

Revenue Estimating Conference Lottery Sales Executive Summary

February 18, 2014

The Revenue Estimating Conference reviewed Lottery revenues on February 18, 2014, and increased the overall forecast from the one adopted in November. Expected distributions to the Educational Enhancement Trust Fund (EETF) improved over previous projections by \$6.8 million in Fiscal Year 2013-14 and by \$24 to \$47 million in each fiscal year thereafter to reflect the stronger total ticket sales. The forecast for total ticket sales was increased from the November estimate by \$55.3 million in Fiscal Year 2013-14 and by approximately \$145 to \$252 million each fiscal year thereafter. The growth rates vary across games based on historical sales data and trends, but most of the growth in the estimate is generated from increased Scratch-off and Mega Millions sales.

Scratch-off ticket sales have seen very strong and consistent growth, with growth rates of 7.1%, 15.3% and 18.0% in Fiscal Years 2010-11, 2011-12, and 2012-13, respectively. Scratch-off ticket sales for the first 33 weeks of Fiscal Year 2013-14 are 14% above the same period last fiscal year. Because of this strong performance and the persistent upward trend in Scratch-off sales over the past several fiscal years, the Conference increased the growth rate for Fiscal Year 2013-14 from 10.1% to 12.5%, raising sales projections from \$3.3 to \$3.4 billion. The growth in Scratch-off ticket sales is a result of enhanced marketing efforts, frequent introduction of new games, and the introduction of full service vending machines at many retail locations throughout the state. The Conference adopted more moderate growth rates in Fiscal Years 2014-15 through 2018-19, as it is not likely that the double-digit growth will persist.

The forecast for Mega Millions was increased by over \$50 million in Fiscal Year 2013-14 and by approximately \$32 to \$34 million in each fiscal year thereafter. In October 2013, a change to the game was implemented which results in faster rollovers and higher jackpots. The substantial increase in the estimate for Fiscal Year 2013-14 is primarily due to very high ticket sales for two weeks in December leading up to a \$630 million jackpot. Ticket sales for this game have been consistently better since the time of that large jackpot, and are expected to continue at the same pace. The decline in Fiscal Year 2014-15 occurs because it is not expected that such a big jackpot effect will occur again.

Conversely, the projections for Powerball were decreased substantially from the prior forecast. Ticket sales are running nearly \$40 million below the November estimate. It appears that Powerball has been adversely affected by the increased competition from Mega Millions, as Mega Millions generates much larger jackpots now relative to when it was introduced in May 2013. In addition, it has begun to appear that ticket purchasers have become less responsive to lower jackpots. This has resulted in relatively stable sales from week to week, as very large jackpot amounts are needed to generate substantial excess ticket sales. The forecast was reduced by \$72 to \$76 million in each fiscal year.

The forecast for Lotto ticket sales was decreased by approximately \$3 million in Fiscal Year 2013-14 to reflect the recent activity level. In addition, the Fiscal Year 2014-15 growth rate was reduced from 1.5% to 0.6%, indicating continued slow growth; sales are expected to grow with population thereafter.

Mega Money ticket sales are expected to remain essentially flat throughout the forecast period, which is a slight improvement from previous projections. Fantasy Five and Play 4 ticket sales were revised upward slightly, based on positive performance fiscal year-to-date and the relatively stable historical trends that these games have seen, Cash 3 ticket sales were revised downward slightly, to reflect performance fiscal year-to-date, but sales are still expected to be stable going forward, growing with population.

The projections for non-ticket income were unchanged from the July forecast. The forecast for unclaimed prizes available for transfer to EETF was increased by \$0.5 to \$2.2 million each fiscal year from the previous forecast due to the higher level of projected ticket sales.

The details of the forecast and changes are shown in the following table.

Summary of All Games				
		Nov 2013	Feb 2014	Difference
Scratch-off	2013-14	3335.2	3406.2	71.0
	2014-15	3401.9	3576.5	174.6
	2015-16	3463.1	3689.2	226.2
	2016-17	3522.0	3781.5	259.5
	2017-18	3574.8	3857.1	282.3
	2018-19	3628.4	3910.0	281.5
Lotto	2013-14	357.5	354.5	-3.0
	2014-15	362.1	357.1	-5.1
	2015-16	367.2	362.1	-5.1
	2016-17	372.4	367.2	-5.2
	2017-18	377.6	372.4	-5.2
	2018-19	382.9	377.4	-5.4
Powerball	2013-14	572.3	500.2	-72.1
	2014-15	579.7	506.9	-72.8
	2015-16	587.9	514.1	-73.8
	2016-17	596.1	521.4	-74.7
	2017-18	604.4	528.6	-75.8
	2018-19	612.0	535.8	-76.2
Mega Millions	2013-14	114.9	165.3	50.4
	2014-15	120.9	153.1	32.2
	2015-16	122.6	155.2	32.6
	2016-17	124.3	157.4	33.1
	2017-18	126.1	159.6	33.5
	2018-19	127.8	161.8	34.0
Mega Money	2013-14	79.9	79.9	0.0
	2014-15	78.7	80.2	1.5
	2015-16	78.3	80.2	1.9
	2016-17	77.9	80.0	2.1
	2017-18	77.5	79.8	2.3
	2018-19	77.1	79.5	2.3
Fantasy 5	2013-14	280.1	284.5	4.4
	2014-15	278.7	288.8	10.1
	2015-16	279.2	289.3	10.1
	2016-17	280.1	290.2	10.1
	2017-18	280.6	290.8	10.2
	2018-19	281.2	291.4	10.2
Cash 3	2013-14	336.3	336.3	0.0
	2014-15	341.0	340.7	-0.3
	2015-16	345.7	345.5	-0.2
	2016-17	350.6	350.4	-0.2
	2017-18	355.5	355.3	-0.2
	2018-19	360.5	360.1	-0.3
Play 4	2013-14	247.0	251.5	4.5
	2014-15	250.1	254.7	4.6
	2015-16	253.6	258.3	4.7
	2016-17	257.2	262.0	4.8
	2017-18	260.8	265.6	4.9
	2018-19	264.4	269.3	4.9
TOTAL	2013-14	5323.1	5378.4	55.3
	2014-15	5413.1	5558.0	144.9
	2015-16	5497.6	5694.0	196.3
	2016-17	5580.5	5810.1	229.6
	2017-18	5657.3	5909.2	251.9
	2018-19	5734.3	5985.3	251.0
EETF Receipts from Ticket Sales	2013-14	1426.8	1433.1	6.3
	2014-15	1438.7	1461.5	22.8
	2015-16	1456.7	1489.7	33.1
	2016-17	1483.1	1522.8	39.7
	2017-18	1503.3	1547.7	44.4
	2018-19	1554.8	1599.7	44.9
Other Income	2013-14	12.4	12.4	0.0
	2014-15	12.6	12.6	0.0
	2015-16	12.6	12.6	0.0
	2016-17	12.6	12.6	0.0
	2017-18	12.6	12.6	0.0
	2018-19	12.6	12.6	0.0
80% unclaimed prizes	2013-14	39.5	40.0	0.5
	2014-15	40.4	41.7	1.3
	2015-16	40.9	42.7	1.7
	2016-17	41.6	43.6	2.0
	2017-18	42.2	44.4	2.2
	2018-19	52.2	45.0	-7.2
Distribution to EETF from Lottery Receipts	2013-14	1478.7	1485.5	6.8
	2014-15	1491.7	1515.8	24.1
	2015-16	1510.2	1545.0	34.8
	2016-17	1537.3	1579.0	41.7
	2017-18	1558.1	1604.7	46.6
	2018-19	1619.6	1657.3	37.7

