



KENTUCKY LOTTERY CORPORATION

FINANCIAL STATEMENTS

OCTOBER 2023

MONTH 4 OF FISCAL YEAR ENDING JUNE 30, 2024

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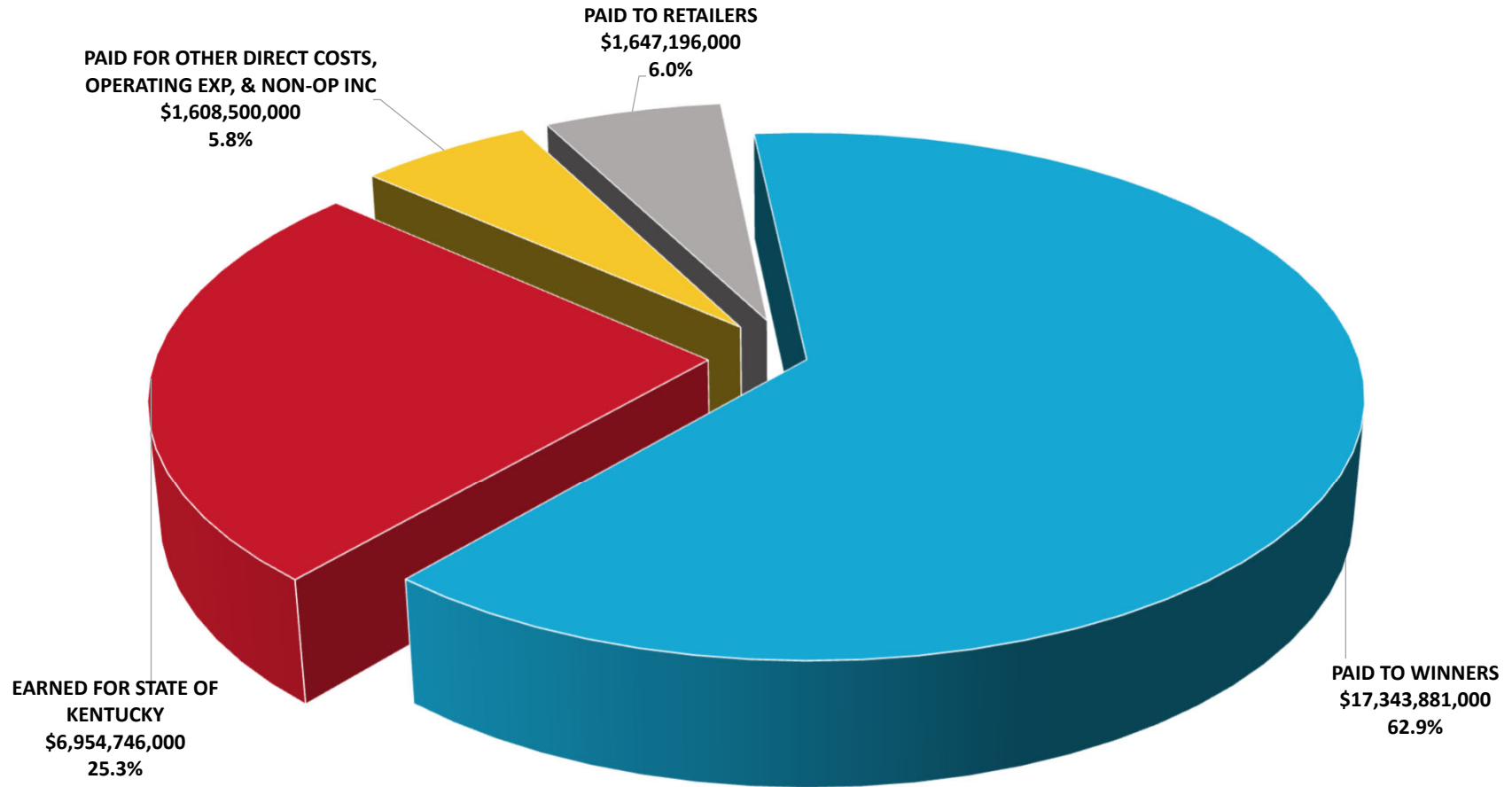
PROFIT MARGIN REPORT – YEAR-TO-DATE

