

State of Maine



Department of Administrative and Financial Services

Bureau of Alcoholic Beverages and Lottery Operations

Financial Statements
Fiscal Year Ending June 30, 2015



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 \$4.97 billion in sales revenues as well as over \$2.97 billion in prizes to players and over \$344 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 \$1.24 billion has been transferred to the State's General Fund to support programs and services all across Maine.



www.mainelottery.com

MAINE★SPIRITS

The Maine Spirits is a partnership between the Bureau and 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.

In FY15, the first year of the new spirits business model, the State realized a profit of over \$46 million and where sales grew 4.6% over FY14 sales.

www.MaineSpirits.com

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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 - 2015

Fiscal Year	Liquor Sales	Lottery Sales	Heritage Sales	Total Sales
2015	156,136,691	250,671,431	2,400,612	409,208,734
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
2015	9,714,884 *	54,002,444	647,458	64,364,785	15.73%
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%

* - This amount is only the transfer back from the MMBB designated for the General Fund.

** - This amount 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.

Bureau of Alcoholic Beverages and Lottery Operations

Lottery Operations

BALANCE SHEET

For Month ending June 30,

ASSETS:

	2015		2014
Current Assets			
Cash	\$ -		\$ -
Petty Cash - Imprest Fund	750,200		750,200
Accounts Receivable	27,226,547		26,165,982
Reserve for Doubtful Accounts	(666,779)		(647,399)
Prepaid Expense	290,172		169,062
Total Current Assets	\$ 27,600,140		\$ 26,437,845
Fixed Assets			
Equipment	\$ 44,202		\$ 44,202
Less: Reserve for Depreciation	(44,202)		(44,202)
Total Fixed Assets	\$ -		\$ -
TOTAL ASSETS	\$ 27,600,140		\$ 26,437,845

LIABILITIES:

Accounts Payable	\$ 409,761		\$ 938,952
Accrued Payroll	83,333	(1)	83,078
Accrued Subscriptions	159,341		209,876
Accrued Vacation Liability	102,123		96,079
Vouchers Payable	243,034	(2)	855
Due to Other Funds	7,842,419	(3)	7,682,863
TOTAL LIABILITIES	\$ 8,840,010		\$ 9,011,703

RESERVES:

MUSL Prize Reserve	\$ 3,099,682	(4)	\$ 3,205,929
Lucky For Life Expired Prize Reserve	85,844	(6)	513,945
Lucky For Life Prize Reserve	1,340,880	(5)	551,585
Instant Ticket Prize Reserve	14,218,724	(7)	13,139,683
Reserve for Instant Game Annuities	15,000	(8)	15,000
Untransferred Profit	-		-
TOTAL RESERVES	\$ 18,760,130		\$ 17,426,142
TOTAL LIABILITIES & RESERVES	\$ 27,600,140		\$ 26,437,845

