LOUISIANA LOTTERY CORPORATION

A COMPONENT UNIT OF THE STATE OF LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

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FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

PREPARED BY ACCOUNTING DEPARTMENT

KAREN B. FOURNET

SENIOR VICE PRESIDENT

SECRETARY TREASURER

LOUISIANA LOTTERY CORPORATION
A COMPONENT UNIT OF THE STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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September 13, 2019

Board of Directors, Louisiana Lottery Corporation
Rose J. Hudson, President, Louisiana Lottery Corporation

INTRODUCTION

The Louisiana Lottery Corporation is pleased to submit its Comprehensive Annual Financial Report for the fiscal years ended June 30, 2019 and 2018. Lottery management is responsible for the accuracy and completeness of all data and disclosures in this report. To the best of our knowledge, the information presented is accurate and complete in all material respects and fairly depicts the financial activities and position of the Lottery.

This report is organized into four sections. The introductory section includes this letter of transmittal and an organizational chart. The financial section includes the independent auditor's report, management's discussion and analysis, and the audited financial statements with accompanying notes. Historical, demographic, and industry comparative data are presented in the statistical section of this report. A report on compliance and internal control is included in the last section.

The Louisiana Lottery Corporation was created in October 1990 and began operating on January 15, 1991. Ticket sales began on September 6, 1991. The mission is to generate the maximum revenue for the state of Louisiana while upholding the highest standards of integrity and public trust.

The Lottery is considered a component unit of the State of Louisiana and is reported as a discrete component unit within the state's Comprehensive Annual Financial Report. The fund is operated in a manner similar to a private business enterprise.

During its 28 years of operation, the Lottery has offered a variety of instant and on-line products. The instant games consist of preprinted "scratch-off" tickets, which contain various symbols and captions covered by latex material. Players instantly determine the winning or non-winning status of their tickets by removing the latex. On-line game tickets are produced through terminals at lottery retailer locations based on player instructions for number selection. Drawings are conducted to determine winning combinations. Historical data for all lottery products are presented in the financial and statistical sections of this report.

FINANCIAL CONDITION, ACCOMPLISHMENTS, AND POLICIES

Current year operating performance was very positive. Total sales of $524 million were $59 million above budget and $33 million higher than 2018 fiscal year results. Payments to the state treasury were $21.2 million above the budgeted amount and $12.4 million more than the previous year. Sales and statutory required transfers to the state were at the highest levels ever in the twenty-eight-year history of the Lottery. General operating expenses were $1.4 million under budget. Net position was $13.1 million at June 30, 2019.

Cash and investments increased from $50.25 million to $52.11 million. The $52.11 million balance at June 30, 2019 is available to fund current liabilities for prizes and operations, supplement the long-term funding of enhanced instant game prizes, provide some reserves for funding potential prize liabilities, and maintain some financial protection from future unexpected costs. Liquidity is stable because working capital is continuously replenished through the weekly collection of net sales proceeds from Lottery retailers.

Investment policies and cash forecasting methods have generated interest earnings of approximately $1.5 million. Cash positions not needed for daily funding of operations are invested in a money market mutual fund or an intermediate-term investment portfolio.

An analysis of comparative financial data is included in *Management's Discussion and Analysis* beginning on page 11. The notes to the financial statements that begin on page 24 contain information about investments (note 3), prize liabilities (note 8), risk management (note 12), and net position (note 14). A historical perspective of the Corporation's performance and financial condition is included in the statistical section beginning on page 41.

GOVERNMENT FINANCE OFFICERS ASSOCIATION CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (page 7) to the Louisiana Lottery Corporation for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty first consecutive year that the Lottery has achieved this prestigious award. 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 one year only. We believe that 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 another certificate.

ORGANIZATIONAL INFORMATION

Enterprise Operations

The corporate structure of the Lottery enables it to be managed in an entrepreneurial and business-like manner. The Louisiana Lottery's basic business purpose is to provide enjoyable and secure lottery games to the people of the state of Louisiana while maximizing transfers to the state's Lottery Proceeds Fund. The operations involve the sale of lottery tickets, the determination of winning tickets, the payment of prizes, compensation to lottery retailers, and all necessary administrative functions. As intended by the enabling statutes, the Corporation is accountable to the governor, the legislature, and the people of the state through a system of audits, reports, legislative oversight, and thorough financial disclosure.

Operational results are included in the financial and statistical sections of this report.

Internal Control Framework

Management is responsible for the design and operation of the control environment and corporate policies and procedures. An effective control system operating as intended prevents or detects material errors or misstatements. Inherently, most controls cannot provide complete effectiveness and the cost of operating the controls should not exceed the anticipated benefits. However, the internal control structure should provide reasonable assurance that corporate objectives will be achieved in the following categories:

- Reliability of financial reporting
- Safeguarding of corporate assets
- Compliance with applicable laws and regulations

Management has assigned responsibilities and designed processes to prevent potential conflicts of interest or unilateral control of critical functions. The Lottery has segregated duties in several key areas including the following:

- Human resources and payroll processing
- Daily cash management and bank account reconciliations
- Cash disbursement authorization and bank account reconciliations
- Purchasing and accounts payable
- Cash disbursement authorization and accounts payable
- Retailer licensing and retailer accounts receivable
- General ledger accounts receivable and retailer accounts receivable
- Data center processing and programming
- Drawing department and information systems department

Operational policies and procedures have been established to communicate management guidelines and requirements for daily operations. Employee compliance with these standards is constantly monitored and evaluated.

Budgetary Controls

The Corporation is required to submit its annual fiscal year budget to the Board of Directors and the Joint Legislative Committee on the Budget for review and approval. All levels of management are involved in the budgeting process. Available resources are determined based on projected revenue and are allocated to specific areas based on the goals and objectives contained in the Lottery's strategic plan. Operational efficiency is emphasized to direct resources to areas that are expected to maximize revenues, profitability, and the return to the State of Louisiana.

Actual performance is compared to the approved budget monthly. Variances are monitored, and future plans are reviewed for potential adjustments.

Cash Management

Cash due from retailers for lottery transactions is collected on a weekly basis through an electronic funds transfer system and deposited into an operating account. Operating cash balances are used to fund daily lottery operations such as prize and vendor payments. Some cash is invested in a U.S. government securities money market mutual fund. Funds not needed for liquidity purposes are invested in a portfolio of intermediate-term U.S. government and agency securities. All investment purchases are restricted by guidelines contained in a board-adopted Investment Policy Statement and all associated state statutes.

Risk Management

The Lottery has purchased various commercial insurance policies for protection from significant economic loss. These policies include coverage for standard automobile liability, general liability, worker's compensation claims, property, electronic data processing equipment, crimes against the corporation, directors' and officers' liability, errors and omissions, cyber risk liability, and retirement plan fiduciary liability. In addition, contracts for major purchases of goods or services contain requirements for vendor indemnification of the Lottery and vendor insurance and performance bond coverages. Management has also segregated a portion of net position for a litigation and prize reserve to cover unanticipated losses.

MAJOR INITIATIVES

Management has developed a vision statement and a long-term strategic plan. The vision statement reads as follows:

"We are a dynamic, dedicated team of innovative professionals using cutting-edge technology to produce fun and engaging products for our customers."

The strategic plan supports this vision through projects structured toward innovation, increased customer value, operational improvements, corporate citizenship, improved workforce competence and skills, effective information and technology systems, and supportive values and practices.

The plan and related projects were implemented in the 2011-2012 fiscal year, have been updated periodically, and will continue in the 2019-2020 fiscal year.

INDEPENDENT AUDIT

The Louisiana Legislative Auditor performs an annual audit of the Lottery's financial statements as required by Louisiana statutes. The audits are conducted in accordance with generally accepted auditing standards and generally accepted government auditing standards. The independent auditor's opinion on the Lottery's financial statements for the years ended June 30, 2019, and June 30, 2018, is included in the financial section of this report.

ACKNOWLEDGMENTS

The Accounting Department staff prepared each section of the Comprehensive Annual Financial Report. Their efforts have greatly contributed to the success of this informative document. In addition, we appreciate the efforts of the Legislative Auditor's Office in providing assistance with technical requirements.

We are committed to providing thorough and relevant financial information to the users of our financial statements. Our preparation of this Comprehensive Annual Financial Report reflects this commitment. The additional presentations and disclosures required will assist readers in obtaining an understanding of the Lottery's historical and current financial results.

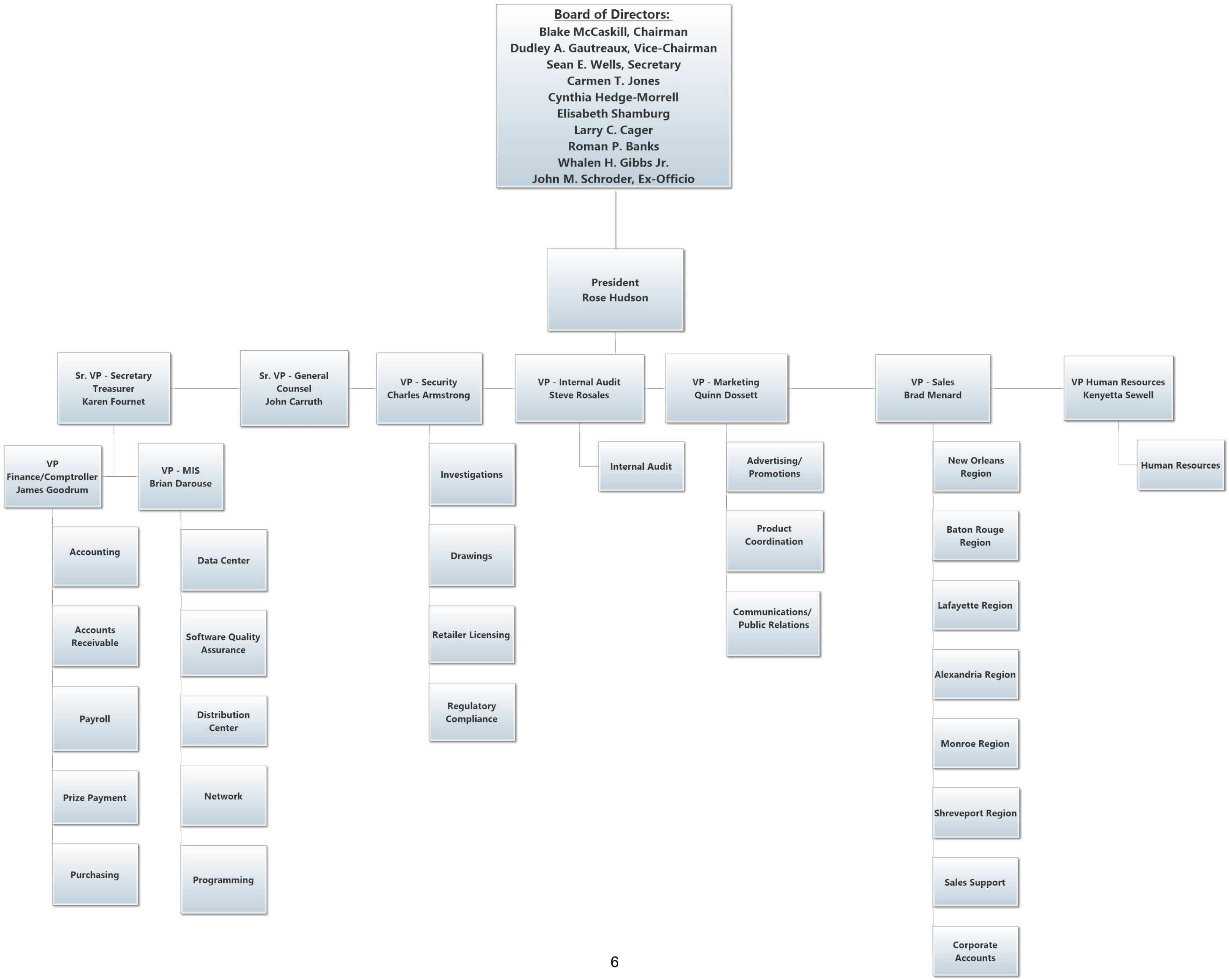
Respectfully submitted,

LOUISIANA LOTTERY CORPORATION

James F. Goodrum
Vice President of Finance and Controller

Karen B. Fournet
Senior Vice President and Secretary Treasurer

Louisiana Lottery Corporation
Organizational Chart with Principal Officials



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Louisiana Lottery Corporation

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

September 13, 2019

Independent Auditor's Report

BOARD OF DIRECTORS
LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Louisiana Lottery Corporation (Corporation), a component unit of the state of Louisiana, as of and for the years ended June 30, 2019, and June 30, 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 respective financial position of the Corporation as of June 30, 2019, and June 30, 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 11 through 18 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 audits 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2019, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

KS:ETM:RR:EFS:aa

LLC 2019

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Management's Discussion and Analysis
For the Years Ended June 30, 2019, and June 30, 2018

This discussion of the Louisiana Lottery Corporation's financial statements provides an overview and analysis of the Corporation's financial results and position for the fiscal years ended June 30, 2019, and June 30, 2018. Please read it in conjunction with the financial statements and notes to the financial statements.

Our annual report consists of three types of financial statements and accompanying notes that provide narrative explanations and additional details of accounting policies, account balances and activities. Account balances and activities are shown as of and for the fiscal year ended June 30, 2019, with comparative totals for June 30, 2018. The statement of net position; the statement of revenues, expenses, and changes in fund net position; and the notes are presented using the accrual method of accounting. Under this method, financial transactions are recorded when earned or incurred regardless of when cash is received or disbursed. The statement of cash flows reflects cash receipts and disbursements during the fiscal year.

The statement of net position on page 19 includes all assets, liabilities, and net position of the Corporation. Assets consist of money held in investments and bank accounts, amounts owed to the Corporation from licensed lottery retailers and other outside parties, property, and other financial resources. Liabilities represent amounts owed to vendors, employees for wages and benefits, prize winners and the state treasury. Assets and liabilities are classified as either current or noncurrent. A current classification indicates that an asset or liability is expected to be received or paid, respectively, within the subsequent one-year period while a noncurrent classification indicates a period of greater than one year. Net position represents the portion of assets that are not encumbered by liabilities. It serves as an indicator of the net worth of the Corporation.

A summary of the financial results of operations for the reported 12-month period is presented in the statement of revenues, expenses, and changes in fund net position on pages 20 and 21. The categories of activities included on this statement provide reasons for increases or decreases in net position. Operating revenues include sales of lottery tickets and other fees associated with the Corporation's network of retailers and operations. Direct costs and administrative expenses comprise the operating expenses section of this report. Direct costs are variable expenses that fluctuate with the level of sales. Marketing and overhead costs are included in the administrative expenses category. Nonoperating revenues and expenses consist of interest and market value gains or losses from investments, any recognized gain or loss from the disposal of capital assets, and the accrued required remittances to the state as explained in note 15 to the financial statements on page 40.

The statement of cash flows on pages 22 and 23 includes cash receipts and disbursements from operating, noncapital financing, capital financing, and investing activities. This statement also consists of a reconciliation of operating income presented on the accrual basis of accounting to net cash provided by operating activities.

The notes to the financial statements that begin on page 24 present information on accounting policies, cash, investments, accounts receivable, prepaid expenses, capital assets, deposits, prizes payable, vacation and sick leave, changes in noncurrent liabilities, retirement benefits, risk management and contingency, lease and rental commitments, net position, payments to the state treasury, and board of directors. These notes are an integral part of the financial statements.

These statements and notes provide information that is necessary to evaluate the Corporation's financial performance and condition. Each fiscal year's performance affects the end of year financial position. To assist readers with this evaluation, a condensed comparison of financial results between the current year ended June 30, 2019, and the prior years ended June 30, 2018, and June 30, 2017, is presented below followed by further analysis of changes in key performance indicators.

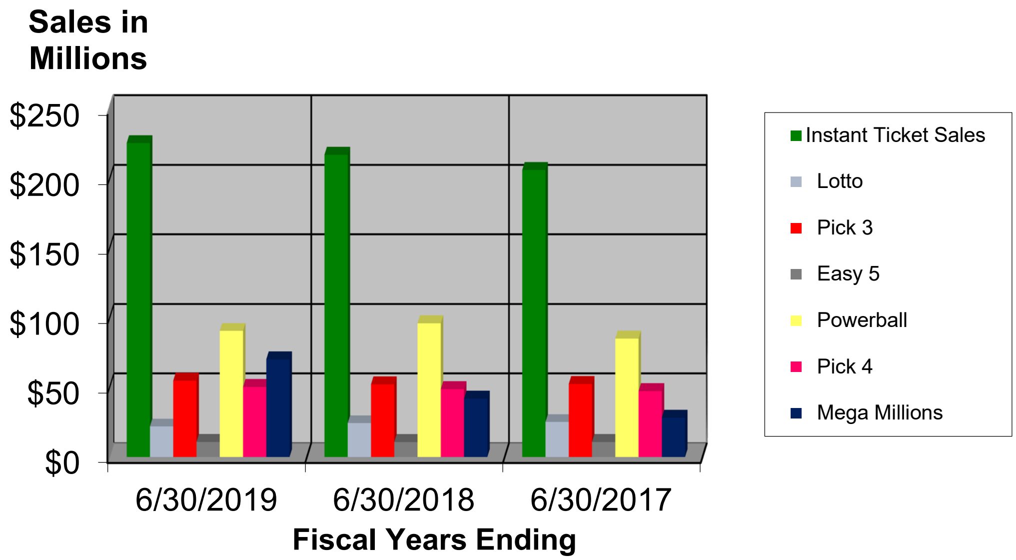
	As of and for the Year Ended June 30, 2019	As of and for the Year Ended June 30, 2018	As of and for the Year Ended June 30, 2017
Operating revenues			
Instant ticket sales	$225,573,998	$217,150,430	$206,293,946
On-line sales	298,393,430	273,824,668	248,672,271
Allowance for uncollectible accounts	(59,890)	(28,177)	(20,222)
Other operating revenues	11,240	10,910	11,005
Total operating revenues	523,918,778	490,957,831	454,957,000
Nonoperating revenues			
Investment and other income	2,646,049	319,749	(140,944)
Total revenues	526,564,827	491,277,580	454,816,056
Operating expenses			
Direct costs:			
Prize expense	285,330,406	263,606,902	242,945,296
Retailer commission and incentives	29,153,104	27,496,227	25,483,326
Other direct costs	8,948,199	9,228,815	8,177,921
Total direct costs	323,431,709	300,331,944	276,606,543
Administrative expenses	18,923,162	18,869,318	18,841,931
Total operating expenses	342,354,871	319,201,262	295,448,474
Nonoperating expenses			
Payments to state treasury	184,318,132	171,955,980	159,191,670
Total expenses	526,673,003	491,157,242	454,640,144
Change in net position	($108,176)	$120,338	$175,912
Ending net position	$13,104,988	$13,213,164	$13,092,826

Total revenues were $526.6 million. The Corporation's annual required statutory transfers to the state treasury generated from operations were $184.3 million. Revenue and required transfers from operations exceeded 2018 fiscal year amounts by $35.3 million and $12.4 million, respectively. The reasons for the activity in each component outlined below provide the rationale for these results of operations.

Operating revenues

The charts presented below reflect sales levels for each of the lottery games offered during the three fiscal years. Discussions of changes in operating revenues follow these charts.

	6/30/2019	6/30/2018	6/30/2017
Instant Ticket Sales	$225,573,998	$217,150,430	$206,293,946
On-line Sales			
Lotto	$21,860,859	$24,234,668	$25,065,748
Pick 3	54,755,738	52,108,444	52,348,516
Easy 5	10,751,762	10,687,597	10,708,429
Powerball	90,567,612	96,167,914	84,999,892
Pick 4	50,261,424	48,710,356	47,274,931
Mega Millions	70,196,035	41,915,689	28,274,755
Total On-line Sales	$298,393,430	$273,824,668	$248,672,271



Instant ticket sales increased by $8.4 million (3.9%) during the past fiscal year. An average instant prize structure of 63.29% and effective inventory distribution and management continue to contribute to the success of this product.

On-line sales increased by $24.6 million mainly from an increase in Mega Millions sales because of a $1.5 billion jackpot in October 2018.

Nonoperating revenues

The Corporation maintains an intermediate-term portfolio of U.S. government and agency securities to manage fluctuations in short-term investment earnings from year to year and its impact on cash flow in the annual operating budget. Funds not needed for liquidity and working capital purposes are invested in this portfolio. The five-year average annual rate of return at June 30, 2019 is 2.3%.

The Corporation's investment return from its intermediate-term portfolio consists of interest earned on investments and changes in the fair value of investments as follows:

	For the Year Ended June 30, 2019	For the Year Ended June 30, 2018	For the Year Ended June 30, 2017
Interest	$710,335	$749,699	$755,430
Change in Fair Value	1,074,502	(815,764)	(957,963)
Total	$1,784,837	($66,065)	($202,533)

As shown in the chart above, the interest component of these intermediate securities was relatively stable for all three years.

