

MISSISSIPPI LOTTERY CORPORATION  
STATEMENT OF NET POSITION  
For the Third Quarter Ending March 31, 2020

**ASSETS**

Current Assets:

|                              |               |
|------------------------------|---------------|
| Cash                         | 21,789,559.97 |
| Retailer accounts receivable | 8,719,828.58  |
| Prepaid insurance            | 88,596.43     |
| Other current assets         | 71,785.66     |
| Total current assets         | 30,669,770.64 |

Noncurrent assets:

|                                     |              |
|-------------------------------------|--------------|
| Capital assets, net of depreciation | 1,726,745.65 |
| Total noncurrent assets             | 1,726,745.65 |

|              |               |
|--------------|---------------|
| Total assets | 32,396,516.29 |
|--------------|---------------|

**LIABILITIES**

Current liabilities:

|  |               |
|--|---------------|
| Due to State of MS Lottery Proceeds Fund | 9,942,264.70  |
| Prizes payable                           | 17,898,366.11 |
| Accounts payable                         | 1,172,956.51  |
| Accrued liabilities                      | 317,914.32    |
| Unearned revenues                        | 588,269.00    |
| Total current liabilities                | 29,919,770.64 |

Noncurrent liabilities:

|                              |            |
|------------------------------|------------|
| Notes payable line of credit | 750,000.00 |
| Total noncurrent liabilities | 750,000.00 |

|                   |               |
|-------------------|---------------|
| Total liabilities | 30,669,770.64 |
|-------------------|---------------|

**NET POSITION**

|                              |              |
|------------------------------|--------------|
| Investment in capital assets | 1,726,745.65 |
| Unrestricted                 | -            |
| Total net position           | 1,726,745.65 |

|                                    |               |
|------------------------------------|---------------|
| Total liabilities and net position | 32,396,516.29 |
|------------------------------------|---------------|

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MISSISSIPPI LOTTERY CORPORATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Third Quarter Ending March 31, 2020

