

KENTUCKY LOTTERY CORPORATION

FINANCIAL STATEMENTS

JULY 2018

MONTH 1 OF FISCAL YEAR ENDING JUNE 30, 2019

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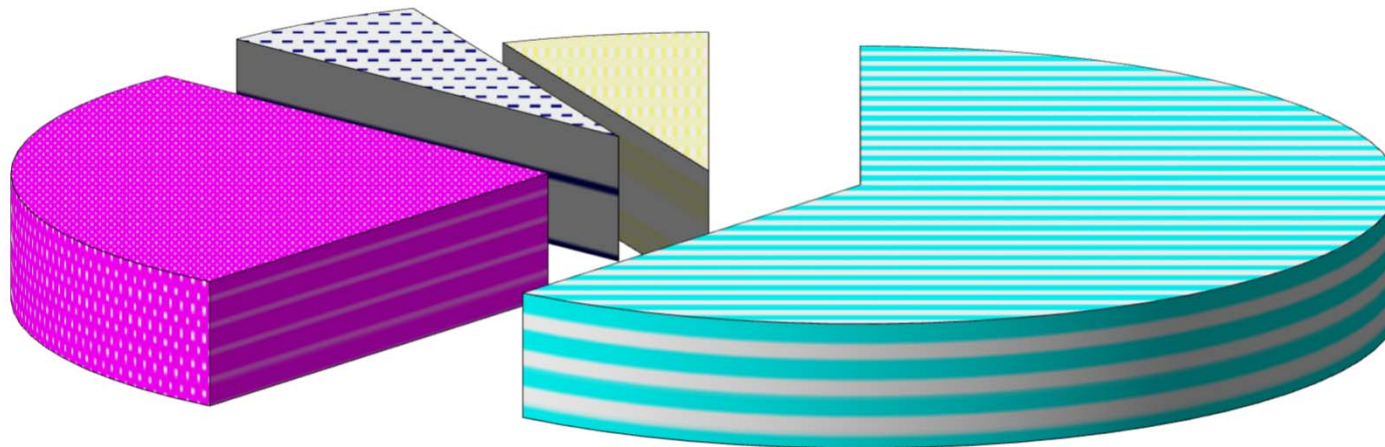
OPERATING EXPENSES

PROPERTY AND EQUIPMENT

**KENTUCKY LOTTERY CORPORATION  
"WHERE THE MONEY GOES"  
INCEPTION-TO-DATE SALES AS OF JULY 31, 2018  
\$19.510 BILLION**