Bureau of Alcoholic Beverages and Lottery Operations

Lottery Operations

Comparative Statements of Income and Expense

For Fiscal Years ending June 30,

SALES	2015	% of Sales	2014	% of Sales	% Change 2014 to 2015
Instant Tickets					
\$1 Instant	\$ 13,307,030	5.26%	\$ 13,406,195	5.83%	(0.74%)
Heritage Game	2,400,612	0.95%	2,021,379	0.88%	18.76%
\$2 Instant	29,941,688	11.83%	28,755,990	12.50%	4.12%
\$3 Instant	28,735,887	11.35%	29,734,551	12.93%	(3.36%)
\$5 Instant	50,743,405	20.05%	43,346,540	18.85%	17.06%
\$10 Instant	29,178,250	11.53%	29,973,480	13.03%	(2.65%)
\$20 Instant	21,126,100	8.35%	23,607,500	10.27%	(10.51%)
\$25 Instant	24,071,350	9.51%	-	N/A	N/A
<i>Total Instant</i>	\$ 199,504,322	78.83%	\$ 170,845,635	74.29%	16.77%
Draw Games					
Pick 3	\$ 5,058,299	2.00%	\$ 5,050,030	2.20%	0.16%
Pick 4	4,028,841	1.59%	4,123,635	1.79%	(2.30%)
Megabucks	10,937,587	4.32%	12,027,718	5.23%	(9.06%)
Powerball	18,786,636	7.42%	22,053,524	9.59%	(14.81%)
Gimme 5	1,382,788	0.55%	1,644,973	0.72%	N/A
Monopoly	248,160	0.10%	-	N/A	N/A
Lucky for Life	4,737,803	1.87%	5,364,990	2.33%	(11.69%)
Hot Lotto	2,191,348	0.87%	1,972,635	0.86%	11.09%
Mega Millions	6,196,260	2.45%	6,873,555	2.99%	(9.85%)
<i>Total Draw</i>	\$ 53,567,721	21.17%	\$ 59,111,059	25.71%	(9.38%)
<i>Total Ticket Sales</i>	\$ 253,072,043	100.00%	\$ 229,956,694	100.00%	
OTHER INCOME					
Distribution Expenses paid by IF&W	\$ 60,015	0.02%	\$ 50,535	0.02%	18.76%
Expired Instant Prize Reserve	1,792,459 (9)	0.71%	1,589,916	0.69%	12.74%
Expired Instant Prize Reserve - Heritage	59,847 (9)	0.02%	69,350	0.03%	(13.70%)
Interest Income - Tri State	-	N/A	-	N/A	N/A
Misc Income	(400,934)	-0.16%	175,309	0.08%	(328.70%)
<i>Total Other Income</i>	\$ 1,511,387	0.60%	\$ 1,885,110	0.82%	(19.82%)
<i>Total Receipts</i>	\$ 254,583,430		\$ 231,841,804		9.81%
EXPENSES					
Cost of Goods Sold	\$ 192,119,682	75.92%	\$ 171,909,956	74.76%	11.76%
Maine Operating Expenses	3,695,065	1.46%	3,896,155	1.69%	(5.16%)
Tri-State Operating Expenses	2,305,781 (10)	0.91%	2,099,487	0.91%	9.83%
Heritage Game Expenses	1,813,001	0.72%	1,516,588	0.66%	19.54%
<i>Total Expenses</i>	\$ 199,933,529	79.00%	\$ 179,422,185	78.02%	11.43%
Transfer to General Fund	\$ 54,002,444	21.34%	\$ 51,845,477	22.55%	4.16%
Transfer to Fish & Wildlife	647,458	0.26%	574,142	0.25%	12.77%
Profit Due from/to Gen. Fund	-	N/A	-	N/A	N/A
<i>Total Transfer</i>	\$ 54,649,901	21.59%	\$ 52,419,619	22.80%	4.25%
Changes from FY 2014 to FY 2015					
Sales:	Dollars	%			
Instant	28,658,687	16.77%			
Draw	(5,543,338)	(9.38%)			
Total	23,115,349	10.05%			
Cost of Goods Sold	20,209,726	11.76%			
Maine Operating Expenses	(201,090)	(5.16%)			

Bureau of Alcoholic Beverages and Lottery Operations

Lottery Operations

HERITAGE GAME INCOME STATEMENT

For Fiscal Years ending: June 30,

	2015	2014
SALES		
Game 172 - Big Cash	\$ -	\$ 123,379
Game 192 - Moose Money	(2,899)	1,236,660
Game 214 - Wild Bucks	314,484	661,340
Game 241 - Stinkin Rich	974,158	-
Game 259 - Gopher Gold	1,114,869	-
Total Sales	\$ 2,400,612	\$ 2,021,379
 OTHER INCOME		
Expired Prize Reserve	\$ 59,847	\$ 69,350
Total Income	\$ 2,460,459 (11)	\$ 2,090,729
 EXPENSES		
Game 172 - Big Cash	\$ -	\$ 74,410
Game 192 - Moose Money	(1,744)	744,098
Game 214 - Wild Bucks	193,596	407,121
Game 241 - Stinkin Rich	598,912	-
Game 259 - Gopher Gold	685,979	-
Vendor Fees	83,953	78,134
Agent Commissions	192,049	161,710
Agent Bonuses	240	580
Advertising	-	-
StaCap	-	-
Distribution Expenses	60,015	50,535
Total Expenses	\$ 1,813,001	\$ 1,516,588
 Inland Fish & Wildlife Profit	\$ 647,458	\$ 574,142

Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Maine Operating Expense Schedule
Year To Date
For Fiscal Years ending June 30,

	2015	2014	% Change 2014 to 2015
Lottery Administration			
Personal Services	\$ 1,441,924 (12)	\$ 1,636,214	(11.87%)
State Services	202,529	165,699	22.23%
Non-State Services	22,942	27,282	(15.91%)
Travel Expenses	11,045	10,000	10.46%
Rents	139,707	116,212	20.22%
Office Supplies	18,945	17,663	7.26%
Gen Operations	262,397	54,200	384.13%
Portion paid by IFW	(34,100)	(26,294)	29.69%
<i>Total Administrative</i>	\$ 2,065,389	\$ 2,000,976	3.22%
Lottery Operations			
General Operations	\$ 152,742	\$ 131,600	16.06%
Other Instant Expense	317,497	127,277	149.45%
Other Draw Expense	176,358	176,446	(0.05%)
Customer Service	36,911	45,362	(18.63%)
State Post Office	-	-	N/A
Other Agent Expenses	-	263	N/A
Portion paid by IFW	(11,102)	(6,238)	77.96%
<i>Total Operational</i>	\$ 672,405	\$ 474,710	41.65%
Advertising Charges			
Ad Agency Fees	\$ 186,830	\$ 196,700	(5.02%)
TV Production	37,117	126,120	(70.57%)
TV Media	650,297	671,734	(3.19%)
Promotional Material	13,003	309,652	(95.80%)
Advertising Notices	-	-	N/A
StaCap	24,822	83,732	(70.36%)
Portion paid by IFW	(14,814)	(18,002)	(17.71%)
<i>Total Advertising</i>	\$ 897,255	\$ 1,369,935	(34.50%)
<i>Subtotal</i>	\$ 3,635,050	\$ 3,845,621	(5.48%)
Plus: IF&W reimbursement	60,015	50,535	18.76%
Total Maine Operating Expenses	\$ 3,695,065	\$ 3,896,155	(5.16%)
Total Sales Including Heritage	\$ 253,072,043	\$ 229,956,694	10.05%
Total Operating Expense as % of Sales	1.46%	1.69%	

Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Cost of Goods Sold Schedule (excluding Heritage)
For Fiscal Years ending June 30,

