

# Achieving Results Targets

Annual Report 2020



## CEO Matthew N. Strawn



Despite a global pandemic that began during fiscal year 2020, the Iowa Lottery continued to deliver on its promise of responsibly generating revenue for important Iowa causes. This year that responsibility extended to safely navigating a public health emergency while still serving Iowa retailers, lottery players and the public.

On behalf of the people of Iowa, the Iowa Lottery is proud to have met its budget targets for sales, proceeds to state causes, commissions paid to retailers, and prizes to players in fiscal year 2020. For the sixth consecutive year, the Iowa Lottery set a record for scratch-ticket sales.

While there was much that changed during the year – how the lottery serviced its retail partners, paid player prize claims, and even how the lottery's workforce interacted with each other – one thing remained constant: the Iowa Lottery's commitment to integrity and service to Iowans.

It is a privilege to lead an organization that is meeting its revenue projections, operating in an efficient and responsible manner on behalf of Iowans, and creating innovative and entertaining products that ensure the lottery can fulfill its promise to Iowa.

Thank you to our players, our retail partners, state policymakers, and the Iowa Lottery Board and staff for their roles during a challenging year of delivering results for the people of Iowa.

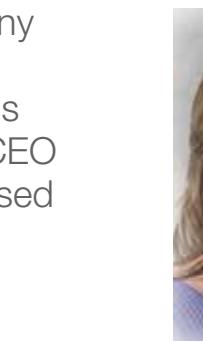
With appreciation,

A handwritten signature in black ink, appearing to read "M.N. Strawn". The signature is fluid and cursive, enclosed within a thin oval border.

## Iowa Lottery Board



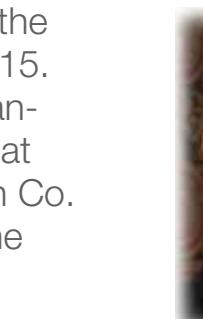
Josh Cook of Ankeny joined the Lottery Board in 2019. He is the president and CEO of the Johnston-based Community Choice Credit Union.



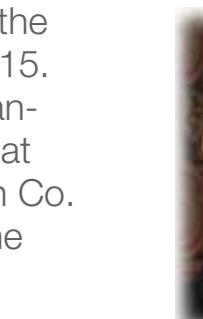
Sherrae Hanson of Ankeny joined the Lottery Board in 2018. She is the tax manager at Denman & Co., a CPA and business-consulting firm in West Des Moines.



Mary Junge served on the Lottery Board from 1999 to 2014 and was re-appointed in 2016. She is a certified public accountant and practicing tax attorney who resides in Cedar Rapids.



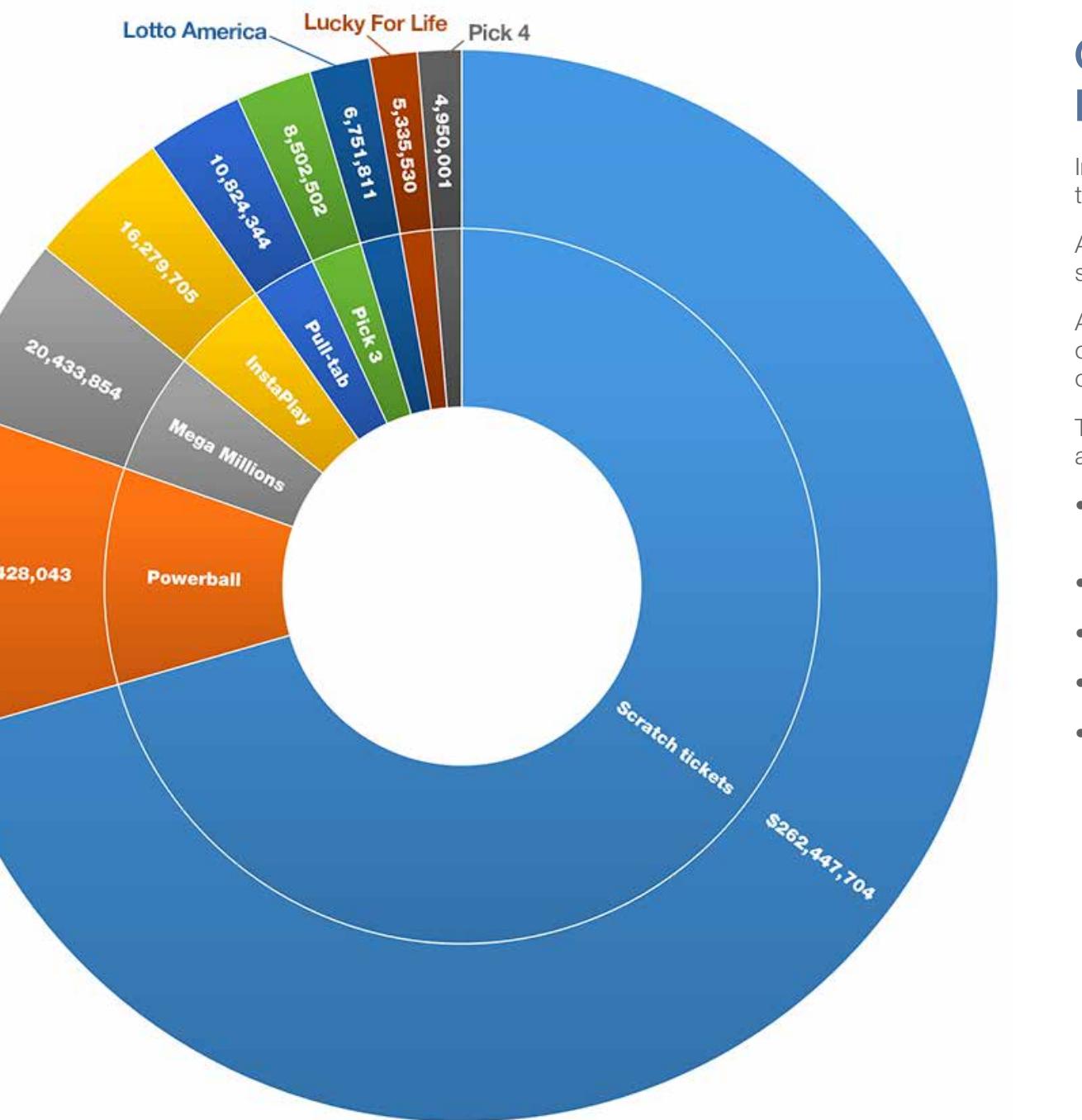
Mary Rathje joined the Lottery Board in 2015. She is the office manager and controller at Rathje Construction Co. in Marion, where she also resides.



Michael L. Fitzgerald has been a part of the Lottery Board since 2003. He is Iowa's State Treasurer. He lives in Waukee.

