

South Carolina Education Lottery
Statement of Net Assets
October 31, 2009

	Assets	
Current Assets		
Cash	\$ 18,977,981	
Accounts Receivable	31,001,555	
Allowance for Doubtful Accounts	(282,150)	
Inventory - Instant Tickets	1,896,290	
Prepaid Expenses	298,962	
Total Current Assets		51,892,638
Long-Term Assets		
Reserve Accounts - MUSL		5,453,759
Property and Equipment		
Furniture, Fixtures & Equipment	623,003	
Data Processing Equipment	10,454,311	
Draw Equipment	285,578	
Vehicles	47,826	
Leaseholds	1,315,694	
Accumulated Depreciation	(11,900,966)	
Total Property & Equipment		825,446
Total Long-term Assets		6,279,205
Total Assets		\$ 58,171,843
Liabilities		
Current Liabilities		
Payable to the SC State Treasurer for the Education Lottery Account	\$ 29,920,254	
Payable to the SC State Treasurer for Unclaimed Prizes	801,853	
Prizes Payable	22,413,991	
Accounts Payable	696,905	
Payable to MUSL	1,164,844	
Accrued Expenses	609,164	
Accrued Compensated Absences	588,393	
Deferred Revenue	352,653	
Total Current Liabilities		56,548,057
Long-term Liabilities		
Accrued Compensated Absences	308,854	
Total Long-term Liabilities		308,854
Total Liabilities		56,856,911
Net Assets		
Invested in capital assets, net of related debt	825,447	
Restricted - Fidelity Funds	489,485	
Total Net Assets		\$ 1,314,932

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South Carolina Education Lottery
Statement of Revenue, Expenses, and Changes in Net Assets
For the Four Months Ending October 31, 2009

	Current Month		Year to Date	
	Amount	Percent	Amount	Percent
Revenues				
Revenue - Instant Games	\$ 50,804,671	64.05%	\$ 205,903,611	62.72%
Revenue - Pick 3	10,851,545	13.68%	44,658,403	13.60%
Revenue - Pick 4	5,006,066	6.31%	20,320,739	6.19%
Revenue - Powerball	9,612,090	12.12%	44,656,660	13.60%
Revenue - Palmetto Cash 5	1,769,545	2.23%	7,101,575	2.16%
Revenue - MegaMatch6	1,279,355	1.61%	5,668,155	1.73%
Contra Revenue - AR Writeoffs	(5,143)	-0.01%	(16,165)	0.00%
Permit Fees	75,600	0.10%	189,810	0.06%
Reserve for Bond	2,475	0.00%	10,800	0.00%
Retailer Telephone Fees	272,010	0.34%	979,809	0.30%
Miscellaneous Revenue	3,134	0.00%	13,667	0.00%
Total Revenues	79,671,348	100.44%	329,487,063	100.36%
Direct Costs				
Commissions and Incentives				
Retailer Commissions	5,545,488	6.99%	22,974,137	7.00%
Retailer Incentives	41,912	0.05%	214,179	0.07%
Total Commissions and Incentives	5,587,401	7.04%	23,188,317	7.06%
Prize Expense				
Instant Games	36,384,619	45.87%	145,944,026	44.45%
On-line Games	11,846,187	14.93%	58,107,069	17.70%
Total Prize Expense	48,230,806	60.80%	204,051,095	62.15%
Instant and On-line Direct Costs				
Instant Game Costs	460,122	0.58%	2,112,260	0.64%
On-line Game Costs	718,129	0.91%	2,848,686	0.87%
Total Instant and On-line Direct Costs	1,178,250	1.49%	4,960,946	1.51%
Total Direct Costs	54,996,457	69.33%	232,200,357	70.73%
Gross Profit	24,674,891	31.11%	97,286,706	29.63%
Operating Expenses				
Advertising - Lottery	551,542	0.70%	2,305,044	0.70%
Security & Credit Checks	34,350	0.04%	94,620	0.03%
Salaries	630,699	0.80%	2,625,503	0.80%
Temporary Services	27,043	0.03%	76,161	0.02%
Overtime	2,033	0.00%	4,668	0.00%
Per Diem	-	0.00%	805	0.00%
Employee Benefits	286,089	0.36%	699,753	0.21%
Advertising Employment	1,490	0.00%	2,705	0.00%
Auditing & Financial	14,825	0.02%	48,979	0.01%
Consultants	5,445	0.01%	11,040	0.00%
Depreciation	22,682	0.03%	120,726	0.04%
Dues & Memberships	492	0.00%	19,234	0.01%
Education & Training	6,064	0.01%	21,468	0.01%
Employee Recognition	215	0.00%	3,430	0.00%
Insurance	23,821	0.03%	95,027	0.03%
Lease - Office Space	66,433	0.08%	267,102	0.08%
Lease - Vehicles	(23)	0.00%	15,671	0.00%
Legal	14,502	0.02%	28,647	0.01%
Maintenance & Repairs	9,370	0.01%	44,398	0.01%
Licenses & Warranties	-	0.00%	4,316	0.00%
Miscellaneous Expense	2,876	0.00%	13,714	0.00%
Postage & Freight	6,191	0.01%	13,753	0.00%
Printing	1,896	0.00%	7,299	0.00%
Promotion - Retailers	84	0.00%	174	0.00%
Rent - Equipment	3,363	0.00%	9,710	0.00%
Security Services	46,396	0.06%	185,408	0.06%
Services - Payroll	2,500	0.00%	10,000	0.00%
Supplies - Office	5,383	0.01%	27,402	0.01%
Supplies - Data Processing	162	0.00%	9,158	0.00%
Telecommunications Services	4,917	0.01%	19,979	0.01%
Telephone	13,433	0.02%	54,082	0.02%
Travel - Commissioners	-	0.00%	864	0.00%
Travel - Field Service Reps Vehicle Mileage	25,388	0.03%	96,143	0.03%
Travel - Others	8,146	0.01%	18,723	0.01%
Utilities	2,996	0.00%	9,107	0.00%
Total Operating Expenses	1,820,804	2.30%	6,964,811	2.12%
Non-Operating Income (Expense)				
Interest Income	8,788	0.01%	29,228	0.01%
Gains/Losses	2,554	0.00%	2,768	0.00%
Total Non-Operating Income (Expense)	11,342	0.01%	31,996	0.01%
Change in Net Assets before transfers to and				
due to the Education Lottery Account	22,865,429	28.83%	90,353,890	27.52%
Expensed to and due to the Education Lottery Account				
Change in Net Assets	1,855	0.00%	(35,881)	-0.01%
Net Assets - Beginning of Period	1,313,078	1.66%	1,350,814	0.41%
Net Assets - End of Period	\$ 1,314,932	1.66%	\$ 1,314,932	0.40%

South Carolina Education Lottery
Statement of Net Proceeds Due to the Education Lottery Account
For the Four Months Ending October 31, 2009

	<u>Current Month</u>	<u>Year to Date</u>
Change in Net Assets subject to transfer	\$ 22,865,429	\$ 90,353,890
Amount invested in capital assets, net of related debt		
Property & Equipment	15,226	(36,708)
Accumulated Depreciation	<u>(12,065)</u>	<u>85,979</u>
Net Property & Equipment	<u>3,162</u>	<u>49,271</u>
Capital Assets, Net of Related Debt	3,162	49,271
Restricted Fidelity Fund Cash	<u>(5,016)</u>	<u>(13,390)</u>
Transfers to and due to the the Education Lottery Account	<u>\$ 22,863,574</u>	<u>\$ 90,389,772</u>

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