

OREGON STATE LOTTERY
 Operating Statement Summary
 For the Month Ending March 31, 2008
 In Thousands

	Traditional Lottery				Video Lottery				Total			
	Current period actual	Current period budget*	Last Year's period actual	Variance Actual vs. budget	Current period actual	Current period budget*	Last Year's period actual	Variance Actual vs. budget	Current period actual	Current period budget*	Last Year's period actual	Variance Actual vs. budget
Revenue	\$ 33,236	\$ 28,176	\$ 31,968	\$ 5,060	\$ 1,068,011	\$ 1,059,406	\$ 1,135,443	\$ 8,604	\$ 1,101,246	\$ 1,087,582	\$ 1,167,410	\$ 13,664
Prizes	20,845	18,564	20,646	(2,281)	988,884	980,904	1,054,643	(7,980)	1,009,729	999,488	1,075,289	(10,261)
Net revenue	\$ 12,391	\$ 9,612	\$ 11,322	\$ 2,779	\$ 79,126	\$ 78,502	\$ 80,800	\$ 624	\$ 91,517	\$ 88,114	\$ 92,121	\$ 3,403
Direct expenses	4,690	4,622	4,958	(68)	21,736	20,502	20,768	(1,234)	26,426	25,124	25,727	(1,302)
Indirect revenue/expenses	452	295	291	(156)	3,366	3,442	2,745	76	3,818	3,738	3,035	(80)
Net profit	\$ 7,249	\$ 4,695	\$ 6,072	\$ 2,554	\$ 54,024	\$ 54,557	\$ 57,287	\$ (533)	\$ 61,273	\$ 59,252	\$ 63,359	\$ 2,020

Percentages of Distributable Revenue For Current Month:

Prizes	62.6%	65.7%	64.6%	92.6%	92.5%	92.9%	91.7%	91.8%	92.1%
Administrative Expenses	15.6%	17.6%	16.4%	2.4%	2.3%	2.1%	2.8%	2.7%	2.5%

*FY 2008 is based upon the March 2008 forecast

OREGON STATE LOTTERY

Operating Statement
For the Month Ending March 31, 2008
Net Revenue Basis

	Traditional Lottery	% of Net Revenue	Video Lottery	% of Net Revenue	Total Lottery	% of Net Revenue
Revenue						
Scratch-Its SM	10,853,121				\$ 10,853,121	
Breakopen	72,090				72,090	
Megabucks SM	3,350,338				3,350,338	
Powerball [®]	8,429,546				8,429,546	
Sports Action SM	-				-	
Keno	9,626,273				9,626,273	
Pick 4 SM	116,044				116,044	
Win For Life SM	612,395				612,395	
Scoreboard SM	-				-	
Lucky Lines SM	175,812				175,812	
Video Lottery SM (Gross Receipts)	-		1,068,010,635		1,068,010,635	
TOTAL	33,225,618		1,068,010,635		\$ 1,101,246,253	
Prize Expense	20,844,873		988,884,399		1,009,729,272	
Net Revenue	12,380,745	100	79,126,236	100	\$ 91,516,981	100
Direct Expenses						
Commissions	2,976,664	24	17,309,666	22	\$ 20,286,330	22
Game Vendor Charges	786,322	6	157,603	0	943,925	1
Tickets	369,706	3	-	0	369,706	0
Advertising	373,071	3	-	0	373,071	0
Sales Support	146,820	1	-	0	146,820	0
Game Equipment, Parts & Maintenance	3,529	0	217,007	0	220,535	0
Research	17,630	0	9,470	0	27,100	0
Research & Development	-	0	88,635	0	88,635	0
Capital Lease Interest	-	0	-	0	-	0
Depreciation	16,383	0	3,953,463	5	3,969,846	4
TOTAL	4,690,124	38	21,735,843	27	\$ 26,425,967	29
Gross Profit	7,700,621	62	57,390,392	73	\$ 65,091,013	71
Contribution Margin	11.83%		88.17%		100.00%	
Indirect Revenue						
Legal Settlements	-	0	-	0	-	0
Gain on Sale of Investments	-	0	-	0	-	0
Other Income	47,825	0	356,427	0	404,253	0
TOTAL	47,825	0	356,427	0	\$ 404,253	0
Indirect Expenses						
Public Information	78,680	1	586,380	1	\$ 665,060	1
Personal Services	349,980	3	2,608,291	3	2,958,271	3
Services & Supplies	46,691	0	347,970	0	394,661	0
Depreciation	24,186	0	180,251	0	204,437	0
TOTAL	499,537	4	3,722,892	5	\$ 4,222,429	5
Net Profit	7,248,910	59	54,023,927	68	\$ 61,272,837	67

