



**Oregon Lottery
Operating Summary
For the month ending February 29, 2024
(in thousands)**

	Traditional				Video				Sports				Total Lottery			
	Current Month	Current Month	Last Year	Actual to Budget	Current Month	Current Month	Last Year	Actual to Budget	Current Month	Current Month	Last Year	Actual to Budget	Current Month	Current Month	Last Year	Actual to Budget
	Actual	Budget	Actual	Variance	Actual	Budget	Actual	Variance	Actual	Budget	Actual	Variance	Actual	Budget	Actual	Variance
Revenue	\$ 31,841	\$ 31,359	\$31,062	\$ 482	\$ 1,325,962	\$ 1,354,727	\$ 1,289,766	\$ (28,765)	\$ 66,524	\$ 59,360	\$ 48,263	\$ 7,165	\$1,424,327	\$ 1,445,446	\$ 1,369,091	\$ (21,118)
Prizes	19,790	20,272	19,560	482	1,228,289	1,253,800	1,195,851	25,511	60,128	53,952	44,188	(6,176)	1,308,207	1,328,024	1,259,599	19,817
Net Revenue	12,050	11,087	11,502	964	97,673	100,927	93,915	(3,254)	6,397	5,408	4,075	989	116,120	117,422	109,492	(1,301)
Direct Expenses	3,596	4,493	4,726	896	23,920	23,024	21,158	(896)	3,578	3,423	1,547	(155)	31,094	30,940	27,431	(154)
Total Indirect Revenue/(Loss)	(1,443)	73	(1,659)	(1,516)	1,529	864	360	666	58	22	13	36	144	959	(1,286)	(814)
Total Indirect Expense	927	784	685	(143)	8,089	9,264	7,150	1,175	382	236	331	(146)	9,399	10,284	8,166	885
Net Profit from Operations	6,083	5,883	4,432	200	67,193	69,503	65,967	(2,310)	2,495	1,771	2,210	725	75,772	77,157	72,609	(1,385)
Modernization Investment Spending													520	1,912	747	1,393
Net Profit													\$75,252	\$75,244	\$71,862	\$8

TOTAL LOTTERY				
	Current Month	Current Month	Last Year	Actual to Budget
	Actual	Budget	Actual	Variance
Percentages of Distributable Revenue for the Month				
Prizes	91.8%	91.9%	92.0%	0.1%
Administrative Expenses	2.9%	3.0%	2.7%	0.1%
Percentages of Distributable Revenue for the Year				
Prizes	91.6%	91.6%	91.7%	0.0%
Administrative Expenses	3.1%	3.4%	2.9%	0.3%



Oregon Lottery
Operating Statement
For the month ending February 29, 2024

	Traditional	Video	Sports	Total Lottery			% Variance
				Actual	Budget	Variance	
Revenue							
Scratch-Its SM Instant Tickets	\$ 12,501,662			\$ 12,501,662	\$ 12,452,505	\$ 49,157	0.4%
Megabucks SM	1,747,861			1,747,861	2,526,171	(778,310)	-30.8%
Powerball [®]	4,007,216			4,007,216	4,102,252	(95,036)	-2.3%
Mega Millions [®]	4,193,475			4,193,475	2,467,738	1,725,737	69.9%
Raffle SM	-			-	-	-	N/A
Keno	8,765,196			8,765,196	9,127,817	(362,621)	-4.0%
Pick 4 SM	153,513			153,513	150,606	2,906	1.9%
Win For Life SM	368,076			368,076	374,562	(6,486)	-1.7%
Lucky Lines SM	103,618			103,618	157,388	(53,770)	-34.2%
Video Lottery SM (Gross Receipts)		\$ 1,325,962,220		1,325,962,220	1,354,726,915	(28,764,695)	-2.1%
Sports Wagering (Gross Receipts)			\$ 66,524,395	66,524,395	59,359,624	7,164,771	12.1%
Total Revenue	31,840,617	1,325,962,220	66,524,395	1,424,327,232	1,445,445,578	(21,118,347)	-1.5%
Prizes	(19,790,175)	(1,228,289,105)	(60,127,551)	(1,308,206,832)	(1,328,023,989)	19,817,157	1.5%
Net Revenue	12,050,441	97,673,115	6,396,844	116,120,400	117,421,589	(1,301,189)	-1.1%
Direct Expenses							
Commissions	3,041,769	20,001,324	-	23,043,093	22,830,873	(212,220)	-0.9%
Game Vendor Charges	698,573	27,376	3,577,651	4,303,600	4,399,215	95,615	2.2%
Tickets	285,492	-	-	285,492	201,173	(84,319)	-41.9%
Advertising	263,806	-	-	263,806	487,180	223,374	45.9%
Sales Support	22,238	-	-	22,238	53,853	31,615	58.7%
Game Equipment, Parts & Maintenance	84	705,598	-	705,682	598,694	(106,988)	-17.9%
Depreciation	(715,537)	3,179,595	-	2,464,057	2,367,668	(96,390)	-4.1%
Interest Expense	-	5,836	-	5,836	912	(4,924)	-540.0%
Direct Expenses	3,596,425	23,919,728	3,577,651	31,093,804	30,939,567	(154,237)	-0.5%
Gross Profit	8,454,016	73,753,387	2,819,193	85,026,596	86,482,022	(1,455,426)	-1.7%
Indirect Revenue							
Gain (Loss) on Sale of Fixed Assets	77	671	26	774	-	774	N/A
Other Income/(Expense)	175,216	1,528,596	58,439	1,762,251	958,666	803,585	83.8%
Investment Market Value Adj	(1,618,596)	-	-	(1,618,596)	-	(1,618,596)	N/A
Total Indirect Revenue/(Loss)	(1,443,303)	1,529,267	58,464	144,428	958,666	(814,238)	-84.9%
Indirect Expenses							
Public Information	1,424	12,425	475	14,324	5,832	(8,492)	-145.6%
Market Research	278	2,426	93	2,797	50,000	47,203	94.4%
Salaries, Wages & Benefits	673,218	5,873,199	289,683	6,836,100	6,565,345	(270,755)	-4.1%
Services & Supplies	200,504	1,749,213	74,881	2,024,598	3,308,473	1,283,875	38.8%
Depreciation	51,170	446,412	17,064	514,646	354,479	(160,167)	-45.2%
Interest Expense	658	5,740	219	6,617	-	(6,617)	N/A
Total Indirect Expense	927,253	8,089,415	382,414	9,399,082	10,284,129	885,047	8.6%
Net Profit from Operations	6,083,460	67,193,240	2,495,243	75,771,942	77,156,559	(1,384,617)	-1.8%
Modernization Investment Spending				519,741	1,912,416	1,392,675	72.8%
Net Profit				\$ 75,252,201	\$ 75,244,143	\$ 8,058	0.0%