**\$1.240  
BILLION PAID FOR  
MARKETING & OPERATING  
EXP - 6.3%**

**\$1.222 BILLION PAID TO RETAILERS - 6.3%**



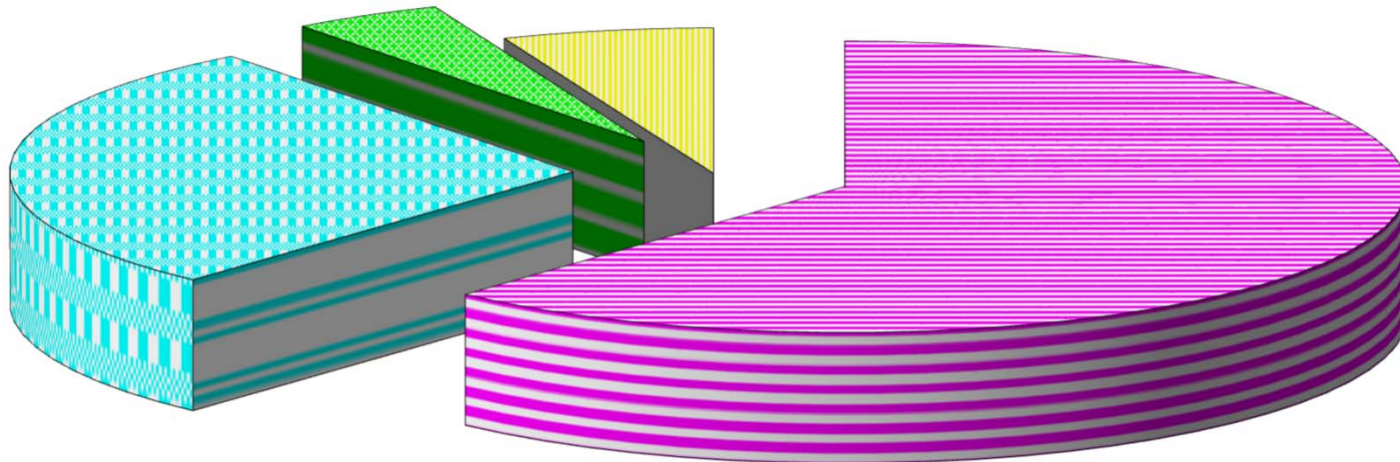
**\$5.183 BILLION  
EARNED FOR THE  
STATE OF KENTUCKY  
- 26.6%**

**\$11.865 BILLION PAID  
TO WINNERS - 60.8%**

**KENTUCKY LOTTERY CORPORATION  
"WHERE THE MONEY GOES"  
YEAR-TO-DATE SALES AS OF JULY 31, 2018  
\$83.1 MILLION**

**\$3.7 MILLION PAID FOR  
MARKETING & OPERATING  
EXP - 4.3%**

**\$5.0 MILLION PAID TO RETAILERS - 6.0%**



**\$23.1 MILLION  
EARNED FOR THE  
STATE OF  
KENTUCKY - 27.9%**

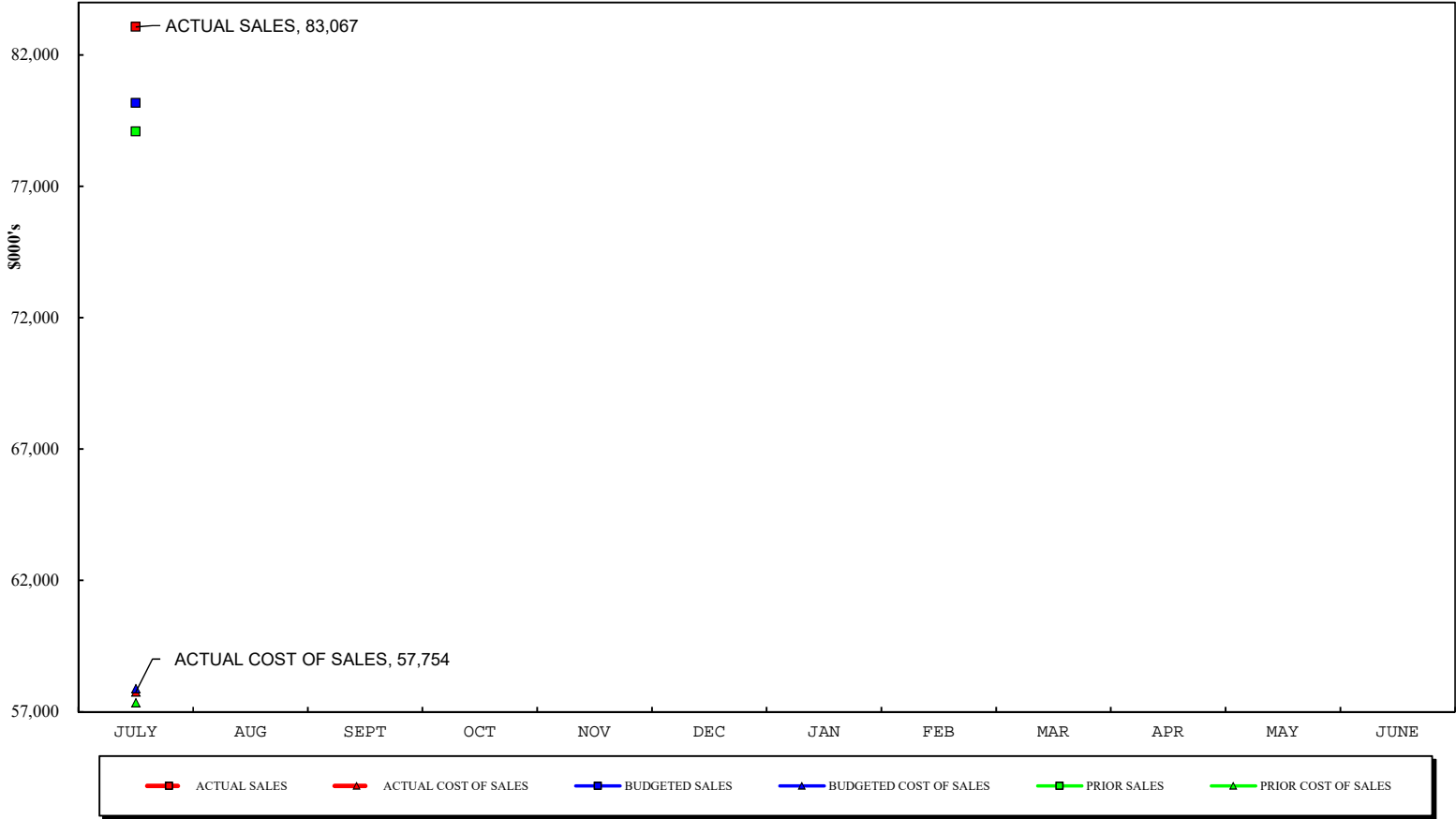
**\$51.3 MILLION PAID  
TO WINNERS - 61.8%**

