

**OREGON STATE LOTTERY**  
**Operating Summary**  
**For the Month Ended 12/31/2019**  
**(In Thousands)**

	Traditional				Video				Sports				Total Lottery			
	Current Month Actual	Current Month Budget	Last Year Actual	Actual to Budget Variance	Current Month Actual	Current Month Budget	Last Year Actual	Actual to Budget Variance	Current Month Actual	Current Month Budget	Last Year Actual	Actual to Budget Variance	Current Month Actual	Current Month Budget	Last Year Actual	Actual to Budget Variance
Revenue	32,678	32,258	33,707	420	1,099,523	1,092,890	1,058,492	6,632	22,375			22,375	1,154,576	1,125,148	1,092,199	29,428
Prizes	20,168	20,895	21,966	726	1,016,014	1,009,833	978,018	(6,181)	20,743			(20,743)	1,056,925	1,030,728	999,984	(26,197)
<b>Net Revenue</b>	<b>12,510</b>	<b>11,363</b>	<b>11,741</b>	<b>1,147</b>	<b>83,509</b>	<b>83,057</b>	<b>80,474</b>	<b>451</b>	<b>1,632</b>			<b>1,632</b>	<b>97,651</b>	<b>94,421</b>	<b>92,215</b>	<b>3,231</b>
Direct Expenses	4,309	4,714	4,397	405	22,106	22,861	21,783	754	1,200	207		(993)	27,615	27,782	26,180	166
Indirect Revenue/(Loss)	(1,097)	73	2,837	(1,170)	1,193	658	794	535	8			8	104	730	3,631	(626)
Indirect Expense	896	1,163	784	266	6,710	10,526	6,262	3,815	712	288		(424)	8,318	11,976	7,046	3,658
<b>Net Profit</b>	<b>\$6,208</b>	<b>\$5,559</b>	<b>\$9,397</b>	<b>\$648</b>	<b>\$55,885</b>	<b>\$50,329</b>	<b>\$53,223</b>	<b>\$5,556</b>	<b>(\$271)</b>	<b>(\$495)</b>		<b>\$224</b>	<b>\$61,822</b>	<b>\$55,393</b>	<b>\$62,620</b>	<b>\$6,429</b>

TOTAL LOTTERY				
<b>Percentages of Distributable Revenue for the Month</b>				
Prizes	91.5%	91.6%	91.6%	0.1%
Administrative Expenses	3.1%	3.6%	3.4%	0.5%
<b>Percentages of Distributable Revenue for the Year</b>				
Prizes	91.7%	91.7%	91.4%	0.0%
Administrative Expenses	3.2%	3.7%	3.2%	