OREGON STATE LOTTERY
 Supplemental Schedule of
 Services and Supplies Expenses
 For the Month Ending March 31, 2008

	Traditional			Video			Total		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	\$ 3,247	\$ 4,194	\$ 947	\$ 24,197	\$ 31,257	\$ 7,060	\$ 27,443	\$ 35,451	\$ 8,008
Office Expenses	6,277	7,954	1,678	46,778	59,280	12,502	53,054	67,234	14,180
Telecommunications Network	1,108	(275)	(1,383)	8,259	(2,052)	(10,311)	9,367	(2,327)	(11,694)
Telecommunications	5,777	7,978	2,200	43,056	59,454	16,398	48,833	67,432	18,599
Intergovernmental Charges	9,066	8,509	(556)	67,565	63,419	(4,147)	76,631	71,928	(4,703)
Technology Expenses	14,364	13,878	(486)	107,048	103,429	(3,619)	121,411	117,307	(4,104)
Professional Services	39,852	43,656	3,803	297,008	325,353	28,345	336,861	369,009	32,148
Staff Training	2,343	4,126	1,783	17,461	30,751	13,290	19,803	34,877	15,074
Facilities	4,331	4,831	500	32,278	36,001	3,723	36,609	40,832	4,223
Facilities Maintenance	1,585	2,602	1,017	11,813	19,396	7,583	13,398	21,998	8,600
Other Services & Supplies	3,464	3,677	214	25,814	27,406	1,592	29,278	31,083	1,805
Fleet Expenses	11,017	8,486	(2,531)	82,110	63,246	(18,864)	93,127	71,732	(21,395)
Supplier Diversity	-	88	88	-	657	657	-	745	745
TOTAL	\$ 102,431	\$ 109,705	\$ 7,274	\$ 763,386	\$ 817,596	\$ 54,211	\$ 865,816	\$ 927,301	\$ 61,485
Less Non Distributable Revenue	(55,740)	-	55,740	(415,415)	-	415,415	(471,156)	-	471,156
AMOUNT REPORTED	\$ 46,691	\$ 109,705	\$ 63,014	\$ 347,970	\$ 817,596	\$ 469,626	\$ 394,661	\$ 927,301	\$ 532,640

OREGON STATE LOTTERY
 Operating Statement
 Year-to-Date Through March 31, 2008
 Net Revenue Basis