**AMOUNTS ARE SHOWN AS A PERCENTAGE OF SALES.**

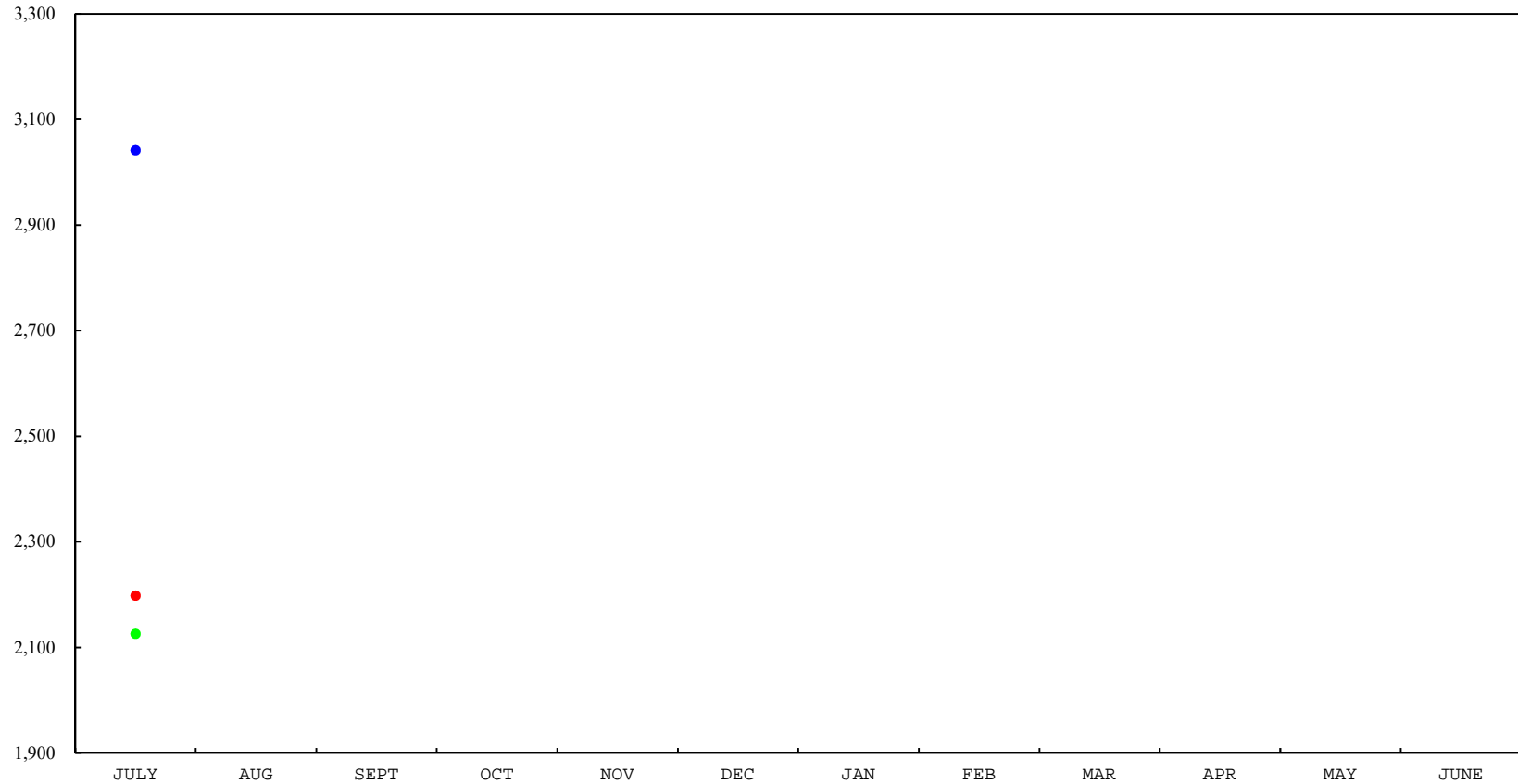
**THE EARNINGS FOR THE STATE OF KENTUCKY HAVE BEEN DESIGNATED BY THE LEGISLATURE TO BE USED FOR LITERACY DEVELOPMENT, MERIT BASED SCHOLARSHIPS, AND NEED BASED GRANTS.**

# SALES AND DIRECT COSTS BY MONTH

AS OF JULY 31, 2018



**OPERATING EXPENSE BY MONTH**  
AS OF JULY 31, 2018



—●— ACTUAL OPERATING EXPENSE      —●— BUDGETED OPERATING EXPENSE      —●— PRIOR OPERATING EXPENSE

# **KENTUCKY LOTTERY CORPORATION**

## **FINANCIAL RESULTS**

**JULY, 2018**

### **INCOME STATEMENT**

Ticket sales for July, 2018 were \$83.1 million which is \$3.1 million or 3.8% more than the same month of the prior fiscal year. Instant ticket sales were \$1.0 million or 2.3% more than the same month of the prior fiscal year. Draw game sales were \$1.7 million or 5.2% more than the same month of the prior year. iLottery instant play sales were \$285,000 or 43.5% more than the same month of the prior year.

Ticket sales for the month of July were \$2.6 million or 3.3% more than budget. Instant ticket sales were \$2.9 million or 6.5% more than budget for the current month. Draw game sales were \$241,000 or 0.7% less than budget for the month. iLottery instant play sales for the month were \$11,000 or 1.2% more than budget.

