

MAINE STATE LEGISLATURE

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State of Maine



Department of Administrative and Financial Services

**Bureau of Alcoholic Beverages and Lottery
Operations**

Financial Statements
Fiscal Year Ending June 30, 2011

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2011



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

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November 28, 2011

Tim Poulin, Director of Operations
Bureau of Alcoholic Beverages and Lottery Operations
10-12 Water Street
Hallowell, Maine 04347

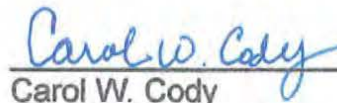
Dear Mr. Poulin,

Submitted herewith is the annual report for the Bureau of Alcoholic Beverages and Lottery Operations for the fiscal year ending June 30, 2011. This report presents the financial position of lottery operations. The report does not reflect sales or operating expenses of the lottery 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,


Sandra Harper
Associate Commissioner


Carol W. Cody
Deputy Director, General Gov't Serv Ctr

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AUGUSTA, ME 04333



The Maine State Lottery is proud of its commitment to providing the citizens of Maine with fun and exciting entertainment. Over the past 37 years, the Maine State Lottery has generated over \$4 billion in sales revenues, including over \$2.3 billion in prizes to players and over \$282 million in commissions and bonuses to support our local economy. Over \$1 billion has been transferred to the State's General Fund to support programs and services all across Maine.



The Lottery Link

www.maine lottery.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 1989 - 2011

Fiscal Year	Liquor Sales	Lottery Sales	Heritage Sales	Total Sales
2011	124,160,700	214,100,761	2,325,493	340,586,954
2010	120,827,000	214,746,496	2,286,077	337,859,573
2009	116,973,000	208,026,397	2,643,774	210,670,171
2008	112,659,700	225,500,155	3,018,616	228,518,771
2007	107,516,600	227,184,778	2,839,097	337,540,475
2006	100,391,300	226,231,509	3,472,515	330,095,324
2005	52,676,422	206,168,485	3,130,645	261,975,552
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
1993	72,839,701	118,074,110		190,913,811
1992	72,479,842	114,055,219		186,535,061
1991	72,874,629	96,325,468		169,200,097
1990	72,967,171	98,495,282		171,462,453
1989	73,268,332	96,318,720		169,587,052

Fiscal Year	Liquor Transfer	Lottery Transfer	Heritage Transfer	Total Transferred	% of Sales
2011	9,405,382 *	49,547,800	645,824	59,599,007	17.50%
2010	8,823,077 *	52,201,531	669,789	61,694,397	18.26%
2009	8,217,940 *	49,839,434	734,120	58,791,494	27.91%
2008	7,513,763 *	49,491,086	811,844	50,330,250	22.02%
2007	6,356,499 *	50,624,742	810,598	57,791,839	17.12%
2006	4,443,800 *	50,879,647	908,065	56,231,512	17.03%
2005	51,536,907 **	49,328,103	800,309	101,665,319	38.81%
2004	103,957,966 **	41,752,637	774,917	146,485,520	53.28%
2003	27,749,668	39,442,111	811,296	68,003,075	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%
1993	34,747,869	36,513,230		71,261,099	37.33%
1992	36,433,046	35,434,002		71,867,048	38.53%
1991	34,820,114	29,363,064		64,183,178	37.93%
1990	34,194,145	30,543,755		64,737,900	37.76%
1989	36,941,611	30,407,319		67,348,930	39.71%

* - These amounts include listing fees, premium tax and the profit sharing amount received from Maine Beverage Company, which is 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:

	2011	2010
Current Assets		
Cash	\$ -	\$ -
Petty Cash - Imprest Fund	750,200	750,200
Accounts Receivable	18,804,146	21,224,720
Reserve for Doubtful Accounts	(562,507)	(495,749)
Prepaid Expense	101,219	185,507
Total Current Assets	\$ 19,093,058	\$ 21,664,678
Fixed Assets		
Equipment	\$ 44,202	\$ 44,202
Less: Reserve for Depreciation	(44,202)	(43,056)
Total Fixed Assets	\$ -	\$ 1,146
TOTAL ASSETS	\$ 19,093,058	\$ 21,665,824

