

ANNUAL QUAL

2021

REPORT



LETTER FROM THE EXECUTIVE DIRECTOR

With the start of the new year, there was uncertainty for businesses as they faced unique challenges. The Hoosier Lottery continued to provide our players with opportunities to enjoy some fun and entertainment. We closed the books on Fiscal Year 2021 with a record-setting transfer to the State of Indiana. Our surplus revenue of \$375.5 million was nearly 25 percent ahead of what we anticipated. In our 32-year history, we have paid winners more than \$15.9 billion, retailers more than \$1.7 billion in commissions, and transferred to the State of Indiana more than \$6.7 billion to benefit the Teachers' Retirement Fund and the funds for local police and firefighters' pensions and the Lottery Surplus fund, all resulting from Lottery sales.

We know the commitment from our network of approximately 4,400 retailers and the loyalty of our players are what support our mission to maximize revenue to the State of Indiana in a socially responsible manner. We strive to maintain the highest standards and broaden our responsible gaming efforts. As a result, this year we convened a group of statewide gaming providers for resource sharing and collaboration in developing best practices of responsible gaming. We added a positive play quiz, spend calculator and other tools on our website in order to uphold our mission.

As we turn our attention to Fiscal Year 2022, our team will continue to deliver a robust and balanced portfolio of games while striving to create fun and exciting new ways to connect with our players through our myLOTTERY membership. The success of our Scratch-offs will be leveraged with cross-product promotions tied to our Fast Play games which are growing in popularity. We know diversity in games and player experiences are key for maximizing revenue to the State of Indiana.

Thank you to our team for working every day to create positive play experiences; to our retailers for their tireless efforts in maintaining a successful business each day while promoting our partnership and offering our products; and to our players for continuing to spend their dollars as we champion Hoosier dreams - big and small - and help build a stronger, safer, and smarter Indiana.

A handwritten signature in black ink that reads "Sarah M. Taylor". The signature is written in a cursive, flowing style.

Sarah M. Taylor
Executive Director of the Hoosier Lottery

THE STATE LOTTERY COMMISSION OF INDIANA
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 46,593,744	\$ 30,982,701
Investments, Current Portion	9,865,150	10,833,393
Accounts Receivable, Net	160,463,851	132,808,689
Prepaid Transfers to the State and Other Prepaid Expenses	1,569,562	1,557,420
Total Current Assets	218,492,307	176,182,203
NONCURRENT ASSETS		
Long-Term Investments, Less Current Portion	84,653,398	95,633,001
Prepaid Transfers to the State, Less Current Portion	8,423,077	9,826,923
Restricted Assets	8,667,675	9,452,179
Net Pension Asset	465,012	-
Capital Assets, Net	198,870	219,733
Total Noncurrent Assets	102,408,032	115,131,836
Total Assets	320,900,339	291,314,039
TOTAL DEFERRED OUTFLOWS OF RESOURCES	617,922	414,838
CURRENT LIABILITIES		
Accounts Payable:		
State	27,738,245	28,449,664
Trade	31,844,834	4,373,701
Current Portion of Prize Liability	159,988,747	142,833,896
Unearned Revenue	1,852,057	2,174,606
Other Accrued Expenses	709,238	922,212
Total Current Liabilities	222,133,121	178,754,079
LONG-TERM LIABILITIES		
Prize Liability, Less Current Portion	71,832,915	77,651,458
Unearned Revenue	8,423,077	9,826,924
Net Pension Liability	1,495,397	2,111,822
Total Noncurrent Liabilities	81,751,389	89,590,204
Total Liabilities	303,884,510	268,344,283
TOTAL DEFERRED INFLOWS OF RESOURCES	1,276,779	343,154
NET POSITION		
Unrestricted	7,025,415	13,369,528
Restricted for MUSL	8,667,675	9,452,179
Restricted for Net Pension Asset	465,012	-
Investment in Capital Assets	198,870	219,733
Total Net Position	\$ 16,356,972	\$ 23,041,440

