

State of Maine



Department of Administrative and Financial Services

Bureau of Alcoholic Beverages and Lottery Operations

Financial Statements
Fiscal Year Ending June 30, 2014



PAUL R. LEPAGE
GOVERNOR

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

RICHARD ROSEN
ACTING COMMISSIONER

December 5, 2014

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

Dear Mr. Mineo and Mr. Poulin,

Submitted herein is the annual report for the Bureau of Alcoholic Beverages and Lottery Operations for the fiscal year ending June 30, 2014. This report presents the financial position of lottery operations. The report does not reflect sales or operating expenses of the lottery retail agents.

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

Sincerely,

Kimberly A. Smith
Director,
General Government Service Center

Carol W. Cody
Deputy Director,
General Government Service Center



The Maine State Lottery is proud of its commitment to providing the citizens of Maine with fun and exciting entertainment. Since 1974, the Maine State Lottery has generated over \$4.7 billion in sales revenues as well as over \$2.8 billion in prizes to players and over \$327 million in commissions and bonuses to our network of lottery retail agents. The Maine State Lottery has a positive impact and supports our local economy. Over \$1.1 billion has been transferred to the State's General Fund to support programs and services all across Maine.



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

For Fiscal Years 1994 - 2013

Fiscal Year	Liquor Sales	Lottery Sales	Heritage Sales	Total Sales
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
2005	97,042,500	206,168,485	3,130,645	306,341,630
2004	89,054,685	182,645,792	3,228,538	274,929,015
2003	85,395,495	161,689,836	2,943,273	250,028,605
2002	81,576,220	152,828,875	5,079,880	239,484,975
2001	79,647,455	140,635,023	5,955,682	226,238,160
2000	76,599,135	143,134,147	4,779,464	224,512,746
1999	72,382,945	137,529,119	7,057,795	216,969,859
1998	70,426,846	144,670,300	4,219,798	219,316,944
1997	68,075,556	142,040,139	4,214,863	214,330,558
1996	68,181,524	143,185,328	5,504,375	216,871,227
1995	68,112,331	153,204,327		221,316,658
1994	71,186,901	145,197,086		216,383,987

Fiscal Year	Liquor Transfer	Lottery Transfer	Heritage Transfer	Total Transferred	% of Sales
2014	12,298,432 *	51,845,477	574,142	64,718,051	17.31%
2013	10,979,738 *	52,908,602	593,629	64,481,969	17.61%
2012	10,254,968 *	53,785,567	530,622	64,571,157	18.04%
2011	9,405,382 *	49,547,800	645,824	59,599,007	17.40%
2010	8,823,077 *	52,201,531	669,789	61,694,397	18.16%
2009	8,217,940 *	49,839,434	734,120	58,791,494	17.83%
2008	7,513,763 *	49,491,086	811,844	57,816,693	16.87%
2007	6,356,499 *	50,624,742	810,598	57,791,839	17.02%
2006	4,443,800 *	50,879,647	908,065	56,231,512	16.84%
2005	51,536,907 **	49,328,103	800,309	101,665,319	33.19%
2004	103,957,966 **	41,752,637	774,917	146,485,520	53.28%
2003	27,749,668	39,442,111	811,296	68,003,076	27.20%
2002	26,821,646	39,317,891	1,171,888	67,311,425	28.11%
2001	25,860,058	35,450,105	1,389,111	62,699,274	27.71%
2000	26,094,244	38,125,786	1,427,972	65,674,871	29.25%
1999	21,255,952	39,620,893	1,749,542	62,626,387	28.86%
1998	22,139,996	40,742,055	1,104,635	64,086,118	29.22%
1997	22,250,530	40,717,655	1,068,469	64,206,056	29.96%
1996	23,085,031	37,757,632	1,617,105	62,459,768	28.80%
1995	21,785,740	41,185,167		62,970,907	28.45%
1994	23,755,033	44,616,761		68,371,794	31.60%

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

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

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

ASSETS:

	2014	2013
Current Assets		
Cash	\$ -	\$ -
Petty Cash - Imprest Fund	750,200	750,200
Accounts Receivable	26,165,982	21,794,938
Reserve for Doubtful Accounts	(647,399)	(561,852)
Prepaid Expense	169,062	150,026
Total Current Assets	\$ 26,437,845	\$ 22,133,312
Fixed Assets		
Equipment	\$ 44,202	\$ 44,202
Less: Reserve for Depreciation	(44,202)	(44,202)
Total Fixed Assets	\$ -	\$ -
TOTAL ASSETS	\$ 26,437,845	\$ 22,133,312

LIABILITIES:

Accounts Payable	\$ 938,952		\$ 1,042,126
Accrued Payroll	83,078	(1)	83,223
Accrued Subscriptions	209,876		263,459
Accrued Vacation Liability	96,079		118,564
Vouchers Payable	855	(2)	855
Due to Other Funds	7,682,863	(3)	6,090,203
TOTAL LIABILITIES	\$ 9,011,703		\$ 7,598,428

RESERVES:

MUSL Prize Reserve	\$ 3,205,929	(4)	\$ 2,674,784
Lucky For Life Expired Prize Reserve	513,945	(5)	488,457
Lucky For Life Prize Reserve	551,585	(6)	191,692
Instant Ticket Prize Reserve	13,139,683	(7)	11,145,460
Reserve for Instant Game Annuities	15,000	(8)	15,000
Untransferred Profit	-		19,491
TOTAL RESERVES	\$ 17,426,142		\$ 14,534,884
TOTAL LIABILITIES & RESERVES	\$ 26,437,845		\$ 22,133,312

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

SALES	2014	% of Sales	2013	% of Sales	% Change 2013 to 2014
Instant Tickets					
\$1 Instant	\$ 13,406,195	5.83%	\$ 13,244,412	5.82%	1.22%
Heritage Game	2,021,379	0.88%	2,083,042	0.91%	(2.96%)
\$2 Instant	28,755,990	12.50%	29,047,124	12.76%	(1.00%)
\$3 Instant	29,734,551	12.93%	29,401,302	12.91%	1.13%
\$5 Instant	43,346,540	18.85%	39,587,135	17.38%	9.50%
\$10 Instant	29,973,480	13.03%	24,432,350	10.73%	22.68%
\$20 Instant	23,607,500	10.27%	25,645,020	11.26%	(7.95%)
<i>Total Instant</i>	\$ 170,845,635	74.29%	\$ 163,440,385	71.77%	4.53%
Draw Games					
Pick 3	\$ 5,050,030	2.20%	\$ 5,154,634	2.26%	(2.03%)
Pick 4	4,123,635	1.79%	4,207,134	1.85%	(1.98%)
Megabucks	12,027,718	5.23%	14,097,576	6.19%	(14.68%)
Powerball	22,053,524	9.59%	27,304,108	11.99%	(19.23%)
Gimme 5	1,644,973	0.72%	374,814	0.16%	N/A
Weekly Grand	-	N/A	-	0.00%	N/A
Lucky for Life	5,364,990	2.33%	6,654,250	2.92%	(19.37%)
Hot Lotto	1,972,635	0.86%	2,031,279	0.89%	(2.89%)
Mega Millions	6,873,555	2.99%	4,459,466	1.96%	54.13%
<i>Total Draw</i>	\$ 59,111,059	25.71%	\$ 64,283,261	28.23%	(8.05%)
<i>Total Ticket Sales</i>	\$ 229,956,694	100.00%	\$ 227,723,646	100.00%	
Misc Sales					
Sale of Clothing	\$ -	N/A	\$ -	N/A	
OTHER INCOME					
Distribution Expenses paid by IF&W	\$ 50,535	0.02%	\$ 52,076	0.02%	(2.96%)
Expired Instant Prize Reserve	1,589,916 (9)	0.69%	1,857,229	0.82%	(14.39%)
Expired Instant Prize Reserve - Heritage	69,350 (9)	0.03%	70,332	0.03%	(1.40%)
Interest Income - Tri State	-	N/A	26,775	0.01%	N/A
Misc Income	175,309	0.08%	278,966	0.12%	(37.16%)
<i>Total Other Income</i>	\$ 1,885,110	0.82%	\$ 2,285,378	1.00%	(17.51%)
<i>Total Receipts</i>	\$ 231,841,804		\$ 230,009,024		0.80%
EXPENSES					
Cost of Goods Sold	\$ 171,909,956	74.76%	\$ 167,808,028	73.69%	2.44%
Maine Operating Expenses	3,896,155	1.69%	3,945,968	1.73%	(1.26%)
Tri-State Operating Expenses	2,099,487 (10)	0.91%	3,173,562	1.39%	(33.84%)
Heritage Game Expenses	1,516,588	0.66%	1,559,745	0.68%	(2.77%)
<i>Total Expenses</i>	\$ 179,422,185	78.02%	\$ 176,487,303	77.50%	1.66%
Transfer to General Fund	\$ 51,845,477	22.55%	\$ 52,908,601	23.23%	(2.01%)
Transfer to Fish & Wildlife	574,142	0.25%	593,629	0.26%	(3.28%)
Profit Due from/to Gen. Fund	-	N/A	19,491	0.01%	N/A
<i>Total Transfer</i>	\$ 52,419,619	22.80%	\$ 53,521,721	23.50%	(2.06%)
Changes from FY 2013 to FY 2014					
Sales:	Dollars	%			
Instant	7,405,250	4.53%			
Draw	(5,172,202)	(8.05%)			
Total	2,233,048	0.98%			
Cost of Goods Sold	4,101,928	2.44%			
Maine Operating Expenses	(49,813)	(1.26%)			