Additional interest income of $798,000 in 2019 and $342,000 in 2018 was generated from cash deposited in a money market mutual fund and reserves maintained at MUSL.

The changes in fair value were affected by the inverse relationship of the market value of debt securities to market interest rates, the length of time to maturity of the securities in the portfolio, and the timing of purchases and sales. All changes in fair value would be realized only upon disposal of all investments at the measurement date, each fiscal year end.

Investment disposals only occur at maturity, as needed for liquidity, and when overall investment return performance, including interest earned and market value, can be enhanced by the sale of portfolio holdings and replacement with other quality securities. In addition, some of the gains or losses realized upon the disposal of securities are the result of a discount or premium paid at the time of original purchase which factors into anticipated total investment return.

Further disclosures on investments and interest rate risk are included in note 3 to the financial statements beginning on page 26.

Total revenues earned during the 2019 and 2018 fiscal years were $526.6 million and $491.3 million, respectively. Revenues that are generated each fiscal year are used to fund lottery operations including payment of prizes, retailer compensation, other direct operating costs, administrative expenses, and required payments to the state treasury. Revenue not needed to fund current operations increases net position or if determined to be surplus to the Corporation's future needs, is remitted as an additional transfer to the state treasury. A historical allocation of expenses as a percentage of total revenue is presented in the statistical section of this report on page 50.

Direct costs

Direct costs are expenses that fluctuate directly with the level of sales. Instant and on-line game prize expense, commission and incentives paid to Lottery retailers, and vendor fees mostly based on a percentage of sales are included in this category. The changes in sales for the three fiscal years resulted in corresponding changes in direct costs. Total direct costs are approximately 62% of sales for each fiscal year presented.

Administrative expenses

The Corporation has maintained high profitability levels for the benefit of the State of Louisiana by controlling its administrative costs each year. These marketing and overhead expenses have remained consistent and under budget during the past eighteen fiscal years. The chart on page 49 in the statistical section reflects this consistency and effective cost controls. These efficiencies have enabled the Corporation to maintain financial stability, fund higher instant game prize payouts which generate higher sales and return to the state, and transfer additional surplus funds to the state when available.

Payments to state treasury

Note 15 to the financial statements on page 40 includes a discussion of the statutory requirements for payments to the state treasury. Payments increased by $12.4 million in fiscal year 2019 and by $12.8 million in fiscal year 2018. Sales and operational results contributed to the amount of funds remitted to the treasury in each year. Total payments to the state treasury since the Lottery's inception have been approximately $3.77 billion.

The financial performance reflected above affected the overall financial position of the Corporation at June 30, 2019, and June 30, 2018. A summarized version of the statement of net position presented below reflects the Corporation's overall change in financial resources and claims on those resources.

	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017
Assets			
Current assets	$38,692,415	$36,935,356	$29,092,418
Noncurrent assets:			
Capital assets	4,449,874	4,463,230	4,541,872
Other noncurrent assets	33,916,159	32,003,713	35,028,975
Total noncurrent assets	38,366,033	36,466,943	39,570,847
Total assets	77,058,448	73,402,299	68,663,265
Liabilities			
Current liabilities	44,155,970	46,533,994	42,101,929
Noncurrent liabilities	19,797,490	13,655,141	13,468,510
Total liabilities	63,953,460	60,189,135	55,570,439
Net position			
Net investment in capital assets	4,449,874	4,463,230	4,541,872
Unrestricted	8,655,114	8,749,934	8,550,954
Total net position	$13,104,988	$13,213,164	$13,092,826

Current assets

The fluctuation of current assets for the three years presented was mainly caused by changes in cash and cash equivalents, investments, accounts receivable, and investments in government securities.

Cash and cash equivalents and current investment balances are affected by sales volume, level of expenses, and the timing and amount of deposits of accounts receivable and payments to vendors and the state treasury. In addition, transfers to and from the intermediate-term portfolio for liquidity and investment management purposes affect the balance of cash and cash equivalents and current investments.

Retailer accounts receivable balances changed because of sales volume differences at the end of the fiscal years and the timing of the collection of these receivables into cash and cash equivalents.

Capital assets

Capital assets changed slightly in fiscal years 2019 and 2018 because of differences in acquisitions, disposals, and depreciation expense for those years. Details of capital asset additions, deletions, and depreciation are included in note 6 to the financial statements on page 30.

Other noncurrent assets

Noncurrent investments in government securities increased mainly because of the change in fair value discussed in the nonoperating revenue section. In addition, deposits with MUSL increased by almost $1.2 million because of the funding of the Mega Millions prize reserve.

Current liabilities

For the year ended June 30, 2019

Current liabilities decreased by $2.4 million. Accounts payable, accrued payment to the state treasury, and prizes and withholdings payable account for most of this change.

Accounts payable increased by $362,000 because of differences in the timing and amount of expenses and payments between the two fiscal years.

The accrued payment to state treasury increased by $608,000 because of differences in sales and revenue levels at the end of the 2019 and 2018 fiscal years.

Prizes and withholdings payable decreased by approximately $3.3 million because of several factors. All components of this liability category are presented in note 8 to the financial statements on page 33.

On-line prizes payable decreased by $4.7 million because of differences in sales, winnings, timing of payments, and use of game reserves to fund high payouts.

Instant prizes payable decreased by $212,000, due to/from MUSL prize pool increased by $1.94 million, and tax withholdings payable increased by $97,000 because of differences in sales levels and the timing of prize wins and payments between two fiscal years.

Most of the remaining difference is attributable to a $441,000 reduction in projected net use of unclaimed prizes in the next fiscal year.

For the year ended June 30, 2018

Current liabilities increased by $4.4 million. Accounts payable and prizes and withholdings payable account for most of this change.

Accounts payable decreased by $670,000 because of differences in the timing and amount of expenses and payments between the two fiscal years.

Prizes and withholdings payable increased by approximately $5.1 million because of several factors. All components of this liability category are presented in note 8 to the financial statements on page 33.

On-line prizes payable increased by $8.6 million because of differences in sales, winnings, timing of payments, and use of game reserves to fund high payouts.

Instant prizes payable, due to/from MUSL prize pool, and tax withholdings payable decreased by a combined net amount of $3.3 million because of differences in sales levels and the timing of prize wins and payments between two fiscal years.

Most of the remaining difference is attributable to a $225,000 reduction in projected net use of unclaimed prizes in the next fiscal year.

Noncurrent liabilities

The MUSL prize reserve increased by $1.2 million because of additional funding for the Mega Millions game. In addition, unclaimed prizes payable increased by $4.6 million in fiscal year 2019 because expired prizes exceeded the use of the fund for instant game prizes. Further disclosures on noncurrent prizes payable are included in notes 8 and 10 to the financial statements on pages 33 and 35, respectively.

Net position

Finally, net position decreased by $108,000 in fiscal year 2019 and increased by $120,000 in fiscal year 2018 because of the amount of remittances to the state treasury and the net income generated during these years. The specified uses of unrestricted net position are presented in note 14 to the financial statements on page 39.

This financial overview of the Louisiana Lottery Corporation is provided as a supplemental analysis of the financial position and activities of the Corporation as of and for the years ended June 30, 2019, and June 30, 2018. It is based on currently known facts and decisions and includes information about transactions, events, and conditions that are reflected in the financial statements and accompanying notes. The additional presentations and disclosures are included to assist the users of this report in understanding the financial results of the Corporation.

Respectfully submitted,

James F. Goodrum
Vice President of Finance and Controller

Karen B. Fournet
Senior Vice President and Secretary Treasurer

Statement A

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Statements of Net Position, June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and Cash Equivalents (note 2)	$20,544,360	$20,470,355
Investments (note 3)	1,446,217	1,039,898
Accounts receivable, net (note 4)	13,276,146	12,905,739
Investments in government securities (note 3)	3,000,502	2,350,236
Prepaid expenses (note 5)	411,411	155,351
Other current assets	13,779	13,777
Total current assets	38,692,415	36,935,356
Noncurrent assets:		
Capital assets:		
Land (note 6)	1,542,415	1,542,415
Depreciable capital assets, net (note 6)	2,907,459	2,920,815
Investments in government securities (note 3)	27,123,835	26,392,513
Deposits with Multi-State Lottery Association (note 7)	6,792,324	5,596,941
Prepaid expenses (note 5)		14,259
Total noncurrent assets	38,366,033	36,466,943
TOTAL ASSETS	77,058,448	73,402,299
LIABILITIES		
Current liabilities:		
Accounts payable	2,525,470	2,163,192
Wages, benefits, and withholdings payable	364,106	352,664
Accrued payment to state treasury (note 15)	13,926,482	13,318,490
Prizes and withholdings payable (note 8)	26,940,600	30,287,392
Compensated absences payable (note 9)	399,312	412,256
Total current liabilities	44,155,970	46,533,994
Noncurrent liabilities:		
Noncurrent prizes payable (notes 8 and 10)	19,456,490	13,650,141
Retailer security deposits	341,000	5,000
Total noncurrent liabilities	19,797,490	13,655,141
TOTAL LIABILITIES	63,953,460	60,189,135
NET POSITION		
Net Investment in capital assets	4,449,874	4,463,230
Unrestricted (note 14)	8,655,114	8,749,934
TOTAL NET POSITION	$13,104,988	$13,213,164

The accompanying notes are an integral part of this statement.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Statements of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Instant ticket sales	$225,573,998	$217,150,430
On-line sales	298,393,430	273,824,668
Allowance for uncollectible accounts	(59,890)	(28,177)
Retailer license fees	7,950	7,450
Retailer security deposits	3,180	2,980
Miscellaneous revenue	110	480
Total operating revenues	523,918,778	490,957,831
OPERATING EXPENSES		
Direct costs:		
Instant ticket prize expense	135,528,594	127,154,039
On-line prize expense	149,801,812	136,452,863
Retailer commission	27,406,812	25,723,950
Retailer incentives	1,746,292	1,772,277
Lottery system vendor fees	5,190,365	5,322,546
Cost of instant tickets	2,881,737	2,969,954
Courier service	876,097	936,315
Total direct costs	323,431,709	300,331,944
Administrative expenses:		
Advertising	7,172,823	7,123,797
Contract labor	291,527	277,403
Depreciation	392,236	357,479
Equipment lease (note 13)	44,480	44,315
Insurance	612,830	607,150
Postage	48,274	42,132
Professional fees	280,221	333,614
Rent (note 13)	260,513	257,398
Repairs and maintenance	305,254	346,126
Salaries, benefits, and taxes	7,971,237	7,863,031
Supplies	346,072	403,484
Communications network	108,929	188,719
Telephone	107,263	159,408
Travel	96,384	106,350
Utilities	142,849	147,739
Other general and administrative	742,270	611,173
Total administrative expenses	18,923,162	18,869,318
Total operating expenses	342,354,871	319,201,262

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Statements of Revenues, Expenses, and Changes in Fund Net Position
For the Years Ended June 30, 2019 and 2018

	2019	2018
OPERATING INCOME	$181,563,907	$171,756,569
NONOPERATING REVENUES (EXPENSES)		
Interest earned on investments	1,508,362	1,091,346
Net increase (decrease) in the fair value of investments	1,074,502	(815,764)
Net gain on disposal of assets	63,185	44,167
Payments to state treasury - required (note 15)	(184,318,132)	(171,955,980)
Total nonoperating revenues (expenses)	(181,672,083)	(171,636,231)
CHANGE IN NET POSITION	(108,176)	120,338
TOTAL NET POSITION AT BEGINNING OF YEAR	$13,213,164	$13,092,826
TOTAL NET POSITION AT END OF YEAR	$13,104,988	$13,213,164

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Cash received from retailers -		
net of commission and incentives	$497,646,144	$465,336,029
Cash from other sources	141,955	153,084,122
Cash payments for prizes and related taxes	(284,066,232)	(411,470,038)
Cash payments to suppliers of goods or services	(23,283,765)	(24,184,100)
Cash payments to employees for services	(7,022,320)	(6,903,272)
Net cash provided by operating activities	183,415,782	175,862,741
Cash flows from noncapital financing activities		
Cash payments to the state treasury	(183,710,140)	(171,963,940)
Cash flows from capital financing activities		
Proceeds from disposal of capital assets	83,951	44,167
Payments for acquisition of capital assets	(440,727)	(403,651)
Net cash used in capital financing activities	(356,776)	(359,484)
Cash flows from investing activities		
Receipts of interest	1,438,546	1,040,737
Net (deposits) of short-term investments	(406,319)	(747,756)
Proceeds from investments in government securities	4,938,705	4,943,309
Payments for investments in government securities	(5,245,793)	(4,943,733)
Net cash provided by investing activities	725,139	292,557
Net increase in cash and cash equivalents	74,005	3,831,874
Cash and Cash Equivalents, beginning of year	20,470,355	16,638,481
Cash and Cash Equivalents, end of year	$20,544,360	$20,470,355

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
PROPRIETARY FUND - ENTERPRISE FUND

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$181,563,907	$171,756,569
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	392,236	357,479
Accrued capital financing activities	41,079	124,815
Uncollectible accounts	60,940	32,780
Changes in assets and liabilities:		
(Increase) in accounts receivable	(361,530)	(1,129,772)
(Increase) decrease in prepaid expenses	(241,800)	150,300
(Increase) in deposits with Multi-State Lottery Association	(1,195,383)	(56,086)
Increase (decrease) increase in accounts payable	362,278	(670,470)
Increase in wages, benefits, and withholdings payable	11,442	23,616
Increase (decrease) in retailer security deposits	336,000	(12,000)
(Decrease) increase in compensated absences payable	(12,944)	12,603
Increase in prizes and withholdings payable	2,459,557	5,272,907
Total Adjustments	1,851,875	4,106,172
Net Cash Provided by Operating Activities	$183,415,782	$175,862,741
Non Cash Investing, Capital, and Financing Activities		
Net Increase (decrease) in the fair value of investments	$1,074,502	($815,764)
Interest accrued on deposits with Multi-State Lottery Association	$123,590	$70,433

(Concluded)

The accompanying notes are an integral part of this statement.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA

Notes to the Financial Statements
For the Years Ended June 30, 2019 and 2018

INTRODUCTION

The Louisiana Lottery Corporation (the Corporation) was created in accordance with Louisiana Revised Statutes (R.S.) 47:9000-9081 and 14:90(C) and began operating January 15, 1991. The Corporation is organized to provide for lottery games, operations, activities, and payment of prizes. The affairs of the Corporation are administered by a board of directors appointed by the governor, subject to confirmation by the Senate. The Corporation is domiciled in East Baton Rouge Parish and operates five regional offices. For the fiscal years ended June 30, 2019 and June 30, 2018, the Corporation employed 109 and 108 employees, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Corporation is considered a component unit of the State of Louisiana because the state has financial accountability for fiscal matters as follows: (1) the board of directors is appointed by the governor; (2) upon dissolution of the Corporation, title to all property owned by the Corporation shall vest in the State of Louisiana; and (3) the Corporation provides financial benefits to the state in the form of transfer of funds to the state treasury. The accompanying financial statements present information only as to the transactions of the programs of the Corporation, a component unit of the State of Louisiana. The Corporation is reported as a discrete component unit within the State of Louisiana’s Comprehensive Annual Financial Report.

B. BASIS OF PRESENTATION

The Corporation uses a proprietary fund (enterprise fund) to report on its financial position and results of operations. The enterprise fund accounts for the activities relative to conducting a lottery, including, but not limited to, incurring and paying administrative costs and payment of prizes. The fund is operated in a manner similar to a private business enterprise where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, management control, accountability, or other purposes. Activities accounted for in the proprietary fund follow all applicable GASB pronouncements.

C. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, and the measurement focus refers to what transactions and events should be recorded. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

Revenue

Operating revenue includes sales of lottery tickets and other fees related to operations. Nonoperating revenue includes investment earnings and gains from the disposal of assets. Sales are recognized when instant ticket packs are activated for sale and on-line game tickets are sold to the public by contracted retailers.

Prizes

Prize expense is recognized based on a predetermined prize structure for each instant ticket and on-line game as revenue is recognized. A portion of the instant ticket prize structures is funded with unclaimed prize money pursuant to R.S. 47:9025(D).

D. CAPITAL ASSET POLICY

The Corporation has established a $1,000 threshold for capitalization of purchases of assets that have an estimated useful life of at least three years. In addition, substantial purchases may be capitalized even though the per unit cost may be less than $1,000. Depreciation of capital assets is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are derived from realistic expectations of the longevity of the assets based on past experience, published guidelines, and industry experience. The useful lives used in determining depreciation for the various types of assets are found in note 6 on page 30.

E. LEGISLATIVE BUDGET OVERSIGHT

R.S. 47:9010(A)(7) requires the Corporation, not later than 30 days before the beginning of each regular session of the legislature, to submit a proposed annual budget of the Corporation and projected net proceeds to the Joint Legislative Committee on the Budget (JLCB) for review and approval. The Corporation submitted its budget for fiscal year ended June 30, 2019 on February 9, 2018. The budget was approved by the JLCB on April 18, 2018.

A formal budgetary comparison is not required by GASB reporting standards for proprietary funds and, therefore, a budgetary comparison for the fiscal year ended June 30, 2019, is not presented.

F. NONOPERATING EXPENSES

Nonoperating expenses only include payments to the state treasury.

2. CASH AND CASH EQUIVALENTS

Cash includes petty cash on hand of $3,000 and demand deposits of $23,021 at June 30, 2019, and $15,995 at June 30, 2018. Under state law, the Corporation may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, national banks having their principal offices in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

Under state law, demand deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Federal deposit insurance of $250,000 secured demand deposits as of June 30, 2019.

Cash equivalents consist of deposits in a U.S. government money market mutual fund. At June 30, 2019, and June 30, 2018, the total of cash equivalents is $20,518,339 and is $20,451,360, respectively.

3. INVESTMENTS AND INVESTMENTS IN GOVERNMENT SECURITIES

In accordance with state law and the Corporation's formal investment policy, funds may be invested in U.S. Treasury obligations and U.S. government agency obligations or in eligible mutual funds that invest in these securities, direct security repurchase agreements, and time certificates of deposit. The amount invested in U.S. agency securities cannot exceed sixty percent of all investments with maturities of 30 days or longer. In addition, for the purpose of payment of deferred prizes to winners, the Corporation may only invest in securities that are direct obligations of the U.S. Treasury. No specific credit ratings are required by the policy, but credit quality is inherently high because of limitations imposed by the policy.

Investments at June 30, 2019 and June 30, 2018, consist of the following:

Investment Type	Fair Value June 30, 2019	* Credit Quality Rating	% of Investments	Investment Maturities (In Years) Less Than 1	1-5	6-10	11-20	21-30
Investments:								
Federated Government Obligations Money Market Fund	$1,446,217	Aaa	4.58%	$1,466,217				
Investments in government securities:								
U.S. Treasury Notes	7,565,305	1	23.96%	2,505,915	$2,736,560	$2,322,830		
U.S. Treasury STRIPS	9,461,813	1	29.97%		6,620,543	2,659,130	$182,140	
Federal Farm Credit Banks (FFCB) Bonds and Notes	368,707	Aaa	1.17%		368,707			
Federal National Mortgage Association Medium (FNMA MTN)	178,831	Aaa	0.57%			178,831		
Federal Home Loan Banks (FHLB) Bonds	716,159	Aaa	2.27%	202,858	335,119	178,182		
Federal Home Loan Mortgage Corpooration (FHLMC) Mortgage-Backed Securities	4,572,836	Unrated	14.48%	288,623	1,033,079	1,254,763	711,878	$1,284,493
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	5,667,989	Unrated	17.95%	3,106	1,477,457	1,234,579	1,699,098	1,253,749
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	1,592,697	1	5.05%			100,371	1,102,319	390,007
	30,124,337		95.42%	3,000,502	12,571,465	7,928,686	3,695,435	2,928,249
Total Investments	$31,570,554		100.00%	$4,466,719	$12,571,465	$7,928,686	$3,695,435	$2,928,249

* Credit quality ratings obtained from Moody's Investors Service.

1 Credit quality ratings not required for U.S. government and agency securities that are explicitly guaranteed by the U.S. government.

