



Department of Revenue Update September 2016

Andy Gerlach, Secretary



DOR Picture

- Implementation of HB 1182
 - Raise State Sales Tax from 4% to 4.5% on June 1
 - Education, Outreach
 - DOR System Changes
- Sales & Use Tax - Flat
 - May = 2.69% year to year
 - August = 4.27% year to year. *4.5% rate in place*
- Contractors Excise Tax – Fluctuating month to month. May = 1.52% --- August 17.48%



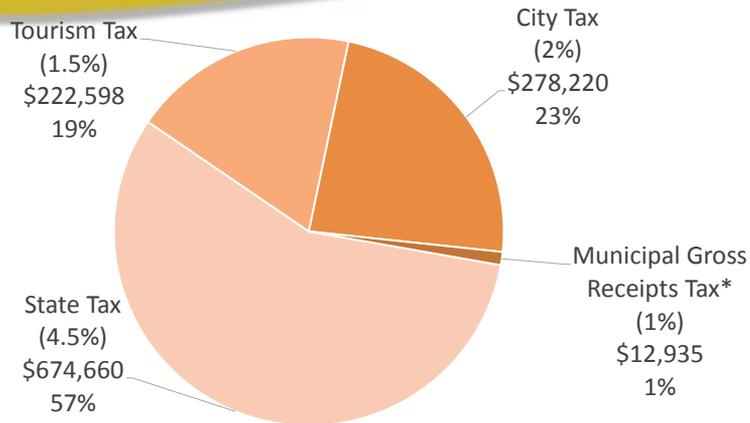
An Overview of the 2016 Sturgis Motorcycle Rally



By the numbers

- \$14,992,405 sales from temporary vendors
 - \$1.18 million in taxes collected.
- Similar to 2014's tax collected
- The record-setting 75th annual rally in 2015 had approximately \$2.4 million in taxes collected at this point.

Tax Breakdown



* Municipal Gross Receipts Tax includes alcoholic beverages, lodging, eating establishments, admissions to places of amusement and cultural events.

By the numbers

- According to a DOT traffic report, the total vehicles that entered Sturgis during the weeklong rally was:
 - 2016 — 329,789
 - 2015 — 510,749
 - 2014 — 390,693

* This report can be found on DOT's website



By the numbers

Total number of vendors licensed with DOR

- 2016 – 1,153 vendors
- 2015 – 1,438 vendors (record)
- 2014 – 1,135 vendors

In 2016, 691 vendors pre-registered online



Vendor Location

Northern Hills Vendors

- 2016 – 951 vendors – 83%
- 2015 – 1,202 vendors – 84%
- 2014 – 954 vendors – 84%



Vendor Location

Northern Hills Sales

- 2016 – \$11,377,603 – 76%
- 2015 – \$26,816,110 – 81%
- 2014 – \$15,333,630 – 84%



Vendor Location

Southern Hills Vendors

- 2016 – 200 vendors – 17%
- 2015 – 235 vendors – 16%
- 2014 – 181 vendors – 16%



Vendor Location

Southern Hills sales

- 2016 – \$3,614,802 – 24%
- 2015 – \$6,335,255 – 19%
- 2014 – \$3,875,826 – 20%



Questions?

**South Dakota Department of Revenue
South Dakota Lottery Commission
Notice of Public Hearing to Adopt Rules**

A public hearing will be held in Room 412, 4th floor, State Capitol, Pierre, South Dakota, on September 15, 2016, at 10:15 a.m., Central Time, to consider the amendment of the proposed rules numbered: 48:03:06:05 and 48:03:15:04.

The effect of proposed rules §§ 48:03:06:05 and 48:03:15:04 will be to adopt the most current Powerball game group rules and Mega Millions game group rules that cleanup and clarify language, add definitions that assist in interpreting the rules, clarify how the existing prize pools and accounts will operate and improve legal protections for the participating lotteries in regard to decisions made by the individual lotteries in paying prizes.

The reason for adopting the proposed rules is to allow South Dakota to continue to participate in the Powerball and Mega Millions games.

Persons interested in presenting data, opinions, and arguments for or against the proposed rules may do so by appearing in person at the hearing or by sending them to the South Dakota Department of Revenue - Legal Division, 445 East Capitol Avenue, Pierre, South Dakota 57501-3185. Material sent by mail must reach the Department by September 14, 2016, to be considered.

After the hearing, the South Dakota Lottery Commission will consider all written and oral comments it receives on the proposed rules. The Commission may modify or amend a proposed rule at that time to include or exclude matters that are described in this notice.

Notice is further given to individuals with disabilities that this hearing is being held in a physically accessible place. Please notify the Department of Revenue at least 48 hours before the public hearing if you have special needs for which special arrangements must be made. The telephone number for making special arrangements is (605) 773-4701.

The text of the above-proposed rules is available on the Department of Revenue's website at: http://dor.sd.gov/Publications/Public_Notices/PDFs/pbmmrules2016.pdf and on South Dakota's Administrative Rules website at: <http://rules.sd.gov/>. Paper copies of the proposed rules may be obtained without charge from:

South Dakota Department of Revenue
Legal Division
445 East Capitol Avenue
Pierre, South Dakota 57501-3185

Published at the approximate cost of \$ _____.

ARTICLE 48:03

ON-LINE LOTTERY REQUIREMENTS

Chapter

- 48:03:01 General provisions.
- 48:03:02 Sale and distribution of on-line tickets.
- 48:03:03 On-line ticket payment and validation.
- 48:03:04 On-line drawings.
- 48:03:05 On-line ticket sales on Indian reservations.
- 48:03:06 Powerball game.
- 48:03:07 Dakota Cash game.
- 48:03:08 Tri-West Lotto game, Repealed.
- 48:03:09 Daily Millions game, Repealed.
- 48:03:10 Wild Card game.
- 48:03:11 Cash 4 Life game, Repealed.
- 48:03:12 Rolldown game, Repealed.
- 48:03:13 Hot Lotto game.
- 48:03:14 Raffle game.
- 48:03:15 Mega Millions game.
- 48:03:16 Monopoly Millionaires' Club Game.

CHAPTER 48:03:06

POWERBALL GAME

Section

- 48:03:06:01 Participation in Powerball authorized.
- 48:03:06:02 Repealed.
- 48:03:06:03 Purchase of Powerball tickets.
- 48:03:06:04 Ineligible players.
- 48:03:06:05 Powerball game rules.

48:03:06:05. Powerball game rules. Powerball rules 26 to 34, inclusive, and Power Play rules A to H, inclusive, of the Powerball Group of the Multi-State Lottery Association's Powerball game rules as published in "Multi-State Lottery Association Rules," as amended ~~through October 22, 2015~~ on June 16, 2016, are the rules of the lottery for the Powerball game.