	2015	% of Sales	2014	% of Sales	% Change 2014 to 2015
Prize Expense					
\$1 Instant	\$ 8,233,832	61.88%	\$ 8,301,146	61.92%	(0.81%)
\$2 Instant	19,902,435	66.47%	19,142,472	66.57%	3.97%
\$3 Instant	19,187,868	66.77%	19,835,355	66.71%	(3.26%)
\$5 Instant	35,099,960	69.17%	29,819,156	68.79%	17.71%
\$10 Instant	21,416,520	73.40%	21,998,581	73.39%	(2.65%)
\$20 Instant	15,934,028	75.42%	17,752,381	75.20%	(10.24%)
\$25 Instant	18,331,713	76.16%	-	N/A	N/A
Pick 3	2,531,802	50.05%	2,525,279	50.01%	0.26%
Pick 4	2,025,726	50.28%	2,070,923	50.22%	(2.18%)
Megabucks	5,407,977	49.44%	5,878,181	48.87%	(8.00%)
Powerball	9,470,544	50.41%	10,995,945	49.86%	(13.87%)
Gimme 5	732,911	53.00%	871,854	53.00%	(15.94%)
Monopoly	(12,557)	-5.06%	-	N/A	N/A
Lucky for Life	2,825,495	59.64%	3,218,406	59.99%	(12.21%)
Hot Lotto	1,005,163	45.87%	986,441	50.01%	1.90%
Mega Millions	3,094,969	49.95%	3,454,767	50.26%	(10.41%)
Total Prize Expense	\$ 165,188,385	65.90%	\$ 146,850,884	64.43%	12.49%
Vendor Fees					
\$1 Instant	\$ 465,430	3.50%	\$ 512,877	3.83%	(9.25%)
\$2 Instant	1,047,349	3.50%	1,103,728	3.84%	(5.11%)
\$3 Instant	1,005,169	3.50%	1,136,983	3.82%	(11.59%)
\$5 Instant	1,774,913	3.50%	1,656,993	3.82%	7.12%
\$10 Instant	1,020,619	3.50%	1,145,322	3.82%	(10.89%)
\$20 Instant	738,887	3.50%	899,961	3.81%	(17.90%)
\$25 Instant	842,130	3.50%	-	N/A	N/A
Pick 3	176,939	3.50%	193,439	3.83%	(8.53%)
Pick 4	140,931	3.50%	158,013	3.83%	(10.81%)
Megabucks	382,575	3.50%	461,097	3.83%	(17.03%)
Powerball	657,057	3.50%	847,091	3.84%	(22.43%)
Gimme 5	48,370	3.50%	63,223	3.84%	(23.49%)
Monopoly	8,676	3.50%	-	N/A	N/A
Lucky for Life	165,714	3.50%	206,022	3.84%	(19.56%)
Hot Lotto	76,652	3.50%	75,199	3.81%	1.93%
Mega Millions	216,735	3.50%	264,515	3.85%	(18.06%)
Total Vendor Fees	\$ 8,768,143	3.50%	\$ 8,724,460	3.83%	0.50%
Agent Commissions and Bonuses					
\$1 Instant	\$ 931,502	7.00%	\$ 940,405	7.01%	(0.95%)
\$2 Instant	2,111,410	7.05%	2,028,207	7.05%	4.10%
\$3 Instant	2,027,467	7.06%	2,097,262	7.05%	(3.33%)
\$5 Instant	3,620,377	7.13%	3,090,298	7.13%	17.15%
\$10 Instant	2,073,628	7.11%	2,136,904	7.13%	(2.96%)
\$20 Instant	1,541,828	7.30%	1,697,014	7.19%	(9.14%)
\$25 Instant	1,715,165	7.13%	-	N/A	N/A
Pick 3	253,248	5.01%	252,606	5.00%	0.25%
Pick 4	208,200	5.17%	213,788	5.18%	(2.61%)
Megabucks	533,255	4.88%	577,322	4.80%	(7.63%)
Powerball	949,543	5.05%	1,106,853	5.02%	(14.21%)
Gimme 5	69,134	5.00%	81,985	4.98%	(15.67%)
Monopoly	12,404	5.00%	-	N/A	N/A
Lucky for Life	235,871	4.98%	278,318	5.19%	(15.25%)
Hot Lotto	109,211	4.98%	98,537	5.00%	10.83%
Mega Millions	308,866	4.98%	343,185	4.99%	(10.00%)
Total Agent Commissions & Bonuses	\$ 16,701,108	6.66%	\$ 14,942,682	6.56%	11.77%
Other Expenses					
Royalty Fees	\$ 424,806	0.17%	\$ 533,371	0.23%	(20.35%)
Telephone	134,269	0.05%	323	N/A	N/A
Postage	21,550	0.01%	336,978	0.15%	(93.60%)
Rental of equipment	881,420	0.35%	521,258	0.23%	69.09%
Total Other Expenses	\$ 1,462,045	0.58%	\$ 1,391,930	0.61%	5.04%
Total Cost of Goods Sold	\$ 192,119,682	76.64%	\$ 171,909,956	75.42%	11.76%
Total Sales (excluding Heritage)	\$ 250,671,431		\$ 227,935,315		9.97%
Cost of Goods Sold as % of Sales (excluding Heritage)	76.64%		75.42%		

Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Cost of Goods Sold - Draw Games
For Fiscal Years ending: June 30,

