

MISSISSIPPI LOTTERY CORPORATION
STATEMENT OF NET POSITION
For the Third Quarter Ending March 31, 2021

ASSETS

Current Assets:

| | |
|------------------------------|----------------------|
| Cash | \$40,338,384.77 |
| Retailer accounts receivable | 14,569,656.58 |
| Prepaid insurance | 262,856.70 |
| Other current assets | 359,535.59 |
| Total current assets | <u>55,530,433.64</u> |

Noncurrent assets:

| | |
|-------------------------------------|---------------------|
| Capital assets, net of depreciation | 1,706,092.05 |
| Total noncurrent assets | <u>1,706,092.05</u> |

| | |
|--------------|-----------------------------|
| Total assets | <u><u>57,236,525.69</u></u> |
|--------------|-----------------------------|

LIABILITIES

Current liabilities:

| | |
|------------------------------------------|----------------------|
| Due to State of MS Lottery Proceeds Fund | 16,745,250.19 |
| Prizes payable | 37,023,946.44 |
| Accounts payable | 816,587.41 |
| Accrued liabilities | 459,594.60 |
| Unearned revenues | 485,055.00 |
| Total liabilities | <u>55,530,433.64</u> |

NET POSITION

| | |
|------------------------------------|-------------------------------|
| Investment in capital assets | 1,706,092.05 |
| Restricted | - |
| Total net position | <u>1,706,092.05</u> |
| Total liabilities and net position | <u><u>\$57,236,525.69</u></u> |

These financial statements are unaudited and prepared for informational purposes

MISSISSIPPI LOTTERY CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Third Quarter Ending March 31, 2021

| | January | % | February | % | March | % |
|------------------------------------------------|----------------------|----------------|----------------------|----------------|----------------------|---------------|
| OPERATING REVENUES | | | | | | |
| Instant ticket sales | \$36,513,118.00 | 63.70% | \$28,255,429.00 | 81.41% | \$49,657,748.00 | 87.68% |
| Draw style game sales | 20,804,946.00 | 36.30% | 6,451,834.00 | 18.59% | 6,980,525.50 | 12.32% |
| Gross ticket sales | 57,318,064.00 | 100.00% | 34,707,263.00 | 100.00% | 56,638,273.50 | 100.00% |
| Less instant tickets provided as prizes | (3,199,265.00) | (5.58%) | (2,571,399.00) | (7.41%) | (3,199,194.00) | (5.65%) |
| Net ticket sales | 54,118,799.00 | 94.42% | 32,135,864.00 | 92.59% | 53,439,079.50 | 94.35% |
| OPERATING PRIZE EXPENSE | | | | | | |
| Net prizes | 24,684,198.71 | 43.07% | 18,432,260.74 | 53.11% | 30,630,742.26 | 54.08% |
| GROSS PROFIT ON SALE OF TICKETS | 29,434,600.29 | 51.35% | 13,703,603.26 | 39.48% | 22,808,337.24 | 40.27% |
| OTHER ADMINISTRATIVE OPERATING EXPENSES | | | | | | |
| Retailer commissions | 3,439,341.24 | 6.00% | 2,082,386.52 | 6.00% | 3,398,270.07 | 6.00% |
| Gaming vendor fees | 1,587,984.14 | 2.77% | 1,036,763.65 | 2.99% | 1,768,887.38 | 3.12% |
| Contractor Fees | 9,440.83 | 0.02% | 1,517.72 | 0.00% | 1,118.32 | 0.00% |
| Advertising | 331,723.56 | 0.58% | 289,538.64 | 0.83% | 313,620.13 | 0.55% |
| Other gaming expense | 20,203.05 | 0.04% | 9,794.98 | 0.03% | 12,692.03 | 0.02% |
| Salaries and benefits | 479,551.38 | 0.84% | 470,604.45 | 1.36% | 404,892.47 | 0.71% |
| Retailer merchandising and marketing | 15,676.55 | 0.03% | 6,084.55 | 0.02% | 14,350.55 | 0.03% |
| Rent, utilities, and maintenance | 28,563.70 | 0.05% | 28,633.00 | 0.08% | 28,903.53 | 0.05% |
| Depreciation | 30,834.24 | 0.05% | 30,834.24 | 0.09% | 30,834.24 | 0.05% |
| Professional fees | 27,949.50 | 0.05% | 30,064.44 | 0.09% | 51,457.84 | 0.09% |
| General, administrative, and other operating | 64,887.25 | 0.11% | 66,832.98 | 0.19% | 73,324.94 | 0.13% |
| Total other administrative operating expenses | 6,036,155.44 | 10.53% | 4,053,055.17 | 11.68% | 6,098,351.50 | 10.77% |
| OTHER OPERATING REVENUE | 185,083.05 | 0.32% | 147,441.86 | 0.42% | 127,632.84 | 0.23% |
| TOTAL OPERATING INCOME | 23,583,527.90 | 41.15% | 9,797,989.95 | 28.23% | 16,837,618.58 | 29.73% |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest revenue | 5,666.40 | 0.01% | 5,237.24 | 0.02% | 4,902.37 | 0.01% |
| Proceeds to State of Mississippi | (23,620,028.54) | (41.21%) | (9,834,061.43) | (28.33%) | (16,745,250.19) | (29.57%) |
| Total nonoperating revenues (expenses) | (23,614,362.14) | (41.20%) | (9,828,824.19) | (28.32%) | (16,740,347.82) | (29.56%) |
| CHANGE IN NET POSITION | (30,834.24) | (0.05%) | (30,834.24) | (0.09%) | 97,270.76 | 0.17% |
| NET POSITION | | | | | | |
| Net position, beginning of period | 1,670,489.77 | 2.91% | 1,639,655.53 | 4.72% | 1,608,821.29 | 2.84% |
| Net position, end of period | \$1,639,655.53 | 2.86% | \$1,608,821.29 | 4.64% | \$1,706,092.05 | 3.01% |