ADVERTISING AND PROMOTION EXPENSES

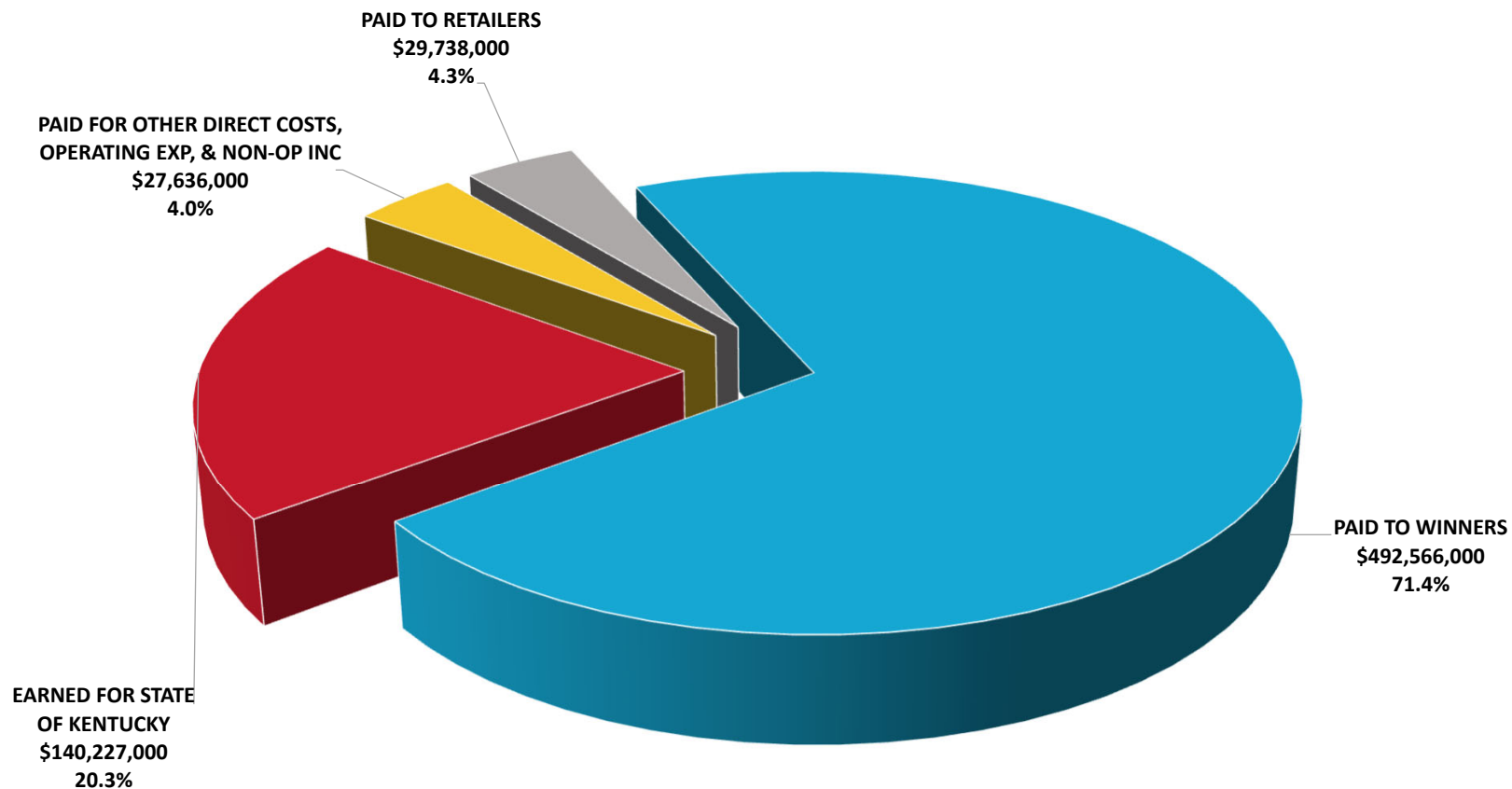
OPERATING EXPENSES

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KENTUCKY LOTTERY CORPORATION
"WHERE THE MONEY GOES"
INCEPTION-TO-DATE SALES AS OF OCTOBER 31, 2023
\$27,554,323,000



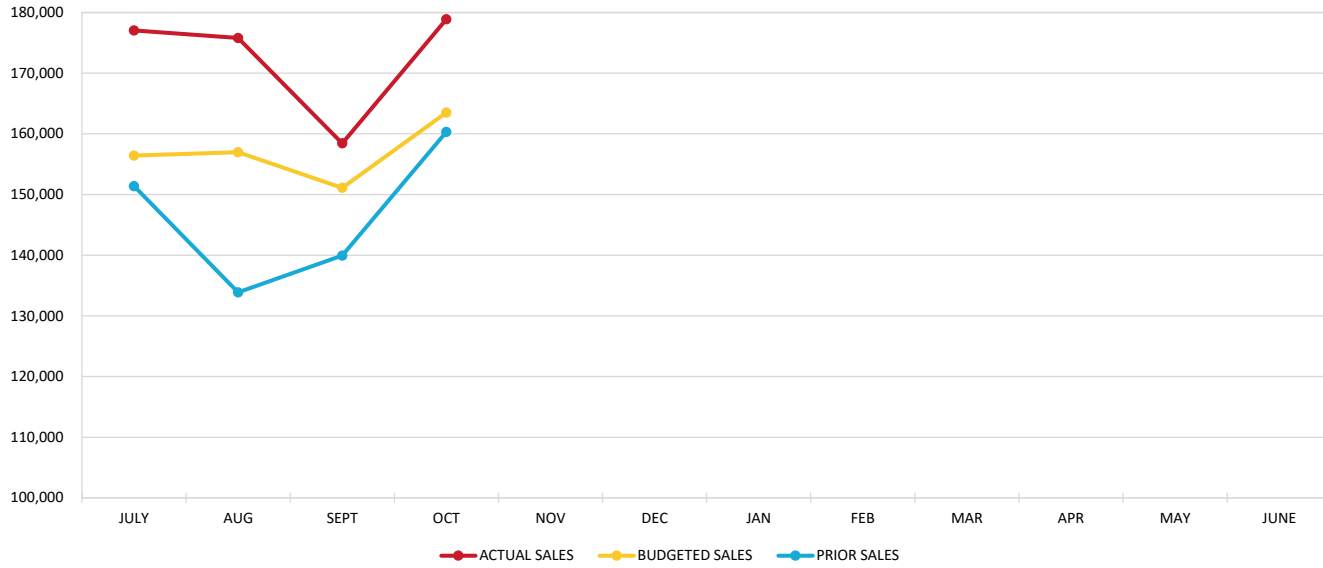
KENTUCKY LOTTERY CORPORATION
"WHERE THE MONEY GOES"
YEAR-TO-DATE SALES AS OF OCTOBER 31, 2023
\$690,167,000



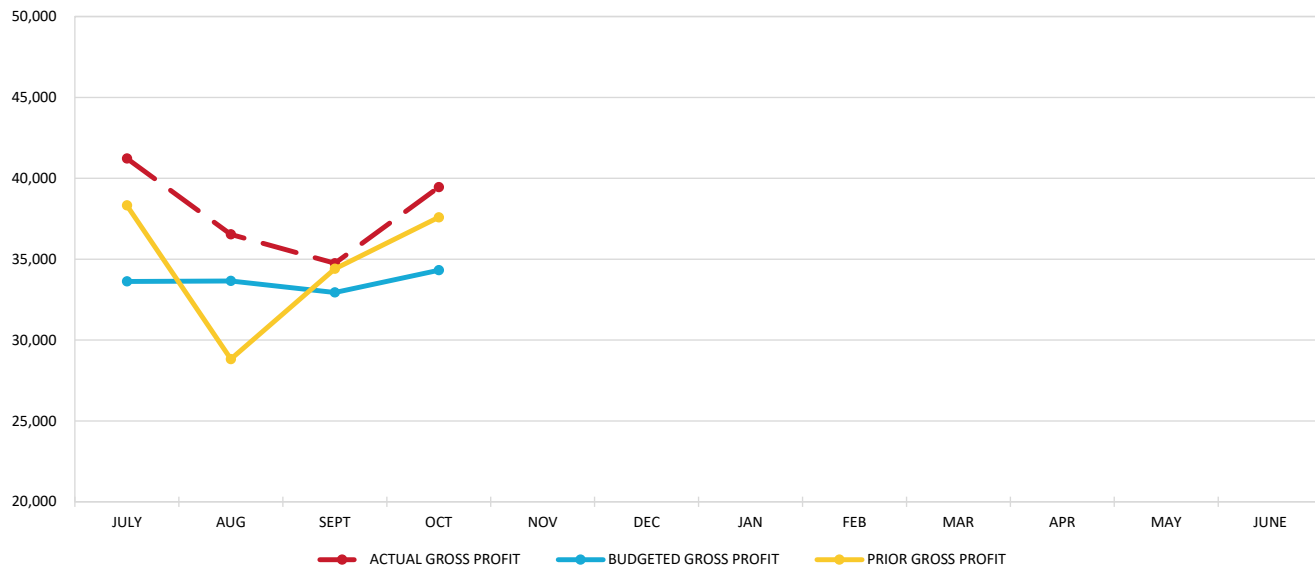
AMOUNTS ARE SHOWN AS A PERCENTAGE OF SALES.

EARNINGS FOR THE STATE OF KENTUCKY ARE USED FOR THE KEES COLLEGE SCHOLARSHIP AND KTG/CAP GRANT PROGRAMS, AS WELL AS THE WORK READY SCHOLARSHIP, THE DUAL CREDIT SCHOLARSHIP, THE NATIONAL GUARD TUITION AWARD, AND TEACHER SCHOLARSHIP.