	Total Lottery				Variance				
	Traditional Lottery	% of Net Revenue	Video Lottery	% of Net Revenue	Actual	% of Net Revenue	Favorable / (Unfavorable)	Variance	%
Revenue									
Scratch-Its SM	\$ 95,138,753		\$ -		\$ 95,138,753		\$ 95,360,000	\$ (221,248)	(0)
Breakopen	693,921		-		693,921		704,000	(10,079)	(1)
Megabucks SM	28,603,843		-		28,603,843		28,464,000	139,843	1
Powerball [®]	43,695,913		-		43,695,913		38,201,000	5,494,913	14
Sports Action SM	-		-		-		-	-	n/a
Keno	82,170,529		-		82,170,529		81,845,000	325,529	0
Pick 4 SM	1,065,819		-		1,065,819		1,076,000	(10,182)	(1)
Win For Life SM	5,009,277		-		5,009,277		4,832,000	177,277	4
Scoreboard SM	-		-		-		-	-	n/a
Lucky Lines SM	1,712,276		-		1,712,276		1,698,000	14,276	1
Video Lottery SM (Gross Receipts)	-		9,040,345,975		9,040,345,975		9,017,665,508	22,680,467	0
TOTAL	\$ 258,090,330		\$ 9,040,345,975		\$ 9,298,436,305		\$ 9,289,845,508	\$ 28,590,797	0
Prize Expense	167,245,228		8,373,842,391		8,541,087,619		8,518,318,508	(22,769,111)	0
Net Revenue	\$ 90,845,102	100	\$ 686,503,585	100	\$ 757,348,687	100	\$ 751,527,000	\$ 5,821,687	1
Direct Expenses									
Commissions	\$ 22,530,655	25	\$ 163,947,495	25	\$ 186,478,149	25	\$ 189,277,000	\$ 2,798,851	2
Game Vendor Charges	5,725,822	6	1,418,427	0	7,144,249	1	6,902,927	(241,322)	(4)
Tickets	3,084,641	3	-	0	3,084,641	0	3,690,000	605,359	16
Advertising	6,442,460	7	116,930	0	6,559,390	1	8,175,143	1,615,753	20
Sales Support	998,657	1	-	0	998,657	0	1,559,322	560,665	36
Game Equipment, Parts & Maintenance	74,962	0	1,827,591	0	1,902,553	0	4,325,805	2,423,252	56
Research	162,397	0	137,753	0	300,149	0	316,359	16,210	5
Research & Development	49,650	0	220,905	0	270,555	0	228,939	(41,616)	(18)
Depreciation	147,455	0	18,463,365	3	18,610,840	2	18,115,574	(495,266)	(3)
Total Direct Expenses	\$ 39,216,699	43	\$ 186,132,456	28	\$ 225,349,184	30	\$ 232,591,069	\$ 7,241,885	3
Gross Profit	\$ 51,628,403	57	\$ 480,371,099	72	\$ 531,999,503	70	\$ 518,935,931	\$ 13,063,572	(3)
Contribution Margin	9.70%		90.30%		100.00%		N/A		N/A
Indirect Revenue									
Gain on Sale of Investments	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	n/a
Legal Settlements	-	0	-	0	-	0	-	-	n/a
Other Income	930,025	1	8,653,316	1	9,583,341	1	7,299,863	2,283,478	31
Total Indirect Revenue	\$ 930,025	1	\$ 8,653,316	1	\$ 9,583,341	1	\$ 7,299,863	\$ 2,283,478	31
Indirect Expenses									
Public Information	\$ 321,481	0	\$ 2,991,190	0	\$ 3,312,671	0	\$ 4,302,993	\$ 990,322	23
Personal Services	2,455,244	3	22,844,558	3	25,299,802	3	28,263,843	2,963,841	11
Services & Supplies	571,718	1	5,319,492	1	5,891,210	1	8,458,459	2,567,249	30
Depreciation	175,677	0	1,634,564	0	1,810,240	0	2,000,210	189,970	10
Total Indirect Expenses	\$ 3,524,120	4	\$ 32,789,804	5	\$ 36,313,923	5	\$ 43,025,305	\$ 6,711,382	16
Net Profit	\$ 49,034,308	54	\$ 456,234,612	68	\$ 505,268,920	67	\$ 483,210,489	\$ 22,058,431	5

*FY 2008 is based upon the March 2008 forecast

OREGON STATE LOTTERY
 Supplemental Schedule of Services and Supplies Expenses
 Year-to-Date Through March 31, 2008

