



2025 ANNUAL REPORT

MONTANA  LOTTERY



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Special Note: The numbers within this annual report are unaudited. The Legislative Audit Divisions Financial Compliance Audits are available at <https://archive.legmt.gov/lad>



Letter from the DIRECTOR

It is with great pleasure that I present the Montana Lottery's Fiscal Year 2025 Annual Report, detailing a year filled with strategic advancements, unprecedented sales figures, and continued positive impact.

This past fiscal year, the Montana Lottery proudly contributed \$19.9 million to the State of Montana's General Fund and \$2.25 million to Montana's STEM/Healthcare scholarship. This substantial transfer underscores our commitment to supporting the state and is a direct result of the collective efforts of our team and the enthusiasm of our players. Below, I'll highlight the key areas that drove this significant contribution.

This year, we significantly strengthened our operational footprint by expanding our sales team and establishing a new sales region for the Columbus/Lewistown area. Stephania Ping transitioned to cover the Columbus/Lewistown area. We welcomed Katie Seaman as the new Lottery Sales Representative (LSR) for the Missoula region, following the retirement of a long-standing team member. The creation of the new region resulted in a strategic move: we welcomed Jess Pratt to take on the Billings region as its new LSR. At the main office, we were delighted to see Jolene Boyd, a long-time Lottery employee, promoted to Finance Director, a role where her expertise will undoubtedly foster new growth and positive changes within the department.

Our signature raffle game, Montana Millionaire, defied expectations once again, achieving another year of record-breaking sales. On November 1, 2024, all 500,000 tickets – which included four million-dollar grand prizes – sold out in an astounding 2 hours and 46 minutes! This incredible demand speaks volumes about the excitement our games generate, and we are already planning for an even more thrilling 2025 Montana Millionaire.

Maintaining financial integrity is a top priority. I'm pleased to report on the successful completion of our Fiscal Year 2022 and 2023 financial audits in FY25.

March 2025 marked a significant enhancement for Mega Millions. The price per play increased to \$5, now incorporating a built-in multiplier from 2X to 10X. This change also saw starting jackpots rise from \$20 million to \$50 million, along with improved odds of winning, offering even more excitement to our players.

Sports Bet Montana continued its impressive trajectory. As of February, we've proudly paid out over \$10 million in sales commissions to our incredible network of nearly 540 sales agents since our inception. We extend our sincerest thanks to all our sales agents for their outstanding partnership. Their dedication, earning 3% on every wager placed at their location, whether through a machine or the mobile app, is crucial to our success.

Beyond direct financial contributions, we're proud of the continued success of our image campaign, which actively promotes STEM Scholarships to students across the state, investing in Montana's future.

I am profoundly grateful for the unwavering dedication of our staff, the hard work of our sales agents, and the passion of our players. Your collective contributions have made this a truly remarkable year. We eagerly anticipate exploring new opportunities to deliver even more fun and excitement in Fiscal Year 2026.

Sincerely,



Director Bob Brown



Montana Lottery COMMISSION

By law, Montana's Lottery Commission consists of five members appointed by the Governor. One of the five must have five years' experience as a law enforcement officer, one must be an attorney, and one must be a certified public accountant. The Commission oversees the Lottery's operations, sets policy and determines the type and forms of Lottery products.

LEO PRIGGE, CHAIR, BUTTE

TONY HARBAUGH, MILES CITY

JON METROPOULOS, HELENA

STEVE MORRIS, HELENA

JANNA TAYLOR, ROLLINS



Our Refreshed MISSION

In fiscal year 2025, we updated our Mission Statement for the first time in several years. This new statement clearly articulates our purpose and highlights our commitment to our stakeholders. Since every Montanan is directly or indirectly affected by our work, a clear and concise Mission Statement is essential to guide our efforts and demonstrate our accountability.

“The mission of the Montana Lottery is to maximize net profit for the Montana STEM Scholarship program and the transfer to the state’s General Fund. The greatest return to our sales agents, players and all Montanans occurs by providing exemplary products to meet the state’s market demands while adhering to optimal standards of security and integrity.”