2015										
	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Monopoly	Hot Lotto	Mega Millions	Total Draw
Sales	\$ 10,937,587	\$ 5,058,299	\$ 4,028,841	\$ 18,786,636	\$ 4,737,803	\$ 1,382,788	\$ 248,160	\$ 2,191,348	\$ 6,196,260	\$ 53,567,721
Prize Expense	5,407,977	2,531,802	2,025,726	9,470,544	2,825,495	732,911	(12,557)	1,005,163	3,094,969	27,082,029
Vendor Fees	382,575	176,939	140,931	657,057	165,714	48,370	8,676	76,652	216,735	1,873,647
Agent Commissions	533,255	253,248	208,200	949,543	235,871	69,134	12,404	109,211	308,866	2,679,732
Telephone*	27,415	12,679	10,098	47,089	11,875	3,466	622	5,493	15,531	134,269
Total COGS	\$ 6,351,222	\$ 2,974,668	\$ 2,384,956	\$ 11,124,233	\$ 3,238,954	\$ 853,881	\$ 9,145	\$ 1,196,518	\$ 3,636,101	\$ 31,769,678
Gross Profit on Sales	\$ 4,586,365	\$ 2,083,631	\$ 1,643,885	\$ 7,662,403	\$ 1,498,849	\$ 528,907	\$ 239,015	\$ 994,830	\$ 2,560,159	\$ 21,798,043
Gross Profit Percent	41.93%	41.19%	40.80%	40.79%	31.64%	38.25%	96.31%	45.40%	41.32%	40.69%

2014										
	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Monopoly	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%

Percentage Change FY 2014 to FY 2015

	Megabucks	Pick 3	Pick 4	Powerball	Lucky for Life	Gimme 5	Monopoly	Hot Lotto	Mega Millions	Total Draw
Sales	(9.06%)	0.16%	(2.30%)	(14.81%)	(11.69%)	(15.94%)	N/A	11.09%	(9.85%)	(9.38%)
COGS	(8.18%)	0.11%	(2.37%)	(14.10%)	(12.53%)	(16.04%)	N/A	3.13%	(10.50%)	(9.80%)
Gross Profit	(10.27%)	0.24%	(2.20%)	(15.83%)	(9.83%)	(15.77%)	N/A	22.45%	(8.93%)	(8.75%)

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

Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
Cost of Goods Sold - Instant Tickets (excluding Heritage)
For Fiscal Years ending: June 30,

2015

	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
Sales	\$ 13,307,030	\$ 29,941,688	\$ 28,735,887	\$ 50,743,405	\$ 29,178,250	\$ 21,126,100	\$ 24,071,350	\$ 175,977,610
Prize Expense	8,233,832	19,902,435	19,187,868	35,099,960	21,416,520	15,934,028	18,331,713	122,172,329
Vendor Fees	465,430	1,047,349	1,005,169	1,774,913	1,020,619	738,887	842,130	6,155,608
Agent Commissions	931,502	2,111,410	2,027,467	3,620,377	2,073,628	1,541,828	1,715,165	12,479,548
Royalty Fees/StaCap	-	165,660	-	233,700	-	-	-	399,359
Postage / Rental of Eq.	68,281	153,636	147,449	260,373	149,718	108,402	123,514	902,970
Total COGS	\$ 9,699,044	\$ 23,380,490	\$ 22,367,953	\$ 40,989,322	\$ 24,660,485	\$ 18,323,144	\$ 21,012,521	\$ 142,109,814
Gross Profit on Sales	\$ 3,607,986	\$ 6,561,198	\$ 6,367,934	\$ 9,754,083	\$ 4,517,765	\$ 2,802,956	\$ 3,058,829	\$ 33,867,796
Gross Profit Percent	27.11%	21.91%	22.16%	19.22%	15.48%	13.27%	12.71%	19.25%