Prize expenses for July, 2018 were 61.8% of total sales, compared to 64.6% in the same month last year and 64.1% budgeted. Instant prize expense for the month was 68.8%, draw game prize expense was 52.1%, and iLottery instant play prize expense was 71.5%.

Operating costs were \$2.2 million for July, compared to \$3.0 million budgeted and \$2.1 million for the same month last year. These costs included advertising and promotions of \$585,000, salaries & benefits of \$1.2 million, contracted and professional services of \$167,000, depreciation expense of \$97,000, and other general and administrative costs of \$155,000.

Income before transfer of dividends for the current month was \$23.1 million, compared to \$19.6 million for the same month in the prior year and \$19.3 million budgeted.

Dividends of \$18.0 million were transferred to the Commonwealth in July. Additional dividends of \$805,000 were accrued in July for transfer to the KEES reserve. Transfer of the KEES funds will be made quarterly during the fiscal year. All dividends were 22.6% of sales for the month compared to 22.7% of sales in the prior year and 23.4% budgeted.

### **BALANCE SHEET**

Cash balance increased to \$22.0 million, which included \$2.4 million restricted for annuity prize payments. Total investments held to pay grand prizes increased to \$10.8 million. Accounts receivable decreased to \$31.4 million. Total assets increased to \$75.8 million.

KENTUCKY LOTTERY CORPORATION  
BALANCE SHEETS  
JULY 31, 2018  
(\$000's)

	<u>CURRENT MONTH END</u>	<u>PRIOR MONTH END</u>	<u>PRIOR FISCAL YEAR END</u>
ASSETS:			
CURRENT ASSETS:			
CASH - UNRESTRICTED	\$19,583	\$17,682	\$17,682
CASH - RESTRICTED	2,444	2,600	2,600
INVESTMENTS, CURRENT PORTION	1,859	1,859	1,859
ACCOUNTS RECEIVABLE, NET	31,423	31,628	31,628
OTHER	867	1,060	1,060
TOTAL CURRENT ASSETS	<u>56,176</u>	<u>54,829</u>	<u>54,829</u>
INVESTMENTS, LESS CURRENT PORTION	8,954	8,903	8,903
PROPERTY AND EQUIPMENT, NET	5,374	5,441	5,441
DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	5,268	5,182	5,182
TOTAL ASSETS	<u>\$75,772</u>	<u>\$74,355</u>	<u>\$74,355</u>
LIABILITIES AND EQUITY:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$13,251	\$13,248	\$13,248
ESTIMATED PRIZE LIABILITY, CURRENT PORTION	28,342	30,986	30,986
TOTAL CURRENT LIABILITIES	<u>41,593</u>	<u>44,234</u>	<u>44,234</u>
ESTIMATED PRIZE LIABILITY - LESS CURRENT PORTION	11,591	11,866	11,866
UNFUNDED GRAND PRIZE LIABILITY	1,116	1,116	1,116
TOTAL LIABILITIES	<u>54,300</u>	<u>57,216</u>	<u>57,216</u>
CONTRIBUTED CAPITAL	100	100	100
RETAINED EARNINGS	21,372	17,039	17,039
TOTAL EQUITY	<u>21,472</u>	<u>17,139</u>	<u>17,139</u>
TOTAL LIABILITIES AND EQUITY	<u>\$75,772</u>	<u>\$74,355</u>	<u>\$74,355</u>

KENTUCKY LOTTERY CORPORATION  
STATEMENTS OF INCOME - COMPARISON TO PRIOR YEAR  
JULY 31, 2018  
(\$000'S)

MONTH OF JULY:	VARIANCE			
	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	CURRENT BETTER/ (WORSE) THAN PRIOR	
<b>SALES:</b>				
INSTANT TICKETS	\$47,156	\$46,116	\$1,040	2.3%
DRAW GAMES	35,011	33,283	\$1,728	5.2%
ILOTTERY INSTANT PLAY	940	655	285	43.5%
TICKET SALES	83,107	80,054	3,053	3.8%
LESS: INSTANT TICKETS PROVIDED AS PRIZES	(40)	(969)	929	-95.9%
TOTAL TICKET SALES	83,067	79,085	3,982	5.0%
<b>DIRECT COSTS:</b>				
<b>PRIZES:</b>				
INSTANT TICKETS	32,399	31,320	(1,079)	-3.4%
DRAW GAMES	18,224	19,101	877	4.6%
ILOTTERY INSTANT PLAY	672	650	(22)	-3.4%
TOTAL PRIZES	51,295	51,071	(224)	-0.4%
PAYMENTS TO RETAILERS	5,037	4,761	(276)	-5.8%
DRAW GAMES VENDOR EXPENSE	896	850	(46)	-5.4%
INSTANT TICKET COSTS	526	658	132	20.1%
TOTAL DIRECT COSTS	57,754	57,340	(414)	-0.7%
GROSS PROFIT	25,313	21,745	3,568	16.4%
<b>OPERATING EXPENSES:</b>				
ADVERTISING AND PROMOTION	585	405	(180)	-44.4%
SALARIES, WAGES & BENEFITS	1,194	1,219	25	2.1%
CONTRACTED & PROFESSIONAL SERVICES	167	198	31	15.7%
DEPRECIATION	97	102	5	4.9%
OTHER GENERAL & ADMINISTRATIVE	155	202	47	23.3%
TOTAL OPERATING EXPENSES	2,198	2,126	(72)	-3.4%
OPERATING INCOME	23,115	19,619	3,496	17.8%
NON-OPERATING INCOME	23	22	1	4.5%
INCOME BEFORE TRANSFER OF DIVIDENDS	\$23,138	\$19,641	\$3,497	17.8%