Department of Administrative and Financial Services

Division of Lottery

HERITAGE GAME INCOME STATEMENT

For Fiscal Years ending: June 30,

	2014	2013
SALES		
Game 125 - Fast Cash	\$ -	\$ 63,319
Game 149 - Moose Money	-	1,215,091
Game 172 - Big Cash	123,379	804,632
Game 192 - Moose Money	1,236,660	-
Game 214 - Wild Bucks	661,340	-
Total Sales	\$ 2,021,379	\$ 2,083,042
 OTHER INCOME		
Expired Prize Reserve	\$ 69,350	\$ 70,332
Total Income	\$ 2,090,729	\$ 2,153,374
 EXPENSES		
Game 125 - Fast Cash	\$ -	\$ 38,120
Game 149 - Moose Money	-	731,242
Game 172 - Big Cash	74,410	485,274
Game 192 - Moose Money	744,098	-
Game 214 - Wild Bucks	407,121	-
Vendor Fees	78,134	85,910
Agent Commissions	161,710	166,643
Agent Bonuses	580	480
Advertising	-	-
Sta Cap	-	-
Distribution Expenses	50,535	52,076
Total Expenses	\$ 1,516,588	\$ 1,559,745
 Inland Fish & Wildlife Profit	\$ 574,142	\$ 593,629

