

South Carolina Education Lottery
Statement of Net Position
September 30, 2021

Assets

| | | |
|-----------------------------------|---------------|--------------------|
| Current Assets | | |
| Cash | \$ 44,992,828 | |
| Accounts Receivable | 52,687,506 | |
| Allowance for Doubtful Accounts | (1,139,232) | |
| Inventory - Instant Tickets | 4,257,973 | |
| Prepaid Expenses | 1,973,438 | |
| Total Current Assets | | 102,772,513 |
| Long-Term Assets | | |
| Deferred outflows-pension expense | | 2,871,990 |
| Deferred outflows-OPEB expense | | 3,378,413 |
| Reserve Accounts - MUSL | | 6,359,418 |
| Intellectual property | 555,815 | |
| Accumulated amortization | (555,815) | |
| Property and Equipment | | |
| Furniture, Fixtures & Equipment | 1,203,372 | |
| Data Processing Equipment | 2,631,907 | |
| Draw Equipment | 335,417 | |
| Vehicles | 310,991 | |
| Leaseholds | 1,315,694 | |
| Accumulated Depreciation | (5,433,916) | |
| Total Property & Equipment | | 363,465 |
| Total Long-term Assets | | 12,973,285 |
| Total Assets | | \$ 115,745,798 |

Liabilities

| | | |
|----------------------------------|---------------|-------------------|
| Current Liabilities | | |
| Prizes Payable | \$ 47,512,157 | |
| Accounts Payable | 1,995,968 | |
| Payable to MUSL | 2,243,743 | |
| Accrued Expenses | 1,640,267 | |
| Accrued Compensated Absences | 632,512 | |
| Deferred Revenue | 1,054,106 | |
| Total Current Liabilities | | 55,078,753 |
| Long-term Liabilities | | |
| Accrued Compensated Absences | 348,819 | |
| Deferred inflows-pension expense | 299,090 | |
| Deferred inflows-OPEB expense | 1,336,947 | |
| Net pension liability | 17,453,203 | |
| Net OPEB liability | 15,351,311 | |
| Total Long-term Liabilities | | 34,789,370 |
| Total Liabilities | | \$ 89,868,123 |

Net Position

| | | |
|-------------------------------------------------|---------------|--------------|
| Invested in capital assets, net of related debt | \$ 363,464.96 | |
| Restricted - Fidelity Funds | 483,329 | |
| Restricted for Education Lottery Account | \$25,030,882 | |
| Total Net Position | | \$25,877,675 |

South Carolina Education Lottery
Statement of Revenue, Expenses, and Changes in Net Position
For the Three Months Ending, September 30, 2021

