



OKLAHOMA LOTTERY

BENEFITS OKLAHOMA EDUCATION

Comprehensive Annual Financial Report of the Oklahoma Lottery Commission

**For the Fiscal Years Ended
June 30, 2015 and 2014**

An Agency of the State of Oklahoma



**Oklahoma Lottery Commission
2015 Comprehensive Annual
Financial Report**

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Introductory Section

**For the Fiscal Year Ended
June 30, 2015**

An Agency of the State of Oklahoma



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Oklahoma Lottery Commission

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Oklahoma Lottery Commission
3817 North Santa Fe
Oklahoma City, Oklahoma 73118

December 31, 2015

To the citizens of Oklahoma: The Oklahoma Lottery, an agency of the State of Oklahoma, commenced operations in 2005 as a business enterprise within the framework of state laws and regulations, to implement the public's mandate to provide supplemental funds for public education. The mission of the Oklahoma Lottery Commission is to maximize revenues for public education through the creation and marketing of fun and entertaining products consistent with the highest levels of service, integrity and public accountability.

The Oklahoma Lottery Commission (the Lottery) is pleased to provide this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The Accounting Unit of the Lottery prepared this CAFR, which includes its annual financial statements presented in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America. The CAFR presents an overview of the Lottery.

The CAFR covers financial activity of the Lottery in a single enterprise fund. The report follows formal standards of the Governmental Finance Officers Association of the United States and Canada (GFOA). Governmental organizations that publish this type of report can be compared to each other because similar kinds of information are included in the three sections.

This letter of transmittal is designed to complement the management's discussion and analysis that accompanies the financial statements and should be read in conjunction with it.

Management is responsible for the accuracy and completeness of the presentation, including all disclosures in the report. To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations, and the cash flows of the Lottery. All disclosures necessary to gain an understanding of the Lottery's financial activities have been included.

History of the Lottery

The Lottery was approved by the citizens of Oklahoma upon approval of a voter referendum creating the Oklahoma Education Lottery Act (hereinafter the “Act”), and establishing certain Constitutional provisions, all in November of 2004. The Act is codified as Title 3A, Section 701, et. seq., of the Oklahoma Statutes. The Act has been modified in every legislative session, starting with 2005 through 2015 except for the 2009, 2014 and 2015 sessions. Twelve different statutes have been amended, some multiple times, or added via 11 different House or Senate bills.

The Constitutional provision is in Article 10, Section 41 of the Oklahoma Constitution, and this law change provides the following:

- Creates the Oklahoma Education Lottery Trust Fund (OELTF);
- Establishes legal purposes for use of the OELTF;
- Prohibits the Legislature from using the OELTF to supplant other funds used for education;
- Requires the State Board of Equalization (BOE) to issue a report in February regarding the supplanting of funds; and
- Provides that the Legislature may not make any additional appropriations of funds until the OELTF is replenished if the BOE determines that funds were supplanted.

The Lottery was established as an independent state agency to market and sell Lottery products. Under the Act, the Lottery is required to return a minimum of 45% of gross proceeds to prizes, at least 35% to public education, with the remaining amount used for costs of operating the Lottery. The Act specifies that the Lottery is operated and administered by a seven (7) member Board of Trustees appointed by the Governor, with advice and consent of the Senate. An Executive Director, who is appointed by the Board of Trustees, administers the day-to-day operations of the Lottery.

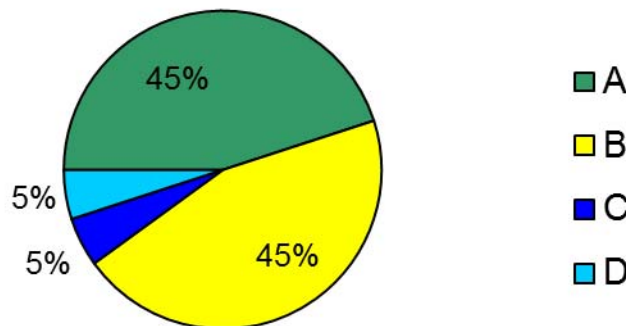
Under the Act, funds transferred to the Oklahoma Education Lottery Trust Fund may be utilized as follows:

- 45%** - Kindergarten through twelfth grade Public Education, including but not limited to compensation and benefits for public school teachers and support employees, and early childhood development programs, which shall include but not be limited to costs associated with pre-kindergarten and full-day kindergarten programs.
- 45%** - Tuition grants, loans and scholarships to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are owned or operated by the Oklahoma State Regents for Higher Education, or to attend institutions operated under the authority of the Oklahoma Department of Career and Technology Education; provided such tuition grants, loans and scholarships shall not be made to a citizen of this state to attend a college or university which is not accredited by the Oklahoma State Regents for Higher Education. Construction of educational facilities for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education. Capital outlay projects for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education. Technology for public elementary school district, independent school districts, state higher education and career and technology education facilities, which shall include but not be limited to costs of providing to teachers at accredited public institutions who teach levels kindergarten through twelfth grade, personnel at technology centers under the authority of the Oklahoma State Department of Career and Technology Education, and professors and instructors within the Oklahoma State System of Higher Education, the necessary training in the use and

application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the statewide distance learning network and costs associated with repairing and maintaining advanced electronic instructional technology. Endowed chairs for professors at institutions of higher education operated by the Oklahoma State System of Higher Education. Programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind.

- C. **5%** - Teachers' Retirement System Dedicated Revenue Revolving Fund.
- D. **5%** - School Consolidation and Assistance Fund. When the total amount in the School Consolidation and Assistance Fund from all sources equals Five Million Dollars (\$5,000,000.00), all monies appropriated pursuant to this paragraph which would otherwise be deposited in the School Consolidation and Assistance Fund in excess of Five Million Dollars (\$5,000,000) shall be allocated by the State Department of Education to public schools based on the audited end-of-year average daily membership in grades 8 through 12 during the preceding school year for the purpose of purchasing technology equipment in order to conduct on-line testing as required by the Achieving Classroom Excellence Act of 2005. If at any time the total amount in the School Consolidation and Assistance Fund drops below Five Million Dollars (\$5,000,000), the monies appropriated pursuant to this paragraph shall be deposited in the School Consolidation and Assistance Fund until the Fund again reaches Five Million Dollars (\$5,000,000).

Distribution of Lottery Net Proceeds



Ticket sales in Oklahoma began on October 12, 2005 with four instant games (Scratchers). In-state online games include Pick 3, (started on November 10, 2005); Powerball, Oklahoma’s first multi-state Lottery game (started on January 12, 2006); Cash 5 (started on September 1, 2006); Hot Lotto (started January 3, 2008); Mega Millions (started January 31, 2010); Pick 4 (started July 5, 2011, and ended September 15, 2013); and Poker Pick (started September 7, 2014) . New Scratcher games are introduced on a scheduled basis.

Economic Conditions and Outlook

Oklahoma is an attractive place to live and work. The state enjoys a very low tax burden, a low cost of doing business and has a highly skilled and productive work force. Oklahoma lies at the crossroads of U.S. Interstates 35, 40 and 44, three of the nation’s most important transportation and

shipping corridors, allowing state businesses to take advantage of opportunities anywhere in the United States.⁽¹⁾

Oklahoma has vibrant metropolitan areas and its two largest cities, Oklahoma City and Tulsa have been singled out in national surveys and various publications for their economic strengths and other qualities.⁽⁶⁾ Oklahoma's unemployment rate was 4.7 percent in 2014. Oklahoma is one of only a handful of states to have an unemployment rate below the national average and a net gain in jobs since the recession of 2007. The unemployment rate for 2015 was 4.4 percent compared with a national average of 5.7 percent for the same period. Over the last four years, Oklahoma had a jobless rate far below that of the country as a whole.^(2,6,7,8)

Oklahoma is known for its abundant resources, most notably oil and natural gas.⁽²⁾ In 2015, low oil and gas prices have remained a drag on Oklahoma's economy and probably will into 2016. Between September 2014 and September 2015, energy sector job losses in Oklahoma have totaled 11,000, or 17.5%. While the prolonged nature of the oil price decline will pose challenges for the State, Oklahoma will face those challenges with momentum from a solid stint of recent economic growth.⁽⁸⁾ New technology created an oil patch revival that drove Oklahoma's dramatic recovery from the 2011-2012 Recession.⁽³⁾ Oklahoma's agriculture has also been a vital part of the state's economic recovery. Oklahoma is a leading producer of agricultural products, ranking in the top ten in production of wheat, cattle and hogs, peanuts, grain, sorghum, pecans and rye.⁽²⁾ Other important industries include health care, finance, tourism, warehousing, and distribution, and food processing and packaging.⁽⁶⁾ All this economic activity definitely affects the levels in personal income and state revenues, challenging Oklahoma's Treasury funds and revenue streams.⁽⁸⁾

Oklahoma boasts high quality education systems with award-winning schools. Oklahoma's Department of Career and Technology Education has developed the Oklahoma Training for Industry program. This program has been ranked one of America's best and most sophisticated training programs by delivering high quality, customized training to Oklahoma employers for free.⁽⁴⁾ Oklahoma has award-winning schools and a nationally-recognized early childhood development program.⁽²⁾

There is something to do for everyone in Oklahoma, where museums tell of the state's colorful history and pioneer spirit. There are many outdoor recreational opportunities and major entertainment districts located in Oklahoma City and Tulsa, both having undergone a renaissance in their downtown areas in recent years. The state is also home to nearly 40 federally-recognized Indian tribes, who contribute significantly to the state's commerce.⁽³⁾

Some State Economic Highlights over the past five years

- Oklahoma's economic progress led to improvement in state revenues in recent years, replenishing of the State's depleted Rainy Day Fund in 2013 to \$532.5 million.^(2,3,6)
- Since Governor Mary Fallin took office in January 2011, Oklahoma has gained about 54,000 jobs through August 2013, according to the Oklahoma Department of Commerce. Oklahoma has consistently had an unemployment rate well below the national average and below the jobless rate of bordering states.⁽⁶⁾
- Reported in 2012, *The Business Journals* stated that Oklahoma was one of only six states to recover all of their retail jobs lost during the recession, even adding 2,000 retail jobs.⁽³⁾
- U.S Census data showed that Oklahoma had a 12.4 percent increase in median household income between 2010 and 2011, the largest increase of any state.⁽³⁾
- In 2012, KPMG rated Oklahoma City as the least costly medium-sized city in which to do business, while also being ranked for the lowest cost of living by CNBC.⁽⁶⁾

- Since 2009, the annual Oklahoma GDP growth has increased significantly, compared with a national average annual minimal growth rate of 1.9 percent, placing Oklahoma as the 10 highest annual GDP growth rate among all other states and the District of Columbia. While Oklahoma's GDP was still strong in 2014, the oil and gas downturn will continue to impact other industry sectors in the areas of unemployment, jobs and wages. ⁽⁸⁾
- The National Association of Home Builders in 2013 ranked Oklahoma City third out of 350 metropolitan areas for having the fastest recovery of its housing market since the Great Recession. ⁽⁶⁾
- Governor Mary Fallin signed legislation in 2013 to lower the state income tax from 5.25 percent to 5.0 percent in 2014 and 4.85 percent in 2015. ⁽⁶⁾
- In 2014 more than 110 companies announced plans to expand in Oklahoma and hire thousands and invest billions. ⁽⁷⁾
- 2014's low unemployment rate combined with the increase in jobs resulted in an 18.1 % growth in wages and salaries since 2011 – the best growth among states during that time. ⁽⁷⁾
- The Oklahoma Medical Research Foundation (OMRF) is one of the most respected nonprofit biomedical research institutes in the world. OMRF has established strategic partnerships with scientists in China, India and Brazil to uncover the basis of diseases and to discover new treatments. ⁽⁵⁾
- The U.S. Chamber of Commerce Foundation ranked Oklahoma for overall economic performance in its "Enterprising States 2015" report. Other top 10 rankings for the state in the report include sixth in per capita income growth, fifth in college affordability, ninth in cost of living and tenth in long-term job growth. ⁽⁸⁾
- Thirty-three Oklahoma companies made the 2015 Inc. top 5,000 list of the fastest-growing private sector companies in the nation. ⁽⁸⁾
- While oil and gas and manufacturing have taken a hard hit employment wise, the jobs outlook still remains highly dependent on the future of energy prices. The Oklahoma unemployment rate was just a bit higher in September 2015 than in the same month of the previous year and still below the national average. ⁽⁸⁾
- Oklahoma's leadership has taken several steps to help its workforce diversity and meet the challenges of the energy sector slump. But efforts to diversify and increase workforce skills are still needed. Other industries have been flat or down. The State will need these other industries, such as healthcare, entertainment, and construction, to help drive economic growth. ⁽⁸⁾

Oklahoma's executive management will continue to lead in promoting improvement in key areas to improve the lives of all Oklahomans. With the Governor's leadership, Oklahoma will continue to make investments in a high quality educational system where all students can succeed and will also encourage investors to allow their money to work and grow in Oklahoma. ^(4,8)

The Lottery expects revenues for FY-2016 to be less than FY-2015. Revenues for the following years are expected to decline based partly on economic conditions but mainly because of the impact of the 35% minimum profit mandate (profit restriction) that is in the current Lottery Act. This statutorily mandated provision limits how much can be returned to players in the form of prizes, which in turn limits the overall sales and profits. Additional challenges to growth in Lottery revenue include the increasing competition from other gaming venues, most notably Tribal casinos and horse racing / racinos. Oklahoma has entered into compacts with 34 Oklahoma tribes to direct a portion of casino gaming revenues to education. There are more than 100 tribal casinos operating in Oklahoma, which limits opportunities to spend entertainment dollars on Lottery products.

Other challenges affecting the growth of Lottery sales include illegal gaming machines; restrictions on legal Lottery venues and types of games; restrictions on method of payment for lottery purchases and better prize payouts offered by surrounding state lotteries.

- ⁽¹⁾ Spears School of Business 2011 Economic Outlook
- ⁽²⁾ Oklahoma Office of State Finance 2011 CAFR
- ⁽³⁾ Oklahoma Office of State Finance 2012 CAFR
- ⁽⁴⁾ Oklahoma Office of State Finance 2010 CAFR
- ⁽⁵⁾ Spears School of Business 2012 Economic Outlook
- ⁽⁶⁾ Oklahoma Office of Management and Enterprise Services 2013 CAFR
- ⁽⁷⁾ Oklahoma Office of Management and Enterprise Services 2014 CAFR
- ⁽⁸⁾ Oklahoma Office of Management and Enterprise Services 2015 CAFR

Lottery Products

The Lottery offers different games in two styles of play, Scratchers and draw style games. Description of the games follows:









Scratchers

Scratchers – Scratchers are instant games that are played by scratching the latex covering off a play area to reveal “instantly” whether the ticket is a winner. The Lottery started Scratcher game sales on October 12, 2005. There are different play styles for Scratcher games, such as matching two or three like symbols, your score beats their score, or your symbol matches a key symbol. The odds of winning vary by game and prize level. Information on how to play and odds may be found on the ticket and on the Lottery’s website. Scratcher tickets cost from \$1 to \$5 with prize levels ranging between \$1 and \$50,000. Players have 90 days from the announced end-of-game to claim prizes.



Powerball – Oklahoma started selling Powerball tickets on January 12, 2006 and the first drawing for Oklahoma was January 14, 2006. 2012 marked Powerball’s 20th anniversary and on Jan. 15, 2012, sales for the game changed to offer more millionaires, bigger starting jackpots and better overall odds of winning. The first drawing of the new game was on Wed., Jan. 18, 2012. Players play the game by choosing the first five numbers from a pool of 59 numbers and then the Powerball number is chosen from a pool of 35 numbers. The new starting jackpot doubled to \$40 million. Powerball tickets increased in cost to \$2 per game and a player can still select the Power Play option

for an additional \$1. The Power Play option provides increased non-jackpot prizes (see chart below). The MATCH 5 prize moved from \$200,000 to \$1 million and with the purchase of the Power Play option for \$1, players have the chance to win \$2 million. The winning numbers are selected via a televised drawing. Jackpot prizes are won when the Player's ticket matches the five white balls and the red "Powerball". The odds of winning any prize improved to 1 in 31.85 from 1 in 35 and the odds of winning the jackpot improved to 1 in 175 million from 1 in 195 million. Jackpots are advertised using the estimated annuity amount. The jackpot can be taken as a cash prize or an annuity prize paid out in 30 annual payments over a 29 year period and payment for each year increases by 4% over the prior year. Forty seven (47) lotteries participate in Powerball (44 states, the District of Columbia, Puerto Rico and the Virgin Islands, and the amount contributed to Oklahoma Education is the same as all of the other Lottery games – a minimum of 35% of Oklahoma sales! Players have 180 days after the draw date to claim prizes.