Oregon Lottery
Supplemental Schedule of Services and Supplies Expenses
For the month ending February 29, 2024

	Traditional			Video			Sports			Total Lottery		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	\$ 1,787	\$ 2,989	\$ 1,203	\$ 15,586	\$ 35,317	\$ 19,731	\$ 596	\$ 900	\$ 304	\$ 17,968	\$ 39,206	\$ 21,238
Office Expenses	1,922	2,585	662	16,771	30,534	13,762	641	778	137	19,335	33,896	14,561
Retailer Network Expenses	46,991	-	(46,991)	409,954	-	(409,954)	-	-	-	456,945	-	(456,945)
Retailer Network Recovery	(71,034)	-	71,034	(619,708)	-	619,708	-	-	-	(690,742)	-	690,742
Telecommunications	12,818	7,499	(5,319)	111,823	88,589	(23,235)	4,274	2,257	(2,018)	128,916	98,344	(30,572)
Intergovernmental Charges	12,680	11,940	(740)	110,620	141,057	30,436	4,228	3,593	(635)	127,529	156,590	29,061
Technology Expenses	55,979	61,146	5,166	488,368	722,367	233,999	18,668	18,402	(265)	563,015	801,915	238,900
Professional Services	120,858	147,883	27,025	1,054,376	1,747,070	692,694	40,303	44,507	4,204	1,215,537	1,939,460	723,923
Staff Training & Recruiting	6,090	2,960	(3,130)	53,130	34,970	(18,160)	2,031	891	(1,140)	61,251	38,821	(22,430)
Facilities	3,410	4,439	1,029	29,747	52,443	22,696	1,137	1,336	199	34,293	58,218	23,925
Facilities Maintenance	2,147	3,008	861	18,727	35,535	16,808	716	905	189	21,589	39,448	17,859
Other Services & Supplies	2,928	3,061	133	25,544	36,161	10,617	976	921	(55)	29,448	40,143	10,695
Fleet Expenses	5,763	4,760	(1,003)	50,280	56,239	5,959	1,922	1,433	(489)	57,965	62,432	4,467
TOTAL	202,339	252,270	49,931	1,765,218	2,980,280	1,215,062	75,493	75,923	431	2,043,050	3,308,473	1,265,423
Less Non Distributable Revenue	(1,835)	-	1,835	(16,006)	-	16,006	(612)	-	612	(18,452)	-	18,452
AMOUNT REPORTED	\$ 200,504	\$ 252,270	\$ 51,766	\$ 1,749,213	\$ 2,980,280	\$ 1,231,067	\$ 74,881	\$ 75,923	\$ 1,042	\$ 2,024,598	\$ 3,308,473	\$ 1,283,875