LIABILITIES:

Accounts Payable	\$ 345,307		\$ (292,569)
Accrued Payroll	97,244	(1)	88,908
Accrued Subscriptions	298,756		300,742
Accrued Vacation Liability	131,203		120,453
Vouchers Payable	855	(2)	243,723
Due to Other Funds	3,721,646	(3)	6,796,779
TOTAL LIABILITIES	\$ 4,595,012		\$ 7,258,036

RESERVES:

Powerball Prize Reserve	\$ 1,485,962	(4)	\$ 1,375,752
Instant Ticket Prize Reserve	12,862,084	(5)	12,714,035
Reserve for Instant Game Annuities	150,000	(6)	318,000
TOTAL RESERVES	\$ 14,498,046		\$ 14,407,788
TOTAL LIABILITIES & RESERVES	\$ 19,093,058		\$ 21,665,824

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

SALES	2011	% of Sales	2010	% of Sales	% Change 2010 to 2011
Instant Tickets					
\$1 Instant	\$ 17,005,446	7.86%	\$ 18,050,958	8.32%	(5.79%)
Heritage Game	2,325,493	1.07%	2,286,077	1.05%	1.72%
\$2 Instant	31,801,564	14.69%	32,428,162	14.94%	(1.93%)
\$3 Instant	24,348,639	11.25%	22,560,768	10.40%	7.92%
\$5 Instant	37,462,885	17.31%	32,349,264	14.91%	15.81%
\$10 Instant	21,653,500	10.01%	21,057,900	9.70%	2.83%
\$20 Instant	22,349,460	10.33%	23,386,320	10.78%	(4.43%)
<i>Total Instant</i>	<i>\$ 156,946,987</i>	<i>72.52%</i>	<i>\$ 152,119,449</i>	<i>70.09%</i>	<i>3.17%</i>
Online Games					
Pick 3	\$ 5,337,802	2.47%	\$ 5,000,577	2.30%	6.74%
Pick 4	4,167,593	1.93%	3,974,518	1.83%	4.86%
Megabucks	18,276,265	8.44%	23,871,567	11.00%	(23.44%)
Powerball	19,764,772	9.13%	24,416,553	11.25%	(19.05%)
Add-A-Play	- (7)	0.00%	826,853	0.38%	(100.00%)
Weekly Grand	3,408,999	1.58%	3,421,470	1.58%	(0.36%)
Hot Lotto	3,213,016	1.48%	2,879,562	N/A	N/A
Mega Millions	5,310,820	2.45%	522,024	N/A	N/A
<i>Total Online</i>	<i>\$ 59,479,267</i>	<i>27.48%</i>	<i>\$ 64,913,124</i>	<i>29.91%</i>	<i>(8.37%)</i>
<i>Total Ticket Sales</i>	<i>\$ 216,426,254</i>	<i>100.00%</i>	<i>\$ 217,032,573</i>	<i>100.00%</i>	
Misc Sales					
Sale of Clothing	\$ 74	N/A	\$ 99	N/A	
OTHER INCOME					
Distribution Expenses paid by IF&W	\$ 58,138	0.03%	\$ 57,152	0.03%	1.73%
Expired Instant Prize Reserve	2,303,323 (8)	1.06%	1,788,695	0.82%	28.77%
Expired Instant Prize Reserve - Heritage	78,346 (8)	0.04%	112,659	0.05%	(30.46%)
Interest Income - Tri State	34,474	0.02%	5,576	0.00%	518.22%
Misc Income	(912,939)	-0.42%	643,393	0.30%	(241.89%)
<i>Total Other Income</i>	<i>\$ 1,561,341</i>	<i>0.72%</i>	<i>\$ 2,607,475</i>	<i>1.20%</i>	<i>(40.12%)</i>
<i>Total Receipts</i>	<i>\$ 217,987,669</i>		<i>\$ 219,640,147</i>		<i>(0.75%)</i>
EXPENSES					
Cost of Goods Sold	\$ 159,572,863	73.73%	\$ 158,348,916	72.96%	0.77%
Maine Operating Expenses	3,956,948	1.83%	3,925,166	1.81%	0.81%
Tri-State Operating Expenses	2,506,220 (9)	1.16%	2,765,798	1.27%	(9.39%)
Heritage Game Expenses	1,758,015	0.81%	1,728,947	0.80%	1.68%
<i>Total Expenses</i>	<i>\$ 167,794,046</i>	<i>77.53%</i>	<i>\$ 166,768,827</i>	<i>76.84%</i>	<i>0.61%</i>
Transfer to General Fund	\$ 49,547,800	22.89%	\$ 52,201,531	24.05%	(5.08%)
Transfer to Fish & Wildlife	645,824	0.30%	669,789	0.31%	(3.58%)
<i>Total Transfer</i>	<i>\$ 50,193,624</i>	<i>23.19%</i>	<i>\$ 52,871,320</i>	<i>24.36%</i>	<i>(5.06%)</i>

