

OKLAHOMA LOTTERY COMMISSION
STATEMENTS OF NET ASSETS
December 2005

(Unaudited)

Sales (Activated), Prize Reserve (Activated)

	Year to Date
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$17,040,067
Cash - Restricted fidelity fund	\$190,187
Retailer accounts receivable, net of allowance for doubtful amounts	\$7,751,558
Accounts receivable - Multi-State Lottery	\$0
Prepaid expenses and other current assets,	\$0
Total current assets	\$24,981,812
CAPITAL ASSETS, net of accumulated depreciation	\$202,524
DEPOSIT WITH MULTI-STATE LOTTERY	\$0
Total assets	\$25,184,336
LIABILITIES	
CURRENT LIABILITIES	
Due to Education Lottery Account	\$18,826,547
Prize Reserve	(\$25,242)
Prize Reserve - Multi-State Lottery	\$0
Commissions payable to Retailers	\$212,493
Accounts Payable	\$1,658,030
Letter Of Credit - Chase JP Morgan	\$0
Capital Start Up Funding - Provided by Legislature	\$500,000
Interest payable	\$0
Deferred revenue	\$0
Total current liabilities	\$21,171,828
LONG -TERM DEBT	\$0
ACCRUED COMPENSATED ABSENCES	\$48,674
Total liabilities	\$21,220,501
NET ASSETS	
Invested in capital assets, net of related debt	\$3,773,647
Restricted fidelity funds	\$190,187
Total net assets	\$3,963,834

See notes to financial statements which are an integral part of these statements.

OKLAHOMA LOTTERY COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
December 2005
(Unaudited)

Sales (Activated), Prize Reserve (Activated)

	Month	Year to Date	% YTD	Budget YTD	Budget % YTD
REVENUES					
Instant games	\$15,630,223	\$60,471,874	96.36%	\$35,538,750	67.50%
On-line games					
Pick 3	\$954,869	\$2,072,432	3.30%	\$17,111,250	32.50%
Powerball games	\$0	\$0	0.00%	\$0	0.00%
Total On-line games	\$954,869	\$2,072,432	3.30%	\$17,111,250	32.50%
Total Lottery Game Revenues	\$16,585,092	\$62,544,306	99.66%	\$52,650,000	100.00%
Retailer application fee	\$4,137	\$210,849	0.34%	\$0	0.00%
Total revenue	\$16,589,229	\$62,755,155	100.00%	\$52,650,000	100.00%
DIRECT COSTS					
Commission and incentives to retailers	\$1,074,983	\$3,987,084	6.35%	\$3,159,000	6.00%
Prize expense					
Instant games	\$8,123,610	\$31,479,710	50.16%	\$19,546,313	37.13%
On-line games					
Pick 3	\$414,160	\$928,030	1.48%	\$0	
Powerball games	\$0	\$0	0.00%	\$0	
Total on-line games	\$414,160	\$928,030	1.48%	\$8,555,625	16.25%
Total prize expense	\$8,537,770	\$32,407,740	51.64%	\$28,101,938	53.38%
Other Instant and on-line costs	\$484,569	\$1,657,787	2.64%	\$2,369,250	4.50%
Total direct costs	\$10,097,322	\$38,052,611	60.64%	\$33,630,188	63.88%
Gross profit	\$6,491,907	\$24,702,545	39.36%	\$19,019,812	36.12%
OPERATING EXPENSES					
Advertising and promotion	\$0	\$721,836	1.15%	\$1,613,000	3.06%
Security Checks	\$4,870	\$69,621	0.11%	\$72,000	0.14%
Salaries, wages and benefits	\$240,107	\$774,614	1.23%	\$2,286,352	4.34%
Contracted and professional services	\$23,231	\$100,534	0.16%	\$238,520	0.45%
Depreciation	\$3,029	\$10,461	0.02%	\$0	0.00%
Rent expense	\$0	\$15,000	0.02%	\$6,000	0.01%
Office supplies	\$2,975	\$11,363	0.02%	\$15,000	0.03%
Other general and administrative	\$47,222	\$128,783	0.21%	\$1,388,811	2.64%
Total operating expenses	\$321,434	\$1,832,210	2.92%	\$5,619,683	10.67%
Operating Income	\$6,170,473	\$22,870,334	36.44%	\$13,400,129	25.45%
NON-OPERATING INCOME (EXPENSE)					
Interest Income	\$20,966	\$25,352	0.04%	\$11,275	0.02%
Interest expense	\$0	\$1,389	0.00%	\$0	0.00%
Total non-operating expense	\$20,966	\$23,964	0.04%	\$11,275	0.02%
Change in net assets before transfers to and due to Education Lottery Account	\$6,191,439	\$22,894,298	36.48%	\$13,411,404	25.47%
TRANSFERS TO AND DUE TO EDUCATION LOTTERY ACCOUNT					
Change in net assets	\$4,976,769	\$18,826,547	30.00%	\$15,795,000	30.00%
	\$1,214,670	\$4,067,751	6.48%	(\$2,383,596)	-4.53%
NET ASSETS,					
BEGINNING OF PERIOD	\$2,749,164	(\$103,917)	-0.17%	(\$103,917)	-0.20%
END OF PERIOD	\$3,963,834	\$3,963,834	6.32%	(\$2,487,513)	-4.72%

See notes to financial statements which are an integral part of these statements.

OKLAHOMA LOTTERY COMMISSION
STATEMENTS OF CASH FLOWS
December 2005
(Unaudited)

	<u>Month</u>	<u>Year to Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from retailers	\$16,694,287	\$55,003,598
Cash payments to prize winners	(\$8,123,610)	(\$31,479,710)
Cash payments to suppliers for goods and services	(\$3,404,694)	(\$6,031,543)
Cash payments to employees for services	(\$229,452)	(\$725,803)
Net cash provide by operating activities	<u>\$4,936,531</u>	<u>\$16,766,542</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to fund deposit with Multi-State Lottery	\$0	\$0
Payments to Education Lottery Account	(\$4,976,769)	(\$18,826,547)
Net cash used for noncapital financing activities	<u>(\$4,976,769)</u>	<u>(\$18,826,547)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from dispositions of capital assets	\$0	\$0
Letter Of Credit - Chase JP Morgan	\$0	\$0
Capital Start Up Funding - Provided by Legislature	\$0	\$0
Interest paid	\$0	\$1,389
Net paid for short-term and long-term debt	\$0	\$0
Net cash used for financing activities	<u>\$0</u>	<u>\$1,389</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	\$20,966	\$25,352
Purchase of capital assets	\$208,598	\$212,984
Net cash used for investing activities	<u>\$229,564</u>	<u>\$238,337</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$189,326	(\$1,820,279)
CASH AND CASH EQUIVALENTS		
BEGINNING OF YEAR	\$0	\$0
END OF YEAR	<u>\$6,412,191</u>	<u>\$17,230,254</u>
OPERATING ACTIVITIES		
Operating income	\$6,170,473	\$22,870,334
Adjustments to reconcile operating income to net cash provided by operating income		
Depreciation	\$3,029	\$10,461
Gain on dispositions of capital assets	\$0	\$0
Changes in assets and liabilities		
Retailer accounts receivable	\$105,058	(\$7,751,558)
Inventory	\$0	\$0
Prepaid expenses and other assets	\$0	\$0
Accounts payable and accrued liabilities	\$1,658,030	\$1,658,030
Prize Reserve	\$378,758	\$25,242
Deferred revenue	\$0	\$0
Net cash provided by operating activities	<u>\$8,315,348</u>	<u>\$16,812,510</u>

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