	Traditional			Video			Totals		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	\$ 19,358	\$ 30,963	\$ 11,605	\$ 180,115	\$ 288,096	\$ 107,981	\$ 199,473	\$ 319,059	\$ 119,586
Office Expenses	52,610	58,723	6,113	489,508	546,383	56,875	542,119	605,106	62,987
Telecommunications Network	(1,124)	(2,032)	(908)	(10,454)	(18,911)	(8,457)	(11,578)	(20,943)	(9,365)
Telecommunications	39,830	58,896	19,066	370,593	547,992	177,399	410,423	606,888	196,465
Intergovernmental Charges	74,152	73,765	(387)	689,940	666,337	(3,603)	764,092	760,102	(3,990)
Technology Expenses	76,003	102,458	26,455	707,159	953,305	246,146	783,162	1,055,763	272,601
Professional Services	208,714	322,297	113,583	1,941,958	2,998,784	1,056,826	2,150,672	3,321,081	1,170,409
Staff Training	17,901	30,462	12,561	166,557	283,431	116,874	184,458	313,893	129,435
Facilities	35,114	35,663	549	326,711	331,825	5,114	361,825	367,488	5,664
Facilities Maintenance	13,725	19,213	5,488	127,707	178,769	51,062	141,433	197,982	56,549
Other Services and Supplies	18,875	27,148	8,273	175,624	252,599	76,975	194,500	279,747	85,247
Fleet Expenses	54,539	62,652	8,113	507,455	582,936	75,481	561,994	645,588	83,594
Supplier Diversity	29	651	622	271	6,054	5,783	300	6,705	6,405
TOTAL	\$ 609,726	\$ 820,859	\$ 211,133	\$ 5,673,144	\$ 7,637,600	\$ 1,964,456	\$ 6,282,871	\$ 8,458,459	\$ 2,175,588
Less Non Distributable Revenue	(38,009)	-	38,009	(353,652)	-	353,652	(391,661)	-	391,661
AMOUNT REPORTED	\$ 571,717	\$ 820,859	\$ 249,142	\$ 5,319,492	\$ 7,637,600	\$ 2,318,108	\$ 5,891,210	\$ 8,458,459	\$ 2,567,249

KEY FINANCIAL POINTS OF INTEREST - Year-to-Date Activity

	2/29/2008		3/31/2008	
	Traditional	Video	Traditional	Video
Prizes	64.9%	92.5%	64.6%	92.5%
Administration	16.6%	2.4%	16.5%	2.4%

Accounts Receivable Aging:

	2/29/2008	3/31/2008
Current	\$ 21,229,246	\$ 26,174,345
Over 30 Days	2,178	2
Over 60 Days	1,313	2,056
Over 90 Days	363,129	353,051
Total	\$ 21,595,865	\$ 26,529,453

Allowance for Doubtful Accounts \$ 363,129 \$ 353,051

OREGON STATE LOTTERY
Balance Sheet
As of March 31, 2008

<u>ASSETS</u>		<u>LIABILITIES</u>	
Current Assets		Current Liabilities	
Cash	\$ 263,603,698	Accounts Payable	\$ 13,773,140
Cash With Fiscal Agent	2,585,896	Compensated Absences	2,347,940
Investments for Prize Payments at Fair Value	13,701,215	Deposit Liability	240,608
Accounts Receivable-Games -		Prize Liability	17,673,213
Net of Allowance for Doubtful Accounts of \$353,051	26,529,453	Prize Liability - Investments at Fair Value	13,701,215
Accounts Receivable-Other	964,049	Economic Development Liability	185,129,041
Interest Receivable	-	Capital Lease Liability	-
Ticket Inventory	2,465,456	VLT Purchase Contingent Liability	-
Prepaid Expenses	815,889	Deferred Revenue	-
Total Current Assets	\$ 310,665,656	Total Current Liabilities	\$ 232,865,157
Non-Current Assets		Non-Current Liabilities	
Investments for Prize Payments at Fair Value	\$ 101,391,131	Capital Lease Liability	\$ -
Equipment -		Deferred Prize Liability	101,391,131
Net of Accumulated Depreciation of \$47,921,402	93,733,656	Non-Current Economic Development Liability	-
Vehicles -		Total Non-Current Liabilities	101,391,131
Net of Accumulated Depreciation of \$2,146,760	1,924,386	TOTAL LIABILITIES	\$ 334,256,288
Building and Improvements-			
Net of Accumulated Depreciation of \$8,016,129	8,016,129		
Leasehold Improvements -			
Net of Accumulated Amortization of \$71,638	1,526		
Leased Assets -			
Net of Accumulated Depreciation of \$593,934	-		
Computer Software -			
Net of Accumulated Amortization of \$6,099,967	3,980,475		
Total Non-Current Assets	209,047,303		
TOTAL ASSETS	\$ 519,712,959	Total Retained Earnings	\$ 185,456,671
		TOTAL LIABILITIES AND EQUITY	\$ 519,712,959