MONTANALOTTERY



ECONOMIC IMPACT

FY-1987-2025

\$1.16 Billion

Prizes Paid

\$111.6 Million

Sales Agent Commissions Earned

\$377 Million

Transferred to the State of Montana

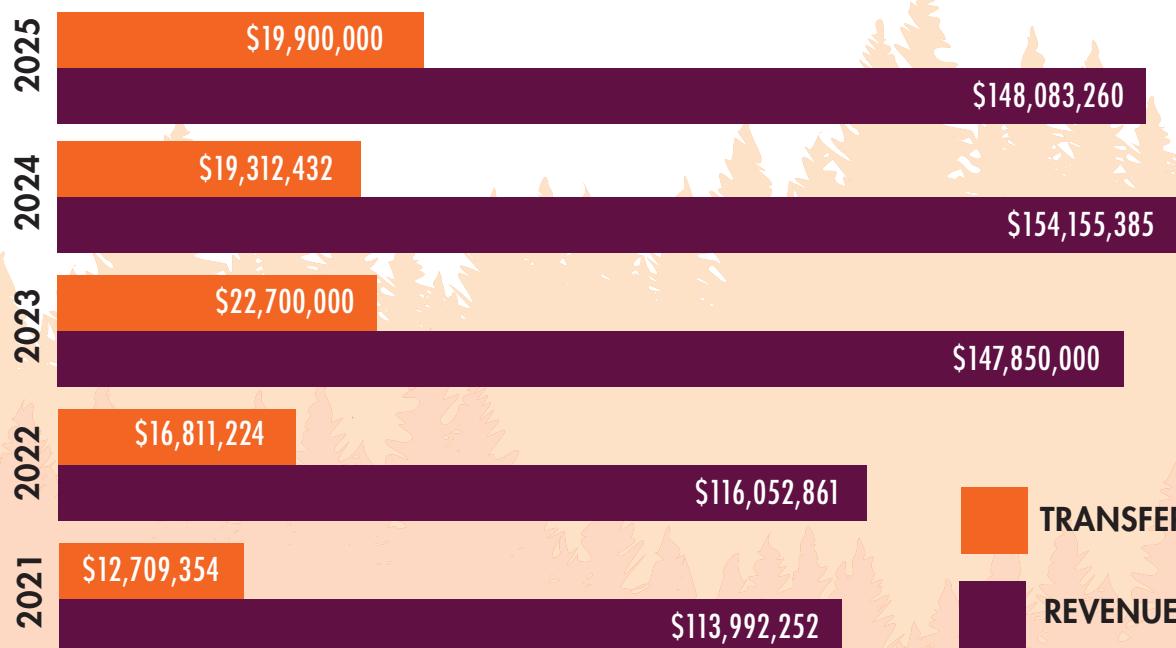
Where the MONEY GOES

The Montana Lottery is an enterprise fund. It receives no funding from the State of Montana, instead covering all expenses with the revenue generated from product sales. Any surplus revenue ("profit") is transferred to the State of Montana. Funds transferred to the State of Montana go to specific beneficiaries, which the Montana Legislature identifies. Beneficiaries have changed by legislative action several times since Lottery operations started in 1987 but as of FY25 include:

GENERAL FUND

Most Lottery proceeds go to the General Fund, which funds a variety of state programs at the discretion of the Legislature. In FY25, the Lottery transferred \$19.9 million to the General Fund.

REVENUES AND TRANSFERS, FY21-25



MONTANA'S STEM/HEALTHCARE SCHOLARSHIP PROGRAM

Montana's STEM/Healthcare Scholarship Program, administered by the Office of the Commissioner of Higher Education, receives Lottery proceeds before the General Fund according to a schedule defined by law.

In FY25, the first \$2,250,000 of Lottery proceeds funded the program.

Montana's STEM/Healthcare Scholarship Program is designed to provide an incentive for Montana high school students to prepare for, enter into and complete degrees in postsecondary fields related to science, technology, engineering, mathematics, and healthcare. The goal of this program is to increase the number of STEM/Healthcare degree recipients participating in Montana's workforce.

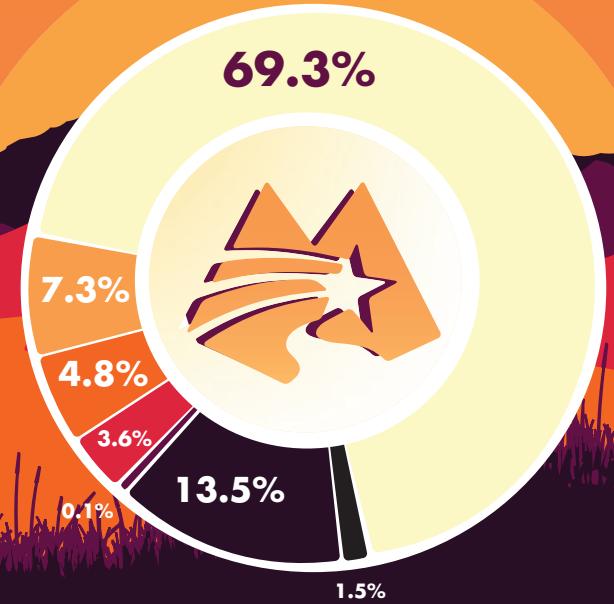
FY25 REVENUES

\$148,083,260

PRODUCT GROUP	FY24	FY25	DIFFERENCE %
LOTTO GAMES	\$47,706,977	\$35,470,698	-25.7%
SCRATCH	\$27,235,936	\$27,964,993	2.7%
TREASURE PLAY	\$7,853,061	\$8,456,188	7.7
MONTANA MILLIONAIRE	\$7,600,000	\$10,000,000	31.6
SPORTS BET MONTANA	\$63,721,790	\$66,184,270	3.9
OTHER	\$9,974	\$7,111	-28.7
TOTAL	\$154,155,385	\$148,083,260	-3.9

