

State of Maine



Department of Administrative and Financial Services

Bureau of Alcoholic Beverages and Lottery Operations

Financial Statements
Fiscal Year Ending June 30, 2020



JANET T. MILLS
GOVERNOR

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

KIRSTEN LC FIGUEROA
COMMISSIONER

September 28, 2020

Gregory R. Mineo, Director
Timothy R. Poulin, Deputy Director
Michael Boardman, Deputy Director
Bureau of Alcoholic Beverages and Lottery Operations
8 State House Station
Augusta, Maine 04333-0008

Dear Mr. Mineo, Mr. Poulin and Mr. Boardman:

Submitted herein is the annual report for the Bureau of Alcoholic Beverages and Lottery Operations for the fiscal year ended June 30, 2020. This report presents the financial position of lottery and spirits operations.

If you have any suggestions or comments about these schedules, please contact us at your earliest convenience. Please advise if there are other schedules you wish included in the next annual report.

Sincerely,

Janre Mullins
Director,
General Government Service Center



The Bureau is proud of its commitment to providing the citizens of Maine with fun and exciting entertainment through the responsible sale of lottery games.

The Bureau is committed to generating important revenue for the citizens of Maine in a fiscally and socially responsible manner. We are proud to take a leadership role in promoting responsible gaming in Maine and across the nation. In addition to promoting responsible play on lottery games, sales materials and our website, the Bureau partners with the Maine CDC, Maine's Gambling Control Board, the National Council on Problem Gambling, and the National Association of State and Provincial Lottery's Responsible Gaming Committee to promote responsible gaming and provide resources to those in need.

As part of its fiscal responsibility, since 1974, the Maine Lottery has generated more than \$6.4 billion in sales revenues, \$3.9 billion in prize money and \$438 million in commissions and bonuses to our network of lottery retail agents. Over \$1.545 billion has been transferred to the State's General Fund to support programs and services across Maine. In FY20, for the sixth consecutive year, the Maine Lottery achieved a record transfer to the General Fund. Additionally, the Maine Lottery achieved records in total sales, instant sales, commissions to lottery retail agents and prize money to winners. In FY20, the transfer to Maine's Outdoor Heritage Fund exceeded \$651,000. Since the Heritage Fund's inception in 1996, the Lottery has transferred more than \$21.8 million to the fund that supports important wildlife conservation programs in Maine.

The Bureau is pleased that the Maine Lottery business has a positive impact for our citizens and supports our local economy in a responsible manner.

mainelottery.com



Maine Spirits is a partnership between the Bureau and its vendor, Pine State Spirits, a subsidiary of Pine State Trading Co. created as a result of a competitive bidding process in FY14. Prior to this new contractual fee for services partnership, Maine created a 10 year lease arrangement with Maine Beverage Company. During the 10 year lease arrangement, the State realized approximately \$189 million in profit for the General Fund. This amount included \$125 million in up-front money paid in FY03 and FY04 and profit sharing when the spirits business generated profits over a guaranteed amount to Maine Beverage Company.

For the fifth consecutive year in FY20, Maine's spirits business achieved record sales of nearly \$217 million, an 8.7% growth rate, which delivered an operating profit of \$60.6 million. Operating profit grew 7.5% compared to FY19, while spirits case sales grew 6.78% on top of growth of 3.18% in FY19.

The Bureau through its partnerships with suppliers, suppliers' representatives and our agency liquor store network, continues to responsibly grow the business. Maine consumers receive more value in their spirits purchases than ever before due to the Bureau's progressive pricing model.

In addition to its fiscal obligation, the Bureau has a social commitment to the citizens of Maine to promote the sale of spirits in a responsible manner.

The Bureau in partnership with Pine State Spirits continued to create unique social responsibility messaging programs using Maine Spirits' social media platforms.

The Bureau is confident that the Maine spirits business has a positive impact and supports our local economy in an orderly and responsible path to market while satisfying the Bureau's legislative mandate.

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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 2006 - 2020

Fiscal Year	Liquor Sales	Lottery Sales	Heritage Sales	Total Sales
2020	\$ 218,520,081	\$ 311,597,206	\$ 2,514,102	\$ 532,631,389
2019	\$ 201,783,015	\$ 297,598,818	\$ 1,852,878	\$ 501,234,711
2018	\$ 187,115,708	\$ 291,591,666	\$ 2,542,027	\$ 481,249,401
2017	\$ 178,914,574	\$ 264,405,447	\$ 1,542,308	\$ 444,862,329
2016	\$ 165,366,535	\$ 270,047,651	\$ 2,291,833	\$ 437,706,018
2015	\$ 156,136,691	\$ 250,671,431	\$ 2,400,612	\$ 408,585,278
2014	\$ 143,966,700	\$ 227,935,315	\$ 2,021,379	\$ 373,923,394
2013	\$ 138,357,900	\$ 225,640,604	\$ 2,083,042	\$ 366,081,546
2012	\$ 132,497,500	\$ 226,387,260	\$ 1,966,301	\$ 357,899,879
2011	\$ 126,149,900	\$ 214,100,761	\$ 2,325,493	\$ 342,576,154
2010	\$ 122,610,900	\$ 214,746,496	\$ 2,286,077	\$ 339,643,473
2009	\$ 119,050,100	\$ 208,026,397	\$ 2,643,774	\$ 329,720,271
2008	\$ 114,169,100	\$ 225,500,155	\$ 3,018,616	\$ 342,687,871
2007	\$ 109,502,600	\$ 227,184,778	\$ 2,839,097	\$ 339,526,475
2006	\$ 104,114,000	\$ 226,231,509	\$ 3,472,515	\$ 333,818,024

Fiscal Year	Liquor Transfer	Lottery Transfer	Heritage Transfer	Total Transfers
2020	\$ - *	\$ 64,589,742	\$ 651,148	\$ 65,240,891
2019	\$ - *	\$ 62,675,109	\$ 520,809	\$ 63,195,918
2018	\$ - *	\$ 62,307,123	\$ 722,863	\$ 63,029,985
2017	\$ 9,817,000 *	\$ 58,219,690	\$ 441,357	\$ 68,478,047
2016	\$ 9,639,000 *	\$ 56,972,851	\$ 603,833	\$ 67,215,684
2015	\$ 9,714,884 *	\$ 54,002,062	\$ 647,455	\$ 64,364,401
2014	\$ 12,298,432 **	\$ 51,845,477	\$ 574,142	\$ 64,718,051
2013	\$ 10,979,738 **	\$ 52,930,800	\$ 593,629	\$ 64,504,168
2012	\$ 10,254,968 **	\$ 53,785,567	\$ 530,622	\$ 64,571,157
2011	\$ 9,405,382 **	\$ 49,547,800	\$ 645,824	\$ 59,599,007
2010	\$ 8,823,077 **	\$ 52,458,533	\$ 669,789	\$ 61,951,399
2009	\$ 8,217,940 **	\$ 49,830,333	\$ 734,120	\$ 58,782,393
2008	\$ 7,513,763 **	\$ 49,491,086	\$ 811,844	\$ 57,816,693
2007	\$ 6,356,499 **	\$ 50,624,742	\$ 810,598	\$ 57,791,839
2006	\$ 4,443,800 **	\$ 50,879,647	\$ 908,065	\$ 56,231,512

*This amount is only the transfer back from the MMBB designated for the General Fund, which ended in FY2017.