Consensus Estimating Conference on Lottery

February 18, 2014

**LOTTERY ESTIMATING CONFERENCE, February 18, 2014
 LOTTERY SALES PROJECTIONS
 SUMMARY**

Ticket Sales

	Nov 2013	Feb 2014	Diff.
2012-13	5013.0	5013.0	0.0
2013-14	5323.1	5378.4	55.3
2014-15	5413.1	5558.0	144.9
2015-16	5497.6	5694.0	196.3
2016-17	5580.5	5810.1	229.6
2017-18	5657.3	5909.2	251.9
2018-19	5734.3	5985.3	251.0

Other Income

	Nov 2013	Feb 2014	Diff.
2012-13	11.1	11.1	0.0
2013-14	12.4	12.4	0.0
2014-15	12.6	12.6	0.0
2015-16	12.6	12.6	0.0
2016-17	12.6	12.6	0.0
2017-18	12.6	12.6	0.0
2018-19	12.6	12.6	0.0

Unclaimed Prizes

	Nov 2013	Feb 2014	Diff.
2012-13	37.1	37.1	0.0
2013-14	39.5	40.0	0.5
2014-15	40.4	41.7	1.3
2015-16	40.9	42.7	1.7
2016-17	41.6	43.6	2.0
2017-18	42.2	44.4	2.2
2018-19	52.2	45.0	-7.2

Distribution to EETF from Lottery Receipts*

	Nov 2013	Feb 2014	Diff.
2012-13	1383.3	1383.3	0.0
2013-14	1478.7	1485.5	6.8
2014-15	1491.7	1515.8	24.1
2015-16	1510.2	1545.0	34.8
2016-17	1537.3	1579.0	41.7
2017-18	1558.1	1604.7	46.6
2018-19	1619.6	1657.3	37.7

* The conference has changed the methodology for estimating Lottery distributions to EETF. The change is described on page 16.

SCRATCH-OFF

Total Sales		
	Nov 2013	Feb 2014
1997-98	583.4	583.4
1998-99	593.7	593.7
1999-00	568.4	568.4
2000-01	639.2	639.2
2001-02	662.6	662.6
2002-03	1073.9	1073.9
2003-04	1358.1	1358.1
2004-05	1844.6	1844.6
2005-06	2100.1	2100.1
2006-07	2283.6	2283.6
2007-08	2368.8	2368.8
2008-09	2064.1	2064.1
2009-10	2078.1	2078.1
2010-11	2225.7	2225.7
2011-12	2567.0	2567.0
2012-13	3028.5	3028.5
2013-14	3335.2	3406.2
2014-15	3401.9	3576.5
2015-16	3463.1	3689.2
2016-17	3522.0	3781.5
2017-18	3574.8	3857.1
2018-19	3628.4	3910.0

Due to EETF from Ticket Sales		
	Nov 2013	Feb 2014
1997-98		
1998-99		
1999-00		
2000-01		
2001-02	251.8	251.8
2002-03	279.3	279.3
2003-04	326.9	326.9
2004-05	387.9	387.9
2005-06	409.0	409.0
2006-07	443.1	443.1
2007-08	470.8	470.8
2008-09	412.0	412.0
2009-10	402.7	402.7
2010-11	414.3	414.3
2011-12	502.3	502.3
2012-13	564.1	564.1
2013-14	625.0	638.2
2014-15	627.8	663.2
2015-16	640.5	686.1
2016-17	652.8	705.0
2017-18	664.0	720.8
2018-19	675.0	731.3

Per Capita Sales		
	Nov 2013	Feb 2014
1997-98	38.5	38.6
1998-99	38.3	38.4
1999-00	35.8	35.9
2000-01	39.4	39.5
2001-02	40.0	40.1
2002-03	63.6	63.7
2003-04	78.6	78.8
2004-05	104.3	104.6
2005-06	116.3	116.6
2006-07	124.3	124.5
2007-08	127.5	127.6
2008-09	110.6	110.6
2009-10	110.7	110.8
2010-11	117.9	118.0
2011-12	134.9	135.1
2012-13	157.6	157.8
2013-14	171.9	175.6
2014-15	173.2	182.0
2015-16	173.9	185.2
2016-17	174.3	187.2
2017-18	174.5	188.3
2018-19	174.8	188.3