FY25 EXPENSES AND CONTRIBUTIONS

\$148,083,260



PRIZES	\$102,612,343	69.3%
TICKET COSTS	\$10,753,956	7.3%
SALES AGENT COMMISSIONS	\$7,142,558	4.8%
OPERATING EXPENSES	\$5,261,398	3.6%
NON-OPERATING REVENUES	\$79,867	0.1%
TRANSFERS TO THE GENERAL FUND	\$19,983,138	13.5%
MT STEM/HEALTHCARE SCHOLARSHIP	\$2,250,000	1.5%

Segmentation STUDY

Through a comprehensive segmentation study conducted with Ipsos, the Montana Lottery's Marketing and Sales Department identified four distinct player segments: Social Excitement, Generous Informed Risk, Easy Entertainment, and Life Changing Freedom. A two-day workshop allowed us to illuminate our priority segments, thoroughly understand their profiles and play behaviors, and pinpoint

their needs and opportunities. This comprehensive study was instrumental in exploring new avenues for marketing, communications, and game development. All of which provided a clear path to identifying all our fiscal year 2026-2028 marketing and sales strategic initiatives.

PLAYER SEGMENTS

Segment	Description
Social Excitement	<ul style="list-style-type: none">High roller player baseNot just sports bettors, but also video gaming machine (VGM) playersA gender balanced segment but skews male, especially for sports betting
Easy Entertainment	<ul style="list-style-type: none">This segment represents majority of Montana's player baseMore introverted, not typically a social playerSkews towards retirees with consistent income of an older age demographicYounger audiences may have just started; dabbling their toes in playing
Life Changing Freedom	<ul style="list-style-type: none">Most players in this segment consists of femalesThey are typically professionals with average incomes and familiesThese individuals play across both Lottery and casino gamesThey have an entertainment budget but operate within financial constraints
Generous Informed Risk	<ul style="list-style-type: none">These players are likely to be fathers with responsibilitiesThey are typically well informed adults with responsibilitiesThey tend to be highly educated about games and odds

Products in Review

LOTTO GAMES



FY25 EXPENSES AND CONTRIBUTIONS

\$35,470,698

The Montana Lottery finished FY25 with six Lotto games: Powerball® with Power Play®, Mega Millions® with Megaplier®, Lotto America®, Lucky for Life®, Montana Cash™ with Max Cash™ and Big Sky Bonus™. Four of those products are multi-state Lotto games, while Montana Cash™ with Max Cash™ and Big Sky Bonus™ are Montana-made and played exclusively in Montana. Montana in-state-only games are among our most popular games and offer the best overall odds.

Mega Millions received significant game enhancements in FY25. There were no major game enhancements to our multi-state or in-state Lotto games for FY25. We had 1,262 licensed sales agents in FY25. All traditional Lotto sales agents receive a 5% commission. Powerball®, Lotto America®, and Montana Cash™ with Max Cash™ led record revenue with large jackpot runs in FY25.



MONTANA LOTTERY

MONTANA MILLIONAIRE™

Montana Millionaire™ is Montana Lottery's raffle game which is held annually beginning November 1. The Montana Millionaire™ revenue was \$10,000,000 in FY25, up 24% from \$7,600,000 in FY24. Montana Millionaire™ has become a sensation in Montana and continues to receive a tremendous amount of attention after a record-breaking sales period, selling out in only 2 hours and 46 minutes on November 1, 2024.

TREASURE PLAY™

The Montana Lottery offers a variety of instant-win, terminal-issued games called Treasure Play™. These games are available at 695 licensed sales agents across the state. In FY25 the Treasure Play™ lineup included five non-progressive games and seven progressive jackpot games.

Progressive games are typically more popular because player interest and sales increase as the jackpots grow. A new game, the \$20 Ruby Progressive, was launched in FY25 with a starting jackpot of \$25,000. Additionally, a record \$63,228 jackpot was won on April 14, 2025, from the \$3 Shake A Day Progressive game at Big Stack Casino in Anaconda.

For FY25, the total revenue for the Treasure Play™ line of games was \$8,456,188. This represents a 7.7% increase from the previous year's revenue of \$7,853,061 in FY24.

MONTANA CASH™ WITH MAX CASH™

The Montana Cash™ with Max Cash™ Lotto game recently generated its second-largest jackpot in history.

After running for 181 days, the massive \$1,666,425 jackpot was won on May 24, 2025.

Since the introduction of the optional Max Cash™ add-on in September 2019, the game has seen significant growth. The average jackpots for Montana Cash™ with Max Cash™ have increased by an impressive 233%, while revenue has grown by 54%.