**OREGON STATE LOTTERY**  
**Operating Statement**  
**For the Month Ended 12/31/2019**

	Traditional	Video	Sports	Total Lottery			
				Actual	Budget	Variance	% Variance
<b>Revenue</b>							
Scratch-Its <sup>SM</sup> Instant Tickets	14,616,621			14,616,621	14,568,931	47,690	0%
Megabucks <sup>SM</sup>	3,530,941			3,530,941	2,875,221	655,720	23%
Powerball <sup>®</sup>	2,869,181			2,869,181	3,545,735	(676,554)	(19%)
Mega Millions <sup>®</sup>	2,708,356			2,708,356	2,210,051	498,305	23%
Raffle <sup>SM</sup>							0%
Keno	8,354,217			8,354,217	8,420,722	(66,505)	(1%)
Pick 4 <sup>SM</sup>	136,929			136,929	150,462	(13,533)	(9%)
Win For Life <sup>SM</sup>	308,206			308,206	331,857	(23,651)	(7%)
Lucky Lines <sup>SM</sup>	153,790			153,790	155,000	(1,210)	(1%)
Video Lottery <sup>SM</sup> (Gross Receipts)		1,099,522,655		1,099,522,655	1,092,890,300	6,632,355	1%
Scoreboard (Gross Receipts)			22,375,049	22,375,049		22,375,049	0%
<b>Total Revenue</b>	<b>32,678,241</b>	<b>1,099,522,655</b>	<b>22,375,049</b>	<b>1,154,575,945</b>	<b>1,125,148,279</b>	<b>29,427,666</b>	<b>3%</b>
Prizes	20,168,236	1,016,013,810	20,742,636	1,056,924,683	1,030,727,596	(26,197,087)	(3%)
<b>Net Revenue</b>	<b>12,510,005</b>	<b>83,508,845</b>	<b>1,632,412</b>	<b>97,651,262</b>	<b>94,420,683</b>	<b>3,230,578</b>	<b>3%</b>
<b>Direct Expenses</b>							
Commissions	2,876,997	19,521,234		22,398,231	22,399,734	1,503	0%
Game Vendor Charges	689,227	39,376	579,965	1,308,567	715,096	(593,472)	(83%)
Tickets	355,858			355,858	465,669	109,811	24%
Advertising	293,766	36,540	620,017	950,323	866,331	(83,992)	(10%)
Sales Support	69,253			69,253	127,217	57,964	46%
Game Equipment, Parts & Maintenance		835,387		835,387	1,501,640	666,253	44%
Depreciation	24,000	1,647,456		1,671,456	1,679,743	8,287	0%
Interest Expense		26,152		26,152	26,152	0	0%
Direct Expenses	4,309,099	22,106,145	1,199,982	27,615,226	27,781,582	166,356	1%
<b>Gross Profit</b>	<b>8,200,906</b>	<b>61,402,700</b>	<b>432,430</b>	<b>70,036,036</b>	<b>66,639,101</b>	<b>3,396,934</b>	<b>5%</b>
<b>Indirect Revenue</b>							
Gain (Loss) on Sale of Fixed Assets							0%
Other Income	159,276	1,192,551	8,399	1,360,226	730,166	630,060	86%
Investment Market Value Adj	(1,256,201)			(1,256,201)		(1,256,201)	0%
<b>Total Indirect Revenue/(Loss)</b>	<b>(1,096,924)</b>	<b>1,192,551</b>	<b>8,399</b>	<b>104,025</b>	<b>730,166</b>	<b>(626,141)</b>	<b>(86%)</b>
Public Information	122,431	916,680	6,456	1,045,567	725,758	(319,809)	(44%)
Market Research	4,028	30,160	212	34,400	145,000	110,600	76%
Salaries, Wages & Benefits	573,041	4,290,534	279,732	5,143,307	5,578,388	435,081	8%
Services & Supplies	169,292	1,267,539	423,891	1,860,722	5,242,479	3,381,757	65%
Depreciation	27,437	205,430	1,447	234,313	284,419	50,106	18%
Interest Expense							0%
<b>Total Indirect Expense</b>	<b>896,229</b>	<b>6,710,343</b>	<b>711,738</b>	<b>8,318,309</b>	<b>11,976,044</b>	<b>3,657,735</b>	<b>31%</b>
<b>Net Profit</b>	<b>\$6,207,752</b>	<b>\$55,884,908</b>	<b>(\$270,909)</b>	<b>\$61,821,752</b>	<b>\$55,393,223</b>	<b>\$6,428,528</b>	<b>12%</b>

Unaudited, not presented in accordance with GAAP

\*FY 2019 budget amounts are based on the December 2019 Forecast

**OREGON STATE LOTTERY**  
**Supplemental Schedule of Services and Supplies Expenses**  
**For the month ended 12/31/2019**

	Traditional			Video			Sports			Total Lottery		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	\$4,993	\$5,016	\$23	\$37,387	\$45,406	\$8,019	\$3,105	-	(\$3,105)	\$45,486	\$50,422	\$4,936
Office Expenses	2,901	5,712	2,811	21,719	51,711	29,992	153	-	(153)	24,773	57,423	32,650
Retailer Network Expenses	67,320	56,392	(10,928)	504,048	510,508	6,460	3,550	-	(3,550)	574,919	566,900	(8,019)
Retailer Network Recovery	(70,741)	(59,903)	10,838	(529,656)	(542,287)	(12,631)	(3,730)	-	3,730	(604,127)	(602,190)	1,937
Telecommunications	9,372	13,874	4,502	70,174	125,602	55,428	494	-	(494)	80,041	139,476	59,435
Intergovernmental Charges	13,543	10,781	(2,762)	101,400	97,601	(3,799)	714	-	(714)	115,657	108,382	(7,275)
Technology Expenses	41,467	62,104	20,637	310,476	562,211	251,735	111,672	-	(111,672)	463,614	624,315	160,701
Professional Services	81,345	372,339	290,994	609,051	3,370,706	2,761,655	306,926	284,326	(22,600)	997,322	4,027,371	3,030,049
Staff Training & Recruiting	4,117	4,849	732	30,824	43,895	13,071	217	-	(217)	35,158	48,744	13,586
Facilities	6,139	7,080	941	45,966	64,089	18,123	324	-	(324)	52,429	71,169	18,740
Facilities Maintenance	2,830	2,717	(113)	21,191	24,599	3,408	149	-	(149)	24,171	27,316	3,145
Other Services & Supplies	2,706	6,013	3,307	20,261	54,431	34,170	143	-	(143)	23,110	60,444	37,334
Fleet Expenses	4,268	6,238	1,970	31,953	56,469	24,516	225	-	(225)	36,445	62,707	26,262
Supplier Diversity	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>170,260</b>	<b>493,212</b>	<b>322,952</b>	<b>1,274,794</b>	<b>4,464,941</b>	<b>3,190,147</b>	<b>423,942</b>	<b>284,326</b>	<b>(139,616)</b>	<b>1,868,998</b>	<b>5,242,479</b>	<b>3,373,481</b>
Less Non Distributable Reve...	(969)	-	969	(7,256)	-	7,256	(51)	-	51	(8,276)	-	8,276
<b>AMOUNT REPORTED</b>	<b>\$169,291</b>	<b>\$493,212</b>	<b>\$323,921</b>	<b>\$1,267,538</b>	<b>\$4,464,941</b>	<b>\$3,197,403</b>	<b>\$423,891</b>	<b>\$284,326</b>	<b>(\$139,565)</b>	<b>\$1,860,722</b>	<b>\$5,242,479</b>	<b>\$3,381,757</b>