2014

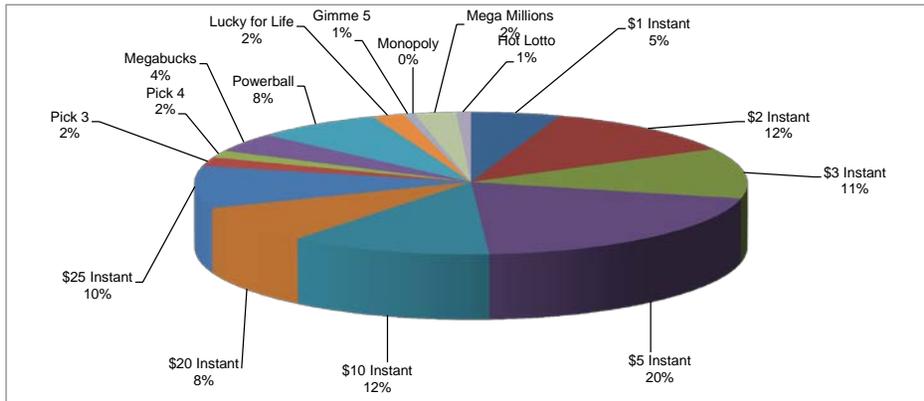
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
Sales	\$ 13,406,195	\$ 28,755,990	\$ 29,734,551	\$ 43,346,540	\$ 29,973,480	\$ 23,607,500	\$ -	\$ 168,824,256
Prize Expense	8,301,146	19,142,472	19,835,355	29,819,156	21,998,581	17,752,381	-	116,849,090
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/StaCap	-	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%	0.00%	19.04%

Percentage Change FY 2014 to FY 2015

	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	\$25 Instant	Total Instant
Sales	(0.74%)	4.12%	(3.36%)	17.06%	(2.65%)	(10.51%)	N/A	4.24%
COGS	(1.26%)	3.77%	(3.67%)	16.41%	(3.04%)	(10.49%)	N/A	3.97%
Gross Profit	0.68%	5.38%	(2.24%)	19.89%	(0.50%)	(10.68%)	N/A	5.38%

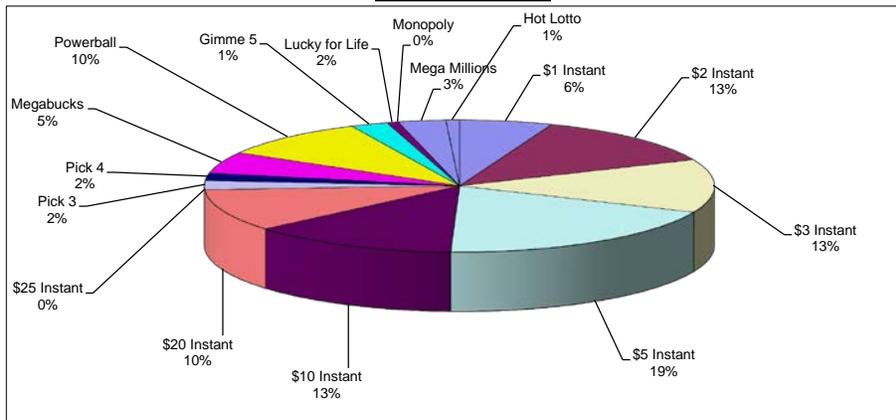
Note : Schedule excludes Heritage Game

Bureau of Alcoholic Beverages and Lottery Operations
Lottery Operations
COMPARATIVE SALES ANALYSIS
FOR FISCAL YEARS 2015-2014



2015

\$1 Instant	\$	13,307,030	**
\$2 Instant		29,941,688	
\$3 Instant		28,735,887	
\$5 Instant		50,743,405	
\$10 Instant		29,178,250	
\$20 Instant		21,126,100	
\$25 Instant		24,071,350	
Pick 3		5,058,299	
Pick 4		4,028,841	
Megabucks		10,937,587	
Powerball		18,786,636	
Lucky for Life		4,737,803	
Gimme 5		1,382,788	
Monopoly		248,160	
Mega Millions		6,196,260	
Hot Lotto		2,191,348	
		\$ 250,671,431	