KENTUCKY LOTTERY CORPORATION  
STATEMENTS OF INCOME - COMPARISON TO BUDGET  
JULY 31, 2018  
(\$000'S)

MONTH OF JULY:	VARIANCE			
	ACTUAL	BUDGET	ACTUAL BETTER/ (WORSE) THAN BUDGET	
<b>SALES:</b>				
INSTANT TICKETS	\$47,156	\$44,277	\$2,879	6.5%
DRAW GAMES	35,011	35,252	(241)	-0.7%
ILOTTERY INSTANT PLAY	940	929	11	1.2%
TICKET SALES	83,107	80,458	2,649	3.3%
LESS: INSTANT TICKETS PROVIDED AS PRIZES	(40)	(288)	248	-86.1%
TOTAL TICKET SALES	83,067	80,170	2,897	3.6%
<b>DIRECT COSTS:</b>				
<b>PRIZES:</b>				
INSTANT TICKETS	32,399	30,810	(1,589)	-5.2%
DRAW GAMES	18,224	19,829	1,605	8.1%
ILOTTERY INSTANT PLAY	672	734	62	8.4%
TOTAL PRIZES	51,295	51,373	78	0.2%
PAYMENTS TO RETAILERS	5,037	4,949	(88)	-1.8%
DRAW GAMES VENDOR EXPENSE	896	971	75	7.7%
INSTANT TICKET COSTS	526	583	57	9.8%
TOTAL DIRECT COSTS	57,754	57,876	122	0.2%
GROSS PROFIT	25,313	22,294	3,019	13.5%
<b>OPERATING EXPENSES:</b>				
ADVERTISING AND PROMOTION	585	1,099	514	46.8%
SALARIES, WAGES & BENEFITS	1,194	1,273	79	6.2%
CONTRACTED & PROFESSIONAL SERVICES	167	277	110	39.7%
DEPRECIATION	97	103	6	5.8%
OTHER GENERAL & ADMINISTRATIVE	155	290	135	46.6%
TOTAL OPERATING EXPENSES	2,198	3,042	844	27.7%
OPERATING INCOME	23,115	19,252	3,863	20.1%
NON-OPERATING INCOME	23	39	(16)	-41.0%
INCOME BEFORE TRANSFER OF DIVIDENDS	\$23,138	\$19,291	\$3,847	19.9%

KENTUCKY LOTTERY CORPORATION  
STATEMENTS OF INCOME - PERCENTAGE OF TOTAL SALES  
JULY 31, 2018  
(\$000'S)

MONTH OF JULY:	CURRENT YEAR ACTUAL	PRIOR YEAR ACTUAL	CURRENT YEAR BUDGET
<b>SALES:</b>			
INSTANT TICKETS	56.8%	58.3%	55.2%
DRAW GAMES	42.1%	42.1%	44.0%
ILOTTERY INSTANT PLAY	1.1%	0.8%	1.2%
TICKET SALES	100.0%	101.2%	100.4%
LESS: INSTANT TICKETS PROVIDED AS PRIZES	0.0%	-1.2%	-0.4%
TOTAL TICKET SALES	100.0%	100.0%	100.0%
<b>DIRECT COSTS:</b>			
<b>PRIZES:</b>			
INSTANT TICKETS	39.0%	39.6%	38.4%
DRAW GAMES	22.0%	24.2%	24.8%
ILOTTERY INSTANT PLAY	0.8%	0.8%	0.9%
TOTAL PRIZES	61.8%	64.6%	64.1%
PAYMENTS TO RETAILERS	6.0%	6.0%	6.2%
DRAW GAME VENDOR EXPENSE	1.1%	1.1%	1.2%
INSTANT TICKET COSTS	0.6%	0.8%	0.7%
TOTAL DIRECT COSTS	69.5%	72.5%	72.2%
GROSS PROFIT	30.5%	27.5%	27.8%
<b>OPERATING EXPENSES:</b>			
ADVERTISING AND PROMOTION	0.7%	0.5%	1.4%
SALARIES, WAGES & BENEFITS	1.4%	1.5%	1.6%
CONTRACTED & PROFESSIONAL SERVICES	0.2%	0.3%	0.3%
DEPRECIATION	0.1%	0.1%	0.1%
OTHER GENERAL & ADMINISTRATIVE	0.2%	0.3%	0.4%
TOTAL OPERATING EXPENSES	2.6%	2.7%	3.8%
OPERATING INCOME	27.9%	24.8%	24.0%
NON-OPERATING INCOME	0.0%	0.0%	0.1%
INCOME BEFORE TRANSFER OF DIVIDENDS	27.9%	24.8%	24.1%