Investment Type	Fair Value June 30, 2018	* Credit Quality Rating	% of Investments	Investment Maturities (In Years) Less Than 1	1-5	6-10	11-20	21-30
Investments:								
Federated Government Obligations Money Market Fund	$1,039,898	Aaa	3.49%	$1,039,898				
Investments in government securities:								
U.S. Treasury Notes	5,308,037	1	17.82%	998,690	$4,309,347			
U.S. Treasury STRIPS	9,246,823	1	31.05%	980,460	4,764,137	$3,502,226		
Federal Farm Credit Banks (FFCB) Bonds and Notes	363,154	Aaa	1.22%		363,154			
Federal National Mortgage Association Medium (FNMA MTN)	167,235	Aaa	0.56%			167,235		
Federal Home Loan Banks (FHLB) Bonds	1,023,452	Aaa	3.44%	328,253	205,172	490,027		
Federal Home Loan Mortgage Corpooration (FHLMC) Mortgage-Backed Securities	4,594,423	Unrated	15.43%	11,895	873,094	1,532,028	$839,802	$1,337,604
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	6,224,181	Unrated	20.90%	30,938	1,028,416	1,920,303	1,785,875	1,458,649
Government National Mortgage Association (GNMA) Mortgage-Backed Securities	1,815,444	1	6.09%		21,417	133,200	1,247,299	413,528
	28,742,749		96.51%	2,350,236	11,564,737	7,745,019	3,872,976	3,209,781
Total Investments	$29,782,647		100.00%	$3,390,134	$11,564,737	$7,745,019	$3,872,976	$3,209,781

* Credit quality ratings obtained from Moody's Investors Service.
1 Credit quality ratings not required for U.S. government and agency securities that are explicitly guaranteed by the U.S. government.

Investments represent the fair value of U.S. Treasury money-market mutual fund shares held by the Corporation.

Investments in government securities are funds not needed for liquidity purposes that are invested in a portfolio of direct longer-term investments in U.S. government and agency securities. These securities are also recorded at fair value. Fair value measurements are classified as Level 2 of the GASB 72 fair value hierarchy. These fixed income securities are valued each day based on readily available market quotations received from commercial pricing services. Such pricing services and brokers will generally provide bid-side quotations.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments that are in the possession of an outside party. Louisiana state law requires that securities purchased as investments by the Corporation are issued in the name of the Corporation and safe kept at a custodian financial institution or Federal Reserve Bank domiciled in the state of Louisiana. Investments and investments in government securities purchased by the Corporation are held by the custodial bank's trust department in the Corporation's name.

Interest rate risk is the risk that an investment's fair value decreases as market interest rates increase. Typically, this risk is higher in debt securities with longer maturities. The

Corporation's investment policy states that investment maturities must be scheduled to coincide with cash requirements. Interest rate risk is managed according to the purpose of the investments and the projected time frame for the use of these assets.

The investments in the money market fund are not affected by interest rate risk because the underlying investments in Treasury bills and notes have very short-term maturities, funds can be deposited and withdrawn daily, and the fund's share price remains stable.

Investments in government securities consist of funds that are not expected to be needed in the near future. Investment maturities for this portfolio are scheduled for an average intermediate time horizon. The portfolio is managed to provide investment allocations, characteristics, and yields consistent with its benchmark, the Bloomberg Government Intermediate Index. Interest rate risk is managed by structuring the average maturity and duration of the investments to the benchmark.

The investments in mortgage-backed securities are based on flows from payments on the underlying mortgages that contain prepayment options which cause them to be highly sensitive to changes in interest rates. Generally, when interest rates fall, obligees tend to prepay the assets, thus eliminating the stream of interest payments that would have been received under the original amortization schedule. This reduced cash flow diminishes the fair value of the asset-backed investment.

Typically, the risk that the Corporation will actually realize material losses from its investments in government securities resulting from changes in market interest rates is mitigated by the low probability that these securities will have to be sold before maturity.

4. ACCOUNTS RECEIVABLE

As reflected on the statement of net position, the receivables of the Corporation are as follows:

	As of June 30, 2019	As of June 30, 2018
Retailer accounts receivable	$12,847,417	$12,716,305
Interest receivable	265,190	195,374
Miscellaneous receivable	202,104	
Allowance for uncollectible accounts	(38,565)	(5,940)
Total	$13,276,146	$12,905,739

The allowance for uncollectible accounts is based on an analysis of accounts receivable that considers the age of the accounts and the expected collectability of each account.

5. PREPAID EXPENSES

Prepaid expenses represent insurance paid for coverage after the fiscal year-end and prepayments for postage, advertising, maintenance agreements, and other expenses.

The balances of prepaid expenses are as follows:

	As of June 30, 2019	As of June 30, 2018
Current prepaid expenses:		
Insurance	$187,861	$17,402
Other prepayments	223,550	137,949
Total	$411,411	$155,351
Noncurrent prepaid expenses:		
Other prepayments		$14,259
Total		$14,259

6. CAPITAL ASSETS

Capital assets of the Corporation are included on the statement of net position at historical cost. Depreciable capital assets are shown net of accumulated depreciation. Depreciation of capital assets is charged as an operating expense. Depreciation for financial reporting purposes is computed by the straight-line method over the estimated useful lives of the assets. As assets are retired or sold, the cost and related accumulated depreciation are removed from the appropriate property and equipment accounts. The resulting gain or loss on disposal is reflected in nonoperating revenues and expenses. A summary of changes in capital assets follows:

	June 30, 2018	Additions	Deletions	June 30, 2019
Land	$1,542,415	NONE	NONE	$1,542,415
Depreciable Capital Assets:				
Land improvements	$2,490			$2,490
Buildings	3,849,715			3,849,715
Building improvements	412,323			412,323
Leasehold improvements	423,875	$43,161	($35,494)	431,542
Furniture and fixtures	665,914	2,140	(26,128)	641,926
Equipment	1,040,211	21,214	(274,919)	786,506
Data processing software and equipment	2,021,205	38,375	(770,031)	1,289,549
Communications software and equipment	288,786	13,577	(71,273)	231,090
Automobiles	1,021,069	281,181	(353,607)	948,643
Total	9,725,588	399,648	(1,531,452)	8,593,784
Less - accumulated depreciation:				
Land improvements	(2,490)			(2,490)
Buildings	(1,633,038)	(99,740)		(1,732,778)
Building improvements	(92,647)	(28,732)		(121,379)
Leasehold improvements	(401,911)	(19,755)	35,494	(386,172)
Furniture and fixtures	(641,570)	(7,859)	26,128	(623,301)
Equipment	(1,021,424)	(9,251)	274,919	(755,756)
Data processing software and equipment	(1,924,747)	(50,073)	769,496	(1,205,324)
Communications software and equipment	(261,981)	(25,259)	71,273	(215,967)
Automobiles	(824,965)	(151,567)	333,374	(643,158)
Total accumulated depreciation	(6,804,773)	(392,236)	1,510,684	(5,686,325)
Net Depreciable Capital Assets	$2,920,815	$7,412	($20,768)	$2,907,459

	June 30, 2017	Additions	Deletions	June 30, 2018
Land	$1,542,415	NONE	NONE	$1,542,415
Depreciable Capital Assets:				
Land improvements	$2,490			$2,490
Buildings	3,849,715			3,849,715
Building improvements	349,152	$63,171		412,323
Leasehold improvements	398,584	25,291		423,875
Furniture and fixtures	653,659	12,255		665,914
Equipment	1,040,211			1,040,211
Data processing software and equipment	2,015,670	74,408	($68,873)	2,021,205
Communications software and equipment	288,786			288,786
Automobiles	1,140,478	103,712	(223,121)	1,021,069
Total	9,738,745	278,837	(291,994)	9,725,588
Less - accumulated depreciation:				
Land improvements	(2,490)			(2,490)
Buildings	(1,533,298)	(99,740)		(1,633,038)
Building improvements	(65,539)	(27,108)		(92,647)
Leasehold improvements	(397,679)	(4,232)		(401,911)
Furniture and fixtures	(631,800)	(9,770)		(641,570)
Equipment	(1,007,078)	(14,346)		(1,021,424)
Data processing software and equipment	(1,959,102)	(34,518)	68,873	(1,924,747)
Communications software and equipment	(232,472)	(29,509)		(261,981)
Automobiles	(909,830)	(138,256)	223,121	(824,965)
Total accumulated depreciation	(6,739,288)	(357,479)	291,994	(6,804,773)
Net Depreciable Capital Assets	$2,999,457	($78,642)		$2,920,815

The estimated useful lives used in determining depreciation for the various types of assets are as follows:

Land improvements	10 years
Buildings	30 to 40 years
Building improvements	15 years
Leasehold improvements	36 months
Furniture and fixtures	60 months
Equipment	60 months to 120 months
Data processing software and equipment	36 months
Communications software and equipment	36 months to 60 months
Automobiles	36 months

7. MULTI-STATE LOTTERY ASSOCIATION

MUSL is an unincorporated government-benefit voluntary association created for the purpose of administering joint lottery games. MUSL currently includes 33 state lottery entities, the District of Columbia, the Virgin Islands, and Puerto Rico. The chief executive officer of each member lottery serves on the MUSL board of directors.

This association administers the Powerball on-line game and several other on-line games in participating states. MUSL members can offer the Mega Millions on-line game pursuant to a cross-selling agreement with the group of lotteries operating that game.

During the fiscal year, the Corporation participated in the MUSL Powerball on-line game and offered the Mega Millions on-line game pursuant to the cross-selling agreement. As a member of MUSL, the Corporation is required to contribute to various prize reserve funds maintained by MUSL. The prize reserve funds serve as a contingency reserve to protect MUSL from unforeseen prize liabilities. MUSL periodically reallocates the prize reserve funds between the states based on relative sales levels. All remaining funds remitted, and the related interest earnings, will be returned to the Corporation upon leaving MUSL, less any portion of unanticipated prize claims, which may have been paid from the fund. The Corporation has contributed all required reserve funds.

A copy of the MUSL financial statements may be obtained by submitting a written request to MUSL, 4400 N.W. Urbandale Drive, Urbandale, Iowa 50322.

8. PRIZES PAYABLE

Prizes for the on-line games are redeemable for 180 days after a drawing. Prizes for instant games are redeemable for 90 days after the announced end of the game. All prizes not claimed by the applicable deadline are classified as unclaimed and added to the pool from which future prizes are to be awarded or used for special prize promotions pursuant to R.S. 47:9025(D).

	As of June 30, 2019	As of June 30, 2018
Current Prizes and Withholdings Payable:		
Instant prizes payable	$6,972,228	$7,184,390
On-line prizes payable	17,806,689	22,537,290
Due to/(from) MUSL prize pool	516,134	(1,424,393)
Tax withholdings payable	153,190	56,405
Unclaimed prizes payable	1,492,359	1,933,700
Total Current Prizes and Withholdings Payable	$26,940,600	$30,287,392
Noncurrent Prizes Payable:		
MUSL prize reserve payable	$6,792,324	$5,596,941
Unclaimed prizes payable	12,664,166	8,053,200
Total Noncurrent Prizes Payable	$19,456,490	$13,650,141

Two Powerball grand prizes were won in Louisiana in fiscal year ended June 30, 2018. The drawings occurred on October 25, 2017 and March 24, 2018. The $119.5 million and $33.6 million jackpot prizes were claimed on December 13, 2017 and April 11, 2018, respectively as single lump-sum cash payments. A winner becomes entitled to a jackpot prize and funds to satisfy the obligation are due to selling lotteries from the MUSL prize pool only upon a successful claim and validation of the winning ticket.

The cash to satisfy these obligations was transferred from MUSL to the Corporation and is included as cash from other sources on the Statement of Cash Flows. The payments to the winners were processed before the end of the fiscal year and therefore, are not included in prizes payable at the end of this year. The transaction is reflected in the cash payments for prizes and related taxes section of the Statement of Cash Flows.

9. VACATION AND SICK LEAVE

Corporation full-time employees earn vacation leave at various rates depending on the employees' position and the number of years of service. All employees must complete six months of service, measured from the date of hire, before they are eligible to use vacation or receive termination payment for unused vacation. Vacation leave may not be carried forward into the next year. However, employees may receive payment for a maximum of forty hours of unused vacation. Upon termination, employees will be paid in full for unused eligible and current year's accrued vacation leave. Employees are credited with sick leave at the rate of eight days per year beginning with the date of hire. There is no limitation on the amount of sick leave that can be accumulated. Employees are not paid for accrued sick leave upon termination. Employees may be allowed up to three consecutive days off from regularly scheduled duty with regular pay for bereavement leave. At June 30, 2019, and June 30, 2018, the total values of compensated absences payable are $399,312 and $412,256, respectively.

10. CHANGES IN NONCURRENT LIABILITIES

Noncurrent liability activity, for the years ended June 30, 2019 and 2018, is as follows:

	June 30, 2018	Additions	Reductions	June 30, 2019	Due Within One Year
Prizes Payable:					
MUSL prize reserve payable	$5,596,941	$1,627,150	($431,767)	$6,792,324	NONE
Unclaimed prizes payable	9,986,900	11,479,441	(7,309,816)	14,156,525	$1,492,359
Total Prizes Payable	$15,583,841	$13,106,591	($7,741,583)	$20,948,849	$1,492,359

	June 30, 2017	Additions	Reductions	June 30, 2018	Due Within One Year
Prizes Payable:					
MUSL prize reserve payable	$5,540,855	$1,226,308	($1,170,222)	$5,596,941	NONE
Unclaimed prizes payable	10,069,892	10,326,957	(10,409,949)	9,986,900	$1,933,700
Total Prizes Payable	$15,610,747	$11,553,265	($11,580,171)	$15,583,841	$1,933,700

11. RETIREMENT BENEFITS

A. AUTHORIZATION AND BASIS OF ACCOUNTING

R.S. 47:9015(A) states that the Corporation shall provide or arrange for a retirement plan. The retirement plans have been established pursuant to this statute. The plans' provisions and contribution requirements are established and amended by the Board of Directors of the Corporation. A financial and compliance audit has been performed on all the Corporation's retirement plans for the plans' year ending December 31, 2018. A copy of the audit report may be accessed through the Corporation's website at:

http://www.louisianalottery.com/static/files/docs/financial/retirementplans.pdf

Administrative and investment services were provided by Principal Life Insurance Company. The financial statements of the Corporation's plans are accounted for using the accrual basis of accounting. Investments are reported at fair value, which is based on deposit values and quoted market prices.

B. BASIC AND SUPPLEMENTAL RETIREMENT PLANS

1. Basic Retirement Plan

The Corporation has a money purchase plan under Section 401(a) of the Internal Revenue Code (IRC) of 1986, as amended, which is intended to constitute a safe harbor within the meaning of Section 3121(b)(7) of the code and the regulations promulgated thereunder. The Basic Retirement Plan, which is a defined contribution plan, began September 1, 1993, with all employees eligible except those who elect coverage under a state retirement plan and those who are either independent contractors or leased employees.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

As defined in the Basic Retirement Plan, the Corporation's contribution shall be 5% of the participant's compensation for such plan year. The participant's contribution shall equal 6.2% of his or her compensation for such plan year.

No more than the social security wage base in effect as of the first day of the plan year shall be treated as compensation. As of June 1, 1994, the Corporation elected to treat all contributions to the plan as pre-tax.

The distribution of a participant's benefits shall commence as of the date designated by the participant (annuity starting date) after termination of employment with the Corporation, but shall not be later than April 1 of the year following the calendar year in which the participant attains age 70½ or the date on which the participant terminates his or her employment, if later. Subject to certain restrictions, an active participant may also elect to receive a distribution upon attainment of age 62 without regard to whether the participant has terminated his or her employment.

The participant shall make a qualified election to receive the distribution in the form of a single-sum payment or to purchase a qualified joint and survivor annuity or single life annuity contract. This qualified election may be revoked, modified, or amended at any time, or multiple times before the participant's annuity starting date; however, the qualified election is irrevocable as of the participant's annuity starting date.

2. Supplemental Retirement Plan

The Corporation has a defined contribution retirement plan that covers substantially all full-time employees. The plan is a governmental plan within the meaning of Section 414(d) of the IRC of 1986, as amended, and is intended to constitute a profit-sharing plan under which contributions are determined without regard to the current or accumulated profits of the Corporation, if any.

An employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

The Corporation contributes 4.5% of each participant's compensation for the year, as defined. Generally, participants are not permitted to contribute to the plan; however, participants may contribute proceeds from a qualified rollover distribution as allowed by IRC Section 402.

In addition, each fiscal year, the Board of Directors of the Corporation may determine the amount of a discretionary contribution not to exceed 4% of each participant's compensation for any fiscal year.

The distribution of a participant's account shall be made in the form of a single-sum payment after the participant terminates employment with the Corporation, becomes disabled, or dies. A participant may elect to postpone the distribution, in writing on forms provided by the Retirement Plans Committee, provided, however, in no event shall distribution be postponed later than April 1 following the close of the calendar year in which the participant attains age 70½ or the date on which the participant terminates his or her employment, if later.

As of June 30, 2019, there were 108 participants in the Basic Plan and 101 participants in the Supplemental Plan.

For the fiscal year ended June 30, 2019, employer and employee contributions to the Basic Plan were $283,809 and $351,928, respectively. The employer contributions for the Supplemental Plan were $481,738.

For the fiscal year ended June 30, 2018, employer and employee contributions to the Basic Plan were $284,246 and $352,462, respectively. The employer contributions for the Supplemental Plan were $477,977.

C. 457(b) RETIREMENT PLAN (DEFERRED COMPENSATION PLAN)

The 457(b) Retirement Plan is a voluntary deferred compensation plan adopted under the provisions of IRC Section 457(b).

A full-time employee is eligible to participate in the plan immediately upon employment. In addition, a participant is fully vested immediately. In no event shall the assets of this plan revert for the benefit of the Corporation.

Effective April 1, 2016, the plan includes an *Automatic Contribution Arrangement*. Eligible employees will be automatically enrolled at the default percentage of 5.5% of compensation on a pre-tax basis unless an affirmative election is made on a *Compensation Deferral Election Form*. In addition, effective July 1, 2017 and on each subsequent July 1st, the default percentage shall increase by 1%, up to a maximum of 9.5%.

For the plan year, the sum of compensation deferred by a participant and the Corporation's matching contributions made on behalf of such participant shall not exceed the lesser of such participant's compensation or $19,000. The Corporation contributes a matching contribution equal to 100% of the first 2.5% of compensation deferred by each participant and 50% of the next 3% of compensation deferred by each participant. Participants can elect any combination of the Pre-tax or Roth deferral options.

Benefits are payable to former employees at the time and in the manner designated by the participants on a distribution election form. In no event may a participant defer payment of benefits later than April 1 of the calendar year immediately following the year in which the participant attains age 70½. The distribution of benefits shall be made in the form of a single-sum payment.

As of June 30, 2019, there were 88 participants in the 457(b) Retirement Plan.

For the fiscal year ended June 30, 2019, employer and employee contributions were $192,065 and $376,321, respectively. For the fiscal year ended June 30, 2018, employer and employee contributions were $194,411 and $367,807, respectively.

12. RISK MANAGEMENT AND CONTINGENCY

The Corporation is exposed to various risks of loss related to torts, theft of, damage to and the destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Corporation has purchased commercial insurance to cover these risks. The insurance excludes comprehensive and collision physical damage coverage for its vehicles. The premium costs outweigh the potential benefit of claims coverage for this risk. In addition, management has established a litigation and prize reserve of $7,800,000 within the Corporation's net position to cover unanticipated losses (see note 14). The amount of commercial coverage has not decreased nor has the amount of settlements exceeded coverage in any of the past three fiscal years.

13. LEASE AND RENTAL COMMITMENTS

The Corporation has noncancelable operating leases with the following annual rental payments for the next four years:

	Equipment	Facilities	Total
2019-2020	$183,312	$259,529	$442,841
2020-2021		195,337	195,337
2021-2022		92,872	92,872
2022-2023		14,246	14,246
Total	$183,312	$561,984	$745,296

The total operating lease payments for the years ended June 30, 2019, and June 30, 2018, were $523,781 and $521,737, respectively.

The Corporation has no capital leases at June 30, 2019.

14. NET POSITION

The Corporation has an unrestricted net position at June 30, 2019, of $8,655,114. As presented in the 2019-2020 fiscal year budget approved by the Joint Legislative Committee on the Budget on May 16, 2019, management has specified that net position of June 30, 2019, be used for the following purposes:

Specified Uses of Net Position

New capital expenditure purchases	$650,000
Litigation and prize reserve	7,800,000
Deposits	13,779
Total specified uses of net position	8,463,779
Retailer security deposits	191,335
Total unrestricted net position	$8,655,114

15. PAYMENTS TO THE STATE TREASURY

The Corporation is required to transfer each year not less than 35% of gross revenues to the Lottery Proceeds Fund in the state treasury. The amount of gross revenues less costs that is determined to be surplus to the needs of the Corporation must also be remitted to the state treasury.

16. BOARD OF DIRECTORS

The board of directors consists of nine members appointed by the governor and confirmed by the Senate. No member shall serve more than two consecutive four-year terms. The board of directors must meet at least bimonthly and at such other times as the chairperson or the president may determine.