## Sales Notes

- **Scratch ticket** sales in Iowa, which have set records consecutively since FY 2015, did so again in FY 2020 and totaled \$262.4 million, an increase of \$11.8 million from the previous record for that product set last year. Iowans who suddenly had large amounts of time at home made scratch tickets part of their hard-copy entertainment items along with puzzles and board games.
- **InstaPlay** sales jumped by 37 percent during the fiscal year, climbing to \$16.3 million compared to \$11.9 million in fiscal year 2019.
- **Mega Millions®** and **Powerball®** sales lagged this year compared to last, as the jackpot was repeatedly won with increased frequency at relatively low levels (\$40 million to \$100 million). Last year the Mega Millions jackpot hit the \$300 million mark four times and included a prize of more than \$1.5 billion in the Oct. 23, 2018 drawing, the largest jackpot in the game's history. Also, lotto sales fell nationwide as a result of the pandemic.



## Continuing to Improve the Player Experience: Players Can Join VIP Club, Reset Password & More

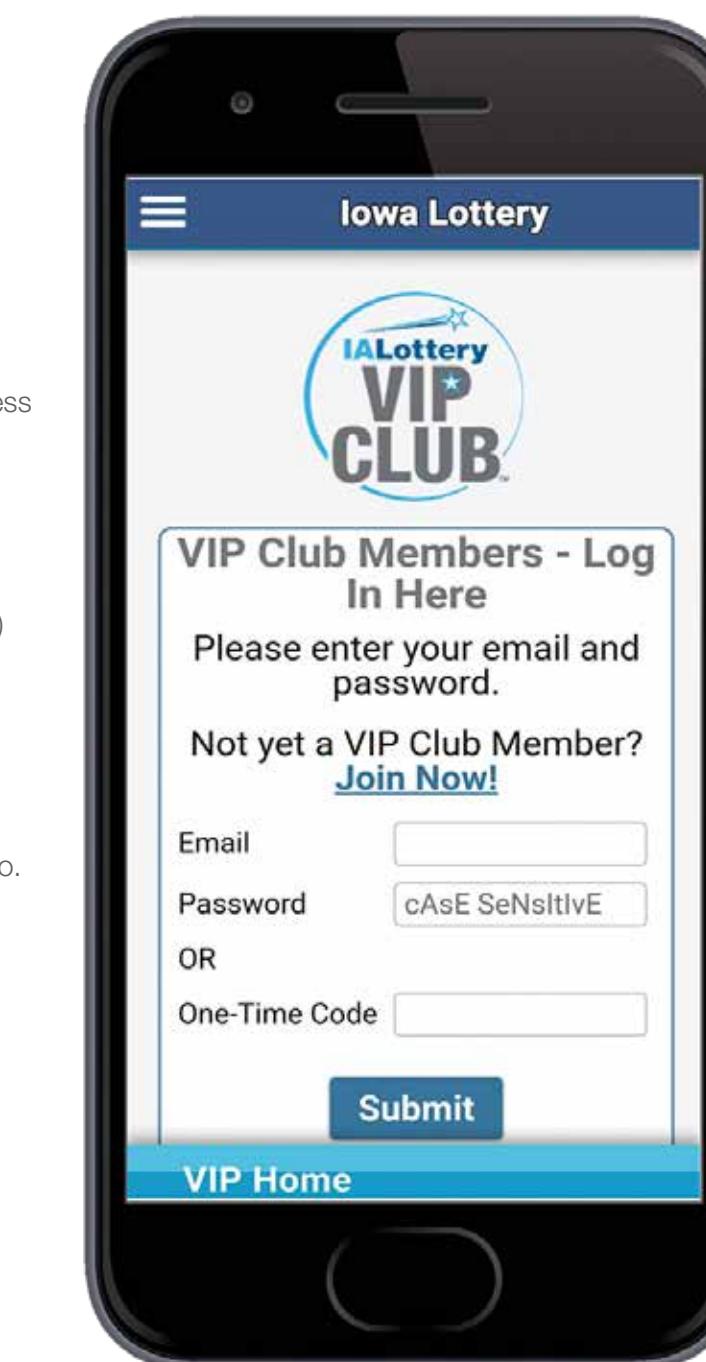
In January 2020 the Iowa Lottery added the ability for players to join the free VIP Club and update their password using the LotteryPlus app.

And since April players have been able to clear out the results of the previous ticket scan before starting to scan another one to check whether a ticket is a winner.

As with most changes we make to our app, these were made after input from players. When it comes to scanning tickets for winners, players said this additional step could help make the process of checking tickets on the app more clear for them.

The Iowa Lottery introduced its "Iowa Lottery LotteryPlus" mobile app in May 2017. The app also allows players, upon secure age verification, to:

- Log in to the Iowa Lottery VIP Club™ so they can scan their ticket to enter Play It Again® promotions, view a list of their promotion entries and access FAQs for the current promotion(s)
- Learn about the Iowa Lottery's latest promotions, scratch tickets and more
- Get current jackpots and winning numbers for all of the Iowa Lottery's lotto games
- Find a nearby Iowa Lottery retailer
- Use the "ePlayslip" feature to design a ticket for their favorite Iowa Lottery lotto game on the go. They can pick their favorite numbers or shake their device to use the numbers generator



## Focus On Responsible Play, Being Informed

The Iowa Lottery undertook a number of initiatives in FY 2020 to keep focus on integrity, responsible play and informed choices by its players. The lottery sees such efforts as an opportunity to provide educational resources about responsible decisions and playing within your means.

Responsible play is emphasized every day by the lottery through the information it prints about 1-800-BETS OFF, the statewide helpline of the Iowa Gambling Treatment Program, on millions of lottery tickets, brochures, point-of-sale materials and other publications.

In addition, each March, the lottery works with the Iowa Department of Public Health to highlight National Problem Gambling Awareness Month through a statewide public-service campaign. The public-service messages are delivered across a wide array of media platforms with the goal of best reaching consumers in today's fragmented world of information consumption. In March 2020, the lottery's messages were delivered through broadcast television, cable, radio, outdoor billboards, online streaming services, and social media. In all, more than \$300,000 in in-kind media placements were secured during the March initiative.



And during the holiday season, the Iowa Lottery again participated in a national lottery-industry initiative designed to emphasize appropriate gifting and remind consumers that lottery tickets are something best reserved for the adult audience.

The annual campaign supported by National Council on Problem Gambling and the North American Association of State and Provincial Lotteries reminds the public to consider the age appropriateness of the gifts they are giving during the holidays. The lottery's messages included the reminder that it is important to keep a person's age in mind when it comes to gift-giving to minimize the risks associated with youth gambling.

To learn more about the Iowa Gambling Treatment Program, visit <https://yourlifeiowa.org/gambling>. Help is available 24/7 by text or live chat or by calling 1-800-BETS OFF (1.800.238.7633).

IOWA GAMBLING TREATMENT PROGRAM

**I-800-BETS OFF**



## Lottery Efforts To Maintain Safety And Health During The COVID-19 Pandemic

The Iowa Lottery, like the rest of the state, also was faced with the extreme challenges of the COVID-19 pandemic during FY 2020. In each step of its pandemic response, the lottery did its best to mitigate the spread of germs and keep everyone involved – from its staff to its players and the public – safe.

When the statewide COVID-19 public health emergency was initially declared in March, the lottery remained open for business, but with safety paramount, it followed guidelines set by public health officials in placing limitations on numerous types of personal interactions.