Average Weekly Sales		
	Nov 2013	Feb 2014
1997-98	11.2	11.2
1998-99	11.4	11.4
1999-00	10.9	10.9
2000-01	12.3	12.3
2001-02	12.7	12.7
2002-03	20.7	20.7
2003-04	26.1	26.1
2004-05	35.5	35.5
2005-06	40.4	40.4
2006-07	43.9	43.9
2007-08	45.6	45.6
2008-09	39.7	39.7
2009-10	40.0	40.0
2010-11	42.8	42.8
2011-12	49.4	49.4
2012-13	58.2	58.2
2013-14	64.1	65.5
2014-15	65.4	68.8
2015-16	66.6	70.9
2016-17	67.7	72.7
2017-18	68.7	74.2
2018-19	69.8	75.2

Growth Rates		
	Nov 2013	Feb 2014
2008-09	-12.9%	-12.9%
2009-10	0.7%	0.7%
2010-11	7.1%	7.1%
2011-12	15.3%	15.3%
2012-13	18.0%	18.0%
2013-14	10.1%	12.5%
2014-15	2.0%	5.0%
2015-16	1.8%	3.2%
2016-17	1.7%	2.5%
2017-18	1.5%	2.0%
2018-19	1.5%	1.4%

Average Weekly Sales		
	Nov 2013	Feb 2014
2009-10	40.0	40.0
2010-11	42.8	42.8
2011-12	49.4	49.4
2012-13	58.2	58.2
2013-14	64.1	65.5
2014-15	65.4	68.8
2015-16	66.6	70.9
2016-17	67.7	72.7
2017-18	68.7	74.2
2018-19	69.8	75.2

POWERBALL (INCLUDING POWER PLAY)

Ticket Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09	233.4	233.4
2009-10	434.1	434.1
2010-11	393.0	393.0
2011-12	503.7	503.7
2012-13	654.3	654.3
2013-14	572.3	500.2
2014-15	579.7	506.9
2015-16	587.9	514.1
2016-17	596.1	521.4
2017-18	604.4	528.6
2018-19	612.0	535.8

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09 *	25.0	25.0
2009-10	23.1	23.1
2010-11	20.8	20.8
2011-12	26.5	26.5
2012-13	34.0	34.1
2013-14	29.5	25.8
2014-15	29.5	25.8
2015-16	29.5	25.8
2016-17	29.5	25.8
2017-18	29.5	25.8
2018-19	29.5	25.8

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09 *	9.0	9.0
2009-10	8.3	8.3
2010-11	7.6	7.6
2011-12	9.7	9.7
2012-13	12.6	12.6
2013-14	11.0	9.6
2014-15	11.1	9.7
2015-16	11.3	9.9
2016-17	11.5	10.0
2017-18	11.6	10.2
2018-19	11.8	10.3

Growth Rates		
2008-09		
2009-10	86.0%	86.0%
2010-11	-9.5%	-9.5%
2011-12	28.2%	28.2%
2012-13	29.9%	29.9%
2013-14	-12.5%	-23.5%
2014-15	1.3%	1.3%
2015-16	1.4%	1.4%
2016-17	1.4%	1.4%
2017-18	1.4%	1.4%
2018-19	1.3%	1.4%

*Annualized figures

Mega Millions

Ticket Sales		
	Nov 2013	Feb 2014
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09		
2009-10		
2010-11		
2011-12		
2012-13	16.7	16.7
2013-14	114.9	165.3
2014-15	120.9	153.1
2015-16	122.6	155.2
2016-17	124.3	157.4
2017-18	126.1	159.6
2018-19	127.8	161.8

Per Capita Sales		
	Nov 2013	Feb 2014
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09		
2009-10		
2010-11		
2011-12		
2012-13	0.9	0.9
2013-14	5.9	8.5
2014-15	6.2	7.8
2015-16	6.2	7.8
2016-17	6.2	7.8
2017-18	6.2	7.8
2018-19	6.2	7.8

Average Weekly Sales		
	Nov 2013	Feb 2014
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06		
2006-07		
2007-08		
2008-09		
2009-10		
2010-11		
2011-12		
2012-13	0.3	0.3
2013-14	2.2	3.2
2014-15	2.3	2.9
2015-16	2.4	3.0
2016-17	2.4	3.0
2017-18	2.4	3.1
2018-19	2.5	3.1

Growth Rates		
2013-14	n/a	
2014-15	5.2%	-7.4%
2015-16	1.4%	1.4%
2016-17	1.4%	1.4%
2017-18	1.4%	1.4%
2018-19	1.4%	1.4%

LOTTO WITH XTRA

Ticket Sales		
	Nov 2013	Feb 2014
1996-97	721.1	721.1
1997-98	711.3	711.3
1998-99	737.7	737.7
1999-00	865.0	865.0
2000-01	845.4	845.4
2001-02	802.0	802.0
2002-03	925.5	925.5
2003-04	785.4	785.4
2004-05	689.8	689.8
2005-06	835.0	835.0
2006-07	735.6	735.6
2007-08	779.0	779.0
2008-09	650.6	650.6
2009-10	445.9	445.9
2010-11	411.4	411.4
2011-12	419.0	419.0
2012-13	352.4	352.4
2013-14	357.5	354.5
2014-15	362.1	357.1
2015-16	367.2	362.1
2016-17	372.4	367.2
2017-18	377.6	372.4
2018-19	382.9	377.4

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97	48.5	48.7
1997-98	46.9	47.0
1998-99	47.6	47.8
1999-00	54.5	54.6
2000-01	52.1	52.2
2001-02	48.5	48.6
2002-03	54.8	54.9
2003-04	45.5	45.6
2004-05	39.0	39.1
2005-06	46.2	46.3
2006-07	40.0	40.1
2007-08	41.9	42.0
2008-09	34.8	34.9
2009-10	23.8	23.8
2010-11	21.8	21.8
2011-12	22.0	22.0
2012-13	18.3	18.4
2013-14	18.4	18.3
2014-15	18.4	18.2
2015-16	18.4	18.2
2016-17	18.4	18.2
2017-18	18.4	18.2
2018-19	18.4	18.2