STATISTICAL SECTION

(UNAUDITED)

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
STATISTICAL INFORMATION SECTION

This section of the Louisiana Lottery Corporation's comprehensive annual financial report presents detailed information as a supplement to the information presented in the financial statements and note disclosures to assist readers in assessing the Corporation's overall financial health.

CONTENTS **PAGE**

FINANCIAL TRENDS 42

These schedules contain trend information from the current year and prior years' comprehensive annual financial reports to help a reader understand how the Corporation's financial performance and position have changed over time.

REVENUE CAPACITY 59

These schedules contain information to help the reader assess the factors affecting the Corporation's ability to generate sales of lottery tickets. Instant ticket game strategies, including launch schedules and price points, affect the availability and variety of products for purchase at retailer locations. On-line sales by game included in the financial trends section provide data about the variety of these drawing-based games that are available to the public. The network of lottery retailers throughout the state determines the market exposure for the Corporation's instant and on-line games.

DEMOGRAPHIC AND ECONOMIC INFORMATION 62

These schedules contain demographic and economic indicators to help a reader understand the environment in which the Corporation operates.

OPERATING INFORMATION 64

These schedules contain information about the Corporation's organizational structure, financial performance indicators compared to other state lotteries, and capital asset information.

If available, statistical information is provided for the most recent ten years. Some sections contain less than ten years of data because the information was accumulated and retained in that format only back to the latest year reported. Prospectively, the data will be accumulated and ultimately, the schedules will contain information for a ten-year period.

FINANCIAL TRENDS

The Louisiana Lottery Corporation began operating in January 1991 and commenced ticket sales in September 1991. Data from the last ten fiscal years of lottery operations are presented in the following charts. The pie charts that illustrate the allocation of revenues include data from the inception of the Corporation through June 30, 2019.

The information presented in the charts is as follows:

Sales
Instant tickets represent the face value of tickets activated by retailers.
On-line represents the face value of tickets sold to the public.

Revenues
Include sales, interest income, increases or decreases in the fair value of investments, retailer license fees, miscellaneous revenue, and net gains or losses on disposal of assets.

Prize expense
Represents the accrued expenses for instant tickets and on-line game winners based on established prize structures.

Retailer compensation
Represents 5% base sales commission and incentive payments.

Other direct costs
Expenses which fluctuate with sales volume including commission paid to the on-line vendor, the cost of purchasing instant tickets, the cost of delivery to retailers, and on-line network communication costs.

Administrative expenses
Include all other costs of operating the Lottery.

Payments to state treasury
Represent the payment of net revenues to the State Treasury Lottery Proceeds Fund as required by Louisiana Lottery Law.

Unless otherwise noted, the source for the data contained in the following charts is the Accounting Department of the Louisiana Lottery Corporation.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Net Position and Changes in Net Position
Fiscal Year Ending June 30 for the Years Shown

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Operating revenues										
Instant ticket sales	$136,006,913	$148,084,342	$158,028,403	$163,108,984	$178,925,091	$202,248,266	$212,153,131	$206,293,946	$217,150,430	$225,573,998
On-line sales:										
Lotto	30,461,650	32,920,803	31,015,710	$25,564,558	$28,244,532	$26,776,296	$30,322,581	$25,065,748	$24,234,668	$21,860,859
Pick 3	46,523,353	49,005,274	48,962,935	49,509,325	49,976,275	51,943,319	52,256,843	52,348,516	52,108,444	54,755,738
Easy 5	14,555,346	14,948,541	13,423,308	11,607,069	10,986,829	10,696,512	10,714,131	10,708,429	10,687,597	10,751,762
Powerball	105,765,787	98,504,050	106,851,843	129,940,266	102,270,182	86,606,894	126,056,365	84,999,892	96,167,914	90,567,612
Pick 4	36,073,958	37,379,625	38,512,854	39,457,197	39,590,738	41,643,107	45,846,071	47,274,931	48,710,356	50,261,424
Raffle	2,999,399	2,750,420								
Mega Millions			32,820,616	28,232,497	38,974,218	32,538,722	29,686,965	28,274,755	41,915,689	70,196,035
Total on-line sales	236,379,493	235,508,713	271,587,266	284,310,912	270,042,774	250,204,850	294,882,956	248,672,271	273,824,668	298,393,430
Total sales	372,386,406	383,593,055	429,615,669	447,419,896	448,967,865	452,453,116	507,036,087	454,966,217	490,975,098	523,967,428
Other operating revenues										
Allowance for uncollectible accounts	(20,194)	(19,294)	(6,279)	(49,272)	(53,837)	(33,225)	(19,287)	(20,222)	(28,177)	(59,890)
Other income	328,083	12,508	533,204	9,450	40,273	51,525	9,966	11,005	10,910	11,240
Total other operating revenues	307,889	(6,786)	526,925	(39,822)	(13,564)	18,300	(9,321)	(9,217)	(17,267)	(48,650)
Total operating revenues	372,694,295	383,586,269	430,142,594	447,380,074	448,954,301	452,471,416	507,026,766	454,957,000	490,957,831	523,918,778
Nonoperating revenues										
Interest earned on investments	1,697,134	1,613,550	1,808,722	2,093,533	2,043,520	1,772,346	1,427,242	809,819	1,091,346	1,508,362
Net increase (decrease) in the fair value of investments	1,137,573	(185,310)	596,575	(2,191,737)	(511,045)	(429,388)	(115,678)	(957,963)	(815,764)	1,074,502
Net gain (loss) on disposal of assets	74,630	7,541	36,378	36	32,560	19,735	29,600	7,200	44,167	63,185
Total nonoperating revenues	2,909,337	1,435,781	2,441,675	(98,168)	1,565,035	1,362,693	1,341,164	(140,944)	319,749	2,646,049
Total revenues	375,603,632	385,022,050	432,584,269	447,281,906	450,519,336	453,834,109	508,367,930	454,816,056	491,277,580	526,564,827

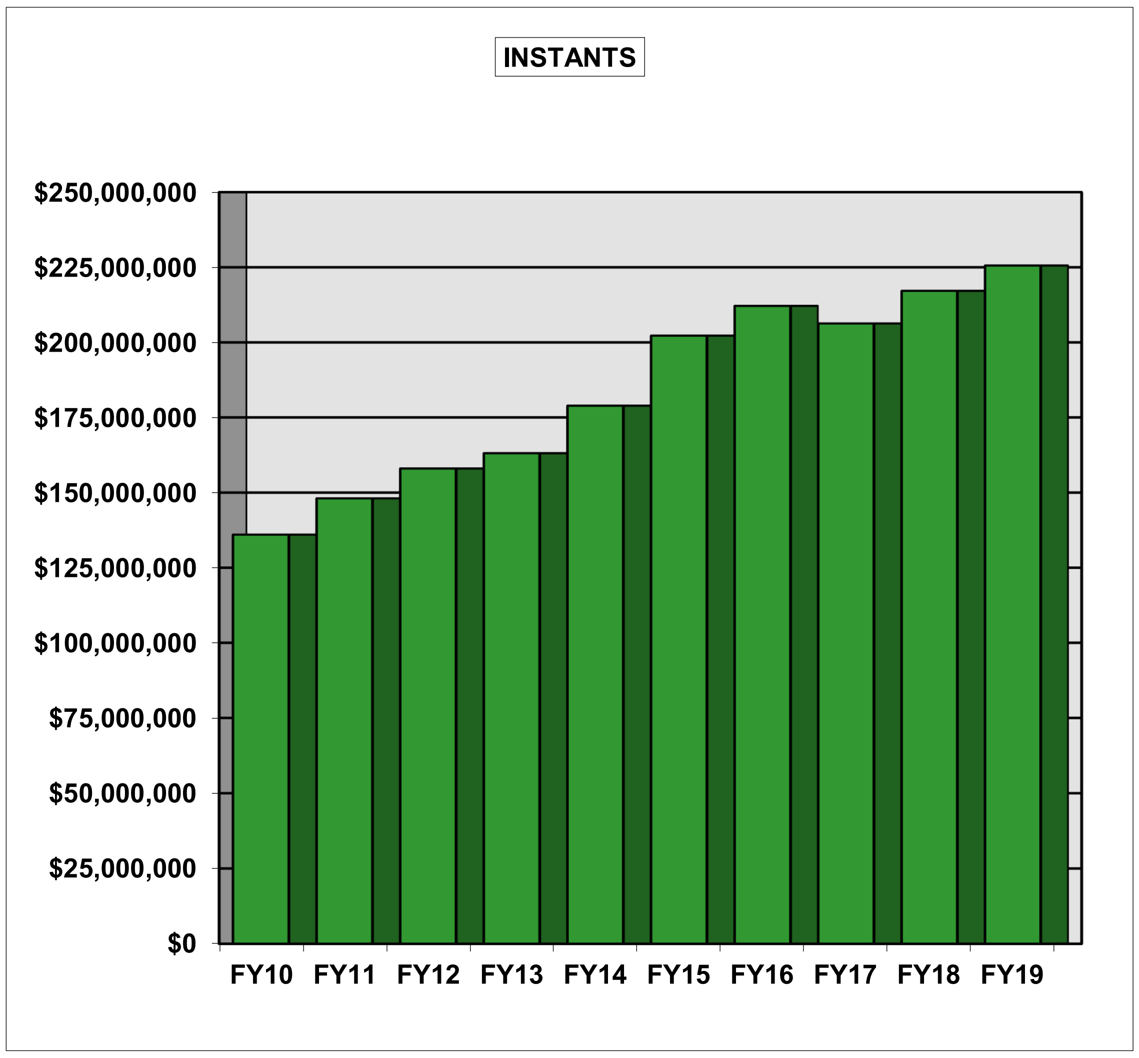
(Continued)

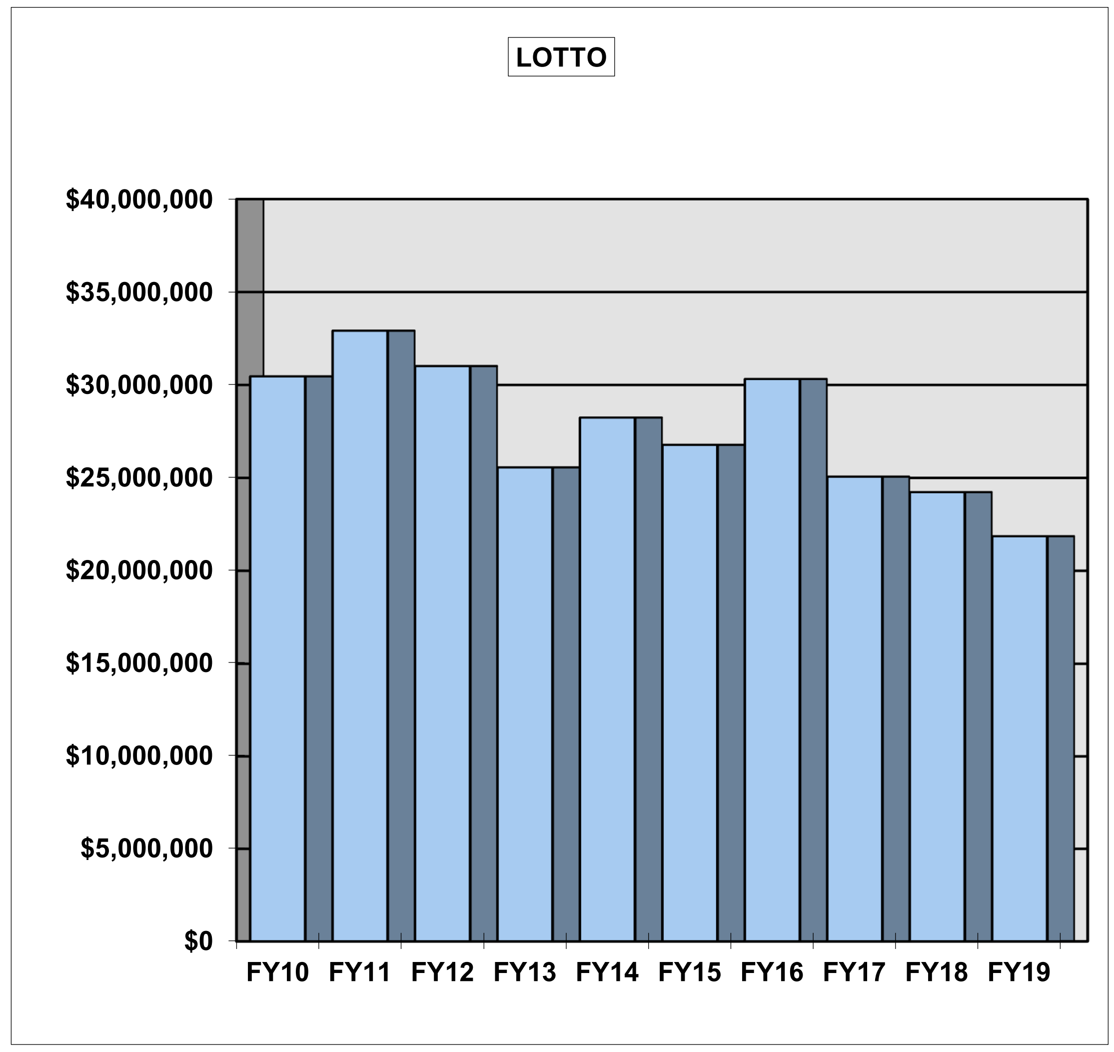
LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Net Position and Changes in Net Position
Fiscal Year Ending June 30 for the Years Shown

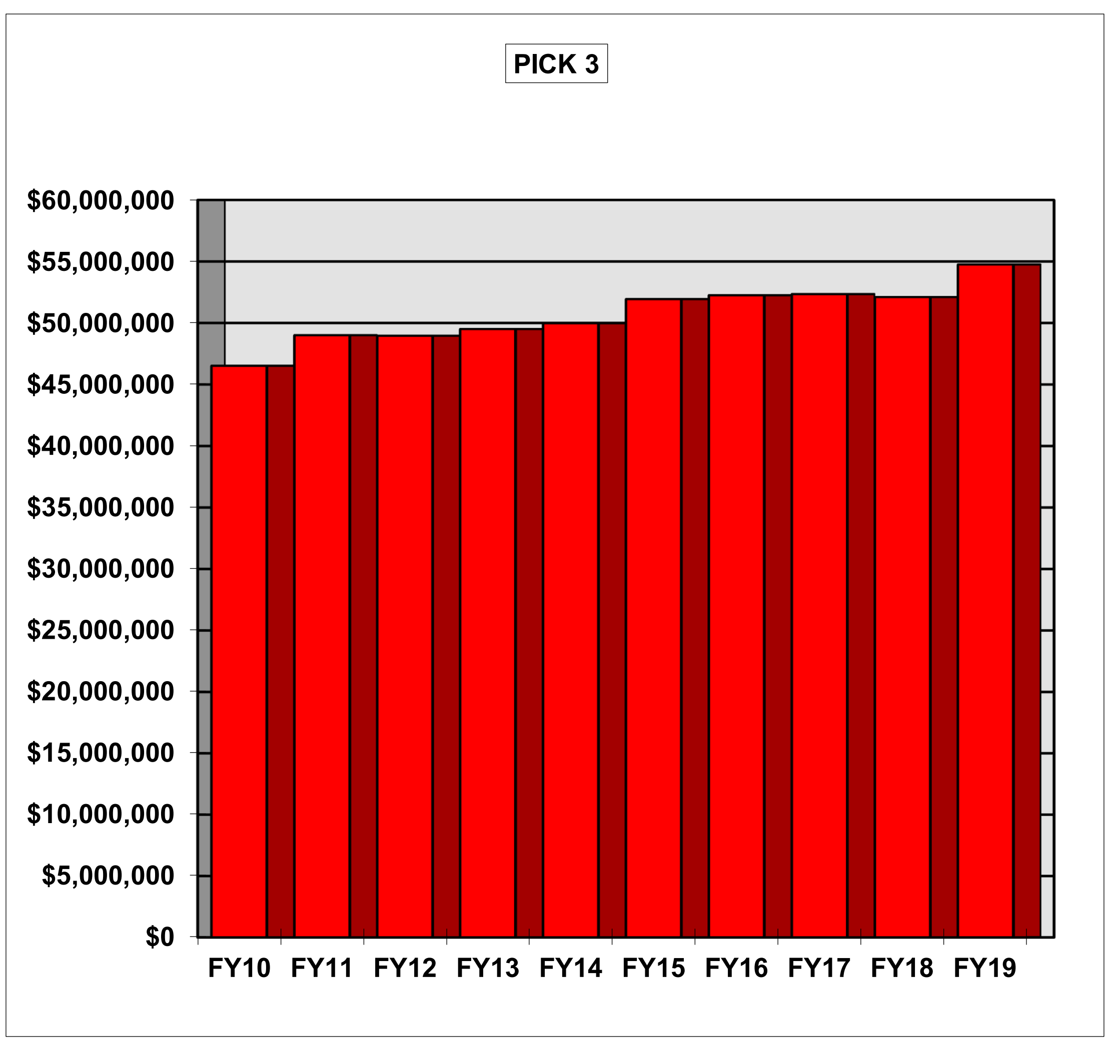
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING EXPENSES										
Direct costs:										
Prize expense	$189,749,514	$202,901,646	$226,282,669	$236,159,214	$237,386,172	$239,198,279	$272,926,177	$242,945,296	$263,606,902	$285,330,406
Unclaimed prizes due to State						(20,000,000)				
Retailer compensation	20,630,917	21,370,726	23,788,663	24,786,537	25,024,150	25,271,832	28,188,671	25,483,326	27,496,227	29,153,104
Other direct costs	13,486,737	6,985,576	7,708,626	8,265,834	8,171,349	7,934,006	9,521,967	8,177,921	9,228,815	8,948,199
Total direct costs	223,867,168	231,257,948	257,779,958	269,211,585	270,581,671	252,404,117	310,636,815	276,606,543	300,331,944	323,431,709
Administrative expenses	17,653,110	17,854,937	17,929,132	18,127,704	18,276,815	18,265,556	18,784,443	18,841,931	18,869,318	18,923,162
Total operating expenses	241,520,278	249,112,885	275,709,090	287,339,289	288,858,486	270,669,673	329,421,258	295,448,474	319,201,262	342,354,871
NONOPERATING EXPENSES										
Payments to state treasury	133,701,775	136,363,490	156,905,490	160,214,975	170,664,700	184,752,815	177,934,550	159,191,670	171,955,980	184,318,132
CHANGES IN NET POSITION	$381,579	($454,325)	($30,311)	($272,358)	($9,003,850)	($1,588,380)	$1,012,122	$175,912	$120,338	($108,176)
NET POSITION										
Net investment in capital assets	$5,398,082	$5,218,640	$5,088,913	$4,960,073	$4,869,792	$4,656,254	$4,417,991	$4,541,872	$4,463,230	$4,449,874
Unrestricted	17,855,933	17,581,050	17,680,466	17,536,948	8,623,379	7,248,538	8,498,923	8,550,954	8,749,934	8,655,114
Total net position	$23,254,015	$22,799,690	$22,769,379	$22,497,021	$13,493,171	$11,904,792	$12,916,914	$13,092,826	$13,213,164	$13,104,988