| | FY22 | FY21 | FY22 | FY21 |
|----------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | Current | Current | Year - to - | Year - to - |
| | Month | Month | Date | Date |
| | Amount | Amount | Amount | Amount |
| Revenue | | | | |
| Revenue - Instant games | \$ 128,058,099 | \$ 129,941,857 | \$ 411,454,139 | \$ 432,997,854 |
| Revenue - Pick 3 | 23,035,043 | 23,966,362 | 73,453,665 | 75,325,803 |
| Revenue - Pick 4 | 11,875,215 | 11,726,667 | 37,860,569 | 35,337,305 |
| Revenue - Powerball | 12,689,033 | 4,602,049 | 25,203,206 | 14,645,766 |
| Revenue - Palmetto Cash 5 | 2,337,450 | 2,301,952 | 7,318,871 | 7,141,372 |
| Revenue - Mega Millions | 4,798,280 | 3,174,989 | 12,999,937 | 9,275,470 |
| Revenue - Lucky For Life | - | 974,420 | (14) | 3,199,946 |
| Revenue - Terminal games | 54,735,021 | 46,746,439 | 156,836,234 | 144,925,662 |
| Total game revenue | 182,793,120 | 176,688,296 | 568,290,373 | 577,923,516 |
| Permit fees | 35,640 | 82,890 | 120,285 | 115,710 |
| Reserve for bond fees | 1,875 | 2,925 | 6,975 | 6,750 |
| Retailer telephone fees | 234,375 | 230,040 | 760,920 | 746,580 |
| Miscellaneous revenue | 1,790 | 681 | 8,834 | 7,171 |
| Total revenue | 183,066,800 | 177,004,832 | 569,187,387 | 578,799,726 |
| Direct costs | | | | |
| Commissions and incentives | | | | |
| Retailer commissions | 12,795,948 | 12,368,623 | 39,781,289 | 40,456,232 |
| Retailer incentives | 39,181 | 53,748 | 187,413 | 167,486 |
| Total commissions and incentives | 12,835,129 | 12,422,371 | 39,968,702 | 40,623,718 |
| Prize expense | | | | |
| Instant games | 93,251,691 | 94,892,414 | 297,206,432 | 315,643,681 |
| Terminal games | 25,699,170 | 18,384,993 | 74,006,044 | 66,677,240 |
| Total prize expense | 118,950,860 | 113,277,407 | 371,212,476 | 382,320,921 |
| Instant and terminal game direct costs | | | | |
| Instant game costs | 806,842 | 885,423 | 2,875,915 | 2,867,625 |
| Terminal game costs | 872,611 | 901,299 | 2,699,372 | 2,477,733 |
| Total instant and terminal game direct costs | 1,679,453 | 1,786,721 | 5,575,287 | 5,345,358 |
| Total direct costs | 133,465,442 | 127,486,499 | 416,756,465 | 428,289,997 |
| Gross profit | 49,601,358 | 49,518,333 | 152,430,921 | 150,509,729 |
| Operating expenses | | | | |
| Advertising - Lottery | 1,203,673 | 747,959 | 2,519,865 | 2,135,939 |
| Security & credit checks | 7,753 | 28,466 | 62,724 | 62,217 |
| Salaries | 728,106 | 668,874 | 2,086,267 | 2,008,138 |
| Draw talent / Contract employment | (276) | 3,010 | 16,269 | 11,115 |
| Overtime | (6,984) | 327 | 549 | 1,350 |
| Per diem - Commissioners | - | - | 280 | 105 |
| Employee benefits | 276,695 | 184,784 | 824,862 | 713,778 |
| Advertising for employment | 130 | 380 | 389 | 1,014 |
| Auditing & financial | 22,296 | 32,336 | 67,403 | 58,656 |
| Consultants | 2,213 | - | 62,119 | 115,464 |
| Depreciation & amortization | 20,118 | 21,010 | 60,354 | 63,031 |
| Dues & memberships | 1,692 | 1,593 | 9,309 | 6,575 |
| Education & training | (3,551) | - | 4,877 | 4,781 |
| Employee recognition | 193 | 123 | 1,070 | 545 |
| Insurance | 40,830 | 43,403 | 79,395 | 90,208 |
| Lease - Office space | 54,190 | 54,029 | 162,562 | 162,086 |
| Legal | 1,097 | 761 | 7,000 | 3,139 |
| Maintenance & repairs | 8,372 | 4,861 | 18,571 | 9,809 |
| Licenses & warranties | 49,347 | 9,156 | 68,961 | 109,919 |
| Miscellaneous expense | 972 | 2,786 | 11,515 | 7,984 |
| Postage & freight | 4,999 | 11,681 | 12,523 | 15,665 |
| Printing | 9,810 | 13,818 | 32,423 | 25,864 |
| Promotion - Retailers | 332 | 250 | 1,207 | 373 |
| Security services | 37,319 | 36,431 | 112,109 | 105,410 |
| Services - Payroll | 1,426 | 1,244 | 3,814 | 3,349 |
| Supplies - Office | 3,915 | 1,761 | 86,788 | 34,041 |
| Supplies - Data processing | 8,510 | 691 | 13,738 | 43,538 |
| Telecommunications services | 4,480 | 203 | 13,439 | 14,297 |
| Telephone | 14,045 | 12,297 | 43,141 | 42,444 |
| Travel - Commissioners | - | - | 752 | 179 |
| Travel - Field service reps vehicle mileage | 19,831 | 16,915 | 73,233 | 39,002 |
| Travel - Staff & others | 11,025 | 1,060 | 11,998 | (714) |
| Utilities | 6,926 | - | 6,926 | 12,869 |
| Total operating expenses | 2,529,484 | 1,900,207 | 6,476,430 | 5,902,171 |
| Non-operating income (expense) | | | | |
| Interest income | 1,989 | 2,805 | 3,795 | 7,015 |
| Gain (Loss) on asset disposal | - | - | 15 | 113 |
| Total non-operating income (expense) | 1,989 | 2,805 | 3,810 | 7,128 |
| Change in net position before amount remitted to Education Lottery Account | 47,073,862 | 47,620,931 | 145,958,301 | 144,614,686 |
| Remitted to the Education Lottery Account | 44,063,737 | 42,412,830 | 144,612,095 | 143,473,269 |
| Change in net position | 3,010,125 | 5,208,101 | 1,346,206 | 1,141,417 |
| Net position - beginning of period | 22,867,550 | 23,935,836 | 24,531,469 | 28,002,520 |
| Net position - end of period | \$ 25,877,675 | \$ 29,143,937 | \$ 25,877,675 | \$ 29,143,937 |

South Carolina Education Lottery
Statement of Net Proceeds Due to the Education Lottery Account
For the Three Months Ending September 30, 2021

| | Current Month | Year to Date |
|-------------------------------------------------------------------------------|---------------|---------------|
| Change in net position before amount remitted to Education Lottery Account | \$ 47,073,862 | \$145,958,301 |
| Amount invested in capital assets, net of related debt | | |
| Property, equipment & intellectual property | - | (12,632) |
| Accumulated depreciation & amortization | 20,118 | 60,354 |
| Net property, equipment & intellectual property | 20,118 | 47,722 |
| Capital assets, net of related debt | 20,118 | 47,722 |
| Restricted fidelity fund cash | (2,627) | (10,281) |
| Remitted to and due to the the Education Lottery Account | \$ 47,091,353 | \$145,995,742 |