SALES BY MONTH
AS OF OCTOBER 31, 2023

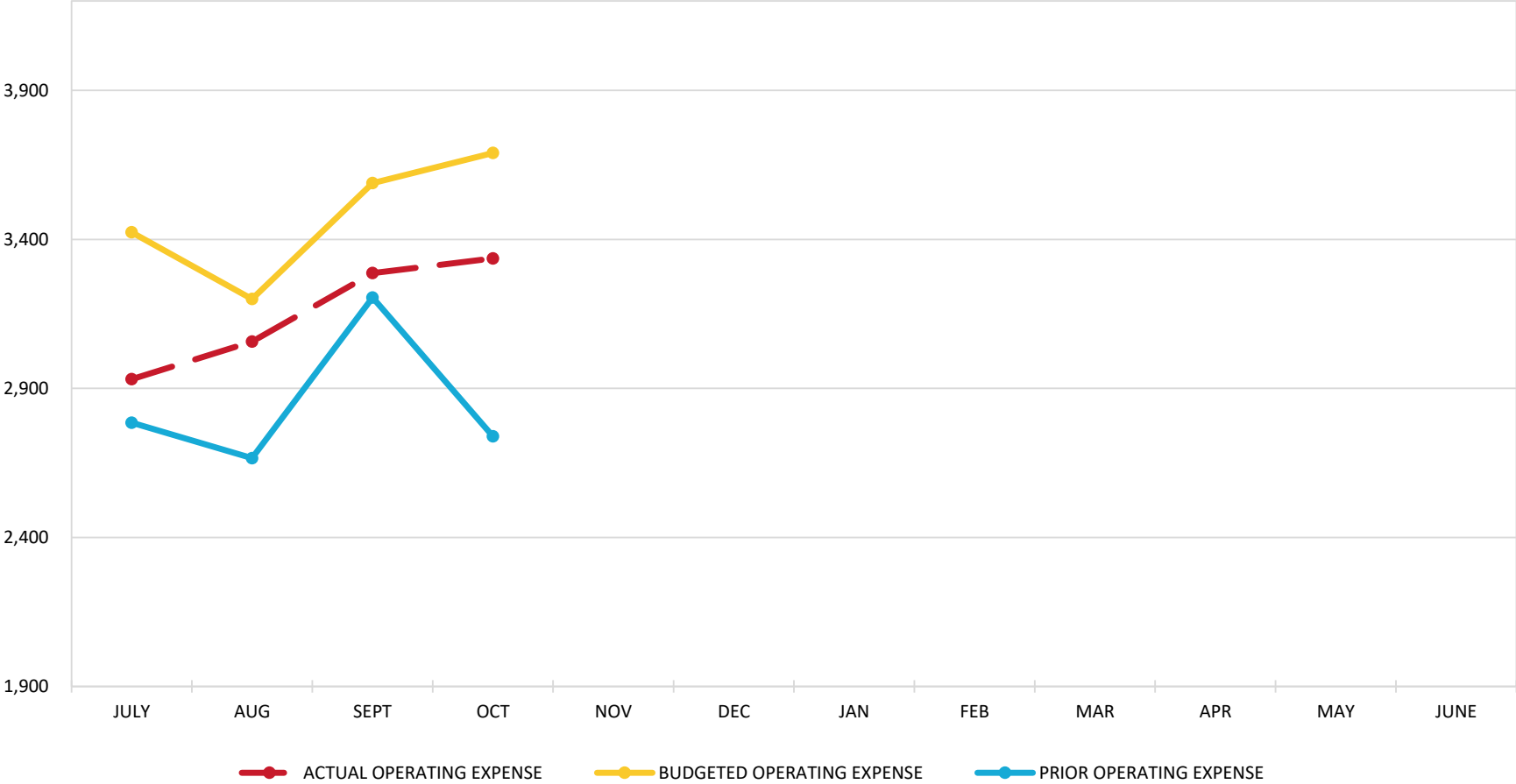


GROSS PROFIT BY MONTH
AS OF OCTOBER 31, 2023



OPERATING EXPENSE BY MONTH

AS OF OCTOBER 31, 2023



KENTUCKY LOTTERY CORPORATION

FINANCIAL RESULTS

OCTOBER 2023

INCOME STATEMENT

Ticket sales for October 2023 were \$178.9 million which is \$18.6 million or 11.6% more than the same month of the prior fiscal year. Sales for the year were \$690.2 million which is \$104.7 million or 17.9% more than in the prior fiscal year. Instant ticket sales were \$8.1 million or 9.4% less than the same month of the prior fiscal year and \$3.8 million or 1.2% more than the prior fiscal year. Draw game sales were \$3.4 million or 7.4% more than the same month of the prior fiscal year and \$21.6 million or 12.5% more than the prior fiscal year. iLottery instant play sales were \$23.3 million or 83.5% more than the same month of the prior year and \$79.2 million or 74.6% more than the prior fiscal year.

Ticket sales for the month of October were \$15.4 million or 9.4% more than budget. Ticket sales for the fiscal year were \$62.2 million or 9.9% more than budget. Instant ticket sales were \$8.3 million or 9.5% less than budget for the current month and \$18.3 million or 5.6% less than budget for the fiscal year. Draw game sales were \$10.7 million or 27.7% more than budget for the month and \$40.6 million or 26.3% more than budget for the fiscal year. iLottery instant play sales were \$13.0 million or 33.9% more than budget for the month and \$39.9 million or 27.4% more than budget for the fiscal year.

Prize expense for October 2023 was 71.4% of total sales, compared to 69.3% in the same month last year and 72.0% budgeted. Combined prize expense for the year was 71.4% compared to 69.1% prior fiscal year and 71.6% budgeted. Instant prize expense for the month was 71.6%, draw game prize expense was 54.6%, and iLottery instant play prize expense was 87.1%. Instant prize expense for the fiscal year was 71.8%, draw game prize expense was 55.3% and iLottery instant play prize expense was 87.5%

Operating costs were \$3.3 million for October, compared to \$2.7 million for the same month last year and \$3.7 million budgeted. These costs included advertising and promotions of \$1.2 million, salaries & benefits of \$1.7 million, contracted and professional services of \$209,000, depreciation expense of \$112,000, and other general and administrative costs of \$162,000. Operating cost for the fiscal year were \$12.6 million, compared to \$11.4 million in the prior fiscal year and \$13.9 million budgeted.

Net Income for October was \$36.0 million, compared to \$34.4 million for the same month in the prior year and \$30.3 million budgeted. Net Income for the fiscal year was \$137.8 million compared to \$125.6 prior fiscal year and \$117.9 million budgeted.

Dividends of \$28.0 million were transferred to the Commonwealth of Kentucky in October. Additional dividends of \$323,000 were accrued in October for transfer to the KEES Reserve. Transfers to the KEES Reserve will be made quarterly during the fiscal year.

BALANCE SHEET

Cash balance decreased to \$53.4 million. Accounts Receivable increased to \$75.5 million and total assets decreased to \$149.7 million.