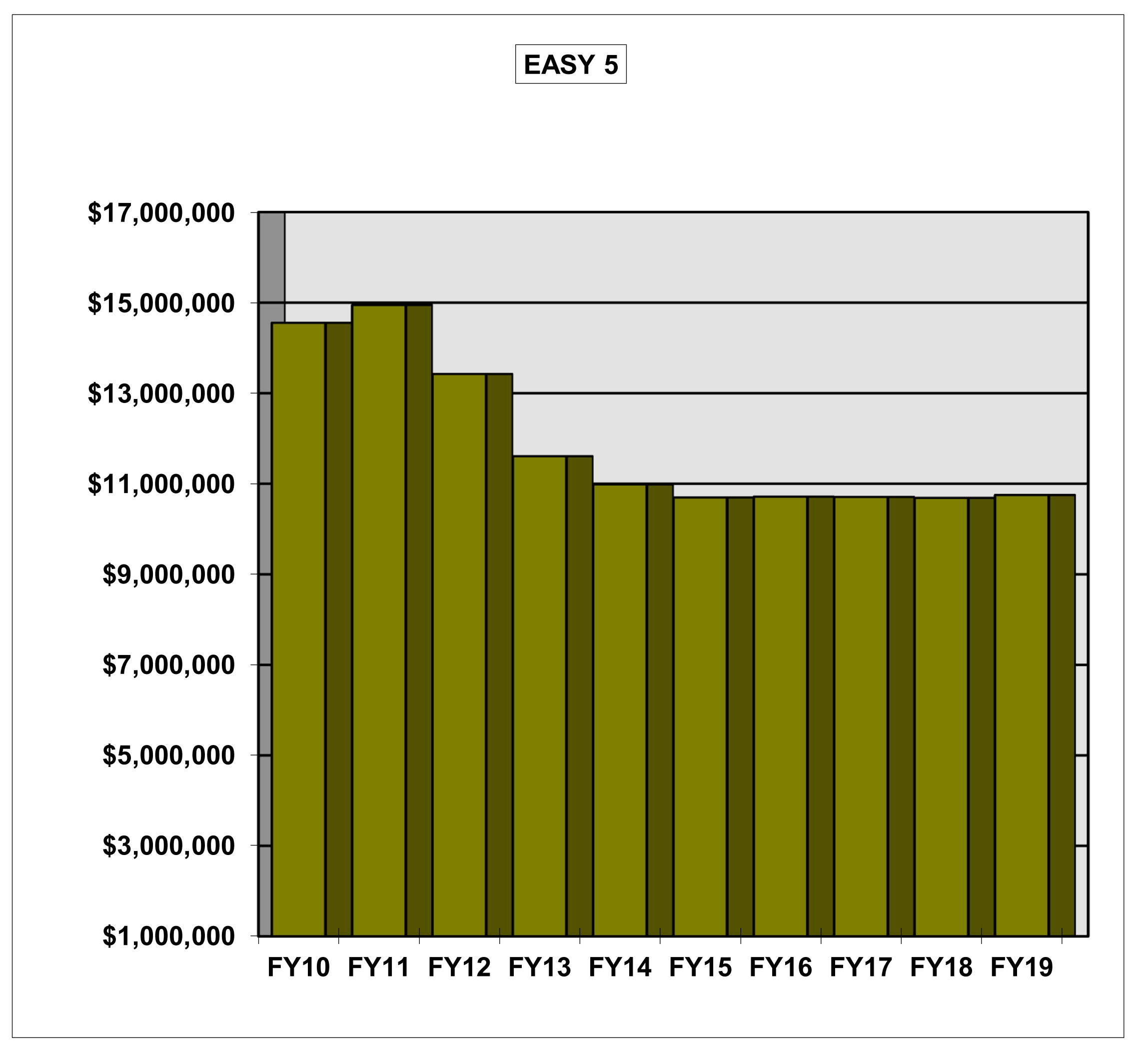
(Concluded)

LOUISIANA LOTTERY CORPORATION
SALES BY FISCAL YEAR BY PRODUCT LINE
(UNAUDITED)
FISCAL YEARS 2010 THROUGH 2019

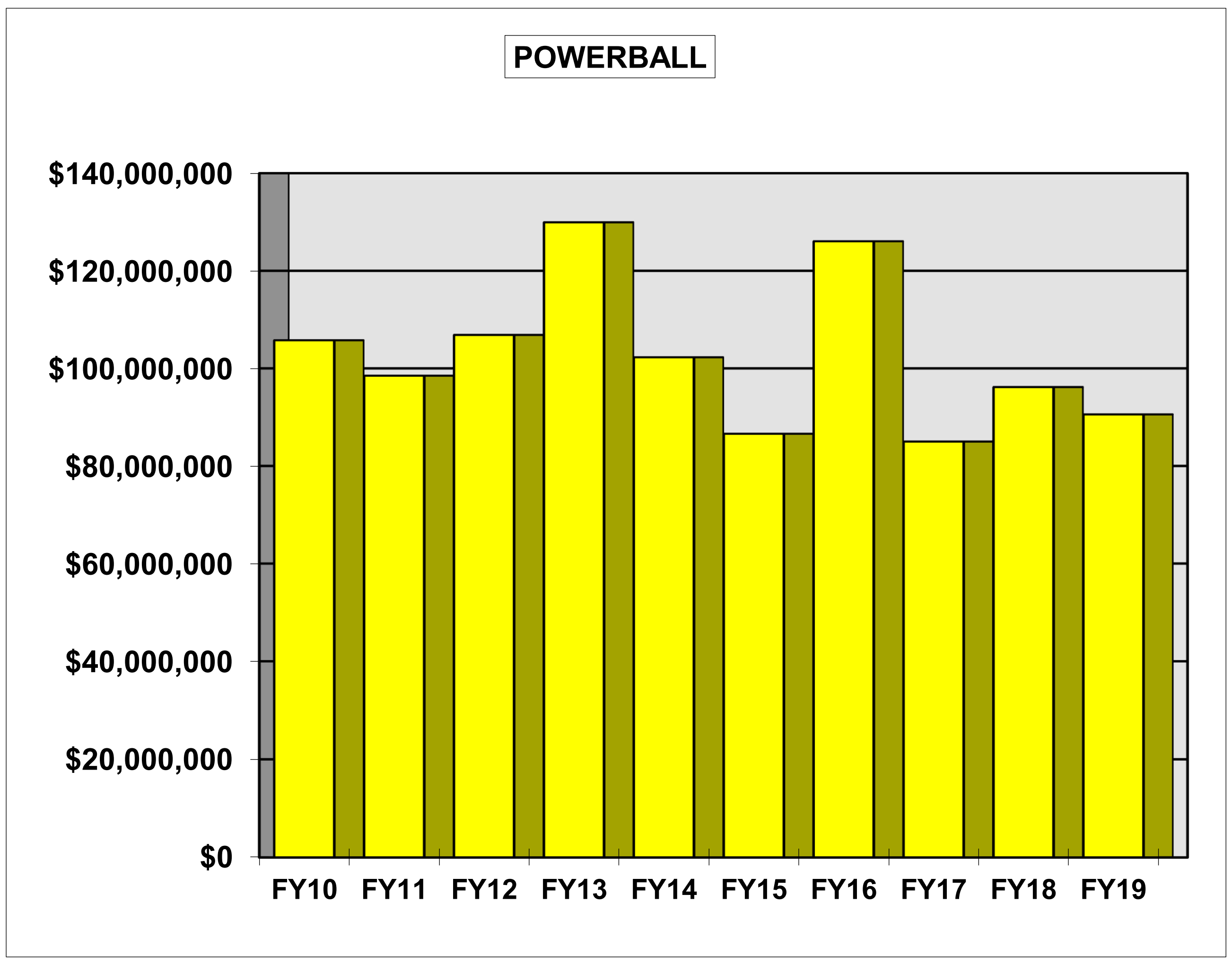


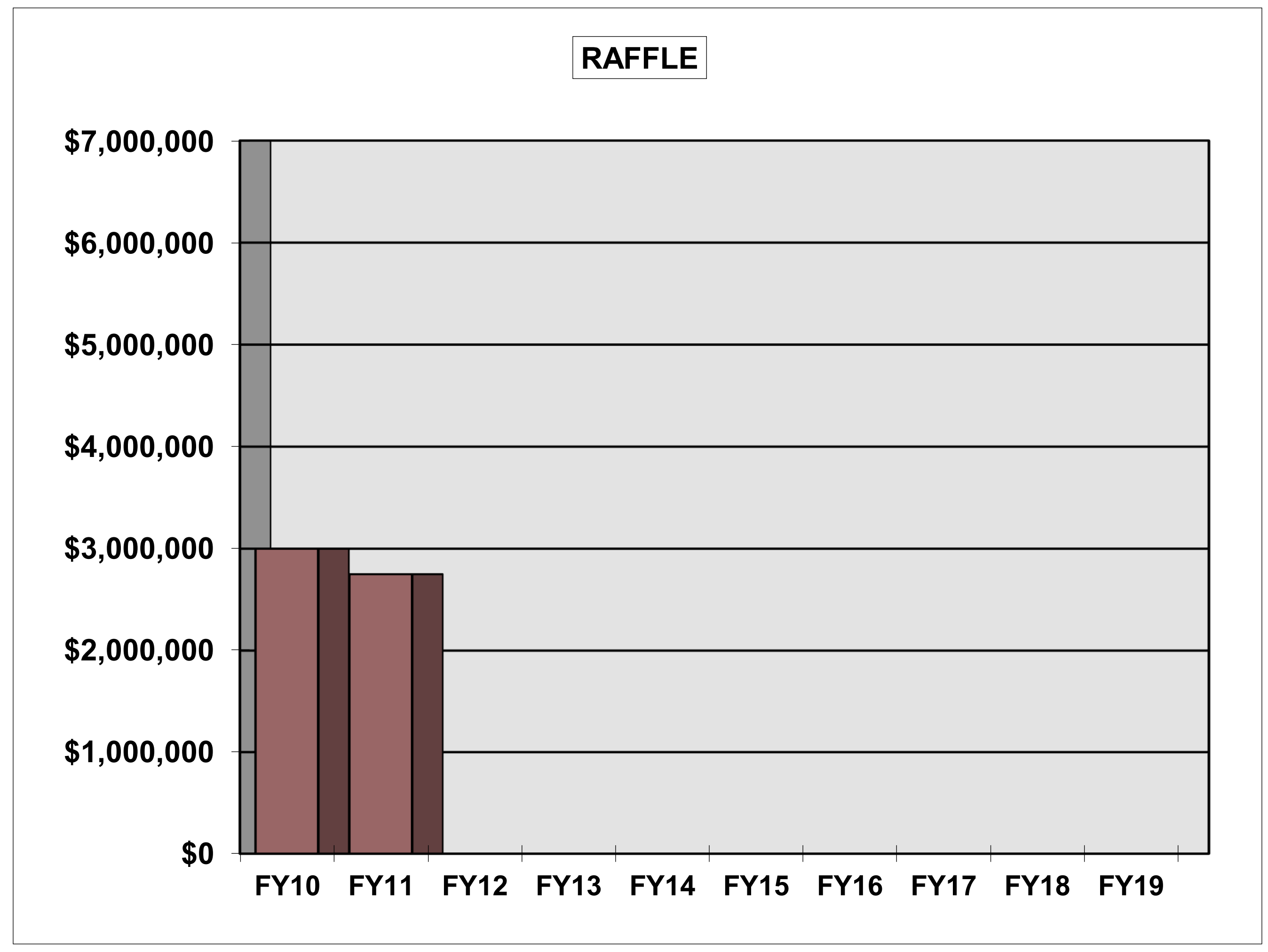


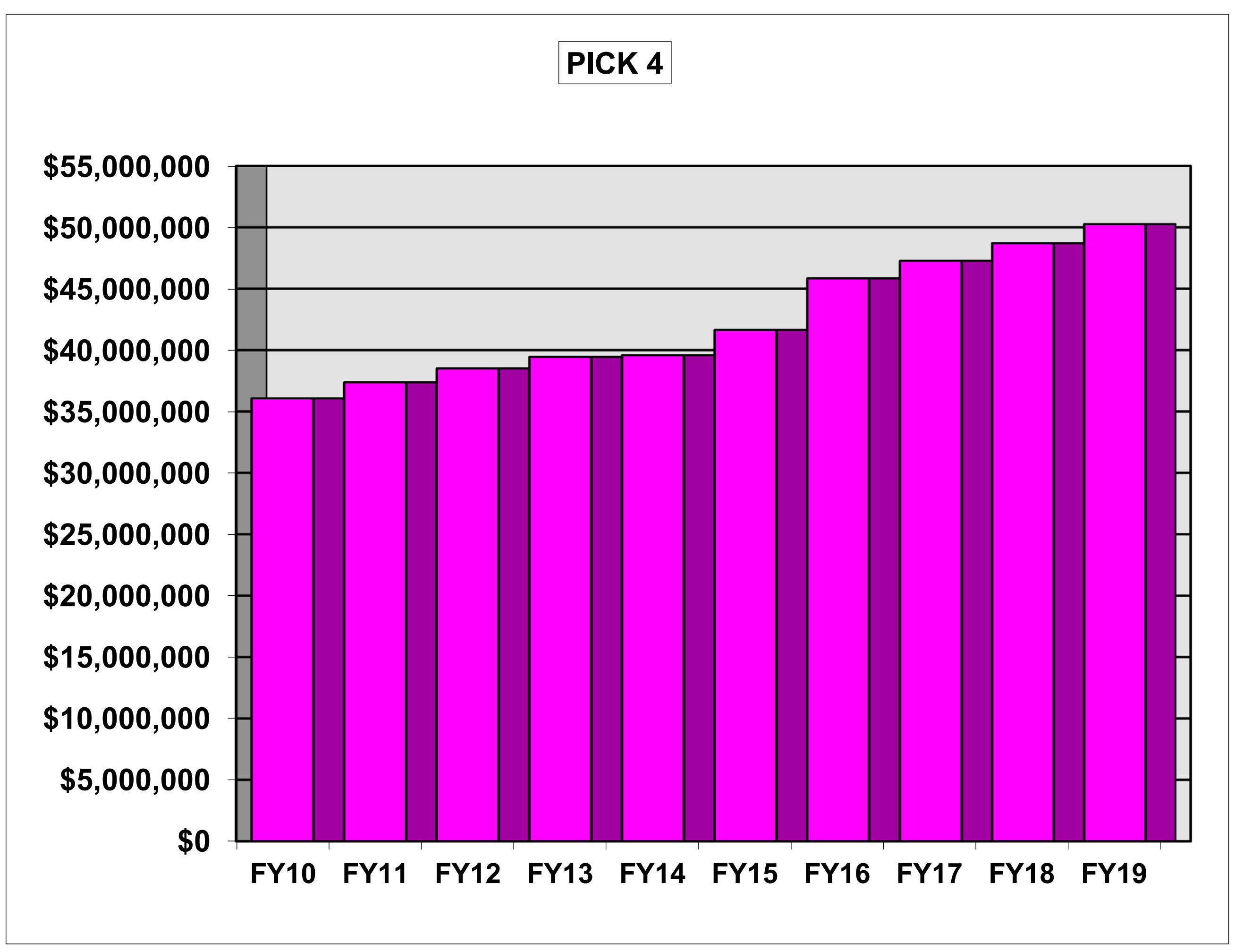


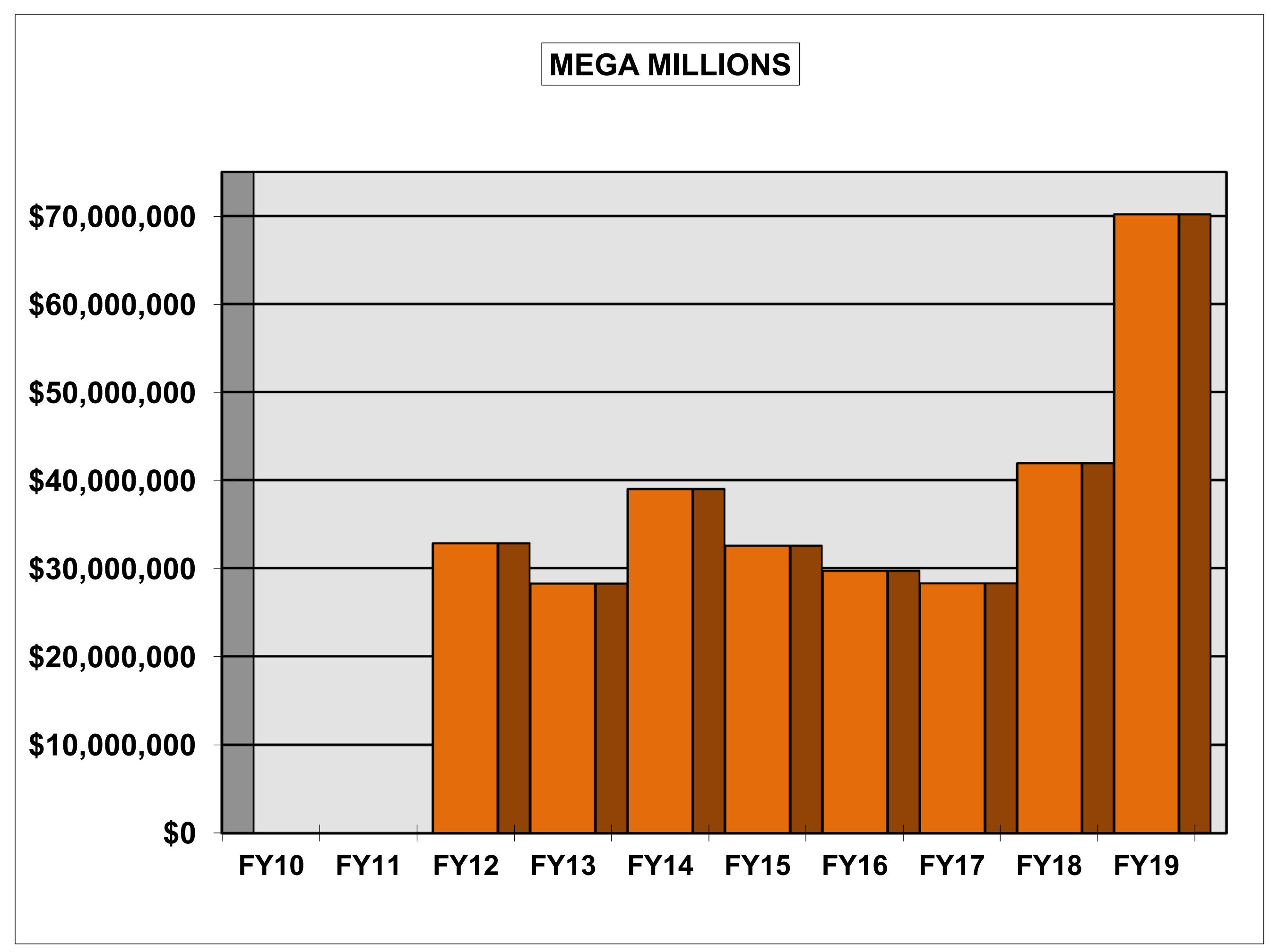


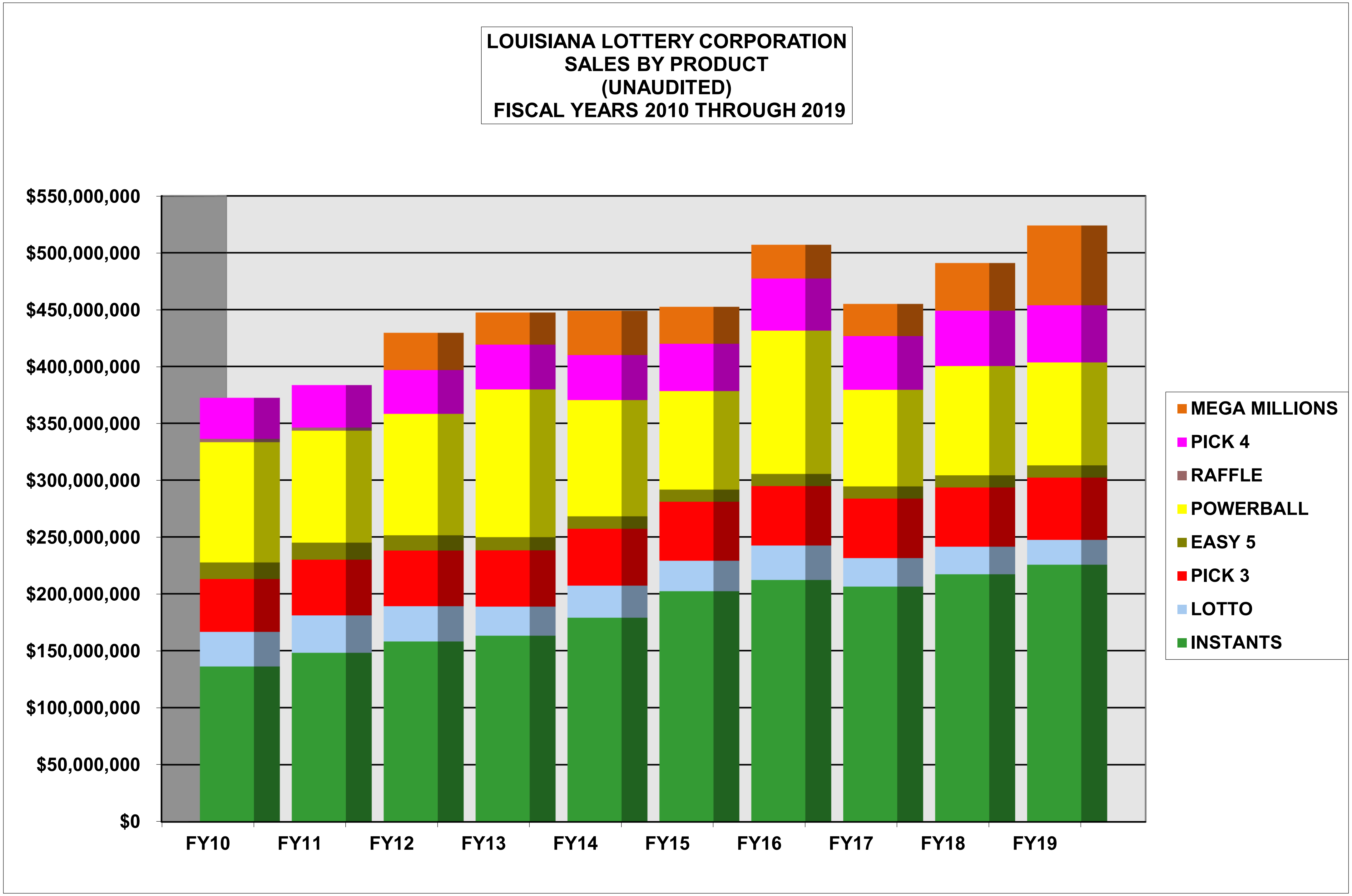
**LOUISIANA LOTTERY CORPORATION
SALES BY FISCAL YEAR BY PRODUCT LINE
(UNAUDITED)
FISCAL YEARS 2010 THROUGH 2019**