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

	2014	2013	% Change 2013 to 2014
Lottery Administration			
Personal Services	\$ 1,636,214	(12) \$ 1,623,998	0.75%
State Services	165,699	163,625	1.27%
Non-State Services	27,282	39,021	(30.08%)
Travel Expenses	10,000	29,683	(66.31%)
Rents	116,212	152,069	(23.58%)
Office Supplies	17,663	18,273	(3.34%)
Gen Operations	54,200	47,429	14.28%
Portion paid by IFW	(26,294)	(27,372)	(3.94%)
<i>Total Administrative</i>	\$ 2,000,976	\$ 2,046,724	(2.24%)
Lottery Operations			
General Operations	\$ 131,600	\$ 143,935	(8.57%)
Other Instant Expense	127,277	140,568	(9.46%)
Other Draw Expense	176,446	116,063	52.03%
Customer Service	45,362	42,764	6.08%
State Post Office	-	-	N/A
Other Agent Expenses	263	-	N/A
Portion paid by IFW	(6,238)	(5,851)	6.62%
<i>Total Operational</i>	\$ 474,710	\$ 437,480	8.51%
Advertising Charges			
Ad Agency Fees	\$ 196,700	\$ 196,650	0.03%
TV Production	126,120	222,252	(43.25%)
TV Media	671,734	780,728	(13.96%)
Promotional Material	309,652	148,293	108.81%
Advertising Notices	-	5,599	N/A
StaCap	83,732	75,019	11.61%
Portion paid by IFW	(18,002)	(18,853)	(4.51%)
<i>Total Advertising</i>	\$ 1,369,935	\$ 1,409,688	(2.82%)
<i>Subtotal</i>	\$ 3,845,621	\$ 3,893,892	(1.24%)
Plus: IF&W reimbursement	50,535	52,076	(2.96%)
Total Maine Operating Expenses	\$ 3,896,155	\$ 3,945,968	(1.26%)
Total Sales Including Heritage	\$ 229,956,694	\$ 227,723,646	0.98%
Total Operating Expense as % of Sales	1.69%	1.73%	

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

	2014	% of Sales	2013	% of Sales	% Change 2013 to 2014
Prize Expense					
\$1 Instant	\$ 8,301,146	61.92%	\$ 8,054,106	60.81%	3.07%
\$2 Instant	19,142,472	66.57%	19,062,623	65.63%	0.42%
\$3 Instant	19,835,355	66.71%	19,482,853	66.27%	1.81%
\$5 Instant	29,819,156	68.79%	26,832,494	67.78%	11.13%
\$10 Instant	21,998,581	73.39%	17,424,308	71.32%	26.25%
\$20 Instant	17,752,381	75.20%	19,089,936	74.44%	(7.01%)
Pick 3	2,525,279	50.01%	2,577,439	50.00%	(2.02%)
Pick 4	2,070,923	50.22%	2,107,243	50.09%	(1.72%)
Megabucks	5,878,181	48.87%	6,960,141	49.37%	(15.55%)
Powerball	10,995,945	49.86%	13,626,748	49.91%	(19.31%)
Gimme 5	871,854	53.00%	198,652	53.00%	N/A
Weekly Grand	-	N/A	12	N/A	N/A
Lucky for Life	3,218,406	59.99%	3,963,322	59.56%	(18.80%)
Hot Lotto	986,441	50.01%	1,015,405	49.99%	(2.85%)
Mega Millions	3,454,767	50.26%	2,287,942	51.31%	51.00%
<i>Total Prize Expense</i>	\$ 146,850,884	64.43%	\$ 142,683,224	63.23%	2.92%
Vendor Fees					
\$1 Instant	\$ 512,877	3.83%	\$ 543,631	4.10%	(5.66%)
\$2 Instant	1,103,728	3.84%	1,196,080	4.12%	(7.72%)
\$3 Instant	1,136,983	3.82%	1,200,498	4.08%	(5.29%)
\$5 Instant	1,656,993	3.82%	1,624,316	4.10%	2.01%
\$10 Instant	1,145,322	3.82%	1,001,672	4.10%	14.34%
\$20 Instant	899,961	3.81%	1,053,509	4.11%	(14.57%)
Pick 3	193,439	3.83%	211,429	4.10%	(8.51%)
Pick 4	158,013	3.83%	172,783	4.11%	(8.55%)
Megabucks	461,097	3.83%	580,493	4.12%	(20.57%)
Powerball	847,091	3.84%	1,119,814	4.10%	(24.35%)
Gimme 5	63,223	3.84%	14,618	N/A	N/A
Weekly Grand	-	N/A	-	N/A	N/A
Lucky for Life	206,022	3.84%	272,500	4.10%	(24.40%)
Hot Lotto	75,199	3.81%	83,163	4.09%	(9.58%)
Mega Millions	264,515	3.85%	183,293	4.11%	44.31%
<i>Total Vendor Fees</i>	\$ 8,724,460	3.83%	\$ 9,257,799	4.10%	(5.76%)
Agent Commissions and Bonuses					
\$1 Instant	\$ 940,405	7.01%	\$ 928,161	7.01%	1.32%
\$2 Instant	2,028,207	7.05%	2,051,451	7.06%	(1.13%)
\$3 Instant	2,097,262	7.05%	2,076,117	7.06%	1.02%
\$5 Instant	3,090,298	7.13%	2,826,513	7.14%	9.33%
\$10 Instant	2,136,904	7.13%	1,748,445	7.16%	22.22%
\$20 Instant	1,697,014	7.19%	1,852,327	7.22%	(8.38%)
Pick 3	252,606	5.00%	256,601	4.98%	(1.56%)
Pick 4	213,788	5.18%	219,824	5.23%	(2.75%)
Megabucks	577,322	4.80%	675,973	4.79%	(14.59%)
Powerball	1,106,853	5.02%	1,361,585	4.99%	(18.71%)
Gimme 5	81,985	4.98%	18,737	5.00%	337.56%
Weekly Grand	-	N/A	-	N/A	N/A
Lucky for Life	278,318	5.19%	331,557	4.98%	(16.06%)
Hot Lotto	98,537	5.00%	101,580	5.00%	(3.00%)
Mega Millions	343,185	4.99%	221,688	4.97%	54.81%
<i>Total Agent Commissions & Bonuses</i>	\$ 14,942,682	6.56%	\$ 14,670,559	6.50%	1.85%
Other Expenses					
Royalty Fees	\$ 533,371	0.23%	\$ 310,349	0.14%	71.86%
Telephone	323	0.00%	-	N/A	N/A
Postage	336,978	0.15%	388,436	0.17%	(13.25%)
Rental of equipment	521,258	0.23%	497,661	0.22%	4.74%
<i>Total Other Expenses</i>	\$ 1,391,930	0.61%	\$ 1,196,446	0.53%	16.34%
Total Cost of Goods Sold	\$ 171,909,956	75.42%	\$ 167,808,028	74.37%	2.44%
Total Sales (excluding Heritage)	\$ 227,935,315		\$ 225,640,604		1.02%
Cost of Goods Sold as % of Sales (excluding Heritage)	75.42%		74.37%		