**OREGON STATE LOTTERY**  
**Operating Statement**  
**Year to Date Through 12/31/2019**  
**Net Revenue Basis**

**Total Lottery**

	<u>Traditional</u>	<u>Video</u>	<u>Sports</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
<b>Revenue</b>							
Scratch-Its <sup>SM</sup> Instant Tickets	\$65,772,669			\$65,772,669	\$66,020,447	(\$247,778)	0%
Megabucks <sup>SM</sup>	16,045,375			16,045,375	15,094,023	951,352	6%
Powerball <sup>®</sup>	14,918,470			14,918,470	16,375,729	(1,457,259)	(9%)
Mega Millions <sup>®</sup>	11,939,860			11,939,860	11,158,299	781,561	7%
Raffle <sup>SM</sup>							0%
Keno	51,262,895			51,262,895	50,902,438	360,457	1%
Pick 4 <sup>SM</sup>	860,275			860,275	882,883	(22,609)	(3%)
Win For Life <sup>SM</sup>	1,883,938			1,883,938	1,911,796	(27,858)	(1%)
Lucky Lines <sup>SM</sup>	869,162			869,162	902,646	(33,484)	(4%)
Video Lottery <sup>SM</sup> (Gross Receipts)		6,544,430,303		6,544,430,303	6,517,619,998	26,810,305	0%
Scoreboard			45,067,568	45,067,568		45,067,568	0%
<b>Total</b>	<b>163,552,644</b>	<b>6,544,430,303</b>	<b>45,067,568</b>	<b>6,753,050,515</b>	<b>6,680,868,259</b>	<b>72,182,256</b>	<b>1%</b>
Prize Expense	105,850,679	6,044,484,410	42,273,362	6,192,608,451	6,125,875,009	(66,733,442)	(1%)
<b>Net Revenue</b>	<b>57,701,964</b>	<b>499,945,893</b>	<b>2,794,206</b>	<b>560,442,064</b>	<b>554,993,250</b>	<b>5,448,814</b>	<b>1%</b>
<b>Direct Expenses</b>							
Commissions	13,920,464	123,709,894		137,630,358	138,063,717	433,359	0%
Game Vendor Charges	3,546,174	236,256	1,565,190	5,347,619	3,775,510	(1,572,109)	(42%)
Tickets	1,450,181			1,450,181	2,174,420	724,239	33%
Advertising	3,101,346	189,196	970,543	4,261,086	5,197,986	936,900	18%
Sales Support	329,823		4,967	334,790	763,302	428,512	56%
Game Equipment, Parts & Maintenance	419	6,944,436		6,944,854	11,034,240	4,089,386	37%
Depreciation	144,000	12,808,175		12,952,175	13,011,014	58,839	0%
Interest Expense		163,901		163,901	163,902	1	0%
<b>Total Direct Expenses</b>	<b>22,492,407</b>	<b>144,051,858</b>	<b>2,540,700</b>	<b>169,084,965</b>	<b>174,184,091</b>	<b>5,099,126</b>	<b>3%</b>
<b>Gross Profit</b>	<b>35,209,557</b>	<b>355,894,036</b>	<b>253,506</b>	<b>391,357,099</b>	<b>380,809,159</b>	<b>10,547,940</b>	<b>3%</b>
<b>Indirect Revenue</b>							
Gain (Loss) on Sale of Fixed Assets	(2,989)	(2,291)		(5,280)		(5,280)	0%
Other Income	526,476	5,175,433	11,853	5,713,763	4,380,996	1,332,767	30%
Investment Market Value Adj	452,507	(443,124)		9,383		9,383	0%
<b>Total Indirect Revenue</b>	<b>975,994</b>	<b>4,730,018</b>	<b>11,853</b>	<b>5,717,865</b>	<b>4,380,996</b>	<b>1,336,869</b>	<b>31%</b>
<b>Indirect Expenses</b>							
Public Information	314,540	2,696,678	8,735	3,019,951	4,354,548	1,334,597	31%
Market Research	29,112	310,711	864	340,687	870,000	529,313	61%
Salaries, Wages & Benefits	2,690,163	27,382,694	1,015,812	31,088,670	33,470,327	2,381,657	7%
Services & Supplies	1,069,070	10,413,576	1,684,557	13,167,204	31,556,714	18,389,510	58%
Depreciation	124,003	1,266,322	2,464	1,392,789	1,549,486	156,698	10%
<b>Total Indirect Expenses</b>	<b>4,226,888</b>	<b>42,069,981</b>	<b>2,712,432</b>	<b>49,009,301</b>	<b>71,801,075</b>	<b>22,791,774</b>	<b>32%</b>
<b>Net Profit</b>	<b>\$31,958,663</b>	<b>\$318,554,073</b>	<b>(\$2,447,073)</b>	<b>\$348,065,664</b>	<b>\$313,389,080</b>	<b>\$34,676,583</b>	<b>11%</b>