Oregon Lottery
Operating Statement
Year to Date Through February 29, 2024

	Traditional	Video	Sports	Total Lottery			% Variance
				Actual	Budget	Variance	
Revenue							
Scratch-Its SM Instant Tickets	\$ 105,620,941			\$ 105,620,941	\$ 105,878,501	\$ (257,560)	-0.2%
Megabucks SM	21,391,670			21,391,670	22,170,929	(779,259)	-3.5%
Powerball [®]	71,405,631			71,405,631	70,983,363	422,268	0.6%
Mega Millions [®]	37,094,242			37,094,242	35,397,329	1,696,913	4.8%
Raffle SM	-			-	-	-	N/A
Keno	69,676,652			69,676,652	70,207,650	(530,998)	-0.8%
Pick 4 SM	1,314,740			1,314,740	1,312,020	2,720	0.2%
Win For Life SM	3,420,429			3,420,429	3,391,906	28,523	0.8%
Lucky Lines SM	1,214,722			1,214,722	1,273,195	(58,473)	-4.6%
Video Lottery SM (Gross Receipts)		\$ 10,452,496,739		10,452,496,739	10,433,788,360	18,708,378	0.2%
Sports Wagering (Gross Receipts)			\$ 492,131,880	492,131,880	429,528,815	62,603,065	14.6%
Total Revenue	311,139,027	10,452,496,739	492,131,880	11,255,767,645	11,173,932,068	81,835,578	0.7%
Prizes	(190,224,004)	(9,681,097,717)	(443,697,116)	(10,315,018,837)	(10,240,277,333)	(74,741,504)	-0.7%
Net Revenue	120,915,023	771,399,021	48,434,764	940,748,808	933,654,735	7,094,074	0.8%
Direct Expenses							
Commissions	27,035,262	187,448,902	-	214,484,164	210,030,421	(4,453,743)	-2.1%
Game Vendor Charges	7,770,694	530,598	25,500,856	33,802,148	34,166,347	364,199	1.1%
Tickets	2,214,210	-	-	2,214,210	2,931,820	717,610	24.5%
Advertising	4,299,147	201,492	-	4,500,639	5,347,340	846,701	15.8%
Sales Support	285,905	(258)	-	285,647	719,299	433,652	60.3%
Game Equipment, Parts & Maintenance	101,777	4,818,468	-	4,920,245	7,174,488	2,254,243	31.4%
Depreciation	3,795,349	14,697,799	-	18,493,148	19,183,032	689,884	3.6%
Interest Expense	947	61,161	-	62,109	7,296	(54,813)	-751.3%
Direct Expenses	45,503,292	207,758,163	25,500,856	278,762,311	279,560,044	797,733	0.3%
Gross Profit	75,411,731	563,640,859	22,933,908	661,986,498	654,094,691	7,891,807	1.2%
Indirect Revenue							
Gain (Loss) on Sale of Fixed Assets	10,118	73,383	3,624	87,126	-	87,126	N/A
Other Income	1,827,174	13,037,050	544,581	15,408,806	7,669,328	7,739,478	100.9%
Investment Market Value Adj	(1,971,862)	-	-	(1,971,862)	-	(1,971,862)	N/A
Total Indirect Revenue/(Loss)	(134,570)	13,110,434	548,206	13,524,070	7,669,328	5,854,742	76.3%
Indirect Expenses							
Public Information	67,256	494,073	18,420	579,749	976,656	396,907	40.6%
Market Research	42,857	320,166	9,811	372,834	896,958	524,124	58.4%
Salaries, Wages & Benefits	6,129,390	45,893,089	2,383,745	54,406,224	52,522,761	(1,883,464)	-3.6%
Services & Supplies	1,731,943	12,821,011	540,037	15,092,991	27,049,601	11,956,610	44.2%
Depreciation	351,589	3,120,738	134,362	3,606,689	2,571,002	(1,035,687)	-40.3%
Interest Expense	4,624	49,294	2,220	56,138	-	(56,138)	N/A
Total Indirect Expense	8,327,659	62,698,371	3,088,595	74,114,626	84,016,978	9,902,352	11.8%
Net Profit from Operations	66,949,502	514,052,921	20,393,519	601,395,942	577,747,041	23,648,901	4.1%
Modernization Investment Spending				5,824,317	15,299,320	9,475,003	61.9%
Net Profit				\$ 595,571,625	\$ 562,447,721	\$ 33,123,904	5.9%



Oregon Lottery
Supplemental Schedule of Services and Supplies Expenses
Year to Date Through February 29, 2024

	Traditional			Video			Sports			Total Lottery		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	29,398	33,254	3,857	214,067	392,862	178,795	11,001	10,008	(993)	254,466	436,125	181,659
Office Expenses	18,298	20,583	2,286	135,605	243,169	107,563	5,706	6,195	489	159,609	269,947	110,338
Retailer Network Expenses	447,855	-	(447,855)	3,339,231	-	(3,339,231)	-	-	-	3,787,086	-	(3,787,086)
Retailer Network Recovery	(525,792)	-	525,792	(4,033,260)	-	4,033,260	-	-	-	(4,559,052)	-	4,559,052
Telecommunications	74,873	59,990	(14,883)	579,960	708,708	128,748	23,100	18,054	(5,046)	677,933	786,752	108,819
Intergovernmental Charges	125,080	95,519	(29,561)	948,101	1,128,453	180,352	38,521	28,747	(9,773)	1,111,702	1,252,720	141,018
Technology Expenses	463,389	477,414	14,025	3,519,041	5,640,103	2,121,063	140,466	143,682	3,216	4,122,896	6,261,200	2,138,304
Professional Services	941,305	1,186,809	245,504	6,967,845	14,020,790	7,052,944	273,911	357,181	83,271	8,183,062	15,564,780	7,381,718
Staff Training & Recruiting	35,167	44,149	8,982	276,384	521,572	245,188	11,072	13,287	2,215	322,623	579,008	256,385
Facilities	31,099	35,513	4,414	168,800	419,543	250,743	6,047	10,688	4,641	205,946	465,744	259,798
Facilities Maintenance	32,681	24,063	(8,618)	272,066	284,279	12,213	10,883	7,242	(3,641)	315,630	315,584	(46)
Other Services & Supplies	34,253	47,144	12,891	255,774	556,953	301,178	11,370	14,188	2,818	301,397	618,285	316,888
Fleet Expenses	47,576	38,083	(9,493)	342,931	449,911	106,980	13,292	11,462	(1,830)	403,799	499,456	95,657
TOTAL	1,755,182	2,062,522	307,340	12,986,546	24,366,343	11,379,797	545,370	620,736	75,365	15,287,098	27,049,601	11,762,503
Less Non Distributable Revenue	(23,239)	-	23,239	(165,535)	-	165,535	(5,333)	-	5,333	(194,107)	-	194,107
AMOUNT REPORTED	1,731,943	2,062,522	330,579	12,821,011	24,366,343	11,545,332	540,037	620,736	80,699	15,092,991	27,049,601	11,956,610



