

OREGON STATE LOTTERY

Operating Statement Summary
For the Month Ending August 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 | \$ 25,465 | \$ 25,352 | \$ 33,173 | \$ 113 | \$ 1,008,176 | \$ 1,032,592 | \$ 1,013,397 | \$ (24,416) | \$ 1,033,641 | \$ 1,057,944 | \$ 1,046,570 | \$ (24,303) |
| Prizes | 16,843 | 16,808 | 20,666 | (35) | 933,085 | 956,490 | 938,613 | 23,405 | 949,927 | 973,298 | 959,278 | 23,371 |
| Net revenue | \$ 8,622 | \$ 8,544 | \$ 12,507 | \$ 78 | \$ 75,092 | \$ 76,102 | \$ 74,784 | \$ (1,010) | \$ 83,714 | \$ 84,646 | \$ 87,292 | \$ (932) |
| Direct expenses | 3,220 | 4,336 | 5,067 | 1,116 | 22,416 | 23,586 | 22,369 | 1,170 | 25,636 | 27,922 | 27,436 | 2,285 |
| Indirect revenue/expenses | 321 | 287 | 324 | (35) | 3,404 | 3,586 | 2,284 | 182 | 3,725 | 3,873 | 2,608 | 147 |
| Net profit | \$ 5,081 | \$ 3,922 | \$ 7,116 | \$ 1,159 | \$ 49,271 | \$ 48,930 | \$ 50,131 | \$ 342 | \$ 54,352 | \$ 52,852 | \$ 57,247 | \$ 1,501 |

Percentages of Distributable Revenue For Current Month:

| | | | | | | | | | | | |
|--------------------------------|-------|-------|-------|--|-------|-------|-------|--|-------|-------|-------|
| Prizes | 66.0% | 66.1% | 62.3% | | 92.5% | 92.5% | 92.6% | | 91.9% | 91.9% | 91.7% |
| Administrative Expenses | 14.1% | 18.5% | 16.3% | | 2.6% | 2.7% | 2.4% | | 2.9% | 3.1% | 2.9% |

*FY 2009 is based upon the September 2008 forecast

OREGON STATE LOTTERY
 Operating Statement
 For the Month Ending August 31, 2008
 Net Revenue Basis

| | Traditional Lottery | % of Net Revenue | Video Lottery | % of Net Revenue | Total Lottery | % of Net Revenue |
|--|---------------------|---------------------|----------------------|---------------------|-------------------------|---------------------|
| Revenue | | | | | | |
| Scratch-Its SM | 9,703,043 | | | | \$ 9,703,043 | |
| Breakopen | - | | | | - | |
| Megabucks SM | 2,856,182 | | | | 2,856,182 | |
| Powerball [®] | 3,525,717 | | | | 3,525,717 | |
| Sports Action SM | - | | | | - | |
| Keno | 8,513,591 | | | | 8,513,591 | |
| Pick 4 SM | 117,120 | | | | 117,120 | |
| Win For Life SM | 560,771 | | | | 560,771 | |
| Scoreboard SM | - | | | | - | |
| Lucky Lines SM | 188,554 | | | | 188,554 | |
| Video Lottery SM (Gross Receipts) | - | | 1,008,176,424 | | 1,008,176,424 | |
| TOTAL | 25,464,977 | | 1,008,176,424 | | \$ 1,033,641,401 | |
| Prize Expense | 16,842,737 | | 933,084,646 | | 949,927,383 | |
| Net Revenue | 8,622,240 | 100 | 75,091,779 | 100 | \$ 83,714,019 | 100 |
| Direct Expenses | | | | | | |
| Commissions | 2,108,088 | 24 | 19,113,475 | 25 | \$ 21,221,564 | 25 |
| Game Vendor Charges | 432,637 | 5 | 157,603 | 0 | 590,240 | 1 |
| Tickets | 301,013 | 3 | - | 0 | 301,013 | 0 |
| Advertising | 241,348 | 3 | - | 0 | 241,348 | 0 |
| Sales Support | 110,979 | 1 | - | 0 | 110,979 | 0 |
| Game Equipment, Parts & Maintenance | - | 0 | 101,354 | 0 | 101,354 | 0 |
| Research | 4,086 | 0 | 700 | 0 | 4,786 | 0 |
| Research & Development | 5,563 | 0 | - | 0 | 5,563 | 0 |
| Capital Lease Interest | - | 0 | - | 0 | - | 0 |
| Depreciation | 16,383 | 0 | 3,043,235 | 4 | 3,059,618 | 4 |
| TOTAL | 3,220,095 | 37 | 22,416,367 | 30 | \$ 25,636,462 | 31 |
| Gross Profit | 5,402,145 | 63 | 52,675,412 | 70 | \$ 58,077,557 | 69 |
| Contribution Margin | 9.30% | | 90.70% | | 100.00% | |
| Indirect Revenue | | | | | | |
| Legal Settlements | - | 0 | - | 0 | \$ - | 0 |
| Gain on Sale of Investments | - | 0 | - | 0 | - | 0 |
| Gain (Loss) on Sale Fixed Assets | 1,661 | 0 | (253,166) | (0) | (251,506) | (0) |
| Other Income | 50,294 | 1 | 490,410 | 1 | 540,704 | 1 |
| TOTAL | 51,955 | 1 | 237,243 | 0 | \$ 289,198 | 0 |
| Indirect Expenses | | | | | | |
| Public Information | 9,201 | 0 | 89,721 | 0 | \$ 98,923 | 0 |
| Personal Services | 267,163 | 3 | 2,605,057 | 3 | 2,872,220 | 3 |
| Services & Supplies | 76,114 | 1 | 742,174 | 1 | 818,287 | 1 |
| Depreciation | 20,945 | 0 | 204,229 | 0 | 225,173 | 0 |
| TOTAL | 373,423 | 4 | 3,641,181 | 5 | \$ 4,014,603 | 5 |
| Net Profit | 5,080,677 | 59 | 49,271,475 | 66 | \$ 54,352,152 | 65 |