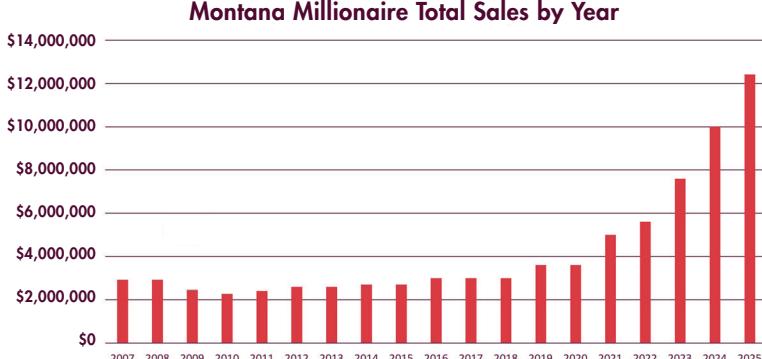
MEGA MILLIONS®

On April 5, 2025, Mega Millions® underwent a major revamp, introducing several game enhancements to boost player excitement and winnings.

The updated version of the game now features:

- A new \$5 ticket price.
- A revised prize structure offering larger payouts.
- An automatic Megaplier on every single play, which multiplies non-jackpot winnings.
- Updates to the logo, to reflect the game changes.

Following the launch, these changes led to a notable increase in several key areas. Revenue generated \$8,326,233 which is a 21% decrease from FY24. The decrease in revenue can be explained by unusually low jackpot levels in FY25.



FY25 EXPENSES AND CONTRIBUTIONS

\$27,964,993



During FY25, Montana Lottery launched 38 Scratch games of all price points, \$1, \$2, \$3, \$5, \$10, \$20 and \$30. FY25 Scratch revenue was \$27,964,993 which is a 2.7% increase from FY24.

Holiday Games:

In October, we launched four new holiday/winter themed Scratch tickets at the \$1, \$2, and \$5 price points, offering top prizes from \$1,000 to \$75,000. Despite a significant reduction in overall advertising spending this fiscal year—with a greater focus on social and digital media—sales surpassed those of FY24. This strategic shift ultimately led to an increase in net profit as well.

Summer Scratch Games:

In May of FY25, we launched the BONUS X family of games at the \$2, \$5, and \$10 price points. These tickets were printed on a metallic foil stock for an enhanced visual effect and featured exciting prize multipliers of 10X, 20X, and 50X. The initial sales for these games have been very strong, and we're excited to see their final performance in FY26.



FY24 & FY25 SALES



Optimizing Our Scratch Ticket Portfolio for Montana

During our annual planning, we took a deep dive into the Scratch ticket portfolio and made some strategic changes to improve our game lineup. We've reduced the number of \$1 Scratch ticket options and replaced certain \$2 game types.

Additionally, we've started the process of adjusting payout percentages and optimizing prize structures. These changes are designed to better align with our primary objective: to return the best possible net profit to the citizens of Montana.

SPORTS BET MONTANA™ REVENUE

\$66,184,270

SPORTS BET
MONTANA™

SPORTS BET MONTANA™ UPDATES

Sports Bet Montana™ (SBM) is the Montana Lottery's sports wagering product, which launched in March 2020. Players may bet on a large selection of college and professional sports. SBM is available at over 560 sales agents, where players may place bets through self-service machines, or a geo-located mobile app tied to a player's account. The Montana Lottery posts weekly and monthly reports on Sports Bet Montana's handle and gross gaming revenue (GGR) on its website.



FOOTBALL

Football was the most popular sport for wagering in FY25, with a total handle of \$24,488,180 from 887,365 total bets. This represents a strong increase from the previous fiscal year, with the total amount wagered up by 13% and the number of bets up by 25%.

Here's a closer look at some of the major games that contributed to this success:

- The annual rivalry game between the state's two NCAA Division 1 universities, Montana State University and the University of Montana, saw a handle of \$163,159 with 4,937 total bets.
- The FCS National Championship game, which featured Montana State University against North Dakota State, drew a handle of \$260,765 and 8,521 total bets.
- The NFL's Big Game between the Philadelphia Eagles and the Kansas City Chiefs generated a significant handle of \$864,346 and 38,212 total bets.



BASKETBALL

The NCAA Division 1 Men's Basketball Tournament was the most popular event of the year, generating a total handle of \$2,354,503 from 82,400 bets over three weeks. The National Championship game between Florida and Houston alone accounted for a handle of \$233,610 and 4,988 bets.

SALES AGENT COMMISSION ANALYSIS

Based on a recent analysis, Sports Bet Montana found that sales agents with a DUO—a TV screen provided by the Montana Lottery to display sporting events, markets, and odds—earned an average of 62% more in commission than those without one.

In FY25, the number of Sports Bet Montana sales agents increased to 568, up from 541 in the previous year.



Terminal INFORMATION

FY25 TERMINALS BY TYPE		Count
CLERK-ACTIVATED TERMINAL - PHOTON		631
SELF-SERVICE TOUCHSCREEN TERMINAL - DREAMTOUCH		50
SELF-SERVICE PUSH-BUTTON TERMINAL - WINSTATION		55
SELF-SERVICE TREASURE PLAY TERMINAL - MPNG		377
SELF SERVICE SPORTS WAGERING TERMINAL - MPSB		562
TOTAL		1,675

In FY25, the number of terminals remained mostly the same compared to FY24.