Oregon Lottery
Comparative Balance Sheet
As of February 29, 2024

	As of 2/29/2024	As of 2/28/2023	As of 2/28/2022
Assets			
Current Assets:			
Cash	\$ 447,382,428	\$ 438,289,010	\$ 396,014,465
Securities Lending Cash Collateral	1,975,603	3,079,898	-
Investments for Prize Payments at Fair Value - Short-Term	11,057,441	10,940,082	10,865,311
Accounts Receivable - Games	27,630,604	44,275,622	41,000,754
Accounts Receivable - Other	76,792	25,771	1,371,824
Allowance for Doubtful Accounts	(41,532)	(341,148)	(319,011)
Ticket Inventory	2,045,468	1,956,492	1,533,305
Prepaid Expenses	6,772,942	2,666,239	2,009,581
Total Current Assets	496,899,747	500,891,966	452,476,229
Noncurrent Assets:			
Investments for Prize Payments at Fair Value - Long Term	82,457,554	88,906,248	106,901,137
Prize Reserves with Multi-State Lottery (MUSL)	4,459,680	4,186,976	4,223,470
Prize Reserves for Sports	320,000	320,000	2,320,000
Net OPEB Asset - RHIA	1,833,552	1,561,144	680,959
Capital Assets:			
Equipment, Net of Accumulated Depreciation	82,933,020	72,302,342	62,184,046
Computer Software, Net of Accumulated Depreciation	17,848,304	11,287,438	11,519,948
Building and Improvements, Net of Accumulated Depreciation	7,446,421	6,622,178	7,038,713
Leased Property and Equipment, Net of Accumulated Depreciation	1,597,947	1,151,936	70,813
Vehicles, Net of Accumulated Depreciation	2,560,662	2,200,775	1,784,624
Capital In Progress	221,423	-	-
Leasehold Improvements, Net of Accumulated Depreciation	56,637	111,959	24,099
Total Noncurrent Assets	201,735,200	188,650,996	196,747,809
Deferred Outflows Pension & OPEB	28,130,205	25,671,358	23,554,934
Total Assets and Deferred Outflows	726,765,152	715,214,320	672,778,972
Liabilities			
Current Liabilities:			
Economic Development Fund Liability	166,882,393	161,838,278	162,691,171
Obligations Under Securities Lending	1,975,603	3,079,898	-
Prize Liability	40,722,394	42,624,822	48,038,023
Accounts Payable	17,656,657	14,374,267	12,472,335
Compensated Absences - Current	5,123,594	4,814,036	5,785,876
Deferred Revenue	4,053,109	3,404,183	2,508,664
Deposit Liability	724,250	205,900	198,677
Contracts Payable - Current	3,077,582	1,895,071	1,361,050
Total Current Liabilities	240,215,581	232,236,455	233,055,796
Noncurrent Liabilities:			
Deferred Prize Liability	102,272,827	107,343,468	108,053,399
Contracts Payable - Noncurrent	4,424,357	5,648,904	8,024,801
Net Pension Liability	60,311,329	42,151,310	75,997,398
Net Other Postemployment Benefits (OPEB) Obligation	843,747	955,560	1,270,966
Total Noncurrent Liabilities	167,852,260	156,099,242	193,346,564
Deferred Inflows Pension & OPEB	15,743,615	25,263,909	2,021,814
Total Liabilities and Deferred Inflows	423,811,456	413,599,606	428,424,174
Equity			
Retained Earnings:			
Fixed Asset Book Value Net of Associated Liabilities	107,233,119	88,774,605	76,184,233
Inventory and Prepays	8,818,410	4,622,730	3,542,886
Asset/Project Purchases Committed	50,068,615	71,656,235	63,946,719
Restricted for OPEB Asset	1,833,552	1,561,144	680,959
Operating Working Capital	135,000,000	135,000,000	100,000,000
Total Retained Earnings	302,953,696	301,614,714	244,354,797
Total Liabilities and Equity	\$726,765,152	\$715,214,320	\$672,778,972