Unaudited, not presented in accordance with GAAP

\*FY 2019 budget amounts are based on the September 2019 Forecast

**OREGON STATE LOTTERY**  
**Supplemental Schedule of Services and Supplies Expenses**  
**For the Year to Date through 12/31/2019**

	Traditional			Video			Sports			Total Lottery		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Travel	\$23,281	\$33,815	\$10,534	\$235,347	\$339,027	\$103,680	\$4,845	-	(\$4,845)	\$263,473	\$372,842	\$109,369
Office Expenses	16,790	30,469	13,679	179,701	300,957	121,256	363	-	(363)	196,854	331,426	134,572
Retailer Network Expenses	305,397	310,864	5,467	3,096,707	3,090,536	(6,171)	6,060	-	(6,060)	3,408,164	3,401,400	(6,764)
Retailer Network Recovery	(322,977)	(330,216)	(7,239)	(3,278,368)	(3,282,924)	(4,556)	(6,386)	-	6,386	(3,607,731)	(3,613,140)	(5,409)
Telecommunications	36,431	76,482	40,051	365,694	760,374	394,680	803	-	(803)	402,928	836,856	433,928
Intergovernmental Charges	58,989	59,432	443	616,755	590,855	(25,900)	1,148	-	(1,148)	676,892	650,287	(26,605)
Technology Expenses	189,934	342,436	152,502	1,957,302	3,404,354	1,447,052	335,402	-	(335,402)	2,482,638	3,746,790	1,264,152
Professional Services	668,158	2,082,712	1,414,554	6,286,680	20,679,884	14,393,204	1,339,823	1,401,630	61,807	8,294,661	24,164,226	15,869,565
Staff Training & Recruiting	15,321	29,877	14,556	156,867	300,609	143,742	110	-	(110)	172,298	330,486	158,188
Facilities	28,441	39,026	10,585	290,750	387,988	97,238	571	-	(571)	319,762	427,014	107,252
Facilities Maintenance	9,759	14,978	5,219	99,998	148,918	48,920	196	-	(196)	109,953	163,896	53,943
Other Services & Supplies	19,886	33,660	13,774	203,797	334,729	130,932	1,312	-	(1,312)	224,995	368,389	143,394
Fleet Expenses	24,628	34,387	9,759	254,652	341,855	87,203	415	-	(415)	279,695	376,242	96,547
Supplier Diversity	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,074,038</b>	<b>2,757,922</b>	<b>1,683,884</b>	<b>10,465,882</b>	<b>27,397,162</b>	<b>16,931,280</b>	<b>1,684,662</b>	<b>1,401,630</b>	<b>(283,032)</b>	<b>13,224,582</b>	<b>31,556,714</b>	<b>18,332,132</b>
Less Non Distributable Reve...	(4,970)	-	4,970	(52,307)	-	52,307	(105)	-	105	(57,382)	-	57,382
<b>AMOUNT REPORTED</b>	<b>\$1,069,068</b>	<b>\$2,757,922</b>	<b>\$1,688,854</b>	<b>\$10,413,575</b>	<b>\$27,397,162</b>	<b>\$16,983,587</b>	<b>\$1,684,557</b>	<b>\$1,401,630</b>	<b>(\$282,927)</b>	<b>\$13,167,200</b>	<b>\$31,556,714</b>	<b>\$18,389,51</b>