Those included remote work and staggered workplace hours for many personnel at lottery headquarters in Clive. The schedule for the lottery's team of statewide district sales representatives, who traditionally service its nearly 2,400 statewide retail licenses with

weekly, in-person store visits, was initially changed to telework only. After two months, those representatives began utilizing a schedule that alternated between telework and in-person visits at retail locations.

All public-facing lottery personnel have been equipped with personal protective equipment and are required to follow appropriate virus-mitigation procedures.

Likewise, the lottery worked to balance public health protocols while continuing to meet the needs of Iowans who sought access to Iowa Lottery services. In-person public access to the interior of Iowa Lottery facilities was limited in mid-March. The Iowa Lottery encouraged Iowans to engage with their lottery through telephone, email, social media, or traditional mail methods.

Then in June, the lottery developed an in-person curbside prize claims process by appointment for players who had prizes they wanted to claim directly from the lottery.

Players who utilized the curbside process remained in their vehicles as lottery personnel wearing personal protective equipment took prize-claim documentation out to them, then returned to the lottery office to process the claim before returning with a prize check with the player's winnings. The curbside claims process was available at all Iowa Lottery offices.

Iowa Lottery players also continue to have the option of mailing or shipping their winning tickets to the lottery or using a secure drop-box at lottery headquarters in Clive.

As the COVID-19 emergency unfolded in Iowa, the Iowa Lottery utilized its marketing and communications assets on multiple occasions as part of a broader State of Iowa effort to mitigate the spread of the virus.

The lottery partnered with the State Emergency Operations Center and the Iowa Department of Public Health in these efforts to provide information statewide. The lottery provided COVID-19 messaging on the outdoor billboard space it had reserved, on its website, and on the display screens at lottery terminals and on lottery self-service kiosks in nearly 2,400 statewide retail locations. The lottery also has shared COVID-19 messaging on its social media channels.



A player waits in their car to make a curbside claim outside an Iowa Lottery office.

## Winners

On March 18, 2020, the Iowa Lottery began limiting public access to its offices to email and telephone to help mitigate the spread of COVID-19 illnesses. Players were able to claim prizes by mail or by utilizing a secure drop box at Clive headquarters. In June we began offering curbside claims by appointment at our offices in Clive, Storm Lake, Mason City, and Cedar Rapids.

Iowa Lottery players won \$236.3 million in prizes this fiscal year.



### 'Just Us' Scores \$1 Million Win

Five friends who chipped in to buy lottery tickets together had quite a moment as they claimed a \$1 million Mega Millions® prize.

**Tim Harless of Eldora** bought the group's \$1 million-winning ticket for the Dec. 17, 2019 **Mega Millions** drawing. The friends call themselves "Just Us" and have played the lottery together for about 15 years. This is their biggest prize to date.

Harless is in the middle in the photo here. The four other members of the group are (left to right): Dave Twedt, Steve Wright, Dennis Dickenson, and Julia Salazar. They all live in Eldora and know each other through the Hardin County community of about 2,700.

Harless bought the \$1 million-winning ticket at Casey's, located at 1807 Edgington Ave. in Eldora.

### Spur-of-the-Moment Decision Spells Big Win

**Shane Saxon of Correctionville** stepped outside of his normal routine when it comes to buying Powerball® tickets and that spur-of-the-moment decision brought him a \$1 million prize.

Saxon said he usually waits until the jackpot has climbed really high and then he'll buy a ticket. But while he was running errands, he decided to buy two Powerball plays even though the jackpot for the next drawing was "only" an estimated \$80 million. He said he just decided: Why not?

Saxon bought his easy-pick ticket at Brew, a convenience store and coffee shop at 404 11th St. in Correctionville. News that someone had won big in Correctionville spread quickly in the Woodbury County community of about 800.

Saxon said his sister heard that someone locally had won big and asked if he'd bought a ticket. They checked his numbers and quickly realized he was the winner who had everyone talking. Saxon said his stomach dropped to his feet and then he paused for a second and realized it was just such a cool moment!



**Brian Staudt of Charles City** claimed a \$100,000 prize in the "Spectacular Riches" scratch game. He said: "I'm definitely going to kill the biggest thing on my bucket list: I'm going to the baseball Hall of Fame in Cooperstown, N.Y. I've always wanted to go there. This is a fine opportunity to get that done."



## Scratch Tickets

**Laura Swai of Mason City** won a \$50,000 prize in the "5 Spot" scratch game. She received the ticket as a gift from her boyfriend, along with donuts she asked him to buy. "I just started jumping up and down and screaming," she said. "I couldn't calm down all day yesterday."

### InstaPlay



**Tadd Haberl of Arcadia** won a \$148,374 JACKPOT PARTY® Progressive InstaPlay jackpot. He purchased the winning ticket at Kimmes Country Store, 422 W. Sixth St. in Carroll.

### Lucky For Life®

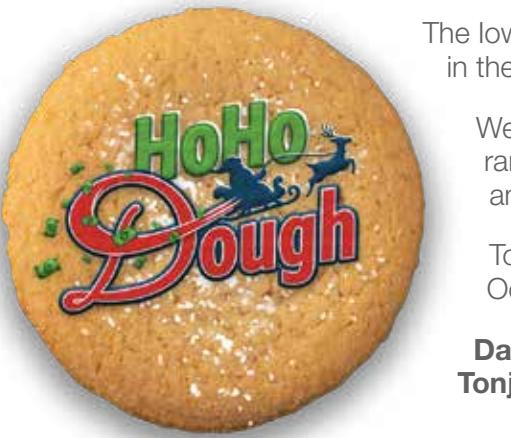


**Delbert Littleton of Atlantic** won \$25,000 a year for life playing the Lucky For Life game. He said that he and his wife danced in their kitchen at 4:30 a.m. after realizing he'd won. His photo also is featured on page 18 of this report.



**Joseph White of Iowa City** won a Lucky for Life prize of \$25,000 a year for life with a ticket he bought at a local convenience store.

**David Holder of Pomeroy** won a Lucky for Life prize of \$25,000 a year for life with a ticket he bought in a Rockwell City convenience store.



## Ho Ho Dough Mixed In Some Holiday Fun

The Iowa Lottery mixed up some holiday fun as we gave away 93 cash prizes totaling \$200,000 in the "Ho Ho Dough" promotion.

We held six drawings throughout the holiday season - for a total of 90 of cash prizes ranging from \$1,000 to \$2,500. Then we awarded three grand prizes: \$10,000, \$15,000 and \$25,000 cash!

To enter, players could Play It Again with any nonwinning holiday scratch ticket from Oct. 7, 2019, until January 7, 2020.

**Danielle Hagist, Wellman**, pictured at left below, won the \$15,000 grand prize. **Tonja Hart, Waterloo**, on the right below, won the \$10,000 grand prize.



