

**South Carolina Education Lottery**  
**Statement of Net Assets**  
**January 31, 2010**

	<b>Assets</b>	
Current Assets		
Cash	\$ 16,403,587	
Accounts Receivable	32,736,597	
Allowance for Doubtful Accounts	(300,106)	
Inventory - Instant Tickets	2,195,218	
Prepaid Expenses	276,484	
Total Current Assets		51,311,780
Long-Term Assets		
Reserve Accounts - MUSL		5,462,445
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	(11,989,705)	
Total Property & Equipment		736,707
Total Long-term Assets		6,199,152
Total Assets		\$ 57,510,932
	<b>Liabilities</b>	
Current Liabilities		
Payable to the SC State Treasurer for the Education Lottery Account	\$ 27,275,378	
Payable to the SC State Treasurer for Unclaimed Prizes	899,992	
Prizes Payable	22,948,174	
Accounts Payable	1,130,164	
Payable to MUSL	1,327,563	
Accrued Expenses	1,309,685	
Accrued Compensated Absences	588,393	
Deferred Revenue	456,722	
Total Current Liabilities		55,936,071
Long-term Liabilities		
Accrued Compensated Absences	338,854	
Total Long-term Liabilities		338,854
Total Liabilities		56,274,925
Net Assets		
Invested in capital assets, net of related debt	736,708	
Restricted - Fidelity Funds	499,300	
Total Net Assets		\$ 1,236,008

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**South Carolina Education Lottery**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**For the Seven Months Ending January 31, 2010**