POWERBALL			POWERPLAY [®]				
MATCH	PRIZE	ODDS:1 IN	2X	3X	4X	5X	10X
	JACKPOT	292,201,338	POWER PLAY DOES NOT APPLY TO THE JACKPOT.				
	\$1,000,000	11,688,054	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
	\$50,000	913,129	\$100,000	\$150,000	\$200,000	\$250,000	\$500,000
	\$100	36,525	\$200	\$300	\$400	\$500	\$1,000
	\$100	14,494	\$200	\$300	\$400	\$500	\$1,000
	\$7	580	\$14	\$21	\$28	\$35	\$70
	\$7	701	\$14	\$21	\$28	\$35	\$70
	\$4	92	\$8	\$12	\$16	\$20	\$40
	\$4	38	\$8	\$12	\$16	\$20	\$40



Hot Lotto – Hot Lotto is a jackpot style game that is similar to Powerball that has better odds and smaller jackpots. Fourteen states and the District of Columbia participate in Hot Lotto, a game that has a progressive Jackpot starting at \$1.0 million dollars, taxes paid. Oklahoma launched Hot Lotto sales on January 3, 2008, and the first drawing was January 5, 2008. Players picked five white numbers from 1 to 39 and one orange "HOT ball" number from 1-19. An "Easy Pick" option allows the computer to pick all your numbers. Beginning May 12th, 2013, Hot Lotto began a taxes paid Jackpot, with more number choices and bigger prizes. This revamped Hot Lotto game offers a starting jackpot of \$1 million cash with State and Federal withholding taxes paid for the winner, which puts more money in the winners' hands. Also, the numbers of white balls changed from 39 to 47. Players will now have to choose five numbers from the 47 and one number, the Hot Ball, from a separate pool of 19 numbers (no change) to win the Jackpot. In addition to the taxes paid Jackpot, several other prize levels increased. Shown below is the Prize Matrix for the new prize levels. Players can win one of nine cash prizes when they match enough of the Hot Lotto numbers drawn. Hot Lotto remains \$1 per play and the Sizzler option, which triples non-jackpot prizes, still costs an

additional \$1 per play. Hot Lotto drawings occur twice each week, on Wednesday and Saturday evenings. The overall odds of winning in this redesigned game are now 1 in 17.22.

MATCH	PRIZE	ODDS: 1 IN	WITH SIZZLER
●●●●●● + ●	JACKPOT	29,144,841.00	DOES NOT APPLY TO JACKPOT
●●●●●	\$30,000	1,619,157.83	\$90,000
●●●●● + ●	\$3,000	138,784.96	\$9,000
●●●●	\$100	7,710.28	\$300
●●●● + ●	\$50	3,385.00	\$150
●●●	\$6	188.06	\$18
●●● + ●	\$6	253.87	\$18
●● + ●	\$3	52.08	\$9
● + ●	\$2	34.26	\$6



Mega Millions – Mega Millions sales launched in Oklahoma on January 31, 2010 and our first drawing was February 2, 2010. Players select 5 out of 59 numbers from the white balls (these can be drawn in any order to win), then select 1 out of 39 numbers for the yellow Mega Ball®. Jackpots begin at \$12 million and continue to build (rollover) until a player(s) matches all six numbers. Mega Millions tickets cost \$1 per game and a player can select the megaplier option which allows non-jackpot prizes to be increased by 2, 3, or 4 times, for an additional \$1. If the megaplier is selected, the 2nd level prize is \$1 million. The jackpot can be taken as a cash prize or as an annuity prize paid out in 26 annual payments over 25 years. Forty six (46) lotteries participate in Mega Millions (44 states, the District of Columbia, and the Virgin Islands) and the amount contributed to Oklahoma Education is the same as all of the other Lottery games – a minimum of 35% of Oklahoma sales! Players have 180 days after the draw date to claim prizes. The Mega Millions game was revised effective with the October 22, 2013 drawing. First, the game matrix changed: players now choose 5 out of 75 balls and 1 out of 15 balls. This changes the odds of winning the jackpot to 1:259 million. The jackpot starts at \$15 million rather than \$12 million and will grow by at least \$5 million each rollover. The second level prize changed from \$250,000 to \$1 million and the multiplier option now includes a 5X. In addition, winning with the multiplier option will also multiply the 2nd level prize.

And, if a player selects the annuity prize, it is now based on 30 payments over 29 years and each payment grows by 5% over the previous year.

MEGA MILLIONS			MEGAPLIER			
MATCH	PRIZE	ODDS: 1 in	2x	3x	4x	5x
○○○○○+●	Jackpot	258,890,850	Jackpot	Jackpot	Jackpot	Jackpot
○○○○○	\$1,000,000	18,492,204	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
○○○○○+●	\$5,000	739,688	\$10,000	\$15,000	\$20,000	\$25,000
○○○○○	\$500	52,835	\$1,000	\$1,500	\$2,000	\$2,500
○○○○+●	\$50	10,720	\$100	\$150	\$200	\$250
○○○○	\$5	766	\$10	\$15	\$20	\$25
○○○+●	\$5	473	\$10	\$15	\$20	\$25
○○+●	\$2	56	\$4	\$6	\$8	\$10
○+●	\$1	21	\$2	\$3	\$4	\$5

October 22, 2013 Prize Chart

Pick 3

Pick 3 – Oklahoma’s first draw game sales launched on November 10, 2005. In this game, players select a set of three numbers, 1 each from 0 to 9. Players can try to match the three numbers drawn in the exact order or in various combinations (see Pick 3 table below). Prizes range from \$50 - \$500. The winning numbers are available nightly to Oklahoma media outlets and on the Lottery website. Players have 180 days after the draw date to claim prizes.

PLAYS	EXAMPLE	IF LOTTERY DRAWS	YOU WIN	ODDS
Straight	7 2 4	7 2 4 Only Exact Match Wins	\$500	1 in 1,000
Box 3-Way	1 1 3	1 1 3 1 3 1 3 1 1	\$160	3 in 1,000
Box 6-Way	7 2 4	7 2 4 2 4 7 4 2 7 7 4 2 2 7 4 4 7 2	\$80	6 in 1,000
Front Pair	7 2 ★	7 2 ★ 72 + Any Number	\$50	1 in 100
Back Pair	★ 2 4	★ 2 4 Any Number + 24	\$50	1 in 100

Cash 5

Cash 5 – Cash 5 players select a set of five numbers from 1 to 36. Winning tickets are those that match any two, three, four, or all five of the five numbers drawn. There are four prize categories in this game. The top prize for matching all five numbers is \$35,211 and is intended to yield \$25,000 cash payment after deducting applicable withholding for federal and state taxes. This game started on September 1, 2006 with a drawing every Tuesday and Thursday night. A Saturday drawing was added on September 1, 2007, and starting July 1, 2009, the game is now drawn every night. The winning numbers are available nightly to Oklahoma media outlets and on the Lottery website. Players have 180 days after the draw date to claim prizes.

MATCH	PRIZE	ODDS: 1 IN
	 \$25,000 <small>taxes paid</small>	376,992
	\$500	2,432.2
	\$10	81.1
	Free Ticket (Easy Pick)	8.4
The overall odds of winning are 1 in 7.6 for each \$1 played.		

The Jackpot Prize is a fixed amount of \$35,211 less applicable Federal and State Tax withholding of \$10,211. Each winner will receive a prize check of \$25,000 except in the situations where there are more than five (5) jackpot winners in a single drawing: when there are six (6) or more jackpot winners in a single draw the winners will share a pre-tax total of \$200,000 equally. The holder of a winning ticket may win in only one category per \$1 play panel and shall be paid the prize in the highest category won. Prizes are approximately 48% of sales.



Pick 4 – Pick 4 players select a set of four numbers, 1 each from 0 to 9. Players can try to match the four numbers drawn in the exact order or in various combinations (see Pick 4 table below). Prizes range from \$50 - \$5000. This game started on July 5, 2011 with a drawing every night. The winning numbers are available nightly to Oklahoma media outlets and on the Lottery website. Players have 180 days after the draw date to claim prizes. The Pick 4 game did not become a popular game in Oklahoma and continued poor performance resulted in the game being ended. The last drawing was held September 14, 2013.

Play Type	Cost	Prize	Odds: 1 in
Straight	\$1	\$5,000	10,000
Box (4-Way)	\$1	\$1,200	2,500
Box (6-Way)	\$1	\$800	1,667
Box (12-Way)	\$1	\$400	833
Box (24-Way)	\$1	\$200	417
Front Pair	\$1	\$50	100
Middle Pair	\$1	\$50	100
Back Pair	\$1	\$50	100
Combo (4-Way)	\$4	\$5,000	2,500
Combo (6-Way)	\$6	\$5,000	1,667
Combo (12-Way)	\$12	\$5,000	833
Combo (24-Way)	\$24	\$5,000	417

Play Type	Description
Straight	Must match all <u>4</u> numbers in the <u>EXACT</u> order drawn
Box	Must match all <u>4</u> numbers in <u>ANY</u> order drawn
Front Pair	Must match the <u>FIRST 2</u> numbers in the <u>EXACT</u> order drawn
Middle Pair	Must match the <u>MIDDLE 2</u> numbers in the <u>EXACT</u> order drawn
Back Pair	Must match the <u>LAST 2</u> numbers in the <u>EXACT</u> order drawn
Combo	Must match all <u>4</u> numbers in <u>ANY</u> order drawn <i>Pays as a straight play – price varies.</i>



Poker Pick – Poker Pick, started September 7, 2014 and is Oklahoma’s first ever combined instant/draw game where players can instantly win a prize, then win again in a nightly drawing. Poker Pick offers the largest Oklahoma draw top prize of \$100,000. Tickets cost \$2 each and drawings are held nightly, much like Oklahoma’s other daily games Pick 3 and Cash 5. Each ticket will display 5 cards from a deck of 52. Players can win up to \$10,000 instantly. Prizes at all levels are awarded if the cards displayed on the player’s ticket matches one of the winning poker hands listed at the bottom of the ticket. If a player has a hand of “Jacks or Better” they win a prize. Players then have a chance to win nightly prizes if the cards on their ticket match at least two of the cards drawn in the nightly drawing. A player that matches 5 of 5 cards will win the \$100,000 prize. All Poker Pick tickets are Easy Pick (players cannot select their cards).

INSTANT MATRIX



ROYAL FLUSH – \$10,000
 ACE, KING, QUEEN, JACK AND 10 OF THE SAME SUIT
 ODDS 1 : 649,740



THREE OF A KIND – \$5
 ANY 3 CARDS OF THE SAME VALUE
 ODDS 1 : 47



STRAIGHT FLUSH – \$1,000
 ANY 5 CONSECUTIVE CARDS OF THE SAME SUIT
 ODDS 1 : 72,193



TWO PAIR – \$3
 ANY 2 PAIRS OF THE SAME VALUE
 ODDS 1 : 21



FOUR OF A KIND – \$100
 ANY 4 CARDS OF THE SAME VALUE
 ODDS 1 : 4,165



**PAIR OF JACKS OR BETTER
 – FREE TICKET (POKER PICK)**
 2 JACKS, 2 QUEENS, 2 KINGS OR 2 ACES
 ODDS 1 : 8



FULL HOUSE – \$50
 ANY 3 OF A KIND PLUS A PAIR
 ODDS 1 : 694

CARD IMAGES ARE EXAMPLES ONLY.
 COMBINATION OF CARDS CAN VARY BY RANK AND SUIT.



FLUSH – \$30
 ANY 5 CARDS OF THE SAME SUIT
 ODDS 1 : 509



STRAIGHT – \$10
 ANY 5 CONSECUTIVE CARDS OF ANY SUIT
 ODDS 1 : 255

NIGHTLY MATRIX

MATCH	PRIZE	ODDS
5 OF 5	\$100,000	1 : 2,598,960
4 OF 5	\$1,000	1 : 11,059
3 OF 5	\$20	1 : 240
2 OF 5	\$4	1 : 16



Prize Claim Centers – Lottery winners are able to claim prizes up to \$600 at any Lottery retailer, identifiable by the Lottery “Play here” poster shown to the left. Prizes up to \$5,000 can be claimed at any of the eleven (11) Claim Centers, including Lottery headquarters, located throughout Oklahoma. Prizes that exceed \$5,000 must be claimed at the Lottery headquarters claim center, or may also be claimed by mailing the winning tickets to the Oklahoma City headquarters. A claim form, social security number and two forms of ID are required for all prizes greater than \$600.

Highlights of Fiscal Year 2015

Millions Contributed to Education

The Lottery contributed \$60.1 million for education on total Lottery revenues of \$171.7 million in FY-2015. Through November 2015 as this report is submitted, more than \$706.9 million has been

contributed to the Oklahoma Education Lottery Trust Fund by the Lottery Commission to be used for Oklahoma education programs.

Jackpot Winners

Oklahoma has had four Powerball Jackpot Winners winning prizes with annuitized values of more than \$325.3 million dollars since inception in 2006. The first jackpot winner made history just 5 months after Oklahoma joined Powerball, on June 17, 2006, by winning the \$101.8 million prize (annuitized value), becoming the first Powerball jackpot winner from Oklahoma. The winners were quoted as saying that “we are proof that you never know when you might win and you cannot win unless you play.”

On June 29, 2007, a couple from Muldrow, Oklahoma claimed the second Powerball Jackpot that was sold in Oklahoma. Their jackpot’s annuitized value was worth \$105.8 million. On August 22, 2008, a trust claimed the third Powerball jackpot sold in Oklahoma. The annuitized amount was \$84.9 million. The fourth Powerball jackpot ticket was sold on November 21, 2009, and claimed by a trust on January 20, 2010. The annuitized amount was \$32.8 million. In addition, through November 2015, Oklahoma has had 5 Hot Lotto jackpot winners with prizes totaling \$14.98 million, and has awarded 47 prizes of \$1 million or more, in total.

Financial Information

Accounting System and Policies

The Lottery operates the Oklahoma Education Lottery Revolving Fund, an enterprise fund that, like a private business, utilizes the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Budgetary Controls

A comprehensive annual budget is prepared for and approved by the Lottery’s Board of Trustees. A budget is submitted annually to OMES the Office of Management and Enterprise Services (formerly the Office of State Finance) as required by state statutes. The budget is prepared on both a cash basis and a full accrual basis of accounting. The budget is based on sales forecasts, industry trends, program proposals, and approved action plans. The operating budget is submitted to OMES, the Governor and the legislature. Actual costs are monitored throughout the year for compliance with the approved budget and appropriate adjustments are approved if necessary.

Internal Controls

An internal control structure has been designed to ensure that assets are protected from loss, theft or misuse, and to ensure that the accounting system allows compilation of accurate and timely financial information. The internal controls are designed to provide reasonable assurance that these objectives are met. To enhance controls, management has separated responsibilities and provides approval and oversight for the following functions: personnel and payroll; purchasing and accounts payable; general ledger and accounts receivable; cash receipts and cash disbursements; retailer network management and retailer accounts receivable; and system data processing and system programming. Reviews of operations are achieved by the following procedures:

Draw verification: Employees of an Oklahoma independent certified public accounting firm witness the selection of winning numbers for Oklahoma online games.

Lottery Vendor Service Organization (SSAE 16) Audit: Scientific Games International (SGI) was contracted by the Oklahoma Lottery as the vendor for instant and online games. SGI Management contracted the services of an independent CPA to perform a Statement on Standards for Attestation Engagements (SSAE 16), Service Organizations, engagement with testing of identified internal controls. The SSAE 16 is an internationally recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). A SSAE 16 audit examination is widely recognized because it represents that a service organization has been through an in-depth audit of their control activities, which generally include controls over information technology and related processes.

Internal Audits: The Lottery contracts with an outside accounting firm to perform appropriate studies and evaluations of accounting and administrative controls, as directed by the Board of Directors, Audit and Finance Committee.

Other Safeguards and Controls: To ensure the integrity of the Lottery the following measures have been implemented:

- Specialized security staff.
- Secured facilities and gaming equipment.
- Background checks on retailers, contractors and Lottery employees.
- Lottery tickets with special inks, dyes and security codes.
- Detailed and strict security procedures for game drawings.
- Lottery random number generators are in stand-alone systems and are certified by an independent firm prior to installation.
- Back-up sites for gaming systems are properly maintained.

Employees

The Lottery had 27 full-time employees as of June 30, 2015.

Debt Administration

At the end of FY-2015, the Lottery had no long-term liabilities. A start-up line of credit of \$10 million was authorized by the state legislature and extended by J.P. Morgan Chase to the Lottery. The authority for the line of credit expired in August 2007. The Lottery borrowed approximately \$200,000 in 2005, and has fully repaid this debt. The State of Oklahoma received a rating of "Aa2" by Moody's Investors Service and "AA+" by both Standard & Poor's Corporation and Fitch Investors Service general obligation bonds.

Change in Accounting Policy and Reclassifications

Effective July 1, 2008, to more closely comply with industry standard accounting procedures, the Lottery changed its accounting policy for free tickets, the majority of which are related to instant ticket games. Every instant ticket game has a predetermined number of free tickets in its prize structure. For years prior to fiscal year 2009, free tickets were included in sales and prize expense. For the year ended June 30, 2009, sales and prize expense are shown net of free tickets and prior year financials have been restated to make year-to-year comparisons more meaningful. The effect of the change in accounting policy reduces both revenues and direct costs from instant and on-line games. There is no effect on the calculation of profits to be transferred to the Oklahoma Education Lottery Trust Fund, on the Lottery's net assets, changes in net assets, or net cash flows from operations.

Performance Target

The Oklahoma Lottery estimates that it will transfer more than \$57.2 million to education in FY-2016, which will bring the total transferred by the Lottery for Oklahoma Education to approx.\$740 million by the end of FY-2016.

Independent Audit

Oklahoma statutes require an annual financial audit by an independent CPA. The independent auditors' report on the Lottery's financial statements is included in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Oklahoma Lottery for its comprehensive annual financial report for the fiscal years ended June 30, 2006, June 30, 2007, June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012, June 30, 2013, and June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for certification. This report demonstrates the professionalism and dedicated team effort of Lottery employees. We appreciate their contribution to the success of this report. The Lottery is committed to providing thorough and relevant financial information to the public. This CAFR reflects our commitment to meet the highest standards of accountability and to maintain public trust through the highest ethics and integrity. Additionally, we were notified by The Open Group, in April 2012 that we achieved certification in the NASPL National Standards Initiative for Quality Assurance Requirements Definition for Lotteries. The Oklahoma Lottery was the fifth Lottery to achieve this certification (along with Georgia, Louisiana, Missouri, and North Carolina).