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

| | Traditional | | | Video | | | Total | | |
|--------------------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Actual | Budget | Variance |
| Travel | \$ 1,905 | \$ 4,063 | \$ 2,158 | \$ 18,575 | \$ 39,622 | \$ 21,047 | \$ 20,480 | \$ 43,685 | \$ 23,205 |
| Office Expenses | 6,214 | 6,052 | (161) | 60,587 | 59,017 | (1,571) | 66,801 | 65,069 | (1,732) |
| Telecommunications Network | 1,271 | 132 | (1,139) | 12,396 | 1,287 | (11,109) | 13,667 | 1,419 | (12,248) |
| Telecommunications | 4,711 | 5,161 | 449 | 45,939 | 50,319 | 4,380 | 50,650 | 55,480 | 4,830 |
| Intergovernmental Charges | 9,257 | 7,962 | (1,295) | 90,264 | 77,640 | (12,624) | 99,521 | 85,602 | (13,919) |
| Technology Expenses | 7,030 | 21,523 | 14,493 | 68,546 | 209,862 | 141,317 | 75,575 | 231,385 | 155,810 |
| Professional Services | 28,086 | 32,157 | 4,071 | 273,859 | 313,557 | 39,698 | 301,945 | 345,714 | 43,769 |
| Staff Training | 738 | 3,943 | 3,205 | 7,200 | 38,449 | 31,249 | 7,938 | 42,392 | 34,454 |
| Facilities | 3,527 | 3,892 | 365 | 34,395 | 37,953 | 3,558 | 37,922 | 41,845 | 3,923 |
| Facilities Maintenance | 1,634 | 1,854 | 221 | 15,929 | 18,080 | 2,151 | 17,563 | 19,934 | 2,371 |
| Other Services & Supplies | 4,765 | 5,450 | 685 | 46,462 | 53,141 | 6,679 | 51,227 | 58,591 | 7,364 |
| Fleet Expenses | 7,331 | 7,633 | 302 | 71,481 | 74,429 | 2,948 | 78,812 | 82,062 | 3,250 |
| Supplier Diversity | - | 36 | 36 | - | 351 | 351 | - | 387 | 387 |
| TOTAL | \$ 76,469 | \$ 99,859 | \$ 23,390 | \$ 745,633 | \$ 973,706 | \$ 228,073 | \$ 822,102 | \$ 1,073,565 | \$ 251,463 |
| Less Non Distributable Revenue | (355) | - | 355 | (3,459) | - | 3,459 | (3,814) | - | 3,814 |
| AMOUNT REPORTED | \$ 76,114 | \$ 99,859 | \$ 23,745 | \$ 742,174 | \$ 973,706 | \$ 231,533 | \$ 818,287 | \$ 1,073,565 | \$ 255,278 |