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

2014

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Weekly Grand	Hot Lotto	Mega Millions	Total Draw
Sales	\$ 12,027,718	\$ 5,050,030	\$ 4,123,635	\$ 22,053,524	\$ 5,364,990	\$ 1,644,973	\$ -	\$ 1,972,635	\$ 6,873,555	\$ 59,111,059
Prize Expense	5,878,181	2,525,279	2,070,923	10,995,945	3,218,406	871,854	-	986,441	3,454,767	30,001,794
Vendor Fees	461,097	193,439	158,013	847,091	206,022	63,223	-	75,199	264,515	2,268,598
Agent Commissions	577,322	252,606	213,788	1,106,853	278,318	81,985	-	98,537	343,185	2,952,593
Telephone*	66	28	23	121	29	-	-	11	38	314
Total COGS	\$ 6,916,665	\$ 2,971,351	\$ 2,442,746	\$ 12,950,008	\$ 3,702,774	\$ 1,017,062	\$ -	\$ 1,160,187	\$ 4,062,505	\$ 35,223,299
Gross Profit on Sales	\$ 5,111,053	\$ 2,078,679	\$ 1,680,888	\$ 9,103,516	\$ 1,662,216	\$ 627,911	\$ -	\$ 812,448	\$ 2,811,050	\$ 23,887,760
Gross Profit Percent	42.49%	41.16%	40.76%	41.28%	30.98%	38.17%	N/A	41.19%	40.90%	40.41%