PHOTON: Our clerk-operated Photon terminals manage and sell Lotto and Scratch products. This terminal is present in businesses selling our Scratch products at the cash register or through a separate, customer-operated vending-style machine. The Photon has an external thermal printer and a customer-facing advertising display.

DREAMTOUCH: Our DreamTouch terminal is a player-activated, vending-style machine that offers Scratch and Lotto products. The user interacts with this terminal using a large touchscreen. This device contains a thermal printer that will print all Lotto games and displays and dispenses 25 Scratch games for purchase.

WINSTATION: Our WinStation terminal is an earlier version of a player-activated, vending-style machine that offers Scratch and Lotto products. The user interface contains large buttons to select offered products. This device contains a thermal printer that will print all Lotto games and displays and dispenses 25 Scratch games for purchase.

MPNG (TREASURE PLAY™): Our Treasure Play™ and Lotto products are offered on these player-activated terminals. These devices contain a thermal printer and print Treasure Play™ and Lotto tickets.

MPSB (SPORTS BET MONTANA™): Sports Bet Montana™ is offered on the MPSB terminal which is exclusively branded and offers only Sports Bet Montana™ bets and content.

Sales Agent INFORMATION



MONTANA **LOTTERY**

We ended FY25 with a total of 1,262 sales agents!

The Montana Lottery's success is due in no small part to a network of sales agents comprising a variety of business types: convenience stores, grocery stores, bars, casinos and more.

The Montana Lottery offers two types of sales agent licenses: traditional and sports wagering. Many businesses have more than one kind of license and offer more than one kind of Lottery product. Including all license types, the Montana Lottery ended FY25 with 1,262 sales agents.

In addition to major beneficiaries, the Montana Lottery also supports Montana businesses through sales agent commissions. Traditional sales agents earn a 5% commission on tickets sold. For Treasure Play™ and Scratch products, additional bonuses may be earned for sales exceeding quarterly goals.

Sports Bet Montana™ sales agents who have a machine on premises earned a 3% commission on gross wagers. Locations that are selling SBM as mobile-only earn a commission rate of 1.5%.



Winners happen!



Winner SPOTLIGHT

10 BIGGEST PRIZES PAID

Prize	Name	Sales Agent	City	Date
\$1,000,000	MILLIONAIRE MAKER	TOWN PUMP OF TOWNSEND	Townsend	08/06/2024
\$1,000,000	MT MILLIONAIRE™	CRANNY'S CLUB TAVERN AND CASINO	Dillon	01/08/2025
\$1,000,000	MT MILLIONAIRE™	GRAND SLAM CASINO	Great Falls	12/27/2024
\$1,000,000	MT MILLIONAIRE™	SUPER 1 FOODS OF GREAT FALLS	Great Falls	01/02/2025
\$1,000,000	MT MILLIONAIRE™	BEARTOOTH HARLEY-DAVIDSON BUELL	Billings	12/27/2024
\$829,092	MONTANA CASH™	NOON'S #426	Missoula	10/18/2024
\$500,000	MAX MONEY	TOWN PUMP OF GREAT FALLS #3	Great Falls	12/27/2024
\$275,000	MONTANA CASH™	WOODY'S FUEL STOP	Stanford	06/06/2025
\$261,006	\$30 High Stakes Progressive	LUCKY LIL'S CASINO OF BOZEMAN	Bozeman	11/12/2024
\$250,000	MT MILLIONAIRE™	OFFICE BAR AND MOTEL	Vaughn	01/27/2025

FY25 SPORTS BET MONTANA™ TOP 5 PAID WINS

1. A bettor won \$100,000 on a \$135, 15-leg NFL money line parlay bet at Magic Diamond Casino of East Helena.
2. A bettor won \$100,000 on a \$4.90, 14-leg NFL parlay with a variety of selections at Lucky Lil's Casino and Liquor Store in Billings.
3. A bettor won \$29,327 on a \$60, 15-leg NFL money line parlay bet at KC'S Palace Bar and Lanes in Laurel.
4. A bettor won \$28,368 on a \$100, 9-leg NCAA Football point spread parlay at Montana Nugget Casino in Helena.
5. A bettor won \$27,673 on a \$5, 13-leg NFL point spread parlay bet at Caboose Saloon in Laurel.

MONTANA LOTTERY

STATEMENT OF NET POSITION
(Unaudited)

June 30, 2025

MONTANA LOTTERY

STATEMENT OF NET POSITION
(Unaudited)

June 30, 2025

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APPOINTED OFFICIALS

Bob Brown, Lottery Director

Bryan Costigan, Lottery Assistant Director for Security

LOTTERY COMMISSION

Term Expires

Leo Prigge	Butte	January 1, 2027
Tony Harbaugh	Miles City	January 1, 2025
Steve Morris	Helena	January 1, 2025
Janna Taylor	Rollins	January 1, 2026
Jon Metropoulos	Helena	January 1, 2026

REPORT DISTRIBUTION – 2025

According to Section 23-7-202(9), MCA, copies of this report must be distributed to the following:

Governor – Greg Gianforte

Legislative Auditor – Angus Maciver
Speaker of the House – Brandon Ler

Director of Dept. of Administration – Misty Ann Giles

President of the Senate – Matt Regier

The law provides “the President of the Senate and the Speaker of the House will determine the report distribution to each member of the appropriate committee of each house of the legislature.” The President of the Senate and the Speaker of the House have requested that this report be distributed to the following committees:

HOUSE – STATE ADMINISTRATION COMMITTEE

Darling, Julie (Ch.)	Cochran, Curtis	Parry, Gar	Sooktis, Jad
Bertoglio, Marta	Edwards, Becky	Reksten, Linda	Strand, Peter
Kortum, Kelly	Fyant, Shelly	Running Wolf, Tyson	Tilleman, Eric
Bennett, Lyn	Lee, Marc	Schubert, Lukas	Wirth, Zack
Byrne, Ed	Love, Kathy	Schubert, Lukas	

HOUSE – BUSINESS AND LABOR COMMITTEE

Buttrey, Ed (Ch.)	Fitzpatrick, Chip	Ler, Brandon	Schomer, Curtis
Seekins-Crowe, Kerr	Fitzpatrick, Steve	Maness, Shannon	Seckinger, Joshua
Lynch, Jennifer	Gist, Steve	Marshall, Ron	Sprungar, Courtenay
Carter, Bob	Isaly, Jamie	Nicol, Nelly	Sullivan, Katie
DeMarois, Scott	Karlen, Jonathan	Oblander, Greg	Thiel, Morgan

SENATE – STATE ADMINISTRATION COMMITTEE

Manzella, Theresa (Ch.)	Ellis, Janet	Regier, Matt
McKamey, Wendy	Morigeau, Jacinda	Tezak, Tony
Hayman, Denise	Phalen, Bob	Vance, Shelley

SENATE – BUSINESS, LABOR, AND ECONOMIC AFFAIRS COMMITTEE

Noland, Mark (Ch.)	Ellsworth, Jason	Loge, Denley	Phalen, Bob
Trebas, Jeremy	Gillespie, Bruce	Morigeau, Jacinda	Webber, Susan
Curdy, Willis	Hunter, Gregg	Novak, Sara	Zolnikov, Daniel

MONTANA LOTTERY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE QUARTERS ENDED JUNE 30, 2025 AND 2024
(Unaudited)

	Quarter Ended June 30, 2025	Quarter Ended June 30, 2024	Year to Date Fiscal Year 2025	Year to Date Fiscal Year 2024
OPERATING REVENUES:				
Scratch ticket revenue	\$ 7,212,906	\$ 7,106,722	\$ 27,964,993	\$ 27,235,936
Powerball revenue	2,774,251	4,143,039	10,872,278	22,082,859
Montana Cash revenue	3,821,526	1,056,160	6,861,182	6,457,698
MT Millionaire revenue	10,000,040	0	10,000,040	7,600,000
Mega Millions revenue	1,806,147	1,729,370	8,326,233	10,559,791
Treasure Play revenue	3,959,215	1,496,297	8,456,188	7,853,061
Lucky for Life revenue	1,044,460	1,088,752	3,837,532	4,118,600
Big Sky Bonus revenue	736,168	654,434	2,581,454	2,620,344
Lotto America revenue	395,793	446,893	2,992,019	1,895,332
Sports Bet revenue	17,151,343	14,299,037	66,184,270	63,721,790
License, permits, and misc	2,460	3,280	7,111	9,974
Total Operating Revenues	48,904,309	32,023,984	148,083,299	154,155,385
Less Direct Game Costs:				
Scratch ticket prize expense	3,756,869	4,949,185	18,128,213	18,279,289
On-line ticket prize expense	11,284,772	7,117,088	28,067,109	35,483,539
Sports Bet ticket prize expense	15,064,067	12,707,844	56,417,021	55,437,911
Retailer commission	2,448,351	1,877,033	7,142,558	7,559,779
Cost of tickets sold	177,593	372,227	1,041,346	799,235
Vendor fees	2,694,503	1,904,491	9,712,610	9,661,978
Total Direct Game Costs	35,426,154	28,927,868	120,508,856	127,221,731
Income Before Operating Expenses	13,478,156	3,096,116	27,574,442	26,933,654
OPERATING EXPENSES:				
Advertising	166,707	226,325	555,091	688,462
Advertising Production	170,386	72,647	327,142	217,834
Audit Fees	28,569	8,295	39,645	65,225
Bad Debts Expense	(1,120)	1,173	(1,120)	(442)
Communications	89,189	87,837	323,442	328,487
Contractual Services	37,471	106,747	136,364	218,483
Depreciation and Amortization	9,475	18,181	41,555	37,746
Administrative Service Fee	29,709	0	118,836	118,994
Multi-State Dues	38,314	38,615	38,314	38,615
Public Relations	17,100	24,739	40,690	53,399
Other	(18,172)	(17,940)	49,268.96	46,293
Personal Services	781,626	673,200	3,059,111	2,863,790
Repairs and Maintenance	5,062	3,974	16,978	17,174
Supplies and Materials	39,640	93,814	229,683	277,504
Travel	19,305	3,092	43,479	33,347
Utilities and Rent	42,850	58,882	242,918	244,040
Total Operating Expense	1,456,112	1,399,581	5,261,398	5,248,951
Operating Income	12,022,044	1,696,535	22,313,044	21,684,703
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	21,002	1,737	21,952	4,835
Gain/Loss on sale of asset	(10,262)	0	15,326	9,624
Other	(40,418)	0	(40,418)	0
Pension Expense	(76,489)	(178,239)	(76,489)	(178,239)
OPEB Expenses	(277)	20,917	(277)	20,917
Total Nonoperating Revenues(Expenses)	(106,444)	(155,585)	(79,906)	(142,863)
Income Before Operating Transfers	11,915,600	1,540,950	22,233,138	21,541,840
Operating Transfers Out - General Fund	(11,353,100)	(939,042)	(19,983,138)	(19,312,432)
Operating Transfers Out -OCHE	(562,500)	(562,500)	(2,250,000)	(2,250,000)
Total Operating Transfers	(11,915,600)	(1,501,542)	(22,233,138)	(21,562,432)
CHANGE IN NET POSITION	0	(20,592)	0	(20,592)
Total Net Position, Beginning of Period	(2,395,122)	(2,417,711)	(2,395,122)	(2,417,711)
Prior Period Adjustments	-	-	-	-
TOTAL NET POSITION, END OF PERIOD	\$ (2,395,122)	\$ (2,438,303)	\$ (2,395,122)	\$ (2,438,303)