Source: 17 SDR 51, effective October 8, 1990; 18 SDR 173, effective April 19, 1992; 19 SDR 62, effective October 27, 1992; 19 SDR 148, effective April 4, 1993; 20 SDR 166, effective April 12, 1994; 24 SDR 31, effective September 17, 1997; 26 SDR 87, effective January 6, 2000; 27 SDR 91, effective March 18, 2001; 28 SDR 150, effective May 7, 2002; 29 SDR 43, effective October 6, 2002; 29 SDR 176, effective June 30, 2003; 30 SDR 52, effective October 28, 2003; 32 SDR 37, effective August 8, 2005; 35 SDR 171, effective December 29, 2008; 37 SDR 111, effective December 8, 2010; 38 SDR 116, effective January 11, 2012; 40 SDR 57, effective October 8, 2013; 42 SDR 43, effective September 30, 2015; 42 SDR 105, effective January 25, 2016.

General Authority: SDCL 42-7A-21(1).

Law Implemented: SDCL 42-7A-4(13).

Reference: Powerball rules 26 to 34, inclusive, and Power Play rules A to H, inclusive, "Multi-State Lottery Association Rules," as amended ~~through October 22, 2015~~ on June 16, 2016, by the Powerball Group of the Multi-State Lottery Association. Copies of Powerball rules 26 to 34, inclusive, and Power Play rules A to H, inclusive, may be obtained at no cost from the South Dakota Lottery, P.O. Box 7107, Pierre, South Dakota 57501-7107.

CHAPTER 48:03:15

MEGA MILLIONS GAME

Section

- 48:03:15:01 Participation in Mega Millions Game authorized.
- 48:03:15:02 Purchase of Mega Millions tickets.
- 48:03:15:03 Ineligible players.
- 48:03:15:04 Mega Millions Game Rules.

48:03:15:04. Mega Millions Game Rules. Mega Millions Game Rules 26 to 34, inclusive, and the Mega Millions Megaplier Promotion Special Game Rules A to H, inclusive, of the MUSL Mega Millions Product Group Rules, as amended ~~June 25, 2013~~ on June 16, 2016, are the rules of the lottery for the Mega Millions Game.

Source: 36 SDR 170, effective May 11, 2010; 37 SDR 111, effective December 8, 2010; 40 SDR 57, effective October 8, 2013.

General Authority: SDCL 42-7A-21(1).

Law Implemented: SDCL 42-7A-4(13).

Reference: Copies of the Mega Millions Game Rules 26 to 34, inclusive, and the Mega Millions Megaplier Special Game Rules A to H, inclusive, of the MUSL Mega Millions Product Group Rules, as amended ~~June 25, 2013~~ on June 16, 2016, by the Multi-State Lottery Association (MUSL), may be obtained at no cost from the South Dakota Lottery, P.O. Box 7107, Pierre, South Dakota 57501-7107.

**South Dakota Lottery
Instant/Online - 0281
Informational Budget**

	FY2015 <u>Actual Exp</u>	FY2016 <u>Actual Exp</u> (Unaudited)	FY2016 <u>Budget</u>	FY2016 <u>Budget</u> (Over) Under	FY2017 <u>Budget</u>	FY2018 <u>Request</u>	FY2018 <u>Inc./Dec.</u>
1 Personal Services							
2 Salaries	\$874,757	\$902,134	\$1,081,611	\$179,477	\$1,132,035	\$1,132,035	\$0
3 Benefits	287,987	248,191	329,889	81,698	331,626	331,626	0
4 Total Personal Services	<u>1,162,744</u>	<u>1,150,325</u>	<u>1,411,500</u>	<u>261,175</u>	<u>1,463,661</u>	<u>1,463,661</u>	<u>0</u>
5							
6 FTE:	19.7	19.8	21.0	1.2	21.0	21.0	0.0
7							
8 Travel							
9 In-State	108,882	109,233	139,000	29,767	139,000	139,000	0
10 Out-of-State	8,391	5,556	6,300	744	6,300	6,300	0
11 Board/Comm.	1,737	2,613	1,384	(1,229)	1,384	1,384	0
12 Total Travel	<u>119,010</u>	<u>117,402</u>	<u>146,684</u>	<u>29,282</u>	<u>146,684</u>	<u>146,684</u>	<u>0</u>
13							
14 Contractual Services							
15 Dues & Subscriptions	20,557	10,646	12,300	1,654	12,300	12,300	0
16 Consulting				0			
17 Legal	750	1,843	0	(1,843)	0	0	0
18 Computer - IGT	1,868,271	2,153,718	2,325,000	171,282	2,325,000	2,325,000	0
19 Registration Fees	3,740	2,088	1,000	(1,088)	1,000	1,000	0
20 Computer Services - BIT	358,150	343,322	244,367	(98,955)	245,907	245,907	0
21 Advertising	584,925	563,683	675,000	111,317	675,000	675,000	0
22 Marketing	95,781	252,969	152,000	(100,969)	152,000	152,000	0
23 Central Services	48,258	50,358	36,481	(13,877)	37,553	37,553	0
24 Equipment Maintenance	0	0	2,160	2,160	2,160	2,160	0
25 Janitorial Services	4,136	5,578	17,042	11,464	18,144	18,144	0
26 Equipment Rental	2,033	2,183	2,000	(183)	2,000	2,000	0
27 Telephone	19,338	40,085	16,000	(24,085)	16,000	16,000	0
28 IGT - Comm. Fees	412,216	380,016	410,000	29,984	410,000	410,000	0
29 Office Rent	98,697	116,823	97,200	(19,623)	97,200	97,200	0
30 Utilities	10,999	9,517	12,000	2,483	12,000	12,000	0
31 Freight	3,936	5,402	4,000	(1,402)	4,000	4,000	0
32 Instant Ticket Delivery	116,389	74,245	95,000	20,755	95,000	95,000	0
33 Insurance Premiums	2,531	1,300	5,000	3,700	5,000	5,000	0
34 Storage/Microfilm Costs	1,666	1,223	2,600	1,377	2,600	2,600	0
35 Payments to MUSL	204,251	223,742	67,000	(156,742)	67,000	67,000	0
36 Other Contractual Services	19,147	26,728	36,868	10,140	36,868	36,868	0