**OREGON STATE LOTTERY**  
**Comparative Balance Sheet**

	As of 12/31/2019	As of 12/31/2018	As of 12/31/2017
<b>Assets</b>			
Current Assets:			
Cash	\$443,813,195	\$426,094,874	\$397,343,097
Investments for Prize Payments at Fair Value	10,293,441	10,891,260	10,999,790
Accounts Receivable - Games	32,657,237	32,525,658	30,020,089
Accounts Receivable - Sports	3,342,056		
Accounts Receivable - Other	2,124	18,462	296,457
Allowance for Doubtful Accounts	(54,866)	(88,500)	(68,967)
Ticket Inventory	1,613,366	1,561,133	1,481,578
Prepaid Expenses	2,171,928	1,999,902	2,021,387
<b>Total Current Assets</b>	<b>493,838,481</b>	<b>473,002,789</b>	<b>442,093,432</b>
Noncurrent Assets:			
Investments for Prize Payments at Fair Value	111,751,166	110,120,391	118,969,569
Prize Reserves with Multi-State Lottery (MUSL)	4,972,525	4,908,001	3,313,563
Prize Reserves for Sports	1,020,000	-	-
Net OPEB Asset - RHIA	333,846	104,211	-
Capital Assets:			
Equipment, Net of Accumulated Depreciation	29,454,381	54,870,873	81,107,651
Computer Software, Net of Accumulated Depreciation	12,587,293	14,847,790	16,141,741
Building and Improvements, Net of Accumulated Depreciation	7,536,773	5,758,297	6,044,941
Intangibles Non-Software, Net of Accumulated Depreciation	101,340	304,020	506,700
Vehicles, Net of Accumulated Depreciation	3,198,213	3,402,334	3,266,113
Construction In Progress	88,397	1,453,215	79,165
Leasehold Improvements, Net of Accumulated Depreciation	4,703	9,295	19,186
<b>Total Noncurrent Assets</b>	<b>171,048,637</b>	<b>195,778,428</b>	<b>229,448,628</b>
Deferred Outflows Pension & OPEB	14,840,500	11,916,514	18,126,890
<b>Total Assets and Deferred Outflows</b>	<b>\$679,727,618</b>	<b>\$680,697,730</b>	<b>\$689,668,950</b>
<b>Liabilities</b>			
Current Liabilities:			
Economic Development Fund Liability	\$190,240,096	\$195,639,600	\$176,429,160
Prize Liability	42,279,909	47,500,964	45,837,080
Accounts Payable	12,882,949	11,952,611	13,618,966
Compensated Absences - Current	4,708,247	4,218,049	4,030,250
Deferred Revenue	1,216,179	1,075,108	1,100,599
Deposit Liability	210,784	203,070	194,849
Contracts Payable - Current	1,907,988	1,723,543	1,544,561
<b>Total Current Liabilities</b>	<b>253,446,151</b>	<b>262,312,944</b>	<b>242,755,464</b>
Noncurrent Liabilities:			
Deferred Prize Liability	107,467,567	111,516,881	116,715,942
Contracts Payable - Noncurrent	13,893,713	17,165,971	19,632,079
Net Pension Liability	38,216,983	29,809,503	34,381,457
Net Other Postemployment Benefits (OPEB) Obligation	1,703,627	1,737,353	712,443
<b>Total Noncurrent Liabilities</b>	<b>161,281,890</b>	<b>160,229,708</b>	<b>171,441,920</b>
Deferred Inflows Pension & OPEB	2,295,740	331,080	326,694
<b>Total Liabilities and Deferred Inflows</b>	<b>417,023,781</b>	<b>422,873,732</b>	<b>414,524,078</b>
<b>Equity</b>			
Retained Earnings:			
Fixed Asset Book Value Net of Associated Liabilities	40,894,194	65,791,359	90,276,449
Inventory and Prepaids	3,785,293	3,561,035	3,502,966
Asset Purchases Committed	117,690,503	88,367,394	81,365,458
Restricted for OPEB Asset	333,846	104,211	-
Operating Working Capital	100,000,000	100,000,000	100,000,000
<b>Total Retained Earnings</b>	<b>262,703,837</b>	<b>257,823,999</b>	<b>275,144,872</b>
<b>Total Liabilities and Equity</b>	<b>\$679,727,618</b>	<b>\$680,697,730</b>	<b>\$689,668,950</b>