KENTUCKY LOTTERY CORPORATION
BALANCE SHEETS
OCTOBER 31, 2023
(\$000's)

	<u>CURRENT MONTH END</u>	<u>PRIOR MONTH END</u>	<u>PRIOR FISCAL YEAR END</u>
ASSETS:			
CURRENT ASSETS:			
CASH - UNRESTRICTED	\$53,392	\$60,881	\$38,931
INVESTMENTS, CURRENT PORTION	1,384	1,384	1,384
ACCOUNTS RECEIVABLE, NET	75,490	72,376	69,209
OTHER	1,457	1,669	1,385
TOTAL CURRENT ASSETS	131,723	136,310	110,909
INVESTMENTS, LESS CURRENT PORTION	8,820	8,781	8,708
PROPERTY AND EQUIPMENT, NET	4,470	4,578	4,405
DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	4,693	4,990	4,990
TOTAL ASSETS	\$149,706	\$154,659	\$129,012
LIABILITIES AND EQUITY:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$9,332	\$22,320	\$25,475
ESTIMATED PRIZE LIABILITY, CURRENT PORTION	82,827	82,738	77,677
TOTAL CURRENT LIABILITIES	92,159	105,058	103,152
ESTIMATED PRIZE LIABILITY - LESS CURRENT PORTION	8,574	8,665	8,721
TOTAL LIABILITIES	100,733	113,723	111,873
CONTRIBUTED CAPITAL	100	100	100
RETAINED EARNINGS	48,873	40,836	17,039
TOTAL EQUITY	48,973	40,936	17,139
TOTAL LIABILITIES AND EQUITY	\$149,706	\$154,659	\$129,012

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - COMPARISON TO PRIOR YEAR
OCTOBER 31, 2023
(\$000'S)

MONTH OF OCTOBER:			VARIANCE	
	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	CURRENT BETTER/ (WORSE) THAN PRIOR	
SALES:				
INSTANT TICKETS	\$78,483	\$86,601	(\$8,118)	-9.4%
DRAW GAMES	49,177	45,798	\$3,379	7.4%
ILOTTERY INSTANT PLAY	51,235	27,922	23,313	83.5%
TOTAL TICKET SALES	<u>178,895</u>	<u>160,321</u>	<u>18,574</u>	11.6%
DIRECT COSTS:				
PRIZES:				
INSTANT TICKETS	56,189	62,811	6,622	10.5%
DRAW GAMES	26,870	24,005	(2,865)	-11.9%
ILOTTERY INSTANT PLAY	44,635	24,324	(20,311)	-83.5%
TOTAL PRIZES	<u>127,694</u>	<u>111,140</u>	<u>(16,554)</u>	-14.9%
PAYMENTS TO RETAILERS	7,618	7,848	230	2.9%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	3,045	2,588	(457)	-17.7%
INSTANT TICKET COSTS	1,086	1,156	70	6.1%
TOTAL DIRECT COSTS	<u>139,443</u>	<u>122,732</u>	<u>(16,711)</u>	-13.6%
GROSS PROFIT	39,452	37,589	1,863	5.0%
OPERATING EXPENSES:				
ADVERTISING AND PROMOTION	1,193	838	(355)	-42.4%
SALARIES, WAGES & BENEFITS	1,660	1,414	(246)	-17.4%
CONTRACTED & PROFESSIONAL SERVICES	209	192	(17)	-8.9%
DEPRECIATION	112	108	(4)	-3.7%
OTHER GENERAL & ADMINISTRATIVE	162	187	25	13.4%
TOTAL OPERATING EXPENSES	<u>3,336</u>	<u>2,739</u>	<u>(597)</u>	-21.8%
OPERATING INCOME	<u>36,116</u>	<u>34,850</u>	<u>1,266</u>	3.6%
NON-OPERATING INCOME	<u>244</u>	<u>103</u>	<u>141</u>	136.9%
NET INCOME WITH UNCLAIMED PRIZES	36,360	34,953	1,407	4.0%
UNCLAIMED PRIZES	<u>(323)</u>	<u>(543)</u>	<u>(220)</u>	40.5%
NET INCOME	<u>\$36,037</u>	<u>\$34,410</u>	<u>\$1,627</u>	4.7%

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - COMPARISON TO PRIOR YEAR
YEAR-TO-DATE THROUGH OCTOBER 31, 2023
(\$000'S)

FOUR MONTHS YEAR TO DATE:	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	VARIANCE	
			CURRENT BETTER/ (WORSE) THAN PRIOR	
SALES:				
INSTANT TICKETS	\$309,913	\$306,097	\$3,816	1.2%
DRAW GAMES	194,791	173,178	21,613	12.5%
ILOTTERY INSTANT PLAY	185,463	106,231	79,232	74.6%
TOTAL TICKET SALES	<u>690,167</u>	<u>585,506</u>	<u>104,661</u>	17.9%
DIRECT COSTS:				
PRIZES:				
INSTANT TICKETS	222,589	219,028	(3,561)	-1.6%
DRAW GAMES	107,756	93,740	(14,016)	-15.0%
ILOTTERY INSTANT PLAY	162,221	91,683	(70,538)	-76.9%
TOTAL PRIZES	<u>492,566</u>	<u>404,451</u>	<u>(88,115)</u>	-21.8%
PAYMENTS TO RETAILERS	29,738	28,049	(1,689)	-6.0%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	11,753	9,817	(1,936)	-19.7%
INSTANT TICKET COSTS	4,146	4,039	(107)	-2.6%
TOTAL DIRECT COSTS	<u>538,203</u>	<u>446,356</u>	<u>(91,847)</u>	-20.6%
GROSS PROFIT	151,964	139,150	12,814	9.2%
OPERATING EXPENSES:				
ADVERTISING AND PROMOTION	4,065	3,557	(508)	-14.3%
SALARIES, WAGES & BENEFITS	6,363	5,766	(597)	-10.4%
CONTRACTED & PROFESSIONAL SERVICES	969	785	(184)	-23.4%
DEPRECIATION	449	427	(22)	-5.2%
OTHER GENERAL & ADMINISTRATIVE	765	860	95	11.0%
TOTAL OPERATING EXPENSES	<u>12,611</u>	<u>11,395</u>	<u>(1,216)</u>	-10.7%
OPERATING INCOME	<u>139,353</u>	<u>127,755</u>	<u>11,598</u>	9.1%
NON-OPERATING INCOME	<u>874</u>	<u>269</u>	<u>605</u>	224.9%
NET INCOME WITH UNCLAIMED PRIZES	140,227	128,024	12,203	9.5%
UNCLAIMED PRIZES	<u>(2,393)</u>	<u>(2,430)</u>	<u>37</u>	-1.5%
NET INCOME	<u>\$137,834</u>	<u>\$125,594</u>	<u>\$12,240</u>	9.7%

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - COMPARISON TO BUDGET
OCTOBER 31, 2023
(\$000'S)

