

**South Carolina Education Lottery**  
**Statement of Net Assets**  
**June 30, 2010**

	<u>Assets</u>	
Current Assets		
Cash	\$ 17,692,228	
Accounts Receivable	29,653,796	
Allowance for Doubtful Accounts	(320,700)	
Inventory - Instant Tickets	1,333,973	
Prepaid Expenses	<u>1,244,303</u>	
Total Current Assets		<u>49,603,599</u>
Long-Term Assets		
Reserve Accounts - MUSL		4,780,313
Property and Equipment		
Furniture, Fixtures & Equipment	623,003	
Data Processing Equipment	1,479,714	
Draw Equipment	285,578	
Vehicles	47,826	
Leaseholds	1,315,694	
Accumulated Depreciation	<u>(3,153,845)</u>	
Total Property & Equipment		<u>597,970</u>
Total Long-term Assets		<u>5,378,284</u>
Total Assets		<u>\$ 54,981,883</u>
	<u>Liabilities</u>	
Current Liabilities		
Payable to the SC State Treasurer for the Education Lottery Account	\$ 24,798,036	
Payable to the SC State Treasurer for Unclaimed Prizes	567,605	
Prizes Payable	23,394,802	
Accounts Payable	1,822,909	
Payable to MUSL	929,818	
Accrued Expenses	995,832	
Accrued Compensated Absences	588,393	
Deferred Revenue	<u>408,269</u>	
Total Current Liabilities		<u>53,505,664</u>
Long-term Liabilities		
Accrued Compensated Absences	<u>378,854</u>	
Total Long-term Liabilities		<u>378,854</u>
Total Liabilities		<u>53,884,518</u>
Net Assets		
Invested in capital assets, net of related debt	597,970	
Restricted - Fidelity Funds	<u>499,395</u>	
Total Net Assets		<u>\$ 1,097,365</u>

**South Carolina Education Lottery**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**For the Twelve Months Ending June 30, 2010**