2013

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

Percentage Change FY 2013 to FY 2014

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Weekly Grand	Hot Lotto	Mega Millions	Total Draw
Sales	(14.68%)	(2.03%)	(1.98%)	(19.23%)	(19.37%)	N/A	N/A	(2.89%)	54.13%	(8.05%)
COGS	(15.82%)	(2.43%)	(2.28%)	(19.61%)	(18.93%)	N/A	N/A	(3.33%)	50.86%	(8.66%)
Gross Profit	(13.09%)	(1.45%)	(1.55%)	(18.69%)	(20.35%)	N/A	N/A	(2.25%)	59.13%	(7.13%)

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

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

2014							
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 13,406,195	\$ 28,755,990	\$ 29,734,551	\$ 43,346,540	\$ 29,973,480	\$ 23,607,500	\$ 168,824,256
Prize Expense	8,301,146	19,142,472	19,835,355	29,819,156	21,998,581	17,752,381	116,849,090
Vendor Fees	512,877	1,103,728	1,136,983	1,656,993	1,145,322	899,961	6,455,862
Agent Commissions	940,405	2,028,207	2,097,262	3,090,298	2,136,904	1,697,014	11,990,089
Royalty Fees/Sta Cap	-	109,452	0	423,919	-	-	533,371
Postage / Rental of Eq.	68,152	146,184	151,159	220,357	152,373	120,011	858,236
Total COGS	\$ 9,822,579	\$ 22,530,043	\$ 23,220,759	\$ 35,210,722	\$ 25,433,180	\$ 20,469,366	\$ 136,686,648
Gross Profit on Sales	\$ 3,583,616	\$ 6,225,947	\$ 6,513,792	\$ 8,135,818	\$ 4,540,300	\$ 3,138,134	\$ 32,137,608
Gross Profit Percent	26.73%	21.65%	21.91%	18.77%	15.15%	13.29%	19.04%

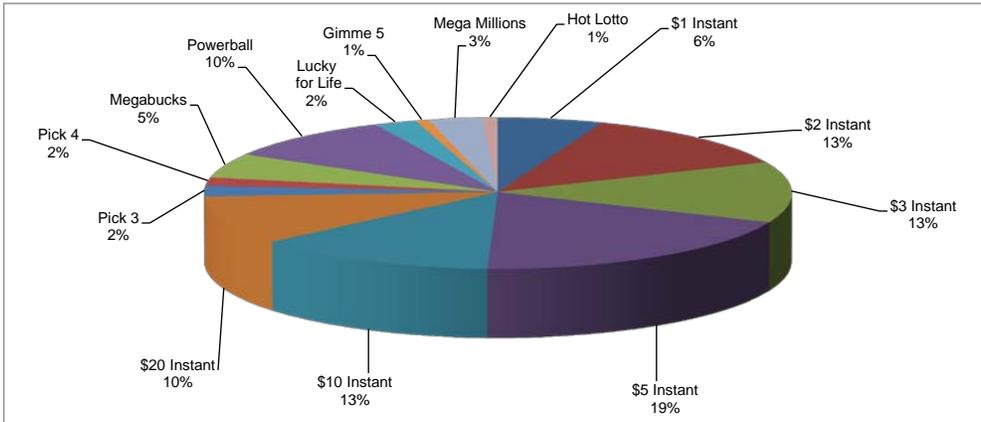
2013							
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 13,244,412	\$ 29,047,124	\$ 29,401,302	\$ 39,587,135	\$ 24,432,350	\$ 25,645,020	\$ 161,357,343
Prize Expense	8,054,106	19,062,623	19,482,853	26,832,494	17,424,308	19,089,936	109,946,321
Vendor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