**South Dakota Lottery
Instant/Online - 0281
Informational Budget**

	FY2015 <u>Actual Exp</u>	FY2016 <u>Actual Exp</u> (Unaudited)	FY2016 <u>Budget</u>	FY2016 <u>Budget</u> (Over) Under	FY2017 <u>Budget</u>	FY2018 <u>Request</u>	FY2018 <u>Inc./((Dec.))</u>
37 Audit Services-State	25,169	13,142	22,000	8,858	22,000	22,000	0
38 Retailer Commission	2,820,399	2,987,162	2,868,600	(118,562)	2,868,600	2,868,600	0
39 Prize Expense	29,398,287	31,698,841	28,838,000	(2,860,841)	28,838,000	28,838,000	0
40 Total Contractual Services	<u>36,119,626</u>	<u>38,964,614</u>	<u>35,941,618</u>	<u>(3,022,996)</u>	<u>35,945,332</u>	<u>35,945,332</u>	0
41							
42 Supplies & Materials							
43 Office Supplies	12,383	16,779	16,000	(779)	16,000	16,000	0
44 Ticket Printing	415,483	550,215	625,000	74,785	625,000	625,000	0
45 Printing-State	3,832	4,235	3,000	(1,235)	3,000	3,000	0
46 Printing-Commercial	933	1,660	2,000	340	2,000	2,000	0
47 Postage	6,442	7,897	3,300	(4,597)	3,300	3,300	0
48 Promotional Supplies	56,924	49,608	78,000	28,392	78,000	78,000	0
49 Other Supplies	170	226	1,700	1,474	1,700	1,700	0
50 Total Supplies & Materials	<u>496,167</u>	<u>630,620</u>	<u>729,000</u>	<u>98,380</u>	<u>729,000</u>	<u>729,000</u>	0
51							
52 Capital Assets							
53 Computer Hardware,							
54 Software, Other Assets	37,399	108,448	40,000	(68,448)	40,000	40,000	0
55 Total Capital Assets	<u>37,399</u>	<u>108,448</u>	<u>40,000</u>	<u>(68,448)</u>	<u>40,000</u>	<u>40,000</u>	0
56							
57 Other							
58 Escrow to Reservations	65,143	69,277	79,000	9,723	79,000	79,000	0
59 Total Other	<u>65,143</u>	<u>69,277</u>	<u>79,000</u>	<u>9,723</u>	<u>79,000</u>	<u>79,000</u>	0
60							
61 Total Operating Expenditures	<u>36,837,345</u>	<u>39,890,361</u>	<u>36,936,302</u>	<u>(2,954,059)</u>	<u>36,940,016</u>	<u>36,940,016</u>	0
62							
63 Instant/On-Line Total	<u>\$38,000,089</u>	<u>\$41,040,686</u>	<u>\$38,347,802</u>	<u>(\$2,692,884)</u>	<u>\$38,403,677</u>	<u>\$38,403,677</u>	\$0
64							
65 Video Lottery Total	<u>\$2,204,670</u>	<u>\$2,284,175</u>	<u>\$2,612,459</u>	<u>\$328,284</u>	<u>\$2,633,743</u>	<u>\$2,633,743</u>	\$0
66							
67 Lottery Grand Total	<u>\$40,204,759</u>	<u>\$43,324,861</u>	<u>\$40,960,261</u>	<u>(\$2,364,600)</u>	<u>\$41,037,420</u>	<u>\$41,037,420</u>	\$0

**South Dakota Lottery
Video Lottery - 0282
Budget**

	FY2015 <u>Actual Exp</u>	FY2016 Actual Exp (Unaudited)	FY2016 Budget	FY2016 Budget (Over) Under	FY2017 <u>Budget</u>	FY2018 Request	FY2018 Inc./Dec.
1 Personal Services							
2							
3 Salaries	\$491,475	\$510,653	\$513,681	\$3,028	\$533,128	\$533,128	\$0
4 Benefits	163,041	143,067	158,677	15,610	158,682	158,682	0
5 Total Personal Services	<u>654,516</u>	<u>653,720</u>	<u>672,358</u>	<u>18,638</u>	<u>691,810</u>	691,810	0
6							
7 FTE:	11.0	11.2	10.0	(1.2)	10.0	10.0	0.0
8							
9 Travel							
10							
11 In-State	5,619	10,168	7,700	(2,468)	7,700	7,700	0
12 Out-of-State	1,714	5,771	5,118	(653)	5,118	5,118	0
13 Board/Comm.	2,233	4,778	2,800	(1,978)	2,800	2,800	0
14 Total Travel	<u>9,566</u>	<u>20,717</u>	<u>15,618</u>	<u>(5,099)</u>	<u>15,618</u>	15,618	0
15							
16							
17 Contractual Services							
18							
19 Dues & Subscriptions	12,066	6,252	6,100	(152)	6,100	6,100	0
20 Consulting - Legal	250	1,082	0	(1,082)	0	0	0
21 Registration Fees	2,114	1,444	2,000	556	2,000	2,000	0
22 Computer Services	20,296	33,752	49,177	15,425	49,487	49,487	0
23 Comp Services-BIT	30,404	143,441	8,500	(134,941)	8,553	8,553	0
24 Central Services	18,541	20,028	24,301	4,273	25,014	25,014	0
25 Janitorial Services	176	235	11,684	11,449	12,440	12,440	0
26 Advertising	87,610	95,365	100,500	5,135	200,500	200,500	0
27 Equipment Rental	671	685	4,500	3,815	4,500	4,500	0
28 Telephone	168,648	146,327	165,500	19,173	165,500	165,500	0
29 Office Rent	40,602	49,070	39,500	(9,570)	39,500	39,500	0
30 Utilities	504	441	1,470	1,029	1,470	1,470	0
31 Freight	28	30	500	470	500	500	0
32 Insurance Premiums	3,093	1,588	3,000	1,412	3,000	3,000	0
33 Equipment Maintenance	130	0	1,000	1,000	1,000	1,000	0
34 Computer Consulting - SGI	595,698	621,483	803,998	182,515	703,998	703,998	0
35 Inspection Services provided							
36 by Dept. of Public Safety	200,014	207,116	200,000	(7,116)	200,000	200,000	0

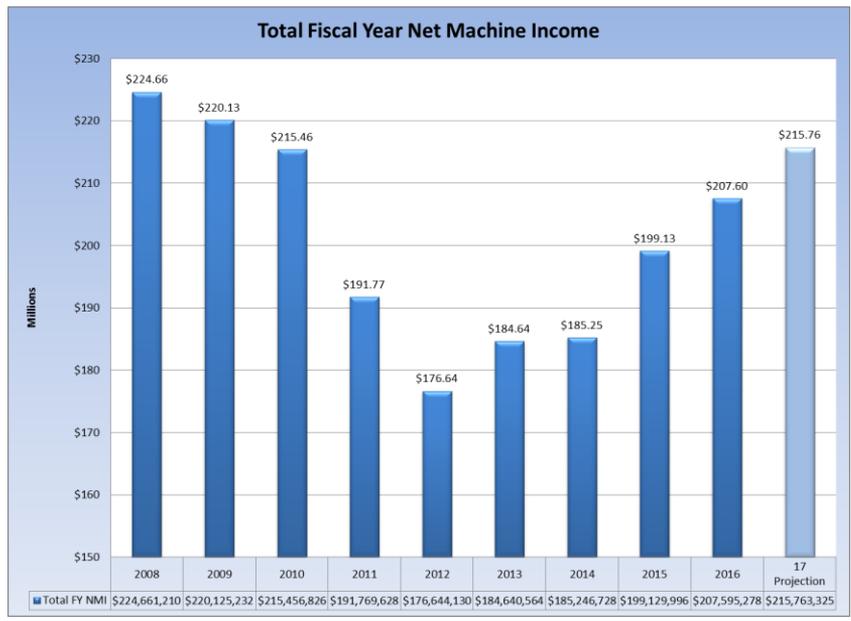
**South Dakota Lottery
Video Lottery - 0282
Budget**