LOUISIANA LOTTERY CORPORATION
SALES BY PRODUCT
(UNAUDITED)
FISCAL YEARS 2010 THROUGH 2019
$550,000,000
$500,000,000
$450,000,000
$400,000,000
$350,000,000
$300,000,000
$250,000,000
$200,000,000
$150,000,000
$100,000,000
$50,000,000
$0
FY10
FY11
FY12
FY13
FY14
FY15
FY16
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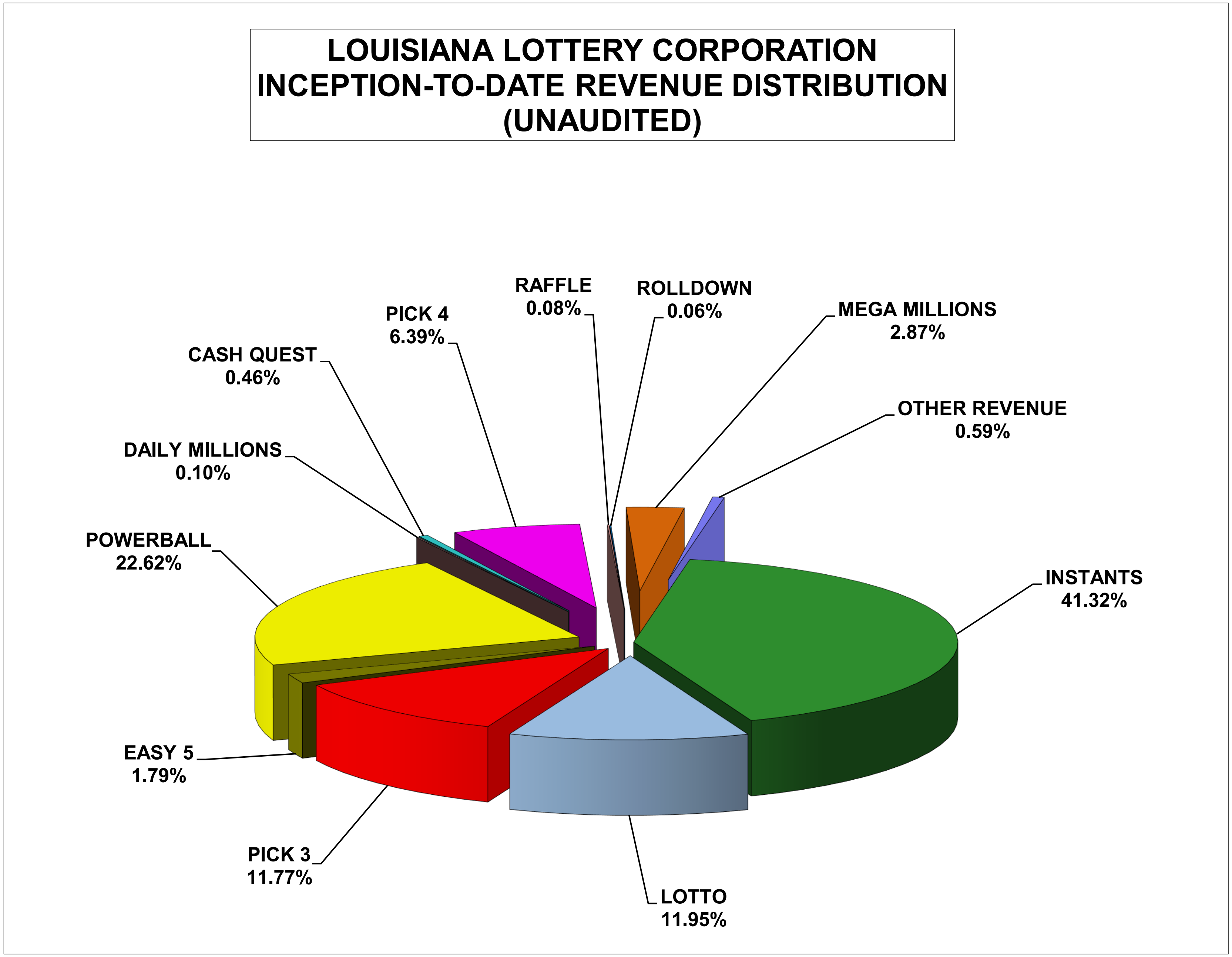
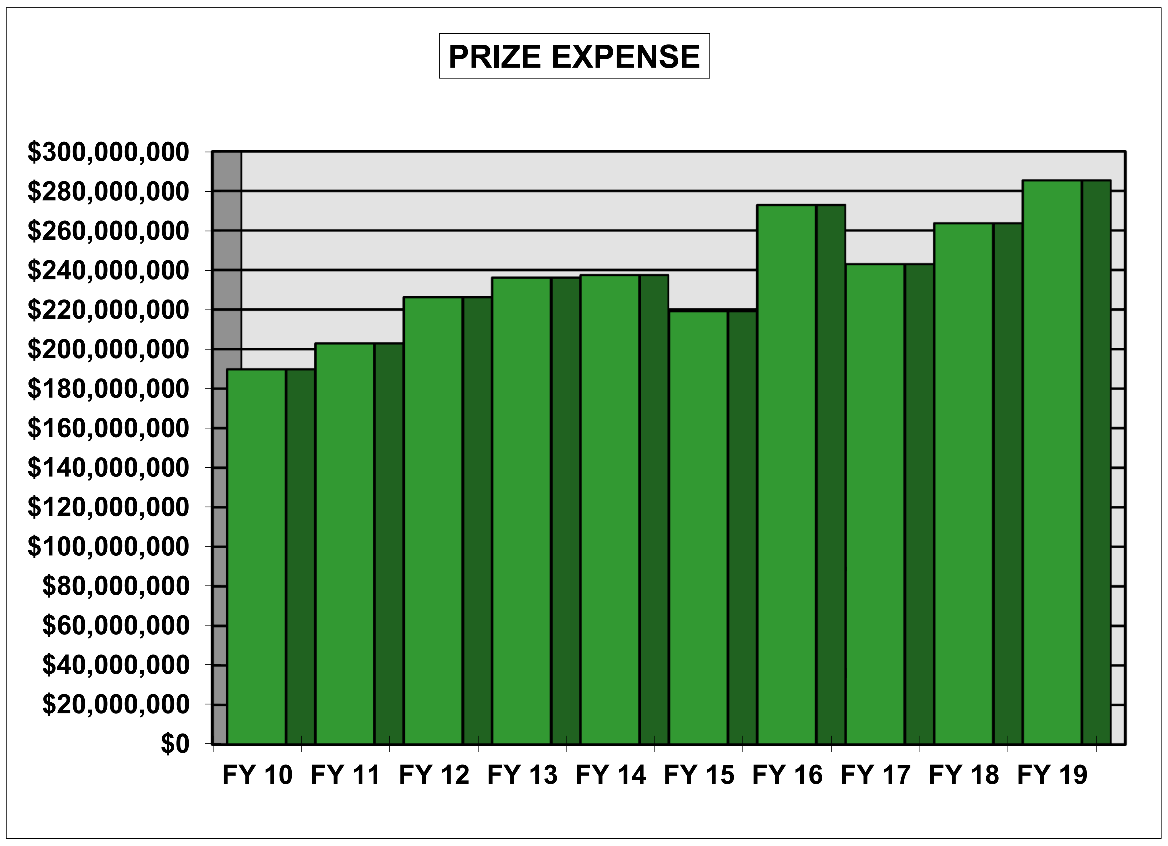
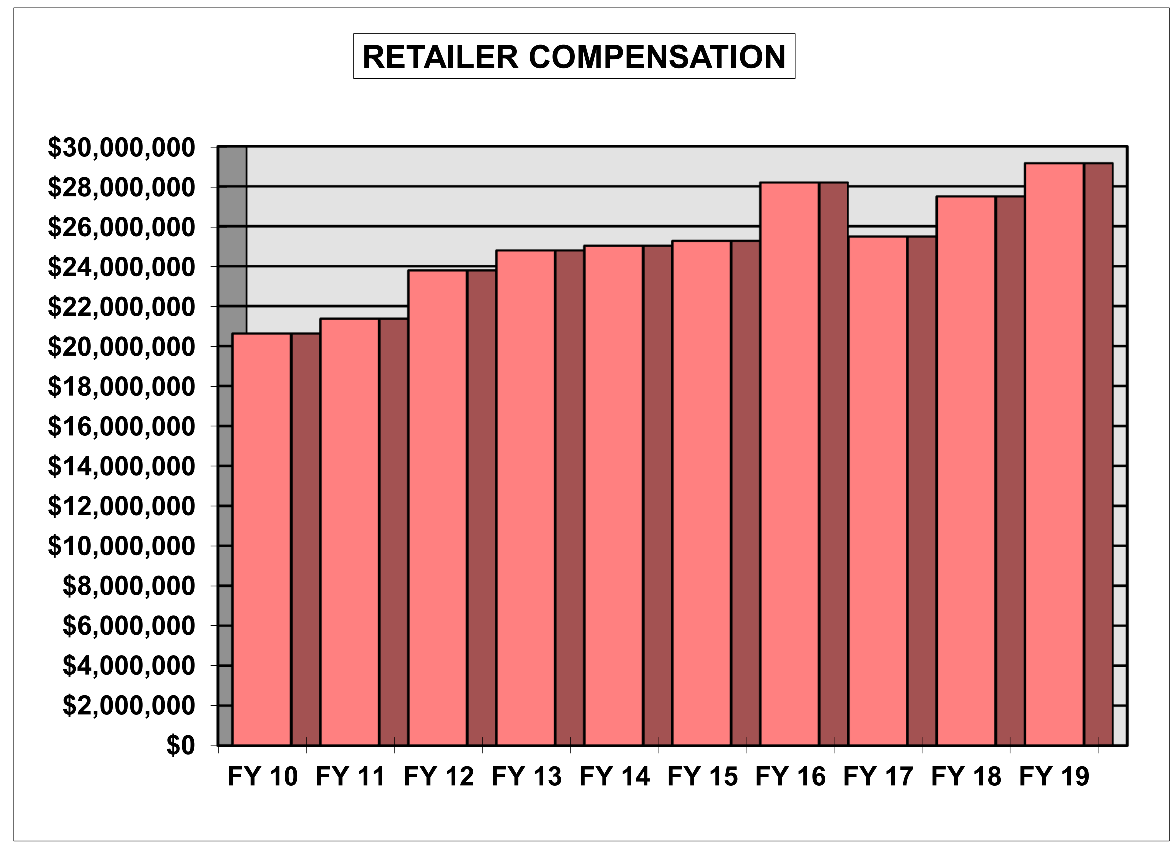
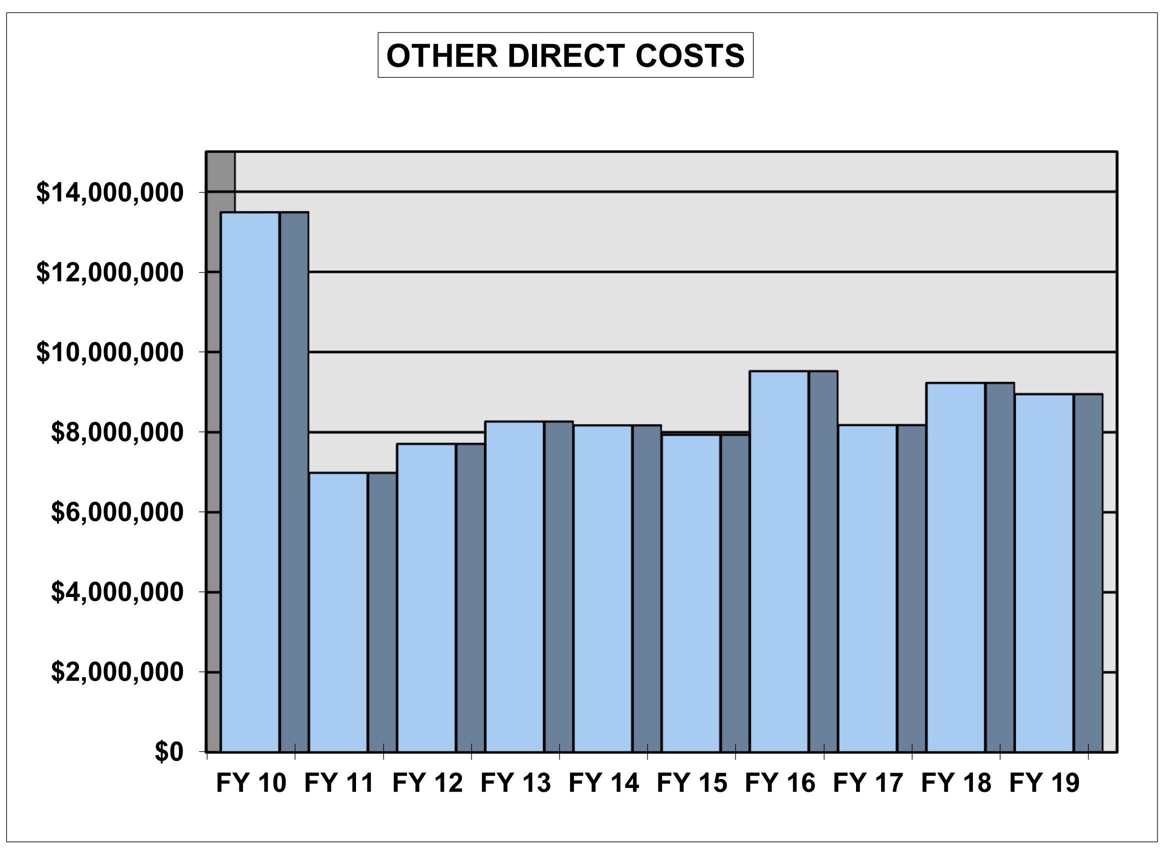
FY18
FY19
MEGA MILLIONS
PICK 4
RAFFLE
POWERBALL
EASY 5
PICK 3
LOTTO
INSTANTS

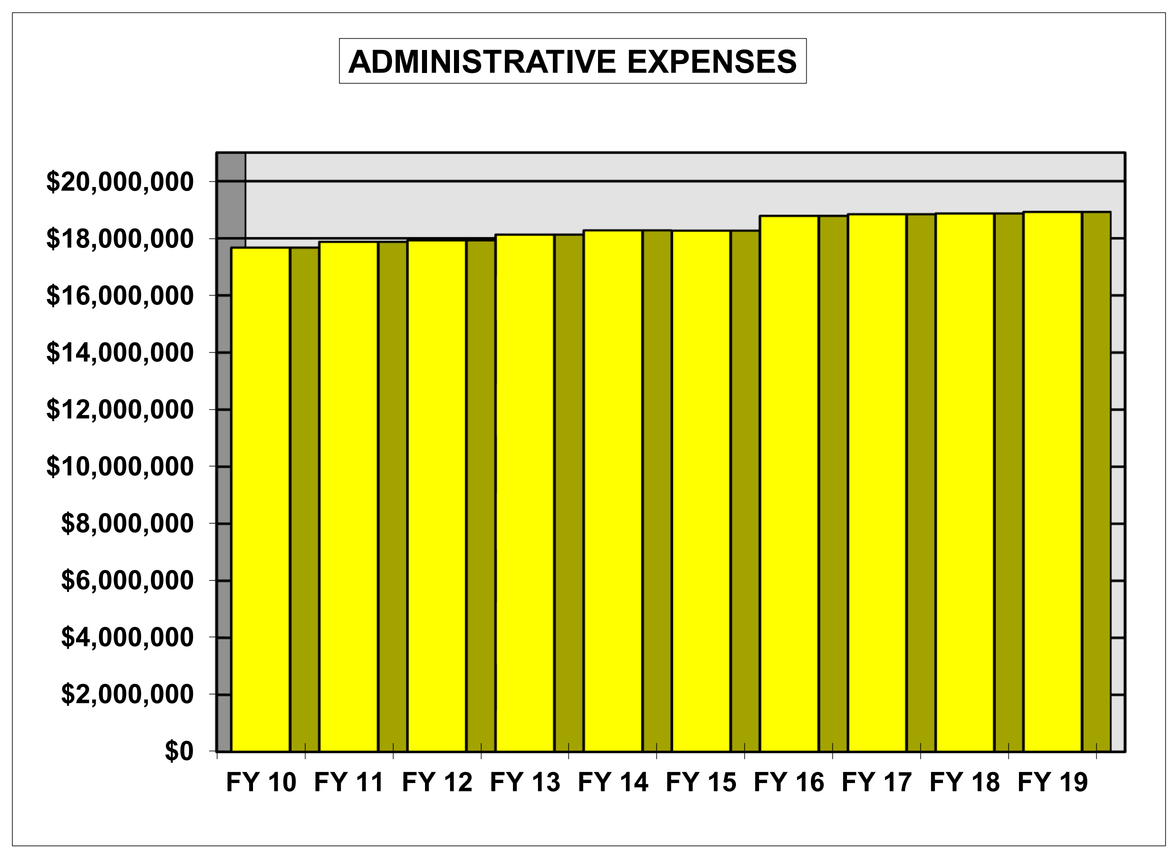

LOUISIANA LOTTERY CORPORATION
INCEPTION-TO-DATE REVENUE DISTRIBUTION
(UNAUDITED)
RAFFLE 0.08%
ROLLDOWN 0.06%
MEGA MILLIONS 2.87%
PICK 4 6.39%
CASH QUEST 0.46%
OTHER REVENUE 0.59%
DAILY MILLIONS 0.10%
POWERBALL 22.62%
INSTANTS 41.32%
EASY 5 1.79%
PICK 3 11.77%
LOTTO 11.95%

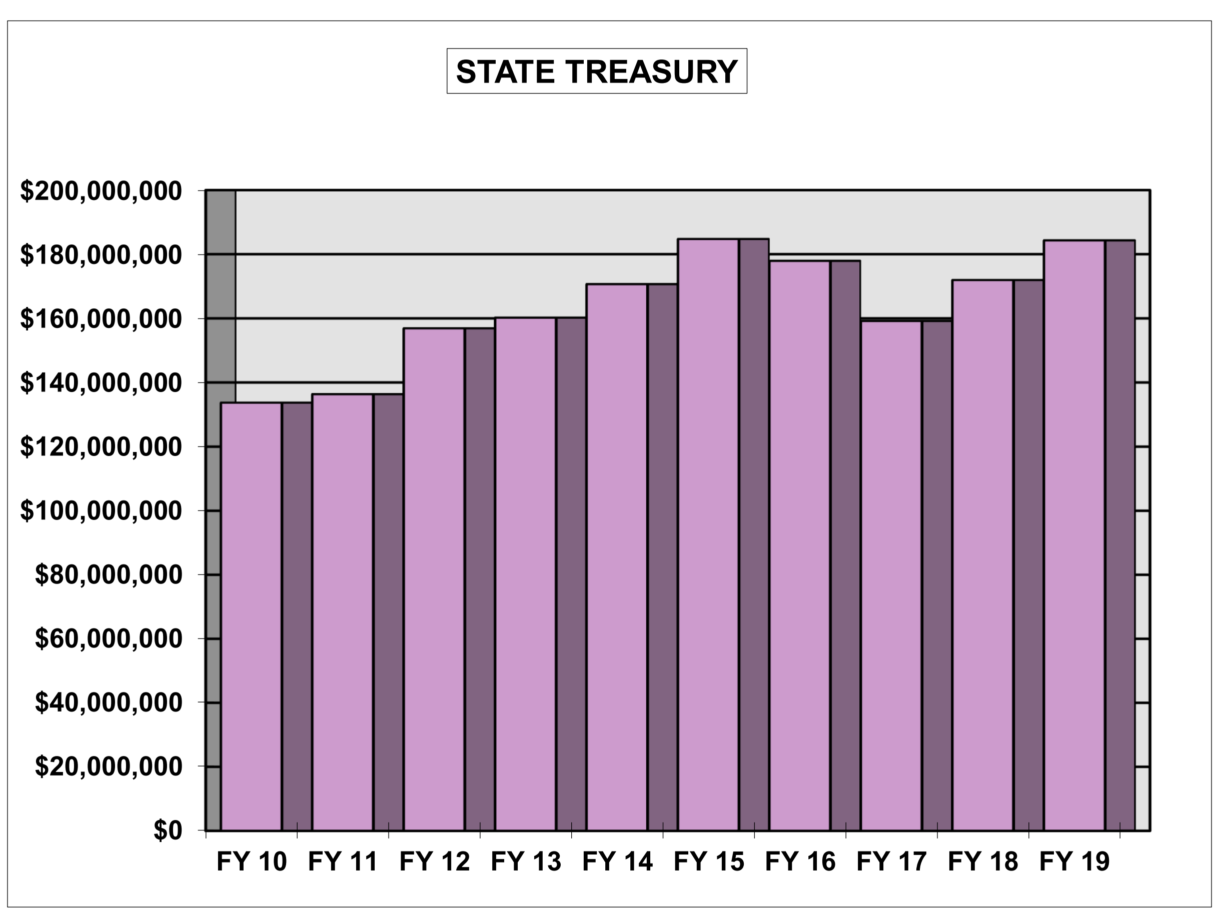
LOUISIANA LOTTERY CORPORATION
EXPENSES AND PAYMENTS
(UNAUDITED)
FISCAL YEARS 2010 THROUGH 2019