The accompanying notes are an integral part of these financial statements.

MONTANA LOTTERY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
AND RECONCILIATION OF BUDGET AND ACTUAL (BUDGETARY BASIS) TO GAAP BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	<u>Budget</u> Fiscal Year July 1, 2024- June 30, 2025	<u>Actual</u> Through Quarter Ending June 30, 2025 (Unaudited)	Actual as a Percent of Final Budget (%)
REVENUES:			
Scratch ticket revenue	\$ 27,340,000	\$ 27,964,993	102.29
Powerball revenue	12,240,000	10,872,278	88.83
Montana Cash revenue	5,110,000	6,861,182	134.27
MT Millionaire revenue	10,000,000	10,000,040	100.00
Mega Millions revenue	5,200,000	8,326,233	160.12
Treasure Play revenue	8,250,000	8,456,188	102.50
Lucky for Life revenue	3,890,000	3,837,532	98.65
Big Sky Bonus revenue	3,010,000	2,581,454	85.76
Lotto America revenue	1,910,000	2,992,019	156.65
Sports Bet revenue	75,000,000	66,184,270	88.25
License, permits, and misc	12,000	7,111	59.25
Total Revenues	151,962,000	148,083,299	97.45
DIRECT GAME COSTS:			
Scratch ticket prize expense	21,818,370	18,128,213	83.09
On-line ticket prize expense	33,780,420	28,067,109	83.09
Sports Bet ticket prize expense	67,901,210	56,417,021	83.09
Retailer commission	10,200,000	7,142,558	70.03
Cost of tickets sold	1,160,000	1,041,346	89.77
Vendor fees	12,946,350	9,712,610	75.02
Total Direct Game Costs	147,806,350	120,508,856	81.53
OPERATING EXPENSES:			
Advertising	644,000	555,091	86.19
Advertising Production	335,000	327,142	97.65
Audit Fees	149,492	39,645	26.52
Communications	367,725	323,442	87.96
Contractual Services	213,285	136,364	63.94
Depreciation and Amortization	0	41,555	
Administrative Service Fee	119,152	118,836	99.73
Multi-State Dues	40,000	38,314	95.78
Public Relations	60,000	40,690	67.82
Other	-31,810	49,269	-154.89
Personal Services	3,055,339	3,059,111	100.12
Repairs and Maintenance	32,000	16,978	53.06
Supplies and Materials	305,200	229,683	75.26
Travel	83,400	43,479	52.13
Utilities and Rent	225,016	242,918	
Total Operating Expenses	5,597,799	5,261,398	93.99
Operating Income	(1,442,149)	22,313,044	-1547.21
NONOPERATING REVENUES (EXPENSES):			
Interest earnings	3,000	21,952	731.73
Gain/Loss on sale of asset	0	15,326	N/A
Other	0	(40,418)	N/A
Pension Expense	0	(76,489)	N/A
OPEB Expenses	0	(277)	N/A
NET INCOME (BUDGETARY BASIS)	\$ (1,439,149)	\$ 22,233,138	-1544.88
RECONCILIATION OF BUDGETARY/GAAP BASIS:			
Capitalized equipment purchases	35,000	0	0.00
Adjustment for compensated absences	0	0	N/A
Bad Debts	0	1,120	N/A
MUSL interest earnings	1,000	20,581	2058.13
Total Reconciling Items	36,000	21,701	
NET INCOME (GAAP BASIS)	\$ (1,403,149)	\$ 22,254,839	-1586.06

The accompanying notes are an integral part of these financial statements.