## Players Can Enter All Day Every Day with Prize Zone

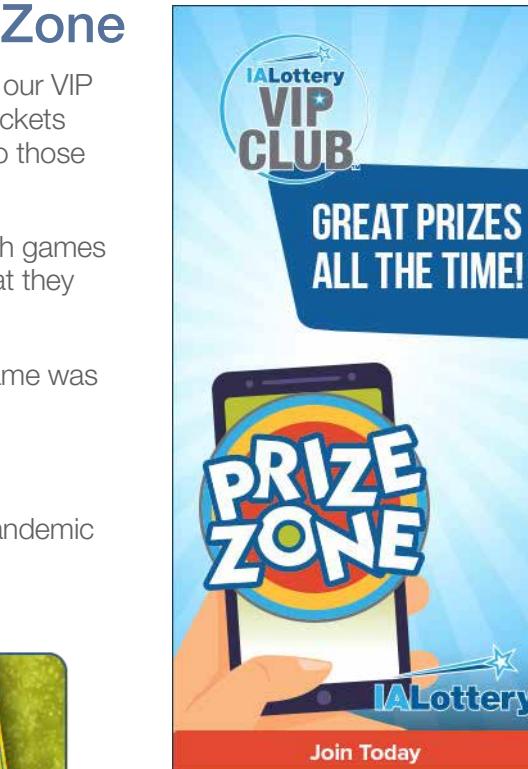
Beginning in February 2020 Iowa Lottery VIP Club members got invited into the Prize Zone, a new, ongoing part of our VIP Club that offers players more ways to win when they buy lottery tickets. VIP Club members can enter nonwinning tickets in designated Iowa Lottery games into the Prize Zone all day, every day for a chance to win select prizes tied only to those games.

To kick off the Prize Zone, we gave away more than \$26,000 in Apple iPads® with our **9s In A Line** family of scratch games as the entry ticket. The size of the iPad players could win went up along with the "size" of the 9s In A Line game that they entered!

Tickets in the \$1 9s In A Line Small game could be entered for a chance to win an iPad mini®. The \$2 "Medium" game was tied to the iPad Air®, and the \$5 "Large" game and \$10 "XL" games were tied to 2 different sizes of the iPad Pro®.

The Lottery held the drawing for the winners of the iPads on March 19.

In the latter part of the fiscal year, the Prize Zone focused on coupons, gift cards and cash due to the COVID-19 pandemic and related issues with offering merchandise and experiential prizes.



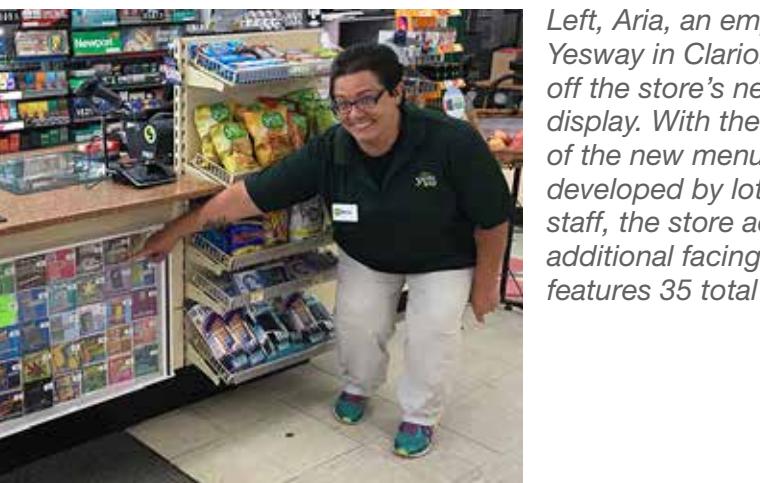
## Our Retail Partners

We can't thank our retail partners enough for their hard work and support in assisting lottery customers and selling tickets during this unusual year that offered a completely new set of challenges.

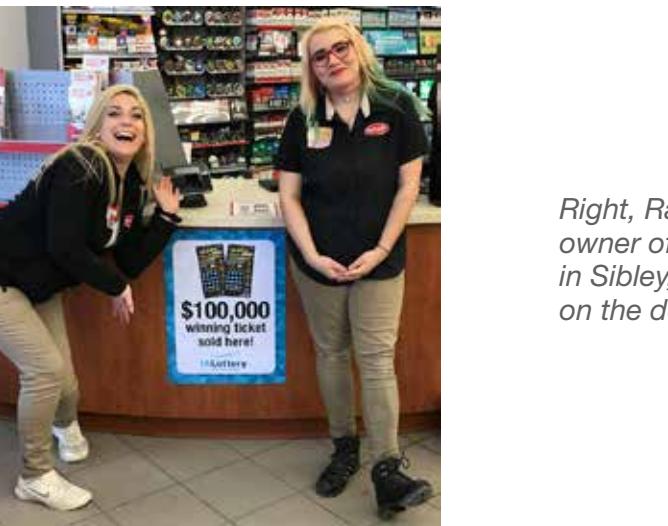
Annual lottery sales commissions to local businesses across Iowa were \$24.3 million in FY 2020.



Above, Heather Day, Ashley Craig and Annette Rashad celebrate the sale of a recent \$100,000-winning ticket at the Johnson Avenue Hy-Vee in Cedar Rapids. They shared the photo on the store's Facebook page, where it received a lot of positive reactions.



Left, Aria, an employee at Yesway in Clarion, shows off the store's new ticket display. With the addition of the new menu board, developed by lottery staff, the store added six additional facings and now features 35 total facings.



Right, Ashley and Amy with a new poster at Kum & Go in DeSoto.



Right, Randy Schott, the owner of Schottsy's Liquor in Sibley, shows off a sign on the door of his store.

## Public Safety Survivor Benefit Fund



The lottery and the Department of Public Safety held a news conference July 2 at the Iowa Peace Officer Memorial to unveil the Public Safety Survivor Benefit Fund, which will utilize \$100,000 in lottery funds to help pay the costs of ongoing accident or health care insurance coverage for the surviving family members of Iowa peace officers and fire fighters killed on the job.



Above from right to left: Lottery CEO Matt Strawn; Stephan Bayens, Commissioner of the Iowa Dept. of Public Safety; Rep. Mike Sexton, R-Rockwell City; and Rep. Wes Breckenridge, D-Newton. Left: Many Iowa law enforcement personnel attended the news conference.