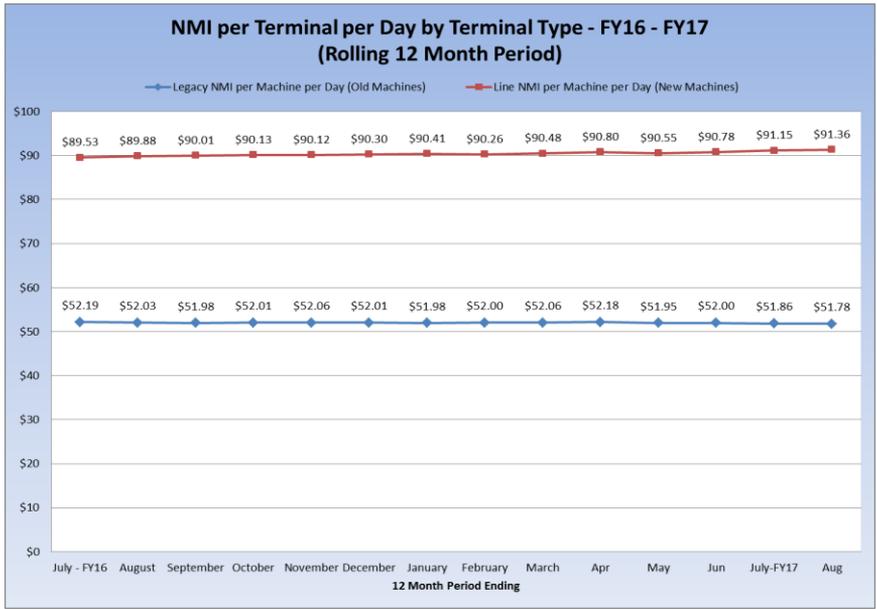
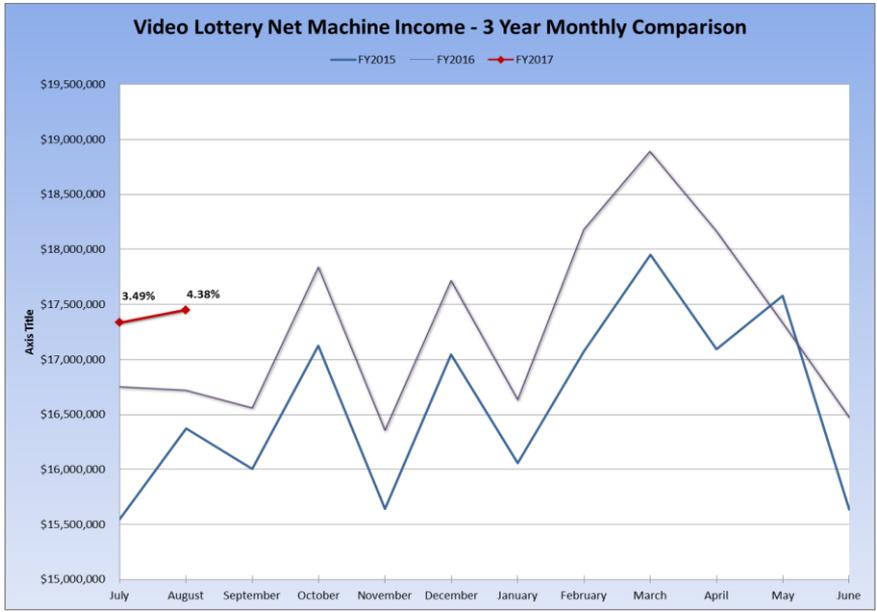
	FY2015 <u>Actual Exp</u>	FY2016 <u>Actual Exp</u> (Unaudited)	FY2016 <u>Budget</u>	FY2016 <u>Budget</u> (Over) Under	FY2017 <u>Budget</u>	FY2018 <u>Request</u>	FY2018 <u>Inc./Dec.</u>
37 Other Contractual Services	14,177	10,840	54,137	43,297	54,137	54,137	0
38 Audit Services-State	27,608	32,784	25,000	(7,784)	25,000	25,000	0
39 Total Contractual Services	<u>1,222,630</u>	<u>1,371,963</u>	<u>1,500,867</u>	<u>128,904</u>	<u>1,502,699</u>	<u>1,502,699</u>	0
40							
41 Supplies & Materials							
42							
43 Office Supplies	10,325	6,843	10,000	3,157	10,000	10,000	0
44 Printing-State	3,642	1,733	3,000	1,267	3,000	3,000	0
45 Printing-Commercial	0	0	3,000	3,000	3,000	3,000	0
46 Postage	9,208	10,141	13,000	2,859	13,000	13,000	0
47 Miscellaneous	12	0	616	616	616	616	0
48 Lottery Promo Items	4,212	4,387	0	(4,387)	0	0	0
49 Total Supplies & Materials	<u>27,399</u>	<u>23,104</u>	<u>29,616</u>	<u>6,512</u>	<u>29,616</u>	<u>29,616</u>	0
50							
51 Capital Assets							
52							
53							
54 Computer Hardware,							
55 Software, Other Assets	85,512	55,117	180,000	124,883	180,000	180,000	0
56 Total Capital Assets	<u>85,512</u>	<u>55,117</u>	<u>180,000</u>	<u>124,883</u>	<u>180,000</u>	<u>180,000</u>	0
57							
58 Other							
59							
60 Operating Transfers Out							
61 DSS Gambling Treatment	205,047	159,554	214,000	54,446	214,000	214,000	0
62 Total Other	<u>205,047</u>	<u>159,554</u>	<u>214,000</u>	<u>54,446</u>	<u>214,000</u>	<u>214,000</u>	0
63							
64 Total Operating Expenditures	<u>1,550,154</u>	<u>1,630,455</u>	<u>1,940,101</u>	<u>309,646</u>	<u>1,941,933</u>	<u>1,941,933</u>	0
65							
66							
67 Video Lottery Total	<u><u>\$2,204,670</u></u>	<u><u>\$2,284,175</u></u>	<u><u>\$2,612,459</u></u>	<u><u>\$328,284</u></u>	<u><u>\$2,633,743</u></u>	<u><u>\$2,633,743</u></u>	<u><u>\$0</u></u>