Changes from FY 2010 to FY 2011

Sales:	Dollars	%
Instant	4,827,539	3.17%
Online	(5,433,858)	(8.37%)
Total	(606,319)	(0.28%)
Cost of Goods Sold	1,223,947	0.77%
Maine Operating Expenses	31,782	0.81%

Department of Administrative and Financial Services
Division of Lottery
HERITAGE GAME INCOME STATEMENT
For Fiscal Years ending: June 30,

	2011	2010
SALES		
Game 837 - Big Bucks	\$ -	\$ (674)
Game 863 - Catch a Winner	-	160,740
Game 887 - Tic Tac Doe	(600)	1,161,162
Game 918 - Loony Loot	196,819	\$ 964,849
Game 943 - Roadkill Cash	1,260,593	-
Game 969 - Big Bass Bucks	868,681	-
Total Sales	\$ 2,325,493	\$ 2,286,077
OTHER INCOME		
Expired Prize Reserve	\$ 78,346	\$ 112,659
Total Income	\$ 2,403,839 (10)	\$ 2,398,736
EXPENSES		
Game 837 - Big Bucks	\$ -	\$ (407)
Game 863 - Catch a Winner	-	96,896
Game 887 - Tic Tac Doe	(362)	700,358
Game 918 - Loony Loot	118,768	580,767
Game 943 - Roadkill Cash	761,472	-
Game 969 - Big Bass Bucks	523,209	-
Vendor Fees	110,461	108,589
Agent Commissions	186,039	182,814
Agent Bonuses	290	325
Advertising	-	2,367
Sta Cap	-	86
Distribution Expenses	58,138	57,152
Total Expenses	\$ 1,758,015	\$ 1,728,947
Inland Fish & Wildlife Profit	\$ 645,824	\$ 669,789

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

	2011	2010	% Change 2010 to 2011
Lottery Administration			
Personal Services	\$ 1,756,381 (11)	\$ 1,790,032	(1.88%)
State Services	204,809	259,762	(21.16%)
Non-State Services	1,283	2,050	(37.38%)
Travel Expenses	5,348	4,953	7.98%
Rents	118,296	98,052	20.65%
Office Supplies	20,991	18,166	15.55%
Gen Operations	111,629	144,584	(22.79%)
Portion paid by IFW	(32,599)	(33,745)	(3.40%)
<i>Total Administrative</i>	<u>\$ 2,186,138</u>	<u>\$ 2,283,853</u>	(4.28%)
Lottery Operations			
General Operations	\$ 124,823	\$ 108,680	14.85%
Other Instant Expense	266,932	200,705	33.00%
Other Online Expense	225,425	166,076	35.74%
Customer Service	46,389	55,078	(15.78%)
State Post Office	32	669	(95.18%)
Other Agent Expenses	-	-	N/A
Portion paid by IFW	(9,750)	(7,735)	26.06%
<i>Total Operational</i>	<u>\$ 653,851</u>	<u>\$ 523,474</u>	24.91%
Advertising Charges			
Ad Agency Fees	\$ 158,996	\$ 137,504	15.63%
TV Production	151,487	467,255	(67.58%)
TV Media	708,605	375,674	88.62%
Promotional Material	9,648	72,746	(86.74%)
Advertising Notices	25,305	-	N/A
StaCap	20,568	23,181	(11.27%)
Portion paid by IFW	(15,789)	(15,672)	N/A
<i>Total Advertising</i>	<u>\$ 1,058,821</u>	<u>\$ 1,060,687</u>	(0.18%)
<i>Subtotal</i>	\$ 3,898,810	\$ 3,868,014	0.80%
Plus: IF&W reimbursement	<u>58,138</u>	<u>57,152</u>	1.73%
Total Maine Operating Expenses	<u><u>\$ 3,956,948</u></u>	<u><u>\$ 3,925,166</u></u>	0.81%
Total Sales Including Heritage	\$ 216,426,254	\$ 217,032,573	(0.28%)
Total Operating Expense as % of Sales	1.83%	1.81%	