|  | January              | %             | February             | %             | March                | %             |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| <b>OPERATING REVENUES</b>                      |                      |               |                      |               |                      |               |
| Instant ticket sales                           | 41,987,027.00        | 98.82%        | 40,972,873.00        | 88.12%        | 40,722,885.00        | 91.21%        |
| Draw style game sales                          | 500,502.00           | 1.18%         | 5,521,476.00         | 11.88%        | 3,923,998.00         | 8.79%         |
| Gross ticket sales                             | 42,487,529.00        | 100.00%       | 46,494,349.00        | 100.00%       | 44,646,883.00        | 100.00%       |
| Less instant tickets provided as prizes        | (3,792,317.00)       | (8.93%)       | (3,702,767.00)       | (7.96%)       | (3,750,075.00)       | (8.40%)       |
| Net ticket sales                               | 38,695,212.00        | 91.07%        | 42,791,582.00        | 92.04%        | 40,896,808.00        | 91.60%        |
| <b>OPERATING PRIZE EXPENSE</b>                 |                      |               |                      |               |                      |               |
| Net prizes                                     | 25,020,627.35        | 58.89%        | 26,119,983.70        | 56.18%        | 26,044,162.50        | 58.33%        |
| <b>GROSS PROFIT ON SALE OF TICKETS</b>         | <b>13,674,584.65</b> | <b>32.18%</b> | <b>16,671,598.30</b> | <b>35.86%</b> | <b>14,852,645.50</b> | <b>33.27%</b> |
| <b>OTHER ADMINISTRATIVE OPERATING EXPENSES</b> |                      |               |                      |               |                      |               |
| Retailer commissions                           | 2,590,031.10         | 6.10%         | 2,772,271.50         | 5.96%         | 2,690,670.72         | 6.03%         |
| Gaming vendor fees                             | 1,384,817.40         | 3.26%         | 1,429,837.41         | 3.08%         | 1,399,019.71         | 3.13%         |
| Contractor Fees                                | 26,216.39            | 0.06%         | 26,380.49            | 0.06%         | 10,666.54            | 0.02%         |
| Advertising                                    | -                    | 0.00%         | 131,029.10           | 0.28%         | 367,706.83           | 0.82%         |
| Other gaming expense                           | 44,805.10            | 0.11%         | (2,600.47)           | (0.01%)       | 2,541.88             | 0.01%         |
| Salaries and benefits                          | 402,487.54           | 0.95%         | 421,522.56           | 0.91%         | 431,221.64           | 0.97%         |
| Retailer merchandising and marketing           | 7,811.40             | 0.02%         | 4,063.81             | 0.01%         | -                    | 0.00%         |
| Rent, utilities, and maintenance               | 23,574.74            | 0.06%         | 22,760.40            | 0.05%         | 30,718.87            | 0.07%         |
| Depreciation                                   | 13,827.01            | 0.03%         | 21,611.58            | 0.05%         | 25,326.46            | 0.06%         |
| Professional fees                              | 128,406.25           | 0.30%         | 91,305.24            | 0.20%         | 67,146.89            | 0.15%         |
| General, administrative, and other operating   | 109,828.53           | 0.26%         | 64,587.05            | 0.14%         | 47,416.71            | 0.11%         |
| Total other administrative operating expenses  | 4,731,805.46         | 11.14%        | 4,982,768.67         | 10.72%        | 5,072,436.25         | 11.36%        |
| <b>OTHER OPERATING REVENUE</b>                 | <b>112,182.00</b>    | <b>0.26%</b>  | <b>149,855.20</b>    | <b>0.32%</b>  | <b>136,848.00</b>    | <b>0.31%</b>  |
| <b>TOTAL OPERATING INCOME</b>                  | <b>9,054,961.19</b>  | <b>21.31%</b> | <b>11,838,684.83</b> | <b>25.46%</b> | <b>9,917,057.25</b>  | <b>22.21%</b> |
| <b>NONOPERATING REVENUES (EXPENSES)</b>        |                      |               |                      |               |                      |               |
| Other revenue                                  | 3,791.00             | 0.01%         | -                    | 0.00%         | -                    | 0.00%         |
| Interest revenue                               | 21,367.82            | 0.05%         | 26,526.16            | 0.06%         | 30,951.00            | 0.07%         |
| Interest expense                               | (15,370.83)          | (0.04%)       | (12,054.71)          | (0.03%)       | (1,369.75)           | (0.00%)       |
| Proceeds to State of Mississippi               | (8,385,671.27)       | (19.74%)      | (11,618,730.40)      | (24.99%)      | (9,942,264.30)       | (22.27%)      |
| Total nonoperating revenues (expenses)         | (8,375,883.28)       | (19.71%)      | (11,604,258.95)      | (24.96%)      | (9,912,683.05)       | (22.20%)      |
| <b>CHANGE IN NET POSITION</b>                  | <b>679,077.91</b>    | <b>1.60%</b>  | <b>234,425.88</b>    | <b>0.50%</b>  | <b>4,374.20</b>      | <b>0.01%</b>  |
| <b>NET POSITION</b>                            |                      |               |                      |               |                      |               |
| Net position, beginning of period              | 808,867.66           | 1.90%         | 1,487,945.57         | 3.20%         | 1,722,371.45         | 3.86%         |
| Net position, end of period                    | 1,487,945.57         | 3.50%         | 1,722,371.45         | 3.70%         | 1,726,745.65         | 3.87%         |