Percentage Change FY 2013 to FY 2014

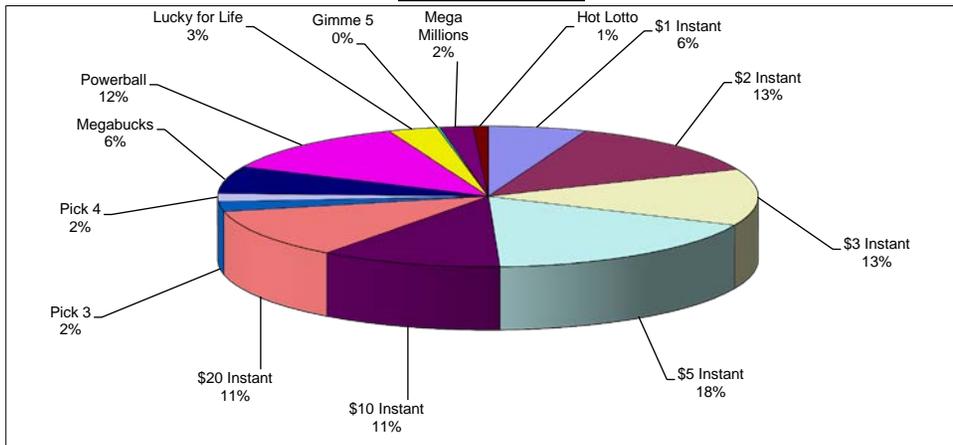
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	1.22%	(1.00%)	1.13%	9.50%	22.68%	(7.95%)	4.63%
COGS	2.33%	0.27%	1.31%	10.69%	25.23%	(7.53%)	5.76%
Gross Profit	(1.71%)	(5.34%)	0.52%	4.63%	10.10%	(10.55%)	0.08%

Note : Schedule excludes Heritage Game

**Department of Administrative and Financial Services
Division of Lottery
COMPARATIVE SALES ANALYSIS
FOR FISCAL YEARS 2014-2013**



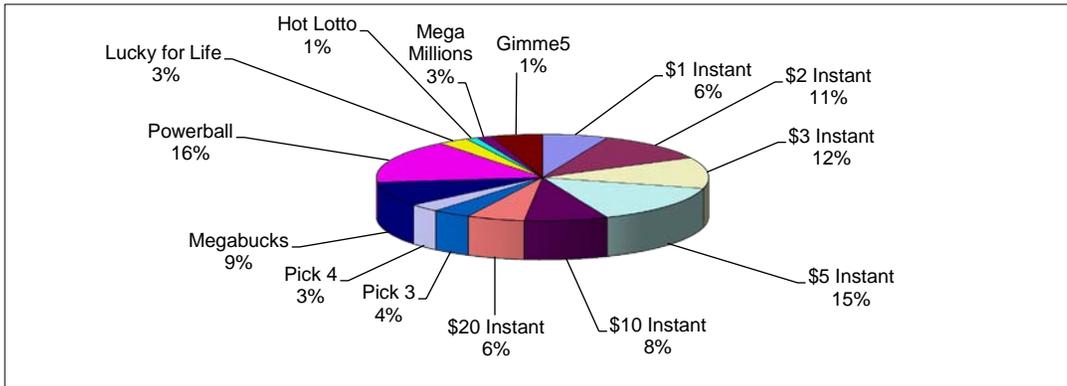
2014	
\$1 Instant	\$ 13,406,195 **
\$2 Instant	28,755,990
\$3 Instant	29,734,551
\$5 Instant	43,346,540
\$10 Instant	29,973,480
\$20 Instant	23,607,500
Pick 3	5,050,030
Pick 4	4,123,635
Megabucks	12,027,718
Powerball	22,053,524
Lucky for Life	5,364,990
Gimme 5	1,644,973
Mega Millions	6,873,555
Hot Lotto	1,972,635
Total	\$ 227,935,315



2013	
\$1 Instant	\$ 13,244,412 **
\$2 Instant	29,047,124
\$3 Instant	29,401,302
\$5 Instant	39,587,135
\$10 Instant	24,432,350
\$20 Instant	25,645,020
Pick 3	5,154,633
Pick 4	4,207,134
Megabucks	14,097,576
Powerball	27,304,108
Lucky for Life	6,654,250
Gimme 5	374,814
Mega Millions	4,459,466
Hot Lotto	2,031,279
Total	\$ 225,640,603