MONTH OF OCTOBER:	VARIANCE			
	ACTUAL	BUDGET	ACTUAL BETTER/ (WORSE) THAN BUDGET	
SALES:				
INSTANT TICKETS	\$78,483	\$86,735	(\$8,252)	-9.5%
DRAW GAMES	49,177	38,508	10,669	27.7%
ILOTTERY INSTANT PLAY	51,235	38,268	12,967	33.9%
TOTAL TICKET SALES	<u>178,895</u>	<u>163,511</u>	<u>15,384</u>	9.4%
DIRECT COSTS:				
PRIZES:				
INSTANT TICKETS	56,189	62,806	6,617	10.5%
DRAW GAMES	26,870	21,807	(5,063)	-23.2%
ILOTTERY INSTANT PLAY	44,635	33,217	(11,418)	-34.4%
TOTAL PRIZES	<u>127,694</u>	<u>117,830</u>	<u>(9,864)</u>	-8.4%
PAYMENTS TO RETAILERS	7,618	7,583	(35)	-0.5%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	3,045	2,583	(462)	-17.9%
INSTANT TICKET COSTS	<u>1,086</u>	<u>1,196</u>	<u>110</u>	9.2%
TOTAL DIRECT COSTS	<u>139,443</u>	<u>129,192</u>	<u>(10,251)</u>	-7.9%
GROSS PROFIT	39,452	34,319	5,133	15.0%
OPERATING EXPENSES:				
ADVERTISING AND PROMOTION	1,193	1,383	190	13.7%
SALARIES, WAGES & BENEFITS	1,660	1,683	23	1.4%
CONTRACTED & PROFESSIONAL SERVICES	209	284	75	26.4%
DEPRECIATION	112	120	8	6.7%
OTHER GENERAL & ADMINISTRATIVE	162	220	58	26.4%
TOTAL OPERATING EXPENSES	<u>3,336</u>	<u>3,690</u>	<u>354</u>	9.6%
OPERATING INCOME	<u>36,116</u>	<u>30,629</u>	<u>5,487</u>	17.9%
NON-OPERATING INCOME	<u>244</u>	<u>32</u>	<u>212</u>	662.5%
NET INCOME WITH UNCLAIMED PRIZES	36,360	30,661	5,699	18.6%
UNCLAIMED PRIZES	<u>(323)</u>	<u>(375)</u>	<u>52</u>	-13.9%
NET INCOME	<u><u>\$36,037</u></u>	<u><u>\$30,286</u></u>	<u><u>\$5,751</u></u>	19.0%

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - COMPARISON TO BUDGET
YEAR-TO-DATE THROUGH OCTOBER 31, 2023
(\$000'S)

FOUR MONTHS YEAR TO DATE:	VARIANCE			
	ACTUAL	BUDGET	ACTUAL BETTER/ (WORSE) THAN BUDGET	
SALES:				
INSTANT TICKETS	\$309,913	\$328,203	(\$18,290)	-5.6%
DRAW GAMES	194,791	154,207	40,584	26.3%
ILOTTERY INSTANT PLAY	185,463	145,595	39,868	27.4%
TOTAL TICKET SALES	<u>690,167</u>	<u>628,005</u>	<u>62,162</u>	9.9%
DIRECT COSTS:				
PRIZES:				
INSTANT TICKETS	222,589	235,869	13,280	5.6%
DRAW GAMES	107,756	87,420	(20,336)	-23.3%
ILOTTERY INSTANT PLAY	162,221	126,377	(35,844)	-28.4%
TOTAL PRIZES	<u>492,566</u>	<u>449,666</u>	<u>(42,900)</u>	-9.5%
PAYMENTS TO RETAILERS	29,738	29,134	(604)	-2.1%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	11,753	10,073	(1,680)	-16.7%
INSTANT TICKET COSTS	4,146	4,593	447	9.7%
TOTAL DIRECT COSTS	<u>538,203</u>	<u>493,466</u>	<u>(44,737)</u>	-9.1%
GROSS PROFIT	151,964	134,539	17,425	13.0%
OPERATING EXPENSES:				
ADVERTISING AND PROMOTION	4,065	4,606	541	11.7%
SALARIES, WAGES & BENEFITS	6,363	6,737	374	5.6%
CONTRACTED & PROFESSIONAL SERVICES	969	1,089	120	11.0%
DEPRECIATION	449	484	35	7.2%
OTHER GENERAL & ADMINISTRATIVE	765	987	222	22.5%
TOTAL OPERATING EXPENSES	<u>12,611</u>	<u>13,903</u>	<u>1,292</u>	9.3%
OPERATING INCOME	<u>139,353</u>	<u>120,636</u>	<u>18,717</u>	15.5%
NON-OPERATING INCOME	<u>874</u>	<u>128</u>	<u>746</u>	582.8%
NET INCOME WITH UNCLAIMED PRIZES	140,227	120,764	19,463	16.1%
UNCLAIMED PRIZES	<u>(2,393)</u>	<u>(2,875)</u>	<u>(482)</u>	16.8%
NET INCOME	<u>\$137,834</u>	<u>\$117,889</u>	<u>\$19,945</u>	16.9%

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - PERCENTAGE OF TOTAL SALES
OCTOBER 31, 2023
(\$000'S)

MONTH OF OCTOBER:

	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	CURRENT YEAR BUDGET
SALES:			
INSTANT TICKETS	43.9%	54.0%	53.0%
DRAW GAMES	27.5%	28.6%	23.6%
ILOTTERY INSTANT PLAY	28.6%	17.4%	23.4%
TOTAL TICKET SALES	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
DIRECT COSTS:			
PRIZES:			
INSTANT TICKETS	31.4%	39.2%	38.4%
DRAW GAMES	15.0%	15.0%	13.3%
ILOTTERY INSTANT PLAY	25.0%	15.1%	20.3%
TOTAL PRIZES	<u>71.4%</u>	<u>69.3%</u>	<u>72.0%</u>
PAYMENTS TO RETAILERS	4.2%	4.9%	4.7%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	1.7%	1.6%	1.6%
INSTANT TICKET COSTS	0.6%	0.8%	0.7%
TOTAL DIRECT COSTS	<u>77.9%</u>	<u>76.6%</u>	<u>79.0%</u>
GROSS PROFIT	22.1%	23.4%	21.0%
OPERATING EXPENSES:			
ADVERTISING AND PROMOTION	0.7%	0.5%	0.9%
SALARIES, WAGES & BENEFITS	0.9%	0.9%	1.0%
CONTRACTED & PROFESSIONAL SERVICES	0.1%	0.1%	0.2%
DEPRECIATION	0.1%	0.1%	0.1%
OTHER GENERAL & ADMINISTRATIVE	0.1%	0.1%	0.1%
TOTAL OPERATING EXPENSES	<u>1.9%</u>	<u>1.7%</u>	<u>2.3%</u>
OPERATING INCOME	<u>20.2%</u>	<u>21.7%</u>	<u>18.7%</u>
NON-OPERATING INCOME	<u>0.1%</u>	<u>0.1%</u>	<u>0.0%</u>
NET INCOME WITH UNCLAIMED PRIZES	20.3%	21.8%	18.7%
UNCLAIMED PRIZES	<u>-0.2%</u>	<u>-0.4%</u>	<u>-0.2%</u>
NET INCOME	<u><u>20.1%</u></u>	<u><u>21.4%</u></u>	<u><u>18.5%</u></u>

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF INCOME - PERCENTAGE OF TOTAL SALES
YEAR-TO-DATE THROUGH OCTOBER 31, 2023
(\$000'S)

FOUR MONTHS YEAR TO DATE:

	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	CURRENT YEAR BUDGET
SALES:			
INSTANT TICKETS	44.9%	52.3%	52.3%
DRAW GAMES	28.2%	29.6%	24.6%
ILOTTERY INSTANT PLAY	26.9%	18.1%	23.1%
TOTAL TICKET SALES	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
DIRECT COSTS:			
PRIZES:			
INSTANT TICKETS	32.3%	37.4%	37.6%
DRAW GAMES	15.6%	16.0%	13.9%
ILOTTERY INSTANT PLAY	23.5%	15.7%	20.1%
TOTAL PRIZES	<u>71.4%</u>	<u>69.1%</u>	<u>71.6%</u>
PAYMENTS TO RETAILERS	4.3%	4.8%	4.7%
DRAW GAMES AND ILOTTERY VENDOR EXPENSE	1.7%	1.6%	1.6%
INSTANT TICKET COSTS	0.6%	0.7%	0.7%
TOTAL DIRECT COSTS	<u>78.0%</u>	<u>76.2%</u>	<u>78.6%</u>
GROSS PROFIT	22.0%	23.8%	21.4%
OPERATING EXPENSES:			
ADVERTISING AND PROMOTION	0.6%	0.6%	0.7%
SALARIES, WAGES & BENEFITS	0.9%	1.0%	1.1%
CONTRACTED & PROFESSIONAL SERVICES	0.1%	0.1%	0.1%
DEPRECIATION	0.1%	0.1%	0.1%
OTHER GENERAL & ADMINISTRATIVE	0.1%	0.2%	0.2%
TOTAL OPERATING EXPENSES	<u>1.8%</u>	<u>2.0%</u>	<u>2.2%</u>
OPERATING INCOME	<u>20.2%</u>	<u>21.8%</u>	<u>19.2%</u>
NON-OPERATING INCOME	<u>0.1%</u>	<u>0.1%</u>	<u>0.0%</u>
NET INCOME WITH UNCLAIMED PRIZES	20.3%	21.9%	19.2%
UNCLAIMED PRIZES	<u>-0.3%</u>	<u>-0.4%</u>	<u>-0.4%</u>
NET INCOME	<u><u>20.0%</u></u>	<u><u>21.5%</u></u>	<u><u>18.8%</u></u>

KENTUCKY LOTTERY CORPORATION
 STATEMENTS OF RETAINED EARNINGS
 OCTOBER 31, 2023
 (\$000'S)

	<u>CURRENT YEAR</u>		<u>PRIOR YEAR</u>	
	MONTH	YEAR-TO- DATE	MONTH	YEAR-TO- DATE
RETAINED EARNINGS- BEGINNING OF PERIOD	\$40,836	\$17,039	\$33,223	\$17,039
NET INCOME WITH UNCLAIMED PRIZES	\$36,360	140,227	\$34,953	128,024
DIVIDENDS - GENERAL FUND & EDUCATION	(\$28,000)	(106,000)	(\$27,000)	(\$102,000)
DIVIDENDS - KEES RESERVE	(\$323)	(2,393)	(\$543)	(\$2,430)
RETAINED EARNINGS- END OF PERIOD	\$48,873	\$48,873	\$40,633	\$40,633

KENTUCKY LOTTERY CORPORATION
STATEMENTS OF CASH FLOWS
YEAR-TO-DATE THROUGH OCTOBER 31, 2023
(\$000'S)

	MONTH	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME	\$36,116	\$139,353
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
DEPRECIATION	112	449
PROVISION FOR LOSSES ON ACCOUNTS RECEIVABLE	0	0
INCREASE (DECREASE) IN CASH DUE TO CHANGES IN:		
ACCOUNTS RECEIVABLE	(3,114)	(6,281)
OTHER ASSETS	212	(72)
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	(12,988)	(16,143)
ESTIMATED PRIZE LIABILITY	(2)	5,003
NET CASH PROVIDED BY OPERATING ACTIVITIES	20,336	122,309
CASH FLOWS FROM INVESTING ACTIVITIES:		
PROCEEDS FROM MATURITIES OR SALE OF INVESTMENTS	0	50
PURCHASE OF INVESTMENTS	0	0
CHANGE IN INVESTMENTS	(39)	(162)
DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	297	297
INTEREST INCOME	224	802
SECURITY LENDING FEES	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	482	987
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
DIVIDENDS TRANSFERRED/PAYABLE	(28,323)	(108,393)
RETAILER APPLICATION AND OTHER NON-OPERATING FEES	20	51
NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES	(28,303)	(108,342)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
PURCHASES OF PROPERTY AND EQUIPMENT	(4)	(514)
PROCEEDS FROM DISPOSAL OF PROPERTY AND EQUIPMENT	0	21
PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT	0	0
REPAYMENTS OF LONG-TERM DEBT	0	0
INTEREST EXPENSE	0	0
NET CASH USED IN CAPITAL FINANCING ACTIVITIES	(4)	(493)
NET INCREASE (DECREASE) IN CASH	(7,489)	14,461
CASH, BEGINNING OF PERIOD	60,881	38,931
CASH, END OF PERIOD	\$53,392	\$53,392

KENTUCKY LOTTERY CORPORATION
 PROFIT MARGIN REPORT
 MONTH ENDING OCTOBER 31, 2023
 (\$000'S)

PROFIT CONTRIBUTION

	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>KENO</u>	<u>LFL</u>	<u>FAST PLAY</u>	<u>CASH POP</u>	<u>KY 5</u>	<u>ILOTTERY INSTANT PLAY</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
SALES:														
SALES AT RETAIL	78,483	13,422	805	4,190	14,551	3,153	5,422	810	1,726	866	414	0	0	123,842
ILOTTERY	<u>0</u>	<u>1,656</u>	<u>99</u>	<u>155</u>	<u>309</u>	<u>374</u>	<u>762</u>	<u>211</u>	<u>0</u>	<u>133</u>	<u>119</u>	<u>51,235</u>	<u>0</u>	<u>55,053</u>
TOTAL SALES	<u>78,483</u>	<u>15,078</u>	<u>904</u>	<u>4,345</u>	<u>14,860</u>	<u>3,527</u>	<u>6,184</u>	<u>1,021</u>	<u>1,726</u>	<u>999</u>	<u>533</u>	<u>51,235</u>	<u>0</u>	<u>178,895</u>
DIRECT COSTS:														
PRIZES WON:														
PRIZES AT RETAIL	56,189	6,719	542	2,014	8,044	1,581	3,665	474	1,226	584	233	0	0	81,271
ILOTTERY	<u>0</u>	<u>829</u>	<u>39</u>	<u>72</u>	<u>182</u>	<u>188</u>	<u>525</u>	<u>124</u>	<u>0</u>	<u>85</u>	<u>67</u>	<u>44,635</u>	<u>0</u>	<u>46,746</u>
TOTAL PRIZES WON	<u>56,189</u>	<u>7,548</u>	<u>581</u>	<u>2,086</u>	<u>8,226</u>	<u>1,769</u>	<u>4,190</u>	<u>598</u>	<u>1,226</u>	<u>669</u>	<u>300</u>	<u>44,635</u>	<u>0</u>	<u>128,017</u>
UNCLAIMED PRIZE CREDIT	0	(55)	(8)	(58)	(100)	(40)	(30)	(14)	(7)	(4)	(7)	0	0	(323)
PAYMENTS TO RETAILERS	5,131	684	46	229	806	161	306	43	102	50	21	11	28	7,618
DRAW GAME AND ILOTTERY	324	332	19	69	215	75	123	25	24	19	15	1,442	363	3,045
VENDOR EXPENSE														
TICKET COSTS	<u>1,086</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,086</u>
TOTAL DIRECT COSTS	<u>62,730</u>	<u>8,509</u>	<u>638</u>	<u>2,326</u>	<u>9,147</u>	<u>1,965</u>	<u>4,589</u>	<u>652</u>	<u>1,345</u>	<u>734</u>	<u>329</u>	<u>46,088</u>	<u>391</u>	<u>139,443</u>
GROSS PROFIT	<u>15,753</u>	<u>6,569</u>	<u>266</u>	<u>2,019</u>	<u>5,713</u>	<u>1,562</u>	<u>1,595</u>	<u>369</u>	<u>381</u>	<u>265</u>	<u>204</u>	<u>5,147</u>	<u>(391)</u>	<u>39,452</u>