% shown as a percentage of gross ticket sales

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MISSISSIPPI LOTTERY CORPORATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
For the Third Quarter and Nine Months Ended March 31, 2020

|  | 3rd Qtr                    |               | YTD                  | %             |
|--|----------------------------|---------------|----------------------|---------------|
|  | Jan 1, 2020-March 31, 2020 | %             |                      |               |
| <b>OPERATING REVENUES</b>                      |                            |               |                      |               |
| Instant ticket sales                           | 123,682,785.00             | 92.56%        | 178,534,512.00       | 94.72%        |
| Draw style game sales                          | 9,945,976.00               | 7.44%         | 9,945,976.00         | 5.28%         |
| Gross ticket sales                             | 133,628,761.00             | 100.00%       | 188,480,488.00       | 100.00%       |
| Less instant tickets provided as prizes        | (11,245,159.00)            | (8.42%)       | (15,686,097.00)      | (8.32%)       |
| Net ticket sales                               | 122,383,602.00             | 91.58%        | 172,794,391.00       | 91.68%        |
| <b>OPERATING PRIZE EXPENSE</b>                 |                            |               |                      |               |
| Net prizes                                     | 77,184,773.55              | 57.76%        | 109,110,619.83       | 57.89%        |
| <b>GROSS PROFIT ON SALE OF TICKETS</b>         | <b>45,198,828.45</b>       | <b>33.82%</b> | <b>63,683,771.17</b> | <b>33.79%</b> |
| <b>OTHER ADMINISTRATIVE OPERATING EXPENSES</b> |                            |               |                      |               |
| Retailer commissions                           | 8,052,973.32               | 6.03%         | 11,344,076.94        | 6.02%         |
| Gaming vendor fees                             | 4,213,674.52               | 3.15%         | 6,003,004.27         | 3.18%         |
| Contractor Fees                                | 63,263.42                  | 0.05%         | 232,355.28           | 0.12%         |
| Advertising                                    | 498,735.93                 | 0.37%         | 1,409,260.89         | 0.75%         |
| Other gaming expense                           | 44,746.51                  | 0.03%         | 118,369.25           | 0.06%         |
| Salaries and benefits                          | 1,255,231.74               | 0.94%         | 3,214,742.84         | 1.71%         |
| Retailer merchandising and marketing           | 11,875.21                  | 0.01%         | 19,262.97            | 0.01%         |
| Rent, utilities, and maintenance               | 77,054.01                  | 0.06%         | 94,425.84            | 0.05%         |
| Depreciation                                   | 60,765.05                  | 0.05%         | 77,057.06            | 0.04%         |
| Professional fees                              | 286,858.38                 | 0.21%         | 1,352,024.59         | 0.72%         |
| General, administrative, and other operating   | 221,832.29                 | 0.17%         | 514,792.25           | 0.27%         |
| Total other administrative operating expenses  | 14,787,010.38              | 11.07%        | 24,379,372.18        | 12.93%        |
| <b>OTHER OPERATING REVENUE</b>                 | <b>398,885.20</b>          | <b>0.30%</b>  | <b>629,124.30</b>    | <b>0.33%</b>  |
| <b>TOTAL OPERATING INCOME</b>                  | <b>30,810,703.27</b>       | <b>23.06%</b> | <b>39,933,523.29</b> | <b>21.19%</b> |
| <b>NONOPERATING REVENUES (EXPENSES)</b>        |                            |               |                      |               |
| Other revenue                                  | 3,791.00                   | 0.00%         | 8,770.41             | 0.00%         |
| Interest revenue                               | 78,844.98                  | 0.06%         | 100,420.79           | 0.05%         |
| Interest expense                               | (28,795.29)                | (0.02%)       | (92,144.39)          | (0.05%)       |
| Proceeds to State of Mississippi               | (29,946,665.97)            | (22.41%)      | (37,567,898.34)      | (19.93%)      |
| Total nonoperating revenues (expenses)         | (29,892,825.28)            | (22.37%)      | (37,550,851.53)      | (19.92%)      |
| <b>CHANGE IN NET POSITION</b>                  | <b>917,877.99</b>          | <b>0.69%</b>  | <b>2,382,671.76</b>  | <b>1.26%</b>  |
| <b>NET POSITION</b>                            |                            |               |                      |               |
| Net position, beginning of period              | 808,867.66                 | 0.61%         | (655,926.11)         | (0.35%)       |
| Net position, end of period                    | 1,726,745.65               | 1.29%         | 1,726,745.65         | 2.18%         |

% shown as a percentage of gross ticket sales

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