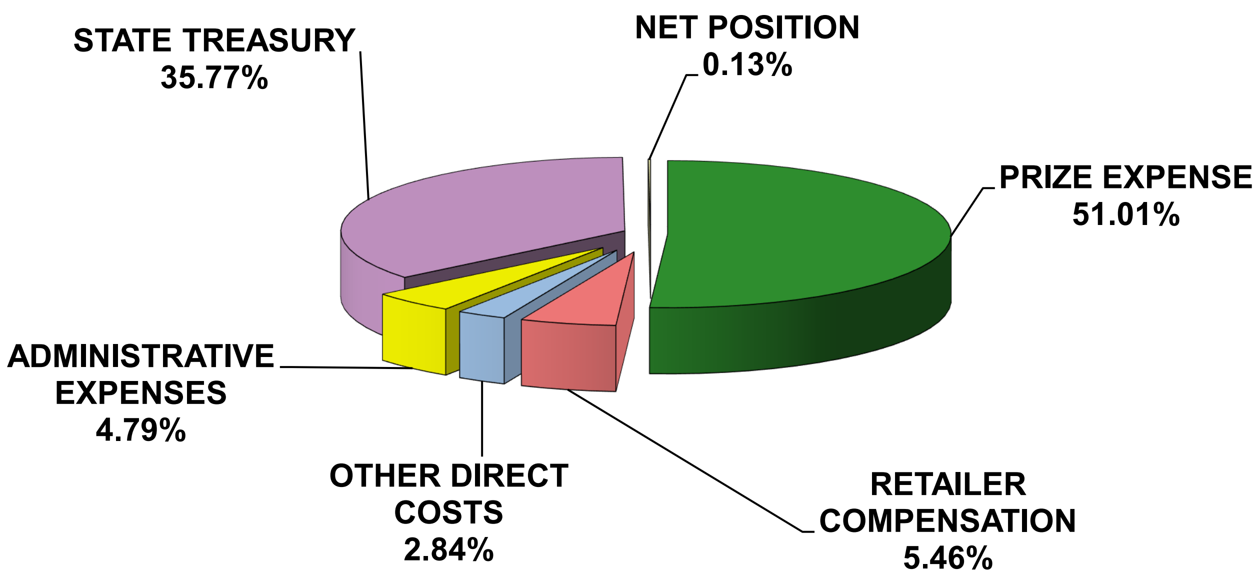








LOUISIANA LOTTERY CORPORATION
INCEPTION-TO-DATE
EXPENSES AND PAYMENTS
AS A PERCENTAGE OF TOTAL REVENUE
(UNAUDITED)



LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
SEPTEMBER 1991			
DECEMBER 1991	$50,000,000		$50,000,000
MARCH 1992	40,000,000		
JUNE 1992	25,000,000	$115,000,000	
SEPTEMBER 1992	57,200,000		
DECEMBER 1992	44,300,000		166,500,000
MARCH 1993	45,900,000		
JUNE 1993	31,765,000	179,165,000	
SEPTEMBER 1993	32,266,000		
DECEMBER 1993	40,400,000		150,331,000
MARCH 1994	31,365,000		
JUNE 1994	27,995,000	132,026,000	
SEPTEMBER 1994	26,725,000		
DECEMBER 1994	24,500,000		110,585,000
MARCH 1995	25,810,000		
JUNE 1995	34,735,000	111,770,000	
JULY 1995	9,066,822		
AUGUST 1995	8,194,932		
SEPTEMBER 1995	8,507,793		
OCTOBER 1995	7,873,606		
NOVEMBER 1995	8,327,516		
DECEMBER 1995	8,500,000		111,015,669
JANUARY 1996	9,820,865		
FEBRUARY 1996	8,202,764		
MARCH 1996	9,315,166		
APRIL 1996	8,282,972		
MAY 1996	8,428,448		
JUNE 1996	7,971,536	102,492,420	
JULY 1996	8,176,487		
AUGUST 1996	7,890,198		
SEPTEMBER 1996	7,643,764		
OCTOBER 1996	8,385,386		
NOVEMBER 1996	7,773,727		
DECEMBER 1996	8,243,281		100,134,594
JANUARY 1997	8,181,070		
FEBRUARY 1997	8,026,686		
MARCH 1997	9,397,036		
APRIL 1997	8,594,425		
MAY 1997	8,675,328		
JUNE 1997	13,359,518	104,346,906	
JULY 1997	8,399,129		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
AUGUST 1997	8,490,015		
SEPTEMBER 1997	7,522,120		
OCTOBER 1997	7,955,211		
NOVEMBER 1997	7,567,906		
DECEMBER 1997	9,211,519		105,379,963
JANUARY 1998	8,211,078		
FEBRUARY 1998	8,691,278		
MARCH 1998	8,834,355		
APRIL 1998	8,391,642		
MAY 1998	12,684,716		
JUNE 1998	12,079,583	108,038,552	
JULY 1998	15,552,958		
AUGUST 1998	8,358,134		
SEPTEMBER 1998	7,821,200		
OCTOBER 1998	8,067,540		
NOVEMBER 1998	7,277,057		
DECEMBER 1998	7,625,952		113,595,493
JANUARY 1999	8,214,518		
FEBRUARY 1999	7,334,683		
MARCH 1999	9,054,748		
APRIL 1999	7,636,327		
MAY 1999	7,403,142		
JUNE 1999	11,308,906	105,655,165	
JULY 1999	7,691,675		
AUGUST 1999	7,146,000		
SEPTEMBER 1999	7,500,825		
OCTOBER 1999	8,024,420		
NOVEMBER 1999	7,206,148		
DECEMBER 1999	7,706,120		96,227,512
JANUARY 2000	7,415,230		
FEBRUARY 2000	9,698,050		
MARCH 2000	10,341,900		
APRIL 2000	8,822,190		
MAY 2000	8,592,760		
JUNE 2000	8,732,390	98,877,708	
JULY 2000	8,159,960		
AUGUST 2000	7,738,605		
SEPTEMBER 2000	7,309,665		
OCTOBER 2000	7,432,725		
NOVEMBER 2000	10,276,870		
DECEMBER 2000	8,063,285		102,583,630
JANUARY 2001	7,942,029		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
FEBRUARY 2001	9,919,540		
MARCH 2001	9,421,635		
APRIL 2001	8,636,860		
MAY 2001	8,414,910		
JUNE 2001	10,692,250	104,008,334	
JULY 2001	7,988,275		
AUGUST 2001	18,098,020		
SEPTEMBER 2001	8,149,090		
OCTOBER 2001	8,053,040		
NOVEMBER 2001	7,906,850		
DECEMBER 2001	7,756,615		112,979,114
JANUARY 2002	9,397,380		
FEBRUARY 2002	8,219,050		
MARCH 2002	8,556,150		
APRIL 2002	8,394,675		
MAY 2002	9,349,340		
JUNE 2002	9,160,590	111,029,075	
JULY 2002	7,969,575		
AUGUST 2002	8,296,930		
SEPTEMBER 2002	8,978,520		
OCTOBER 2002	8,373,320		
NOVEMBER 2002	7,781,000		
DECEMBER 2002	14,881,880		109,358,410
JANUARY 2003	9,367,485		
FEBRUARY 2003	8,683,630		
MARCH 2003	8,938,100		
APRIL 2003	8,184,390		
MAY 2003	8,600,225		
JUNE 2003	10,785,365	110,840,420	
JULY 2003	11,785,350		
AUGUST 2003	10,099,360		
SEPTEMBER 2003	8,310,460		
OCTOBER 2003	10,643,240		
NOVEMBER 2003	8,592,455		
DECEMBER 2003	12,917,620		116,907,680
JANUARY 2004	9,796,600		
FEBRUARY 2004	9,610,030		
MARCH 2004	10,100,770		
APRIL 2004	9,231,775		
MAY 2004	9,773,075		
JUNE 2004	10,336,200	121,196,935	

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
JULY 2004	8,488,925		
AUGUST 2004	8,584,735		
SEPTEMBER 2004	8,909,205		
OCTOBER 2004	9,832,180		
NOVEMBER 2004	9,095,720		
DECEMBER 2004	10,279,105		114,038,320
JANUARY 2005	8,349,700		
FEBRUARY 2005	8,080,810		
MARCH 2005	8,508,585		
APRIL 2005	8,315,245		
MAY 2005	11,268,835		
JUNE 2005	10,678,740	110,391,785	
JULY 2005	8,254,655		
AUGUST 2005	8,120,950		
SEPTEMBER 2005	5,519,665		
OCTOBER 2005	10,870,295		
NOVEMBER 2005	8,526,875		
DECEMBER 2005	9,919,900		106,414,255
JANUARY 2006	10,185,345		
FEBRUARY 2006	14,389,255		
MARCH 2006	11,385,060		
APRIL 2006	10,355,990		
MAY 2006	9,967,465		
JUNE 2006	11,937,660	119,433,115	
JULY 2006	10,153,400		
AUGUST 2006	10,072,650		
SEPTEMBER 2006	10,605,385		
OCTOBER 2006	9,880,170		
NOVEMBER 2006	9,925,840		
DECEMBER 2006	10,506,110		129,364,330
JANUARY 2007	12,367,020		
FEBRUARY 2007	10,355,750		
MARCH 2007	11,982,960		
APRIL 2007	9,526,925		
MAY 2007	9,725,800		
JUNE 2007	13,161,365	128,263,375	
JULY 2007	9,750,850		
AUGUST 2007	13,338,790		
SEPTEMBER 2007	9,451,140		
OCTOBER 2007	9,842,235		
NOVEMBER 2007	10,459,865		
DECEMBER 2007	10,213,145		130,175,845
JANUARY 2008	10,819,300		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
FEBRUARY 2008	11,978,880		
MARCH 2008	13,997,750		
APRIL 2008	11,461,080		
MAY 2008	10,500,360		
JUNE 2008	10,048,130	131,861,525	
JULY 2008	10,434,160		
AUGUST 2008	10,053,780		
SEPTEMBER 2008	9,919,085		
OCTOBER 2008	10,456,065		
NOVEMBER 2008	10,507,165		
DECEMBER 2008	11,907,450		132,083,205
JANUARY 2009	12,547,960		
FEBRUARY 2009	11,947,750		
MARCH 2009	11,753,030		
APRIL 2009	11,153,370		
MAY 2009	12,742,510		
JUNE 2009	12,485,915	135,908,240	
JULY 2009	10,327,065		
AUGUST 2009	11,897,360		
SEPTEMBER 2009	11,258,660		
OCTOBER 2009	10,661,110		
NOVEMBER 2009	9,831,460		
DECEMBER 2009	10,644,340		137,250,530
JANUARY 2010	10,093,340		
FEBRUARY 2010	11,090,400		
MARCH 2010	11,998,175		
APRIL 2010	11,458,715		
MAY 2010	11,626,600		
JUNE 2010	12,814,550	133,701,775	
JULY 2010	10,865,260		
AUGUST 2010	10,623,000		
SEPTEMBER 2010	10,823,825		
OCTOBER 2010	11,018,115		
NOVEMBER 2010	10,940,940		
DECEMBER 2010	10,844,190		134,197,110
JANUARY 2011	11,148,940		
FEBRUARY 2011	11,865,840		
MARCH 2011	12,854,140		
APRIL 2011	11,755,625		
MAY 2011	11,453,130		
JUNE 2011	12,170,485	136,363,490	
JULY 2011	11,355,280		
AUGUST 2011	12,059,415		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
SEPTEMBER 2011	10,594,485		
OCTOBER 2011	11,953,000		
NOVEMBER 2011	11,601,880		
DECEMBER 2011	12,903,980		141,716,200
JANUARY 2012	11,792,440		
FEBRUARY 2012	14,992,910		
MARCH 2012	16,819,660		
APRIL 2012	12,495,950		
MAY 2012	12,490,100		
JUNE 2012	17,846,390	156,905,490	
JULY 2012	11,691,265		
AUGUST 2012	12,696,755		
SEPTEMBER 2012	11,525,090		
OCTOBER 2012	11,094,020		
NOVEMBER 2012	16,830,180		
DECEMBER 2012	11,712,280		161,987,040
JANUARY 2013	11,673,530		
FEBRUARY 2013	12,158,140		
MARCH 2013	15,516,120		
APRIL 2013	12,470,790		
MAY 2013	17,641,110		
JUNE 2013	15,205,695	160,214,975	
JULY 2013	12,515,550		
AUGUST 2013	14,391,600		
SEPTEMBER 2013	13,805,780		
OCTOBER 2013	12,805,280		
NOVEMBER 2013	11,847,320		
DECEMBER 2013	14,819,000		164,849,915
JANUARY 2014	11,902,690		
FEBRUARY 2014	14,599,250		
MARCH 2014	14,467,160		
APRIL 2014	12,354,420		
MAY 2014	12,430,840		
JUNE 2014	24,725,810	170,664,700	
JULY 2014	11,753,955		
AUGUST 2014	12,309,240		
SEPTEMBER 2014	12,498,705		
OCTOBER 2014	13,492,900		
NOVEMBER 2014	12,298,960		
DECEMBER 2014	13,423,270		166,257,200
JANUARY 2015	14,305,185		
FEBRUARY 2015	16,853,170		
MARCH 2015	14,063,320		
APRIL 2015	12,178,070		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
MAY 2015	13,552,300		
JUNE 2015	38,023,740	184,752,815	
JULY 2015	12,577,140		
AUGUST 2015	12,527,225		
SEPTEMBER 2015	13,799,060		
OCTOBER 2015	13,249,490		
NOVEMBER 2015	12,222,635		
DECEMBER 2015	14,784,465		188,135,800
JANUARY 2016	30,108,375		
FEBRUARY 2016	14,187,030		
MARCH 2016	13,866,500		
APRIL 2016	13,715,600		
MAY 2016	13,879,900		
JUNE 2016	13,017,130	177,934,550	
JULY 2016	15,210,610		
AUGUST 2016	11,699,650		
SEPTEMBER 2016	12,136,350		
OCTOBER 2016	12,424,960		
NOVEMBER 2016	13,375,170		
DECEMBER 2016	13,387,000		177,008,275
JANUARY 2017	12,780,920		
FEBRUARY 2017	13,889,190		
MARCH 2017	14,857,940		
APRIL 2017	12,612,130		
MAY 2017	13,491,300		
JUNE 2017	13,326,450	159,191,670	
JULY 2017	13,298,260		
AUGUST 2017	18,315,970		
SEPTEMBER 2017	12,456,760		
OCTOBER 2017	12,498,020		
NOVEMBER 2017	12,629,440		
DECEMBER 2017	15,879,330		166,035,710
JANUARY 2018	15,222,570		
FEBRUARY 2018	13,260,330		
MARCH 2018	17,145,050		
APRIL 2018	13,606,820		
MAY 2018	14,324,940		
JUNE 2018	13,318,490	171,955,980	
JULY 2018	14,011,220		
AUGUST 2018	13,419,240		
SEPTEMBER 2018	13,312,670		
OCTOBER 2018	25,267,210		
NOVEMBER 2018	13,306,050		

LOUISIANA LOTTERY CORPORATION
PAYMENTS TO STATE TREASURY
(UNAUDITED)
INCEPTION-TO-DATE

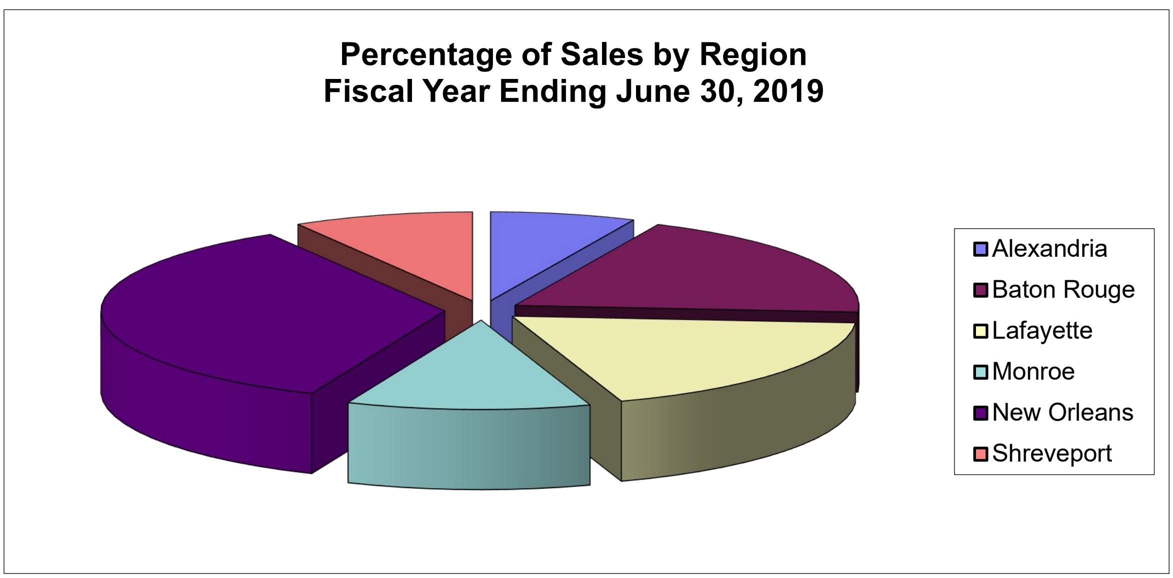
DATE	AMOUNT	LOTTERY FISCAL YEAR TOTAL	CALENDAR YEAR TOTAL
DECEMBER 2018	15,357,580		181,552,170
JANUARY 2019	13,799,180		
FEBRUARY 2019	13,352,010		
MARCH 2019	18,860,870		
APRIL 2019	14,206,710		
MAY 2019	15,498,910		
JUNE 2019	13,926,482	184,318,132	89,644,162
TOTAL INCEPTION-TO-DATE	$3,766,308,132	$3,766,308,132	$3,766,308,132

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Instant Ticket Game Launches and Sales by Price Point
Fiscal Year Ending June 30 for the Years Shown

Price Point	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	% of Total 2019
Number of Launches											
$1	20	22	23	24	24	20	24	21	20	17	28.81%
$2	23	23	24	27	27	28	30	26	24	17	28.81%
$3	4	4	6	6	7	8	7	7	8	8	13.56%
$5	10	10	11	9	9	12	13	13	14	12	20.34%
$10	2	3	4	4	5	5	5	5	5	5	8.48%
Total	59	62	68	70	72	73	79	72	71	59	100.00%
Sales											
$1	$37,228,056	$39,838,415	$42,863,800	$41,059,283	$39,901,749	$43,303,188	$43,713,871	$38,247,365	$39,244,142	$40,103,234	17.78%
$2	34,192,992	36,095,682	41,880,575	39,332,690	42,900,963	46,135,770	48,448,784	46,796,080	45,498,302	47,485,743	21.05%
$3	13,163,915	14,467,278	15,415,458	15,686,361	14,672,286	16,849,743	16,568,436	15,363,585	18,641,166	21,210,786	9.40%
$5	32,180,710	36,238,597	34,593,695	37,594,100	41,006,523	46,896,335	51,653,060	55,638,216	57,855,660	59,557,375	26.40%
$10	19,241,240	21,444,370	23,274,875	29,436,550	40,443,570	49,063,230	51,768,980	50,248,700	55,911,160	57,216,860	25.37%
Total	$136,006,913	$148,084,342	$158,028,403	$163,108,984	$178,925,091	$202,248,266	$212,153,131	$206,293,946	$217,150,430	$225,573,998	100.00%