**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
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Balance Sheet
As of June 30,

	2020	% of 2020 Total	2019	% of 2019 Total
Assets				
Current Assets				
Cash	(1) \$ -	0.00%	\$ 5,814	0.02%
Petty Cash - Imprest Fund	750,400	1.91%	750,400	2.29%
Accounts Receivable	38,546,930	97.88%	31,612,992	96.46%
Reserve for Doubtful Accounts	(141,249)	-0.36%	(129,342)	-0.39%
Prepaid Expense	225,000	0.57%	532,598	1.63%
Total Current Assets	\$ 39,381,081	100.00%	\$ 32,772,461	100.00%
Fixed Assets				
Equipment	\$ 44,202		\$ 44,202	
Less: Reserve for Depreciation	(44,202)		(44,202)	
Total Fixed Assets	\$ -		\$ -	
Total Assets	\$ 39,381,081	100.00%	\$ 32,772,461	100.00%
Liabilities:				
Accounts Payable	\$ 1,622,174	10.99%	\$ 1,523,898	13.67%
Accrued Payroll	(2) style="text-align: right;">84,174	0.57%	68,421	0.61%
Accrued Subscriptions	176,607	1.20%	153,741	1.38%
Accrued Vacation Liability	118,390	0.80%	115,941	1.04%
Due to Other Funds	(3) style="text-align: right;">12,755,640	86.44%	9,285,423	83.30%
Total Liabilities	\$ 14,756,985	100.00%	\$ 11,147,424	100.00%
Reserves:				
MUSL Prize Reserve	(4) \$ 3,325,085	13.50%	\$ 3,294,120	15.23%
Prize Reserve - Lucky for Life	(5) style="text-align: right;">1,589,586	6.46%	1,243,407	5.75%
Expired Reserve - Lucky for Life	(6) style="text-align: right;">110,954	0.45%	101,311	0.47%
Instant Ticket Prize Reserve	(7) style="text-align: right;">19,310,310	78.42%	16,798,097	77.68%
Vending Machine Voucher Liability	(8) style="text-align: right;">288,161	1.17%	182,288	0.84%
Unappropriated Surplus	(1) style="text-align: right;">-	0.00%	5,814	0.03%
Total Reserves	\$ 24,624,096	100.00%	\$ 21,625,037	100.00%
Total Liabilities and Reserves	\$ 39,381,081		\$ 32,772,461	

Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Comparative Statements of Income and Expense
 For Fiscal Years ending: June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
SALES					
Instant Tickets					
\$1 Instant	\$ 7,799,974	2.48%	\$ 8,184,085	2.73%	(4.69%)
Heritage Fund	2,514,102	0.80%	1,852,878	0.62%	35.69%
\$2 Instant	23,044,564	7.34%	25,202,894	8.42%	(8.56%)
\$3 Instant	23,995,023	7.64%	24,301,032	8.12%	(1.26%)
\$5 Instant	68,179,765	21.71%	67,891,895	22.67%	0.42%
\$10 Instant	56,757,400	18.07%	44,511,030	14.86%	27.51%
\$20 Instant	25,961,180	8.26%	22,516,540	7.52%	15.30%
\$25 Instant	43,603,175	13.88%	30,174,900	10.08%	44.50%
Total Instant	\$ 251,855,183	80.18%	\$ 224,635,254	75.02%	12.12%
Draw Games					
Pick 3	\$ 5,805,905	1.85%	\$ 5,394,851	1.80%	7.62%
Pick 4	4,505,263	1.43%	4,337,305	1.45%	3.87%
Megabucks	9,848,818	3.14%	11,810,740	3.94%	(16.61%)
Powerball	15,487,703	4.93%	22,350,828	7.46%	(30.71%)
Lucky for Life	3,453,973	1.10%	3,713,174	1.24%	(6.98%)
Lotto America 2018	1,668,257	0.53%	1,980,196	0.66%	(15.75%)
Gimme 5	1,013,026	0.32%	1,079,847	0.36%	(6.19%)
Mega Millions	8,647,971	2.75%	16,300,415	5.44%	(46.95%)
World Poker Tour	1,059,469	0.34%	1,250,226	0.42%	(15.26%)
Total Draw	\$ 51,490,385	16.39%	\$ 68,217,582	22.78%	(24.52%)
Other					
\$1 Fast Play	\$ 642,579	0.20%	\$ 761,412	0.25%	(15.61%)
\$2 Fast Play	1,381,516	0.44%	1,257,453	0.42%	9.87%
\$5 Fast Play	3,171,495	1.01%	4,040,035	1.35%	(21.50%)
\$10 Fast Play	4,321,330	1.38%	539,960	0.18%	700.31%
\$20 Fast Play	1,248,820	0.40%	-	N/A	N/A
Total Other	\$ 10,765,740	3.43%	\$ 6,598,860	2.20%	63.15%
Total Ticket Sales	\$ 314,111,308	100.00%	\$ 299,451,696	100.00%	4.90%
OTHER INCOME					
Distribution Expenses paid by IF&W	\$ 62,853	0.02%	\$ 46,322	0.01%	35.69%
Expired Instant Prize Reserve	(9) 3,478,870	1.11%	2,833,816	0.90%	22.76%
Expired Instant Prize Reserve - Heritage	(9) 86,374	0.03%	62,828	0.02%	37.48%
Interest Income - Tri State	1,591,094	0.51%	2,432,163	0.77%	(34.58%)
Misc Income	319,429	0.10%	144,557	0.05%	120.97%
Total Other Income	\$ 5,538,620	1.76%	\$ 5,519,687	1.76%	0.34%
Total Receipts	\$ 319,649,928		\$ 304,971,383		4.81%

Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Comparative Statements of Income and Expense
 For Fiscal Years ending: June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
EXPENSES					
Cost of Goods Sold	\$ 243,912,984	77.65%	\$ 227,498,343	75.97%	7.22%
Maine Operating Expenses	4,370,533	1.39%	5,382,504	1.80%	(18.80%)
Tri-State/MUSL Operating Expenses	(10) 2,892,312	0.92%	3,129,916	1.05%	(7.59%)
Heritage Game Expenses	1,949,328	0.62%	1,394,897	0.47%	39.75%
Contractor Incentive Plan	(11) 1,039,415	0.33%	1,227,876	0.41%	(15.35%)
RewardME Lottery Club	250,280	0.08%	3,136,115	1.05%	(92.02%)
Total Expenses	\$ 254,414,852	81.00%	\$ 241,769,650	80.74%	5.23%
Transfer to General Fund	\$ 64,589,742	20.56%	\$ 62,675,109	20.93%	3.05%
Transfer to Fish & Wildlife	651,148	0.21%	520,809	0.17%	25.03%
Profit Due to (from) General Fund	(12) (5,814)	(0.00%)	5,814	0.00%	
Total Transfer	\$ 65,235,076	20.77%	\$ 63,201,732	21.11%	3.22%
Changes from FY 2019 to FY 2020					
Sales		Dollars		Percent	
Instant	\$ 27,219,929			12.12%	
Draw	(16,727,198)			(24.52%)	
Other	4,166,880			N/A	
Total	\$ 14,659,612			4.90%	
Cost of Goods Sold	\$ 13,340,346			5.75%	
Maine Operating Expenses	\$ (1,011,971)			(18.80%)	

Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Heritage Game Income Statement
For Fiscal Years ending: June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
SALES					
Game 308 - Maine-Ah Money	\$ -	0.00%	\$ (8)	0.00%	-100.00%
Game 347 - Big Bucks	-	0.00%	(1,292)	-0.07%	-100.00%
Game 394 - Lucky Catch	(69)	0.00%	170,843	9.22%	-100.04%
Game 395 - Moose Money	(5,170)	-0.21%	1,032,982	55.75%	-100.50%
Game 433 - Lobster Loot	377,460	15.01%	650,353	35.10%	-41.96%
Game 460 - Big Bucks	996,025	39.62%	-	0.00%	N/A
Game 474 - Wild Winners	1,145,856	45.58%	-	0.00%	N/A
Total Sales (13)	\$ 2,514,102	100.00%	\$ 1,852,878	100.00%	35.69%
OTHER INCOME					
Expired Prize Reserve	\$ 86,374		\$ 62,828		37.48%
Total Other Income	\$ 86,374		\$ 62,828		37.48%
Total Income	\$ 2,600,476		\$ 1,915,706		35.75%
EXPENSES					
Game 308 - Maine-Ah Money	\$ -	0.00%	\$ (5)	0.00%	N/A
Game 347 - Big Bucks	-	0.00%	(790)	-0.04%	N/A
Game 394 - Lucky Catch	(42)	0.00%	104,300	5.63%	-100.04%
Game 395 - Moose Money	(3,170)	-0.13%	633,425	34.19%	-100.50%
Game 433 - Lobster Loot	230,855	9.18%	397,756	21.47%	-41.96%
Game 460 - Big Bucks	608,073	24.19%	-	0.00%	N/A
Game 474 - Wild Winners	760,390	30.24%	-	0.00%	N/A
Adjustment	-	0.00%	20	0.00%	N/A
Vendor Fees	88,522	3.52%	65,240	3.52%	35.69%
Agent Commission	201,128	8.00%	148,230	8.00%	35.69%
Agent Bonus	720	0.03%	400	0.02%	80.00%
Distribution Expenses	62,853	2.50%	46,322	2.50%	35.69%
Total Expenses	\$ 1,949,328	77.54%	\$ 1,394,897	75.28%	39.75%
Inland Fish & Wildlife Profit	\$ 651,148	25.90%	\$ 520,809	28.11%	25.03%

Agent Commissions (currently 8%) are the difference between the retail-selling price of tickets and the agent's cost.

Agent Bonus reflects the 1% bonus given to agents who sell winning prizes of \$1,000 or more, excluding the Megabucks game.

Vendor Fees are the contractual payments made to Scientific Games for instant ticket games and draw games that utilize computer systems and technology. Fees are 3.521% of sales.

Distribution Expenses are the overhead costs incurred by Lottery for distribution of Heritage Game instant tickets. This includes mail, vending machine rental and personnel costs.

Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Maine Operating Expense Schedule
For Fiscal Years ending: June 30,

	FY 2020	FY 2019	% Change FY 2019 to FY 2020
Lottery Administration			
Personal Services	(14) \$ 1,960,535	\$ 1,843,400	6.35%
State Services	364,465	320,651	13.66%
Non-State Services	237	234	1.08%
Travel Expenses	1,140	2,573	(55.71%)
Rents	96,505	106,905	(9.73%)
Office Supplies	12,470	12,425	0.36%
Misc Administrative Expense	(15) 163,009	1,186,705	(86.26%)
Portion paid by IFW	(37,367)	(29,888)	25.02%
<i>Total Administrative</i>	\$ 2,560,993	\$ 3,443,005	(25.62%)
Lottery Operations			
General Operations	\$ 92,943	\$ 119,931	(22.50%)
Other Instant Expense	302,279	364,010	(16.96%)
Other Draw Expense	59,685	10,746	455.43%
Lucky for Life Operating Expense	4,945	5,720	(13.55%)
Customer Service	41,682	32,184	29.51%
Portion paid by IFW	(7,213)	(4,583)	57.36%
<i>Total Operational</i>	\$ 494,322	\$ 528,008	(6.38%)
Advertising Charges			
Ad Agency Fees	\$ 294,841	\$ 294,853	(0.00%)
TV/Radio Production	452,672	526,862	(14.08%)
TV/Radio Media	301,160	438,792	(31.37%)
Promotional Material	56,418	34,979	61.29%
Advertising Notices	4,927	13,500	(63.50%)
StaCap	160,621	68,034	136.09%
Portion paid by IFW	(18,273)	(11,851)	54.19%
<i>Total Advertising</i>	\$ 1,252,366	\$ 1,365,169	(8.26%)
Subtotal	\$ 4,307,681	\$ 5,336,182	(19.27%)
Plus: IF&W Reimbursement	62,853	46,322	35.69%
Total Maine Operating Expenses	\$ 4,370,533	\$ 5,382,504	(18.80%)
Total Sales Including Heritage	\$ 314,111,308	\$ 299,451,696	4.90%
Total Operating Expense as % of Sales	1.39%	1.80%	

Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Cost of Goods Sold Schedule (excluding Heritage)
For Fiscal Years ending: June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
Prize Expense					
\$1 Instant	\$ 4,823,611	61.84%	\$ 5,025,982	61.41%	(4.03%)
\$2 Instant	15,236,339	66.12%	16,655,443	66.09%	(8.52%)
\$3 Instant	15,899,800	66.26%	16,098,691	66.25%	(1.24%)
\$5 Instant	46,998,251	68.93%	46,751,162	68.86%	0.53%
\$10 Instant	41,641,209	73.37%	32,476,733	72.96%	28.22%
\$20 Instant	19,268,999	74.22%	16,816,099	74.68%	14.59%
\$25 Instant	34,206,721	78.45%	23,306,867	77.24%	46.77%
Pick 3	2,903,232	50.00%	2,698,992	50.03%	7.57%
Pick 4	2,252,780	50.00%	2,175,962	50.17%	3.53%
Megabucks	4,960,095	50.36%	5,932,716	50.23%	(16.39%)
Powerball	7,766,886	50.15%	11,194,437	50.09%	(30.62%)
Lucky for Life	2,058,076	59.59%	2,208,569	59.48%	(6.81%)
Lotto America 2018	833,279	49.95%	989,649	49.98%	(15.80%)
Gimme 5	536,925	53.00%	572,329	53.00%	(6.19%)
Mega Millions	4,362,440	50.44%	8,615,907	52.86%	(49.37%)
World Poker Tour	668,603	63.11%	784,846	62.78%	(14.81%)
\$1 Fast Play	392,963	61.15%	465,181	61.09%	(15.52%)
\$2 Fast Play	924,339	66.91%	854,615	67.96%	8.16%
\$5 Fast Play	2,200,356	69.38%	2,774,884	68.68%	(20.70%)
\$10 Fast Play	3,197,582	74.00%	398,158	73.74%	703.09%
\$20 Fast Play	929,946	74.47%	-	N/A	N/A
Total Prize Expense	\$ 212,062,430	68.06%	\$ 196,797,222	66.13%	7.76%
Vendor Fees					
\$1 Instant	\$ 275,987	3.54%	\$ 288,162	3.52%	(4.22%)
\$2 Instant	811,399	3.52%	887,394	3.52%	(8.56%)
\$3 Instant	844,865	3.52%	855,639	3.52%	(1.26%)
\$5 Instant	2,400,610	3.52%	2,390,474	3.52%	0.42%
\$10 Instant	1,998,428	3.52%	1,567,233	3.52%	27.51%
\$20 Instant	914,093	3.52%	792,807	3.52%	15.30%
\$25 Instant	1,535,268	3.52%	1,062,458	3.52%	44.50%
Pick 3	204,446	3.52%	189,969	3.52%	7.62%
Pick 4	158,641	3.52%	152,730	3.52%	3.87%
Megabucks	346,787	3.52%	415,871	3.52%	(16.61%)
Powerball	545,322	3.52%	786,973	3.52%	(30.71%)
Lucky for Life	121,614	3.52%	130,741	3.52%	(6.98%)
Lotto America 2018	58,739	3.52%	69,723	3.52%	(15.75%)
Gimme 5	35,670	3.52%	38,022	3.52%	(6.19%)
Mega Millions	304,495	3.52%	573,938	3.52%	(46.95%)
World Poker Tour	37,304	3.52%	44,020	3.52%	(15.26%)
\$1 Fast Play	22,626	3.52%	26,810	3.52%	(15.61%)
\$2 Fast Play	48,649	3.52%	44,280	3.52%	9.87%
\$5 Fast Play	111,675	3.52%	142,259	3.52%	(21.50%)
\$10 Fast Play	152,174	3.52%	19,016	3.52%	700.26%
\$20 Fast Play	43,974	3.52%	-	N/A	N/A
Total Vendor Fees	\$ 10,972,766	3.52%	\$ 10,478,518	3.52%	4.72%

Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Cost of Goods Sold Schedule (excluding Heritage)
For Fiscal Years ending: June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
Agent Commissions and Bonuses					
\$1 Instant	\$ 549,732	7.05%	\$ 575,606	7.03%	(4.50%)
\$2 Instant	1,626,392	7.06%	1,779,297	7.06%	(8.59%)
\$3 Instant	1,689,777	7.04%	1,714,927	7.06%	(1.47%)
\$5 Instant	4,848,404	7.11%	4,827,620	7.11%	0.43%
\$10 Instant	4,031,088	7.10%	3,167,162	7.12%	27.28%
\$20 Instant	1,849,833	7.13%	1,626,808	7.22%	13.71%
\$25 Instant	3,107,392	7.13%	2,147,683	7.12%	44.69%
Pick 3	290,675	5.01%	270,070	5.01%	7.63%
Pick 4	236,412	5.25%	227,984	5.26%	3.70%
Megabucks	482,129	4.90%	580,841	4.92%	(16.99%)
Powerball	765,014	4.94%	1,108,517	4.96%	(30.99%)
Lucky for Life	176,938	5.12%	182,778	4.92%	(3.20%)
Lotto America 2018	83,409	5.00%	99,001	5.00%	(15.75%)
Gimme 5	50,649	5.00%	53,986	5.00%	(6.18%)
Mega Millions	428,958	4.96%	812,389	4.98%	(47.20%)
World Poker Tour	53,816	5.08%	63,878	5.11%	(15.75%)
\$1 Fast Play	32,219	5.01%	38,054	5.00%	(15.33%)
\$2 Fast Play	69,188	5.01%	63,739	5.07%	8.55%
\$5 Fast Play	160,889	5.07%	202,596	5.01%	(20.59%)
\$10 Fast Play	219,390	5.08%	27,841	N/A	688.02%
\$20 Fast Play	65,538	5.25%	-	N/A	N/A
Total Commissions and Bonuses	\$ 20,817,842	6.68%	\$ 19,570,778	6.58%	6.37%
Other Expenses					
Royalty Fees	\$ 52,634	0.02%	\$ 644,030	0.21%	(91.83%)
Contractor Incentive Plan	1,039,415	0.33%	1,227,876	0.39%	(15.35%)
RewardME Lottery Club	250,280	0.08%	3,136,115	1.01%	(92.02%)
Postage	7,312	0.00%	7,795	0.00%	(6.19%)
Total Other Expenses	\$ 1,349,641	0.43%	\$ 5,015,816	1.61%	(73.09%)
Total Cost of Goods Sold	\$ 245,202,679	78.69%	\$ 231,862,334	77.91%	5.75%
Total Sales (excluding Heritage)	\$ 311,597,206		\$ 297,598,818		
Cost of Goods Sold as % of Sales (excluding Heritage)	78.69%		77.91%		

Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Cost of Goods Sold - Draw Games
 For Fiscal Years ending: June 30,

FY 2020

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
Sales	\$ 9,848,818	\$ 5,805,905	\$ 4,505,263	\$ 15,487,703	\$ 3,453,973	\$ 1,668,257	\$ 1,013,026	\$ 1,059,469	\$ 8,647,971	\$ 51,490,385
Prize Expense	\$ 4,960,095	\$ 2,903,232	\$ 2,252,780	\$ 7,766,886	\$ 2,058,076	\$ 833,279	\$ 536,925	\$ 668,603	\$ 4,362,440	\$ 26,342,315
Vendor Fees	346,787	204,446	158,641	545,322	121,614	58,739	35,670	37,304	304,495	1,813,018
Agent Commission	482,129	290,675	236,412	765,014	176,938	83,409	50,649	53,816	428,958	2,568,000
Total COGS	\$ 5,789,011	\$ 3,398,353	\$ 2,647,833	\$ 9,077,222	\$ 2,356,628	\$ 975,426	\$ 623,244	\$ 759,723	\$ 5,095,893	\$ 30,723,333
Gross Profit on Sales	\$ 4,059,807	\$ 2,407,552	\$ 1,857,430	\$ 6,410,481	\$ 1,097,345	\$ 692,831	\$ 389,782	\$ 299,746	\$ 3,552,078	\$ 20,767,051
Gross Profit as a % of Sales	41.22%	41.47%	41.23%	41.39%	31.77%	41.53%	38.48%	28.29%	41.07%	40.33%
Tri-State/MUSL Expense	889,643	522,126	405,523	30,979	4,945	-	91,580	-	-	\$ 1,944,797
Gross Profit as a % of Sales after Tri-State/MUSL Expense	32.19%	32.47%	32.23%	41.19%	31.63%	41.53%	29.44%	28.29%	41.07%	36.55%

FY 2019

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
Sales	\$ 11,810,740	\$ 5,394,851	\$ 4,337,305	\$ 22,350,828	\$ 3,713,174	\$ 1,980,196	\$ 1,079,847	\$ 1,250,226	\$ 16,300,415	\$ 68,217,582
Prize Expense	\$ 5,932,716	\$ 2,698,992	\$ 2,175,962	\$ 11,194,437	\$ 2,208,569	\$ 989,649	\$ 572,329	\$ 784,846	\$ 8,615,907	\$ 35,173,407
Vendor Fees	415,871	189,969	152,730	786,973	130,741	69,723	38,022	44,020	573,938	2,401,987
Agent Commission	580,841	270,070	227,984	1,108,517	182,778	99,001	53,986	63,878	812,389	3,399,445
Total COGS	\$ 6,929,428	\$ 3,159,031	\$ 2,556,676	\$ 13,089,927	\$ 2,522,088	\$ 1,158,372	\$ 664,337	\$ 892,745	\$ 10,002,234	\$ 40,974,838
Gross Profit on Sales	\$ 4,881,312	\$ 2,235,820	\$ 1,780,629	\$ 9,260,901	\$ 1,191,086	\$ 821,824	\$ 415,510	\$ 357,481	\$ 6,298,181	\$ 27,242,744
Gross Profit as a % of Sales	41.33%	41.44%	41.05%	41.43%	32.08%	41.50%	38.48%	28.59%	38.64%	39.94%
Tri-State/MUSL Expense	1,270,227	573,244	461,398	22,327	5,720	-	114,754	-	-	\$ 2,447,670
Gross Profit as a % of Sales after Tri-State/MUSL Expense	30.57%	30.82%	30.42%	41.33%	31.92%	41.50%	27.85%	28.59%	38.64%	36.35%