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

	2011	% of Sales	2010	% of Sales	% Change 2010 to 2011
Prize Expense					
\$1 Instant	\$ 10,335,096	60.78%	\$ 11,005,903	60.97%	(6.09%)
\$2 Instant	20,907,367	65.74%	21,225,849	65.45%	(1.50%)
\$3 Instant	16,130,763	66.25%	14,950,761	66.27%	7.89%
\$5 Instant	25,460,139	67.96%	21,836,415	67.50%	16.59%
\$10 Instant	15,422,062	71.22%	15,012,693	71.29%	2.73%
\$20 Instant	16,186,362	72.42%	16,957,668	72.51%	(4.55%)
Pick 3	2,672,125	50.06%	2,498,353	49.96%	6.96%
Pick 4	2,088,947	50.12%	1,984,854	49.94%	5.24%
Megabucks	9,043,201	49.48%	11,940,879	50.02%	(24.27%)
Powerball	9,838,185	49.78%	12,164,244	49.82%	(19.12%)
Add-A-Play	-	N/A	413,466	50.00%	N/A
Weekly Grand	1,747,192	(8) 51.25%	1,728,549	50.52%	1.08%
Hot Lotto	1,624,144	50.55%	1,459,922	50.70%	11.25%
Mega Millions	2,728,388	51.37%	259,385	49.69%	951.87%
Total Prize Expense	\$ 134,183,972	62.67%	\$ 133,438,940	62.14%	0.56%
Vendor Fees					
\$1 Instant	\$ 807,759	4.75%	\$ 857,421	4.75%	(5.79%)
\$2 Instant	1,510,574	4.75%	1,540,338	4.75%	(1.93%)
\$3 Instant	1,156,560	4.75%	1,071,636	4.75%	7.92%
\$5 Instant	1,779,487	4.75%	1,536,590	4.75%	15.81%
\$10 Instant	1,028,541	4.75%	1,000,250	4.75%	2.83%
\$20 Instant	1,061,599	4.75%	1,110,850	4.75%	(4.43%)
Pick 3	253,567	4.75%	237,573	4.75%	6.73%
Pick 4	197,965	4.75%	188,799	4.75%	4.86%
Megabucks	868,174	4.75%	1,133,944	4.75%	(23.44%)
Powerball	938,827	4.75%	1,159,786	4.75%	(19.05%)
Add-A-Play	-	N/A	39,279	4.75%	(100.00%)
Weekly Grand	161,934	(8) 4.75%	162,567	4.75%	(0.39%)
Hot Lotto	152,618	4.75%	136,779	4.75%	11.58%
Mega Millions	252,264	4.75%	24,796	4.75%	917.35%
Total Vendor Fees	\$ 10,169,869	4.75%	\$ 10,200,608	4.75%	(0.30%)
Agent Commissions and Bonuses					
\$1 Instant	\$ 1,193,556	7.02%	\$ 1,265,556	7.01%	(5.69%)
\$2 Instant	2,248,560	7.07%	2,288,631	7.06%	(1.75%)
\$3 Instant	1,720,920	7.07%	1,594,183	7.07%	7.95%
\$5 Instant	2,669,135	7.12%	2,301,126	7.11%	15.99%
\$10 Instant	1,544,115	7.13%	1,502,088	7.13%	2.80%
\$20 Instant	1,600,132	7.16%	1,677,982	7.18%	(4.64%)
Pick 3	267,275	5.01%	250,661	5.01%	6.63%
Pick 4	216,715	5.20%	207,527	5.22%	4.43%
Megabucks	883,567	4.83%	1,163,351	4.87%	(24.05%)
Powerball	975,551	4.94%	1,218,068	4.99%	(19.91%)
Add-A-Play	-	N/A	41,337	5.00%	N/A
Weekly Grand	170,409	(8) 5.00%	171,047	5.00%	(0.37%)
Hot Lotto	160,608	5.00%	143,952	5.00%	11.57%
Mega Millions	275,484	5.19%	26,099	5.00%	955.54%
Total Agent Commissions & Bonuses	\$ 13,926,027	6.50%	\$ 13,851,609	6.45%	0.54%
Other Expenses					
Royalty Fees	\$ 558,722	0.26%	\$ 136,824	0.06%	308.35%
Telephone	7,991	0.00%	268	0.00%	2,881.42%
Postage	357,983	0.17%	354,350	0.17%	1.03%
Rental of equipment	368,298	0.17%	366,316	0.17%	0.54%
Total Other Expenses	\$ 1,292,995	0.60%	\$ 857,758	0.40%	50.74%
Total Cost of Goods Sold	\$ 159,572,863	74.53%	\$ 158,348,916	73.74%	0.77%
Total Sales (excluding Heritage)	\$ 214,100,761		\$ 214,746,496		(0.30%)
Cost of Goods Sold as % of Sales (excluding Heritage)	74.53%		73.74%		