Unaudited; not presented in accordance with GAAP

OREGON LOTTERY
Statement of Cash Flows - Direct Method
For the Month Ending March 31, 2008

Cash Flows from Operating Activities:		
Receipts from Customers		\$ 1,096,311,665
Payments to Prize Winners		(1,012,775,436)
Payments to Employees for Services		(2,902,176)
Payments to Suppliers		(20,387,647)
Net Cash Provided (Used) in Operating Activities		<u>60,246,406</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to Other Funds		\$ -
Other Income		496,760
Net Cash Provided (Used) in Noncapital Financing Activities		<u>\$ 496,760</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition/Restoration of Capital Assets		\$ (5,796,364)
Payments on Capital Leases		-
Proceeds from Disposition/Impairment of Capital Assets		60,000
Net Cash Provided (Used) in Capital and Related Financing Activities		<u>\$ (5,736,364)</u>
Cash Flows from Investing Activities:		
Purchases of Investments		\$ -
Proceeds from Sales and Maturities of Investments		837,761
Interest on Investments and Cash Balances		837,761
Net Cash Provided (Used) in Investing Activities		<u>\$ 55,844,563</u>
Net Increase (Decrease) in Cash and Cash Equivalents		<u>207,759,135</u>
Cash and Cash Equivalents - Beginning		<u>\$ 263,603,698</u>
Cash and Cash Equivalents - Ending		
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)		\$ 61,272,837
Adjustments to reconcile operating income to cash flows from operating activities		
Depreciation and Amortization	\$	4,174,283
Capital Asset Reclassifications to/(from) Expense		16,348
Other Income		(875,408)
Net Changes in Assets and Liabilities:		
(Increase) / Decrease in Accounts Receivable - Games		(4,934,588)
(Increase) / Decrease in Interest Receivable		-
(Increase) / Decrease in Ticket Inventory		(79,688)
(Increase) / Decrease in Prepaid Expenses		290,824
Increase / (Decrease) in Accounts Payable		3,350,066
Increase / (Decrease) in Compensated Absences Liability		56,095
Increase / (Decrease) in Deposit Liability		21,801
Increase / (Decrease) in Prize Liability		(3,411,149)
Increase in Economic Development Liability - Unclaimed Prizes Payable		364,985
Total Adjustments and Changes		<u>\$ (1,026,431)</u>
Net Cash Provided (Used) by Operating Activities		<u>\$ 60,246,406</u>

