

MISSISSIPPI LOTTERY CORPORATION
STATEMENT OF NET POSITION
For the Second Quarter Ending December 31, 2021

ASSETS

Current Assets:

| | |
|------------------------------|----------------------|
| Cash | \$29,220,941.65 |
| Retailer accounts receivable | 15,343,933.90 |
| Prepaid insurance | 248,937.11 |
| Other current assets | 558,543.33 |
| Total current assets | <u>45,372,355.99</u> |

Noncurrent assets:

| | |
|-------------------------------------|---------------------|
| Capital assets, net of depreciation | 1,445,741.06 |
| Total noncurrent assets | <u>1,445,741.06</u> |

| | |
|--------------|-----------------------------|
| Total assets | <u><u>46,818,097.05</u></u> |
|--------------|-----------------------------|

LIABILITIES

Current liabilities:

| | |
|-----------------------------------------|----------------------|
| Due to State of MS Lottery Proceeds Fur | 9,744,465.12 |
| Prizes payable | 33,163,596.28 |
| Accounts payable | 92,243.89 |
| Accrued liabilities | 1,290,093.20 |
| Unearned revenues | 1,081,957.50 |
| Total liabilities | <u>45,372,355.99</u> |

NET POSITION

| | |
|------------------------------|---------------------|
| Investment in capital assets | 1,445,741.06 |
| Total net position | <u>1,445,741.06</u> |

| | |
|------------------------------------|-------------------------------|
| Total liabilities and net position | <u><u>\$46,818,097.05</u></u> |
|------------------------------------|-------------------------------|