FY17 Video Lottery Performance Review

September 15, 2016

South Dakota Lottery Commission Meeting





Terminal Licenses

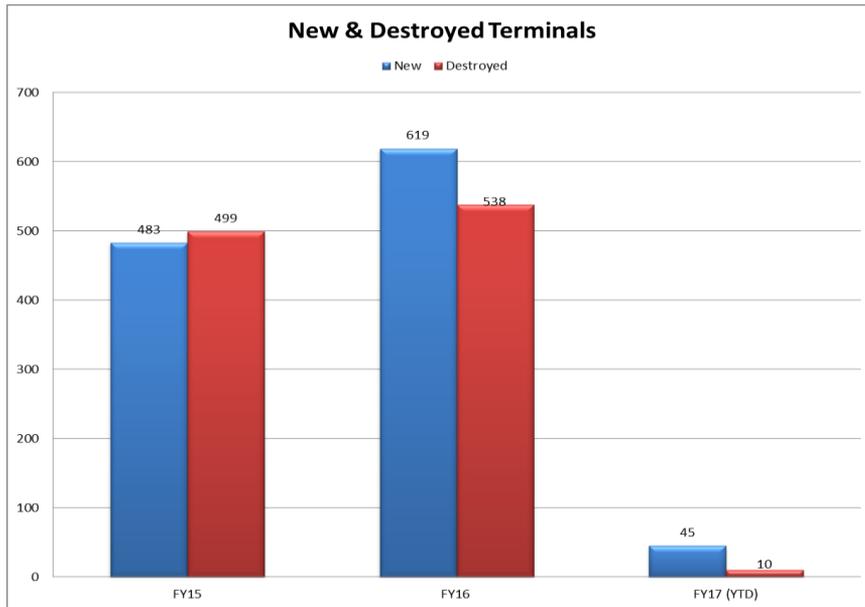
- \$100 annual fee per terminal
- Minimum fee of \$1,000 per Operator
- Fee based on fiscal year calendar

Operator Terminal License Fees

FY15	\$1,112,200
FY16	\$1,116,000
FY17 (YTD)	\$1,066,500



5



6

YoY Percent Change in NMI – FY17 vs. FY16

Over Performing Counties

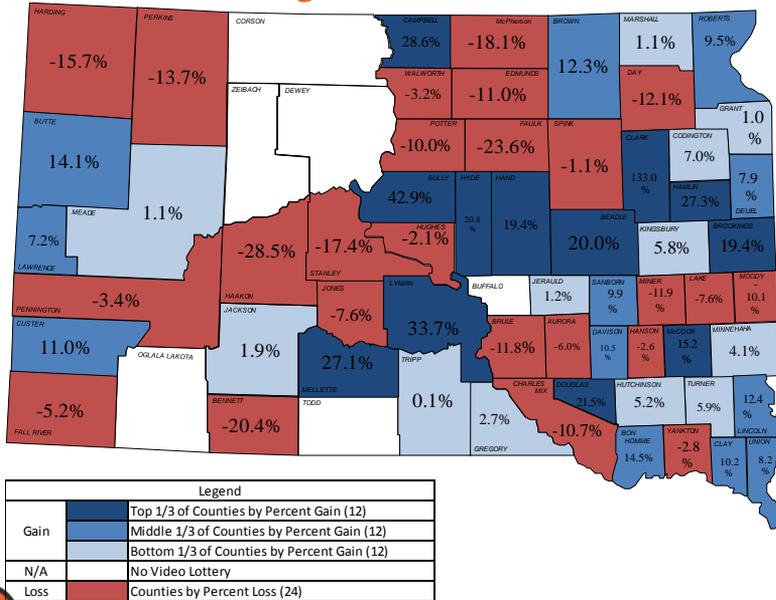
Rank	County	% Change
1	CLARK	132.98%
2	SULLY	42.85%
3	LYMAN	33.73%
4	CAMPBELL	28.64%
5	HAMLIN	27.30%
6	MELLETTTE	27.11%
7	DOUGLAS	21.50%
8	HYDE	20.78%
9	BEADLE	20.01%
10	BROOKING	19.44%
11	HAND	19.41%
12	MCCOOK	15.17%
13	BON HOMM	14.54%
14	BUTTE	14.13%
15	LINCOLN	12.44%

Under Performing Counties

Rank	County	% Change	Rank	County	% Change
30	GREGORY	2.67%	46	JONES	-7.55%
31	JACKSON	1.85%	47	POTTER	-9.96%
32	JERAULD	1.19%	48	MOODY	-10.07%
33	MEADE	1.13%	49	CHARLES M	-10.69%
34	MARSHALL	1.10%	50	EDMUNDS	-11.03%
35	GRANT	1.02%	51	BRULE	-11.83%
36	TRIPP	0.10%	52	MINER	-11.94%
37	SPINK	-1.12%	53	DAY	-12.11%
38	HUGHES	-2.12%	54	PERKINS	-13.66%
39	HANSON	-2.56%	55	HARDING	-15.70%
40	YANKTON	-2.84%	56	STANLEY	-17.39%
41	WALWORTH	-3.20%	57	MCPHERSO	-18.06%
42	PENNINGTC	-3.36%	58	BENNETT	-20.39%
43	FALL RIVER	-5.18%	59	FAULK	-23.63%
44	AURORA	-5.97%	60	HAAKON	-28.53%
45	LAKE	-7.55%			



YoY Percent Change in NMI – FY17 vs. FY16



Top Video Lottery Markets

Rank	City	FY16 NMI	FY17 NMI	% of Total NMI	YoY % Change	YoY \$\$ Change
1	Sioux Falls	\$8,465,629	\$8,812,783	25.34%	4.10%	\$347,154
2	Rapid City	\$4,379,280	\$4,262,216	12.25%	-2.67%	-\$117,063
3	North Sioux City	\$1,908,370	\$2,054,872	5.91%	7.68%	\$146,502
4	Aberdeen	\$1,791,101	\$2,014,743	5.79%	12.49%	\$223,643
5	Yankton	\$1,360,951	\$1,325,650	3.81%	-2.59%	-\$35,300
6	Mitchell	\$1,026,243	\$1,136,322	3.27%	10.73%	\$110,078
7	Watertown	\$1,065,439	\$1,145,564	3.29%	7.52%	\$80,125
8	Pierre	\$987,842	\$968,189	2.78%	-1.99%	-\$19,653
9	Huron	\$937,299	\$1,132,799	3.26%	20.86%	\$195,500
10	Brookings	\$625,364	\$736,595	2.12%	17.79%	\$111,230
11	Box Elder	\$436,678	\$388,650	1.12%	-11.00%	-\$48,028
12	Vermillion	\$318,813	\$333,396	0.96%	4.57%	\$14,583
13	Hot Springs	\$387,384	\$364,521	1.05%	-5.90%	-\$22,863
14	Sturgis	\$336,908	\$346,437	1.00%	2.83%	\$9,529
15	Brandon	\$315,611	\$342,126	0.98%	8.40%	\$26,516
Subtotal (Top 15)		\$24,342,912	\$25,364,864	72.92%	4.20%	\$1,021,952
All Other Towns		\$9,123,273	\$9,418,081.92	27.08%	3.23%	\$294,809
Statewide Total		\$33,466,185	\$34,782,946	100.00%	3.93%	\$1,316,761