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97	13.9	13.9
1997-98	13.7	13.7
1998-99	14.2	14.2
1999-00	16.6	16.6
2000-01	16.3	16.3
2001-02	15.4	15.4
2002-03	17.8	17.8
2003-04	15.1	15.1
2004-05	13.3	13.3
2005-06	16.1	16.1
2006-07	14.1	14.1
2007-08	15.0	15.0
2008-09	12.5	12.5
2009-10	8.6	8.6
2010-11	7.9	7.9
2011-12	8.1	8.1
2012-13	6.8	6.8
2013-14	6.9	6.8
2014-15	7.0	6.9
2015-16	7.1	7.0
2016-17	7.2	7.1
2017-18	7.3	7.2
2018-19	7.4	7.3

Growth Rates		
2008-09	-16.5%	-16.5%
2009-10	-31.5%	-31.5%
2010-11	-7.7%	-7.7%
2011-12	1.9%	1.9%
2012-13	-15.9%	-15.9%
2013-14	1.5%	0.6%
2014-15	1.3%	0.7%
2015-16	1.4%	1.4%
2016-17	1.4%	1.4%
2017-18	1.4%	1.4%
2018-19	1.4%	1.4%

MEGA MONEY

Ticket Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98	36.0	36.0
1998-99	14.9	14.9
1999-00	121.3	121.3
2000-01	108.8	108.8
2001-02	98.3	98.3
2002-03	95.9	95.9
2003-04	125.9	125.9
2004-05	131.2	131.2
2005-06	128.5	128.5
2006-07	130.1	130.1
2007-08	122.7	122.7
2008-09	102.2	102.2
2009-10	92.1	92.1
2010-11	89.0	89.0
2011-12	92.3	92.3
2012-13	89.5	89.5
2013-14	79.9	79.9
2014-15	78.7	80.2
2015-16	78.3	80.2
2016-17	77.9	80.0
2017-18	77.5	79.8
2018-19	77.1	79.5

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98	2.4	2.4
1998-99	1.0	1.0
1999-00	7.6	7.7
2000-01	6.7	6.7
2001-02	5.9	6.0
2002-03	5.7	5.7
2003-04	7.3	7.3
2004-05	7.4	7.4
2005-06	7.1	7.1
2006-07	7.1	7.1
2007-08	6.6	6.6
2008-09	5.5	5.5
2009-10	4.9	4.9
2010-11	4.7	4.7
2011-12	4.9	4.9
2012-13	4.7	4.7
2013-14	4.1	4.1
2014-15	4.0	4.1
2015-16	3.9	4.0
2016-17	3.9	4.0
2017-18	3.8	3.9
2018-19	3.7	3.8

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97		
1997-98	0.7	0.7
1998-99	0.3	0.3
1999-00	2.3	2.3
2000-01	2.1	2.1
2001-02	1.9	1.9
2002-03	1.8	1.8
2003-04	2.4	2.4
2004-05	2.5	2.5
2005-06	2.5	2.5
2006-07	2.5	2.5
2007-08	2.4	2.4
2008-09	2.0	2.0
2009-10	1.8	1.8
2010-11	1.7	1.7
2011-12	1.8	1.8
2012-13	1.7	1.7
2013-14	1.5	1.5
2014-15	1.5	1.5
2015-16	1.5	1.5
2016-17	1.5	1.5
2017-18	1.5	1.5
2018-19	1.5	1.5

Growth Rates		
2008-09	-16.7%	-16.7%
2009-10	-9.9%	-9.9%
2010-11	-3.4%	-3.4%
2011-12	3.8%	3.8%
2012-13	-3.1%	-3.1%
2013-14	-10.7%	-10.7%
2014-15	-1.5%	0.4%
2015-16	-0.5%	0.0%
2016-17	-0.5%	-0.2%
2017-18	-0.5%	-0.3%
2018-19	-0.5%	-0.4%

FANTASY 5 (INCLUDING EZ MATCH)

Ticket Sales		
	Nov 2013	Feb 2014
1996-97	272.3	272.3
1997-98	245.7	245.7
1998-99	241.8	241.8
1999-00	216.3	216.3
2000-01	191.6	191.6
2001-02	292.9	292.9
2002-03	260.0	260.0
2003-04	259.7	259.7
2004-05	252.5	252.5
2005-06	306.7	306.7
2006-07	326.2	326.2
2007-08	309.4	309.4
2008-09	287.3	287.3
2009-10	282.0	282.0
2010-11	282.8	282.8
2011-12	290.7	290.7
2012-13	281.5	281.5
2013-14	280.1	284.5
2014-15	278.7	288.8
2015-16	279.2	289.3
2016-17	280.1	290.2
2017-18	280.6	290.8
2018-19	281.2	291.4

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97	18.3	18.4
1997-98	16.2	16.3
1998-99	15.6	15.7
1999-00	13.6	13.7
2000-01	11.8	11.8
2001-02	17.7	17.7
2002-03	15.4	15.4
2003-04	15.0	15.1
2004-05	14.3	14.3
2005-06	17.0	17.0
2006-07	17.8	17.8
2007-08	16.7	16.7
2008-09	15.4	15.4
2009-10	15.0	15.0
2010-11	15.0	15.0
2011-12	15.3	15.3
2012-13	14.6	14.7
2013-14	14.4	14.7
2014-15	14.2	14.7
2015-16	14.0	14.5
2016-17	13.9	14.4
2017-18	13.7	14.2
2018-19	13.5	14.0