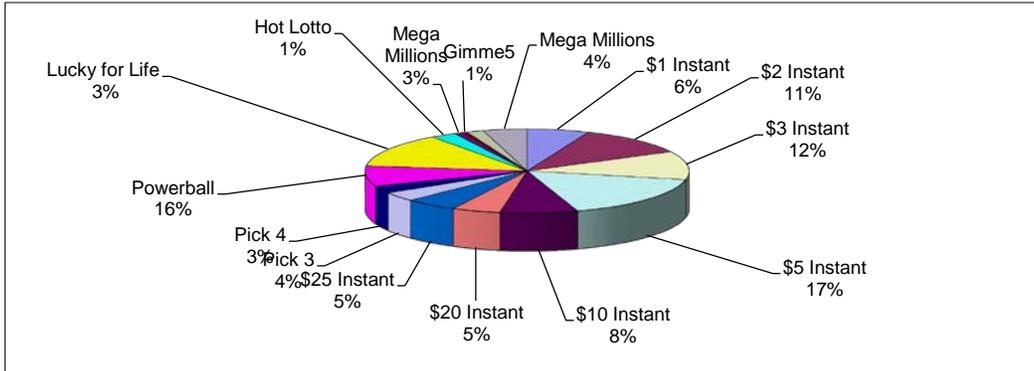


2014

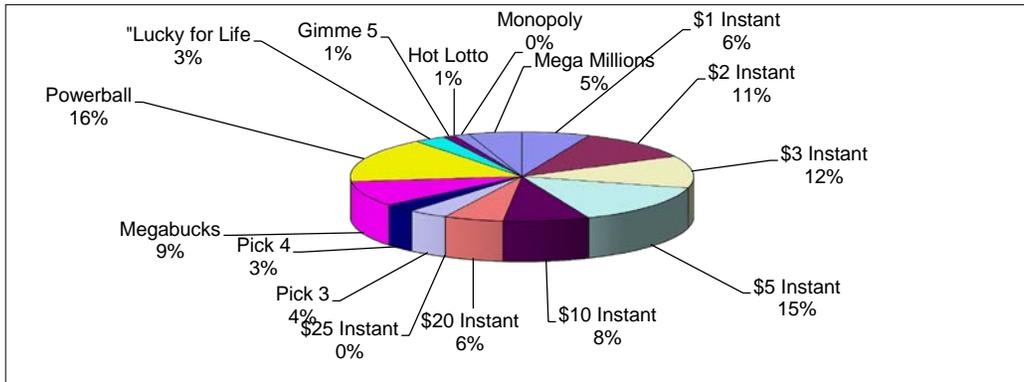
\$1 Instant	\$	13,406,195	**
\$2 Instant		28,755,990	
\$3 Instant		29,734,551	
\$5 Instant		43,346,540	
\$10 Instant		29,973,480	
\$20 Instant		23,607,500	
\$25 Instant		-	
Pick 3		5,050,030	
Pick 4		4,123,635	
Megabucks		12,027,718	
Powerball		22,053,524	
Lucky for Life		5,364,990	
Gimme 5		1,644,973	
Monopoly		-	
Mega Millions		6,873,555	
Hot Lotto		1,972,635	
		\$ 227,935,315	

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

**Bureau of Alcoholic Beverages and Lottery Operations
 Lottery Operations
 GROSS PROFIT COMPARISON
 FOR FISCAL YEARS 2015-2014**



2015	
\$1 Instant	\$ 3,607,986 **
\$2 Instant	6,561,198
\$3 Instant	6,367,934
\$5 Instant	9,754,083
\$10 Instant	4,517,765
\$20 Instant	2,802,956
\$25 Instant	3,058,829
Pick 3	2,083,631
Pick 4	1,643,885
Megabucks	4,586,365
Powerball	7,662,403
Lucky for Life	1,498,849
Gimme 5	528,907
Monopoly	239,015
Hot Lotto	994,830
Mega Millions	2,560,159
Total	\$ 58,707,809