Oregon Lottery
Cash Flow Statement
For the month ending February 29, 2024

	<u>Current Month</u>	<u>Year to Date</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 1,418,872,083	\$ 11,258,689,599
Payments to Prize Winners	(1,312,728,275)	(10,313,272,069)
Payments to Employees	(3,898,148)	(30,311,192)
Payments to Suppliers	(34,385,737)	(301,254,406)
Other Income	58,793	459,408
Net Cash Provided (Used) in Operating Activities	67,918,715	614,311,340
Cash Flows from Noncapital Financing Activities:		
Transfers to EDL	-	(695,259,676)
Net Cash Provided (Used) in Noncapital Financing Activities	-	(695,259,676)
Cash Flows from Capital and Related Financing Activities:		
Acquisition/Restoration of Capital Assets	(3,652,088)	(28,943,991)
Contract Payments	(313,691)	(2,339,347)
Proceeds from Disposition/Impairment of Capital Assets	80,340	325,187
Net Cash Provided (Used) in Capital and Related Financing Activities	(3,885,439)	(30,958,152)
Cash Flows from Investing Activities:		
Purchases of Investments	-	(1,290,516)
Proceeds from Sales and Maturities of Investments	3,836,667	8,354,667
Interest on Investments and Cash Balances	1,663,056	14,954,567
Investment Expense	-	(6,964)
Net Cash Provided (Used) in Investing Activities	5,499,723	22,011,754
Net Increase (Decrease) in Cash and Cash Equivalents	69,533,000	(89,894,733)
Cash and Cash Equivalents - Beginning	377,849,428	537,277,161
Cash and Cash Equivalents - Ending	\$ 447,382,428	\$ 447,382,428
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities		
Net Profit/(Loss)	\$ 75,252,201	\$ 595,571,625
Adjustments to reconcile net profit to cash flows from operating activities		
Depreciation and Amortization	2,978,703	22,099,837
Non-operating (Income)/Expense	(286,332)	(15,019,945)
(Gain)/Loss on Capital Asset Disposition	(774)	(87,126)
Net Changes in Assets and Liabilities:		
(Increase) / Decrease in Accounts Receivable - Games	(6,384,349)	487,329
(Increase) / Decrease in Ticket Inventory	(127,704)	352,814
(Increase) / Decrease in Prepaid Expense/Def Outflows	(4,316,921)	(8,660,917)
(Increase) / Decrease in Prize Reserves	(42,935)	(191,078)
Increase / (Decrease) in Accounts Payable	2,739,536	1,421,268
Increase / (Decrease) in Compensated Absences Liability	156,071	483,605
Increase / (Decrease) in Deposit Liability	(72,944)	431,909
Increase / (Decrease) in Deferred Revenue/Inflows	871,282	2,152,801
Increase / (Decrease) in Prize Liability	(4,267,117)	3,909,218
Increase / (Decrease) in Net Pension Liability	1,420,000	11,360,000
Total Adjustments and Changes	(7,333,486)	18,739,715
Net Cash Provided (Used) by Operating Activities	\$ 67,918,715	\$ 614,311,340



Oregon State Lottery
Fiscal Year 2024 Financial Plan
(In Thousands)

	Commission Approved Budget				Forecast Adjustments				Adjusted Budget			
	Traditional	Video	Sports	Total	Sept	Dec	March	May	Traditional	Video	Sports	Total
Revenue												
Video Lottery SM		\$16,522,863		\$16,522,863	\$ (61,293)	\$ (43,687)	\$ (315,337)			\$16,102,546		\$16,102,546
Scratch-its SM Instant Tickets	\$ 156,123			156,123	599	280	(204)		\$156,798			156,798
Megabucks SM	31,286			31,286	(513)	(220)	2,039		32,591			32,591
Powerball [®]	49,698			49,698	10,968	23,117	5,201		88,984			88,984
Mega Millions [®]	26,938			26,938	14,786	3,958	97		45,779			45,779
Keno	105,800			105,800	1,239	(130)	(1,109)		105,800			105,800
Raffle SM	2,500			2,500	-	-	-		2,500			2,500
Pick 4 SM	2,000			2,000	(6)	32	(61)		1,965			1,965
Win for Life SM	3,864			3,864	292	768	41		4,964			4,964
Lucky Lines SM	1,986			1,986	(87)	12	24		1,935			1,935
Scoreboard			647,376	647,376	(0)	-	-				\$ 647,376	647,376
Total Revenue	380,195	16,522,863	647,376	17,550,434	(34,016)	(15,870)	(309,309)	-	441,317	16,102,546	647,376	17,191,239
Prizes	245,869	15,285,855	588,399	16,120,123	(38,286)	(25,352)	(322,659)		277,001	14,868,428	588,399	15,733,827
Net revenue	134,326	1,237,008	58,977	1,430,311	4,269	9,482	13,349	-	164,316	1,234,119	58,977	1,457,412
Direct Expenses												
Commissions	30,431	279,098		309,529	740	1,196	(3,735)		35,320	272,410		307,730
Game Vendor Charges	9,788	2,103	37,348	49,239	684	697	151		11,319	2,103	37,348	50,770
Tickets	4,628			4,628	0	-	-		4,628			4,628
Advertising	7,271	380		7,651	(0)	-	-		7,271	380	-	7,651
Sales Support	1,080			1,080	0	-	-		1,080			1,080
Game Equip, Parts & Maint	1	12,632		12,633	(0)	-	-		1	12,632		12,633
Depreciation	5,570	23,083		28,653	(0)	-	-		5,570	23,083		28,654
Capital Interest		11		11	(0)	-	-			11		11
Total Direct Expenses	58,769	317,307	37,348	413,424	1,423	1,893	(3,584)	-	65,191	310,619	37,348	413,157
Gross Profit	75,557	919,701	21,629	1,016,887	2,846	7,589	16,933	-	99,126	923,500	21,629	1,044,254
Relative Gross Profit %	7.43%	90.44%	2.13%						9.49%	88.44%	2.07%	
Indirect Revenue	873	10,630	-	11,503	-	-	-	-	1,092	10,174	238	11,504
Indirect Expenses												
Public Information	88	1,075	25	1,188	-	-	-		113	1,052	25	1,189
Market Research	64	779	18	861	-	-	-		82	761	18	861
Salaries & Benefits	5,802	70,628	2,354	78,784	-	-	-		7,479	69,674	1,632	78,784
Services & Supplies	2,993	36,434	857	40,284	-	-	-		3,824	35,625	834	40,284
Depreciation	256	3,118	73	3,447	-	-	-		327	3,048	71	3,448
Total Indirect Expenses	9,203	112,034	3,327	124,564	-	-	-	-	11,825	110,160	2,580	124,566
Net Profit from Operations	67,227	818,297	18,302	903,826	2,846	7,589	16,933	-	88,393	823,514	19,287	931,192
Modernization Reserve Spending				22,949	-	-	-	-				22,949
Net Profit				\$880,877	2,846	7,589	16,933	-				\$908,243
Additional Information:												
Capital outlay				36,862	-	-	-					36,862