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97	5.2	5.2
1997-98	4.7	4.7
1998-99	4.6	4.6
1999-00	4.2	4.2
2000-01	3.7	3.7
2001-02	5.6	5.6
2002-03	5.0	5.0
2003-04	5.0	5.0
2004-05	4.9	4.9
2005-06	5.9	5.9
2006-07	6.3	6.3
2007-08	6.0	6.0
2008-09	5.5	5.5
2009-10	5.4	5.4
2010-11	5.4	5.4
2011-12	5.6	5.6
2012-13	5.4	5.4
2013-14	5.4	5.5
2014-15	5.4	5.6
2015-16	5.4	5.6
2016-17	5.4	5.6
2017-18	5.4	5.6
2018-19	5.4	5.6

Growth Rates		
2008-09	-7.2%	-7.2%
2009-10	-1.9%	-1.9%
2010-11	0.3%	0.3%
2011-12	2.8%	2.8%
2012-13	-3.2%	-3.2%
2013-14	-0.5%	1.1%
2014-15	-0.5%	1.5%
2015-16	0.2%	0.2%
2016-17	0.3%	0.3%
2017-18	0.2%	0.2%
2018-19	0.2%	0.2%

CASH 3

Ticket Sales		
	Nov 2013	Feb 2014
1996-97	309.4	309.4
1997-98	313.9	313.9
1998-99	339.3	339.3
1999-00	319.0	319.0
2000-01	326.5	326.5
2001-02	329.8	329.8
2002-03	330.0	330.0
2003-04	349.2	349.2
2004-05	345.6	345.6
2005-06	343.2	343.2
2006-07	348.7	348.7
2007-08	336.1	336.1
2008-09	320.2	320.2
2009-10	304.0	304.0
2010-11	313.3	313.3
2011-12	314.7	314.7
2012-13	324.5	324.5
2013-14	336.3	336.3
2014-15	341.0	340.7
2015-16	345.7	345.5
2016-17	350.6	350.4
2017-18	355.5	355.3
2018-19	360.5	360.1

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97	20.8	20.9
1997-98	20.7	20.8
1998-99	21.9	22.0
1999-00	20.1	20.1
2000-01	20.1	20.2
2001-02	19.9	20.0
2002-03	19.5	19.6
2003-04	20.2	20.3
2004-05	19.6	19.6
2005-06	19.0	19.0
2006-07	19.0	19.0
2007-08	18.1	18.1
2008-09	17.1	17.2
2009-10	16.2	16.2
2010-11	16.6	16.6
2011-12	16.5	16.6
2012-13	16.9	16.9
2013-14	17.3	17.3
2014-15	17.4	17.3
2015-16	17.4	17.3
2016-17	17.4	17.3
2017-18	17.4	17.3
2018-19	17.4	17.3

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97	6.0	6.0
1997-98	6.0	6.0
1998-99	6.5	6.5
1999-00	6.1	6.1
2000-01	6.3	6.3
2001-02	6.3	6.3
2002-03	6.3	6.3
2003-04	6.7	6.7
2004-05	6.6	6.6
2005-06	6.6	6.6
2006-07	6.7	6.7
2007-08	6.5	6.5
2008-09	6.2	6.2
2009-10	5.8	5.8
2010-11	6.0	6.0
2011-12	6.1	6.1
2012-13	6.2	6.2
2013-14	6.5	6.5
2014-15	6.6	6.6
2015-16	6.6	6.6
2016-17	6.7	6.7
2017-18	6.8	6.8
2018-19	6.9	6.9

Growth Rates		
2008-09	-4.7%	-4.7%
2009-10	-5.0%	-5.0%
2010-11	3.0%	3.0%
2011-12	0.5%	0.5%
2012-13	3.1%	3.1%
2013-14	3.6%	3.6%
2014-15	1.4%	1.3%
2015-16	1.4%	1.4%
2016-17	1.4%	1.4%
2017-18	1.4%	1.4%
2018-19	1.4%	1.4%

PLAY 4

Ticket Sales		
	Nov 2013	Feb 2014
1996-97	151.1	151.1
1997-98	159.6	159.6
1998-99	169.4	169.4
1999-00	158.6	158.6
2000-01	163.2	163.2
2001-02	170.7	170.7
2002-03	182.7	182.7
2003-04	192.6	192.6
2004-05	207.0	207.0
2005-06	215.5	215.5
2006-07	225.3	225.3
2007-08	227.9	227.9
2008-09	239.0	239.0
2009-10	235.0	235.0
2010-11	235.7	235.7
2011-12	244.7	244.7
2012-13	244.1	244.1
2013-14	247.0	251.5
2014-15	250.1	254.7
2015-16	253.6	258.3
2016-17	257.2	262.0
2017-18	260.8	265.6
2018-19	264.4	269.3

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97	10.2	10.2
1997-98	10.5	10.6
1998-99	10.9	11.0
1999-00	10.0	10.0
2000-01	10.1	10.1
2001-02	10.3	10.3
2002-03	10.8	10.8
2003-04	11.1	11.2
2004-05	11.7	11.7
2005-06	11.9	12.0
2006-07	12.3	12.3
2007-08	12.3	12.3
2008-09	12.8	12.8
2009-10	12.5	12.5
2010-11	12.5	12.5
2011-12	12.9	12.9
2012-13	12.7	12.7
2013-14	12.7	13.0
2014-15	12.7	13.0
2015-16	12.7	13.0
2016-17	12.7	13.0
2017-18	12.7	13.0
2018-19	12.7	13.0

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97	2.9	2.9
1997-98	3.1	3.1
1998-99	3.3	3.3
1999-00	3.1	3.1
2000-01	3.1	3.1
2001-02	3.3	3.3
2002-03	3.5	3.5
2003-04	3.7	3.7
2004-05	4.0	4.0
2005-06	4.1	4.1
2006-07	4.3	4.3
2007-08	4.4	4.4
2008-09	4.6	4.6
2009-10	4.5	4.5
2010-11	4.5	4.5
2011-12	4.7	4.7
2012-13	4.7	4.7
2013-14	4.8	4.8
2014-15	4.8	4.9
2015-16	4.9	5.0
2016-17	4.9	5.0
2017-18	5.0	5.1
2018-19	5.1	5.2