	Current Month		Year to Date	
	Amount	Percent	Amount	Percent
<b>Revenues</b>				
Revenue - Instant Games	49,754,020	64.59%	361,697,713	63.59%
Revenue - Pick 3	11,325,997	14.70%	78,680,779	13.83%
Revenue - Pick 4	5,163,059	6.70%	36,010,034	6.33%
Revenue - Powerball	8,940,513	11.61%	71,290,234	12.53%
Revenue - Palmetto Cash 5	1,852,135	2.40%	12,330,764	2.17%
Revenue - MegaMatch6	(70)	0.00%	8,796,040	1.55%
Contra Revenue - AR Writeoffs	(5,587)	-0.01%	(32,507)	-0.01%
Permit Fees	26,595	0.03%	233,685	0.04%
Reserve for Bond	4,950	0.01%	21,225	0.00%
Retailer Telephone Fees	271,965	0.35%	1,687,854	0.30%
Miscellaneous Revenue	3,887	0.01%	127,263	0.02%
<b>Total Revenues</b>	<b>77,337,463</b>	<b>100.39%</b>	<b>570,843,084</b>	<b>100.36%</b>
<b>Direct Costs</b>				
<b>Commissions and Incentives</b>				
Retailer Commissions	5,392,088	7.00%	39,804,591	7.00%
Retailer Incentives	22,361	0.03%	308,835	0.05%
<b>Total Commissions and Incentives</b>	<b>5,414,449</b>	<b>7.03%</b>	<b>40,113,426</b>	<b>7.05%</b>
<b>Prize Expense</b>				
Instant Games	35,320,593	45.85%	255,109,935	44.85%
On-line Games	12,377,263	16.07%	96,971,623	17.05%
<b>Total Prize Expense</b>	<b>47,697,856</b>	<b>61.92%</b>	<b>352,081,558</b>	<b>61.90%</b>
<b>Instant and On-line Direct Costs</b>				
Instant Game Costs	516,847	0.67%	3,692,572	0.65%
On-line Game Costs	900,769	1.17%	5,305,302	0.93%
<b>Total Instant and On-line Direct Costs</b>	<b>1,417,616</b>	<b>1.84%</b>	<b>8,997,874</b>	<b>1.58%</b>
<b>Total Direct Costs</b>	<b>54,529,921</b>	<b>70.79%</b>	<b>401,192,857</b>	<b>70.53%</b>
<b>Gross Profit</b>	<b>22,807,542</b>	<b>29.61%</b>	<b>169,650,226</b>	<b>29.83%</b>
<b>Operating Expenses</b>				
Advertising - Lottery	769,598	1.00%	4,410,723	0.78%
Security & Credit Checks	32,900	0.04%	140,870	0.02%
Salaries	789,171	1.02%	4,837,871	0.85%
Temporary Services	3,643	0.00%	97,874	0.02%
Overtime	-	0.00%	5,176	0.00%
Per Diem	-	0.00%	980	0.00%
Employee Benefits	147,091	0.19%	1,084,961	0.19%
Advertising Employment	-	0.00%	3,124	0.00%
Auditing & Financial	13,922	0.02%	90,719	0.02%
Consultants	293	0.00%	14,418	0.00%
Depreciation	29,442	0.04%	209,464	0.04%
Dues & Memberships	1,257	0.00%	23,078	0.00%
Education & Training	6,467	0.01%	34,427	0.01%
Employee Recognition	64	0.00%	3,695	0.00%
Insurance	23,821	0.03%	166,490	0.03%
Lease - Office Space	66,301	0.09%	465,993	0.08%
Lease - Vehicles	(3,570)	0.00%	43,496	0.01%
Legal	11,632	0.02%	48,628	0.01%
Maintenance & Repairs	15,085	0.02%	69,036	0.01%
Licenses & Warranties	45,298	0.06%	72,296	0.01%
Miscellaneous Expense	3,262	0.00%	19,176	0.00%
Postage & Freight	6,197	0.01%	22,919	0.00%
Printing	1,653	0.00%	12,257	0.00%
Promotion - Retailers	207	0.00%	381	0.00%
Rent - Equipment	6,717	0.01%	22,034	0.00%
Security Services	46,321	0.06%	324,370	0.06%
Services - Payroll	-	0.00%	15,000	0.00%
Supplies - Office	4,737	0.01%	53,864	0.01%
Supplies - Data Processing	3,293	0.00%	61,881	0.01%
Telecommunications Services	5,139	0.01%	35,280	0.01%
Telephone	22,779	0.03%	109,942	0.02%
Travel - Commissioners	-	0.00%	1,204	0.00%
Travel - Field Service Reps Vehicle Mileage	16,471	0.02%	157,254	0.03%
Travel - Others	155	0.00%	22,904	0.00%
Utilities	-	0.00%	15,705	0.00%
<b>Total Operating Expenses</b>	<b>2,069,346</b>	<b>2.69%</b>	<b>12,697,493</b>	<b>2.23%</b>
<b>Non-Operating Income (Expense)</b>				
Interest Income	14,325	0.02%	50,648	0.01%
Gains/Losses	-	0.00%	2,768	0.00%
<b>Total Non-Operating Income (Expense)</b>	<b>14,325</b>	<b>0.02%</b>	<b>53,416</b>	<b>0.01%</b>
<b>Change in Net Assets before transfers to and</b>				
due to the Education Lottery Account	20,752,521	26.94%	157,006,149	27.60%
Expensed to and due to the Education Lottery Account	20,777,098	26.97%	157,120,955	27.62%
Change in Net Assets	<b>(24,577)</b>	<b>-0.03%</b>	<b>(114,806)</b>	<b>-0.02%</b>
Net Assets - Beginning of Period	1,260,585	1.64%	1,350,814	0.24%
Net Assets - End of Period	<b>1,236,008</b>	<b>1.60%</b>	<b>1,236,008</b>	<b>0.22%</b>

**South Carolina Education Lottery**  
**Statement of Net Proceeds Due to the Education Lottery Account**  
**For the Seven Months Ending January 31, 2010**

	<u>Current Month</u>	<u>Year to Date</u>
Change in Net Assets subject to transfer	\$ 20,752,521	\$ 157,006,149
Amount invested in capital assets, net of related debt		
Property & Equipment	-	(36,708)
Accumulated Depreciation	29,441	174,718
Net Property & Equipment	<u>29,441</u>	<u>138,010</u>
Capital Assets, Net of Related Debt	29,441	138,010
Restricted Fidelity Fund Cash	<u>(4,864)</u>	<u>(23,204)</u>
Transfers to and due to the the Education Lottery Account	<u>\$ 20,777,098</u>	<u>\$ 157,120,955</u>

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