These financial statements are unaudited and prepared for

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

| | October | % | November | % | December | % | 2nd Qtr Oct. 1-Dec. 31, 2020 | |
|------------------------------------------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|---------------------------------|----------------|
| OPERATING REVENUES | | | | | | | | |
| Instant ticket sales | \$28,081,406.00 | 77.28% | \$27,128,906.00 | 80.36% | \$30,357,247.00 | 78.74% | \$85,567,559.00 | 78.75% |
| Draw style game sales | 8,258,070.00 | 22.72% | 6,629,596.50 | 19.64% | 8,195,533.50 | 21.26% | 23,083,200.00 | 21.25% |
| Gross ticket sales | 36,339,476.00 | 100.00% | 33,758,502.50 | 100.00% | 38,552,780.50 | 100.00% | 108,650,759.00 | 100.00% |
| Less tickets provided as prizes | (1,017,675.00) | (2.80%) | (914,797.00) | (2.71%) | (941,237.00) | (2.44%) | (2,873,709.00) | (2.64%) |
| Net ticket sales | 35,321,801.00 | 97.20% | 32,843,705.50 | 97.29% | 37,611,543.50 | 97.56% | 105,777,050.00 | 97.36% |
| OPERATING PRIZE EXPENSE | | | | | | | | |
| Net prizes | 20,165,289.79 | 55.49% | 19,071,396.28 | 56.49% | 23,724,877.38 | 61.54% | 62,961,563.45 | 57.95% |
| GROSS PROFIT ON SALE OF TICKETS | 15,156,511.21 | 41.71% | 13,772,309.22 | 40.80% | 13,886,666.12 | 36.02% | 42,815,486.55 | 39.41% |
| OTHER ADMINISTRATIVE OPERATING EXPENSES | | | | | | | | |
| Retailer commissions | 2,180,328.60 | 6.00% | 2,025,472.32 | 6.00% | 2,313,113.37 | 6.00% | 6,518,914.29 | 6.00% |
| Gaming vendor fees | 1,096,040.26 | 3.02% | 1,061,217.37 | 3.14% | 1,165,151.70 | 3.02% | 3,322,409.33 | 3.06% |
| Contractor Fees | | | | | | | | |
| Advertising | 252,267.54 | 0.69% | 258,843.31 | 0.77% | 244,252.94 | 0.63% | 755,363.79 | 0.70% |
| Other gaming expense | 18,969.21 | 0.05% | 14,389.18 | 0.04% | 13,752.86 | 0.04% | 47,111.25 | 0.04% |
| Salaries and benefits | 444,480.07 | 1.22% | 450,566.59 | 1.33% | 365,427.45 | 0.95% | 1,260,474.11 | 1.16% |
| Retailer merchandising and marketing | 2,334.62 | 0.01% | 11,225.04 | 0.03% | 17,407.72 | 0.05% | 30,967.38 | 0.03% |
| Rent, utilities, and maintenance | 32,171.09 | 0.09% | 33,784.39 | 0.10% | 31,463.72 | 0.08% | 97,419.20 | 0.09% |
| Depreciation | 33,474.77 | 0.09% | 33,474.77 | 0.10% | 33,474.70 | 0.09% | 100,424.24 | 0.09% |
| Professional fees | 32,638.25 | 0.09% | 36,910.17 | 0.11% | 41,813.62 | 0.11% | 111,362.04 | 0.10% |
| General, administrative, and other operating | 71,812.39 | 0.20% | 78,294.44 | 0.23% | 86,255.67 | 0.22% | 236,362.50 | 0.22% |
| Total other administrative operating expenses | 4,164,516.80 | 11.46% | 4,004,177.58 | 11.86% | 4,312,113.75 | 11.18% | 12,480,808.13 | 11.49% |
| OTHER OPERATING REVENUE | 180,046.00 | 0.50% | 142,031.00 | 0.42% | 142,033.00 | 0.37% | 464,110.00 | 0.43% |
| TOTAL OPERATING INCOME | 11,172,040.41 | 30.74% | 9,910,162.64 | 29.36% | 9,716,585.37 | 25.20% | 30,798,788.42 | 28.35% |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Other revenue | | | | | | | | |
| Interest revenue | 4,453.60 | 0.01% | 4,034.70 | 0.01% | 3,989.61 | 0.01% | 12,477.91 | 0.01% |
| Interest expense | | | | | | | | |
| Proceeds to State of Mississippi | (11,209,968.78) | (30.85%) | (9,947,672.11) | (29.47%) | (9,744,465.12) | (25.28%) | (30,902,106.01) | (28.44%) |
| Total nonoperating revenues (expenses) | (11,205,515.18) | (30.84%) | (9,943,637.41) | (29.46%) | (9,740,475.51) | (25.27%) | (30,889,628.10) | (28.43%) |
| CHANGE IN NET POSITION | (33,474.77) | (0.09%) | (33,474.77) | (0.10%) | (23,890.14) | (0.06%) | (90,839.68) | (0.08%) |
| NET POSITION | | | | | | | | |
| Net position, beginning of period | 1,536,580.74 | 4.23% | 1,503,105.97 | 4.45% | 1,469,631.20 | 3.81% | 1,536,580.74 | 1.41% |
| Net position, end of period | \$1,503,105.97 | 4.14% | \$1,469,631.20 | 4.35% | \$1,445,741.06 | 3.75% | \$1,445,741.06 | 1.33% |