Unaudited, not presented in accordance with GAAP
 Budget based on December forecast



Operating Statement Analysis
For the month of and year to date as of:
February 29, 2024

	Month				Year-to-Date				Prior Year				Completed Portion	66.7%
	Actual	Budget	Variance		Actual	Budget	Variance		Current Month		Current YTD		Budget	% Earned or Used Year to Date
			(Unfavorable) to Budget	Variance %			(Unfavorable) to Budget	Variance %	Month	More/(Less) Than Prior Year/Month	YTD	More/(Less) Than Prior Year YTD		
Revenue														
Scratch-Its™ Instant Tickets	\$ 12,501,662	\$ 12,452,505	\$ 49,157	0.4%	\$ 105,620,941	\$ 105,878,501	\$ (257,560)	-0.2%	\$ 11,785,187	\$ 716,475	\$ 105,426,374	\$ 194,567	\$ 156,797,975	67.4%
Megabucks™	1,747,861	2,526,171	(778,310)	-30.8%	21,391,670	22,170,929	(779,259)	-3.5%	2,108,652	(360,791)	20,015,558	1,376,112	32,591,286	65.6%
Powerball®	4,007,216	4,102,252	(95,036)	-2.3%	71,405,631	70,983,363	422,268	0.6%	5,679,868	(1,672,652)	59,956,214	11,449,417	88,983,973	80.2%
Mega Millions®	4,193,475	2,467,738	1,725,737	69.9%	37,094,242	35,397,329	1,696,913	4.8%	1,932,761	2,260,714	44,039,051	(6,944,809)	45,778,876	81.0%
Raffle™	-	-	-	N/A	-	-	-	N/A	-	-	(30)	30	2,500,000	0.0%
Keno	8,765,196	9,127,817	(362,621)	-4.0%	69,676,652	70,207,650	(530,998)	-0.8%	9,013,606	(248,410)	72,868,030	(3,191,378)	105,800,286	65.9%
Pick 4™	153,513	150,606	2,906	1.9%	1,314,740	1,312,020	2,720	0.2%	144,187	9,326	1,290,837	23,904	1,964,883	66.9%
Win For Life™	368,076	374,562	(6,486)	-1.7%	3,420,429	3,391,906	28,523	0.8%	299,664	68,412	2,602,870	817,559	4,964,231	68.9%
Lucky Lines™	103,618	157,388	(53,770)	-34.2%	1,214,722	1,273,195	(58,473)	-4.6%	98,350	5,268	1,191,376	23,346	1,935,309	62.8%
Video Lottery™ (Gross Receipts)	1,325,962,220	1,354,726,915	(28,764,695)	-2.1%	10,452,496,739	10,433,788,360	18,708,378	0.2%	1,289,766,131	36,196,089	10,562,872,105	(110,375,366)	16,102,546,052	64.9%
Sports Wagering (Gross Receipts)	66,524,395	59,359,624	7,164,771	12.1%	492,131,880	429,528,815	62,603,065	14.6%	48,262,526	18,261,868	367,487,969	124,643,910	647,375,704	76.0%
Total Revenue	1,424,327,232	1,445,445,578	(21,118,347)	-1.5%	11,255,767,645	11,173,932,068	81,835,578	0.7%	1,369,090,933	55,236,299	11,237,750,353	18,017,292	17,191,238,574	65.5%
Prizes	(1,308,206,832)	(1,328,023,989)	19,817,157	1.5%	(10,315,018,837)	(10,240,277,333)	(74,741,504)	-0.7%	(1,259,599,505)	48,607,327	(10,304,079,195)	10,939,642	(15,764,529,822)	65.4%
Net Revenue	116,120,400	117,421,589	(1,301,189)	-1.1%	940,748,808	933,654,735	7,094,074	0.8%	109,491,428	6,628,972	933,671,159	7,077,650	1,426,708,751	65.9%
Direct Expenses														
Commissions	23,043,093	22,830,873	(212,220)	-0.9%	214,484,164	210,030,421	(4,453,743)	-2.1%	22,312,222	730,871	216,620,073	(2,135,908)	307,730,368	69.7%
Game Vendor Charges	4,303,600	4,399,215	95,615	2.2%	33,802,148	34,166,347	364,199	1.1%	2,405,228	1,898,373	26,313,403	7,488,745	50,770,212	66.6%
Tickets	285,492	201,173	(84,319)	-41.9%	2,214,210	2,931,820	717,610	24.5%	222,904	62,588	1,985,801	228,409	4,628,444	47.8%
Advertising	263,806	487,180	(223,374)	-45.9%	4,500,639	5,347,340	846,701	15.8%	439,117	(175,311)	4,682,703	(182,064)	7,650,984	58.8%
Sales Support	22,238	53,853	(31,615)	-58.7%	285,647	719,299	(433,652)	-60.3%	8,237	14,001	455,944	(170,297)	1,080,098	26.4%
Game Equipment, Parts & Maintenance	705,682	598,694	(106,988)	-17.9%	4,920,245	7,174,488	2,254,243	31.4%	45,008	660,674	999,627	3,920,618	12,632,688	38.9%
Depreciation	2,464,057	2,367,668	(96,390)	-4.1%	18,493,148	19,183,032	689,884	3.6%	1,991,821	472,236	14,160,966	4,332,183	28,653,708	64.5%
Interest Expense	5,836	912	(4,924)	-540.0%	62,109	7,296	(54,813)	-751.3%	5,996	(160)	64,358	(2,249)	10,946	56.4%
Direct Expenses	31,093,804	30,939,567	(154,237)	-0.5%	278,762,311	279,560,044	797,733	0.3%	27,430,533	3,663,271	265,282,875	13,479,435	413,157,447	67.5%
Gross Profit	85,026,596	86,482,022	(1,455,426)	-1.7%	661,986,498	654,094,691	7,891,807	1.2%	82,060,895	2,965,701	668,388,284	(6,401,786)	1,013,551,304	65.3%
Indirect Revenue														
Gain (Loss) on Sale of Fixed Assets	774	-	774	N/A	87,126	-	87,126	N/A	402,760	(401,986)	3,850,490	(3,763,364)	-	N/A
Other Income/(Expense)	1,762,251	958,666	803,585	83.8%	15,408,806	7,669,328	7,739,478	100.9%	1,187,710	574,540	7,650,403	7,758,403	11,504,000	133.9%
Investment Market Value Adj	(1,618,596)	-	(1,618,596)	N/A	(1,971,862)	-	(1,971,862)	N/A	(2,876,821)	1,258,225	(6,996,522)	5,024,661	-	N/A
Total Indirect Revenue/(Loss)	144,428	958,666	(814,238)	-84.9%	13,524,070	7,669,328	5,854,742	76.3%	(1,286,351)	1,430,779	4,504,371	9,019,699	11,504,000	117.6%
Indirect Expenses														
Public Information	14,324	5,832	(8,492)	-145.6%	579,749	976,656	396,907	40.6%	17,138	(2,813)	667,090	(87,341)	1,188,000	48.8%
Market Research	2,797	50,000	47,203	94.4%	372,834	896,958	524,124	58.4%	3,083	(286)	327,965	44,869	860,525	43.3%
Salaries, Wages & Benefits	6,836,100	6,565,345	(270,755)	-4.1%	54,406,224	52,522,761	(1,883,464)	-3.6%	6,509,353	326,747	49,947,701	4,458,523	78,784,157	69.1%
Services & Supplies	2,024,598	3,308,473	1,283,875	38.8%	15,092,991	27,049,601	11,956,610	44.2%	1,459,067	565,530	13,279,373	1,813,618	40,284,117	37.5%
Depreciation	514,646	354,479	(160,167)	-45.2%	3,606,689	2,571,002	(1,035,687)	-40.3%	176,940	337,706	1,474,694	2,131,995	3,447,672	104.6%
Interest Expense	6,617	-	(6,617)	N/A	56,138	-	(56,138)	N/A	-	6,617	-	56,138	-	N/A
Total Indirect Expense	9,399,082	10,284,129	885,047	8.6%	74,114,626	84,016,978	9,902,352	11.8%	8,165,581	1,233,501	65,696,824	8,417,802	124,564,470	59.5%
Net Profit from Operations	75,771,942	77,156,559	(1,384,617)	-1.8%	601,395,942	577,747,041	23,648,901	4.1%	72,608,964	3,162,979	607,195,830	(5,799,889)	900,490,833	66.8%
Modernization Investment Spending	519,741	1,912,416	1,392,675	72.8%	5,824,317	15,299,320	9,475,003	61.9%	746,539	(226,798)	4,960,380	863,936	22,949,000	25.4%
Net Profit	\$ 75,252,201	\$ 75,244,143	\$ 8,058	0.0%	\$ 595,571,625	\$ 562,447,721	\$ 33,123,904	5.9%	\$ 71,862,425	\$ 3,389,777	\$ 602,235,450	\$ (6,663,825)	\$ 877,541,833	67.9%