Growth Rates		
2008-09	4.8%	4.8%
2009-10	-1.6%	-1.6%
2010-11	0.3%	0.3%
2011-12	3.8%	3.8%
2012-13	-0.2%	-0.2%
2013-14	1.2%	3.0%
2014-15	1.3%	1.3%
2015-16	1.4%	1.4%
2016-17	1.4%	1.4%
2017-18	1.4%	1.4%
2018-19	1.4%	1.4%

Raffle

	Ticket Sales	Per Capita Sales	Average Weekly Sales
2006-07	72.5	4.0	1.4
2007-08	30.8	1.7	0.6
2008-09	41.3	2.2	0.8
2009-10	29.3	1.6	0.6
2010-11	12.6	0.7	0.2
2011-12	0.0	0.0	0.0
2012-13	12.9	0.7	0.2

Lucky Lines

	Ticket Sales	Per Capita Sales	Average Weekly Sales
2010-11	45.4	2.4	0.9
2011-12	17.7	0.9	0.3
2012-13	8.6	0.4	0.2

TERMINAL GAME SALES

Ticket Sales		
	Nov 2013	Feb 2014
1997-98	1466.6	1466.6
1998-99	1503.0	1503.0
1999-00	1680.1	1680.1
2000-01	1635.5	1635.5
2001-02	1693.8	1693.8
2002-03	1794.1	1794.1
2003-04	1712.9	1712.9
2004-05	1626.1	1626.1
2005-06	1828.9	1828.9
2006-07	1838.5	1838.5
2007-08	1806.0	1806.0
2008-09	1873.9	1873.9
2009-10	1822.4	1822.4
2010-11	1783.0	1783.0
2011-12	1882.9	1882.9
2012-13	1984.5	1984.5
2013-14	1988.0	1972.2
2014-15	2011.2	1981.5
2015-16	2034.5	2004.7
2016-17	2058.5	2028.6
2017-18	2082.5	2052.1
2018-19	2105.8	2075.3

Due to EETF from Ticket Sales		
	Nov 2013	Feb 2014
1997-98		
1998-99		
1999-00		
2000-01		
2001-02		
2002-03		
2003-04		
2004-05		
2005-06	755.9	755.9
2006-07	761.3	761.3
2007-08	713.4	713.4
2008-09	762.3	762.3
2009-10	747.4	747.4
2010-11	719.6	719.6
2011-12	769.7	769.7
2012-13	796.5	796.5
2013-14	806.1	799.3
2014-15	814.8	802.6
2015-16	824.7	812.7
2016-17	835.1	822.9
2017-18	845.2	833.1
2018-19	855.0	842.9

Per Capita Sales		
	Nov 2013	Feb 2014
1997-98	96.8	97.0
1998-99	97.0	97.3
1999-00	105.8	106.1
2000-01	100.8	101.0
2001-02	102.3	102.6
2002-03	106.2	106.5
2003-04	99.2	99.5
2004-05	92.0	92.3
2005-06	101.3	101.5
2006-07	100.0	100.2
2007-08	97.2	97.3
2008-09	100.4	100.4
2009-10	97.1	97.2
2010-11	94.4	94.5
2011-12	98.9	99.1
2012-13	103.3	103.4
2013-14	102.5	101.7
2014-15	102.4	100.9
2015-16	102.1	100.6
2016-17	101.9	100.4
2017-18	101.7	100.2
2018-19	101.4	99.9

Average Weekly Sales		
	Nov 2013	Feb 2014
1997-98	28.2	28.2
1998-99	28.9	28.9
1999-00	32.3	32.3
2000-01	31.5	31.5
2001-02	32.6	32.6
2002-03	34.5	34.5
2003-04	32.9	32.9
2004-05	31.3	31.3
2005-06	35.2	35.2
2006-07	35.4	35.4
2007-08	34.7	34.7
2008-09	36.0	36.0
2009-10	35.0	35.0
2010-11	34.3	34.3
2011-12	36.2	36.2
2012-13	38.2	38.2
2013-14	38.2	37.9
2014-15	38.7	38.1
2015-16	39.1	38.6
2016-17	39.6	39.0
2017-18	40.0	39.5
2018-19	40.5	39.9

Growth Rates		
	Nov 2013	Feb 2014
2008-09	3.8%	3.8%
2009-10	-2.8%	-2.8%
2010-11	-2.2%	-2.2%
2011-12	5.6%	5.6%
2012-13	5.4%	5.4%
2013-14	0.2%	-0.6%
2014-15	1.2%	0.5%
2015-16	1.2%	1.2%
2016-17	1.2%	1.2%
2017-18	1.2%	1.2%
2018-19	1.1%	1.1%

Average Weekly Sales		
	Nov 2013	Feb 2014
2009-10	35.0	35.0
2010-11	34.3	34.3
2011-12	36.2	36.2
2012-13	38.2	38.2
2013-14	38.2	37.9
2014-15	38.7	38.1
2015-16	39.1	38.6
2016-17	39.6	39.0
2017-18	40.0	39.5
2018-19	40.5	39.9

TOTAL TICKET SALES

Ticket Sales		
	Nov 2013	Feb 2014
1996-97	2070.1	2070.1
1997-98	2050.0	2050.0
1998-99	2096.7	2096.7
1999-00	2248.5	2248.5
2000-01	2274.7	2274.7
2001-02	2356.4	2356.4
2002-03	2868.0	2868.0
2003-04	3071.0	3071.0
2004-05	3470.7	3470.7
2005-06	3929.0	3929.0
2006-07	4122.1	4122.1
2007-08	4174.8	4174.8
2008-09	3938.0	3938.0
2009-10	3900.5	3900.5
2010-11	4008.7	4008.7
2011-12	4449.9	4449.9
2012-13	5013.0	5013.0
2013-14	5323.1	5378.4
2014-15	5413.1	5558.0
2015-16	5497.6	5694.0
2016-17	5580.5	5810.1
2017-18	5657.3	5909.2
2018-19	5734.3	5985.3