Department of Administrative and Financial Services
Division of Lottery
Cost of Goods Sold - Online Games
For Fiscal Years ending June 30.

2011									
	Megabucks	Pick 3	Pick 4	Powerball	Add-A-Play	Weekly Grand	Hot Lotto	Mega Millions	Total Online
Sales	\$ 18,276,285	\$ 5,337,802	\$ 4,167,593	\$ 19,764,772	\$ -	\$3,408,999	3,213,018	5,310,820	\$ 59,479,267
Prize Expense	9,043,201	2,672,125	2,088,947	9,838,185	-	1,747,192	1,824,144	2,728,388	29,742,182
Vendor Fees	866,174	253,587	197,965	938,827	-	161,934	152,618	252,284	2,825,348
Agent Commissions	883,587	267,275	216,715	975,551	-	170,409	180,608	275,484	2,949,609
Telephone*	2,455	717	560	2,655	-	458	432	713	7,991
Total COGS	\$ 10,797,397	\$ 3,193,684	\$ 2,504,187	\$ 11,755,218	\$ -	\$ 2,079,993	\$ 1,937,802	\$ 3,256,850	\$ 35,525,131
Gross Profit on Sales	\$ 7,478,888	\$ 2,144,118	\$ 1,663,407	\$ 8,009,554	\$ -	\$ 1,329,006	\$ 1,275,214	\$ 2,053,970	\$ 23,954,136
Gross Profit Percent	40.92%	40.17%	39.91%	40.52%	N/A	38.99%	39.69%	38.68%	40.27%