Percentage Change FY 2019 to FY 2020

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Lotto America 2018	Gimme 5	World Poker Tour	Mega Millions	Total Draw
Sales	(16.61%)	7.62%	3.87%	(30.71%)	(6.98%)	(15.75%)	(6.19%)	(15.26%)	(46.95%)	(24.52%)
COGS	(16.46%)	7.58%	3.57%	(30.65%)	(6.56%)	(15.79%)	(6.19%)	(14.90%)	(49.05%)	(25.02%)
Gross Profit	(16.83%)	7.68%	4.31%	(30.78%)	(7.87%)	(15.70%)	(6.19%)	(16.15%)	(43.60%)	(23.77%)

Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Cost of Goods Sold - Instant Tickets (excluding Heritage)
 For Fiscal Years ending: June 30,

FY 2020									
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant	
Sales	\$ 7,799,974	\$ 23,044,564	\$ 23,995,023	\$ 68,179,765	\$ 56,757,400	\$ 25,961,180	\$ 43,603,175	\$ 249,341,081	
Prize Expense	\$ 4,823,611	\$ 15,236,339	\$ 15,899,800	\$ 46,998,251	\$ 41,641,209	\$ 19,268,999	\$ 34,206,721	\$ 178,074,930	
Vendor Fees	275,987	811,399	844,865	2,400,610	1,998,428	914,093	1,535,268	8,780,649	
Agent Commission	549,732	1,626,392	1,689,777	4,848,404	4,031,088	1,849,833	3,107,392	17,702,617	
Royalty Fees/StaCap	22	-	-	52,612	-	-	-	52,634	
Postage/Rental of Equipment	229	676	704	1,999	1,664	761	1,279	7,312	
Total COGS	\$ 5,649,581	\$ 17,674,806	\$ 18,435,145	\$ 54,301,876	\$ 47,672,389	\$ 22,033,686	\$ 38,850,659	\$ 204,618,142	
Gross Profit on Sales	\$ 2,150,394	\$ 5,369,758	\$ 5,559,878	\$ 13,877,889	\$ 9,085,011	\$ 3,927,494	\$ 4,752,516	\$ 44,722,940	
Gross Profit as a % of Sales	27.57%	23.30%	23.17%	20.35%	16.01%	15.13%	10.90%	17.94%	

FY 2019									
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant	
Sales	\$ 8,184,085	\$ 25,202,894	\$ 24,301,032	\$ 67,891,895	\$ 44,511,030	\$ 22,516,540	\$ 30,174,900	\$ 222,782,376	
Prize Expense	\$ 5,025,982	\$ 16,655,443	\$ 16,098,691	\$ 46,751,162	\$ 32,476,733	\$ 16,816,099	\$ 23,306,867	\$ 157,130,976	
Vendor Fees	288,162	887,394	855,639	2,390,474	1,567,233	792,807	1,062,458	7,844,167	
Agent Commission	575,606	1,779,297	1,714,927	4,827,620	3,167,162	1,626,808	2,147,683	15,839,103	
Royalty Fees/StaCap	-	24,534	-	472,289	147,207	-	-	644,030	
Postage/Rental of Equipment	286	882	850	2,375	1,557	788	1,056	7,795	
Total COGS	\$ 5,890,036	\$ 19,347,549	\$ 18,670,108	\$ 54,443,921	\$ 37,359,893	\$ 19,236,502	\$ 26,518,064	\$ 181,466,072	
Gross Profit on Sales	\$ 2,294,049	\$ 5,855,345	\$ 5,630,924	\$ 13,447,974	\$ 7,151,137	\$ 3,280,038	\$ 3,656,836	\$ 41,316,304	
Gross Profit as a % of Sales	28.03%	23.23%	23.17%	19.81%	16.07%	14.57%	12.12%	18.55%	

Percentage Change FY 2019 to FY 2020									
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant	
Sales	(4.69%)	(8.56%)	(1.26%)	0.42%	27.51%	15.30%	44.50%	11.92%	
COGS	(4.08%)	(8.65%)	(1.26%)	(0.26%)	27.60%	14.54%	46.51%	12.76%	
Gross Profit	(6.26%)	(8.29%)	(1.26%)	3.20%	27.04%	19.74%	29.96%	8.25%	

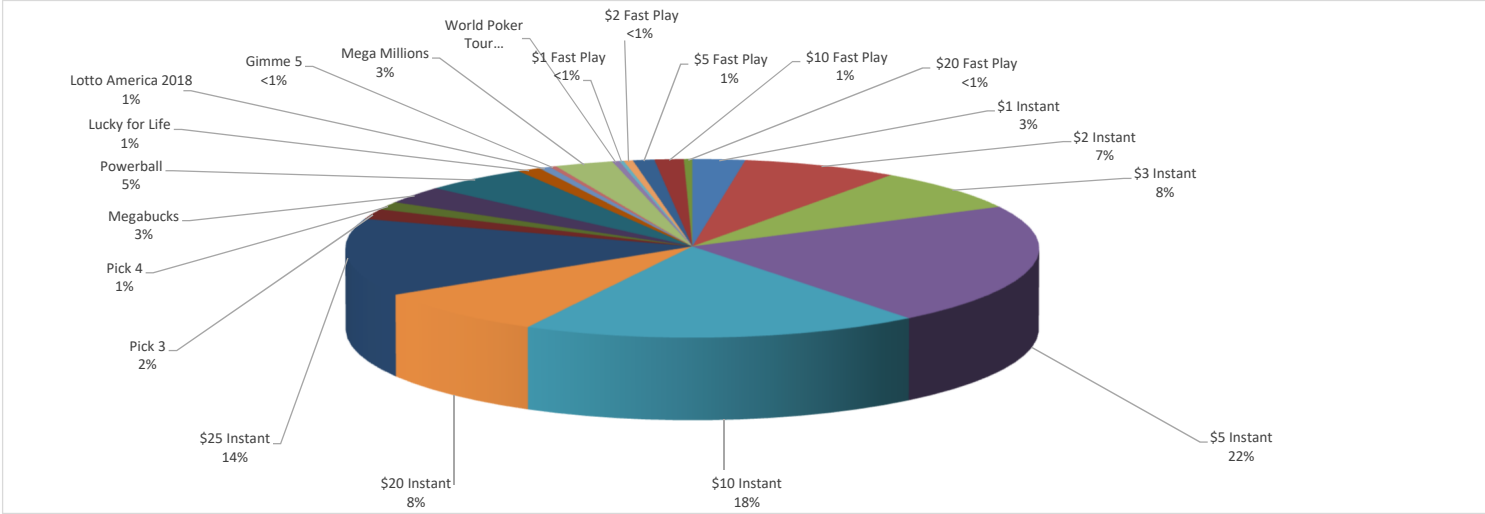
Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Cost of Goods Sold - Fast Play Games
 For Fiscal Years ending: June 30,