Credit is also given to our Board of Trustees for their responsiveness and guidance in operating the Lottery.

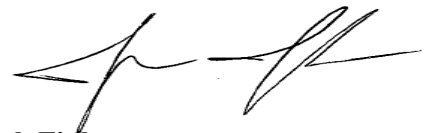
Respectfully submitted,



Rollo Redburn
Executive Director
Administration



Greg Fields
Comptroller



Jack Finks
Director

OKLAHOMA LOTTERY COMMISSIONS

Board of Trustees

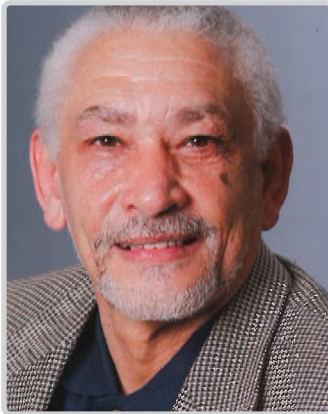
as of 6/30/2015



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Nevyle R. Cable



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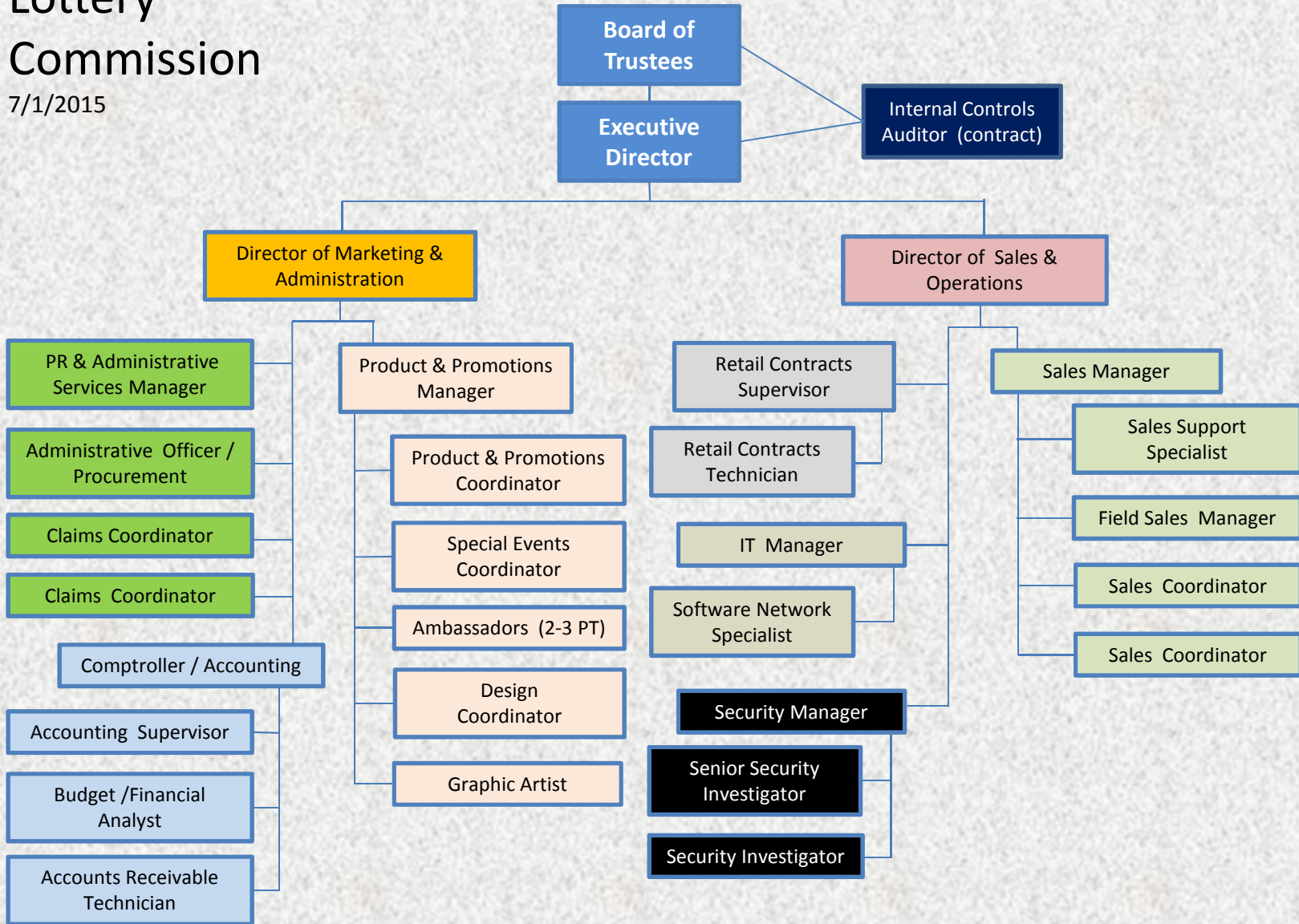


TRUSTEE
Matthew Felty

Oklahoma Lottery Commission

7/1/2015

Governor (Trustee appointments with Senate Confirmation)





Financial Section

**For the Fiscal Year Ended
June 30, 2015**

An Agency of the State of Oklahoma



**Oklahoma Lottery Commission
An Enterprise Fund of the State
of Oklahoma**

Financial Report
June 30, 2015 and 2014



RSM US LLP

Independent Auditor's Report

To the Board of Trustees
Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma Lottery Commission (the OLC), an enterprise fund of the State of Oklahoma, as of and for the year ended June 30, 2015; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Oklahoma Lottery Commission as of June 30, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matters

As discussed in Note 1 of financial statements, the financial statements present only OLC and do not purport to, and do not, present fairly the financial position of the State of Oklahoma, as of June 30, 2015 and 2014, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 2 of the financial statements, in 2015 OLC adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. OLC recorded the cumulative effect of adopting GASB Statements No. 68 and 71 as an adjustment of net position as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of OLC's proportionate share of the net pension liability, and the schedule of OLC's contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The financial statements of OLC, as of and for the year ended June 30, 2014, were audited by other auditors whose report dated September 12, 2014, expressed an unmodified opinion on those statements.

Other Information

The accompanying Introductory and Statistical sections, as listed in the table of contents, have not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Oklahoma City, Oklahoma
November 12, 2015

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Management's Discussion and Analysis
June 30, 2015 and 2014**

Management of the Oklahoma Lottery Commission (the OLC) provides this management's discussion and analysis of their financial performance for the readers of the OLC's financial statements. This narrative provides an overview of the OLC's financial activity for the fiscal years ended June 30, 2015 and 2014. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the OLC's financial activities based on facts, decisions and conditions currently facing management.

Understanding the OLC's Financial Statements

The OLC, an instrumentality of the State of Oklahoma, is accounted for as an enterprise fund that reports all assets and liabilities using the accrual basis of accounting, much like a private business entity. In accordance with accounting principles generally accepted in the United States of America, this report consists of a series of financial statements, along with explanatory notes to the financial statements. The financial statements immediately follow this Management's Discussion and Analysis and are designed to highlight the OLC's net position and changes to its net position resulting from the OLC's operations.

The most important relationship demonstrated within the OLC's financial statements is the requirement that the OLC transfer all net proceeds, "as defined," to the State Treasurer for the Oklahoma Education Lottery Trust Fund (OELTF). Accordingly, a significant focus of these financial statements is determining net proceeds available for transfer to the OELTF.

The OLC is also required to transfer annually the first \$750,000, for both 2015 and 2014, of unclaimed prize money to the Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS). This is discussed further on page 6 of the management's discussion and analysis.

Financial and Activity Highlights

Revenues from lottery games totaled \$171,633,476 and \$191,127,092, respectively, for the fiscal years ending June 30, 2015 and 2014. The OLC returned \$87,782,927 and \$97,496,555 to winners of lottery games; paid commissions and incentives to retailers totaling \$11,425,710 and \$12,647,675; incurred other game related expenses of \$7,271,417 and \$7,798,373; and had operating expenses of \$5,394,206 and \$4,486,957 for each of the respective fiscal years of 2015 and 2014. The OLC's net position decreased by \$745,750 in fiscal year 2015 and increased by \$697,174 in fiscal year 2014 after the cumulative effect of accounting changes. Transfers made and due to the OELTF were \$60,111,343 and \$66,934,120, respectively, for fiscal years ending June 30, 2015 and 2014.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Management's Discussion and Analysis
June 30, 2015 and 2014**

The following table summarizes the OLC's Statement of Net Position as of June 30:

	2015	2014	2013
Current Assets	\$ 22,955,061	\$ 29,238,675	\$ 30,815,345
Noncurrent Assets			
Capital assets, net	94,739	61,281	85,122
Deposit with MUSL	4,829,218	5,856,283	5,599,779
Total assets	<u>\$ 27,879,018</u>	<u>\$ 35,156,239</u>	<u>\$ 36,500,246</u>
Deferred Outflows of Resources	<u>\$ 265,713</u>	<u>\$ -</u>	<u>\$ -</u>
Current Liabilities	\$ 17,410,986	\$ 23,702,866	\$ 26,493,129
Noncurrent Liabilities	229,307	58,316	62,445
Total liabilities	<u>\$ 17,640,293</u>	<u>\$ 23,761,182</u>	<u>\$ 26,555,574</u>
Deferred Inflows of Resources	<u>\$ 608,342</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position			
Net position, invested in capital assets	\$ 94,739	\$ 61,281	\$ 85,122
Restricted net position—expendable	10,309,629	11,333,776	9,859,550
Unrestricted	(508,272)	-	-
Total net position	<u>\$ 9,896,096</u>	<u>\$ 11,395,057</u>	<u>\$ 9,944,672</u>

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Management's Discussion and Analysis
June 30, 2015 and 2014**

The following table summarizes the OLC's statement of revenues, expenses, and changes in net position for the years ended June 30:

	2015	2014	2013
Operating Revenues:			
Gaming revenues	\$ 171,633,476	\$ 191,127,092	\$ 200,208,874
Other revenues	113,220	113,250	115,485
Total operating revenues	171,746,696	191,240,342	200,324,359
Less:			
Less prize expense	87,782,927	97,496,555	104,463,424
Less retailer commissions/incentives	11,425,710	12,647,675	13,114,765
Less other direct game costs	7,271,417	7,798,373	5,948,626
Less operating expenses	5,394,206	4,486,957	4,615,135
Total expense	111,874,260	122,429,560	128,141,950
Nonoperating Revenue (Expense):			
Interest income	243,157	323,723	348,277
Transfers to ODMHSAS	(750,000)	(750,000)	(500,000)
Transfers to OELTF	(60,111,343)	(66,934,120)	(70,113,527)
Net nonoperating revenue (expense)	(60,618,186)	(67,360,397)	(70,265,250)
Changes in net position	(745,750)	1,450,385	1,917,159
Net Position, beginning of year	11,395,057	9,944,672	8,027,513
Restatement—Implementation of GASB 68 and 71	(753,211)	-	-
	10,641,846	9,944,672	8,027,513
Net Position, end of year	\$ 9,896,096	\$ 11,395,057	\$ 9,944,672

Sales decreased from fiscal year 2014 to fiscal year 2015. Online sales during this period decreased mostly because of Power Ball sales. In fiscal year 2014, there were 11 jackpots with an average jackpot amount of \$209 million. In fiscal year 2015, there were 13 jackpots with an average jackpot amount of \$153 million. When jackpots are lower revenue tends to be lower. There was also a decrease in overall scratcher sales from fiscal year 2014 to fiscal year 2015. The OLC slightly reduced prize payouts in fiscal 2014 to adjust to fluctuations in costs, because of this scratcher sales have continued to decline in fiscal year 2015.

Sales decreased from fiscal year 2013 to fiscal year 2014. Online sales during this period decreased mostly because of Power Ball sales. In fiscal year 2013, there were two large jackpots that were almost \$600 million. In fiscal year 2014, the largest jackpot was approximately \$448 million. There was also a decrease in overall scratcher sales from fiscal year 2013 to fiscal year 2014. The OLC slightly reduced prize payouts in fiscal year 2014 to adjust to fluctuations in costs and to meet the minimum mandated profit of 35 percent. Instant payouts must be closely managed to ensure OLC fulfills our mandated requirement of 35 percent to education. We continually review and adjust Scratchers prize payouts to meet consumer demands and our ability to pay the prizes and transfers to education.

Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma

Management's Discussion and Analysis
June 30, 2015 and 2014

Net proceeds of the OLC must be transferred to the State Treasurer for the OELTF, with the following exceptions: 1) the cost of property and equipment, net of depreciation, and related debt and 2) other assets that cannot be transferred due to statutory or other legal restriction, including restricted cash from unclaimed prizes, deposits with Multi-State Lottery (MUSL), and the Restricted Fidelity Fund. Unclaimed prizes, after required transfers to the Department of Mental Health and Substance Abuse Services, must be added to a pool from which future prizes are awarded or used for special prize promotions. Deposits with MUSL result from a set-aside of prize expenses paid to MUSL and are available for prize reserves and promotional expenses of MUSL games. The Restricted Fidelity Fund is derived from the licensing fees of new retailers, which may be retained by the OLC up to the budgeted expenses from the fund for the next fiscal year plus \$500,000, in 2015 and 2014, and used to cover losses the OLC may experience due to nonfeasance, misfeasance or malfeasance of a lottery retailer and to pay the costs of vendor, retailer and employee background investigations conducted by the Oklahoma State Bureau of Investigation and for audits conducted by the State Auditor and Inspector.

For the years ended June 30, 2015 and 2014, the total transfers made or due to the OELTF related to operations were \$60,111,343 and \$66,934,120, respectively. Since inception to June 30, 2015, total transfers made or due to the OELTF were \$685,682,576. For each of the years ended June 30, 2015 and 2014, the OLC transferred \$750,000 in unclaimed prize funds to the Department of Mental Health and Substance Abuse Services for the treatment of compulsive gambling disorders and educational programs related to such disorders. From inception to June 30, 2015, total transfers to the Oklahoma Department of Mental Health and Substance Abuse Services were \$5,044,600.

The following is a condensed version of the OLC's statement of cash flows for the years ended June 30:

	2015	2014	2013
Cash provided by (used in):			
Operating activities	\$ 62,419,502	\$ 67,031,666	\$ 71,378,287
Noncapital financing activities	(68,893,217)	(69,446,790)	(70,435,881)
Capital and related financing activities	(71,380)	(14,144)	(17,013)
Investing activities	252,739	329,721	353,209
Net increase (decrease) in cash	(6,292,356)	(2,099,547)	1,278,602
Cash, beginning of year	23,094,187	25,193,734	23,915,132
Cash, end of year	<u>\$ 16,801,831</u>	<u>\$ 23,094,187</u>	<u>\$ 25,193,734</u>

Potential Factors Impacting Future Operations

Future operations always have the potential to be impacted by economic factors and rising costs. The OLC strives to maximize the contribution to education, while maintaining new and entertaining games that engage players. In order to meet these goals, the OLC strives to keep costs low and introduce new games regularly. The OLC is always looking for opportunities to participate in new regional and multi state games. The OLC is also trying to develop new local games to stay up-to-date with player demands.

Contacting the OLC's Financial Management

This financial report is designed to provide a general overview of the OLC's financial activity for all those interested in the OLC's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Oklahoma Lottery Commission, 405-522-7700, 3817 North Santa Fe, Oklahoma City, Oklahoma 73118.

Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma

Statements of Net Position
June 30, 2015 and 2014

Assets	2015	2014
Current Assets		
Cash and cash equivalents	\$ 11,321,420	\$ 17,616,694
Cash—restricted	5,480,411	5,477,493
Retailer accounts receivable	5,801,220	5,890,762
Accounts receivable—Multi-State Lottery	352,010	253,726
Total current assets	22,955,061	29,238,675
Noncurrent Assets		
Capital assets, net	94,739	61,281
Deposit with Multi-State Lottery	4,829,218	5,856,283
Total noncurrent assets	4,923,957	5,917,564
Total assets	\$ 27,879,018	\$ 35,156,239
Deferred Outflows of Resources		
Deferred pension plan outflows	\$ 265,713	\$ -
Liabilities		
Current Liabilities		
Due to Oklahoma Education Lottery Trust Fund	\$ 9,099,421	\$ 17,131,295
Due to Multi-State Lottery	741,878	705,022
Prizes payable	6,467,578	4,736,739
Accounts payable	577,476	604,207
Accrued liabilities	143,820	163,912
Unearned revenue	380,813	361,691
Total current liabilities	17,410,986	23,702,866
Noncurrent Liabilities		
Accrued compensated absences	63,683	58,316
Net pension liability	165,624	-
Total noncurrent liabilities	229,307	58,316
Total liabilities	\$ 17,640,293	\$ 23,761,182
Deferred Inflows of Resources		
Deferred pension plan inflows	\$ 608,342	\$ -
Net Position		
Investment in capital assets	\$ 94,739	\$ 61,281
Restricted net position—expendable	10,309,629	11,333,776
Unrestricted	(508,272)	-
Total net position	\$ 9,896,096	\$ 11,395,057

See Notes to Financial Statements.

Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma

Statements of Revenues, Expenses, and Changes in Net Position
June 30, 2015 and 2014

	2015	2014
Operating Revenues:		
Scratcher games	\$ 81,600,192	\$ 85,876,010
Pick 3 game	5,250,569	4,806,892
Pick 4 game	-	403,036
Cash 5 game	4,212,739	4,441,703
Poker Pick game	2,040,522	-
Hot Lotto game	9,917,136	8,858,804
National Millionaire Raffle game	-	244,131
Mega Millions game	22,099,568	27,674,261
Powerball game	46,512,750	58,822,255
Total revenue from the sale of lottery tickets	171,633,476	191,127,092
Retailer application fees	105,245	106,000
Other	7,975	7,250
Total operating revenues	171,746,696	191,240,342
Direct Costs:		
Prize expense:		
Scratcher games	44,669,301	47,973,892
Pick 3 game	2,518,670	2,297,930
Pick 4 game	-	161,250
Cash 5 game	1,849,789	2,354,971
Poker Pick game	1,018,738	-
National Millionaire Raffle game	-	102,029
Hot Lotto game	4,621,711	4,236,867
Mega Millions game	10,669,022	13,263,233
Powerball game	22,435,696	27,106,383
Total prize expense	87,782,927	97,496,555
Commissions and incentives to retailers	11,425,710	12,647,675
Instant and online costs	7,271,417	7,798,373
Total direct costs	106,480,054	117,942,603
Gross profit	65,266,642	73,297,739
Operating Expenses:		
Advertising and promotion	2,743,837	1,520,686
Salaries, wages and benefits	2,129,873	2,345,767
Contracted and professional services	163,050	167,068
Depreciation	37,922	37,985
Equipment	18,186	11,562
Rent expense	166,777	193,862
Office supplies	17,720	17,774
Travel	20,171	11,426
Other general and administrative	96,670	180,827
Total operating expenses	5,394,206	4,486,957
Operating income	59,872,436	68,810,782

(Continued)

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Statements of Revenues, Expenses, and Changes in Net Position (Continued)
June 30, 2015 and 2014**

	2015	2014
Nonoperating Income (Expense):		
Interest income	243,157	323,723
Transfers to Oklahoma Department of Mental Health and Substance Abuse Services	(750,000)	(750,000)
Transfers to and due to Oklahoma Education Lottery Trust Fund	(60,111,343)	(66,934,120)
Net nonoperating income (expense)	(60,618,186)	(67,360,397)
Changes in net position	(745,750)	1,450,385
Net Position, beginning of year	11,395,057	9,944,672
Restatement—Implementation of GASB 68 and 71	(753,211)	-
Net Position, beginning of year, as restated	10,641,846	9,944,672
Net Position, end of year	\$ 9,896,096	\$ 11,395,057

See Notes to Financial Statements.

Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma

Statements of Cash Flows
June 30, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Cash received from retailers	\$ 160,298,299	\$ 178,073,542
Cash payments to prize winners	(86,015,232)	(98,216,678)
Cash payments to suppliers for goods and services	(10,501,074)	(10,158,048)
Cash payments to employees for services	(2,389,556)	(2,410,646)
Cash (payments)/receipts to fund deposit with Multi-State Lottery	1,027,065	(256,504)
Net cash provided by operating activities	62,419,502	67,031,666
Cash Flows From Noncapital Financing Activities		
Payments to Oklahoma Department of Mental Health and Substance Abuse Services	(750,000)	(750,000)
Payments to Oklahoma Education Lottery Trust Fund	(68,143,217)	(68,696,790)
Net cash used in noncapital financing activities	(68,893,217)	(69,446,790)
Cash Flows From Capital and Related Financing Activities;		
Purchase of capital assets	(71,380)	(14,144)
Cash Flows From Investing Activities;		
Interest received	252,739	329,721
Net change in cash and cash equivalents	(6,292,356)	(2,099,547)
Cash and Cash Equivalents, beginning of year	23,094,187	25,193,734
Cash and Cash Equivalents, end of year	<u>\$ 16,801,831</u>	<u>\$ 23,094,187</u>
Operating Activities		
Operating income	\$ 59,872,436	\$ 68,810,782
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	37,922	37,985
Bad debt expense	7,105	90,215
Changes in operating assets, deferred outflows, liabilities and deferred inflows:		
Retailer accounts receivable	72,855	(796,163)
Accounts receivable—Multi-State Lottery	(98,284)	177,073
Deposit with Multi-State Lottery	1,027,065	(256,504)
Deferred pension plan outflows	(13,493)	-
Due to Multi-State Lottery	36,856	(790,605)
Accounts payable and accrued liabilities	(41,456)	(374,520)
Prizes payable	1,730,839	70,482
Net pension liability	(839,807)	-
Unearned revenue	19,122	62,921
Deferred pension plan inflows	608,342	-
Net cash provided by operating activities	\$ 62,419,502	\$ 67,031,666

See Notes to Financial Statements.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 1. Reporting Entity

The Oklahoma Lottery Commission (the OLC), was formed by the citizens of Oklahoma upon passage of a legislative referendum authorizing the Oklahoma Education Lottery Act (the Act), codified as Title 3A, Section 701, et. seq., of the Oklahoma Statutes. The OLC is an enterprise fund of the State of Oklahoma (the State) responsible for administering lotteries in accordance with the Act. The Act established a board of seven trustees appointed by the governor to oversee operations of the OLC. The OLC transfers net proceeds as defined by the Act.

Note 2. Significant Accounting Policies

Method of accounting: The OLC is accounted for as an enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the costs of providing lottery games to the general public on a continuing basis are to be financed through the sale of lottery game tickets. The Act requires that all costs of providing lottery games, including capital costs, be recovered from the sale of lottery game tickets.

The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for accounting principles generally accepted applicable to governmental proprietary activities in the United States of America. The OLC applies all applicable GASB pronouncements.

Basis of accounting: The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The primary operating revenue of the OLC is ticket sales from games. Nonoperating income primarily consists of interest income. "Operating expenses" are defined under the Act as "all costs of doing business, including but not limited to prizes, commissions, and other compensation paid to retailers, advertising and marketing costs, personnel costs, capital costs, amounts held in or paid from the fidelity revolving fund, administration and operation of the OLC and other operating costs." All expenses not meeting this definition are reported as nonoperating expenses. The only nonoperating expenses are statutory required transfers to the Oklahoma Education Lottery Trust Fund (OELTF) and the Oklahoma Department of Mental Health and Substance Abuse Services.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition: Revenue for Pick 3, Pick 4, Cash 5, Poker Pick, Hot Lotto, National Millionaire Raffle, Mega Millions, and Powerball (collectively referred to as online games) is recognized when tickets are sold to the public by contracted retailers, except for tickets sold in advance of the draw date for which unearned revenue is recorded. Revenue for scratcher games is recognized upon activation of ticket packs for sale by the retailers.

Every scratcher ticket game has a predetermined number of free tickets in its prize structure. The majority of free tickets relate to scratcher ticket games. Revenue and prize expense are shown net of free tickets.

Commissions: Retailers receive a 6 percent commission on total sales and 0.75 percent commission on prizes cashed.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

Prizes: Prize expense for scratcher ticket games is recorded at the time the related revenue is recognized based on the predetermined prize structure for each game; periodically, the prize expense is adjusted for unclaimed prizes. Prize expense for online games is recorded at the time the related revenue is recognized based on the known prizes.

Unclaimed prizes: Prizes must be claimed within 90 days after the game-end (end of sales) for scratcher games and within 180 days after the draw date for online games. The first \$750,000 for fiscal year 2015 and 2014 of unclaimed prize money accruing annually must be transferred to the Oklahoma Department of Mental Health and Substance Abuse Services for the treatment of compulsive gambling disorders and educational programs related to such disorders.

In accordance with section 724 of the Act, unclaimed prizes are added to a pool from which future prizes are awarded or used for special prize promotions. Under the Act, unclaimed prizes do not constitute net lottery proceeds and are restricted funds that are not available for transfer to the OELTF. Total unclaimed prizes amounted to \$4,459,518 and \$5,573,057 for fiscal years 2015 and 2014, respectively. Unclaimed prizes are netted against prize expense in the statement of revenues, expenses, and changes in net position.

Deferred inflows of resources: Deferred inflows of resources are the acquisition of net position by the OLC that are applicable to a future reporting period. At June 30, 2015 and 2014, the OLC had deferred inflows of resources of \$608,342 and \$0, respectively. See Note 8 for additional discussion regarding deferred inflows of resources.

Deferred outflows of resources: Deferred outflows of resources are the consumption of net position by the OLC that are applicable to a future reporting period. At June 30, 2015 and 2014, the OLC had deferred outflows of resources of \$265,713 and \$0, respectively. See Note 8 for additional discussion regarding deferred outflows of resources.

Net position: The OLC's net position is classified as follows.

Investment in capital assets: This represents the OLC's total investment in capital assets.

Restricted net position, expendable: This represents cash maintained in the OLC's restricted fidelity fund, deposits with the Multi-State Lottery (MUSL), and balance of unclaimed prizes to be used on future prizes or special prize promotions.

Unrestricted: Net position that does not meet the definition of investment in capital assets or restricted are classified as unrestricted.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the OLC's policy is to first apply the expense toward the unrestricted resources, and then towards restricted resources.

Gross proceeds: Gross proceeds, as defined by the Act, consist of all revenue derived from the sale of lottery game tickets or shares and all other monies derived from the lottery games.

Operating expenses: Operating expenses, as defined by the Act, in the determination of net proceeds, consist of all costs of doing business including, but not limited to, prizes, commissions, and other compensation paid to lottery retailers, advertising and marketing costs, rental fees, personnel costs, capital costs, depreciation of property and equipment, and other operating costs.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

Cash and cash equivalents: The OLC's cash and cash equivalents are considered to be cash on hand and interest-bearing deposits in a governmental pool held by the Oklahoma State Treasurer.

Retailer accounts receivable: Retailer accounts receivable represents lottery proceeds due from retailers for online ticket sales and activated ticket packs for scratcher games, less commissions due to retailers and prizes paid by the retailers. Lottery proceeds are collected weekly by the OLC from retailer trust accounts established in trust for benefit of the OLC.

Capital assets, net: Capital assets, which consist of machinery, equipment, computers and software, are stated at cost less accumulated depreciation. The OLC capitalizes all property and equipment purchases of \$500 or more. Depreciation is computed using the straight-line method over the following estimated useful lives: machinery and equipment—five to ten years; computers and software—three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the results from operations in the period of disposal.

Restricted cash: In accordance with the Act, retailers contribute a fee to a fidelity fund upon acceptance as a retailer for the OLC. The fund is used to cover losses the OLC may incur due to misfeasance, nonfeasance, or malfeasance of retailers and to contract for investigations, reviews, or audits. At the end of any fiscal year, the OLC must transfer to the OELTF any amount in the restricted fidelity fund which exceeds the budgeted expenses from the fund for the next fiscal year plus \$500,000 for both fiscal years 2015 and 2014. At June 30, 2015 and 2014, no amounts were available for transfer as net proceeds. During fiscal years 2015 and 2014, \$163,464 and \$35,400, respectively, was used to reimburse the OLC for retailer accounts that were delinquent and in collection status and for the retailer application fees. Receipts from retailers in collection status are deposited back to the fidelity fund. The fidelity fund is held in a separate account. As of June 30, 2015 and 2014, the balance in the fidelity fund totaled \$172,576 and \$229,114, respectively and appears in the accompanying statement of net position as restricted funds and expendable restricted net position.

Current unclaimed prizes in excess of \$750,000 for both fiscal years 2015 and 2014, and the balance from prior years are included in restricted cash in the accompanying statement of net position and expendable restricted net position. These funds are to be utilized to enhance future OLC prizes or promotions and totaled \$5,307,835 and \$5,248,349 as of June 30, 2015 and 2014, respectively.

Risk management: The OLC is exposed to various risks of loss related to torts, destruction of assets due to theft or damage, errors and omissions, injuries to employees, and natural disasters. The OLC has coverage to substantially cover these risks through a self-insured pool for agencies of the State of Oklahoma. This coverage is administered by the Risk Management Division of the Department of Central Services for the State of Oklahoma.

Compensated absences: Employees earn the right to be compensated during absences for vacation and compensatory time. Unused leave benefits are paid to employees upon separation from service. The cost of vacation and compensatory time is accrued in the period in which it is earned.

Oklahoma Lottery Commission
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Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

Bad-debt expense: The OLC recognizes bad-debt expense when retailer account receivables are greater than 90 days old. The accounts receivable balance due to the OLC is satisfied at that time by a transfer of funds from the restricted fidelity fund. The OLC may continue its effort to collect these accounts. Any collection from a retailer balance previously charged to bad-debt expense will be deposited back to the restricted fidelity fund. For the years ended June 30, 2015 and 2014, bad-debt expense was \$7,105 and \$90,215, respectively. Receivables at June 30, 2015 and 2014 are considered fully collectible. Therefore, no provision for doubtful accounts has been recognized.

New accounting pronouncements adopted in fiscal year 2015: The OLC adopted the following new accounting pronouncements during the year ended June 30, 2015:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* (GASB No. 68) establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans, and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2012. OLC recorded the cumulative effect of adopting GASB Statements No. 68 and 71, totaling \$753,211, as an adjustment of net position as of July 1, 2014.

GASB Statement No. 71, *Pension transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB No. 71) amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The adoption of GASB No. 71 resulted in the recording of a deferred outflow of \$265,713 for contributions made after the measurement date of June 30, 2014.

New accounting pronouncements issued not yet adopted: The GASB has issued several new accounting pronouncements which will be effective to OLC in fiscal years ended June 30, 2016, 2017 and 2018. OLC is currently evaluating the impact that these new standards will have on its financial statements. A description of the new accounting pronouncements are described below:

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB No. 72) addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

Oklahoma Lottery Commission
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Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB No. 73) was issued June 2015 and will be effective for the OLC beginning with its fiscal year ending June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the OLC beginning with its fiscal year ending June 30, 2017. The Statement establishes requirements for pensions not covered by Statement Nos. 67 and 68 which are essentially the same requirements as Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB No. 74) was issued in June 2015 will be effective for the OLC beginning with its fiscal year ending June 30, 2017. The Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position but requires more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The Statement also sets forth note disclosure requirements for defined contribution OPEB plans.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75) was issued in June 2015 and will be effective for the OLC beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB No. 76): The objective of GASB No. 76 is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

Oklahoma Lottery Commission
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Notes to Financial Statements

Note 2. Significant Accounting Policies (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures* (GASB No. 77) requires governments that enter into tax abatement agreements to disclose the following information about the agreements: brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; the gross dollar amount of taxes abated during the period; and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose: The names of the governments that entered into the agreements; the specific taxes being abated; and the gross dollar amount of taxes abated during the period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

Note 3. Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The OLC does not have a deposit policy for custodial credit risk.

As of June 30, 2015 and 2014, the carrying amounts of the OLC's deposits with the OST were \$16,801,831 and \$23,094,187, respectively, and the bank balances were \$16,848,903 and \$23,202,096, respectively.

The OLC's deposits with the State Treasurer are invested in OK INVEST. For financial reporting purposes, deposits with the State Treasurer that are invested in OK INVEST are classified as cash equivalents. At June 30, the distribution of deposits in OK INVEST is as follows:

OK INVEST Portfolio	2015		2014	
	Cost	Market Value	Cost	Market Value
U.S. agency securities	\$ 6,764,504	\$ 6,757,191	\$ 10,645,195	\$ 10,624,498
Money market mutual funds	2,115,211	2,115,211	1,120,239	1,120,239
Certificates of deposit	460,042	460,042	602,291	602,291
Mortgage-backed agency securities	6,609,889	6,694,372	9,531,638	9,728,317
Municipal bonds	233,617	253,321	355,960	394,222
Foreign bonds	129,735	129,734	182,273	182,274
Commercial paper	340,887	340,887	488,266	488,266
U.S. Treasury obligations	195,016	234,102	276,234	341,957
	<u>\$ 16,848,901</u>	<u>\$ 16,984,860</u>	<u>\$ 23,202,096</u>	<u>\$ 23,482,064</u>

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 3. Cash and Cash Equivalents (Continued)

Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management, with an emphasis on safety of the capital and the probable income to be derived and meeting the State and its funds' and agencies' daily cash flow requirements. Guidelines in the Investment Policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at <http://www.ok.gov/treasurer>. The State Treasurer, at his discretion, may further limit or restrict such investments on a day-to-day basis. OK INVEST includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to three years. OK INVEST maintains an overall weighted average maturity of less than 270 days.

Participants in OK INVEST maintain interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher.

Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that OK INVEST will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in OK INVEST is not insured or guaranteed by the State, the FDIC, or any other government agency.