**OREGON STATE LOTTERY**  
**Statement of Cash Flows - Direct Method**  
**For the Month Ended 12/31/2019**

	<u>December</u>	<u>Year to Date</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from Customers	\$1,144,394,464	\$6,745,442,345
Payments to Prize Winners	(\$1,055,554,483)	(\$6,188,636,704)
Payments to Employees	(\$1,329,430)	(\$20,601,319)
Payments to Suppliers	(\$29,861,362)	(\$182,832,771)
Other Income	\$263,330	(\$666,324)
<b>Net Cash Provided (Used) in Operating Activities</b>	<b>\$57,912,520</b>	<b>\$352,705,226</b>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Transfers to EDL	-	(\$356,964,701)
Pre SLGRP Payments	0	0
<b>Net Cash Provided (Used) in Noncapital Financing Activities</b>	<b>0</b>	<b>(356,964,701)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition/Restoration of Capital Assets	(\$462,347)	(\$1,678,609)
Contract Payments	(272,410)	(1,656,375)
Proceeds from Disposition/Impairment of Capital Assets	-	\$35,535
<b>Net Cash Provided (Used) in Capital and Related Financing Activities</b>	<b>(734,757)</b>	<b>(3,299,449)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of Investments	0	0
Proceeds from Sales and Maturities of Investments	0	3,890,000
Interest on Investments and Cash Balances	\$806,632	\$4,986,768
Investment Expense	-	(\$4,081)
<b>Net Cash Provided (Used) in Investing Activities</b>	<b>\$806,632</b>	<b>\$8,872,686</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>57,984,396</b>	<b>1,313,763</b>
Cash and Cash Equivalents - Beginning	\$385,828,800	\$442,499,432
<b>Cash and Cash Equivalents - Ending</b>	<b>\$443,813,195</b>	<b>\$443,813,196</b>
	0	0

**Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities**

Net Profit/(Loss)	\$61,821,752	\$348,065,664
<b>Adjustments to reconcile net profit to cash flows from operating activities</b>		
Depreciation and Amortization	1,905,769	14,344,963
Capital Asset Reclassifications to/(from) Expense	0	0
Non-operating (Income)/Expense	(304,861)	(7,252,022)
(Gain)/Loss on Capital Asset Disposition	0	5,280
<b>Net Changes in Assets and Liabilities:</b>		
(Increase) / Decrease in Accounts Receivable - Games	(10,314,826)	(8,240,289)
(Increase) / Decrease in Ticket Inventory	120,795	(127,759)
(Increase) / Decrease in Prepaid Expense/Def Outflows	280,881	(107,156)
(Increase) / Decrease in Prize Reserves	(2,111)	(1,103,633)
(Increase) / Decrease in Net OPEB Asset	0	0
Increase / (Decrease) in Accounts Payable	2,513,688	459,191
Increase / (Decrease) in Compensated Absences Liability	(86,584)	(21,691)
Increase / (Decrease) in Deposit Liability	11,318	31,107
Increase / (Decrease) in Deferred Revenue/Inflows	278,621	718,675
Increase / (Decrease) in Prize Liability	1,346,034	3,022,239
Increase in Economic Development Liability - Unclaimed Prizes Payable	342,042	2,910,657
Increase / (Decrease) in Net OPEB Obligation	0	0
Increase / (Decrease) in Net Pension Liability	0	0
<b>Total Adjustments and Changes</b>	<b>(3,909,232)</b>	<b>4,639,563</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$57,912,520</b>	<b>\$352,705,226</b>
	0	0