Together, we do good things.

February 2024 Variance Analysis

February financial statements include our third quarter DAS revenue forecast update. Revenue, Prizes, Commissions, and Game Vendor Charges will show revised budget numbers.

February net revenues are \$116,120,400 on a budget of \$117,421,589 generating an unfavorable variance of \$1,301,189. Net profit for the month is \$75,252,201 on a plan of \$75,244,143 creating a difference of \$8,058 favorable to budget. Net revenues year-to-date are \$940,748,808 on a budget of \$933,654,735. This is a \$7,094,074 favorable variance to budget. Net profits year-to-date are \$595,571,625 compared to a budget of \$562,447,721 causing a favorable variance of \$33,123,904.

February video sales are unfavorable to budget by \$28,764,695 and year-to-date video sales are over budget by \$18,708,378. Sports wagering is strong with sales over budget by \$7,164,771 on a plan of \$59,359,624, helping to offset February's weaker video sales.

While functional expenses remain under budget, we have highlighted notable variances in our operating statement.

Retailer Commissions: February variance- (\$212,220); YTD (\$4,453,743)

- Traditional commissions year-to-date are over budget by 2,176,105.
 - Both the month and year-to-date overage is due to the budgeted commission rate being too low. Retailer commissions incorporate sales commission, validation commission, and prize selling bonus. The budgeted rate was 8.003% while the actual annual rate is about 8.689%. The actual rate is following the previous year trends.
- Video commissions year-to-date are over budget by \$2,277,638.
 - The budgeted rate was 1.775%. The actual rate is higher at 1.793%. This created a negative variance of \$1,945,615.
 - With the revised revenue forecast, year-to-date sales are \$18,708,378 more than budget. This created an additional \$332,023 negative variance.