Oklahoma Lottery Commission
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Notes to Financial Statements

Note 4. Capital Assets, Net

The following is a summary of changes in capital assets and accumulated depreciation during the years ended June 30, 2015 and 2014:

Capital Assets	Year Ended June 30, 2015			
	Beginning Balance	Additions	Deletions	Ending Balance
Machinery and equipment	\$ 788,646	\$ 66,958	\$ -	\$ 855,604
Computers and software	405,145	4,422	-	409,567
	<u>1,193,791</u>	<u>71,380</u>	<u>-</u>	<u>1,265,171</u>
Accumulated depreciation:				
Machinery and equipment	731,197	35,398	-	766,595
Computers and software	401,313	2,524	-	403,837
	<u>1,132,510</u>	<u>37,922</u>	<u>-</u>	<u>1,170,432</u>
Total capital assets, net	<u>\$ 61,281</u>	<u>\$ 33,458</u>	<u>\$ -</u>	<u>\$ 94,739</u>

Capital Assets	Year Ended June 30, 2014			
	Beginning Balance	Additions	Deletions	Ending Balance
Machinery and equipment	\$ 778,469	\$ 10,177	\$ -	\$ 788,646
Computers and software	401,178	3,967	-	405,145
	<u>1,179,647</u>	<u>14,144</u>	<u>-</u>	<u>1,193,791</u>
Accumulated depreciation:				
Machinery and equipment	694,486	36,711	-	731,197
Computers and software	400,039	1,274	-	401,313
	<u>1,094,525</u>	<u>37,985</u>	<u>-</u>	<u>1,132,510</u>
Total capital assets, net	<u>\$ 85,122</u>	<u>\$ (23,841)</u>	<u>\$ -</u>	<u>\$ 61,281</u>

Note 5. Compensated Absences

The current portion of accrued compensated absences is included in accrued liabilities in the accompanying statements of net position. The following is a summary of changes in the OLC's liability for compensated absences during the year ended June 30:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Compensated absences 2015	\$ 174,948	\$ 113,710	\$ 97,609	\$ 191,049	\$ 127,366
Compensated absences 2014	\$ 187,335	\$ 112,699	\$ 125,086	\$ 174,948	\$ 116,632

Note 6. Operating Leases

The OLC has entered into various operating leases for office space and equipment used in its daily operations. Pursuant to Oklahoma State Statutes, the OLC's operating leases are limited to terms of one year and must be renewed annually. Accordingly, the OLC has no long-term commitments under the operating leases as of June 30, 2015 or 2014. Rent expense under all operating leases was \$166,777 for the year ended June 30, 2015, and \$193,862 for the year ended June 30, 2014.

**Oklahoma Lottery Commission
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Notes to Financial Statements

Note 7. Education Lottery Account

In accordance with the Act, all net proceeds of the OLC are transferred to the Education Lottery Account. Net proceeds consist of all revenue derived from the sale of lottery game tickets or shares and all other monies derived from the lottery games, less operating expenses and prizes. Beginning in fiscal year 2009, the OLC makes transfers to the OELTF calculated at 35 percent of the total revenue year-to-date, less amounts previously paid. The net proceeds transfer requirement percentage for years prior to fiscal year 2009 was 30 percent. All remaining net income at the end of the fiscal year is also remitted to the OELTF, unless specifically exempted by statute. According to the Act, amounts transferred to the OELTF are to be appropriated by the legislature to education programs according to the parameters established in the Act. Following is an executive summary of these statutory provisions. For the full text, see Title 3A, Section 713 of the Oklahoma Statutes, available on the OLC website.

- 5 percent Teachers' Retirement System Dedicated Revenue Revolving Fund
- 5 percent School Consolidation and Assistance Fund (SCAF): If the SCAF equals \$5,000,000, this 5 percent will be allocated to public schools to purchase technology equipment to conduct on-line testing
- 45 percent Kindergarten through twelfth grade public education, including compensation and benefits for public school teachers and support employees, and early childhood development programs
- 45 percent Tuition grants, loans, and scholarships to citizens of this state for attending colleges and universities located within this state or to attend Oklahoma Department of Career and Technology Education institutions; construction of educational facilities or capital outlay projects or technology for elementary school districts, independent school districts, the Oklahoma State System of Higher Education, and career and technology education; endowed chairs for professors at institutions of higher education operated by the Oklahoma State System of Higher Education; and programs and personnel of the Oklahoma School for the Deaf and the Oklahoma School for the Blind

The following is a summary of the amounts available for transfer to the OELTF during the years ended June 30, 2015 and 2014:

	2015	2014
Net position, beginning of year	\$ 11,395,057	\$ 9,944,672
Change in net position before transfers to OELTF	59,365,593	68,384,505
Impact of GASB Statement No. 68 and 71	(244,939)	-
Net position available for transfer to OELTF before investment in capital assets and restricted net position	70,515,711	78,329,177
Less investment in capital assets	(94,739)	(61,281)
Less restricted net position—expendable	(10,309,629)	(11,333,776)
Transfers to and due OELTF for the year	\$ 60,111,343	\$ 66,934,120

**Oklahoma Lottery Commission
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Notes to Financial Statements

Note 8. Retirement Program

Plan description: The OLC contributes to the Oklahoma Public Employees Retirement System (OPERS) cost sharing multiple-employer defined benefit plan. OPERS was established in 1964 by the Oklahoma Legislature and covers substantially all employees of the State, except those covered by six other plans sponsored by the State, and also covers employees of participating counties and local agencies. The plan provides that all eligible persons, except those specifically excluded, shall become members of OPERS as a condition of their employment. The supervisory authority for the management and operation of OPERS is its Board of Trustees.

OPERS offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plan's provisions are established under Title 74 of the Oklahoma Statutes.

Benefits provided: Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Benefits are determined at 2 percent of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5 percent computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

**Oklahoma Lottery Commission
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Notes to Financial Statements

Note 8. Retirement Program (Continued)

Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Contributions: The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates.

Each member participates based on their qualifying gross salary earned, excluding overtime. There is no cap on the qualifying gross salary earned, subject to Internal Revenue Service (IRS) limitations on compensation.

For 2015 and 2014, *state agency employers* contributed 16.5 percent on all salary, and *state employees* contributed 3.5 percent on all salary.

For 2015 and 2014, contributions of *Oklahoma Lottery Commission* totaled 20.0 percent of salary composed of employee contribution rate of 3.5 percent and employer contribution rate of 16.5 percent. Contributions to the pension plan from the Oklahoma Lottery Commission were \$256,235 and 252,220 for the years ended June 30, 2015 and 2014, respectively.

Members have the option to elect to increase the benefit computation factor for all future service from 2.0 percent to 2.5 percent. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service. Those who make the election pay the standard contribution rate plus an additional contribution rate, 2.91 percent which is actuarially determined.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2015, the Oklahoma Lottery Commission reported a liability of \$165,624 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The Oklahoma Lottery Commission's proportion of the net pension liability was based on the Oklahoma Lottery Commission's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2015, the Oklahoma Lottery Commission's proportion was 0.090226546 percent.

For the year ended June 30, 2015, the Oklahoma Lottery Commission recognized pension expense of \$11,276. At June 30, 2015, the Oklahoma Lottery Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumption	\$ 9,478	\$ -
Differences between expected and actual experience	-	54,834
Net difference between projected and actual investment earnings on pension plan investments	-	553,508
OLC contributions subsequent to the measurement date	256,235	-
	<u>\$ 265,713</u>	<u>\$ 608,342</u>

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 8. Retirement Program (Continued)

Deferred pension outflows resulting from the OLC's Employer' contributions subsequent to the measurement date, totaling \$256,235 at June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Deferred inflows totaling \$553,508 resulting from the difference between projected and actual investment earnings will be recognized in pension expense over five years. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining service life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the plan are estimated at 3.14 years at June 30, 2014 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows at June 30:

	Deferred Outflows	Deferred Inflows
2016	\$ 124,165	(164,000)
2017	124,165	(164,000)
2018	17,383	(141,964)
2019	-	(138,377)
	<u>\$ 265,713</u>	<u>\$ (608,342)</u>

Actuarial assumptions: The total pension liability as of June 30, 2015, was determined based on an actuarial valuation prepared as of July 1, 2014, using the following actuarial assumptions:

- Investment return—7.5 percent compounded annually net of investment expense and including inflation
- Salary increases—4.5 percent to 8.4 percent per year including inflation
- Mortality rates—Active participants and nondisabled pensioners—RP-2000 Mortality Table projected to 2010 by Scale AA (disabled pensioners set forward 15 years)
- No annual post-retirement benefit increases
- Assumed inflation rate—3.0 percent
- Payroll growth—4.0 percent per year
- Actuarial cost method—Entry age
- Select period for the termination of employment assumptions—10 years

The actuarial assumptions used in the July 1, 2014, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2013. The experience study report is dated May 9, 2014.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 8. Retirement Program (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2014, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	38.0%	5.3%
U.S. Small Cap Equity	6.0%	5.6%
U.S. Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	3.5%	1.5%
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected through 2113 to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

Sensitivity of the Oklahoma Lottery Commission's proportionate share of the net pension liability to changes in the discount rate: The following presents the Oklahoma Lottery Commission's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what Oklahoma Lottery Commission's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Oklahoma Lottery Commission's proportionate share of the net pension liability	\$ 1,031,133	\$ 165,624	\$ (570,183)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements, June 30, 2014 CAFR, available at <http://www.opers.ok.gov/Websites/opers/images/pdfs/CAFR-2014-OPERS.pdf>.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

Notes to Financial Statements

Note 9. Contingencies

The OLC is subject to litigation in the ordinary course of its operations. In the opinion of the OLC's management and its legal counsel, the outcome of such litigation will not have a material impact on the financial position or cash flows of the OLC for the years ended June 30, 2015 and 2014.

Note 10. Contractual Arrangements

In August 2005, the OLC entered into a contract with Scientific Games International, Inc. (SGI) to provide, amongst other things, services and equipment to operate its lotteries. Due to Oklahoma Statutes, the OLC may not contract for a period longer than one year. However, the contract with SGI contained seven one-year renewal options, which the OLC's Board of Trustees renewed annually. In August 2013, the last one-year renewal option matured and a similar contract was entered into with SGI. This contract contains nine one-year renewal options. Under the terms of the contract, the OLC pays SGI a fee based on a percentage of the OLC's sales. For the years ended June 30, 2015 and 2014, the OLC paid SGI \$7,271,417 and \$7,798,373, respectively.

The OLC is a member of the MUSL, which operates games on behalf of participating lotteries. MUSL currently operates the Powerball, Mega Millions, and Hot Lotto games for the OLC. Under the OLC's agreement with the MUSL, the OLC must remit 50 percent of its Powerball ticket sales, 50 percent of its Hot Lotto ticket sales, and 51.5 percent of its Mega Millions ticket sales before April 1, 2014 and 50 percent of its Mega Millions ticket sales after April 1, 2014. The percentage applied to Mega Millions sales was reduced during 2014 due to the reserves reaching the ceilings. This payment is to cover the OLC's share of current jackpot prizes based on the OLC's percent of sales for each drawing and the OLC share of the prize reserve fund. The OLC is responsible for paying winning tickets purchased in Oklahoma; therefore, it is able to deduct winning tickets sold from the amount due to the MUSL on its ticket sales. As of June 30, 2015 and 2014, the OLC owed the MUSL \$741,878 and \$705,022 for ticket sales, and the MUSL owed the OLC \$352,010 and \$253,726 for nonjackpot-winning tickets. The OLC has recorded these items at their gross amounts in the accompanying statements of net position.

As noted above, OLC's payments to MUSL includes the OLC share of the prize reserve fund. The prize reserve fund serves as a contingency reserve to protect all the MUSL members, including the OLC, from unforeseen prize liabilities. These funds are in the possession of the MUSL and are included in expendable restricted net position.

The balances of the deposits are made up of the following:

	June 30	
	2015	2014
Set prize reserve account	\$ 693,400	\$ 765,076
Prize reserve account	3,112,906	3,209,153
Balance of unreserved account	1,022,912	1,882,054
	<u>\$ 4,829,218</u>	<u>\$ 5,856,283</u>

Required Supplementary Information

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Required Supplementary Information
Schedule of OLC's Proportionate Share of the Net Pension Liability
Oklahoma Public Employees Retirement Plan
Last 10 Fiscal Years***

OLC's proportion of the net pension liability	0.09022655%
OLC's proportionate share of the net pension liability	\$ 165,624
OLC's covered-employee payroll	1,552,939
OLC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.67%
Plan fiduciary net position as a percentage of the total pension liability	97.90%

Notes to Schedule:

* Only the current fiscal year is presented because 10-year data is not yet available.

**Oklahoma Lottery Commission
An Enterprise Fund of the State of Oklahoma**

**Required Supplementary Information
Schedule of OLC's Contributions
Oklahoma Public Employees Retirement Plan
Last 10 Fiscal Years**

	June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required to contribute	\$ 256,235	\$ 252,220	\$ 260,035	\$ 289,515	\$ 295,643	\$ 317,954	\$ 295,497	\$ 276,686	\$ 255,819	\$ 156,000
Contributions in relation to the contractually required contributions	256,235	252,220	260,035	289,515	295,643	317,954	295,497	276,686	255,819	156,000
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OLC's covered-employee payroll	1,552,939	1,528,606	1,575,970	1,754,636	1,907,374	2,051,316	2,037,910	2,049,526	2,046,552	1,356,522
Contributions as a percentage of covered-employee payroll	16.50%	16.50%	16.50%	16.50%	15.50%	15.50%	14.50%	13.50%	12.50%	11.50%



Statistical Section

**For the Fiscal Year Ended
June 30, 2015**

An Agency of the State of Oklahoma

**OKLAHOMA LOTTERY COMMISSION
STATISTICAL INFORMATION SECTION**

The statistical section of the Oklahoma Lottery Commission’s comprehensive annual financial report conveys supplemental information to the data presented in the financial statements and note disclosures to aid readers in reviewing the Lottery’s overall financial well-being.

FINANCIAL TRENDS..... 50

These schedules contain trend information from the current year and the prior year’s comprehensive annual financial report to explain how the financial performance and situation has changed.

REVENUE CAPACITY..... 54

These schedules contain information concerning revenue from the current year and the prior year’s comprehensive annual financial reports to explain how the revenue is split between games and other sources of revenue.

DEBT CAPACITY

At this time, the Oklahoma Lottery Commission has no outstanding debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION..... 56

This schedule contains demographic and economic data to explain the environment in which the Lottery operates.

OPERATING INFORMATION..... 60

This section includes a summary of the Lottery’s operating indicators as well as schedules that contain information about the Lottery’s organizational structure and financial performance in comparison to other state lotteries as available from the North American Association of State and Provincial Lotteries.

The Oklahoma Lottery Commission historical comparisons are available for ten years. All data within the Statistical section, including operating indicators and demographic data, are based on audited data where available.

Oklahoma Lottery Commission

Change in Net Position

Net Position by Component

Operational Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Position, Invested in Capital Assets	380,648	860,347	620,680	398,509	234,050	148,503	105,926	85,122	61,281	94,739
Restricted net position - expendable	202,582	6,961,198	9,018,472	10,972,023	8,886,641	5,343,474	7,921,587	9,859,550	11,333,776	10,309,629
Net Position	583,230	7,821,545	9,639,152	11,370,532	9,120,691	5,491,977	8,027,513	9,944,672	11,395,057	10,404,368
Unrestricted net position - expendable	0	0	0	0	0	0	0	0	0	508,272
Total Net Position	583,230	7,821,545	9,639,152	11,370,532	9,120,691	5,491,977	8,027,513	9,944,672	11,395,057	9,896,096

Sales by Product and Other Revenues

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Scratchers	111,318,511	86,966,117	78,212,513	77,883,679	88,966,304	102,969,295	95,978,562	89,393,668	85,876,010	81,600,192
Pick 3	8,428,541	8,009,986	7,071,679	6,861,481	6,279,596	5,849,788	4,650,700	4,331,388	4,806,892	5,250,569
Pick 4	0	0	0	0	0	0	2,048,092	1,859,943	403,036	0
Cash 5	0	4,934,234	5,450,289	4,135,719	5,445,698	4,713,329	4,205,922	4,161,703	4,441,703	4,212,739
Poker Pick										2,040,522
Raffle	0	601,870	0	0	0	0	0	0	244,131	0
Mega Millions	0	0	0	0	6,938,995	20,954,777	27,328,981	16,108,965	27,674,261	22,099,568
Hot Lotto	0	0	6,736,044	13,253,129	12,467,350	9,514,730	7,407,098	8,306,635	8,858,804	9,917,136
PowerBall	71,042,744	102,818,624	107,040,421	91,030,676	79,649,351	54,152,013	58,235,023	76,046,572	58,822,255	46,512,750
Total Sales	190,789,796	203,330,831	204,510,946	193,164,684	199,747,294	198,153,932	199,854,378	200,208,874	191,127,092	171,633,476
Interest Income	350,751	1,060,393	1,143,557	592,790	440,113	304,801	281,890	348,277	323,723	243,157
Retailer Application Fee	227,296	120,404	116,280	111,934	115,585	112,380	112,375	108,637	106,000	105,245
Other Income	4,333	201,017	6,984	49,425	63,019	8,234	6,600	6,648	7,250	7,975
Total other revenues	582,380	1,381,814	1,266,821	754,149	618,717	425,415	400,865	463,562	436,973	356,377
Total revenues	191,372,176	204,712,645	205,777,767	193,918,833	200,366,011	198,579,347	200,255,243	200,672,436	191,564,065	171,989,853

Expenses by Type

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prizes	95,584,715	98,532,692	102,572,615	95,922,950	105,092,616	106,600,824	103,052,810	104,463,424	97,496,555	87,782,927
Commissions and incentives to retailers	12,924,387	13,428,925	13,425,128	12,753,727	13,150,714	13,219,310	13,233,747	13,114,765	12,647,675	11,425,710
Instant and online game costs	5,599,134	6,076,887	6,079,013	5,675,014	5,903,703	5,895,707	6,081,715	5,948,626	7,798,373	7,271,417
Total Operating expenses	7,581,846	9,557,361	9,774,573	8,109,261	7,994,755	6,596,129	4,860,761	4,615,135	4,486,957	5,394,206
Total expenses	121,690,082	127,595,865	131,851,329	122,460,952	132,141,788	132,311,970	127,229,033	128,141,950	122,429,560	111,874,260

