed.
- (10) Tri-State Operating Expense is listed as a separate line item to accurately reflect the Cost of Goods Sold.
- (11) Untransferred Profit represents the amount that should have been transferred as part of year-end profit transfer.



***Heritage Game Income Statement:***

(12) Heritage Game instant tickets are sold through the Maine State Lottery to generate revenues that will directly benefit conservation projects through the following grant categories:

- Category 1 Fisheries and wildlife habitat conservation projects
- Category 2 Acquisition and management of public lands, parks, wildlife conservation areas and public access, and outdoor recreation sites and facilities
- Category 3 Endangered and threatened species conservation projects
- Category 4 Natural resources law enforcement

***Maine Operating Expense Schedule:***

(13) Included in Personal Services for June 2013 is a fifteen-day payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2013.