2010									
	Megabucks	Pick 3	Pick 4	Powerball	Add-A-Play	Weekly Grand	Hot Lotto	Mega Millions	Total Online
Sales	\$ 23,871,567	\$ 5,000,577	\$ 3,974,518	\$ 24,416,553	\$ 826,853	\$3,421,470	2,879,552	522,024	\$ 64,813,124
Prize Expense	11,940,879	2,496,353	1,984,854	12,164,244	413,466	1,726,549	1,459,922	259,385	32,449,851
Vendor Fees	1,133,944	237,573	188,799	1,159,796	39,279	162,567	136,779	24,796	3,083,523
Agent Commissions	1,163,351	250,661	207,527	1,218,068	41,337	171,047	143,952	26,099	3,222,043
Telephone*	99	21	16	101	3	14	12	2	268
Total COGS	\$ 14,238,273	\$ 2,986,607	\$ 2,381,196	\$ 14,542,199	\$ 494,085	\$ 2,062,177	\$ 1,740,665	\$ 310,282	\$ 38,755,485
Gross Profit on Sales	\$ 9,633,294	\$ 2,013,970	\$ 1,593,323	\$ 9,874,354	\$ 332,768	\$ 1,359,293	\$ 1,138,887	\$ 211,742	\$ 26,157,639
Gross Profit Percent	40.35%	40.27%	40.08%	40.44%	40.25%	39.73%	39.55%	40.56%	40.30%

Percentage Change FY 2010 to FY 2011									
	Megabucks	Pick 3	Pick 4	Powerball	Add-A-Play	Weekly Grand	Hot Lotto	Mega Millions	Total Online*
Sales	(23.44%)	5.74%	4.86%	(19.05%)	N/A	(0.36%)	11.58%	917.35%	(8.37%)
COGS	(24.17%)	5.93%	5.17%	(19.16%)	N/A	0.86%	11.33%	948.64%	(8.34%)
Gross Profit	(22.36%)	5.46%	4.40%	(18.89%)	N/A	(2.23%)	11.97%	870.04%	(8.42%)

* Telephone expense for the online games is allocated by sales dollars
Note: Schedule excludes Heritage Game

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

2011

	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 17,005,446	\$ 31,801,564	\$ 24,348,639	\$ 37,462,885	\$ 21,653,500	\$ 22,349,460	\$ 154,621,494
Prize Expense	10,335,096	20,907,367	16,130,763	25,460,139	15,422,062	16,186,362	104,441,789
Vendor Fees	807,759	1,510,574	1,156,560	1,779,487	1,028,541	1,061,599	7,344,521
Agent Commissions	1,193,556	2,248,560	1,720,920	2,669,135	1,544,115	1,600,132	10,976,418
Royalty Fees/Sta Cap	-	-	74,427	484,295	-	-	558,722
Postage / Rental of Eq.	79,877	149,377	114,369	175,969	101,710	104,979	726,282
Total COGS	\$ 12,416,288	\$ 24,815,879	\$ 19,197,040	\$ 30,569,025	\$ 18,096,428	\$ 18,953,072	\$ 124,047,732
Gross Profit on Sales	\$ 4,589,158	\$ 6,985,685	\$ 5,151,599	\$ 6,893,860	\$ 3,557,072	\$ 3,396,388	\$ 30,573,761
Gross Profit Percent	26.99%	21.97%	21.16%	18.40%	16.43%	15.20%	19.77%