Contributions

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transfers to and due Lottery Education Trust Fund	68,948,959	69,378,465	71,608,831	69,226,501	69,974,064	69,396,091	69,990,674	70,113,527	66,934,120	60,111,343

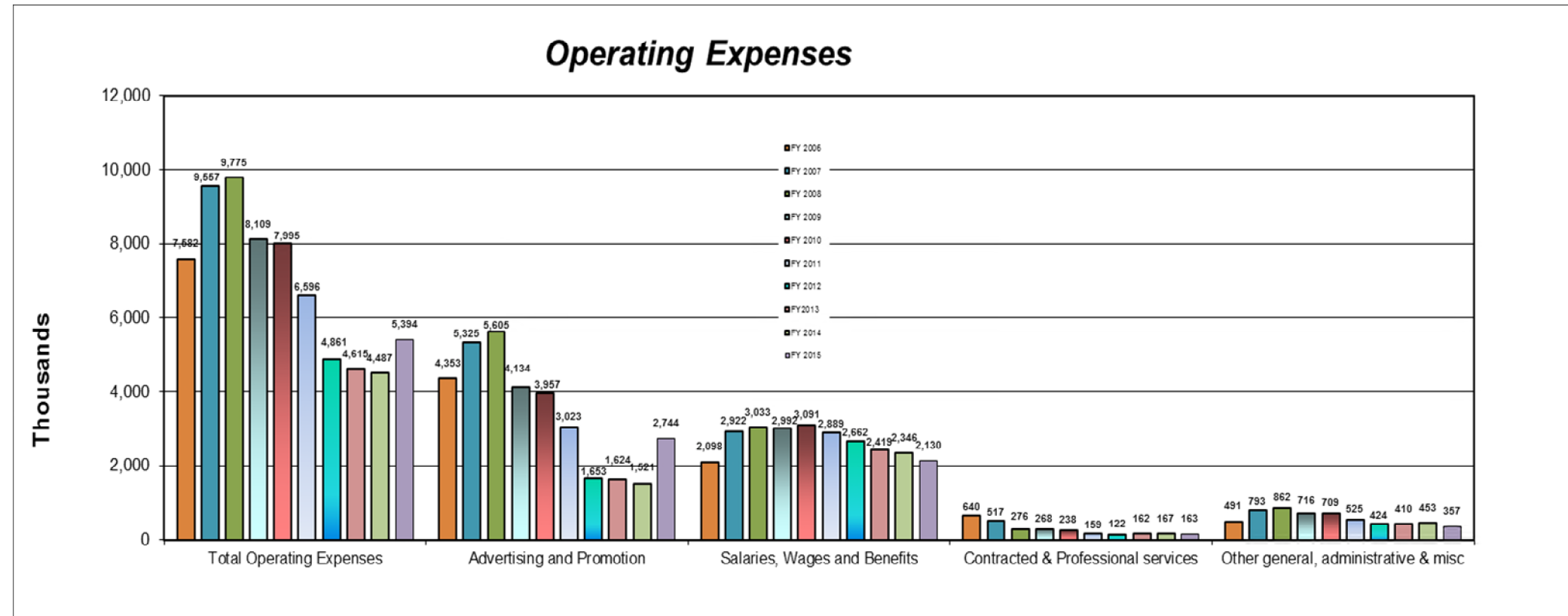
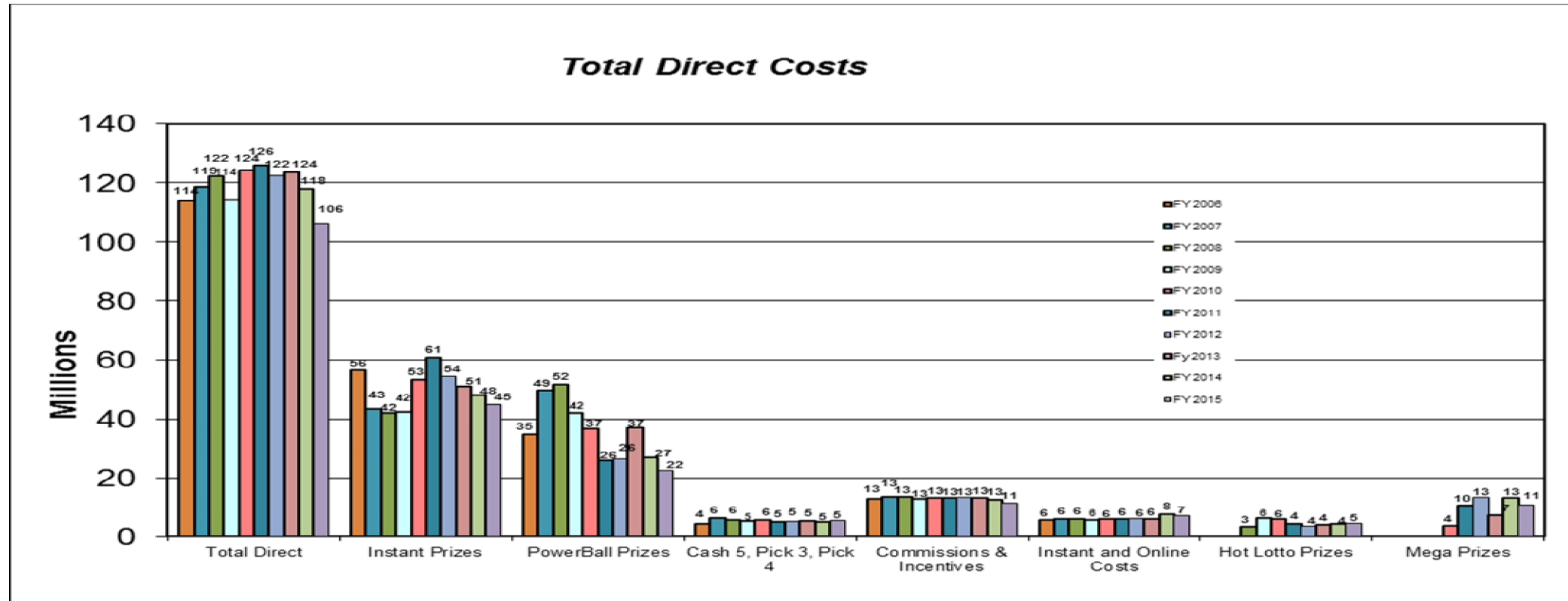
Oklahoma Lottery Commission

Change in Net Position

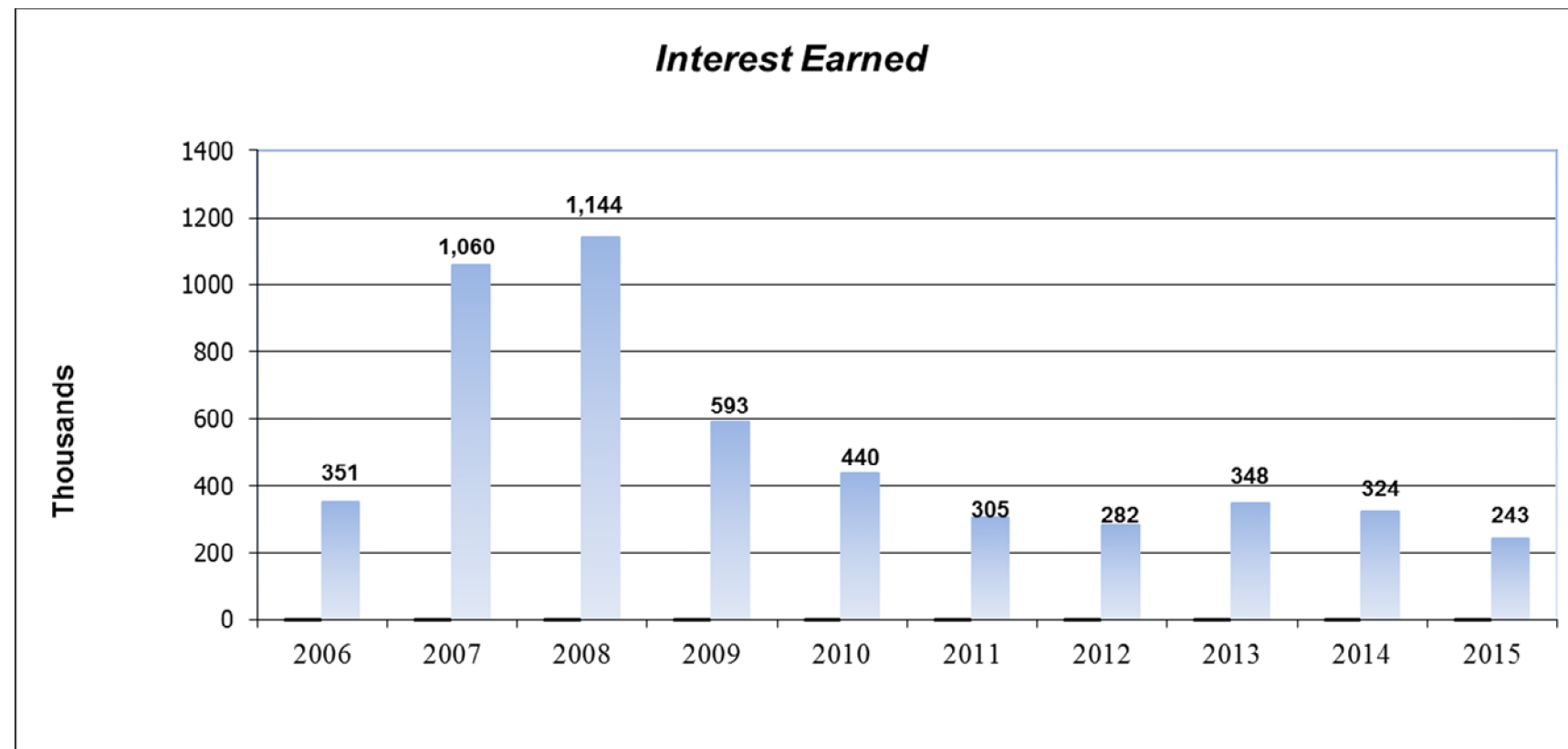
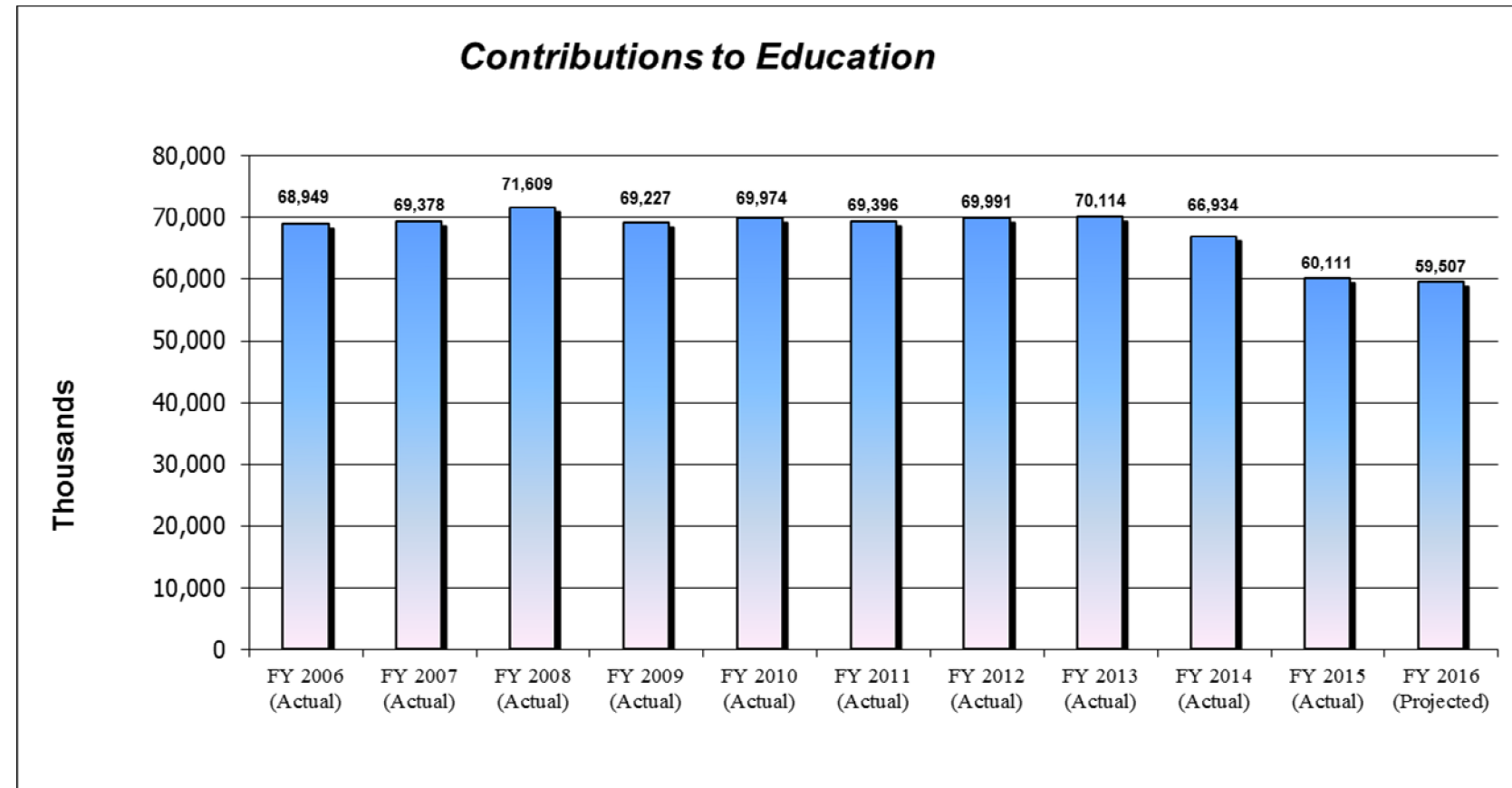
Operational Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Scratcher games	111,318,511	86,966,117	78,212,513	77,883,679	88,966,304	102,969,295	95,978,562	89,393,668	85,876,010	81,600,192
Online games	8,428,541	13,546,090	12,521,968	10,997,200	11,725,294	10,563,117	10,904,714	10,353,034	9,895,762	11,503,830
Mega Millions game	0	0	0	0	6,938,995	20,954,777	27,328,981	16,108,965	27,674,261	22,099,568
Hot Lotto Game	0	0	6,736,044	13,253,129	12,467,350	9,514,730	7,407,098	8,306,635	8,858,804	9,917,136
PowerBall game	71,042,744	102,818,624	107,040,421	91,030,676	79,649,351	54,152,013	58,235,023	76,046,572	58,822,255	46,512,750
Retailer application fees	227,296	120,404	116,280	111,934	115,585	112,380	112,375	108,637	106,000	105,245
Other	4,333	28,497	6,984	49,425	63,019	8,234	6,600	6,848	7,250	7,975
Total Revenues	191,021,425	203,479,732	204,634,210	193,326,043	199,925,898	198,274,546	199,973,353	200,324,359	191,240,342	171,746,696
Total Prize Expense	95,584,715	98,532,692	102,572,615	95,922,950	105,092,616	106,600,824	103,052,810	104,463,424	97,496,555	87,782,927
Direct Costs:										
Commissions and incentives to retailers	12,924,387	13,428,925	13,425,128	12,753,727	13,150,714	13,219,310	13,233,747	13,114,765	12,647,675	11,425,710
Instant and on-line costs	5,599,134	6,076,887	6,079,013	5,675,014	5,903,703	5,895,707	6,081,715	5,948,626	7,798,373	7,271,417
Total Direct costs	18,523,521	19,505,812	19,504,141	18,428,741	19,054,417	19,115,017	19,315,462	19,063,391	20,446,048	18,697,127
Operating expenses										
Advertising and promotion	4,352,583	5,325,342	5,604,590	4,133,573	3,956,565	3,023,269	1,652,640	1,623,715	1,520,686	2,743,837
Salaries, wages and benefits	2,098,259	2,922,042	3,032,507	2,991,764	3,091,050	2,888,869	2,661,825	2,419,342	2,345,767	2,129,873
Contracted and professional services	639,566	516,746	275,506	267,886	238,146	158,711	122,459	162,144	167,068	163,050
Depreciation	42,793	162,193	245,320	252,432	200,186	100,964	52,823	37,817	37,985	37,922
Equipment	125,348	11,604	17,150	7,767	23,096	27,449	702	17,291	11,562	18,186
Rent expense	124,765	233,161	271,555	242,114	229,973	205,136	194,901	199,791	193,862	166,777
Office supplies	38,466	77,444	66,826	41,300	62,328	33,024	35,127	34,872	17,774	17,720
Travel	40,270	42,154	37,808	21,892	27,284	15,338	22,269	17,102	11,426	20,171
Other general and administrative	119,796	266,675	223,311	150,533	166,127	143,369	118,015	103,061	180,827	96,670
Total Operating Expenses	7,581,846	9,557,361	9,774,573	8,109,261	7,994,755	6,596,129	4,860,761	4,615,135	4,486,957	5,394,206
Operating income	69,331,343	75,883,867	72,782,881	70,865,091	67,784,110	65,962,576	72,744,320	72,182,409	68,810,782	59,872,436
Non-operating Income (Expense):										
Interest income	350,751	1,060,393	1,143,557	592,790	440,113	304,801	281,890	348,277	323,723	243,157
Other income	0	172,520	0	0	0	0	0	0	0	0
Interest expense	(1,389)	0	0	0	0	0	0	0	0	0
Transfers to OK Department of Mental Health Services	(44,600)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(750,000)	(750,000)
Transfers to/due Oklahoma Education Lottery Trust Fund	(68,948,959)	(69,378,465)	(71,608,831)	(69,226,501)	(69,974,064)	(69,396,091)	(69,990,674)	(70,113,527)	(66,934,120)	(60,111,343)
Total non-operating income (expenses)	(68,644,197)	(68,645,552)	(70,965,274)	(69,133,711)	(70,033,951)	(69,591,290)	(70,208,784)	(70,265,250)	(67,360,397)	(60,618,186)
Change in Net Position	687,147	7,238,315	1,817,607	1,731,380	(2,249,841)	(3,628,714)	2,535,536	1,917,159	1,450,385	(745,750)
Net Position, beginning of year	(103,917)	583,230	7,821,545	9,639,152	11,370,532	9,120,691	5,491,977	8,027,513	9,944,672	11,395,057
Restatement-Implementation of GASB 68 & 71										(753,211)
Net Position, end of year	583,230	7,821,545	9,639,152	11,370,532	9,120,691	5,491,977	8,027,513	9,944,672	11,395,057	10,641,846
Net Position - Invested in capital assets	380,648	860,347	620,680	398,509	234,050	148,503	105,926	85,122	61,281	94,739
Restricted Net position - expendable	202,582	6,961,198	9,018,472	10,972,023	8,886,641	5,343,474	7,921,587	9,859,550	11,333,776	10,309,629
Unrestricted assets										(508,272)
Total of Net Position	583,230	7,821,545	9,639,152	11,370,532	9,120,691	5,491,977	8,027,513	9,944,672	11,395,057	9,896,096

