October 2015

Rhode Island Lottery

Fiscal Year Ended June 30, 2015

We completed an audit of the financial statements of the Rhode Island Lottery (Lottery) for the fiscal year ended June 30, 2015. The Lottery paid $381.9 million to the State’s General Fund for the fiscal year ended June 30, 2015. The amounts paid to the General Fund represent the Lottery’s net income after payment of prize awards, commissions, and operating expenses.

The total amount transferred to the State increased $5.6 million over the previous fiscal year ended June 30, 2014. The Lottery’s gross profit from gaming operations before operating expenses totaled $392.0 million for the fiscal year ended June 30, 2015. Video lottery accounted for $312.3 million or 79.7% of total gross profit.

Net video lottery revenue increased by approximately 1.8% compared to the prior year. On-line revenue decreased 3.9% and instant ticket revenue increased 7.8% over prior year amounts. The Lottery’s operating expenses totaled approximately $10.3 million for the year ended June 30, 2015.

Net revenue from Twin River table games totaled $106.6 million for the year ended June 30, 2015 - the second full-year of table game operations. After commissions paid to Twin River and the Town of Lincoln, the State’s share of net revenue from table games amounted to $17.1 million.

The Lottery disclosed contingencies related to the potential risk to gaming operations from competition in nearby states.

We concluded that the Lottery’s financial statements for the year ended June 30, 2015 were fairly presented in accordance with accounting principles generally accepted in the United States of America.

We also issued our Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements.

Audit Highlights

- The Lottery paid $381.9 million to the State’s General Fund for the year ended June 30, 2015 – an increase of $5.6 million compared to the prior fiscal year.
- Video lottery accounted for $312.3 million or 79.7% of the Lottery’s gross profit from gaming operations in fiscal 2015.
- In the second full-year of operations (fiscal 2015), table games at Twin River accounted for $17.1 million of gross profit for the Lottery.
- We expressed an unmodified opinion on the Lottery’s financial statements.
- The Lottery disclosed contingencies related to the potential risk to gaming operations from competition in nearby states.

Copies of this report are available on our website www.oag.ri.gov.