# Sales Reports

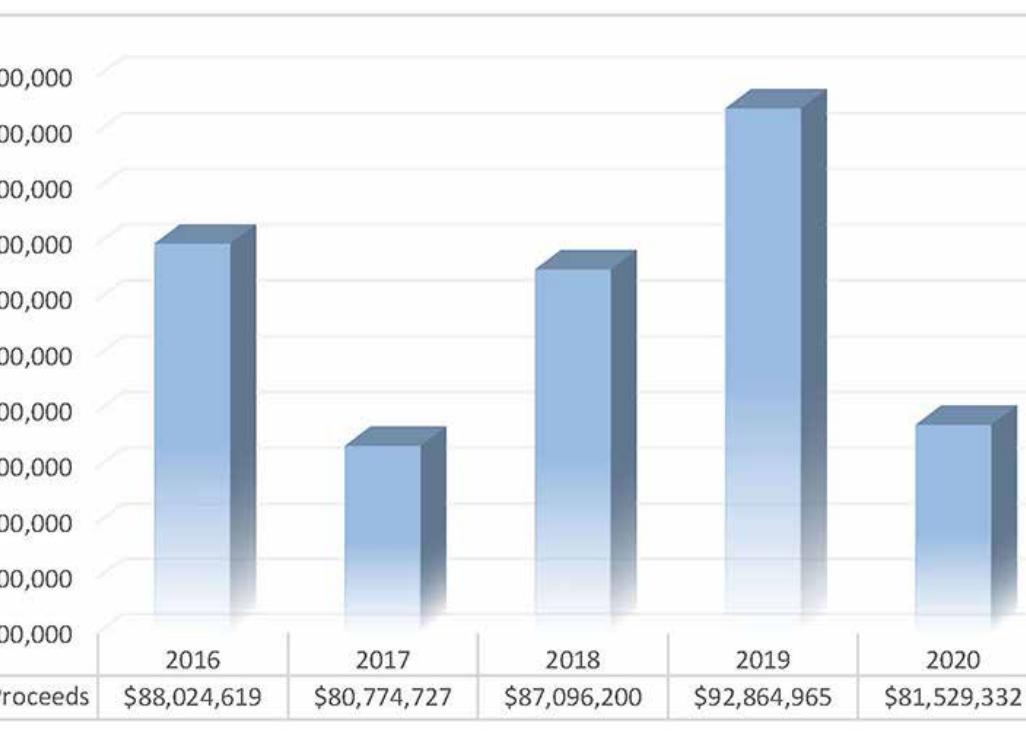
## FY 2020 Net Sales By County

County	Net Total Sales
Adair	\$1,192,382
Adams	\$347,360
Allamakee	\$1,686,470
Appanoose	\$1,804,833
Audubon	\$483,958
Benton	\$2,333,665
Black Hawk	\$20,208,615
Boone	\$2,961,792
Bremer	\$2,121,543
Buchanan	\$2,156,289
Buena Vista	\$3,723,506
Butler	\$1,359,086
Calhoun	\$943,488
Carroll	\$2,611,362
Cass	\$1,392,288
Cedar	\$1,830,461
Cerro Gordo	\$8,498,558
Cherokee	\$1,769,916
Chickasaw	\$1,497,551
Clarke	\$1,042,115
Clay	\$2,133,907
Clayton	\$2,294,412
Clinton	\$7,595,072
Crawford	\$2,482,493
Dallas	\$5,515,155
Davis	\$501,425
Decatur	\$358,323
Delaware	\$1,758,514
Des Moines	\$5,233,375
Dickinson	\$3,046,614
Dubuque	\$10,544,695
Emmet	\$1,242,070
Fayette	\$2,282,509

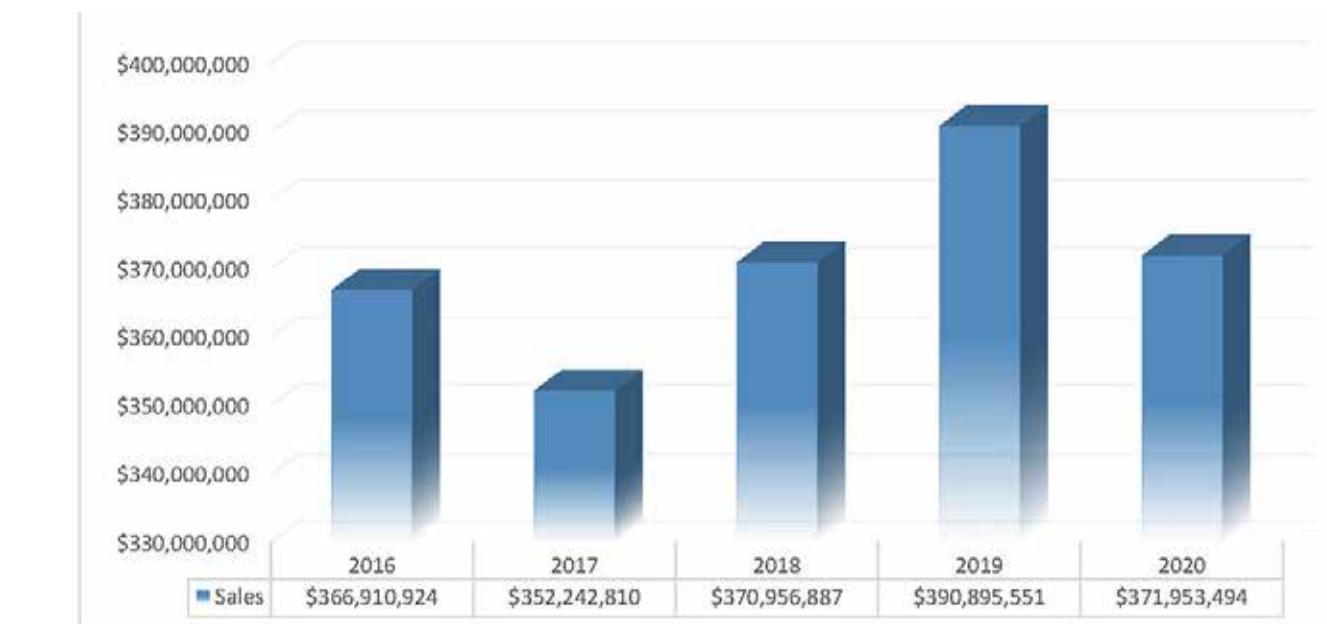
County	Net Total Sales
Floyd	\$2,465,533
Franklin	\$1,494,960
Fremont	\$779,815
Greene	\$974,404
Grundy	\$844,060
Guthrie	\$368,485
Hamilton	\$2,546,910
Hancock	\$1,150,878
Hardin	\$2,100,298
Harrison	\$1,490,891
Henry	\$2,632,288
Howard	\$972,547
Humboldt	\$1,520,789
Ida	\$853,914
Iowa	\$1,277,346
Jackson	\$2,755,831
Jasper	\$3,836,030
Jefferson	\$1,672,506
Johnson	\$9,952,575
Jones	\$2,712,876
Keokuk	\$1,110,978
Kossuth	\$2,315,128
Lee	\$4,489,143
Linn	\$29,380,497
Louisa	\$847,667
Lucas	\$1,017,684
Lyon	\$494,014
Madison	\$1,496,252
Mahaska	\$2,511,962
Marion	\$3,317,106
Marshall	\$6,229,069
Mills	\$1,115,028
Mitchell	\$1,190,026

County	Net Total Sales
Monona	\$956,482
Monroe	\$1,090,656
Montgomery	\$1,251,087
Muscatine	\$5,807,556
O'Brien	\$1,420,074
Osceola	\$514,697
Page	\$1,539,158
Palo Alto	\$909,930
Plymouth	\$2,177,602
Pocahontas	\$701,297
Polk	\$61,111,564
Pottawattamie	\$12,426,114
Poweshiek	\$2,124,184
Ringgold	\$287,089
Sac	\$1,337,166
Scott	\$23,178,477
Shelby	\$908,716
Sioux	\$1,532,291
Story	\$5,585,583
Tama	\$1,519,556
Taylor	\$669,705
Union	\$1,602,021
Van Buren	\$574,817
Wapello	\$7,255,973
Warren	\$4,509,000
Washington	\$2,313,943
Wayne	\$593,079
Webster	\$7,805,813
Winnebago	\$1,659,606
Winneshiek	\$1,899,154
Woodbury	\$10,865,394
Worth	\$906,490
Wright	\$2,537,048

## 5-Year Fiscal Year Proceeds to State



## 5-Year Fiscal Year Sales



# The Iowa Lottery Gives Back

**General Fund: \$1,793,395,685** — Since 1992, a majority of Lottery profits have been directed into the state general fund, where they are used to pay for programs that benefit all Iowans like education, natural resources, health and family services and public safety. In the Iowa Lottery's latest fiscal year, it raised more than \$81.5 million in proceeds that were deposited in the general fund. The Governor and Iowa Legislature allocate money from the general fund based on where they believe those funds are needed most.