FY 2008 Financial Plan

	Original Approved Budget		Forecast Adjustments					Commission Approved Budget Adjustments	Final Approved/Adjusted Budget		
	Traditional	Video	Total	Sep-07	Dec-07	Mar-08	May-08		Traditional	Video	Total
Revenue											
Video Lottery SM	127,406,000	13,068,003,000	13,068,003,000	(57,617,000)	(335,868,000)	(388,042,000)	-	126,504,000	12,286,476,000	12,286,476,000	
Scratch-lites SM	1,082,000	1,082,000	1,082,000	(1,588,000)	(1,891,000)	2,577,000	-	931,000	126,504,000	126,504,000	
Breakopen	36,654,000	36,654,000	36,654,000	(54,000)	(58,000)	(39,000)	-	37,514,000	931,000	931,000	
Megabucks SM	1,396,000	1,396,000	1,396,000	957,000	1,003,000	(1,100,000)	-	1,422,000	37,514,000	37,514,000	
Pick 4 SM	46,966,000	46,966,000	46,966,000	36,000	(10,000)	-	-	1,422,000	1,422,000	1,422,000	
Poweball SM	-	-	-	(82,000)	2,540,000	159,000	-	49,583,000	49,583,000	49,583,000	
Sports Action SM	-	-	-	-	-	-	-	-	-	-	
Scoreboard SM	-	-	-	-	-	-	-	-	-	-	
Win for Life SM	5,791,000	5,791,000	5,791,000	120,000	266,000	97,000	-	6,274,000	6,274,000	6,274,000	
Keno	111,644,000	111,644,000	111,644,000	(727,000)	(1,204,000)	(744,000)	-	108,969,000	108,969,000	108,969,000	
Lucky Lines SM	2,196,000	2,196,000	2,196,000	(94,000)	(27,000)	144,000	-	2,219,000	2,219,000	2,219,000	
Total Revenue	333,135,000	13,068,003,000	13,401,138,000	(59,049,000)	(335,249,000)	(386,948,000)	-	333,416,000	12,286,476,000	12,619,892,000	
Less prizes	219,239,000	12,151,936,000	12,371,175,000	(54,463,000)	(330,213,000)	(370,796,000)	-	219,041,000	11,396,652,000	11,615,703,000	
Net revenue	113,896,000	916,067,000	1,029,963,000	(4,586,000)	(5,036,000)	(16,152,000)	-	114,375,000	889,814,000	1,004,189,000	
Direct Expenses											
Commissions	29,615,000	220,772,000	250,387,000	(94,000)	(1,339,000)	(3,658,000)	-	29,643,000	214,753,000	244,396,000	
Game Vendor Charges	7,616,408	1,921,236	9,537,644	(39,000)	65,000	(7,000)	-	7,635,408	1,921,236	9,556,644	
Tickets	5,053,934	-	5,053,934	(64,000)	(70,000)	95,066	-	5,015,000	-	5,015,000	
Advertising	9,879,500	120,000	9,999,500	-	-	-	-	9,879,500	120,000	9,999,500	
Sales Support	2,079,095	-	2,079,095	-	-	-	-	2,079,095	-	2,079,095	
Gm Equip/Parts & Mntc	126,100	5,641,644	5,767,744	-	-	-	-	126,100	5,641,644	5,767,744	
Research	161,890	259,922	421,812	-	-	-	-	161,890	259,922	421,812	
Research & Development	163,250	142,000	305,250	-	-	-	-	163,250	142,000	305,250	
Depreciation	197,136	24,494,165	24,691,301	-	-	-	-	197,136	24,494,165	24,691,301	
Total Direct Expenses	54,892,313	253,350,967	308,243,280	(1,097,000)	(1,344,000)	(3,569,934)	-	54,900,379	247,331,967	302,232,346	
Gross Profit	59,003,687	662,716,033	721,719,720	(3,489,000)	(3,692,000)	(12,582,066)	-	59,474,621	642,482,033	701,956,654	
Relative GP %	8.18%	91.82%	100.00%	-	-	-	-	8.47%	91.53%	100.00%	
Indirect Revenue	795,727	8,937,424	9,733,151	-	-	-	-	795,727	8,937,424	9,733,151	
Indirect Expense											
Public information	503,615	5,656,490	6,160,105	-	-	-	-	503,615	5,656,490	6,160,105	
Personal services	3,088,257	34,686,608	37,774,865	-	-	-	-	3,088,257	34,686,608	37,774,865	
Services & supplies	918,267	10,313,767	11,232,034	-	-	-	-	918,267	10,313,767	11,232,034	
Depreciation	237,438	2,666,854	2,904,292	-	-	-	-	237,438	2,666,854	2,904,292	
Total Indirect Expenses	4,747,577	53,323,719	58,071,296	-	-	-	-	4,747,577	53,323,719	58,071,296	
Net Profit	55,051,837	618,329,738	673,381,575	(3,489,000)	(3,692,000)	(12,582,066)	-	55,522,771	598,095,738	653,618,509	
Capital outlay			\$ 49,905,133	-	-	-	-			\$ 49,905,133	
FTE Count			456.20	-	-	-	-			456.20	
Actual FTE			433.0	-	-	-	-			433.0	