% 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 Ending March 31, 2021

| | 3rd Qtr | | YTD | |
|------------------------------------------------|----------------------|---------------|-----------------------|----------------|
| | Jan. 1-Mar. 31, 2021 | % | | % |
| OPERATING REVENUES | | | | |
| Instant ticket sales | \$114,426,295.00 | 76.97% | \$309,031,693.00 | 83.41% |
| Draw style game sales | 34,237,305.50 | 23.03% | 61,472,137.50 | 16.59% |
| Gross ticket sales | 148,663,600.50 | 100.00% | 370,503,830.50 | 100.00% |
| Less instant tickets provided as prizes | (8,969,858.00) | (6.03%) | (27,122,766.00) | (7.32%) |
| Net ticket sales | 139,693,742.50 | 93.97% | 343,381,064.50 | 92.68% |
| OPERATING PRIZE EXPENSE | | | | |
| Net prizes | 73,747,201.71 | 49.61% | 201,557,375.37 | 54.40% |
| GROSS PROFIT ON SALE OF TICKETS | 65,946,540.79 | 44.36% | 141,823,689.13 | 38.28% |
| OTHER ADMINISTRATIVE OPERATING EXPENSES | | | | |
| Retailer commissions | 8,919,997.83 | 6.00% | 22,234,043.28 | 6.00% |
| Gaming vendor fees | 4,393,635.17 | 2.96% | 11,218,197.54 | 3.03% |
| Contractor Fees | 12,076.87 | 0.01% | 32,221.62 | 0.01% |
| Advertising | 934,882.33 | 0.63% | 2,520,327.81 | 0.68% |
| Other gaming expense | 42,690.06 | 0.03% | 132,395.17 | 0.04% |
| Salaries and benefits | 1,355,048.30 | 0.91% | 4,094,193.18 | 1.11% |
| Retailer merchandising and marketing | 36,111.65 | 0.02% | 80,117.02 | 0.02% |
| Rent, utilities, and maintenance | 86,100.23 | 0.06% | 259,065.20 | 0.07% |
| Depreciation | 92,502.72 | 0.06% | 275,077.09 | 0.07% |
| Professional fees | 109,471.78 | 0.07% | 379,090.49 | 0.10% |
| General, administrative, and other operating | 205,045.17 | 0.14% | 557,015.99 | 0.15% |
| Total other administrative operating expenses | 16,187,562.11 | 10.89% | 41,781,744.39 | 11.28% |
| OTHER OPERATING REVENUE | 460,157.75 | 0.31% | 1,466,086.05 | 0.40% |
| TOTAL OPERATING INCOME | 50,219,136.43 | 33.78% | 101,508,030.79 | 27.40% |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Other revenue | - | 0.00% | 903.25 | 0.00% |
| Interest revenue | 15,806.01 | 0.01% | 42,812.91 | 0.01% |
| Proceeds to State of Mississippi | (50,199,340.16) | (33.77%) | (101,652,540.31) | (27.44%) |
| Total nonoperating revenues (expenses) | (50,183,534.15) | (33.76%) | (101,608,824.15) | (27.42%) |
| CHANGE IN NET POSITION | 35,602.28 | 0.02% | (100,793.36) | (0.03%) |
| NET POSITION | | | | |
| Net position, beginning of period | 1,670,489.77 | 1.12% | 1,806,885.41 | 0.49% |
| Net position, end of period | \$1,706,092.05 | 1.15% | \$1,706,092.05 | 0.46% |

% shown as a percentage of gross ticket sales

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MISSISSIPPI LOTTERY CORPORATION
 PRIZE EXPENSE % CALCULATION
 For the Third Quarter Ending March 31, 2021

| | 3rd Qtr Jan. 1-Mar. 31, 2021 | % | YTD | % |
|------------------------------------|---------------------------------|----------------|-----------------------|----------------|
| OPERATING REVENUES | | | | |
| Instant ticket sales | \$114,426,295.00 | 76.97% | \$309,031,693.00 | 83.41% |
| Draw ticket sales | \$34,237,305.50 | 23.03% | \$61,472,137.50 | 16.59% |
| Gross ticket revenue | <u>148,663,600.50</u> | <u>100.00%</u> | <u>370,503,830.50</u> | <u>100.00%</u> |
| TOTAL PRIZES | | | | |
| Prize Expense | 73,747,201.71 | 49.61% | 201,557,375.37 | 54.40% |
| Instant tickets provided as prizes | 8,969,858.00 | 6.03% | 27,122,766.00 | 7.32% |
| Total Prizes | <u>82,717,059.71</u> | <u>55.64%</u> | <u>228,680,141.37</u> | <u>61.72%</u> |

% shown as a percentage of gross ticket sales

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