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

| | Total Lottery | | | | | | | | | |
|--|----------------------|------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|------------------------------------|-------------|
| | Traditional Lottery | % of Net Revenue | Video Lottery | % of Net Revenue | Actual | % of Net Revenue | Budget* | % of Net Revenue | Variance Favorable / (Unfavorable) | % Variance |
| Revenue | | | | | | | | | | |
| Scratch-Its SM | \$ 19,195,499 | | \$ - | | \$ 19,195,499 | | \$ 19,241,810 | | \$ (46,311) | (0) |
| Breakopen | - | | - | | - | | - | | - | n/a |
| Megabucks SM | 5,453,493 | | - | | 5,453,493 | | 5,431,457 | | 22,036 | 0 |
| Powerball [®] | 6,983,358 | | - | | 6,983,358 | | 6,719,328 | | 264,030 | 4 |
| Sports Action SM | - | | - | | - | | - | | - | n/a |
| Keno | 17,152,868 | | - | | 17,152,868 | | 17,260,282 | | (107,414) | (1) |
| Pick 4 SM | 238,286 | | - | | 238,286 | | 241,000 | | (2,715) | (1) |
| Win For Life SM | 1,114,483 | | - | | 1,114,483 | | 1,132,647 | | (18,164) | (2) |
| Scoreboard SM | - | | - | | - | | - | | - | n/a |
| Lucky Lines SM | 330,658 | | - | | 330,658 | | 315,937 | | 14,721 | 5 |
| Video Lottery SM (Gross Receipts) | - | | 1,999,193,574 | | 1,999,193,574 | | 2,032,538,000 | | (33,344,426) | (2) |
| TOTAL | \$ 50,468,644 | | \$ 1,999,193,574 | | \$ 2,049,662,218 | | \$ 2,082,880,461 | | \$ (33,218,243) | (2) |
| Prize Expense | 34,173,527 | | 1,850,805,902 | | 1,884,979,428 | | 1,915,748,000 | | 30,768,572 | (2) |
| Net Revenue | \$ 16,295,117 | 100 | \$ 148,387,672 | 100 | \$ 164,682,790 | 100 | \$ 167,132,461 | 100 | \$ (2,449,671) | (2) |
| Direct Expenses | | | | | | | | | | |
| Commissions | \$ 4,244,675 | 26 | \$ 37,756,734 | 25 | \$ 42,001,409 | 26 | \$ 43,436,000 | 26 | \$ 1,434,591 | 3 |
| Game Vendor Charges | 857,522 | 5 | 315,206 | 0 | 1,172,728 | 1 | 1,384,206 | 1 | 211,478 | 15 |
| Tickets | 551,887 | 3 | - | 0 | 551,887 | 0 | 780,000 | 0 | 228,113 | 29 |
| Advertising | 774,589 | 5 | - | 0 | 774,589 | 0 | 1,975,400 | 1 | 1,200,811 | 61 |
| Sales Support | 261,920 | 2 | - | 0 | 261,920 | 0 | 339,480 | 0 | 77,560 | 23 |
| Game Equipment, Parts & Maintenance | 317 | 0 | 232,861 | 0 | 233,179 | 0 | 314,496 | 0 | 81,317 | 26 |
| Research | 5,809 | 0 | 1,138 | 0 | 6,946 | 0 | 50,686 | 0 | 43,740 | 86 |
| Research & Development | 5,563 | 0 | - | 0 | 5,563 | 0 | 428,502 | 0 | 422,940 | 99 |
| Depreciation | 32,766 | 0 | 6,158,420 | 4 | 6,191,186 | 4 | 6,529,063 | 4 | 337,877 | 5 |
| Total Direct Expenses | \$ 6,735,048 | 41 | \$ 44,464,359 | 30 | \$ 51,199,407 | 31 | \$ 55,237,833 | 33 | \$ 4,038,426 | 7 |
| Gross Profit | \$ 9,560,069 | 59 | \$ 103,923,313 | 70 | \$ 113,483,383 | 69 | \$ 111,894,628 | 67 | \$ 1,588,755 | (1) |
| Contribution Margin | 8.42% | | 91.58% | | 100.00% | | N/A | | N/A | |
| Indirect Revenue | | | | | | | | | | |
| Gain on Sale of Investments | \$ - | 0 | \$ - | 0 | \$ - | 0 | \$ - | 0 | \$ - | n/a |
| Legal Settlements | - | 0 | - | 0 | - | 0 | - | 0 | - | n/a |
| Gain (Loss) on Sale Fixed Assets | 1,661 | 0 | (831,357) | (1) | (829,696) | (1) | - | 0 | (829,696) | n/a |
| Other Income | 110,668 | 1 | 1,203,025 | 1 | 1,313,693 | 1 | 2,397,500 | 1 | (1,083,807) | (45) |
| Total Indirect Revenue | \$ 112,329 | 1 | \$ 371,668 | 0 | \$ 483,998 | 0 | \$ 2,397,500 | 1 | \$ (1,913,502) | (80) |
| Indirect Expenses | | | | | | | | | | |
| Public Information | \$ 14,229 | 0 | \$ 154,681 | 0 | \$ 168,911 | 0 | \$ 1,045,905 | 1 | \$ 876,994 | 84 |
| Personal Services | 491,089 | 3 | 5,338,414 | 4 | 5,829,503 | 4 | 6,568,200 | 4 | 738,697 | 11 |
| Services & Supplies | 123,489 | 1 | 1,342,393 | 1 | 1,465,882 | 1 | 2,150,943 | 1 | 685,061 | 32 |
| Depreciation | 34,532 | 0 | 375,378 | 0 | 409,910 | 0 | 385,449 | 0 | (24,461) | (6) |
| Total Indirect Expenses | \$ 663,339 | 4 | \$ 7,210,867 | 5 | \$ 7,874,206 | 5 | \$ 10,150,497 | 6 | \$ 2,276,291 | 22 |
| Net Profit | \$ 9,009,059 | 55 | \$ 97,084,115 | 65 | \$ 106,093,174 | 64 | \$ 104,141,631 | 62 | \$ 1,951,543 | 2 |