FY 2020						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
Sales	\$ 642,579	\$ 1,381,516	\$ 3,171,495	\$ 4,321,330	\$ 1,248,820	\$ 10,765,740
Prize Expense	\$ 392,963	\$ 924,339	\$ 2,200,356	\$ 3,197,582	\$ 929,946	\$ 7,645,186
Vendor Fees	22,626	48,649	111,675	152,174	43,974	379,098
Agent Commission	32,219	69,188	160,889	219,390	65,538	547,225
Total COGS	\$ 447,809	\$ 1,042,175	\$ 2,472,921	\$ 3,569,146	\$ 1,039,458	\$ 8,571,509
Gross Profit on Sales	\$ 194,770	\$ 339,341	\$ 698,574	\$ 752,184	\$ 209,362	\$ 2,194,231
Gross Profit as a % of Sales	30.31%	24.56%	22.03%	17.41%	16.76%	20.38%
Tri State Expense	\$ 58,934	\$ 121,116	\$ 286,725	\$ 385,772	\$ 99,914	\$ 952,460
Gross Profit after Tri State Expense - Percent	21.14%	15.80%	12.99%	8.48%	8.76%	11.53%

FY 2019						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
Sales	\$ 761,412	\$ 1,257,453	\$ 4,040,035	\$ 539,960	\$ -	\$ 6,598,860
Prize Expense	\$ 465,181	\$ 854,615	\$ 2,774,884	\$ 398,158	\$ -	\$ 4,492,839
Vendor Fees	26,810	44,280	142,259	19,016	-	232,364
Agent Commission	38,054	63,739	202,596	27,841	-	332,230
Total COGS	\$ 530,046	\$ 962,634	\$ 3,119,739	\$ 445,015	\$ -	\$ 5,057,433
Gross Profit on Sales	\$ 231,366	\$ 294,819	\$ 920,296	\$ 94,945	\$ -	\$ 1,541,427
Gross Profit as a % of Sales	30.39%	23.45%	22.78%	17.58%	N/A	23.36%
Tri State Expense	\$ 78,584	\$ 133,708	\$ 421,668	\$ 54,006	\$ -	\$ 687,966
Gross Profit after Tri State Expense - Percent	20.07%	12.81%	12.34%	7.58%	N/A	12.93%

Percentage Change FY 2019 to FY 2020						
	\$1 Fast Play	\$2 Fast Play	\$5 Fast Play	\$10 Fast Play	\$20 Fast Play	Total Fast Play
Sales	(15.61%)	9.87%	(21.50%)	700.31%	N/A	63.15%
COGS	(15.52%)	8.26%	(20.73%)	702.03%	N/A	69.48%
Gross Profit	(15.82%)	15.10%	(24.09%)	692.23%	N/A	42.35%

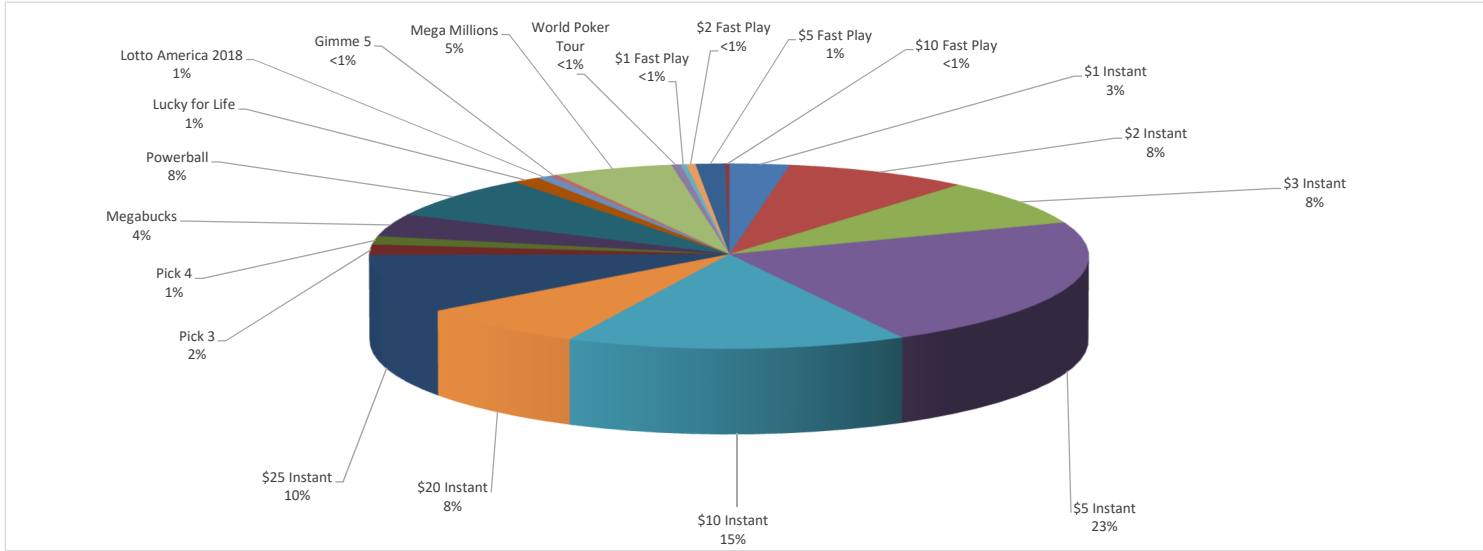
**Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 Enterprise Fund - 067 - State Lottery Fund
 Comparative Sales Analysis
 For FY 2020 and FY 2019**



FY 2020

\$1 Instant	\$	7,799,974
\$2 Instant		23,044,564
\$3 Instant		23,995,023
\$5 Instant		68,179,765
\$10 Instant		56,757,400
\$20 Instant		25,961,180
\$25 Instant		43,603,175
Pick 3		5,805,905
Pick 4		4,505,263
Megabucks		9,848,818
Powerball		15,487,703
Lucky for Life		3,453,973
Lotto America 2018		1,668,257
Gimme 5		1,013,026
Mega Millions		8,647,971
World Poker Tour		1,059,469
\$1 Fast Play		642,579
\$2 Fast Play		1,381,516
\$5 Fast Play		3,171,495
\$10 Fast Play		4,321,330
\$20 Fast Play		1,248,820
		<u>\$ 311,597,206</u>

**Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Comparative Sales Analysis**

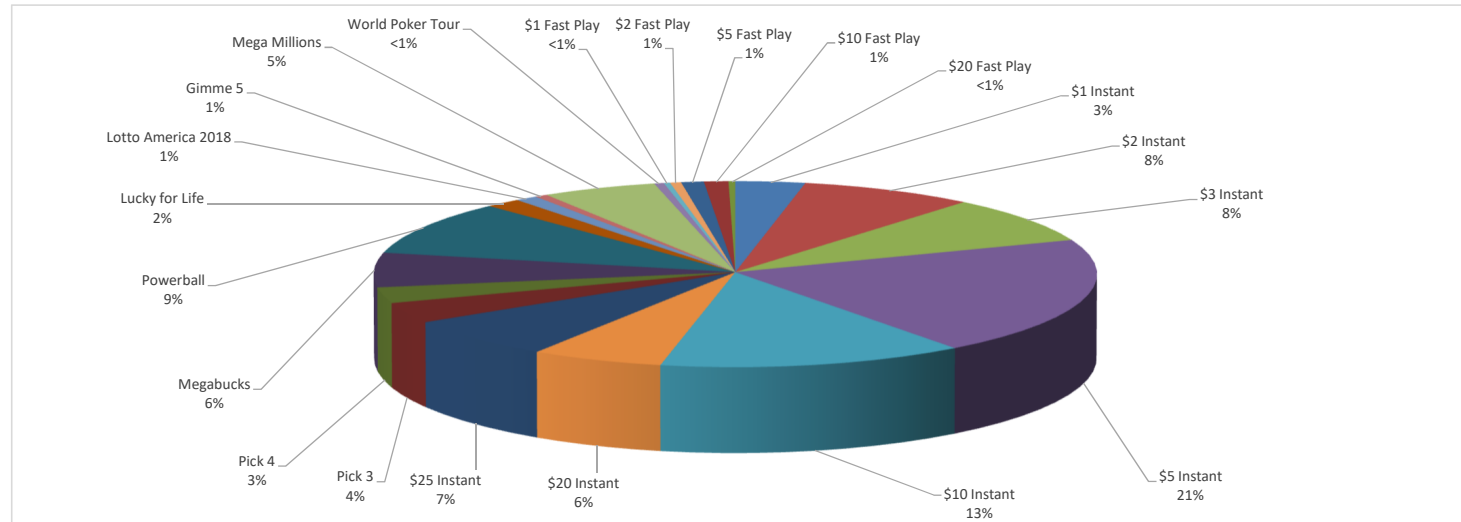


FY 2019

\$1 Instant	\$	8,184,085
\$2 Instant		25,202,894
\$3 Instant		24,301,032
\$5 Instant		67,891,895
\$10 Instant		44,511,030
\$20 Instant		22,516,540
\$25 Instant		30,174,900
Pick 3		5,394,851
Pick 4		4,337,305
Megabucks		11,810,740
Powerball		22,350,828
Lucky for Life		3,713,174
Lotto America 2018		1,980,196
Gimme 5		1,079,847
Mega Millions		16,300,415
World Poker Tour		1,250,226
\$1 Fast Play		761,412
\$2 Fast Play		1,257,453
\$5 Fast Play		4,040,035
\$10 Fast Play		539,960
\$20 Fast Play		-
	\$	<u>297,598,818</u>

*Excludes the Outdoor Heritage Game and Promotional Sales

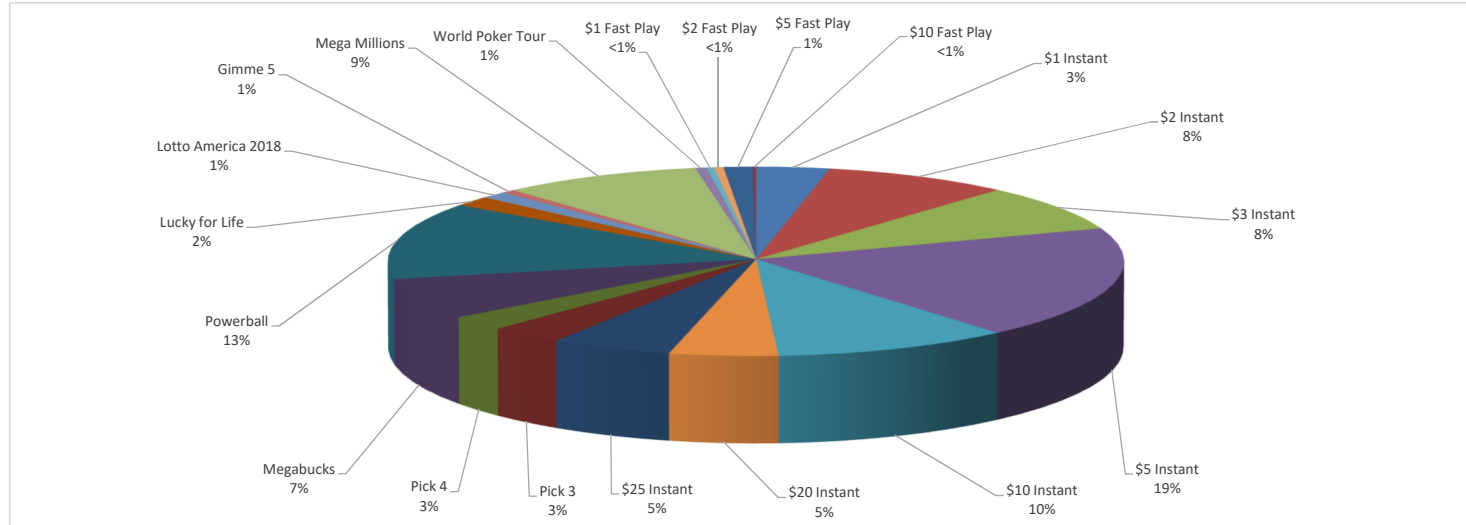
**Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Gross Profit Comparison
For FY 2020 and FY 2019**



FY 2020

\$1 Instant	\$ 2,150,394
\$2 Instant	5,369,758
\$3 Instant	5,559,878
\$5 Instant	13,877,889
\$10 Instant	9,085,011
\$20 Instant	3,927,494
\$25 Instant	4,752,516
Pick 3	2,407,552
Pick 4	1,857,430
Megabucks	4,059,807
Powerball	6,410,481
Lucky for Life	1,097,345
Lotto America 2018	692,831
Gimme 5	389,782
Mega Millions	3,552,078
World Poker Tour	299,746
\$1 Fast Play	194,770
\$2 Fast Play	339,341
\$5 Fast Play	698,574
\$10 Fast Play	752,184
\$20 Fast Play	209,362
	<u>\$ 67,474,860</u>

**Department of Administrative and Financial Services
Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Enterprise Fund - 067 - State Lottery Fund
Gross Profit Comparison**



FY 2019

\$1 Instant	\$	2,294,049
\$2 Instant		5,855,345
\$3 Instant		5,630,924
\$5 Instant		13,447,974
\$10 Instant		7,151,137
\$20 Instant		3,280,038
\$25 Instant		3,656,836
Pick 3		2,235,820
Pick 4		1,780,629
Megabucks		4,881,312
Powerball		9,260,901
Lucky for Life		1,191,086
Lotto America 2018		821,824
Gimme 5		415,510
Mega Millions		6,298,181
World Poker Tour		357,481
\$1 Fast Play		231,366
\$2 Fast Play		294,819
\$5 Fast Play		920,296
\$10 Fast Play		94,945
\$20 Fast Play		-
	\$	<u>70,005,530</u>

*Excludes the Outdoor Heritage Game and Promotional Sales

Lottery Operations Notes

Balance Sheet:

- (1) A Cash Pool Distribution from the State Treasury posted after the Lottery General Fund transfer occurred, but still posted for FY19. The amount reflected in the cash and unappropriated surplus accounts for carryover and was included in the July 2019 General Fund transfer in Fiscal Year 2020.
- (2) Accrued Payroll is necessary to accurately reflect total salary expense for Fiscal Year 2020 and represents twelve (12) days for June 2020.
- (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 sold but not yet redeemed.
- (5) Lucky for Life Prize Reserve represents the potential liability of prize winning Lucky for Life tickets sold but not yet redeemed.
- (6) Lucky for Life Expired Prize Reserve represents liability of prize winning Lucky for Life tickets sold but not yet redeemed and will be awarded as other prizes.
- (7) The Instant Ticket Prize Reserve represents the potential liability of prize winning instant tickets sold but not yet redeemed.
- (8) The Vending Machine Voucher Liability represents the amount of unliquidated vouchers remaining from vending machine ticket purchases.