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Lottery Retailers and Sales by Region
Fiscal Year Ending June 30, 2019

Region	Number of Retailers	% of Total Retailers	Sales	% Total Sales
Alexandria	193	6.62%	$35,843,960	6.84%
Baton Rouge	610	20.93%	101,460,320	19.36%
Lafayette	712	24.43%	97,853,281	18.68%
Monroe	260	8.92%	59,862,124	11.42%
New Orleans	844	28.96%	184,477,399	35.21%
Shreveport	295	10.14%	44,470,344	8.49%
Total	2,914	100.00%	$523,967,428	100.00%



LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Lottery Retailers and Sales by Region
Fiscal Year Ending June 30 for the Years Shown

Number of Retailers

Region	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Alexandria	197	205	203	197	198	196	200	199	192	193
Baton Rouge	570	588	591	598	604	598	613	586	608	610
Lafayette	633	652	661	681	682	678	688	683	680	712
Monroe	235	247	265	276	272	266	260	259	256	260
New Orleans	834	868	870	895	874	861	863	851	842	844
Shreveport	323	324	307	302	301	294	295	300	298	295
Total	2,792	2,884	2,897	2,949	2,931	2,893	2,919	2,878	2,876	2,914

Sales

Region	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Alexandria	$28,051,476	$30,267,304	$33,864,268	$34,585,407	$33,987,788	$34,627,221	$36,797,304	$32,452,671	$33,965,071	$35,843,960
Baton Rouge	69,701,334	71,662,250	80,198,787	83,505,683	85,185,570	86,480,723	97,057,168	89,552,371	95,690,742	101,460,320
Lafayette	62,036,370	65,473,031	74,121,167	77,740,112	78,680,521	81,375,421	89,739,014	80,590,314	89,006,303	97,853,281
Monroe	39,780,683	41,387,606	45,734,365	48,266,592	48,623,895	50,077,531	59,733,823	53,262,979	56,656,845	59,862,124
New Orleans	136,388,277	141,188,754	159,041,148	166,581,816	165,668,945	161,894,758	181,704,887	160,981,265	173,604,193	184,477,399
Shreveport	36,428,266	33,614,110	36,655,934	36,740,286	36,821,146	37,997,462	42,003,891	38,126,617	42,051,944	44,470,344
Total	$372,386,406	$383,593,055	$429,615,669	$447,419,896	$448,967,865	$452,453,116	$507,036,087	$454,966,217	$490,975,098	$523,967,428

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Demographic and Economic Statistics
Calendar Years 2010 to 2019

Calendar Year	Statewide Population	Statewide Personal Income (millions of dollars)	Statewide Personal Income per Capita	Statewide Unemployment Rate
2010	4,533,372	174,292	38,446	7.5%
2011	4,574,836	176,489	38,578	7.3%
2012	4,602,134	181,373	39,413	6.4%
2013	4,625,470	188,207	40,689	6.2%
2014	4,649,676	196,621	42,287	5.0%
2015	4,671,374	202,048	43,252	6.3%
2016	4,681,666	203,592	43,487	6.1%
2017	4,684,333	204,351	43,491	5.1%
2018	4,659,978	214,183	45,542	4.9%
2019	**a**	**a**	**a**	4.3%

Sources:
Population from U.S. Census Bureau; Personal income from U.S. Bureau of Economic Analysis; Unemployment rate from U.S. Department of Labor, Bureau of Statistics.

Note:
a= Not yet available.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Principal Employers
Fiscal Year Ending June 30

2018 EMPLOYERS	RANGE
State of Louisiana	40,000+
Oschner Health System	19,000+
Louisiana State University System	13,000+
University of Louisiana System	8,000+
Our Lady of the Lake Medical Center	5,000 - 9,999
Ingalls Shipbuilding	5,000 - 9,999
Tulane University	5,000 - 9,999
Hilton-New Orleans Riverside	5,000 - 9,999
Lafayette General Health	5,000 - 9,999
Willis Knighton Medical Center	5,000 - 9,999
Louisiana Community and Technical College System	5,000 - 9,999
Southern University System	1,000 - 4,999
US Post Office	1,000 - 4,999
Parish of Jefferson	1,000 - 4,999
Acadian Ambulance	1,000 - 4,999

2009 EMPLOYERS	RANGE
State of Louisiana	50,000+
Louisiana State University System	25,000+
Oschner Health System	10,000+
University of Louisiana System	5,000 - 9,999
Northrop Grumman Ship Systems	5,000 - 9,999
Lafayette Medical Center	5,000 - 9,999
East Jefferson Hospital	5,000 - 9,999
Tulane University	5,000 - 9,999
Louisiana Community and Technical College System	5,000 - 9,999
Willis Knighton Health System	1,000 - 4,999
US Post Office	1,000 - 4,999
Our Lady of the Lake Medical Center	1,000 - 4,999
Southern University System	1,000 - 4,999
Harrah's Entertainment	1,000 - 4,999
North Oaks Health System	1,000 - 4,999

* Information obtained from State of Louisiana Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Lottery Employees
Fiscal Year Ending June 30 for the Years Shown

	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Full-time	111	105	102	105	104	105	102	103	102	102
Part-time	18	13	11	11	10	8	8	9	6	7
Total	**129**	**118**	**113**	**116**	**114**	**113**	**110**	**112**	**108**	**109**
Sales:										
Alexandria	5	5	5	4	4	5	4	4	5	5
Baton Rouge	7	6	7	7	8	7	8	7	6	6
Lafayette	9	8	9	9	8	9	9	9	8	9
Monroe	6	6	6	6	6	6	6	6	6	6
New Orleans	11	10	11	10	11	11	9	10	11	11
Shreveport	5	5	4	5	4	4	5	5	5	5
Warehousing	7	7	7	8	7	7	7	8	7	7
Marketing and administration	79	71	64	67	66	64	62	63	60	60
Total	**129**	**118**	**113**	**116**	**114**	**113**	**110**	**112**	**108**	**109**

U.S. LOTTERY STATISTICS (UNAUDITED)

The following tables:

• U.S. Lotteries' Fiscal 2018 Sales By Game

• Fiscal 2018 U.S. Lottery Sales, Prizes

& Government Transfers

Measured by Gross Domestic Product

(Source: La Fleur's 2019 World Lottery Almanac)

TLF Publications, Inc.

20 Courthouse Square, Unit 207

Rockville, MD 20850

www.lafleurs.com

U.S. lotteries' fiscal 2018 sales by game*

(in $millions)

				Systems Games											
Lottery	**Pop. (M)**	**Instant**	**Pull tab**	**3-digit**	**4-digit**	**Lotto**	**Power Ball**	**Mega Millions**	**Bloc Lotto**	**ITG**	**Keno**	**Other**	**Total Sales**	**PC Sales**	**VLT (net)**
Arizona	7.0	710.9	8.7	11.8		62.5	118.5	60.9		8.1			981.4	$140	
Arkansas	3.0	407.6		7.7	4.5	7.9	36.8	19.6	2.9	12.7			499.7	$167	
California	39.5	5,077.4		149.4	29.8	429.9	537.0	434.6			288.7	18.9	6,965.8	$176	
Colorado	5.6	407.5		12.3		50.0	88.2	38.4	15.7				612.0	$109	
Connecticut	3.6	730.7		121.6	120.9	56.0	88.1	42.2	19.6		86.4	2.2	1,267.6	$352	
Delaware	1.0	70.6		27.0	22.8	8.0	24.6	12.1	3.0		8.7	54.8	231.5	$232	353.8
D.C.	0.7	49.5		39.5	52.5		9.0	7.1	2.2	9.2	7.5	33.8	210.3	$300	
Florida	21.0	4,652.3		366.1	259.3	578.6	474.0	220.6	59.2	17.8		72.9	6,700.8	$319	
Georgia	10.4	2,848.1		525.4	282.6	127.2	155.9	125.6	9.8	9.5	190.9	7.4	4,282.5	$412	
Idaho	1.7	158.0	45.4	2.4		6.2	33.2	13.5	3.3			3.0	265.1	$156	
Illinois	12.8	1,880.5		278.1	248.8	228.5	161.2	124.8				6.5	2,928.3	$229	
Indiana	6.7	935.0		36.4	35.0	89.3	108.2	45.9	5.4	11.8		3.1	1,270.1	$190	
Iowa	3.1	244.3	10.9	7.7	4.3	8.6	58.5	21.3	5.6	9.7			371.0	$120	
Kansas	2.9	157.4		7.1		19.2	40.1	17.2	5.9		14.2	7.9	268.9	$93	
Kentucky	4.5	605.8		149.7	43.5	17.7	77.9	39.8	7.8		82.8	10.3	1,035.2	$230	
Louisiana	4.7	217.2		52.1	48.7	34.9	96.2	41.9					491.0	$104	
Maine	1.3	223.5		5.7	4.5	17.3	24.4	8.9	3.8	6.1			294.1	$226	
Maryland	6.1	750.9		235.4	296.2	54.3	111.2	88.6	13.2		291.1	201.7	2,042.5	$335	1,046.7
Massachusetts	6.9	3,592.7			325.2	113.2	130.8	92.6	25.0		996.8	3.4	5,279.7	$765	
Michigan	10.0	1,488.2	32.9	371.3	466.5	108.1	116.7	142.7	14.9	71.2	636.8	128.8	3,578.1	$358	
Minnesota	5.6	411.2		17.7		40.9	75.4	26.0	6.6	11.7		7.0	596.5	$107	
Missouri	6.1	906.8	86.0	78.7	52.4	54.6	103.9	48.3	7.9		57.4	4.3	1,400.2	$230	
Montana [1]	1.1	17.9				10.3	13.6	4.9	2.7	3.8		3.3	56.5	$51	
Nebraska	1.9	100.8		5.5		19.2	38.6	15.0	4.3				183.4	$97	
N. Hampshire	1.3	238.9		5.5	4.9	10.1	36.8	17.0	5.5	3.3	8.4	2.7	332.8	$256	
New Jersey [1]	9.0	1,911.0		421.3	267.2	223.1	231.9	180.4	41.6	29.4	53.3	-59.4	3,299.7	$367	
New Mexico	2.1	72.3		5.6		12.4	29.6	13.2		0.8		0.1	134.0	$64	
New York	19.8	4,178.5		887.3	927.0	309.5	408.1	311.8	94.0		822.7		7,938.8	$401	2,034.7
N. Carolina	10.3	1,782.8		317.1	145.1	65.4	168.7	78.6	19.2		28.5		2,605.3	$253	
N. Dakota [1]	0.8					7.5	14.3	6.3	3.2				31.3	$39	
Ohio	11.7	1,600.6		340.1	205.1	87.4	148.1	120.1	20.7	145.0	421.2	71.9	3,160.1	$270	987.3
Oklahoma	3.9	127.6		5.3		13.2	49.6	22.8	2.0			0.7	221.1	$57	
Oregon	4.1	130.4			1.6	41.7	60.1	30.1			102.0	2.5	368.4	$90	934.0
Pennsylvania	12.8	2,824.2		270.4	220.7	250.4	272.7	133.9	17.8	114.4	7.6	88.5	4,200.7	$328	
Rhode Island	1.1	98.7			23.2	4.5	30.2	13.4	5.0		82.4	1.0	258.4	$235	481.4
S. Carolina	5.0	1,260.6		213.1	101.1	23.9	93.2	45.6	12.7				1,750.2	$350	
South Dakota	0.9	30.2				6.1	14.4	4.7	2.6				58.0	$64	220.6
Tennessee	6.7	1,287.8		60.4	38.8	32.3	117.9	51.7	8.8		14.7	4.0	1,616.4	$241	
Texas	28.3	4,418.3		261.7	114.2	282.0	289.6	261.0					5,626.9	$199	
Vermont	0.6	102.0		1.3	1.2	5.2	10.2	4.5	1.7	6.5			132.6	$221	
Virginia	8.5	1,184.6		296.6	302.7	46.5	130.8	110.4	15.2	45.4		7.5	2,139.8	$252	
Washington	7.4	507.9		18.9		60.2	72.9	54.7			5.7	13.7	734.0	$99	
West Virginia	1.8	99.2		7.9	4.8	10.2	36.5	14.9			3.6		177.0	$98	879.0
Wisconsin [1]	5.8	419.4	1.0	23.9	13.9	69.1	98.2	39.5				2.4	667.4	$115	
Wyoming	0.6					9.7	10.9	5.3	2.9				28.7	$48	
Total	**309.7**	**48,919.7**	**185.0**	**5,645.1**	**4,668.7**	**3,712.7**	**5,046.4**	**3,211.8**	**471.7**	**516.5**	**4,211.5**	**704.6**	**77,293.7**	**$250**	**6,937.4**
% of total		**63.3%**	**0.2%**	**7.3%**	**6.0%**	**4.8%**	**6.5%**	**4.2%**	**0.6%**	**0.7%**	**5.4%**	**0.9%**	**100.0%**		

* Fiscal year ends June 30 for all U.S. states, except New York (March 31), Texas (August 31), D.C. and Michigan (Sept. 30) [1] Unaudited

FY18 U.S. Lottery Sales, Prizes & Government Transfers Measured by GDP*

(in $millions)

Lottery	2018 Pop.[1] (M)	2018 Gross Domestic Product[2] (Mil)	Traditional Ticket Sales[3] (Mil)	VLT (net) (Mil)	Gaming (net) (Mil)	Prizes[4] (Mil)	Gov't Transfers[5] (Mil)	PC Sales	PC Gov't	Ticket Sales as % of GDP	Gov't Transfers as % of GDP[7]
Arizona	7.2	349,850	981.38			647.65	211.91	$137	$30	0.281%	0.061%
Arkansas	3.0	128,887	499.71			341.90	91.85	$166	$30	0.388%	0.071%
California	39.6	2,971,045	6,965.79			4,476.58	1,664.89	$176	$42	0.234%	0.056%
Colorado	5.7	369,160	611.99			383.49	140.74	$107	$25	0.166%	0.038%
Connecticut	3.6	276,191	1,267.59			792.59	350.03	$355	$98	0.459%	0.127%
Delaware [4, 5]	0.7	141,987	231.54	353.8	54.6	136.51	255.82	$330	$364	0.163%	0.180%
D.C.	1.0	75,701	210.26			117.37	49.50	$217	$51	0.278%	0.065%
Florida	21.3	1,042,888	6,700.81			4,394.40	1,758.33	$315	$83	0.643%	0.169%
Georgia	10.5	594,513	4,284.50			2,768.52	1,143.51	$407	$109	0.721%	0.192%
Idaho	1.8	77,057	265.09			176.19	54.09	$151	$31	0.344%	0.070%
Illinois	12.7	867,714	2,926.38			1,910.90	722.53	$230	$57	0.337%	0.083%
Indiana	6.7	373,282	1,270.06			797.27	306.08	$190	$46	0.340%	0.082%
Iowa	3.2	191,272	370.96			227.49	87.10	$118	$28	0.194%	0.046%
Kansas	2.9	165,415	677.22		404.5	157.89	184.06	$233	$63	0.409%	0.111%
Kentucky	4.5	211,535	1,035.20			657.36	266.42	$232	$60	0.489%	0.126%
Louisiana	4.7	252,028	490.98			263.61	171.96	$105	$37	0.195%	0.068%
Maine	1.3	64,830	294.13			192.54	63.03	$220	$47	0.454%	0.097%
Maryland [4,5]	6.0	418,594	2,042.79	1,046.7	632.3	1,248.72	1,255.89	$338	$208	0.488%	0.300%
Massachusetts	6.9	576,567	5,279.65			3,891.94	997.06	$765	$144	0.916%	0.173%
Michigan	10.0	537,994	3,578.07			2,215.04	944.21	$358	$94	0.665%	0.176%
Minnesota	5.6	366,530	596.48			370.63	145.10	$106	$26	0.163%	0.040%
Missouri	6.1	320,087	1,400.22			939.48	333.39	$229	$54	0.437%	0.104%
Montana [6]	1.1	50,067	56.40			32.55	10.70	$53	$10	0.113%	0.021%
Nebraska	1.9	124,577	183.37			106.63	45.25	$95	$23	0.147%	0.036%
N. Hampshire	1.4	86,701	337.75			211.53	87.28	$249	$64	0.390%	0.101%
New Jersey	8.9	634,346	3,359.07			1,991.57	1,030.30	$377	$116	0.530%	0.162%
New Mexico	2.1	99,583	134.03			73.14	40.22	$64	$19	0.135%	0.040%
New York [4, 5]	19.5	1,694,952	7,938.83	2,034.7		4,816.33	3,371.87	$406	$173	0.468%	0.199%
N. Carolina	10.4	569,781	2,605.31			1,647.83	678.57	$251	$65	0.457%	0.119%
N. Dakota [6]	0.8	55,968	31.31			16.14	8.04	$41	$11	0.056%	0.014%
Ohio [4,5]	11.7	679,824	3,160.11	987.2		1,998.65	1,087.72	$270	$93	0.465%	0.160%
Oklahoma	3.9	202,340	221.11			129.61	63.98	$56	$16	0.109%	0.032%
Oregon [4, 5]	4.2	241,670	368.35	934.0		231.67	708.33	$88	$169	0.152%	0.293%
Pennsylvania	12.8	797,782	4,200.56			2,733.77	1,093.65	$328	$85	0.527%	0.137%
R. Island [4,5]	1.1	61,888	258.37	481.4	145.8	154.46	364.97	$244	$345	0.417%	0.590%
S. Carolina	5.1	232,804	1,750.16			1,149.79	430.98	$344	$85	0.752%	0.185%
S. Dakota [4, 5]	0.9	52,218	58.18	110.3		33.68	124.75	$66	$141	0.111%	0.239%
Tennessee	6.8	369,345	1,616.40			1,023.88	421.68	$239	$62	0.438%	0.114%
Texas	28.7	1,782,861	5,626.85			3,666.10	1,450.48	$196	$51	0.316%	0.081%
Vermont	0.6	33,846	132.42			87.40	27.15	$212	$43	0.391%	0.080%
Virginia	8.5	539,353	2,139.82			1,307.70	606.22	$251	$71	0.397%	0.112%
Washington	7.5	568,575	733.94			457.90	182.97	$97	$24	0.129%	0.032%
W. Virginia [4,5]	1.8	78,345	177.03	879.0	35.2	105.20	494.62	$98	$274	0.226%	0.631%
Wisconsin [6]	5.8	339,100	667.39			404.45	163.33	$115	$28	0.197%	0.048%
Wyoming	0.6	40,995	28.75			14.77	4.74	$50	$8	0.070%	0.012%
Total	**310.9**	**19,710,048**	**77,766.3**	**6,827.0**	**1,272.4**	**49,502.8**	**23,695.3**	**$250**	**$76**	**0.395%**	**0.120%**

* Fiscal year ends June 30 except New York (March 31), Texas (August 31) and D.C. and Michigan (Sept. 30). [1] Source: U.S. Census Bureau

[2] Source: U.S. Bureau of Economic Analysis; [3] This data represents only revenue from traditional lottery games; [4] Prizes do not include VLT

[5] Includes government transfers for VLT operations; [6] Unaudited

Note: If a lottery's operating statement did not include governnment transfers, then net income is reported.

LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
(Unaudited)
Schedule of Capital Asset Information
Fiscal Year Ending June 30 for the Years Shown

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Owned buildings - square feet										
Headquarters										
555 Laurel Street										
Baton Rouge 70801	28,176	28,176	28,176	28,176	28,176	28,176	28,176	28,176	28,176	28,176
Distribution center										
Baton Rouge	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Leased locations - square feet occupied										
(Leasehold improvements on schedule of capital assets)										
2222 Clearview Parkway Metairie, Suite B3 70001	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525
5520-L Johnston Street Lafayette 70503	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516
1325 Macarthur Drive Alexandria 71301	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
1128 Pecanland Road Monroe 71203	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480	2,480
767 Shreveport - Barksdale Highway Shreveport 71105	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Fleet of owned vehicles										
Cars - security department	3	4	4	4	5	6	6	6	7	6
Passenger vans - sales representatives	42	47	38	45	41	43	42	48	41	32
Trucks	2	3	3	4	4	4	4	4	4	3
Promotional trailers & vehicles	3	3	3	3	3	3	3	3	3	3
	50	57	48	56	53	56	55	61	55	44

OTHER REPORT REQUIRED BY

GOVERNMENT AUDITING STANDARDS

The following pages contain a report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards,* issued by the Comptroller General of the United States. This report is based on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

September 13, 2019

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

BOARD OF DIRECTORS
LOUISIANA LOTTERY CORPORATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Lottery Corporation (Corporation), a component unit of the state of Louisiana, as of and for the years ended June 30, 2019, and June 30, 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

KS:ETM:RR:EFS:aa

LLC 2019