KENTUCKY LOTTERY CORPORATION  
 STATEMENTS OF RETAINED EARNINGS  
 JULY 31, 2018  
 (\$000'S)

	<u>CURRENT YEAR</u>		<u>PRIOR YEAR</u>	
	MONTH	YEAR-TO- DATE	MONTH	YEAR-TO- DATE
RETAINED EARNINGS- BEGINNING OF PERIOD	\$17,039	\$17,039	\$17,039	\$17,039
INCOME BEFORE TRANSFER	23,138	23,138	19,641	19,641
DIVIDENDS - GENERAL FUND & EDUCATION	(18,000)	(18,000)	(17,500)	(17,500)
DIVIDENDS - KEES RESERVE	(805)	(805)	(455)	(455)
RETAINED EARNINGS- END OF PERIOD	<u>\$21,372</u>	<u>\$21,372</u>	<u>\$18,725</u>	<u>\$18,725</u>

KENTUCKY LOTTERY CORPORATION  
STATEMENTS OF CASH FLOWS  
YEAR-TO-DATE THROUGH JULY 31, 2018  
(\$000'S)

	MONTH	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME	\$23,115	\$23,115
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
DEPRECIATION	97	97
PROVISION FOR LOSSES ON ACCOUNTS RECEIVABLE	1	1
INCREASE (DECREASE) IN CASH DUE TO CHANGES IN:		
ACCOUNTS RECEIVABLE	204	204
OTHER ASSETS	193	193
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	3	3
ESTIMATED PRIZE LIABILITY	(2,919)	(2,919)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>20,694</b>	<b>20,694</b>
CASH FLOWS FROM INVESTING ACTIVITIES:		
PROCEEDS FROM MATURITIES OR SALE OF INVESTMENTS	0	0
PURCHASE OF INVESTMENTS	0	0
CHANGE IN INVESTMENTS	(51)	(51)
DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	(86)	(86)
INTEREST INCOME	12	12
SECURITY LENDING FEES	0	0
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(125)</b>	<b>(125)</b>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
DIVIDENDS TRANSFERRED/PAYABLE	(18,805)	(18,805)
RETAILER APPLICATION AND OTHER NON-OPERATING FEES	11	11
<b>NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES</b>	<b>(18,794)</b>	<b>(18,794)</b>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
PURCHASES OF PROPERTY AND EQUIPMENT	(30)	(30)
PROCEEDS FROM DISPOSAL OF PROPERTY AND EQUIPMENT	0	0
PROCEEDS FROM ISSUANCE OF LONG-TERM DEBT	0	0
REPAYMENTS OF LONG-TERM DEBT	0	0
INTEREST EXPENSE	0	0
<b>NET CASH USED IN CAPITAL FINANCING ACTIVITIES</b>	<b>(30)</b>	<b>(30)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>1,745</b>	<b>1,745</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>20,282</b>	<b>20,282</b>
<b>CASH, END OF PERIOD</b>	<b>\$22,027</b>	<b>\$22,027</b>