Year to Date Comparative Statements of Income and Expenses:

- (9) Expired Instant Prize Reserve represents the income received from winning expired instant tickets never redeemed.
- (10) Tri-State/MUSL Operating Expense is listed as a separate line item to accurately reflect the Cost of Goods Sold. The amounts are determined as follows:
 - a. Tri-State Operating Expense – 16.521 percent of Tri-State sales less commissions and vendor fees.
 - b. MUSL Marketing Fee - .20 percent of MUSL sales.
- (11) Contractor Incentive Plan reflects substantial amounts in Fiscal Years 2019 and 2020 due to consistent increases in annual sales over the three-year benchmark used in the calculation.

Lottery Operations Notes (continued)

Year to Date Comparative Statements of Income and Expenses (continued):

(12) See Note (1)

Heritage Game Income Statement:

(13) Heritage Game instant tickets are sold through the Maine State Lottery to generate revenues that 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:

(14) Included in Personal Services for June 2020 is a twelve (12) day payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2020.

(15) The substantial amount reflected in Fiscal Year 2019 Misc Administrative Expense represents a major investment in new agent ticket dispensers and ticket vending machines to enable expansion of lottery sales into new areas.

Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Spirits Operations
 Enterprise Fund - 060 - Alcoholic Beverage Fund
 Balance Sheet
 As of June 30,

ASSETS:

	2020	% of 2020 Total	2019	% of 2019 Total
Current Assets				
Cash	\$ 11,690,509	11.40%	\$ 10,457,490	10.19%
Cash with Fiduciary	85,539,964	83.42%	88,367,544	86.12%
Accounts Receivable	5,309,803	5.18%	3,786,990	3.69%
Total Current Assets	\$ 102,540,276	100.00%	\$ 102,612,025	100.00%
TOTAL ASSETS	\$ 102,540,276	100.00%	\$ 102,612,025	100.00%

LIABILITIES:

Accounts Payable	(16) \$ 7,314,855	6.72%	\$ 5,369,238	4.13%
Compensated Absences	43,910	0.04%	40,060	0.03%
Due to Other Funds	(17) 96,915,000	89.04%	118,930,000	91.45%
Interest Matured Payable	4,556,444	4.19%	5,693,596	4.38%
Accrued payroll	(18) 13,748	0.01%	11,385	0.01%
TOTAL LIABILITIES	\$ 108,843,957	100.00%	\$ 130,044,279	100.00%

RESERVES:

Retained Earnings	\$ 35,158,173		\$ 50,880,145	
Unappropriated Surplus	(41,461,854)		(78,312,398)	
TOTAL RESERVES	\$ (6,303,681)		\$ (27,432,254)	

TOTAL LIABILITIES & RESERVES	\$ 102,540,276		\$ 102,612,025	
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Department of Administrative and Financial Services
 Bureau of Alcoholic Beverages and Lottery Operations
 Spirits Operations
 Enterprise Fund - 060 - Alcoholic Beverage Fund
 Comparative Statements of Income and Expense
 For Fiscal Years ending June 30,

	FY 2020	% of Sales	FY 2019	% of Sales	% Change FY 2019 to FY 2020
Sales					
Spirit Sales	(19) \$ 218,520,081	100.00%	\$ 201,783,015	100.00%	8.29%
<i>Total Spirit Sales</i>	<u>\$ 218,520,081</u>	100.00%	<u>\$ 201,783,015</u>	100.00%	
Other Revenue					
Interest earned	\$ 2,257,477		\$ 78,320		
Revenue Transfer to General Fund and MDOT	(20) (22,337,400)		(2,339,200)		
Prior year adjustment	(21) (171,456)		2,321,276		
<i>Total Other Revenue</i>	<u>\$ (20,251,379)</u>		<u>\$ 60,396</u>		
Total Revenue	\$ 198,268,702		\$ 201,843,410		(1.77%)
Spirit Expenses					
Product cost	\$ 139,135,540	63.67%	\$ 128,008,395	63.44%	8.69%
Bottle deposit	2,706,190	1.24%	2,171,866	1.08%	24.60%
Warehousing & Distribution	9,494,005	4.34%	9,063,306	4.49%	4.75%
Trade Marketing	4,611,284	2.11%	4,267,889	2.12%	8.05%
Personnel	304,760	0.14%	308,809	0.15%	(1.31%)
Advertising	369,332	0.17%	569,592	0.28%	(35.16%)
Technology	4,970	0.00%	6,936	0.00%	(28.34%)
Misc operating expenses	1,262,429	0.58%	980,493	0.49%	28.75%
Stacap	186,490	0.09%	41,539	0.02%	348.96%
<i>Total Spirit Expenses</i>	<u>\$ 158,075,000</u>	72.34%	<u>\$ 145,418,824</u>	72.07%	8.70%
Other Expenses					
Bond bank quarterly fees	\$ 208,304	N/A	\$ -	0.00%	N/A
Interest payments due on bonds	4,827,226	2.21%	5,544,442	2.75%	(12.94%)
<i>Total Other Expenses</i>	<u>\$ 5,035,530</u>	2.30%	<u>\$ 5,544,442</u>	2.75%	(9.18%)
Total Expenses	\$ 163,110,529	74.64%	\$ 150,963,266	74.81%	8.05%
General Fund Transfers					
Product listing fee transfer to General Fund	\$ 54,800	0.03%	\$ 54,750	0.03%	0.09%
Premium tax transfer to General Fund	2,965,214	1.36%	2,799,422	1.39%	5.92%
<i>Total GF Transfers</i>	<u>\$ 3,020,014</u>	1.38%	<u>\$ 2,854,172</u>	1.41%	5.81%
Profit	Total Profit				
	<u>\$ 32,138,158</u>	14.71%	<u>\$ 48,025,973</u>	23.80%	(33.08%)
Other Transfers					
Transfer from MMBB	(22) \$ 7,000,000	3.20%	\$ 7,000,000	3.47%	0.00%
<i>Total Other Transfers</i>	<u>\$ 7,000,000</u>	3.20%	<u>\$ 7,000,000</u>	3.47%	0.00%

Spirit Operations Notes

Balance Sheet:

- (16) Accounts Payable represents invoices that have been processed and for which payment is due, that will not be disbursed until July.
- (17) Due to Other Funds reflects the amount outstanding for the Bonds with Maine Municipal Bond Bank.
- (18) Accrued Payroll is necessary to help more accurately reflect total salary expense for Fiscal Year 2020 and represents twelve (12) days for June 2020.

Income Statement:

- (19) Spirit Sales include the revenue from sales to agency stores, plus bottle deposit, bailment from suppliers for warehouse activity and suppliers' share of dollar discounts for monthly special pricing. The bottle deposit is subsequently booked as an expense in the Spirits Expenses section.
- (20) The entry reflects revenue transfers of \$20 million to the unappropriated surplus of the General Fund per Public Law 2020, chapter 616, part H, section H-1 and the balance of the reflected total to Maine Department of Transportation per Public Law 2014, chapter 269, section 6054, subsection 3C.
- (21) Prior Year Adjustment, for Fiscal Year 2019, included a large (\$2.3 million) adjustment to record the actual cost associated with instate distillers for product cost for fiscal years 2015 to 2018.
- (22) This reflects the amount transferred back from Maine Municipal Bond Bank to the Safe Drinking Water Fund, the Clean Water Fund and the Maine Department of Transportation. For Fiscal Year 2020, amounts and details are:

Program	Amount	Notes
Safe Drinking Water	\$ 2,202,200	Transferred to Department of Health and Human Services in FY20
Clean Water	2,460,400	Transferred to Department of Environmental Protection in FY20
Highways & Bridges	<u>2,337,400</u>	Transferred to Department of Transportation in FY20
Total	<u>\$ 7,000,000</u>	