% shown as a percentage of gross ticket sales

These financial statements are unaudited and prepared for informational purposes

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

| | 2nd Qtr | | | |
|------------------------------------------------|----------------------|----------------|----------------------|----------------|
| | Oct.1-Dec. 31, 2020 | % | YTD | % |
| OPERATING REVENUES | | | | |
| Instant ticket sales | \$85,567,559.00 | 78.75% | \$171,787,867.00 | 79.16% |
| Draw style game sales | 23,083,200.00 | 21.25% | 45,221,710.50 | 20.84% |
| Gross ticket sales | 108,650,759.00 | 100.00% | 217,009,577.50 | 100.00% |
| Less tickets provided as prizes | (2,873,709.00) | (2.64%) | (6,839,674.00) | (3.15%) |
| Net ticket sales | 105,777,050.00 | 97.36% | 210,169,903.50 | 96.85% |
| OPERATING PRIZE EXPENSE | | | | |
| Net prizes | 62,961,563.45 | 57.95% | 121,058,110.72 | 55.78% |
| GROSS PROFIT ON SALE OF TICKETS | 42,815,486.55 | 39.41% | 89,111,792.78 | 41.06% |
| OTHER ADMINISTRATIVE OPERATING EXPENSES | | | | |
| Retailer commissions | 6,518,914.29 | 6.00% | 13,020,332.40 | 6.00% |
| Gaming vendor fees | 3,322,409.33 | 3.06% | 6,621,178.82 | 3.05% |
| Contractor Fees | | | | |
| Advertising | 755,363.79 | 0.70% | 1,469,510.73 | 0.68% |
| Other gaming expense | 47,111.25 | 0.04% | 105,851.48 | 0.05% |
| Salaries and benefits | 1,260,474.11 | 1.16% | 2,573,434.90 | 1.19% |
| Retailer merchandising and marketing | 30,967.38 | 0.03% | 44,543.24 | 0.02% |
| Rent, utilities, and maintenance | 97,419.20 | 0.09% | 193,110.43 | 0.09% |
| Depreciation | 100,424.24 | 0.09% | 200,848.55 | 0.09% |
| Professional fees | 111,362.04 | 0.10% | 273,564.81 | 0.13% |
| General, administrative, and other operating | 236,362.50 | 0.22% | 473,929.35 | 0.22% |
| Total other administrative operating expenses | 12,480,808.13 | 11.49% | 24,976,304.71 | 11.51% |
| OTHER OPERATING REVENUE | 464,110.00 | 0.43% | 939,620.50 | 0.43% |
| TOTAL OPERATING INCOME | 30,798,788.42 | 28.35% | 65,075,108.57 | 29.99% |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Other revenue | | | | |
| Interest revenue | 12,477.91 | 0.01% | 26,388.44 | 0.01% |
| Interest expense | | | | |
| Proceeds to State of Mississippi | (30,902,106.01) | (28.44%) | (65,292,761.00) | (30.09%) |
| Total nonoperating revenues (expenses) | (30,889,628.10) | (28.43%) | (65,266,372.56) | (30.08%) |
| CHANGE IN NET POSITION | (90,839.68) | (0.08%) | (191,263.99) | (0.09%) |
| NET POSITION | | | | |
| Net position, beginning of period | 1,536,580.74 | 1.41% | 1,637,005.05 | 0.75% |
| Net position, end of period | \$1,445,741.06 | 1.33% | \$1,445,741.06 | 0.67% |

% shown as a percentage of gross ticket sales

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MISSISSIPPI LOTTERY CORPORATION
 PRIZE EXPENSE % CALCULATION
 For the Second Quarter Ending December 31, 2021

| | 2nd Qtr | | | |
|----------------------------|-----------------------|----------------|-----------------------|----------------|
| | Oct.1-Dec. 31, 2020 | % | YTD | % |
| OPERATING REVENUES | | | | |
| Instant ticket sales | \$85,567,559.00 | 78.75% | \$171,787,867.00 | 79.16% |
| Draw ticket sales | \$23,083,200.00 | 21.25% | \$45,221,710.50 | 20.84% |
| Gross ticket revenue | <u>108,650,759.00</u> | <u>100.00%</u> | <u>217,009,577.50</u> | <u>100.00%</u> |
| TOTAL PRIZES | | | | |
| Prize Expense | 62,961,563.45 | 57.95% | 121,058,110.72 | 55.78% |
| Tickets provided as prizes | 2,873,709.00 | 2.64% | 6,839,674.00 | 3.15% |
| Total Prizes | <u>65,835,272.45</u> | <u>60.59%</u> | <u>127,897,784.72</u> | <u>58.94%</u> |

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