KENTUCKY LOTTERY CORPORATION  
 PROFIT MARGIN REPORT  
 MONTH ENDING JULY 31, 2018  
 (\$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>5 CARD CASH</u>	<u>KENO</u>	<u>LFL</u>	<u>ILOTTERY INSTANT PLAY</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
<b>SALES:</b>												
SALES AT RETAIL	47,116	4,388	964	3,537	12,033	6,087	470	6,276	601	0	0	81,472
ILOTTERY	<u>0</u>	<u>98</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>152</u>	<u>45</u>	<u>324</u>	<u>36</u>	<u>940</u>	<u>0</u>	<u>1,595</u>
TOTAL SALES	<u>47,116</u>	<u>4,486</u>	<u>964</u>	<u>3,537</u>	<u>12,033</u>	<u>6,239</u>	<u>515</u>	<u>6,600</u>	<u>637</u>	<u>940</u>	<u>0</u>	<u>83,067</u>
<b>DIRECT COSTS:</b>												
<b>PRIZES WON:</b>												
PRIZES AT RETAIL	32,798	2,099	553	1,256	6,458	3,075	58	4,392	348	0	0	51,037
ILOTTERY	<u>0</u>	<u>47</u>	<u>16</u>	<u>0</u>	<u>0</u>	<u>77</u>	<u>238</u>	<u>0</u>	<u>13</u>	<u>672</u>	<u>0</u>	<u>1,063</u>
TOTAL PRIZES WON	<u>32,798</u>	<u>2,146</u>	<u>569</u>	<u>1,256</u>	<u>6,458</u>	<u>3,152</u>	<u>296</u>	<u>4,392</u>	<u>361</u>	<u>672</u>	<u>0</u>	<u>52,100</u>
UNCLAIMED PRIZE CREDIT	(399)	(172)	(10)	(42)	(65)	(67)	(6)	(30)	(14)	0	0	(805)
PAYMENTS TO RETAILERS	4,871	5	5	13	64	5	3	54	2	0	15	5,037
ONLINE VENDOR EXPENSE	208	77	18	54	185	109	8	117	12	47	61	896
TICKET COSTS	<u>526</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>526</u>
TOTAL DIRECT COSTS	<u>38,004</u>	<u>2,056</u>	<u>582</u>	<u>1,281</u>	<u>6,642</u>	<u>3,199</u>	<u>301</u>	<u>4,533</u>	<u>361</u>	<u>719</u>	<u>76</u>	<u>57,754</u>
GROSS PROFIT	<u>9,112</u>	<u>2,430</u>	<u>382</u>	<u>2,256</u>	<u>5,391</u>	<u>3,040</u>	<u>214</u>	<u>2,067</u>	<u>276</u>	<u>221</u>	<u>(76)</u>	<u>25,313</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>5 CARD CASH</u>	<u>KENO</u>	<u>LFL</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%	0.0%	100.0%
<b>DIRECT COSTS:</b>												
TOTAL PRIZES WON	69.6%	47.8%	59.0%	35.5%	53.7%	50.5%	57.5%	66.5%	56.7%	71.5%	0.0%	62.7%
UNCLAIMED PRIZE CREDIT	-0.8%	-3.8%	-1.0%	-1.2%	-0.5%	-1.1%	-1.2%	-0.5%	-2.2%	0.0%	0.0%	-0.9%
PAYMENTS TO RETAILERS	10.3%	0.1%	0.5%	0.4%	0.5%	0.1%	0.6%	0.8%	0.3%	0.0%	0.0%	6.0%
ONLINE VENDOR EXPENSE	0.4%	1.7%	1.9%	1.5%	1.5%	1.7%	1.6%	1.8%	1.9%	5.0%	0.0%	1.1%
TICKET COSTS	<u>1.1%</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>80.6%</u>	<u>45.8%</u>	<u>60.4%</u>	<u>36.2%</u>	<u>55.2%</u>	<u>51.2%</u>	<u>58.5%</u>	<u>68.6%</u>	<u>56.7%</u>	<u>76.5%</u>	<u>0.0%</u>	<u>69.5%</u>
GROSS PROFIT	<u>19.4%</u>	<u>54.2%</u>	<u>39.6%</u>	<u>63.8%</u>	<u>44.8%</u>	<u>48.8%</u>	<u>41.5%</u>	<u>31.4%</u>	<u>43.3%</u>	<u>23.5%</u>	<u>0.0%</u>	<u>30.5%</u>

KENTUCKY LOTTERY CORPORATION  
ADVERTISING AND PROMOTION EXPENSES

MONTH ENDING JULY 31, 2018  
(\$000'S)

<u>TYPE OF COST</u>	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>5 CARD CASH</u>	<u>KENO</u>	<u>LFL</u>	<u>iLottery Instant Play</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
MEDIA:												
TELEVISION	167	0	0	0	0	0	0	(8)	0	0	15	174
RADIO	116	1	0	0	0	0	0	0	0	0	0	117
PRINT	0	0	0	0	0	0	0	0	0	0	0	0
BILLBOARD	44	26	0	0	0	27	0	0	0	0	7	104
ONLINE	50	0	0	2	2	0	0	(17)	0	0	98	135
OTHER (TRANSIT, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEDIA	377	27	0	2	2	27	0	(25)	0	0	120	530
PRODUCTION	0	2	0	0	0	1	0	0	0	0	(8)	(5)
COUPONS & PROMOTIONS	0	0	0	0	0	0	0	0	0	0	23	23
SPECIAL EVENT/GAME SHOW	0	0	0	0	0	0	0	0	0	0	1	1
PREMIUMS	0	0	0	0	0	0	0	0	0	0	(13)	(13)
AGENCY FEES	0	0	0	0	0	0	0	0	0	0	43	43
OTHER (SIGNAGE, ETC.)	0	0	0	0	0	0	0	0	0	0	6	6
TOTAL	<u>377</u>	<u>29</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>28</u>	<u>0</u>	<u>(25)</u>	<u>0</u>	<u>0</u>	<u>172</u>	<u>585</u>

YEAR-TO-DATE AS OF JULY 31, 2018  
(\$000'S)