*FY 2009 is based upon the September 2008 forecast

OREGON STATE LOTTERY

Supplemental Schedule of Services and Supplies Expenses
Year-to-Date Through August 31, 2008

| | Traditional | | | Video | | | Totals | | |
|--------------------------------|-------------------|-------------------|------------------|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Actual | Budget | Variance |
| Travel | \$ 3,146 | \$ 7,360 | \$ 4,214 | \$ 34,198 | \$ 80,010 | \$ 45,812 | \$ 37,344 | \$ 87,370 | \$ 50,026 |
| Office Expenses | 8,477 | 10,963 | 2,486 | 92,145 | 119,175 | 27,030 | 100,622 | 130,138 | 29,516 |
| Telecommunications Network | 2,124 | 239 | (1,885) | 23,090 | 2,599 | (20,491) | 25,214 | 2,838 | (22,376) |
| Telecommunications | 8,606 | 9,347 | 741 | 93,556 | 101,613 | 8,057 | 102,163 | 110,960 | 8,797 |
| Intergovernmental Charges | 14,361 | 14,744 | 383 | 156,117 | 160,273 | 4,156 | 170,478 | 175,017 | 4,539 |
| Technology Expenses | 10,873 | 38,985 | 28,112 | 118,191 | 423,785 | 305,594 | 129,064 | 462,770 | 333,706 |
| Professional Services | 47,688 | 58,247 | 10,559 | 518,399 | 633,181 | 114,782 | 566,088 | 691,428 | 125,340 |
| Staff Training | 1,459 | 7,142 | 5,683 | 15,862 | 77,642 | 61,780 | 17,322 | 84,784 | 67,462 |
| Facilities | 6,335 | 7,050 | 715 | 68,870 | 76,640 | 7,770 | 75,205 | 83,690 | 8,485 |
| Facilities Maintenance | 1,839 | 3,359 | 1,520 | 19,992 | 36,509 | 16,517 | 21,831 | 39,868 | 18,037 |
| Other Services and Supplies | 6,202 | 9,872 | 3,670 | 67,421 | 107,310 | 39,889 | 73,623 | 117,182 | 43,559 |
| Fleet Expenses | 13,363 | 13,826 | 463 | 145,265 | 150,298 | 5,033 | 158,629 | 164,124 | 5,495 |
| Supplier Diversity | 29 | 65 | 36 | 321 | 709 | 388 | 350 | 774 | 424 |
| TOTAL | \$ 124,502 | \$ 181,199 | \$ 56,697 | \$ 1,353,427 | \$ 1,969,744 | \$ 616,317 | \$ 1,477,932 | \$ 2,150,943 | \$ 673,011 |
| Less Non Distributable Revenue | (1,015) | - | 1,015 | (11,035) | - | 11,035 | (12,050) | - | 12,050 |
| AMOUNT REPORTED | \$ 123,487 | \$ 181,199 | \$ 57,712 | \$ 1,342,392 | \$ 1,969,744 | \$ 627,352 | \$ 1,465,882 | \$ 2,150,943 | \$ 685,061 |