**Iowa Plan: \$170,318,439** — The Iowa Plan was a long-term economic development program. Lottery profits were dedicated to the Plan from FY 1986 through FY 1990.

**CLEAN Fund: \$35,894,355** — The CLEAN Fund stood for Committing the Lottery to Environment, Agriculture and Natural Resources. Lottery profits were dedicated to the Fund during FY 1991.

**Iowa Veterans Trust Fund \$29,852,121** — Since July 2008, a portion of Lottery proceeds has been dedicated to the Iowa Veterans Trust Fund, where they are used to support our state's veterans. The Iowa Lottery currently provides \$2.5 million annually in proceeds to the Iowa Veterans Trust Fund. The Iowa Veterans Trust Fund was created to provide assistance to qualified veterans to help pay for expenses such as job training or college tuition assistance; some dental, vision and hearing assistance; and individual or family counseling programs.

**Iowa Gambling Treatment Fund: \$15,732,208** — The Iowa Gambling Treatment Program provides treatment, counseling and outreach programs for those concerned about gambling as well as the 1-800-BETSOFF helpline. The Iowa Lottery is committed to responsible play and helps address the issue of problem gambling. Each year, the Lottery provides the public with information about 1-800-BETSOFF by including messages about the helpline on millions of lottery tickets, brochures and point-of-sale materials as well as other publications. In 2009, the Gambling Treatment Fund was eliminated, with the Gambling Treatment Program now receiving its funding from the state General Fund.

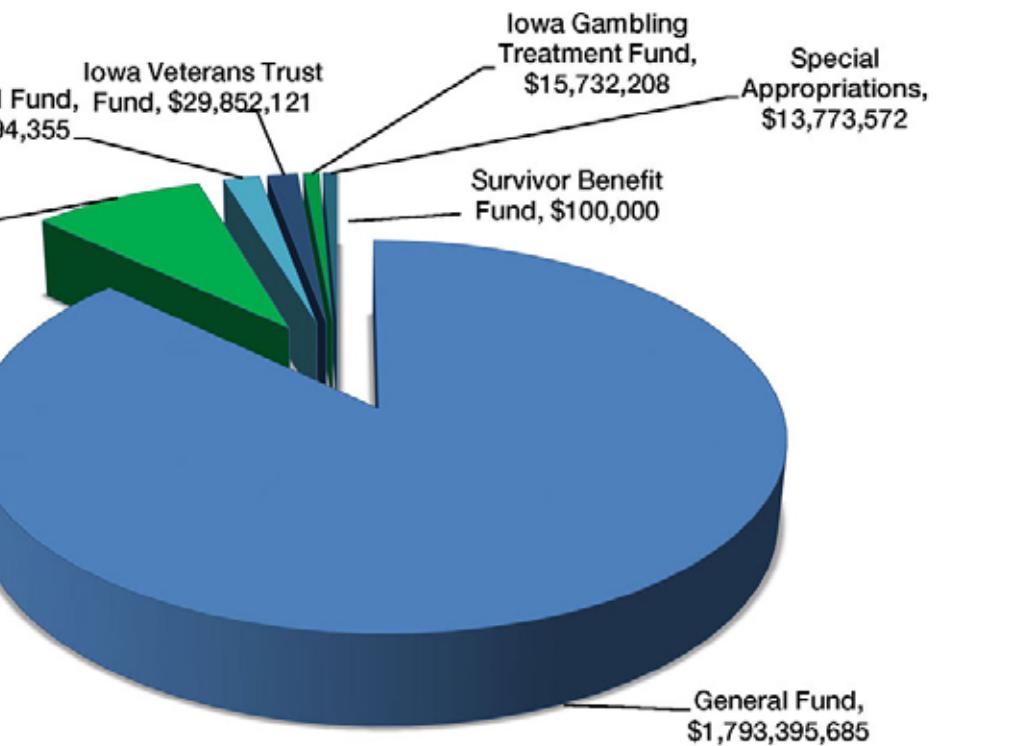
**Special Appropriations: \$13,773,572** — A portion of Lottery profits have been earmarked for specific purposes within the state budget.

**Iowa Public Safety Survivor Benefit Fund: \$100,000** — Since July 2019, a portion of lottery proceeds has been dedicated to the Iowa Public Safety Survivor Benefits Fund to help the families of Iowa peace officers and fire fighters killed in the line of duty with the cost of accident or medical insurance.

## Backing For Vision Iowa:

Lottery proceeds also are linked to the Vision Iowa program, which was implemented in 2000 to create tourism destinations in the state, assist with community attractions, and build and repair schools. Direct funding for Vision Iowa comes from gaming revenues, but \$20 million in lottery proceeds is dedicated annually as a backup during the 20-year payback period of the program's bonds.

For more information on where Iowa Lottery proceeds go, visit [ialottery.com](http://ialottery.com).



Note: All of the amounts listed here are from FY 1986 through the end of FY 2020.

**Since 1985, the Lottery has raised more than \$2 billion for important state causes.**

*That money supports everything from veterans and law enforcement to education, parks and conservation, agriculture, and human services. And each year, the lottery raises millions more to help make Iowa even better. It's how we play our part. It's how you can too.*

*Here is how each \$1 spent on lottery products makes a difference in Iowa (fiscal year 2020 totals).*



**64¢** to player prizes



**22¢** to vital state programs



**8¢** to daily lottery costs



**6¢** to Iowa businesses that sell lottery products



# Overview & Key Results

The Iowa Lottery was established in 1985 and began ticket sales on Aug. 22 of that year. Since the lottery's inception, its players have won more than \$4.6 billion in prizes while the lottery has raised more than \$2 billion for the state programs that benefit all Iowans.

The guiding principles of the Iowa Lottery are:

- Develop and distribute products that are fun and exciting to Iowans;
- Maintain integrity and security in production and delivery of those products while utilizing advanced technology;
- Educate and motivate the public to play Lottery games responsibly;
- Maintain the dignity of the Lottery through truthful, tasteful and informative advertising;
- Develop an effective employee workforce that is professional, knowledgeable, skilled, and offers maximum service and reliability to retailers and players; and
- Responsibly maximize net revenues to the state.

Today, lottery proceeds in Iowa have four main purposes: They provide support for veterans and their families through the Iowa Veterans Trust Fund; support through the Iowa Public Safety Survivor Benefit Fund for the surviving family members of Iowa peace officers and fire fighters who die in the line of duty; help for a variety of significant projects through the state General Fund; and backing for the Vision Iowa program, which was implemented to create tourism destinations and community attractions in the state and build and repair schools.