Game Vendor Charges: February variance- \$95,615; YTD \$364,199

February game vendor charges are under budget by \$95,615. This was caused by an accounting error and a portion of February expense is posted to March.

Tickets- February Variance \$(84,319); YTD \$717,610

February had an unfavorable variance of \$84,319 which is explained mostly by the stronger than expected sales in Scratch-Its. Year-to-date, there is a favorable variance of \$717,610. The budget for expense was not distributed through the months using the expense recognition timing. This is causing a variance that needs further in-depth analysis to see how expenses will compare to budget at year end.

Advertising-February Variance \$223,374; YTD \$846,701

February had a favorable variance of \$223,374 and year-to-date favorable variance of \$846,701. The favorable variances are mostly due to the way budgeted dollars are allocated. Another factor is the way campaigns and production may fluctuate throughout the year with various agencies and beneficiaries. It is expected that by June, advertising will be at approximately 94% of their budget with some cost savings based on renewal negotiations with vendors and products.

Sales Support-February Variance \$31,615; YTD \$433,652

February's favorable variance of \$31,615 and year-to-date favorable variance of \$433,652 is due to lower maintenance costs for signs and displays. Materials for maintenance and replacement are significantly lower than originally planned. Additionally, the cycle of ordering inventory for maintenance is determined by inventory levels. Therefore, the timing of when these expenses hit are not always aligned with the projected forecast. Some maintenance originally planned for FY 2024 will occur closer to year end and will be included in the FY 2025 budget. This favorable variance will continue through the remainder of FY 2024.

Game, Equipment, Parts, & Maintenance (GEPM)-February Variance (\$106,988); YTD \$2,254,243

February GEPM is unfavorable by \$106,988 due to the purchase of spare parts for the Light & Wonder terminals. The FY 2024 budgeted expense was allocated to a different month and will smooth out by year-end. Year-to-date is favorable by \$2,254,243 due in part to cost savings from game sets acquired earlier in FY 2024 and partly due a shift in strategy for purchasing additional game sets that may become a part of FY 2025.

Interest (Direct & Indirect Expense)

Unfavorable variances in Interest expense are due to either budgeting low, or not at all, due to the lack of information for projecting these expenses. We were still in the process of implementing GASB 96 (Software Base Subscription Assets) when the budget was prepared. Although the overage to budget is a large percentage, actual amounts are small.

Depreciation (Direct & Indirect)

In February's operating statements, we observe unfavorable depreciation variances for both direct and indirect for the month and particularly notable in year-to-date indirect expenses of one million. Year-to-date direct depreciation has a favorable variance of \$689,884. The primary contributor to this trend is the GASB 96 (Software Based Subscription Assets), resulting in a significant \$1.8M unfavorable variance in depreciation. However, this is offset by favorable variances including \$572K from timing differences in VLT purchases, \$293K anticipated from the State Data Center, delays in vehicle purchases of \$278K, and \$268K expected for the building security system replacement.

Other Income/(Expense)-February Variance \$803,585 YTD \$7,739,478

Both February and year-to-date positive variances are due to the robust interest income earned on our bank accounts. The rate at this time last year was approximately 3.1% compared to 5% currently.

Public Information-February Variance (\$8,492); YTD \$396,907

February's unfavorable variance of \$8,492 and year-to-date favorable variance of \$396,907 are driven by the fluctuations that exist within campaigns and the direction received from our advertising agency. While there will be some cost savings toward year-end, the plan is still on track for the remainder of the fiscal year.

Market Research –February Variance \$47,203; YTD \$524,124

February's favorable difference of \$47,203 and year-to-date favorable variance of \$524,124 are caused by the difficulty in estimating costs of studies as some are not scoped when we create the budget. Some planned research did not occur as we paused to work on products while awaiting direction from the Governor.

Services & Supplies February Variance \$1,283,875; YTD \$11,956,610

February has a favorable variance of \$1,283,875. Year-to-date has a favorable variance of \$11,956,610. Both February and year-to-date favorable conditions are attributable to the following segments:

- Retailer Network Expenses/Recovery- Expense and recovery accounts produce nearly a net effect but is included here for informational purposes. As explained in previous months there was no budget included as contract negotiations for our Network services were ongoing.
- Technology Expenses- February favorable variance of \$238,900 and Year-to-Date favorable variance of \$2,138,304 are due to purchases not following the budget pattern of equal spending each month.
- Professional Services- February favorable variance of \$723,923 and Year-to-Date favorable variance of \$7,381,718 is due to several projects that are still in or just coming out of the RFP process or work efforts that will either not be started this fiscal year or are no longer needed so this positive variance will continue throughout the remainder of the fiscal year.
- Staff Training & Recruiting- February unfavorable variance of \$22,430 is primarily attributed to ongoing recruitment efforts for various positions. There are no concerns overall as there is a healthy year-to-date favorable variance of \$256,385.
- Telecommunications- February unfavorable variance of \$30,572 is primarily attributed to cell phone related expenses that were planned in January but recognized in February. The plan is still on track for the remainder of the year. Year-to-date has a favorable variance of \$108,819.

Salaries, Wages, & Benefits-February Variance (\$270,755); YTD (\$1,883,464)

As noted in previous months, February and year-to-date variances are due to a formulaic error with Other Payroll Expenses. In calculating Other Payroll Expenses to be applied to budgeted salaries, Other Payroll Expenses were included with salaries when calculating the percentage. This caused the percentage to be lower than it should have been.