MONTANA LOTTERY
ANALYSIS OF REVENUES AND EXPENSES BY PRODUCT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Unaudited)

	SCRATCH	POWERBALL	MONTANA CASH	MT MILLIONAIRE	MEGA MILLIONS	TREASURE PLAY	LUCKY FOR LIFE	BIG SKY BONUS	LOTTO AMERICA	SPORTS BET	ADMIN
REVENUES:	\$ 27,964,993	\$ 10,872,278	\$ 6,861,182	\$ 10,000,040	\$ 8,326,233	\$ 8,456,188	\$ 3,837,532	\$ 2,581,454	\$ 2,992,019	\$ 66,184,270	\$ 7,111
DIRECT GAME COSTS:											
Prize Expense	18,128,213	4,788,426	3,463,882	5,793,800	3,998,791	5,091,916	1,767,187	1,763,341	1,399,766	56,417,021	0
Retailer Commissions	2,238,995	542,321	343,060	500,002	416,313	644,943	191,877	129,073	149,601	1,986,375	0
Cost of Tickets Sold	1,041,346	0	0	0	0	0	0	0	0	0	0
Vendor Fees	2,227,288	860,616	548,189	800,003	664,832	673,856	306,283	206,278	238,884	3,186,380	0
NET OPERATING REVENUE	4,329,151	4,680,915	2,506,051	2,906,235	3,246,297	2,045,473	1,572,185	482,762	1,203,768	4,594,494	7,111
OPERATING EXPENSES:											
Advertising	105,581	10,626	20,086	28,356	18,067	59,538	13,076	12,660	7,424	278,882	795
Advertising Production	93,212	12,532	20,896	5,250	27,907	35,836	8,907	8,907	3,524	71,467	38,703
Audit Fees	0	0	0	0	0	0	0	0	0	0	39,645
Bad Debts	0	0	0	0	0	0	0	0	0	0	(1,120)
Communications	233,123	0	0	0	0	0	0	0	0	0	90,320
Contractual Services	0	0	0	0	0	0	0	0	0	2,034	134,330
Depreciation and Amortization	10,825	2,244	1,970	1,862	1,675	2,714	1,321	1,459	1,209	7,027	9,250
Administrative Service Fee	30,969	6,417	5,633	5,324	4,789	7,760	3,779	4,159	3,458	20,095	26,453
Multi-State Dues	0	25,410	0	0	8,291	0	2,368	0	2,245	0	0
Public Relations	9,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	22,690
Other	0	0	0	0	0	0	0	0	0	0	49,269
Personal Services	797,204	165,192	145,002	137,048	123,282	199,760	97,280	107,069	89,020	517,296	680,958
Repairs and Maintenance	0	0	0	0	0	0	0	0	0	0	16,978
Supplies and Materials	0	0	0	0	0	0	0	0	0	0	229,683
Travel	0	0	0	0	0	0	0	0	0	0	43,479
Utilities and Rent	25,322	5,247	4,606	4,353	3,916	6,345	3,090	3,401	2,828	16,431	167,380
TOTAL OPERATING EXPENSES	1,305,235	228,668	199,192	183,193	188,927	312,953	130,821	138,655	110,708	914,232	1,548,813
OPERATING INCOME	3,023,916	4,452,247	2,306,859	2,723,042	3,057,370	1,732,520	1,441,364	344,107	1,093,060	3,680,262	(1,541,702)
NONOPERATING REVENUES (EXPENSES)											
Interest Earnings	0	0	0	0	0	0	0	0	0	0	21,952
Pension Expenses	0	0	0	0	0	0	0	0	0	0	(76,489)
Gain(Loss) on Sale of Asset	0	0	0	0	0	0	0	0	0	0	15,326
Other	0	0	0	0	0	0	0	0	0	0	(40,418)
OPEB Expenses	0	0	0	0	0	0	0	0	0	0	(277)
TOTAL NONOPERATING REVENUES (EXPENSES)	0	0	0	0	0	0	0	0	0	0	(79,906)
NET INCOME BY PRODUCT	\$ 3,023,916	\$ 4,452,247	\$ 2,306,859	\$ 2,723,042	\$ 3,057,370	\$ 1,732,520	\$ 1,441,364	\$ 344,107	\$ 1,093,060	\$ 3,680,262	\$ (1,621,608)

PROFIT AS A % OF REVENUE	10.81%	40.95%	33.62%	27.23%	36.72%	20.49%	37.56%	13.33%	36.53%	5.56%	N/A
PRIOR YEAR PROFIT AS A % OF REVENUE	7.36%	37.77%	17.09%	27.66%	36.94%	13.66%	6.71%	12.50%	38.74%	5.41%	N/A

NOTE: THIS IS TWELVE MONTHS' ACTIVITY AND THEREFORE SHOULD NOT BE INTERPRETED TO SHOW HOW OUR PRODUCTS HAVE PERFORMED IN PAST YEARS OR WILL PERFORM IN THE FUTURE.

The accompanying notes are an integral part of these financial statements.