The Lottery has approximately 108 employees in the following departments: external relations, finance, marketing, systems, sales and security. That number does not include the five board members.

The Lottery's headquarters office is in Clive, and it maintains a warehouse facility in Ankeny and three regional offices in Cedar Rapids, Mason City and Storm Lake. The lottery has four product categories: scratch tickets, pull-tab tickets, InstaPlay and lotto games. Lottery products are sold through approximately 2,400 licensed retailers across Iowa.

In 2003 the Legislature recognized that as an entrepreneurial entity, the Iowa Lottery could operate more efficiently and established the Iowa Lottery Authority, a public instrumentality of the state. As a result of that change, combined sales for the Lottery's traditional products have continued to climb in the fiscal years since then.

The Iowa Lottery develops an annual budget, which requires approval by the Board of Directors. The budget is monitored through a series of performance measures.

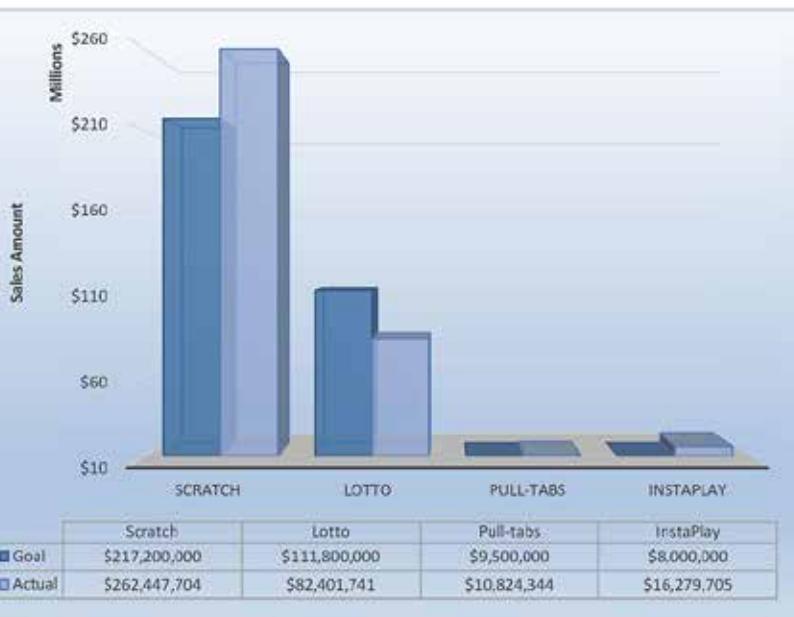
The goals and results discussed in this report cover the following core functions of the Iowa Lottery's operations: sales and distribution; resource management; and enforcement and investigation.



Delbert Littleton of Atlantic won \$25,000 a year for life playing Lucky For Life®. He's shown here outside Iowa Lottery headquarters in Clive.

## Agency Mission:

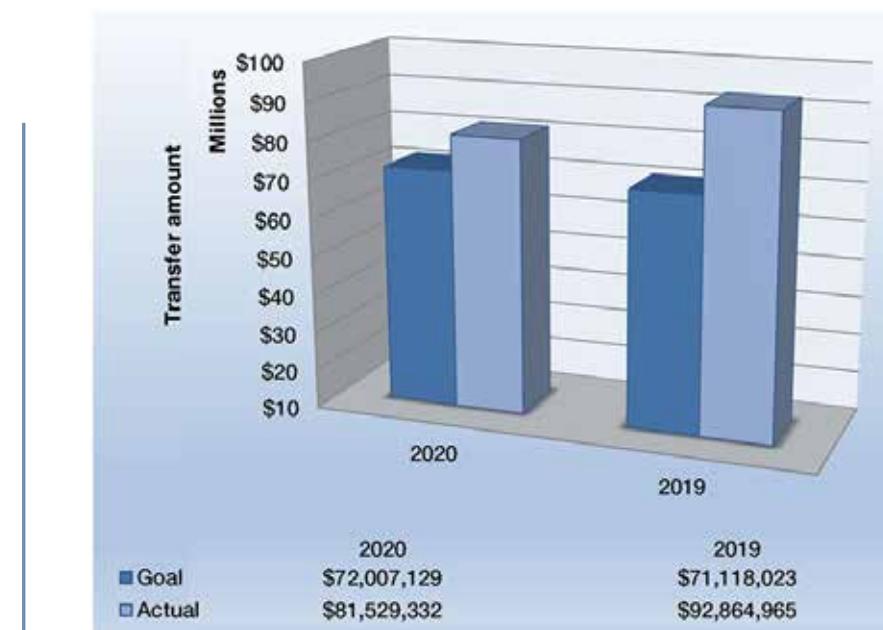
"The Iowa Lottery continually strives to deliver value to the State of Iowa by providing entertainment to the public, responsibly maximizing revenues, and maintaining the highest standards of integrity, security, and accountability. The Iowa Lottery is a nonprofit authority that operates the state's lottery in an entrepreneurial and business-like manner, accountable to a public Board of Directors, the Governor, the General Assembly, and the People of the State."



## Sales and Distribution

	Goal	Actual
Scratch Tickets	\$217.2M	\$262.4M
Lotto Tickets	\$111.8M	\$82.4M
Pull-tab Tickets	\$9.5M	\$10.8M
InstaPlay Tickets	\$8.0M	\$16.3M

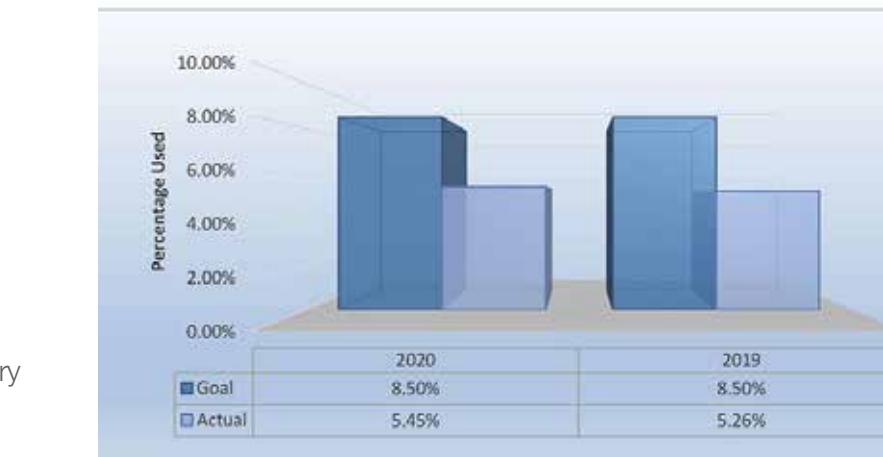
The Legislature, the Governor and the public use sales data to generally determine how the Lottery is performing. Sales of different products are analyzed by the Lottery on a yearly basis in order to assess progress.