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

| | 7/31/2008 | | 8/31/2008 | |
|--|-------------|-------|-------------|-------|
| | Traditional | Video | Traditional | Video |

Analysis of Percentages:

| | | | | |
|----------------|-------|-------|-------|-------|
| Prizes | 69.2% | 92.5% | 67.6% | 92.5% |
| Administration | 15.2% | 2.6% | 14.6% | 2.6% |

| | 7/31/2008 | 8/31/2008 |
|--|----------------------|----------------------|
| <u>Accounts Receivable Aging:</u> | | |
| Current | \$ 15,077,018 | \$ 22,901,184 |
| Over 30 Days | 11,729 | 4,012 |
| Over 60 Days | 6,273 | 11,729 |
| Over 90 Days | 315,965 | 311,141 |
| Total | <u>\$ 15,410,984</u> | <u>\$ 23,228,066</u> |

Allowance for Doubtful Accounts \$ 315,965 \$ 311,141

OREGON STATE LOTTERY
Balance Sheet
As of August 31, 2008

ASSETS

Current Assets

| | |
|--|-----------------------|
| Cash | \$ 209,456,606 |
| Cash With Fiscal Agent | 2,723,627 |
| Investments for Prize Payments at Fair Value | 13,881,847 |
| Accounts Receivable-Games - | |
| Net of Allowance for Doubtful Accounts of | \$311,141 23,228,066 |
| Accounts Receivable-Other | 707,675 |
| Interest Receivable | - |
| Ticket Inventory | 2,509,367 |
| Prepaid Expenses | 1,660,867 |
| Total Current Assets | \$ 254,168,055 |

Non-Current Assets

| | |
|--|-------------------------|
| Investments for Prize Payments at Fair Value | \$ 97,369,300 |
| Equipment - | |
| Net of Accumulated Depreciation of | \$53,048,742 92,115,027 |
| Vehicles - | |
| Net of Accumulated Depreciation of | \$1,943,149 1,687,851 |
| Building and Improvements- | |
| Net of Accumulated Depreciation of | \$3,642,588 8,057,731 |
| Leasehold Improvements - | |
| Net of Accumulated Amortization of | \$73,183 84,050 |
| Leased Assets - | |
| Net of Accumulated Depreciation of | \$593,934 - |
| Computer Software - | |
| Net of Accumulated Amortization of | \$6,236,222 4,714,750 |
| Total Non-Current Assets | 204,028,709 |

TOTAL ASSETS

\$ 458,196,764

LIABILITIES

Current Liabilities

| | |
|---|-----------------------|
| Accounts Payable | \$ 6,722,830 |
| Compensated Absences | 2,374,153 |
| Deposit Liability | 197,501 |
| Prize Liability | 16,275,234 |
| Prize Liability - Investments at Fair Value | 13,881,847 |
| Economic Development Liability | 117,412,759 |
| Capital Lease Liability | - |
| VLT Purchase Contingent Liability | - |
| Deferred Revenue | - |
| Total Current Liabilities | \$ 156,864,324 |

Non-Current Liabilities

| | |
|--|-------------------|
| Capital Lease Liability | \$ - |
| Deferred Prize Liability | 97,369,300 |
| OPEB Liability | 190,657 |
| Non-Current Economic Development Liability | - |
| Total Non-Current Liabilities | 97,559,957 |