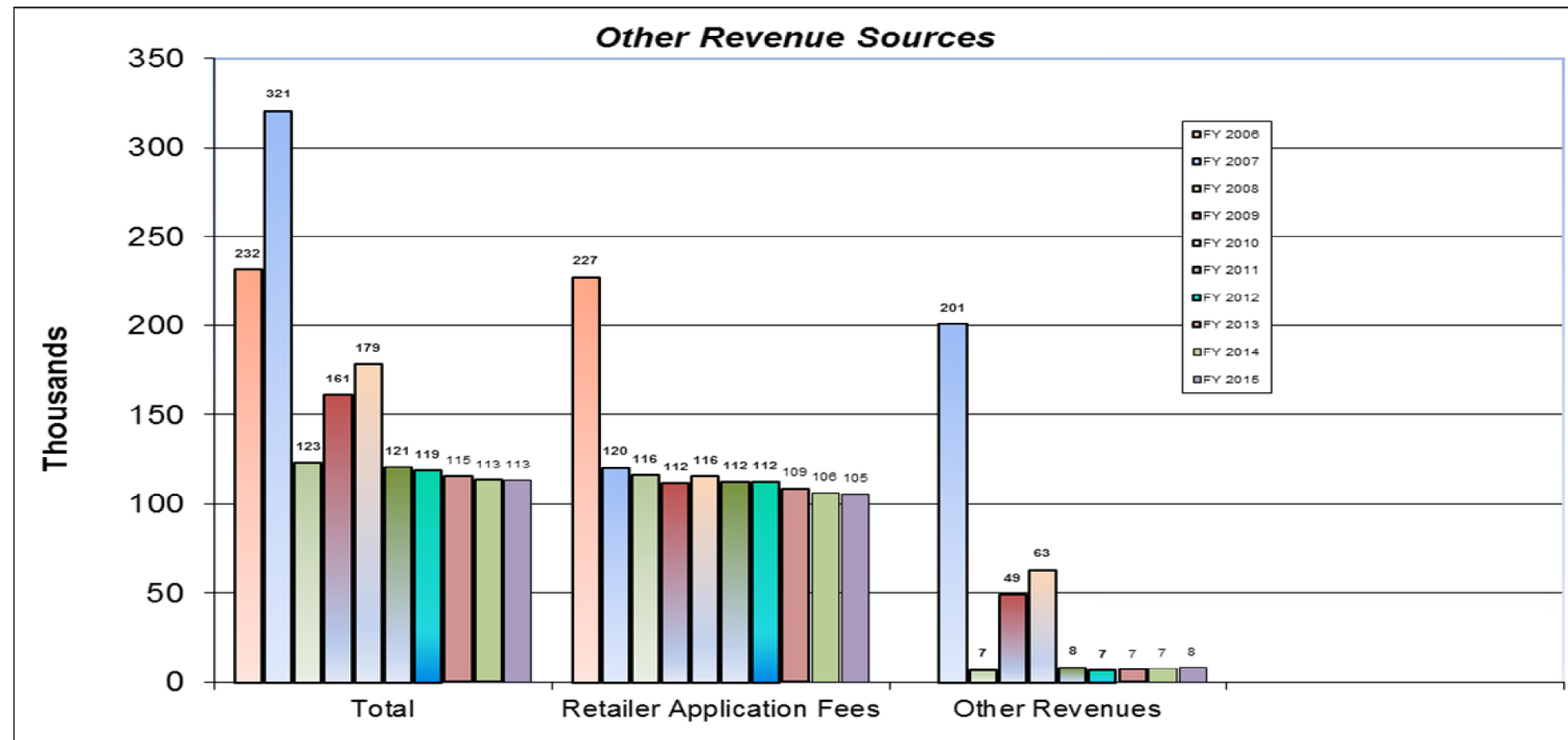
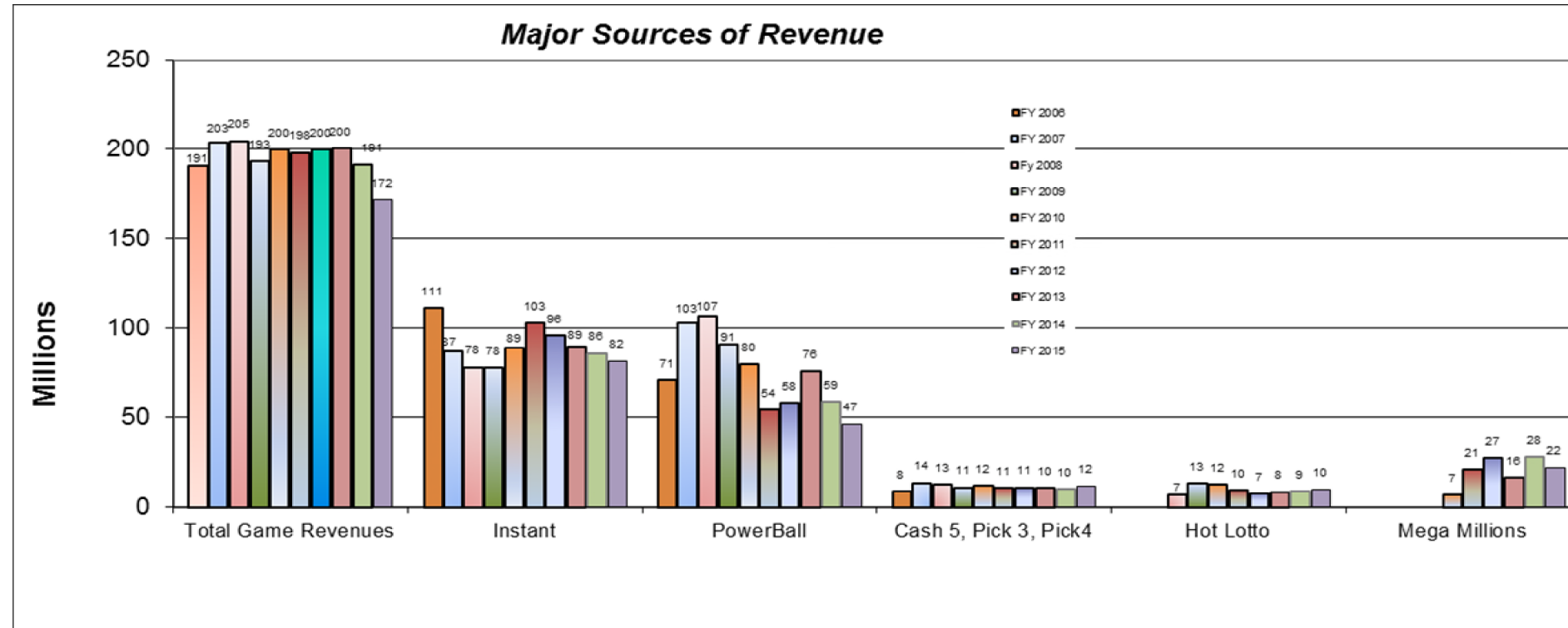
Oklahoma Lottery Commission



Oklahoma Lottery Commission

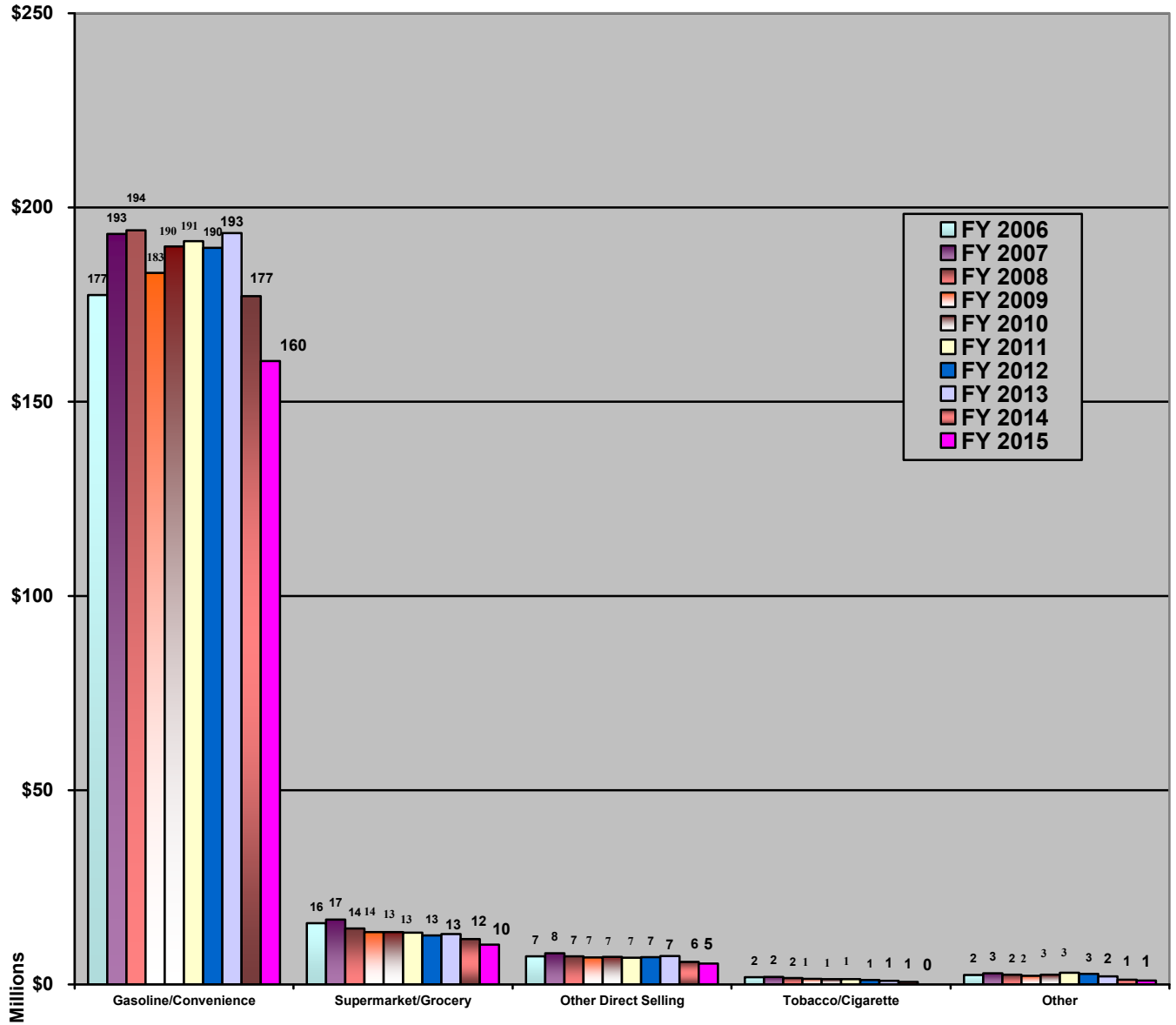


Oklahoma Lottery Commission



Oklahoma Lottery Commission

Revenues by Retailer Classification (Unaudited)



Source: OLC GMS Retailer Ranking, by NAICS Codes, includes free tickets

Oklahoma Lottery Commission Demographics and Economic Information 1997-2014

Year	Population (millions)	Per Capita Income	Unemployment Rate
1997	3,317,000	\$20,671.00	2.1%
1998	3,347,000	\$21,766.00	2.5%
1999	3,358,000	\$22,567.00	3.4%
2000	3,450,654	\$24,406.00	3.0%
2001	3,466,687	\$26,008.00	3.8%
2002	3,488,447	\$25,850.00	4.6%
2003	3,504,347	\$26,424.00	5.6%
2004	3,522,827	\$28,394.00	4.2%
2005	3,543,442	\$29,948.00	4.2%
2006	3,579,212	\$32,210.00	4.5%
2007	3,617,316	\$34,639.00	4.1%
2008	3,642,361	\$37,636.00	3.7%
2009	3,687,050	\$34,636.00	6.7%
2010	3,751,351	\$35,926.00	6.9%
2011	3,791,508	\$38,960.00	5.9%
2012	3,814,820	\$40,620.00	5.2%
2013	3,850,568	\$41,861.00	4.7%
2014	3,878,051	\$43,637.00	4.4%

Ten Largest Employers in the State of Oklahoma

	2014	Location	Total Employment	Percent of Employment
1.	Department of Defense Military & Civilian	Oklahoma City	68,000-69,000	44% - 43%
2.	Walmart Associates, Inc	Statewide	31,000-32,000	21% - 20%
3.	Integrus Health, Inc.	Statewide	8,500-9,000	5%
4.	Oklahoma Department of Human Services	Statewide	7,000-7,500	5%
5.	Chickasaw Enterprises	Ada	7,000-7,500	5%
6.	Oklahoma State University	Stillwater	7,000-7,500	5%
7.	OU Health Sciences Center	Norman	7,000-7,500	4%
8.	University of Oklahoma	Norman	7,000-7,500	4%
9.	US Postal Service	Statewide	7,000-7,500	4%
10.	Tulsa Public Schools	Tulsa	6,500-7,000	4%
			156,000-162,000	

2013		Location	Total Employment	Percent of Employment
1.	Department of Defense Military & Civilian	Oklahoma City	68,000-69,000	44% - 43%
2.	Walmart Associates, Inc	Statewide	31,000-31,500	21% - 20%
3.	Chickasaw Enterprises	Ada	8,000-8,500	5%
4.	Integrus Health, Inc.	Statewide	8,000-8,500	5%
5.	Oklahoma Department of Human Services	Statewide	8,000-8,500	5%
6.	Oklahoma State University	Stillwater	7,000-7,500	5%
7.	OU Health Sciences Center	Norman	7,000-7,500	4%
8.	US Postal Service	Statewide	6,500 - 7,000	4%
9.	University of Oklahoma	Norman	6,500 - 7,000	4%
10.	Tulsa Public Schools	Tulsa	6,000 - 6,500	4%
			<u>156,000-161,500</u>	

2012		Location	Total Employment	Percent of Employment
1.	Department of Defense Military & Civilian	Oklahoma City	68,000-69,000	44% - 43%
2.	Walmart Associates, Inc	Statewide	32,000 - 33,000	21% - 20%
3.	Integrus Health, Inc.	Statewide	8,000 - 8,500	21% - 20%
4.	Oklahoma Department of Human Services	Statewide	7,500 - 8,000	5%
5.	Oklahoma State University	Stillwater	7,500 - 8,000	5%
6.	Chickasaw Enterprises	Ada	7,000 - 8,000	5%
7.	OU Health Sciences Center	Norman	6,500 - 7,000	4%
8.	US Postal Service	Statewide	6,500 - 7,000	4%
9.	University of Oklahoma	Norman	6,500 - 7,000	4%
10.	American Airlines, Inc	Tulsa	6,000 - 6,500	4%
			<u>155,500 - 162,000</u>	

	2010 & 2011	Location	Total Employment	Percent of Employment
1	State of Oklahoma	Statewide	35,000 - 36,000	21% - 22%
2	Wal-Mart and Sam's Club	Statewide	32,500 - 35,000	0.21
3	Tinker AFB; including the Oklahoma City Air Logistics Center	Oklahoma City	24,200	14% - 15%
4	U.S. Army Field Artillery Center & Fort Sill	Lawton	19,000	11% - 12%
5	University of Oklahoma	Norman	12,250 - 12,500	7% - 8%
6	Integrus Medical Centers	Statewide	8,500 - 8,750	0.05
7	Chickasaw Enterprises	Ada	7,500 - 10,000	5% - 6%
8	US Postal Service	Statewide	7,000 - 9,000	4% - 5%
9	Oklahoma State University	Stillwater	7,500 - 8,500	5%
10	Cherokee Nation of Oklahoma	Tahlequah	5,000 - 7,500	3% - 4%
			<u>158,450 - 170,450</u>	