	Current Month		Year to Date	
	Amount	Percent	Amount	Percent
<b>Revenues</b>				
Revenue - Instant Games	\$ 51,571,536	66.51%	\$ 646,544,374	65.15%
Revenue - Pick 3	10,740,899	13.85%	136,422,650	13.75%
Revenue - Pick 4	5,267,206	6.79%	63,392,515	6.39%
Revenue - Powerball	8,453,441	10.90%	116,950,002	11.78%
Revenue - Palmetto Cash 5	1,501,808	1.94%	20,300,006	2.05%
Revenue - MegaMatch6	-	0.00%	8,796,040	0.89%
Revenue - Mega Millions	2,080,105	2.68%	15,120,629	1.52%
Contra Revenue - AR Writeoffs	(361,676)	-0.47%	(416,711)	-0.04%
Permit Fees	76,275	0.10%	490,050	0.05%
Reserve for Bond	2,925	0.00%	35,250	0.00%
Retailer Telephone Fees	219,369	0.28%	2,839,397	0.29%
Miscellaneous Revenue	8,358	0.01%	173,032	0.02%
<b>Total Revenues</b>	<b>79,560,246</b>	<b>102.61%</b>	<b>1,010,647,233</b>	<b>101.84%</b>
<b>Direct Costs</b>				
<b>Commissions and Incentives</b>				
Retailer Commissions	5,572,745	7.19%	70,509,573	7.10%
Retailer Incentives	94,182	0.12%	659,192	0.07%
<b>Total Commissions and Incentives</b>	<b>5,666,927</b>	<b>7.31%</b>	<b>71,168,765</b>	<b>7.17%</b>
<b>Prize Expense</b>				
Instant Games	37,119,039	47.87%	457,551,076	46.11%
On-line Games	15,200,618	19.60%	170,787,581	17.21%
<b>Total Prize Expense</b>	<b>52,319,657</b>	<b>67.48%</b>	<b>628,338,657</b>	<b>63.31%</b>
<b>Instant and On-line Direct Costs</b>				
Instant Game Costs	602,749	0.78%	7,690,056	0.77%
On-line Game Costs	606,100	0.78%	8,705,859	0.88%
<b>Total Instant and On-line Direct Costs</b>	<b>1,208,849</b>	<b>1.56%</b>	<b>16,395,915</b>	<b>1.65%</b>
<b>Total Direct Costs</b>	<b>59,195,433</b>	<b>76.35%</b>	<b>715,903,337</b>	<b>72.14%</b>
<b>Gross Profit</b>	<b>20,364,813</b>	<b>26.27%</b>	<b>294,743,896</b>	<b>29.70%</b>
<b>Operating Expenses</b>				
Advertising - Lottery	1,192,893	1.54%	8,636,377	0.87%
Security & Credit Checks	9,488	0.01%	232,258	0.02%
Salaries	701,675	0.90%	8,055,423	0.81%
Temporary Services	2,585	0.00%	42,470	0.00%
Overtime	524	0.00%	6,683	0.00%
Per Diem	-	0.00%	1,540	0.00%
Employee Benefits	96,136	0.12%	2,187,004	0.22%
Advertising Employment	-	0.00%	4,800	0.00%
Auditing & Financial	13,770	0.02%	167,462	0.02%
Consultants	35,500	0.05%	68,543	0.01%
Depreciation	25,458	0.03%	348,202	0.04%
Dues & Memberships	311	0.00%	34,372	0.00%
Education & Training	12,876	0.02%	69,696	0.01%
Employee Recognition	-	0.00%	3,832	0.00%
Insurance	20,072	0.03%	281,847	0.03%
Lease - Office Space	66,396	0.09%	834,822	0.08%
Lease - Vehicles	16,461	0.02%	91,775	0.01%
Legal	8,263	0.01%	79,185	0.01%
Maintenance & Repairs	8,831	0.01%	112,029	0.01%
Licenses & Warranties	-	0.00%	86,660	0.01%
Miscellaneous Expense	3,028	0.00%	32,933	0.00%
Postage & Freight	6,210	0.01%	39,015	0.00%
Printing	1,653	0.00%	21,003	0.00%
Promotion - Retailers	9,042	0.01%	18,735	0.00%
Rent - Equipment	2,896	0.00%	37,381	0.00%
Security Services	(14,650)	-0.02%	438,452	0.04%
Services - Payroll	-	0.00%	15,000	0.00%
Supplies - Office	8,161	0.01%	84,906	0.01%
Supplies - Data Processing	62,614	0.08%	187,432	0.02%
Telecommunications Services	5,769	0.01%	62,820	0.01%
Telephone	26,002	0.03%	201,067	0.02%
Travel - Commissioners	-	0.00%	2,266	0.00%
Travel - Field Service Reps Vehicle Mileage	32,299	0.04%	298,871	0.03%
Travel - Others	3,169	0.00%	36,987	0.00%
Utilities	3,471	0.00%	31,743	0.00%
<b>Total Operating Expenses</b>	<b>2,360,903</b>	<b>3.04%</b>	<b>22,853,591</b>	<b>2.30%</b>
<b>Non-Operating Income (Expense)</b>				
Interest Income	3,629	0.00%	72,933	0.01%
Gains/Losses	-	0.00%	2,768	0.00%
<b>Total Non-Operating Income (Expense)</b>	<b>3,629</b>	<b>0.00%</b>	<b>75,701</b>	<b>0.01%</b>
<b>Change in Net Assets before transfers to and</b>				
<b>due to the Education Lottery Account</b>	<b>18,007,539</b>	<b>23.23%</b>	<b>271,966,006</b>	<b>27.40%</b>
<b>Expensed to and due to the Education Lottery Account</b>				
Change in Net Assets	(40,526)	-0.05%	(253,449)	-0.03%
Net Assets - Beginning of Period	1,137,891	1.47%	1,350,814	0.14%
Net Assets - End of Period	<b>\$ 1,097,365</b>	<b>1.42%</b>	<b>\$ 1,097,365</b>	<b>0.11%</b>

**South Carolina Education Lottery**  
**Statement of Net Proceeds Due to the Education Lottery Account**  
**For the Twelve Months Ending June 30, 2010**

	<u>Current Month</u>	<u>Year to Date</u>
Change in Net Assets subject to transfer	\$ 18,007,539	\$ 271,966,006
Amount invested in capital assets, net of related debt		
Property & Equipment	8,974,598	8,937,890
Accumulated Depreciation	<u>(8,949,140)</u>	<u>(8,661,142)</u>
Net Property & Equipment	<u>25,458</u>	<u>276,748</u>
Capital Assets, Net of Related Debt	25,458	276,748
Restricted Fidelity Fund Cash	<u>15,068</u>	<u>(23,299)</u>
Transfers to and due to the the Education Lottery Account	<u>\$ 18,048,065</u>	<u>\$ 272,219,454</u>

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