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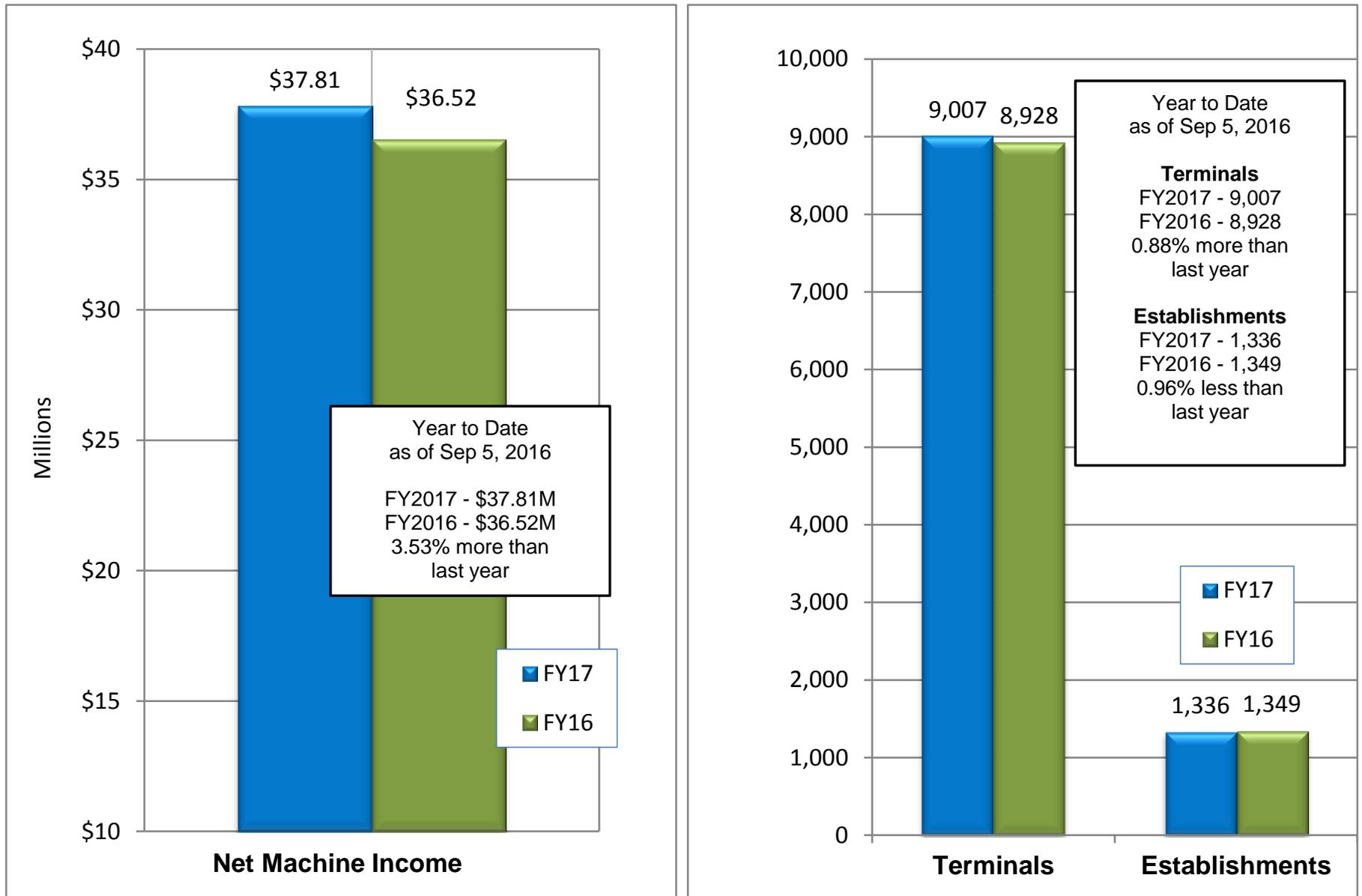
Summary

- 3.93% ahead of FY16 = Projecting \$215.76 M for FY17
- Line terminals leveling off, still outperforming legacy terminals by about \$38.50 (74%) per terminal per day
- Sioux Falls
 - Generates over 25% of total NMI
 - YoY revenue up 4.10%
- Cumulatively, the smaller communities are up 3.23% YoY.