2010

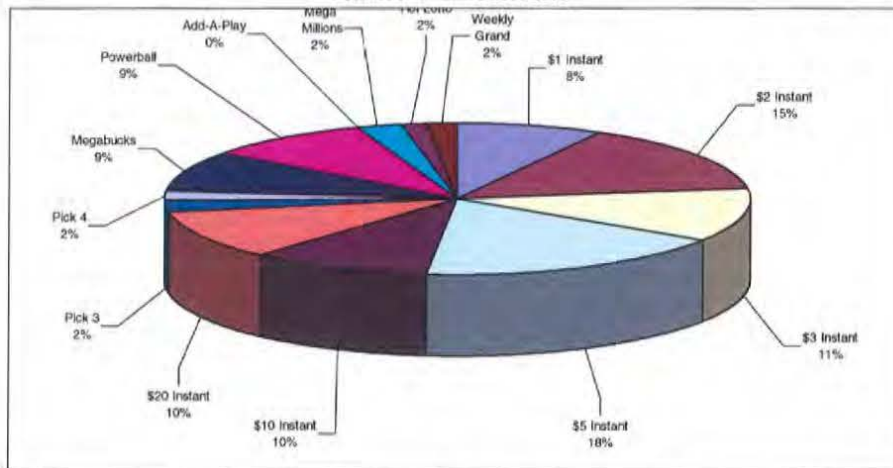
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	\$ 18,050,958	\$ 32,428,162	\$ 22,560,768	\$ 32,349,264	\$ 21,057,900	\$ 23,386,320	\$ 149,833,372
Prize Expense	11,005,903	21,225,849	14,950,761	21,836,415	15,012,693	16,957,668	100,989,289
Vendor Fees	857,421	1,540,338	1,071,636	1,536,590	1,000,250	1,110,850	7,117,085
Agent Commissions	1,265,556	2,288,631	1,594,183	2,301,126	1,502,088	1,677,982	10,629,566
Royalty Fees/Sta Cap	-	-	74,631	62,193	-	-	136,824
Postage / Rental of Eq.	86,821	155,972	108,512	155,593	101,284	112,483	720,666
Total COGS	\$ 13,215,700	\$ 25,210,790	\$ 17,799,724	\$ 25,891,918	\$ 17,616,315	\$ 19,858,984	\$ 119,593,431
Gross Profit on Sales	\$ 4,835,258	\$ 7,217,372	\$ 4,761,044	\$ 6,457,346	\$ 3,441,585	\$ 3,527,336	\$ 30,239,940
Gross Profit Percent	26.79%	22.26%	21.10%	19.96%	16.34%	15.08%	20.18%

Percentage Change FY 2010 to FY 2011

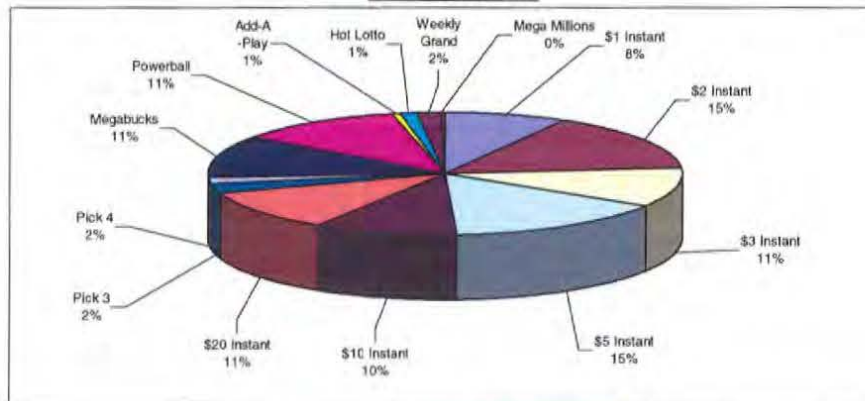
	\$1 Instant	\$2 Instant	\$3 Instant	\$5 Instant	\$10 Instant	\$20 Instant	Total Instant
Sales	(5.79%)	(1.93%)	7.92%	15.81%	2.83%	(4.43%)	3.20%
COGS	(6.05%)	(1.57%)	7.85%	18.06%	2.73%	(4.56%)	3.72%
Gross Profit	(5.09%)	(3.21%)	8.20%	6.76%	3.36%	(3.71%)	1.10%

Note : Schedule excludes Heritage Game

**Department of Administrative and Financial Services
Division of Lottery
COMPARATIVE SALES ANALYSIS
FOR FISCAL YEARS 2011-2010**



2011		
\$1 Instant	\$	17,005,446 **
\$2 Instant		31,801,564
\$3 Instant		24,348,639
\$5 Instant		37,462,885
\$10 Instant		21,653,500
\$20 Instant		22,349,460
Pick 3		5,337,802
Pick 4		4,167,593
Megabucks		18,276,265
Powerball		19,764,772
Add-A-Play		-
Mega Millions		5,310,820
Hot Lotto		3,213,016
Weekly Grand		3,408,999
\$		214,100,761