Per Capita Sales		
	Nov 2013	Feb 2014
1996-97	139.3	139.7
1997-98	135.2	135.6
1998-99	135.4	135.8
1999-00	141.6	142.0
2000-01	140.2	140.5
2001-02	142.4	142.7
2002-03	169.8	170.2
2003-04	177.8	178.3
2004-05	196.3	196.9
2005-06	217.5	218.1
2006-07	224.3	224.7
2007-08	224.7	224.9
2008-09	210.9	211.0
2009-10	207.8	208.0
2010-11	212.3	212.5
2011-12	233.8	234.1
2012-13	260.8	261.3
2013-14	274.4	277.3
2014-15	275.5	282.9
2015-16	276.0	285.8
2016-17	276.3	287.6
2017-18	276.2	288.4
2018-19	276.2	288.2

Average Weekly Sales		
	Nov 2013	Feb 2014
1996-97	39.8	39.8
1997-98	39.4	39.4
1998-99	40.3	40.3
1999-00	43.2	43.2
2000-01	43.7	43.7
2001-02	45.3	45.3
2002-03	55.2	55.2
2003-04	59.1	59.1
2004-05	66.7	66.7
2005-06	75.6	75.6
2006-07	79.3	79.3
2007-08	80.3	80.3
2008-09	75.7	75.7
2009-10	75.0	75.0
2010-11	77.1	77.1
2011-12	85.6	85.6
2012-13	96.4	96.4
2013-14	102.4	103.4
2014-15	104.1	106.9
2015-16	105.7	109.5
2016-17	107.3	111.7
2017-18	108.8	113.6
2018-19	110.3	115.1

Growth Rates		
2008-09	-5.7%	-5.7%
2009-10	-1.0%	-1.0%
2010-11	2.8%	2.8%
2011-12	11.0%	11.0%
2012-13	12.7%	12.7%
2013-14	6.2%	7.3%
2014-15	1.7%	3.3%
2015-16	1.6%	2.4%
2016-17	1.5%	2.0%
2017-18	1.4%	1.7%
2018-19	1.4%	1.3%

Scratch-off Ticket Sales		
	Nov 2013	Feb 2014
1996-97	616.2	616.2
1997-98	583.4	583.4
1998-99	593.7	593.7
1999-00	568.4	568.4
2000-01	639.2	639.2
2001-02	662.6	662.6
2002-03	1073.9	1073.9
2003-04	1358.1	1358.1
2004-05	1844.6	1844.6
2005-06	2100.1	2100.1
2006-07	2283.6	2283.6
2007-08	2368.8	2368.8
2008-09	2064.1	2064.1
2009-10	2078.1	2078.1
2010-11	2225.7	2225.7
2011-12	2567.0	2567.0
2012-13	3028.5	3028.5
2013-14	3335.2	3406.2
2014-15	3401.9	3576.5
2015-16	3463.1	3689.2
2016-17	3522.0	3781.5
2017-18	3574.8	3857.1
2018-19	3628.4	3910.0

Terminal Games Ticket Sales		
	Nov 2013	Feb 2014
1996-97	1453.9	1453.9
1997-98	1466.6	1466.6
1998-99	1503.0	1503.0
1999-00	1680.1	1680.1
2000-01	1635.5	1635.5
2001-02	1693.8	1693.8
2002-03	1794.1	1794.1
2003-04	1712.9	1712.9
2004-05	1626.1	1626.1
2005-06	1828.9	1828.9
2006-07	1838.5	1838.5
2007-08	1806.0	1806.0
2008-09	1873.9	1873.9
2009-10	1822.4	1822.4
2010-11	1783.0	1783.0
2011-12	1882.9	1882.9
2012-13	1984.5	1984.5
2013-14	1988.0	1972.2
2014-15	2011.2	1981.5
2015-16	2034.5	2004.7
2016-17	2058.5	2028.6
2017-18	2082.5	2052.1
2018-19	2105.8	2075.3

Total Ticket Sales		
	Nov 2013	Feb 2014
1996-97	2070.1	2070.1
1997-98	2050.0	2050.0
1998-99	2096.7	2096.7
1999-00	2248.5	2248.5
2000-01	2274.7	2274.7
2001-02	2356.4	2356.4
2002-03	2868.0	2868.0
2003-04	3071.0	3071.0
2004-05	3470.7	3470.7
2005-06	3929.0	3929.0
2006-07	4122.1	4122.1
2007-08	4174.8	4174.8
2008-09	3938.0	3938.0
2009-10	3900.5	3900.5
2010-11	4008.7	4008.7
2011-12	4449.9	4449.9
2012-13	5013.0	5013.0
2013-14	5323.1	5378.4
2014-15	5413.1	5558.0
2015-16	5497.6	5694.0
2016-17	5580.5	5810.1
2017-18	5657.3	5909.2
2018-19	5734.3	5985.3

Scratch-off - percent of total		
	Nov 2013	Feb 2014
1996-97	29.8%	29.8%
1997-98	28.5%	28.5%
1998-99	28.3%	28.3%
1999-00	25.3%	25.3%
2000-01	28.1%	28.1%
2001-02	28.1%	28.1%
2002-03	37.4%	37.4%
2003-04	44.2%	44.2%
2004-05	53.1%	53.1%
2005-06	53.5%	53.5%
2006-07	55.4%	55.4%
2007-08	56.7%	56.7%
2008-09	52.4%	52.4%
2009-10	53.3%	53.3%
2010-11	55.5%	55.5%
2011-12	57.7%	57.7%
2012-13	60.4%	60.4%
2013-14	62.7%	63.3%
2014-15	62.8%	64.3%
2015-16	63.0%	64.8%
2016-17	63.1%	65.1%
2017-18	63.2%	65.3%
2018-19	63.3%	65.3%