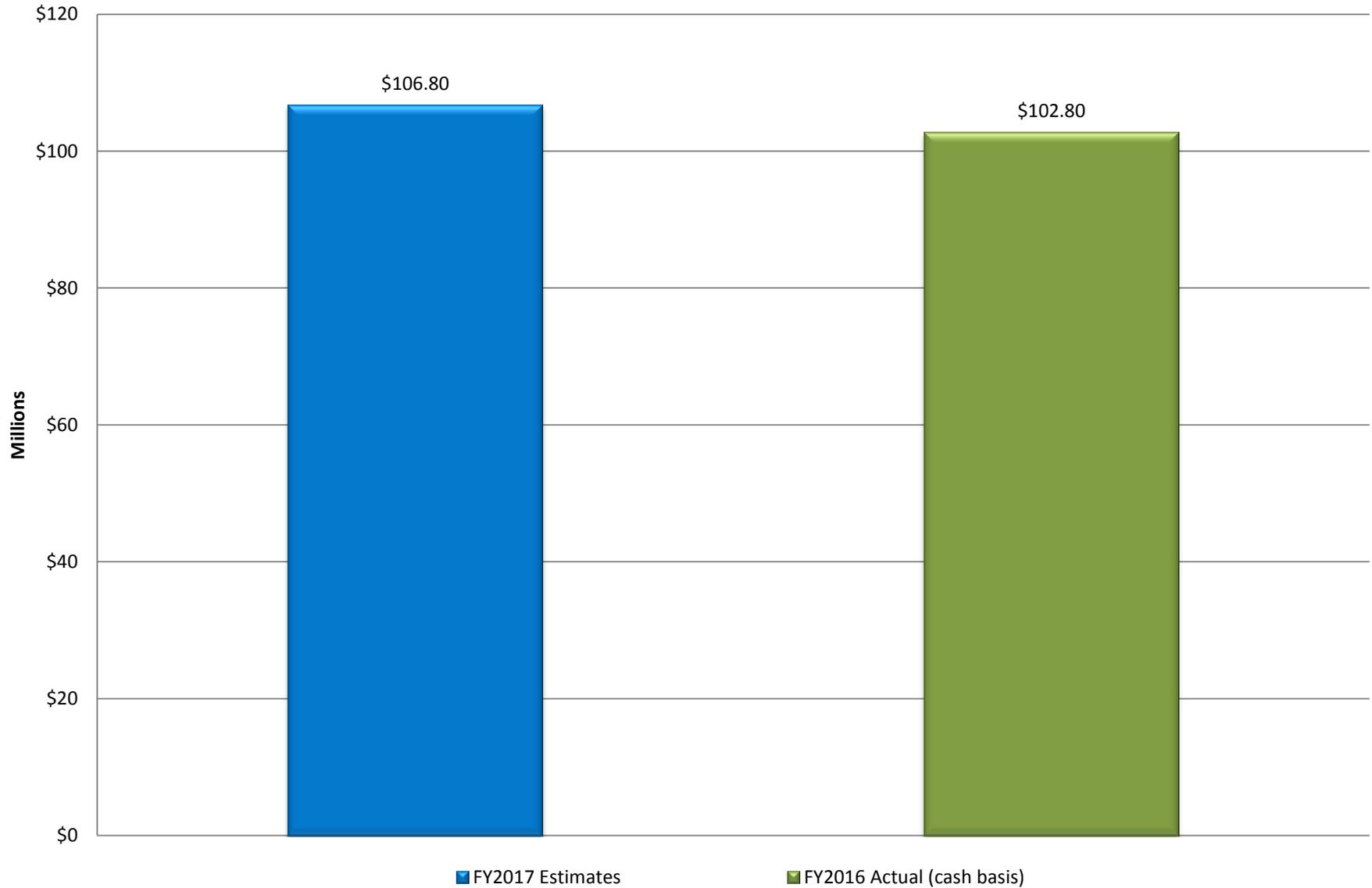


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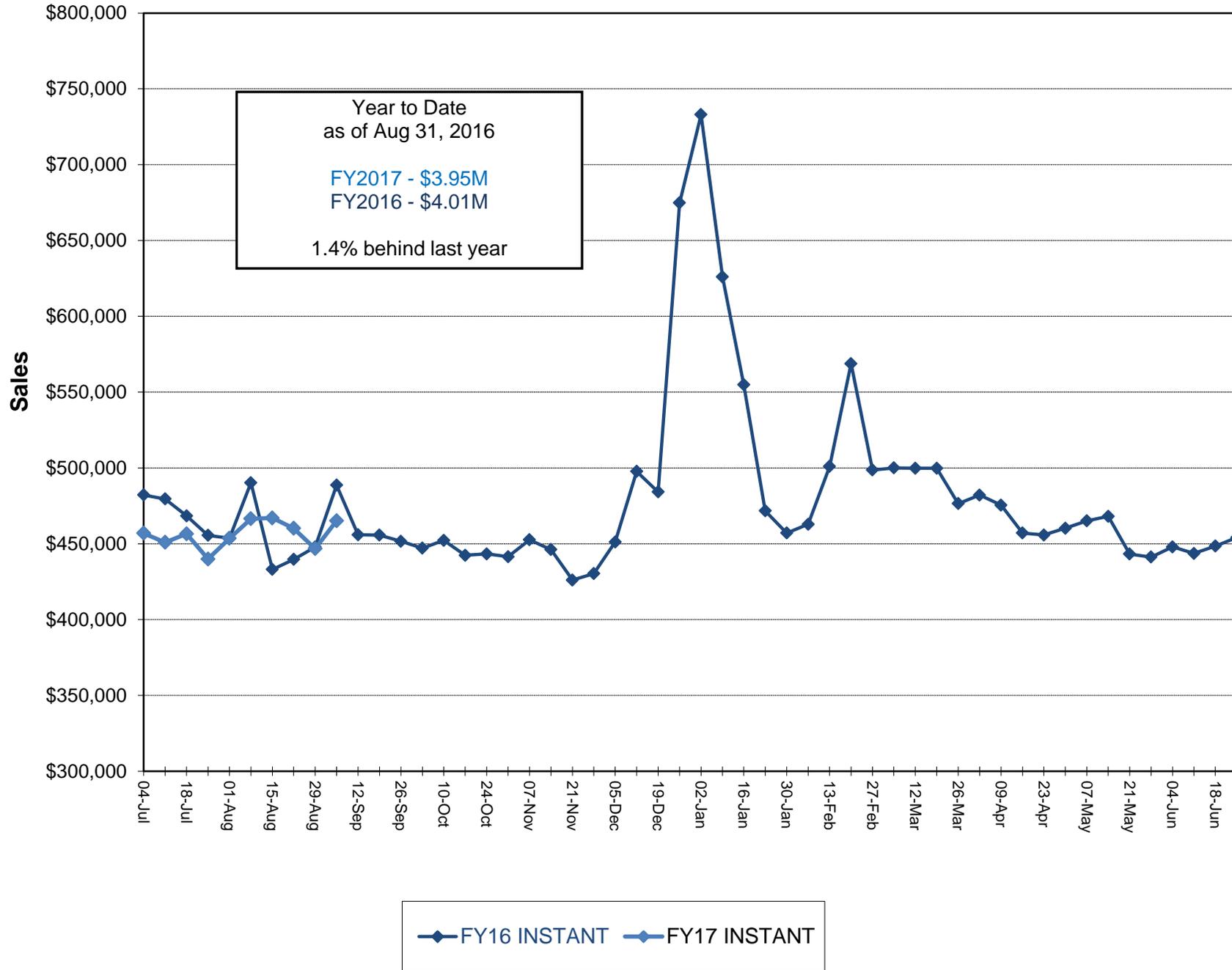
Net Machine Revenue & Terminal and Establishment Averages