TOTAL LIABILITIES

\$ 254,424,281

EQUITY

Retained Earnings

| | |
|--|-----------------------|
| Fixed Asset Book Value | \$ 106,659,409 |
| Restricted Cash and Inventory | 6,893,861 |
| FY '09 Asset Purchases Committed by Commission | 45,219,213 |
| Operating Working Capital | 45,000,000 |
| Total Retained Earnings | \$ 203,772,483 |

TOTAL LIABILITIES AND EQUITY

\$ 458,196,764

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

| | |
|---|-----------------------|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | \$ 1,025,824,320 |
| Payments to Prize Winners | (952,958,350) |
| Payments to Employees for Services | (2,930,257) |
| Payments to Suppliers | (25,998,902) |
| Net Cash Provided (Used) in Operating Activities | <u>43,936,810</u> |
| Cash Flows from Noncapital Financing Activities: | |
| Transfers to Other Funds | |
| Other Income | 17,237 |
| Net Cash Provided (Used) in Noncapital Financing Activities | <u>\$ 17,237</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Acquisition/Restoration of Capital Assets | \$ (2,811,209) |
| Proceeds from Disposition/Impairment of Capital Assets | 81,000 |
| Net Cash Provided (Used) in Capital and Related Financing Activities | <u>\$ (2,730,209)</u> |
| Cash Flows from Investing Activities: | |
| Purchases of Investments | |
| Proceeds from Sales and Maturities of Investments | 5,263,000 |
| Interest on investments and Cash Balances | 533,078 |
| Net Cash Provided (Used) in Investing Activities | <u>\$ 5,796,078</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>\$ 47,019,916</u> |
| Cash and Cash Equivalents - Beginning | <u>162,436,690</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 209,456,606</u> |

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

| | |
|--|------------------------|
| Operating Income (Loss) | <u>\$ 54,352,152</u> |
| Adjustments to reconcile operating income to cash flows from operating activities | |
| Depreciation and Amortization | \$ 3,284,791 |
| Capital Asset Reclassifications to/(from) Expense | - |
| Other Income | (293,013) |
| Net Changes in Assets and Liabilities: | |
| (Increase) / Decrease in Accounts Receivable - Games | (7,817,082) |
| (Increase) / Decrease in Interest Receivable | - |
| (Increase) / Decrease in Ticket Inventory | 55,918 |
| (Increase) / Decrease in Prepaid Expenses | (153,908) |
| Increase / (Decrease) in Accounts Payable | (2,328,484) |
| Increase / (Decrease) in Compensated Absences Liability | (58,037) |
| Increase / (Decrease) in Deposit Liability | (74,559) |
| Increase / (Decrease) in Prize Liability | (3,918,722) |
| Increase in Economic Development Liability - Unclaimed Prizes Payable | 887,754 |
| Total Adjustments and Changes | <u>\$ (10,415,342)</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 43,936,810</u> |