	2008 & 2009	Location	Total Employment	Percent of Employment
1	State of Oklahoma	Statewide	36,000 - 37,000	21%
2	Wal-Mart and Sam's Club	Statewide	29,000 - 33,000	17% - 18%
3	Tinker AFB; including the Oklahoma City Air Logistics Center	Oklahoma City	26,000 - 27,000	15%
4	U.S. Army Field Artillery Center & Fort Sill	Lawton	21,400	12%
5	U.S. Postal Service	Oklahoma City	16,500	9% - 10%
6	University of Oklahoma	Norman	13,000	7% - 8%
7	Oklahoma State University	Stillwater	11,000 - 12,000	6% - 7%
8	American Airlines & AA Maintenance and Engineering Center	Tulsa	7,000 - 7,500	4%
9	Tulsa Public Schools	Tulsa	6,500 - 7,000	4%
10	Chickasaw Enterprises	Ada	5,800 - 6,000	3%
			<u>172,200 - 180,400</u>	

	2007	Location	Total Employment	Percent of Employment
1	State of Oklahoma	Statewide	36,000 - 37,000	22% - 21%
2	Wal-Mart and Sam's Club	Statewide	29800	18% - 17%
3	Tinker AFB; including the Oklahoma City Air Logistics Center	Oklahoma City	22,000 - 23,000	13%
4	U.S. Army Field Artillery Center & Fort Sill	Lawton	17,000 - 20,000	10% - 12%
5	U.S. Postal Service	Oklahoma City	16500	10%
6	University of Oklahoma	Norman	15000	9%
7	Oklahoma State University	Stillwater	11,000 - 12,000	7%
8	American Airlines & AA Maintenance and Engineering Center	Tulsa	7,500 - 8,000	5%
9	Tulsa Public Schools	Tulsa	6,250 - 6,500	4%
10	Integrus Health	Oklahoma City	5,500 - 5,600	3%
			<u>166,550 - 173,400</u>	

Source:
Oklahoma Department of Commerce www.okcommerce.gov

Oklahoma Lottery Commission Operating Information

Summary of Operating Indicators

The Oklahoma Lottery Commission began ticket sales on October 12, 2005. A phased start-up began with the sale of instant tickets (Scratchers), followed by Pick 3 in November 2005, Powerball in January 2006, Cash 5 in September 2006 and Hot Lotto in January 2008. Mega Millions was added in January 2010 and Pick 4 was added in July 2011 and discontinued September 15, 2014. The Lottery ended its tenth fiscal year, June 30, 2015 with more than \$171.7 million in sales, bringing total sales through FY-2015 to more than \$1.95 billion. Contributions to education for FY-2015 were \$60.1 million, bringing total Lottery contributions for Oklahoma education to approximately \$685.6 million. (Note – through November 2015, more than \$706.9 million has been provided by the Lottery to Oklahoma Education). The largest expense each year has been the payment of prizes to lottery winners.

Powerball has been the top selling online game every year, contributing 27% of total revenue in FY-2015. Powerball sales are mainly impacted by the value of the estimated annuity jackpot. Several high dollar winners, including Oklahoma's four Powerball grand prize winners in 2006, 2007, 2008, and 2009 have helped to promote Powerball sales in the state.

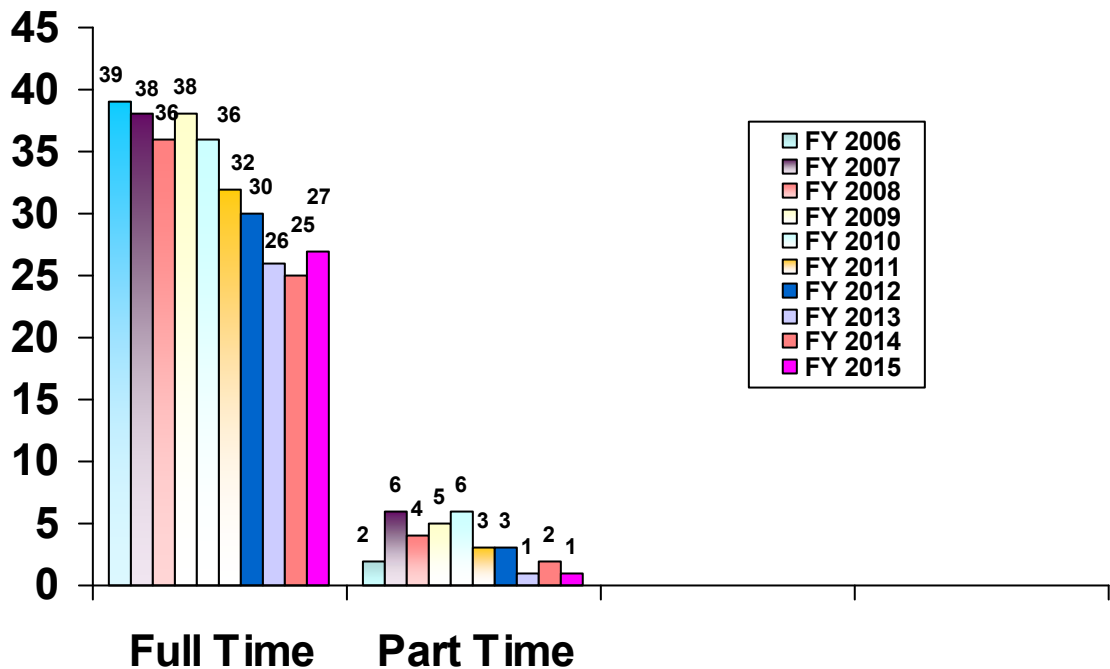
Scratchers (instant tickets) offered by the Oklahoma Lottery Commission, made up 47.5% of total sales for FY-2015. This compares to the percent of sales from 45% of total sales for FY-2014, 47% of total sales for FY-2013, 48% of total sales for FY-2012, to FY-2011(52%), to FY-2010 (45%) and to FY-2009 (40%). Instant sales revenues declined in FY-2015 because of lower payouts put into place in FY-2013 to ensure compliance with the profit requirement of 35%. Factors that influence the sale of Scratchers are the economy, competition for available entertainment dollars, game themes, price of tickets, prizes, and number of games offered. By far, the main influence on the sale of Scratchers is prize payouts. Prize payouts are limited by the current minimum mandated profit (35% profit restriction) in the Oklahoma Education Lottery Act. The Lottery has repeatedly asked for the repeal of this restriction which would result in increased sales and profits as demonstrated by the removal of such restrictions in other state lotteries

OKLAHOMA LOTTERY COMMISSION
 Schedule of Lottery Employees
 Fiscal Years Ending June 30

Schedule of Employees by Program

FY 2006		FY 2007		FY 2008		FY 2009		FY 2010	
Full Time	39	Full Time	38	Full Time	36	Full Time	38	Full Time	36
Part Time	<u>2</u>	Part Time	<u>6</u>	Part Time	<u>4</u>	Part Time	<u>5</u>	Part Time	<u>6</u>
Total	43	Total	44	Total	40	Total	43	Total	42

FY 2011		FY 2012		FY 2013		FY 2014		FY 2015	
Full Time	32	Full Time	30	Full Time	26	Full Time	25	Full Time	27
Part Time	<u>3</u>	Part Time	<u>3</u>	Part Time	<u>1</u>	Part Time	<u>2</u>	Part Time	<u>1</u>
Total	35	Total	33	Total	27	Total	27	Total	28



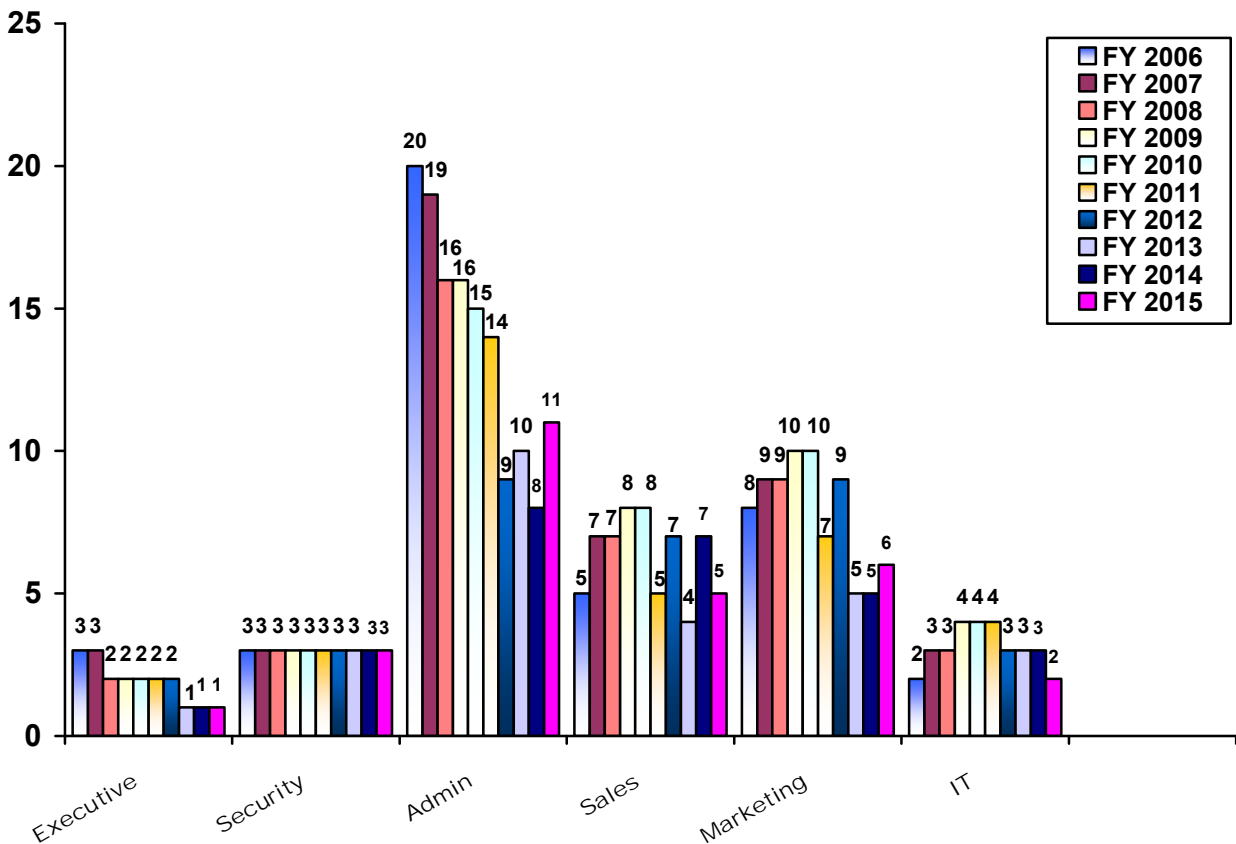
OKLAHOMA LOTTERY COMMISSION

Schedule of Lottery Employees

Fiscal Years Ending June 30

Schedule of Employees by Activity Type

	Executive	Security	Admin	Sales	Marketing	IT	Total
FY 2006	3	3	20	5	8	2	41
FY 2007	3	3	19	7	9	3	44
FY 2008	2	3	16	7	9	3	40
FY 2009	2	3	16	8	10	4	43
FY 2010	2	3	15	8	10	4	42
FY 2011	2	3	14	5	7	4	35
FY 2012	2	3	9	7	9	3	33
FY 2013	1	3	10	4	5	3	26
FY 2014	1	3	8	7	5	3	27
FY 2015	1	3	11	5	6	2	28



**Oklahoma Lottery Commission
National Lottery Statistics
Comparative Sales by Product**

FY '15 Sales by Product (millions)

Lottery Jurisdiction	INSTANT	PULL TAB	LOTTO	HOT LOTTO	CASH LOTTO	MULTI-JURISDICTION	KENO	VLT EGMs	Raffles	OTHER	TOTAL SALES
Arizona	\$542.00	\$5.10	\$9.70	\$25.80	\$17.10	\$140.40				\$9.90	\$750.00
Arkansas	\$335.00		\$10.50	\$0.60	\$7.00	\$44.34				\$11.26	\$408.70
California	\$3,915.40		\$169.00	\$287.70	\$145.80	\$776.80	\$206.40			\$23.80	\$5,524.90
Colorado	\$377.20		\$8.70	\$29.80	\$19.30	\$103.00					\$538.00
Connecticut	\$688.00		\$231.70	\$20.10		\$120.40				\$83.80	\$1,144.00
Delaware	\$54.50		\$46.80	\$0.50	\$4.20	\$37.40	\$7.00	\$350.50		\$0.10	\$150.50
District of Columbia	\$28.30		\$101.20	\$18.00		\$23.10	\$10.40			\$30.20	\$211.20
Florida	\$3,724.00		\$639.50	\$301.00	\$103.20	\$528.00				\$287.60	\$5,583.30
Georgia	\$2,869.80		\$758.90	\$94.40	\$12.40	\$219.70	\$206.50			\$33.50	\$4,195.20
Idaho	\$126.80	\$25.60	\$2.10	\$2.40		\$47.30				\$6.00	\$210.20
Illinois	\$1,821.60		\$487.10	\$107.70	\$150.60	\$252.90				\$17.40	\$2,837.30
Indiana	\$759.30		\$66.30	\$43.30		\$123.40	\$0.00			\$49.00	\$1,041.30
Iowa	\$212.00	\$16.00	\$10.20			\$86.40				\$0.20	\$324.80
Kansas	\$160.60	\$0.00	\$6.10			\$61.10	\$18.20			\$19.00	\$265.00
Kentucky	\$558.80		\$169.30	\$10.00	\$7.70	\$101.80	\$47.20			\$2.50	\$897.30
Louisiana	\$202.20		\$95.50	\$26.80		\$119.10				\$8.90	\$452.50
Maine	\$199.50		\$9.10	\$10.90		\$32.10				\$1.80	\$253.40
Maryland	\$546.10		\$517.90	\$34.50	\$21.30	\$173.10	\$303.00	\$681.80		\$161.20	\$1,757.10
Massachusetts	\$3,523.30	\$0.70	\$322.90	\$18.70	\$75.10	\$197.00	\$850.60			\$2.60	\$4,990.90
Michigan	\$1,009.70	\$33.40	\$728.60	\$49.90	\$58.00	\$274.30	\$587.20			\$17.10	\$2,758.20
Minnesota	\$375.20		\$14.60	\$21.80	\$9.50	\$111.10				\$14.70	\$546.90
Missouri	\$745.50		\$115.20	\$20.70	\$30.40	\$121.00	\$58.40			\$7.90	\$1,099.10
Montana	\$17.50		\$0.00		\$4.40	\$23.20	\$0.00			\$7.40	\$52.50
Nebraska	\$91.90		\$4.40	\$12.00	\$1.70	\$50.00				(\$0.00)	\$160.00
New Hampshire	\$209.10		\$9.90	\$6.80	\$2.60	\$49.10				\$2.10	\$279.60
New Jersey	\$1,695.10		\$709.60	\$148.20	\$62.40	\$398.30					\$3,013.60
New Mexico	\$80.00		\$4.60	\$6.20		\$45.30				\$0.90	\$137.00
New York	\$3,760.10		\$1,722.50	\$84.00	\$245.30	\$717.30	\$721.70	\$1,905.30			\$7,251.00
North Carolina	\$1,294.00		\$401.00	\$19.50	\$64.90	\$192.80					\$1,972.20
North Dakota	\$0.70					\$27.00				(\$0.70)	\$27.00
Ohio	\$1,550.10		\$530.80	\$62.50	\$31.00	\$218.40	\$329.30	\$773.00		\$168.80	\$2,890.90
Oklahoma	\$81.60		\$5.30	\$2.00	\$4.20	\$78.50				\$0.30	\$171.90
Oregon	\$119.60		\$1.40	\$33.40	\$4.10	\$57.60	\$93.00	\$798.60		\$9.30	\$318.40
Pennsylvania	\$2,591.60		\$545.70	\$68.00	\$136.20	\$381.00				\$97.10	\$3,819.60
Rhode Island	\$90.50		\$24.20	\$3.70		\$43.30	\$80.50	\$516.30		\$81.40	\$243.10
South Carolina	\$1,002.50		\$247.90	\$20.00		\$131.20				\$0.10	\$1,401.70
South Dakota	\$26.50			\$2.20		\$23.10		\$199.10			\$51.80
Tennessee	\$0.00		\$0.00			\$0.00					\$0.00
Texas	\$3,472.60		\$349.30	\$141.60	\$50.40	\$418.20				\$92.40	\$4,524.50
Vermont	\$85.50		\$2.60	\$3.80	\$0.80	\$13.90				\$5.20	\$111.80
Virginia	\$1,018.50		\$541.10	\$12.30	\$29.90	\$194.70				\$47.40	\$1,843.90
Washington	\$404.10		\$16.80	\$44.80	\$23.40	\$91.90	\$5.80			\$12.90	\$599.70
West Virginia	\$103.30		\$12.90	\$5.20		\$53.40	\$5.10	\$935.10		\$0.10	\$180.00
Wisconsin	\$356.20	\$1.10	\$36.80	\$25.20	\$24.30	\$97.80				\$33.10	\$574.50
Wyoming	\$0.00			\$3.60		\$14.20				\$0.00	\$17.80
TOTAL (\$US)	\$40,825.80	\$81.90	\$9,687.70	\$1,826.00	\$1,347.20	\$6,999.74	\$3,530.30	\$6,159.70	\$0.00	\$1,346.26	\$65,564.50

Reference: LaFluors Magazine / September/October 2015 - Fiscal 2014 Lottery Sales by Game Report

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Oklahoma Lottery Commission

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