(% OF SALES)

PROFIT MARGIN

	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>KENO</u>	<u>LFL</u>	<u>FAST PLAY</u>	<u>CASH POP</u>	<u>KY 5</u>	<u>ILOTTERY INSTANT PLAY</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
TOTAL SALES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%
DIRECT COSTS:														
TOTAL PRIZES WON	71.6%	50.1%	64.3%	48.0%	55.4%	50.2%	67.8%	58.6%	71.0%	67.0%	56.3%	87.1%	0.0%	71.6%
UNCLAIMED PRIZE CREDIT	0.0%	-0.4%	-0.9%	-1.3%	-0.7%	-1.1%	-0.5%	-1.4%	-0.4%	-0.4%	-1.3%	0.0%	0.0%	-0.2%
PAYMENTS TO RETAILERS	6.5%	4.5%	5.1%	5.2%	5.5%	4.5%	4.9%	4.3%	5.9%	5.0%	3.9%	0.0%	0.0%	4.2%
DRAW GAME AND ILOTTERY	0.4%	2.2%	2.1%	1.6%	1.4%	2.1%	2.0%	2.4%	1.4%	1.9%	2.8%	2.9%	0.0%	1.7%
VENDOR EXPENSE														
TICKET COSTS	<u>1.4%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.6%</u>
TOTAL DIRECT COSTS	<u>79.9%</u>	<u>56.4%</u>	<u>70.6%</u>	<u>53.5%</u>	<u>61.6%</u>	<u>55.7%</u>	<u>74.2%</u>	<u>63.9%</u>	<u>77.9%</u>	<u>73.5%</u>	<u>61.7%</u>	<u>90.0%</u>	<u>0.0%</u>	<u>77.9%</u>
GROSS PROFIT	<u>20.1%</u>	<u>43.6%</u>	<u>29.4%</u>	<u>46.5%</u>	<u>38.4%</u>	<u>44.3%</u>	<u>25.8%</u>	<u>36.1%</u>	<u>22.1%</u>	<u>26.5%</u>	<u>38.3%</u>	<u>10.0%</u>	<u>0.0%</u>	<u>22.1%</u>

KENTUCKY LOTTERY CORPORATION
 PROFIT MARGIN REPORT
 YEAR TO DATE AS OF OCTOBER 31, 2023
 (\$000'S)

PROFIT CONTRIBUTION

	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>KENO</u>	<u>LFL</u>	<u>FAST PLAY</u>	<u>CASH POP</u>	<u>KY 5</u>	<u>ILOTTERY INSTANT PLAY</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
SALES:														
SALES AT RETAIL ILOTTERY	309,913 <u>0</u>	41,354 <u>4,559</u>	3,229 <u>391</u>	16,873 <u>580</u>	59,915 <u>1,194</u>	24,060 <u>2,608</u>	20,803 <u>2,718</u>	3,206 <u>765</u>	6,662 <u>0</u>	3,220 <u>500</u>	1,713 <u>441</u>	0 <u>185,463</u>	0 <u>0</u>	490,948 <u>199,219</u>
TOTAL SALES	<u>309.913</u>	<u>45.913</u>	<u>3.620</u>	<u>17.453</u>	<u>61.109</u>	<u>26.668</u>	<u>23.521</u>	<u>3.971</u>	<u>6.662</u>	<u>3.720</u>	<u>2.154</u>	<u>185.463</u>	<u>0</u>	<u>690.167</u>
DIRECT COSTS:														
PRIZES WON:														
PRIZES AT RETAIL ILOTTERY	223,439 <u>0</u>	20,711 <u>2,283</u>	2,193 <u>142</u>	6,854 <u>323</u>	36,279 <u>768</u>	12,045 <u>1,306</u>	13,901 <u>1,818</u>	1,931 <u>461</u>	4,658 <u>0</u>	2,172 <u>317</u>	904 <u>233</u>	0 <u>162,221</u>	0 <u>0</u>	325,087 <u>169,872</u>
TOTAL PRIZES WON	<u>223.439</u>	<u>22.994</u>	<u>2.335</u>	<u>7.177</u>	<u>37.047</u>	<u>13.351</u>	<u>15.719</u>	<u>2.392</u>	<u>4.658</u>	<u>2.489</u>	<u>1.137</u>	<u>162.221</u>	<u>0</u>	<u>494.959</u>
UNCLAIMED PRIZE CREDIT	(850)	(349)	(40)	(194)	(363)	(328)	(134)	(57)	(31)	(21)	(26)	0	0	(2,393)
PAYMENTS TO RETAILERS	19,774	2,143	186	910	3,356	1,233	1,173	172	381	183	90	38	99	29,738
DRAW GAME AND ILOTTERY VENDOR EXPENSE	1,291	1,003	81	303	982	581	463	101	100	76	63	4,347	2,362	11,753
TICKET COSTS	<u>4,146</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,146</u>
TOTAL DIRECT COSTS	<u>247.800</u>	<u>25.791</u>	<u>2.562</u>	<u>8.196</u>	<u>41.022</u>	<u>14.837</u>	<u>17.221</u>	<u>2.608</u>	<u>5.108</u>	<u>2.727</u>	<u>1.264</u>	<u>166.606</u>	<u>2.461</u>	<u>538.203</u>
GROSS PROFIT	<u>62.113</u>	<u>20.122</u>	<u>1.058</u>	<u>9.257</u>	<u>20.087</u>	<u>11.831</u>	<u>6.300</u>	<u>1.363</u>	<u>1.554</u>	<u>993</u>	<u>890</u>	<u>18.857</u>	<u>(2.461)</u>	<u>151.964</u>

(% OF SALES)

PROFIT MARGIN

	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>KENO</u>	<u>LFL</u>	<u>FAST PLAY</u>	<u>CASH POP</u>	<u>KY 5</u>	<u>ILOTTERY INSTANT PLAY</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
TOTAL SALES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%
DIRECT COSTS:														
TOTAL PRIZES WON	72.1%	50.1%	64.5%	41.1%	60.6%	50.1%	66.8%	60.2%	69.9%	66.9%	52.8%	87.5%	0.0%	71.7%
UNCLAIMED PRIZE CREDIT	-0.3%	-0.8%	-1.1%	-1.1%	-0.6%	-1.2%	-0.6%	-1.4%	-0.5%	-0.6%	-1.2%	0.0%	0.0%	-0.3%
PAYMENTS TO RETAILERS	6.5%	4.7%	5.2%	5.3%	5.5%	4.5%	5.0%	4.4%	5.8%	5.0%	4.2%	0.0%	0.0%	4.3%
DRAW GAME AND ILOTTERY VENDOR EXPENSE	0.4%	2.2%	2.2%	1.7%	1.6%	2.2%	2.0%	2.5%	1.5%	2.0%	2.9%	2.3%	0.0%	1.7%
TICKET COSTS	<u>1.3%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.6%</u>
TOTAL DIRECT COSTS	<u>80.0%</u>	<u>56.2%</u>	<u>70.8%</u>	<u>47.0%</u>	<u>67.1%</u>	<u>55.6%</u>	<u>73.2%</u>	<u>65.7%</u>	<u>76.7%</u>	<u>73.3%</u>	<u>58.7%</u>	<u>89.8%</u>	<u>0.0%</u>	<u>78.0%</u>
GROSS PROFIT	<u>20.0%</u>	<u>43.8%</u>	<u>29.2%</u>	<u>53.0%</u>	<u>32.9%</u>	<u>44.4%</u>	<u>26.8%</u>	<u>34.3%</u>	<u>23.3%</u>	<u>26.7%</u>	<u>41.3%</u>	<u>10.2%</u>	<u>0.0%</u>	<u>22.0%</u>