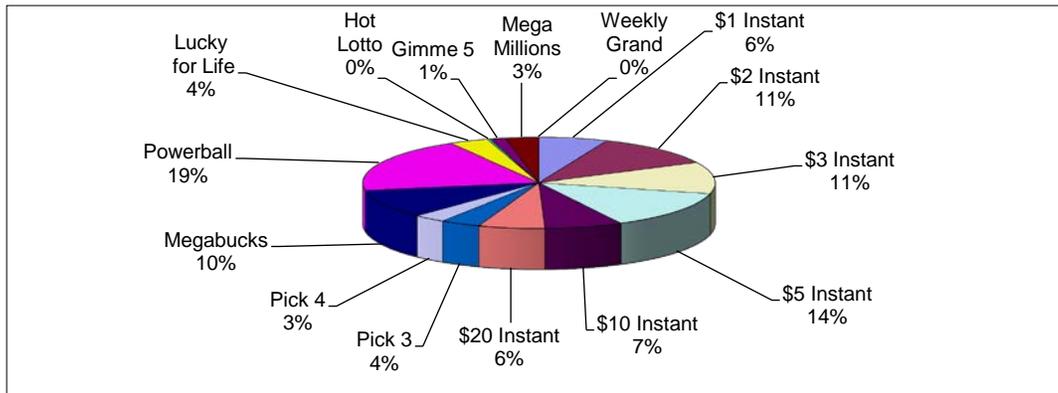
****Excludes Heritage Games and Promotional Sales**

**Department of Administrative and Financial Services
Division of Lottery
GROSS PROFIT COMPARISON
FOR FISCAL YEARS 2014-2013**



2014

\$1 Instant	\$	3,583,616	**
\$2 Instant		6,225,947	
\$3 Instant		6,513,792	
\$5 Instant		8,135,818	
\$10 Instant		4,540,300	
\$20 Instant		3,138,134	
Pick 3		2,078,679	
Pick 4		1,680,888	
Megabucks		5,111,053	
Powerball		9,103,516	
Lucky for Life		1,662,216	
Gimme 5		627,911	
Hot Lotto		812,448	
Mega Millions		2,811,050	
Total	\$	56,025,368	



2013

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

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

Lottery Operations Footnotes

Balance Sheet:

- (1) Accrued Payroll is necessary to help more accurately reflect total salary expense for Fiscal Year 2014 and represents sixteen days for June 2014.
- (2) Vouchers Payable represents invoices that have been processed and for which payment is due, that will not be disbursed until July.
- (3) Due to Other Funds reflects the amount of Lottery profit owed to the General Fund. This balance fluctuates depending on the timing of cash flow from the Lottery's accounts receivable bank sweeps through Treasury.
- (4) MUSL Prize Reserve represents the potential liability of prize winning Powerball, Hot Lotto and Mega Million tickets that have been sold but not yet redeemed.
- (5) Lucky for Life Prize Reserve represents the potential liability of prize winning Lucky for Life tickets that have been sold but not yet redeemed.
- (6) Lucky for Life Prize expired Reserve represents liability of prize winning Lucky for Life tickets that have been 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 that have been sold but not yet redeemed.
- (8) The balance in Reserve for Instant Game Annuities is the amount due to winners of multiple year payout instant ticket games.

Year to Date Comparative Statements of Income and Expenses:

- (9) Expired Instant Prize Reserve represents the income received from winning expired instant tickets that were never redeemed.
- (10) Tri-State Operating Expense is listed as a separate line item to accurately reflect the Cost of Goods Sold.

Heritage Game Income Statement:

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

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

Maine Operating Expense Schedule:

(12) Included in Personal Services for June 2014 is a sixteen-day payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2014.