Terminal Games - percent of total		
	Nov 2013	Feb 2014
1996-97	70.2%	70.2%
1997-98	71.5%	71.5%
1998-99	71.7%	71.7%
1999-00	74.7%	74.7%
2000-01	71.9%	71.9%
2001-02	71.9%	71.9%
2002-03	62.6%	62.6%
2003-04	55.8%	55.8%
2004-05	46.9%	46.9%
2005-06	46.5%	46.5%
2006-07	44.6%	44.6%
2007-08	43.3%	43.3%
2008-09	47.6%	47.6%
2009-10	46.7%	46.7%
2010-11	44.5%	44.5%
2011-12	42.3%	42.3%
2012-13	39.6%	39.6%
2013-14	37.3%	36.7%
2014-15	37.2%	35.7%
2015-16	37.0%	35.2%
2016-17	36.9%	34.9%
2017-18	36.8%	34.7%
2018-19	36.7%	34.7%

Factors Affecting EETF Transfers

	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014
Prize Percentage Scratch-off	72.91%	72.91%	72.72%	72.72%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%
Prize Percentage Terminal Games	51.30%	51.30%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%	50.85%
Retailer Commission Rate	5.50%	5.50%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Administrative Appropriation	\$75.40	\$75.40	\$76.14	\$77.58	\$76.14	\$77.58	\$76.14	\$77.58	\$76.14	\$77.58	\$76.14	\$77.58	\$76.14	\$77.58
Vendor Rate Scratch-off	1.46%	1.46%	1.51%	1.50%	1.54%	1.46%	1.52%	1.44%	1.50%	1.42%	1.48%	1.40%	1.47%	1.40%
Vendor Rate Terminal Games	1.56%	1.56%	1.57%	1.58%	1.63%	1.65%	1.63%	1.65%	1.62%	1.65%	1.62%	1.64%	1.62%	1.64%
Unclaimed Prize Rate	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.40%	1.15%

Calculation of Fiscal Year Distributions to EETF from Lottery Receipts

	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014	Nov 2013	Feb 2014
% Week 51 scratch-off *	1.8721%	1.8721%	1.8721%	1.9241%	1.8721%	1.9241%	1.8721%	1.9241%	1.8721%	1.9241%	1.8721%	1.9241%		1.9241%
% Week 51 terminal games *	1.8509%	1.8509%	1.8509%	1.7956%	1.8509%	1.7956%	1.8509%	1.7956%	1.8509%	1.7956%	1.8509%	1.7956%		1.7956%
% Week 52 scratch-off *	1.8614%	1.8614%	1.8614%	2.0061%	1.8614%	2.0061%	1.8614%	2.0061%	1.8614%	2.0061%	1.8614%	2.0061%		2.0061%
% Week 52 terminal games *	1.8394%	1.8394%	1.8394%	1.6916%	1.8394%	1.6916%	1.8394%	1.6916%	1.8394%	1.6916%	1.8394%	1.6916%		1.6916%
% of Week 51 to subsequent year **	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		0.00%
% of Week 52 to subsequent year **	100.00%	100.00%	12.31%	12.51%	26.21%	26.28%	56.10%	56.21%	70.40%	71.33%	90.30%	89.99%		100.00%
% of scratch-off rec'd subsequent year	1.8614%	1.8614%	2.1012%	2.1752%	2.3599%	2.4512%	2.9163%	3.0518%	3.1825%	3.3550%	3.5529%	3.7295%		2.0061%
% of terminal games rec'd subsequent year	1.8394%	1.8394%	2.0773%	2.0073%	2.3330%	2.2400%	2.8828%	2.7464%	3.1459%	3.0021%	3.5119%	3.3179%		1.6916%
EETF Transfer rate scratch-off	18.63%	18.63%	18.74%	18.74%	18.45%	18.54%	18.49%	18.60%	18.54%	18.64%	18.57%	18.69%		18.70%
EETF Transfer rate terminal games	40.14%	40.14%	40.55%	40.53%	40.51%	40.50%	40.53%	40.54%	40.57%	40.56%	40.58%	40.60%		40.61%

* based on weekly sales figures for 2012-13

** based on daily sales figures for 2012-13

November 2013 Forecast	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Scratch-Off Sales	3028.5	3335.2	3401.9	3463.1	3522.0	3574.8	3628.4
Terminal Game Sales	1984.5	1988.0	2011.2	2034.5	2058.5	2082.5	2105.8
EETF transfer due from current year ticket sales and other income	1408.8	1483.0	1495.5	1518.7	1542.0	1563.9	1594.8
less collection lag loss	-25.4	-29.8	-33.6	-42.2	-47.0	-52.8	-28.0
plus collection lag gain from prior year	0.0	25.4	29.8	33.6	42.2	47.0	52.8
Distribution to EETF from Lottery Receipts	1383.3	1478.7	1491.7	1510.2	1537.3	1558.1	1619.6

February 2014 Forecast	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Scratch-Off Sales	3028.5	3406.2	3576.5	3689.2	3781.5	3857.1	3910.0
Terminal Game Sales	1984.5	1972.2	1981.5	2004.7	2028.6	2052.1	2075.3
EETF transfer due from current year ticket sales and other income	1408.8	1490.0	1520.1	1554.0	1584.1	1610.8	1631.7
less collection lag loss	-25.4	-29.9	-34.2	-43.3	-48.4	-54.5	-28.9
plus collection lag gain from prior year	0.0	25.4	29.9	34.2	43.3	48.4	54.5
Distribution to EETF from Lottery Receipts	1383.3	1485.5	1515.8	1545.0	1579.0	1604.7	1657.3

NOTE: Since the Lottery's inception, the conference has estimated transfers to EETF by examining the Lottery's weekly sales during the fiscal year. However, in practice there is a delay in the transfer of weekly sales receipts from the retailers to the Lottery. Depending on what day the fiscal year ends, this delay ranges from one to two weeks. Beginning with the November 2012 estimate, the conference based the expected transfers to EETF on the cash actually received by the Lottery during the fiscal year. While the conference will continue to develop the estimate based on weekly retailer sales, the results will be adjusted to take into account the delay in the transfers from the retailers to the Lottery. This page describes the calculation of the adjustment.