THE STATE LOTTERY COMMISSION OF INDIANA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
Scratch-Off Ticket Sales, Net	\$ 1,384,468,618	\$ 1,093,015,280
On-Line Ticket Sales	353,265,414	291,052,960
Total Operating Revenues	1,737,734,032	1,384,068,240
OPERATING EXPENSES		
Direct Game Expenses:		
Scratch-Off Games Prizes	967,253,592	764,594,944
On-Line Games Prizes	176,605,037	149,569,647
Total Direct Game Expenses	1,143,858,629	914,164,591
Indirect Game Expenses:		
Retailer Commissions	117,532,198	94,664,414
Lottery Expenses:		
Central Gaming System Expenses	31,739,862	24,943,663
Advertising and Promotion	15,215,154	14,762,159
Ticket Printing Costs	16,607,791	13,367,572
Miscellaneous Lottery Expenses	1,659,160	1,361,236
Management Fees	10,762,659	10,877,527
Other Game Expenses	504,146	652,333
Total Indirect Game Expenses	194,020,970	160,628,904
Total Operating Expenses	1,337,879,599	1,074,793,495
PROVIDER NET INCOME	399,854,433	309,274,745
OTHER OPERATING EXPENSES		
Salaries, Wages, and Benefits	4,457,065	4,242,191
General and Administrative	2,353,093	2,295,211
Total Other Operating Expenses	6,810,158	6,537,402
OPERATING INCOME	393,044,275	302,737,343
NONOPERATING REVENUES (EXPENSES)		
Interest Income	17,575	697,655
Net Increase (Decrease) in Fair Value of Investments	(7,035,364)	8,698,926
Increase in Net Pension Liability	350,896	58,017
Provider Incentive	(19,492,722)	-
Other Income, Net	1,979,011	1,159,803
Total Nonoperating Revenues (Expenses), Net	(24,180,604)	10,614,401
NET INCOME PRIOR TO DISTRIBUTIONS	368,863,671	313,351,744
DISTRIBUTIONS		
Distributions to the State	(347,809,893)	(276,145,136)
Distributions to be Paid to the State	(27,738,245)	(28,449,664)
Total Distributions	(375,548,138)	(304,594,800)
CHANGE IN NET POSITION	(6,684,468)	8,756,943
Net Position - Beginning of year	23,041,440	14,284,497
NET POSITION - END OF YEAR	\$ 16,356,972	\$ 23,041,440

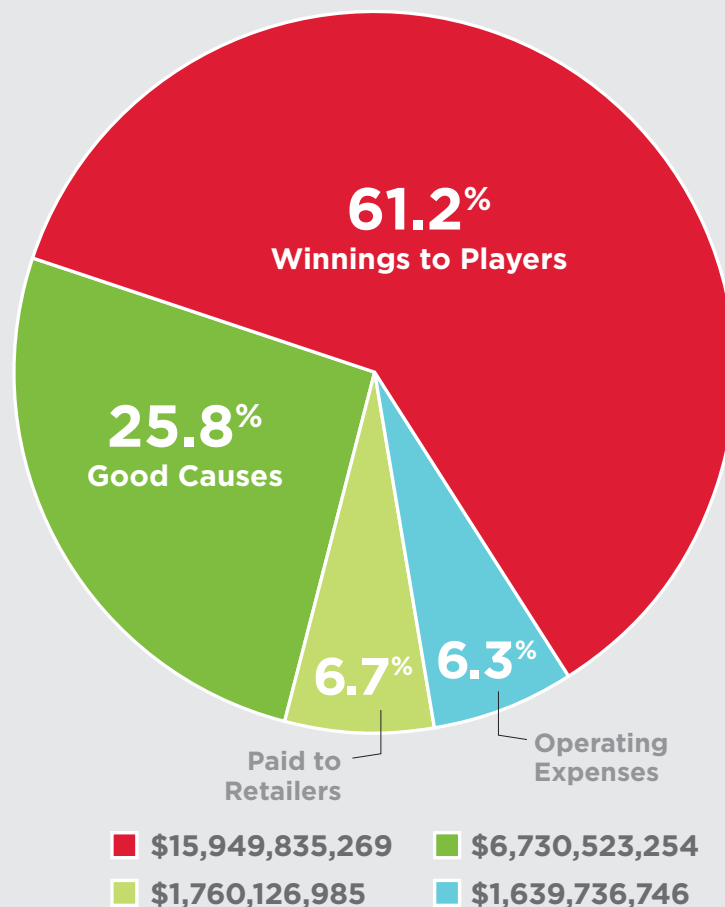
All financial figures based on Fiscal Year 2021. The above financial information is derived from our June 30, 2021 financial statements, which were audited by CliftonLarsonAllen LLP.

WHERE THE MONEY GOES

Since 1989, the Hoosier Lottery has paid more than **\$15.9 billion** to winning players and has contributed more than **\$6.7 billion** to good causes across the state, including local police & firefighters' pensions, the Teachers' Retirement Fund, and the Lottery Surplus Fund. Approximately **\$1.7 billion** has been paid to Lottery retailers.

FINANCIAL DISTRIBUTIONS

STATEWIDE PAYMENTS SINCE INCEPTION



WHERE THE MONEY GOES



The Lottery Surplus Fund

is used primarily to reduce the motor vehicle excise tax. Monies are transferred monthly from the Lottery Surplus Fund to the State General Fund motor vehicle tax replacement account by the Auditor of State. At the end of each year, any monies left in the Lottery Surplus Fund are transferred to the State General Fund.



STRONGER. SAFER. SMARTER.

Lottery players help support local police and firefighters' pensions and the Teachers' Retirement Fund across Indiana.



Lottery Surplus Fund

\$314,855,713



Police & Firefighters' Pensions

\$30,000,000



Teachers' Retirement Fund

\$30,000,000



Go online to find out how we're giving back to Indiana counties. Visit [hoosierlottery.com/givingback](https://www.hoosierlottery.com/givingback).

Must be 18 or older to play. Please play responsibly. Problem Gambling Helpline: 1-800-994-8448.

Financial figures listed above reflect cash transfers to the State of Indiana in Fiscal Year 2021.

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hoosierlottery.com