KENTUCKY LOTTERY CORPORATION
ADVERTISING AND PROMOTION EXPENSES

MONTH ENDING OCTOBER 31, 2023
(\$000'S)

TYPE OF COST	INSTANT	POWERBALL	KY CASH BALL	PICK 4	PICK 3	MEGA MILLIONS	KENO	LFL	FAST PLAY	CASH POP	KY 5	ILOTTERY INSTANT PLAY	WTMG	NON-GAME SPECIFIC	TOTAL
MEDIA:															
TELEVISION	7	0	0	0	0	0	85	0	7	0	0	56	8	0	163
RADIO	12	0	0	0	0	1	20	0	12	0	0	12	1	0	58
PRINT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BILLBOARD	0	28	0	0	0	29	0	0	0	0	0	0	0	0	57
ONLINE	151	53	0	0	0	25	118	52	45	0	0	201	0	23	668
OTHER (TRANSIT, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEDIA	170	81	0	0	0	55	223	52	64	0	0	269	9	23	946
PRODUCTION	0	29	0	0	0	0	0	0	0	0	0	0	0	74	103
PROMOTIONS	0	0	0	0	0	0	0	0	0	0	0	3	0	59	62
SPECIAL EVENT/GAME SHOW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PREMIUMS	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4
AGENCY FEES	0	0	0	0	0	0	0	0	0	0	0	0	0	44	44
OTHER (SIGNAGE, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0	0	34	34
TOTAL	170	110	0	0	0	55	223	52	64	0	0	272	9	238	1,193

YEAR-TO-DATE AS OF OCTOBER 31, 2023
(\$000'S)

TYPE OF COST	INSTANT	POWERBALL	KY CASH BALL	PICK 4	PICK 3	MEGA MILLIONS	KENO	LFL	FAST PLAY	CASH POP	KY 5	ILOTTERY INSTANT PLAY	WTMG	NON-GAME SPECIFIC	TOTAL
MEDIA:															
TELEVISION	203	0	0	0	0	0	85	0	80	0	52	191	30	0	641
RADIO	54	2	0	0	0	2	37	0	21	0	13	21	4	0	154
PRINT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BILLBOARD	0	114	0	0	0	115	0	0	0	0	0	0	0	0	229
ONLINE	453	62	(1)	46	41	33	287	60	170	0	5	675	0	98	1,929
OTHER (TRANSIT, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEDIA	710	178	(1)	46	41	150	409	60	271	0	70	887	34	98	2,953
PRODUCTION	24	66	0	0	0	0	0	0	0	0	0	0	0	431	521
PROMOTIONS	0	0	0	0	0	0	0	0	0	0	0	17	0	186	203
SPECIAL EVENT/GAME SHOW	0	0	0	0	0	0	0	0	0	0	0	0	0	7	7
PREMIUMS	0	0	0	0	0	0	0	0	0	0	0	0	0	74	74
AGENCY FEES	0	0	0	0	0	0	0	0	0	0	0	0	0	175	175
OTHER (SIGNAGE, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0	0	132	132
TOTAL	734	244	(1)	46	41	150	409	60	271	0	70	904	34	1,103	4,065

KENTUCKY LOTTERY CORPORATION
 OPERATING EXPENSES
 OCTOBER 31, 2023
 (\$000'S)

	<u>MONTH</u>	<u>YEAR-TO- DATE</u>
ADVERTISING & PROMOTION	\$1,193	\$4,065
 <u>SALARIES, WAGES & BENEFITS:</u>		
SALARIES AND WAGES	1,260	4,792
BENEFITS AND TAXES	400	1,571
	1,660	6,363
 <u>CONTRACTED & PROFESSIONAL SERVICES:</u>		
DRAWING EXPENSES	0	19
CONSULTANT SERVICES	78	378
SECURITY SERVICES	9	74
REPAIRS AND MAINTENANCE	13	41
CUSTODIAL SERVICES	4	16
PUBLIC INFORMATION SERVICES	0	5
DIRECTOR EXPENSES	4	14
COMPUTER SOFTWARE COST/MAINT.	44	169
COMPUTER HARDWARE COST/MAINT.	27	101
LEGAL SERVICES	4	7
AUDIT EXPENSES	1	19
OTHER	25	126
	209	969
 <u>DEPRECIATION:</u>		
DEPRECIATION EXPENSE	112	449
 <u>OTHER GENERAL & ADMINISTRATIVE:</u>		
COMMUNICATIONS SERVICES	7	56
OFFICE SUPPLIES & SERVICES	6	46
TRAVEL AND RELATED EXPENSES	33	141
EDUCATION AND TRAINING EXPENSE	13	78
RENT, UTILITIES AND INSURANCE	85	383
A/R COLLECTIONS ALLOWANCE	0	0
OTHER	18	61
	162	765
 TOTAL OPERATING EXPENSES	 \$3,336	 \$12,611
 <u>NON-OPERATING INCOME:</u>		
INTEREST EXPENSE	0	0
INTEREST INCOME	224	802
OTHER INCOME/(LOSS)	20	72
	\$244	\$874
TOTAL NON-OPERATING INCOME	\$244	\$874

KENTUCKY LOTTERY CORPORATION
PROPERTY AND EQUIPMENT
OCTOBER 31, 2023
(\$000'S)

	<u>CURRENT MONTH END</u>	<u>PRIOR MONTH END</u>	<u>PRIOR FISCAL YEAR END</u>
LEASEHOLD IMPROVEMENTS	\$0	\$0	\$0
BUILDINGS	8,973	8,973	8,621
LAND	423	423	423
TRANSPORTATION	1,870	1,870	1,612
FURNITURE, FIXTURES & EQUIPMENT	1,099	1,099	1,099
DATA PROCESSING EQUIPMENT & SOFTWARE	6,582	6,578	6,522
INCOMPLETE FIXED ASSETS	6	6	188
TELEPHONE & COMMUNICATIONS EQUIPMENT	109	109	109
DRAWING EQUIPMENT	<u>567</u>	<u>567</u>	<u>567</u>
PROPERTY AND EQUIPMENT, GROSS	19,629	19,625	19,141
ACCUMULATED DEPRECIATION	<u>(15,159)</u>	<u>(15,047)</u>	<u>(14,736)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$4,470</u>	<u>\$4,578</u>	<u>\$4,405</u>