2014			
\$1 Instant	\$ 3,583,616 **	6.40%	6
\$2 Instant	6,225,947	11.11%	11
\$3 Instant	6,513,792	11.63%	12
\$5 Instant	8,135,818	14.52%	15
\$10 Instant	4,540,300	8.10% \$	8
\$20 Instant	3,138,134	5.60% \$	6
\$25 Instant	-	0.00%	
Pick 3	2,078,679	3.71% \$	4
Pick 4	1,680,888	3.00% \$	3
Megabucks	5,111,053	9.12% \$	9
Powerball	9,103,516	16.25% \$	16
Lucky for Life	1,662,216	2.97% \$	3
Gimme 5	627,911	1.12% \$	1
Monopoly	-	0.00%	
Hot Lotto	812,448	1.45% \$	1
Mega Millions	2,811,050	5.02%	5
Total	\$ 56,025,368		

****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 2015 and represents seventeen days for June 2015.
- (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 2015 is a seventeen-day payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2015.

**Bureau of Alcoholic Beverages and Lottery Operations
Spirits Operations
BALANCE SHEET**

For Fiscal Years ending: June 30,

ASSETS:

	2015	2014
Current Assets		
Cash	\$ 11,316,898	\$ -
Cash with Fiduciary	32,139,478	-
Accounts Receivable	<u>1,552,810</u>	<u>-</u>
Total Current Assets	<u>\$ 45,009,186</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 45,009,186</u>	<u>\$ -</u>

LIABILITIES:

Accounts Payable	\$ 5,307,488	(13)	\$ -
Due to Other Funds	201,000,000	(14)	-
Accrued payroll	<u>14,128</u>		<u>-</u>
TOTAL LIABILITIES	<u>\$ 206,321,616</u>		<u>\$ -</u>

RESERVES:

Unappropriated Surplus	<u>\$ (161,312,431)</u>	<u>\$ -</u>
TOTAL LIABILITIES & RESERVES	<u>\$ 45,009,186</u>	<u>\$ -</u>

Bureau of Alcoholic Beverages and Lottery Operations
Spirits Operations
Comparative Statements of Income and Expense
For Fiscal Years ending June 30,

SALES		
	2015	2014
Gross sales	\$ 156,136,691	\$ -
<i>Revenue</i>	\$ 156,136,691	-
Other revenue		
Interest earned	\$ 9,480	
Product listing fees	8,400	
Bottle deposit	427,522	
<i>Other revenue</i>	\$ 445,403	
TOTAL REVENUE	\$ 156,582,093	
 SPIRITS EXPENSES		
Product cost	\$ 98,143,598	\$ -
Bottle deposit	1,721,097	
Warehousing & Distribution	7,234,317	-
Trade Marketing	2,236,686	-
Personnel	228,407	
Advertising	1,002,634	
Technology	4,247.12	
Misc operating expenses	105,451	
Stacap	31,367	-
<i>Total Expenses</i>	\$ 110,707,804	\$ -
 Other spirit expenses		
Bond bank quarterly fees	\$ 56,640	
Interest payments due on bonds	7,180,621	
<i>Total Expenses</i>	\$ 7,237,261	
Total Expenses	\$ 117,945,065	
 Transfers		
Product listing fee transfer to general fund	\$ 8,400	
Transfer to general fund from MMBB	9,714,884	
	\$ 9,723,284	(16)
<i>Total Transfers</i>	\$ 19,438,168	\$ -
Total Profit	\$ 28,913,744	
 Other Transfers		
Premium tax transfer to general fund	\$ 2,405,832	
Transfer to MMBB	25,990,717	\$ -
<i>Total Transfer</i>	\$ 25,990,717	\$ -

Liquor Operations Footnotes

Balance Sheet:

- (13) Accounts Payable represents invoices that have been processed and for which payment is due, that will not be disbursed until July.
- (14) Due to Other Funds reflects the amount outstanding for the Bonds with Maine Municipal Bond Bank.
- (15) Bottle deposit received from Martignetti in the amount of \$800,000 of which Pine State was owed \$338,879.37 for payouts of bottle deposits. Correction for June discounts were \$88,643.
- (16) Amount transferred back from Maine Municipal Bond Bank to the general fund.