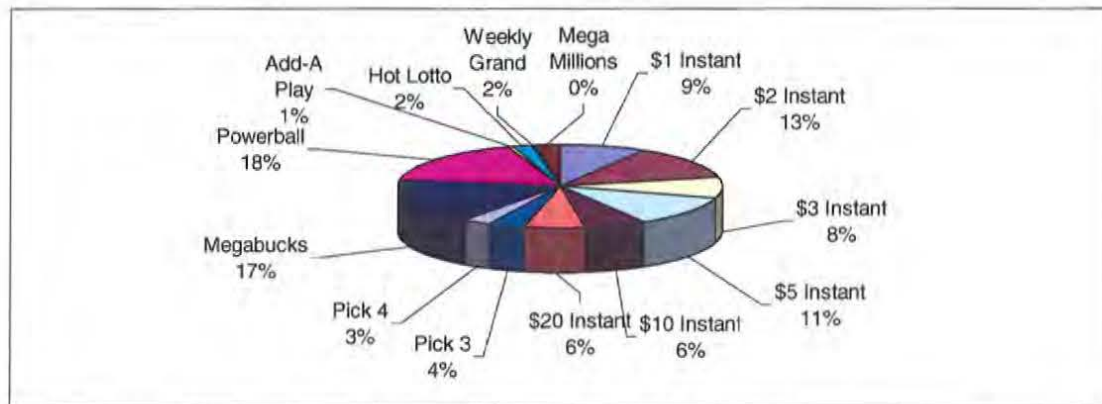
2010		
\$1 Instant	\$	18,050,958 **
\$2 Instant		32,428,162
\$3 Instant		22,560,768
\$5 Instant		32,349,264
\$10 Instant		21,057,900
\$20 Instant		23,386,320
Pick 3		5,000,577
Pick 4		3,974,518
Megabucks		23,871,567
Powerball		24,416,553
Add-A-Play		826,853
Hot Lotto		2,879,562
Weekly Grand		3,421,470
Mega Millions		522,024
\$		214,746,496

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

Department of Administrative and Financial Services
Division of Lottery
GROSS PROFIT COMPARISON
FOR FISCAL YEARS 2011-2010



<u>2011</u>		
\$1 Instant	\$	4,589,158 **
\$2 Instant		6,985,685
\$3 Instant		5,151,599
\$5 Instant		6,893,860
\$10 Instant		3,557,072
\$20 Instant		3,396,388
Pick 3		2,144,118
Pick 4		1,663,407
Megabucks		7,478,868
Powerball		8,009,554
Add-A-Play		-
Hot Lotto		1,275,214
Mega Millions		2,053,970
Weekly Grand		1,329,006
<u>\$</u>		<u>54,527,899</u>



<u>2010</u>		
\$1 Instant	\$	4,835,258 **
\$2 Instant		7,217,372
\$3 Instant		4,761,044
\$5 Instant		6,457,346
\$10 Instant		3,441,585
\$20 Instant		3,527,336
Pick 3		2,013,970
Pick 4		1,593,323
Megabucks		9,633,294
Powerball		9,874,354
Add-A-Play		332,768
Hot Lotto		1,138,897
Mega Millions		211,742
Weekly Grand		1,359,293
<u>\$</u>		<u>56,397,581</u>

****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 2011 and represents fourteen days for June 2011.
- (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) Powerball Prize Reserve represents the potential liability of prize winning Powerball tickets that have been sold but not yet redeemed.
- (5) The Instant Ticket Prize Reserve represents the potential liability of prize winning instant tickets that have been sold but not yet redeemed.
- (6) 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:

- (7) Add-A-Play ended in FY10.
- (8) Expired Instant Prize Reserve represents the income received from winning expired instant tickets that were never redeemed.
- (9) Tri-State Operating Expense is listed as a separate line item to accurately reflect the Cost of Goods Sold.

Heritage Game Income Statement:

- (10) 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:

- (11) Included in Personal Services for June 2011 is a fourteen-day payroll accrual. The accrual is necessary to help more accurately reflect total salary expense for Fiscal Year 2011.