FY 2009 Financial Plan

| | Original Approved Budget | | | Forecast Adjustments | | | | Commission Approved Budget Adjustments | Final Approved/Adjusted Budget | | |
|--------------------------------|--------------------------|-----------------------|-----------------------|----------------------|----------|----------|----------|--|--------------------------------|-----------------------|-----------------------|
| | Traditional | Video | Total | Sep-08 | Dec-08 | Mar-09 | May-09 | | Traditional | Video | Total |
| Revenue | | | | | | | | | | | |
| Video Lottery SM | | 12,614,328,000 | 12,614,328,000 | (381,640,000) | | | | - | | 12,232,688,000 | 12,232,688,000 |
| Scratch-its SM | 126,784,384 | | 126,784,384 | (1,541,384) | | | | - | 125,243,000 | | 125,243,000 |
| Breakopen | - | | - | | | | | - | - | | - |
| Megabucks SM | 36,820,318 | | 36,820,318 | (673,318) | | | | - | 36,147,000 | | 36,147,000 |
| Pick 4 SM | 1,393,000 | | 1,393,000 | 5,000 | | | | - | 1,398,000 | | 1,398,000 |
| Powerball [®] | 48,285,171 | | 48,285,171 | (1,458,171) | | | | - | 46,827,000 | | 46,827,000 |
| Sports Action SM | - | | - | | | | | - | - | | - |
| Scoreboard SM | - | | - | | | | | - | - | | - |
| Win for Life SM | 5,781,216 | | 5,781,216 | 937,784 | | | | - | 6,719,000 | | 6,719,000 |
| Keno | 109,706,743 | | 109,706,743 | (2,259,743) | | | | - | 107,447,000 | | 107,447,000 |
| Lucky Lines SM | 2,085,583 | | 2,085,583 | (37,583) | | | | - | 2,048,000 | | 2,048,000 |
| Total Revenue | 330,856,415 | 12,614,328,000 | 12,945,184,415 | (386,667,415) | - | - | - | - | 325,829,000 | 12,232,688,000 | 12,558,517,000 |
| Less prizes | 218,141,000 | 11,684,652,000 | 11,902,793,000 | (357,272,000) | | | | - | 214,682,000 | 11,330,839,000 | 11,545,521,000 |
| Net revenue | 112,715,415 | 929,676,000 | 1,042,391,415 | (29,395,415) | - | - | - | - | 111,147,000 | 901,849,000 | 1,012,996,000 |
| Direct Expenses | | | | | | | | | | | |
| Commissions | 28,986,000 | 217,544,000 | 246,530,000 | (6,652,000) | | | | - | 28,503,000 | 211,375,000 | 239,878,000 |
| Game Vendor Charges | 6,877,000 | 1,921,236 | 8,798,236 | (91,000) | | | | - | 6,786,000 | 1,921,236 | 8,707,236 |
| Tickets | 5,137,507 | - | 5,137,507 | (66,507) | | | | - | 5,071,000 | - | 5,071,000 |
| Advertising | 11,526,300 | 325,000 | 11,851,300 | | | | | - | 11,526,300 | 325,000 | 11,851,300 |
| Sales Support | 2,036,871 | - | 2,036,871 | | | | | - | 2,036,871 | - | 2,036,871 |
| Gm Equip/Parts & Mntc | 25,000 | 1,861,984 | 1,886,984 | | | | | - | 25,000 | 1,861,984 | 1,886,984 |
| Market Research | 80,960 | 223,153 | 304,113 | | | | | - | 80,960 | 223,153 | 304,113 |
| Research & Development | 290,000 | 2,281,000 | 2,571,000 | | | | | - | 290,000 | 2,281,000 | 2,571,000 |
| Depreciation | 97,991 | 42,422,637 | 42,520,628 | | | | | - | 97,991 | 42,422,637 | 42,520,628 |
| Total Direct Expenses | 55,057,629 | 266,579,010 | 321,636,639 | (6,809,507) | - | - | - | - | 54,417,122 | 260,410,010 | 314,827,132 |
| Gross Profit | 57,657,786 | 663,096,990 | 720,754,776 | (22,585,908) | - | - | - | - | 56,729,878 | 641,438,990 | 698,168,868 |
| Relative GP % | 8.00% | 92.00% | 100.00% | | | | | Allocated => | 8.13% | 91.87% | 100.00% |
| Indirect Revenue | 1,150,748 | 13,234,254 | 14,385,002 | - | - | - | - | - | 1,150,748 | 13,234,254 | 14,385,002 |
| Indirect Expense | | | | | | | | | | | |
| Public information | 501,986 | 5,773,119 | 6,275,105 | - | - | - | - | - | 501,986 | 5,773,119 | 6,275,105 |
| Personal services | 3,183,184 | 36,608,403 | 39,791,587 | - | - | - | - | - | 3,183,184 | 36,608,403 | 39,791,587 |
| Services & supplies | 1,031,974 | 11,868,276 | 12,900,250 | - | - | - | - | - | 1,031,974 | 11,868,276 | 12,900,250 |
| Depreciation | 195,277 | 2,245,798 | 2,441,075 | - | - | - | - | - | 195,277 | 2,245,798 | 2,441,075 |
| Total Indirect Expenses | 4,912,421 | 56,495,596 | 61,408,017 | - | - | - | - | - | 4,912,421 | 56,495,596 | 61,408,017 |
| Net Profit | 53,896,113 | 619,835,648 | 673,731,761 | (22,585,908) | - | - | - | - | 52,968,205 | 598,177,648 | 651,145,853 |

| | | | | | | | | |
|----------------|----|------------|---|---|---|---|----|------------|
| Capital outlay | \$ | 27,783,278 | - | - | - | - | \$ | 27,783,278 |
| FTE Count | | 451.25 | - | - | - | - | | 451.25 |