**OREGON STATE LOTTERY**  
Fiscal Year 2020 Financial Plan

	Commission Approved Budget			Forecast Adjustments					Adjusted Budget		
	Traditional	Video	Total	September	December	Mid Year	March	May	Traditional	Video	Total
<b>Revenue</b>											
Video Lottery <sup>SM</sup>	-	\$12,915,891,148	\$12,915,891,148	\$53,499,897	\$193,596,091	-	-	-	-	\$13,162,987,136	\$13,162,987,136
Scratch-its <sup>SM</sup> Instant Tickets	133,252,596	-	133,252,596	472,880	(954,102)	-	-	-	132,771,374	-	132,771,374
Megabucks <sup>SM</sup>	33,464,557	-	33,464,557	(220,244)	(1,473,664)	-	-	-	31,770,649	-	31,770,649
Pick 4 <sup>SM</sup>	1,591,138	-	1,591,138	141,516	2,899	-	-	-	1,735,553	-	1,735,553
Powerball®	46,656,364	-	46,656,364	(1,560,706)	(7,827,342)	-	-	-	37,268,316	-	37,268,316
Mega Millions®	28,802,319	-	28,802,319	(913,472)	(3,755,564)	-	-	-	24,133,283	-	24,133,283
Win for Life <sup>SM</sup>	3,928,407	-	3,928,407	38,731	(80,486)	-	-	-	3,886,652	-	3,886,652
Keno	100,440,240	-	100,440,240	1,409,561	559,089	-	-	-	102,408,890	-	102,408,890
Lucky Lines <sup>SM</sup>	1,830,000	-	1,830,000	(39,158)	21,804	-	-	-	1,812,646	-	1,812,646
Raffle <sup>SM</sup>	2,500,000	-	2,500,000	-	-	-	-	-	2,500,000	-	2,500,000
<b>Total Revenue</b>	<b>352,465,621</b>	<b>12,915,891,148</b>	<b>13,268,356,769</b>	<b>52,829,005</b>	<b>180,088,725</b>				<b>338,287,363</b>	<b>13,162,987,136</b>	<b>13,501,274,499</b>
Less: Prizes	226,043,943	11,925,269,442	12,151,313,385	49,703,833	173,251,055				218,914,665	12,155,353,608	12,374,268,273
<b>Net revenue</b>	<b>126,421,678</b>	<b>990,621,706</b>	<b>1,117,043,384</b>	<b>3,125,172</b>	<b>6,837,670</b>				<b>119,372,698</b>	<b>1,007,633,528</b>	<b>1,127,006,226</b>
<b>Direct Expenses</b>											
Commissions	30,661,635	226,646,274	257,307,909	964,289	1,934,174	-	-	-	29,429,544	230,776,828	260,206,372
Game Vendor Charges	7,519,958	472,512	7,992,470	(11,404)	(229,612)	-	-	-	7,278,941	472,512	7,751,453
Tickets	4,370,000	-	4,370,000	-	-	-	-	-	4,370,000	-	4,370,000
Advertising	9,835,320	560,756	10,396,076	-	-	-	-	-	9,835,320	560,756	10,396,076
Sales Support	1,526,650	-	1,526,650	-	-	-	-	-	1,526,650	-	1,526,650
Game Equip, Parts & Maint	-	22,714,500	22,714,500	-	-	-	-	-	-	22,714,500	22,714,500
Depreciation	322,863	23,025,989	23,348,852	-	-	-	-	-	322,863	23,025,989	23,348,852
<b>Total Direct Expenses</b>	<b>54,236,426</b>	<b>273,420,031</b>	<b>327,656,457</b>	<b>952,884</b>	<b>1,704,562</b>				<b>52,763,319</b>	<b>277,550,585</b>	<b>330,313,904</b>
<b>Gross Profit</b>	<b>72,185,253</b>	<b>717,201,675</b>	<b>789,386,927</b>	<b>2,172,287</b>	<b>5,133,107</b>				<b>66,609,379</b>	<b>730,082,943</b>	<b>796,692,322</b>
Relative Gross Profit %	9.14%	90.86%	100.00%						9.14%	90.86%	100.00%
<b>Indirect Revenue</b>	<b>801,238</b>	<b>7,960,762</b>	<b>8,762,000</b>						<b>801,238</b>	<b>7,960,762</b>	<b>8,762,000</b>
<b>Indirect Expenses</b>											
Public Information	796,401	7,912,699	8,709,100	-	-	-	-	-	796,401	7,912,699	8,709,100
Market Research	159,114	1,580,886	1,740,000	-	-	-	-	-	159,114	1,580,886	1,740,000
Salaries & Benefits	6,211,079	61,710,614	67,921,693	-	-	-	-	-	6,211,079	61,710,614	67,921,693
Services & Supplies	5,753,924	57,168,515	62,922,439	434	-	-	-	-	5,753,963	57,168,910	62,922,873
Depreciation	299,735	2,978,039	3,277,774	-	-	-	-	-	299,735	2,978,039	3,277,774
Interest Expense		310,782	310,782							310,782	310,782
<b>Total Indirect Expenses</b>	<b>13,220,253</b>	<b>131,661,535</b>	<b>144,881,788</b>	<b>434</b>	<b>-</b>				<b>13,220,292</b>	<b>131,661,930</b>	<b>144,882,222</b>
<b>Net Profit</b>	<b>\$59,766,238</b>	<b>\$593,500,902</b>	<b>\$653,267,139</b>	<b>\$2,171,853</b>	<b>\$5,133,107</b>				<b>\$54,190,325</b>	<b>\$606,381,775</b>	<b>\$660,572,100</b>
<b>Additional Information:</b>											
Capital Outlay			\$54,566,783							\$54,566,783	
FTE Count			481							481	