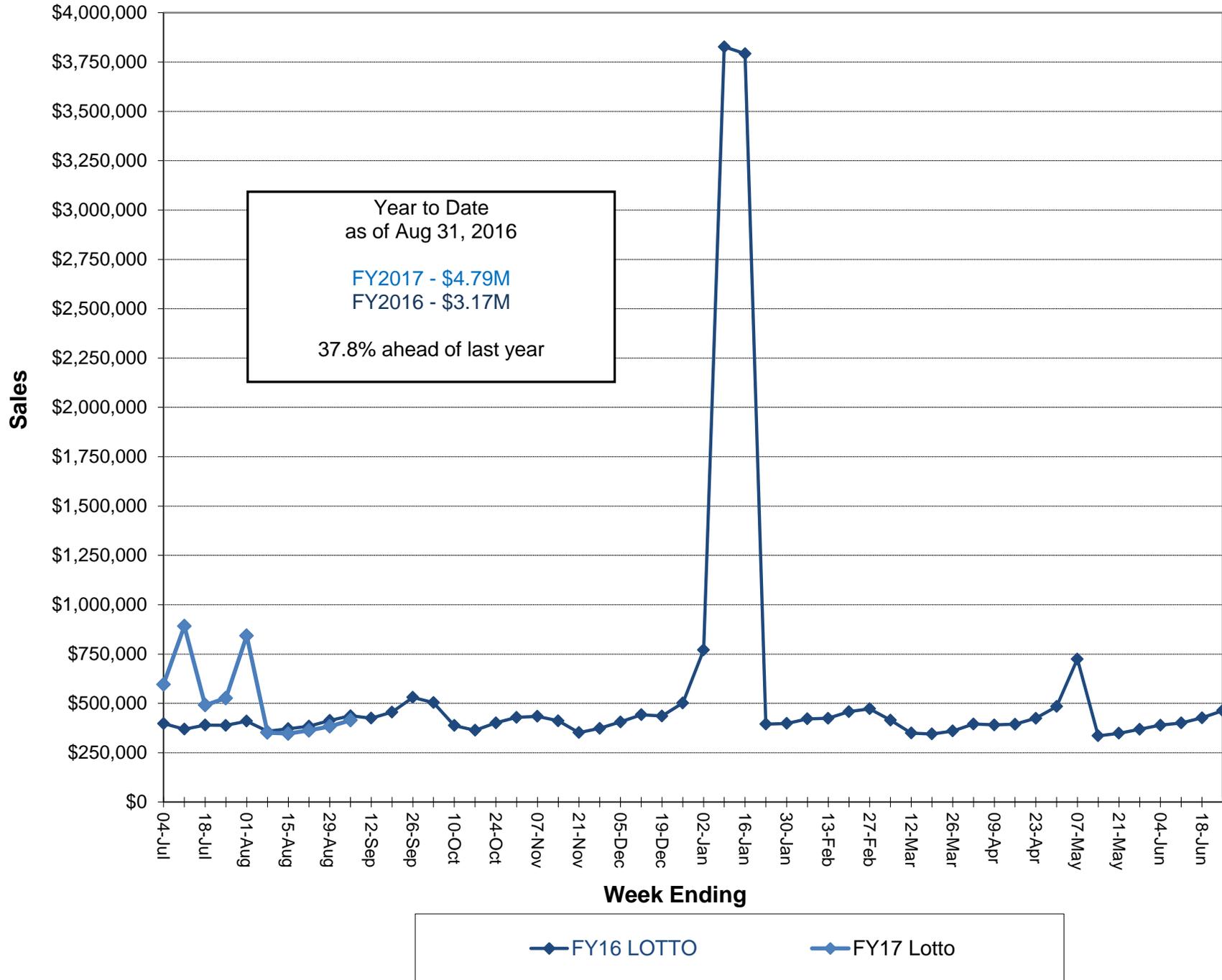
Video Lottery FY17 State Share Revenue Projection As of Aug 31, 2016



Instant Ticket Sales



Lotto Sales



Instant and Online FY17 Revenue Projections As of Aug 31, 2016

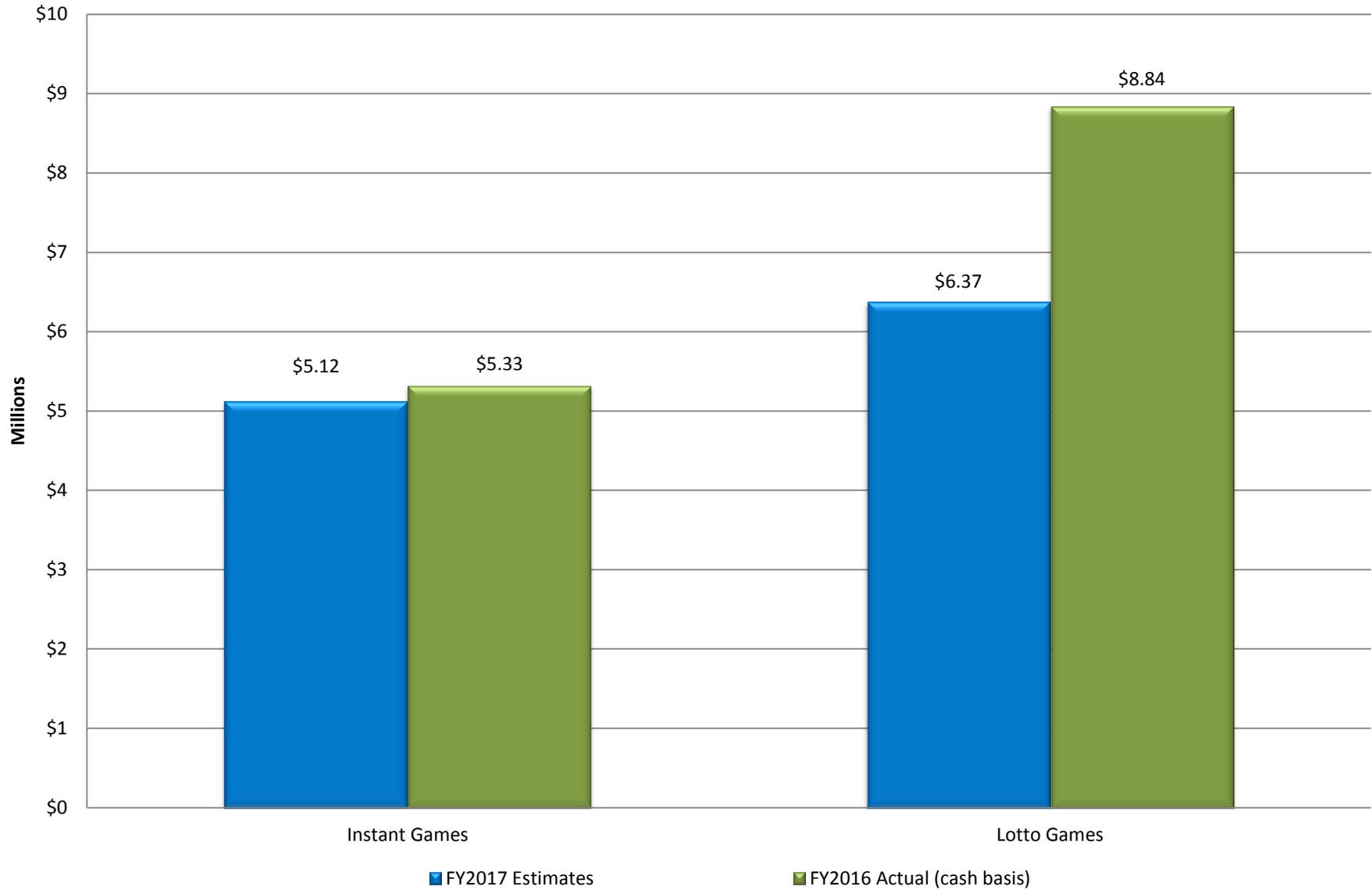


Exhibit I

Total FY17 Revenue Projections As of Aug 31, 2016