<u>TYPE OF COST</u>	<u>INSTANT</u>	<u>POWERBALL</u>	<u>KY CASH BALL</u>	<u>PICK 4</u>	<u>PICK 3</u>	<u>MEGA MILLIONS</u>	<u>5 CARD CASH</u>	<u>KENO</u>	<u>LFL</u>	<u>iLottery Instant Play</u>	<u>NON-GAME SPECIFIC</u>	<u>TOTAL</u>
MEDIA:												
TELEVISION	167	0	0	0	0	0	0	(8)	0	0	15	174
RADIO	116	1	0	0	0	0	0	0	0	0	0	117
PRINT	0	0	0	0	0	0	0	0	0	0	0	0
BILLBOARD	44	26	0	0	0	27	0	0	0	0	7	104
ONLINE	50	0	0	2	2	0	0	(17)	0	0	98	135
OTHER (TRANSIT, ETC.)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MEDIA	377	27	0	2	2	27	0	(25)	0	0	120	530
PRODUCTION	0	2	0	0	0	1	0	0	0	0	(8)	(5)
COUPONS & PROMOTIONS	0	0	0	0	0	0	0	0	0	0	23	23
SPECIAL EVENT/GAME SHOW	0	0	0	0	0	0	0	0	0	0	1	1
PREMIUMS	0	0	0	0	0	0	0	0	0	0	(13)	(13)
AGENCY FEES	0	0	0	0	0	0	0	0	0	0	43	43
OTHER (SIGNAGE, ETC.)	0	0	0	0	0	0	0	0	0	0	6	6
TOTAL	<u>377</u>	<u>29</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>28</u>	<u>0</u>	<u>(25)</u>	<u>0</u>	<u>0</u>	<u>172</u>	<u>585</u>

KENTUCKY LOTTERY CORPORATION  
 OPERATING EXPENSES  
 JULY 31, 2018  
 (\$000'S)

	<u>MONTH</u>	<u>YEAR-TO-DATE</u>
ADVERTISING & PROMOTION	\$585	\$585
 <u>SALARIES, WAGES &amp; BENEFITS:</u>		
SALARIES AND WAGES	931	931
BENEFITS AND TAXES	263	263
	1,194	1,194
 <u>CONTRACTED &amp; PROFESSIONAL SERVICES:</u>		
ON-LINE DRAWING EXPENSES	0	0
CONSULTANT SERVICES	25	25
SECURITY SERVICES	12	12
REPAIRS AND MAINTENANCE	9	9
CUSTODIAL SERVICES	1	1
PUBLIC INFORMATION SERVICES	3	3
DIRECTOR EXPENSES	3	3
COMPUTER SOFTWARE COST/MAINT.	65	65
COMPUTER HARDWARE COST/MAINT.	7	7
LEGAL SERVICES	(9)	(9)
AUDIT EXPENSES	35	35
OTHER	16	16
	167	167
 <u>DEPRECIATION:</u>		
DEPRECIATION EXPENSE	97	97
 <u>OTHER GENERAL &amp; ADMINISTRATIVE:</u>		
COMMUNICATIONS/TELEPHONE SERVICES	(5)	(5)
OFFICE SUPPLIES & SERVICES	15	15
TRAVEL AND RELATED EXPENSES	81	81
RENT, UTILITIES AND INSURANCE	62	62
A/R COLLECTIONS ALLOWANCE	1	1
OTHER	1	1
	155	155
 TOTAL OPERATING EXPENSES	 \$2,198	 \$2,198
 <u>NON-OPERATING INCOME:</u>		
INTEREST EXPENSE	0	0
INTEREST INCOME	12	12
OTHER INCOME/(LOSS)	11	11
	11	11
 TOTAL NON-OPERATING INCOME	 \$23	 \$23

KENTUCKY LOTTERY CORPORATION  
PROPERTY AND EQUIPMENT  
JULY 31, 2018  
(\$000'S)

	<u>CURRENT MONTH END</u>	<u>PRIOR MONTH END</u>	<u>PRIOR FISCAL YEAR END</u>
LEASEHOLD IMPROVEMENTS	\$45	\$45	\$45
BUILDINGS	8,085	8,079	8,079
LAND	423	423	423
TRANSPORTATION	1,264	1,264	1,264
FURNITURE, FIXTURES & EQUIPMENT	1,138	1,138	1,138
DATA PROCESSING EQUIPMENT & SOFTWARE	4,975	4,379	4,379
INCOMPLETE FIXED ASSETS	0	572	572
TELEPHONE & COMMUNICATIONS EQUIPMENT	6	6	6
DRAWING EQUIPMENT	<u>560</u>	<u>560</u>	<u>560</u>
PROPERTY AND EQUIPMENT, GROSS	16,496	16,466	16,466
ACCUMULATED DEPRECIATION	<u>(11,122)</u>	<u>(11,025)</u>	<u>(11,025)</u>
PROPERTY AND EQUIPMENT, NET	<u>\$5,374</u>	<u>\$5,441</u>	<u>\$5,441</u>