## Resource Management

	Goal	Actual
Proceeds to the state (General Fund, Veterans Trust Fund and Public Safety Survivor Benefits Fund)	\$72.0M	\$81.5M

Total proceeds is the ultimate measure of how well the Lottery is operating because it accounts not only for sales, but also for how well resources are being used. The Lottery must ensure its resources are managed wisely in order to achieve maximum benefits for the state.



## Operating & Advertising Budget

	Goal	Actual
Percent of Operating & Advertising Budget to Total Sales	8.5%	5.45%

The operating and advertising budget includes all administrative and advertising expenses incurred by the Lottery, but excludes other costs including, but not limited to, prize payments, retailer compensation, lottery system and terminal communications, and instant and pull-tab ticket expense and machine maintenance.

# Performance Plan Results

Core Function: Sales & Distribution			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Total Sales	\$346,500,000	\$371,953,494	What Occurred: Total sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Service, Product or Activity:			
Performance Measure	Data Source: Iowa Lottery Financial Reports	Performance Actual	Performance Comments & Analysis
Total Scratch Ticket Sales	\$217,200,000	\$262,447,704	What Occurred: Instant (scratch) ticket sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Online Game Sales	\$111,800,000	\$82,401,741	What Occurred: Online (lotto) ticket sales did not meet the goal. Data Source: Iowa Lottery Financial Reports
Total Pull-Tab Sales	\$9,500,000	\$10,824,344	What Occurred: Pull-tab sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total InstaPlay Sales	\$8,000,000	\$16,279,705	What Occurred: InstaPlay sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Core Function: Resource Management			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Total Funds Transferred to General Fund, Veterans Fund, Public Safety Survivor Benefit Fund	\$72,007,129	\$81,529,332	What Occurred: Total transfers exceeded the goal. Data Source: Iowa Lottery Financial Reports
Service, Product or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of Operating & Advertising Budget* to Total Sales	8.5%	5.45%	What Occurred: Expenses were well controlled and stayed below goal relative to sales. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to General Fund	\$69,407,129	\$78,929,332	What Occurred: General Fund transfers exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to Veterans Trust Fund	\$2,500,000	\$2,500,000	What Occurred: Veterans Trust Fund transfers a set amount. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to Public Safety Survivor Benefit Fund	\$100,000	\$100,000	What Occurred: Public Safety Survivor Benefit Fund transfers a set amount. Data Source: Iowa Lottery Financial Reports
Core Function: Enforcement & Investigation			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of investigated complaints and indicators of concern regarding lottery products	100%	100%	What Occurred: Complaint investigation goal was met. Data Source: Iowa Lottery Security Department
Service, Product or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of requests from law enforcement agencies and county attorney offices responded to by Security Division	100%	100%	What Occurred: Law enforcement assistance goal was met. Data Source: Iowa Lottery Security Department
Percent of requests from other divisions within the Lottery responded to by Security Division	100%	100%	What Occurred: Intra-lottery assistance goal was met. Data Source: Iowa Lottery Security Department
Percent of all lottery retailers that underwent compliance checks during the fiscal year	20%	21%	What Occurred: Compliance check goal was exceeded. Data Source: Iowa Lottery Security Department
Percent of retailers that underwent compliance checks following a complaint	100%	100%	What Occurred: Follow-up compliance check goal was met. Data Source: Iowa Lottery Security Department

\*Lottery Operating & Advertising Budget includes all administrative & advertising expenses incurred by the Lottery, but excludes other costs including, but not limited to, prize payments, retailer compensation, lottery system and terminal communications, and instant and pull-tab ticket expense and machine maintenance.

# Financials

## Iowa Lottery Authority Statement of Net Position June 30, 2020

<b>Assets</b>	
Current assets:	
Cash	\$ 28,426,019
Restricted assets - cash	728,548
Prepaid expense	37,483
Interest receivable	30,610
Accounts receivable, net	4,971,334
Ticket inventories	2,864,501
Investment in prize annuities	25,576
Total current assets	<u>37,084,071</u>
Noncurrent assets:	
Prize reserve	4,880,247
Investment in prize annuities	400,335
Capital assets, net	7,042,248
Total noncurrent assets	<u>12,322,830</u>
<b>Total assets</b>	<u>49,406,901</u>
<b>Deferred Outflows of Resources</b>	
OPEB related deferred outflows	149,065
Pension related deferred outflows	1,331,495
<b>Total Deferred Outflows of Resources</b>	<u>1,480,560</u>
<b>Liabilities</b>	
Current liabilities:	
Lotto prizes payable	5,405,570
InstaPlay Prize Payable	222,312
Annuity Prizes Payable	25,576
Accounts payable and accruals	25,507,521
Unearned revenue	350,565
Salary and benefits payable	103,415
Compensated absences and OPEB	999,063
Total current liabilities	<u>32,614,022</u>
Long-term liabilities:	
Accounts payable and accruals	33,508
Compensated absences and OPEB	2,018,992
Net pension liability	5,525,227
Prize reserve	4,880,247
Annuity prizes payable	400,335
Total long-term liabilities	<u>12,858,309</u>
<b>Total liabilities</b>	<u>45,472,331</u>
<b>Deferred Inflows of Resources</b>	
OPEB related deferred inflows	94,081
Pension related deferred inflows	1,071,695
<b>Total Deferred Inflows of Resources</b>	<u>1,165,776</u>
<b>Net Position</b>	
Net investment in capital assets	7,042,248
Unrestricted	(2,792,894)
<b>Total net position</b>	<u>4,249,354</u>

## Iowa Lottery Authority Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2020

Operating revenues:	
Scratch ticket sales	\$ 262,447,704
InstaPlay sales	16,279,705
Pick 3 sales	8,502,502
Pick 4 sales	4,950,001
Powerball sales	36,428,043
Mega Millions sales	20,433,854
Lucky for Life sales	5,335,530
Lotto America sales	6,751,811
Pull-tab sales	10,824,344
Application fees	3,750
Other	7,436
Total operating revenues	<u>371,964,680</u>
Operating expenses:	
Prizes:	
Scratch ticket	174,595,972
InstaPlay	11,659,100
Pick 3	5,101,502
Pick 4	3,237,775
Powerball	18,219,035
Mega Millions	10,216,927
Lucky for Life	3,147,141
Lotto America	3,375,906
Pull-tab	6,763,647
Total prizes	<u>236,317,005</u>
Retailer compensation	24,314,334
Advertising production and media purchases	6,780,551
Retailer lottery system / terminal communications	6,123,259
Scratch / pulltab ticket expense	3,251,770
Vending machines & maintenance / ticket dispensers	420,413
Courier delivery of tickets	660,809
Other operating expenses	13,505,653
Total operating expenses	<u>291,373,794</u>
Operating income	<u>80,590,886</u>
Non-operating revenue (expenses):	
Proceeds deposited to State General Fund	(78,929,332)
Proceeds deposited to Veterans Trust Fund	(2,500,000)
Proceeds deposited to Public Safety Survivor Benefits Fund	(100,000)
Interest income	383,498
Gain (Loss) on disposal of capital assets	1,647
Net non-operating revenues (expenses)	<u>(81,144,187)</u>
Change in net position	<u>(553,301)</u>
Net position beginning of year	<u>4,802,655</u>
Net position end of year	<u>4,249,354</u>

## Contact Us



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