**OREGON STATE LOTTERY**  
**Capital Outlay Status Report for FY 2020**  
**For the Six Months Ending 12/31/2019**

Project Description	Budget	Budget Adjustments	Spent to Date	Unspent/(Over Spent)
<b>Enterprise Program Management</b>				
Business Modernization PPM Tool (FY19 Carryover)				
Mature Enterprise EPMO, PPM Tool Project 1			33,422	(33,422)
PPM Tool Project 1 (02), Change Requests				
	-	-	<b>33,422</b>	<b>(33,422)</b>
<b>Site Services</b>				
New Parking Lot (FY18 Carryover)			219,054	(219,054)
Space Planning			-	-
Noise Canceling Intercom system				
Space Planning (New)	390,000		4,473	385,528
Warehouse HVAC	100,000			100,000
Electric Vehicle Charging Station	10,000			10,000
Replace Fire Alarm System	80,000			80,000
<b>Site Services Total</b>	<b>580,000</b>	<b>-</b>	<b>223,527</b>	<b>356,473</b>
<b>Finance &amp; Accounting</b>				
ES Online Debit Card Modification (FY19 carryover)				
<b>Fleet Management</b>				
New Vehicles	512,000		349,672	162,328
<b>Information Technology</b>				
<b>IT Service Management</b>				
ICS Upgrade (budgeted in 77020-2820)			178,500	(178,500)
<b>IT Service Management Total</b>	<b>-</b>	<b>-</b>	<b>178,500</b>	<b>(178,500)</b>
<b>IT Customer Service</b>				
The Predictive Index (originally budgeted in 76050-2830)			109,125	(109,125)
<b>IT Customer Service Total</b>	<b>-</b>	<b>-</b>	<b>109,125</b>	<b>(109,125)</b>
<b>IT Operations</b>				
Replace Checkpoint Firewalls with Palo Alto Firewalls (5 total)	125,000			125,000
End of Life Switch Replacement (8 total)	94,000			94,000
End of Life Cisco VOIP (Voice over IP) Replacement	83,000			83,000
Storage Expansion (Additional Storage + 2 Appliances)	320,000			320,000
Microsoft Hubs	15,000			15,000
External Network Remediation #1			677,292	(677,292)
<b>IT Operations Total</b>	<b>637,000</b>	<b>-</b>	<b>677,292</b>	<b>(40,292)</b>
<b>Information Technology Total</b>	<b>637,000</b>	<b>-</b>	<b>964,917</b>	<b>(327,917)</b>
<b>Security</b>				
Coos Bay Camera and Door Access	10,000		9,252	748
Data Center Move (cameras, equipment)	30,000			30,000
Badge Access for Draw Room Cabinets	15,000		6,144	8,856
Roseberg Depot (possible)	20,000			20,000
<b>Assistant Director Security Total</b>	<b>75,000</b>	<b>-</b>	<b>15,396</b>	<b>59,604</b>
<b>Bench Supervisor</b>				
Nikom Metrology XTV130 X-Ray System (FY19 carryover)			11,345	(11,345)
Huntron Tracker circuit board troubleshooter	5,500		5,330	170
<b>Bench Supervisor Total</b>	<b>5,500</b>	<b>-</b>	<b>16,675</b>	<b>(11,175)</b>

**OREGON STATE LOTTERY**  
**Capital Outlay Status Report for FY 2020**  
**For the Six Months Ending 12/31/2019**

<u>Project Description</u>	<u>Budget</u>	<u>Budget Adjustments</u>	<u>Spent to Date</u>	<u>Unspent/(Over Spent)</u>
<b>Marketing</b>				
<b>Traditional Product Manager</b>				
Player-operated terminals (Game Touch 28), EPMO Proj 201000102	7,281,750			7,281,750
Player-operated terminals (Game Touch 20), EPMO Proj 201000102	1,837,500			1,837,500
Retailer terminal, print pro printer, VFD, ticket scan (Retailer Pro), EPMO Proj 201000102	222,863			222,863
Retailer terminal, print pro printer, play slip reader, VFD, ticket scan (Retailer Compact), EPMO Proj 201000102	14,938,875			14,938,875
Wireless barcode scanners, EPMO Proj 201000102	1,152,900			1,152,900
43" Monitors (cables and brackets), EPMO Proj 201000102	1,167,480			1,167,480
32" Monitors (cables and brackets), EPMO Proj 201000102	915,915			915,915
Draw System Replacement (RNG), EPMO Proj 401001101	200,000		75,000	125,000
ICS Changes Related to Aurora Upgrade, EPMO Proj 201000102	50,000			50,000
<b>Traditional Product Manager Total</b>	<b>27,767,283</b>	<b>-</b>	<b>75,000</b>	<b>27,692,283</b>
<b>Video Product Manager</b>				
VLT Procurement - TrimLine replacement	4,590,000			4,590,000
VLT Procurement - prodiGi replacement	20,400,000			20,400,000
<b>Video Product Manager total</b>	<b>24,990,000</b>	<b>-</b>	<b>-</b>	<b>24,990,000</b>
<b>Marketing Total</b>	<b>52,757,283</b>	<b>-</b>	<b>75,000</b>	<b>52,682,283</b>
<b>Total Cash Acquisitions</b>	<b>54,566,783</b>	<b>-</b>	<b>1,678,609</b>	<b>52,888,174</b>
<b>Acquisitions Through Contract</b>				
<b>Total Acquisitions Through Contract</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>54,566,783</b>	<b>-</b>	<b>1,678,609</b>	<b>52,888,174</b>