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Iowa Lottery Report On Operations

To: Members of the House Government Oversight Committee and Senate Government Oversight Committee, Iowa General Assembly

From: Matthew N. Strawn, CEO

Date: December 2021

Introduction

Following a record-breaking fiscal year 2021, Iowa Lottery sales have remained strong and resilient during the initial months of fiscal year 2022, achieving a 6.7 percent increase year-over-year through the first five months of the year.

This sales performance has occurred notwithstanding significant external economic challenges such as inflationary price pressures on consumers, lottery vendor supply-chain disruptions, and increased competition for the discretionary entertainment dollar in Iowa. The continued presence of these factors, combined with a significant jackpot event from the previous year, suggest that Lottery sales will be hard-pressed to maintain the record-setting pace of FY 2021 during the second half of FY 2022.

In the initial months of FY 2022, sales of scratch tickets and lotto games have continued to lead the way, with scratch game sales up slightly and lotto game sales up significantly for the year. The lotto category in particular has been bolstered by a Powerball® jackpot run that approached \$700 million in early October, the addition of a third weekly Powerball drawing beginning in August, and the Lucky for Life® game moving to daily drawings, which was initiated in July.

However, the Lottery anticipates that the year-over-year sales growth in lotto games will level out over the remainder of FY 2022. The biggest reason for that looms next month: In January 2021, the unprecedented phenomenon occurred of simultaneous jackpots approaching \$1 billion in both the Powerball and Mega Millions® games. Absent such an event happening during the second half of FY 2022, lotto sales will be hard-pressed to maintain the previous year's results.

The Iowa Lottery anticipates it will have a strong year that exceeds budget projections for both sales and proceeds in FY 2022 but its overall totals will likely not reach the record results of the previous year.

FY 2021 Final Results

The Iowa Lottery's annual sales, proceeds to state causes, prizes to players, and commissions paid to Iowa businesses all set records in fiscal year 2021. In addition, the Lottery's operating expenses remained well below budget for the year.

The Lottery generated \$101.7 million in proceeds to state causes for the fiscal year. Annual Lottery sales in FY 2021 were \$452.6 million while prizes to players totaled \$288.9 million and

sales commissions to the local businesses across Iowa that sell Lottery products totaled \$29.7 million.

The Lottery's FY 2021 results were positively impacted by two main factors: a spike in scratch ticket sales and two significant jackpots in national lotto games.

The jackpots in Mega Millions and Powerball simultaneously topped the \$700 million mark for the first time in

January, with the Mega Millions prize in particular growing to more than \$1 billion, the second-largest prize in the history of that game. The twin huge prizes generated a corresponding surge in sales in both games.

Scratch-ticket sales in Iowa, which have set annual records each year since FY 2015, did so again in FY 2021, totaling \$316.9 million. That was an increase of \$54.5 million from the previous year's total for that product.

The Lottery's robust sales results in FY 2021 were also partly an outlier driven by the unique circumstances of changing consumer behavior in the midst of a public health emergency. This includes the fact that for many Iowans, Lottery tickets were a safe, local entertainment option as they spent considerably more time at home and traditional entertainment options such as ballgames, concerts, movie tickets, and vacations were no longer options for discretionary household spending.

The Lottery anticipates that as consumer behavior continues to normalize, Lottery sales in coming years will return to more modest growth patterns.

A highlight for FY 2021 was the \$2.5 million the Lottery raised for the Iowa Veterans Trust Fund to benefit the state's veterans and their families. The Lottery now has raised nearly \$32.4 million for the Veterans Trust Fund since it began providing proceeds to that cause in 2008. In FY 2021, the Lottery also provided proceeds to both the Public Safety Survivor Benefits Fund and the Department of Corrections Survivor Benefits Fund, which help with insurance costs for the families of Iowa peace officers, fire fighters and corrections employees who die in the line of duty.

Here is a year-to-year comparison of annual sales by Lottery product:

Product	FY 2021 Sales	FY 2020 Sales
Scratch games	\$316.9 million	\$262.4 million
InstaPlay games	\$23.5 million	\$16.3 million
Pick 3	\$9.5 million	\$8.5 million
Powerball	\$43.4 million	\$36.4 million
Mega Millions	\$29.0 million	\$20.4 million
Pick 4	\$5.5 million	\$5.0 million
Lucky for Life	\$5.6 million	\$5.3 million
Lotto America	\$6.4 million	\$6.8 million
Pull-tab games	\$12.8 million	\$10.8 million



As always, the Iowa Lottery continuously monitors its sales results and will keep the Government Oversight Committees apprised of significant developments. The Lottery also provides regular updates regarding sales and proceeds through the State of Iowa's I-3 accounting system. A five-year comparison of Lottery revenues and expenses is included in this report as **Attachment A**.

The Lottery's annual report for FY 2021 also is now available. A link to it is here: <https://ialottery.com/Pages/AboutUs/AnnualReport.aspx>

FY 2022 Lottery Sales



Annual Lottery sales and proceeds through November, the latest full month for which results are available, are ahead of budget projections and the Lottery's five-year average.

Additionally, through the first five months of FY 2022, the Iowa Lottery's operational expenses remain below budgeted projections. The Iowa Lottery's November financial statement is included in this report as **Attachment B**.

The instant-scratch game category has led the way for the Lottery in the initial months of FY 2022, accounting for 67.6 percent of all sales through November. While year-over-year sales growth in the category has been modest at about 0.4 percent growth, it builds on the record-breaking performance for scratch-game sales in FY 2021.

The lotto category accounted for 24.8 percent of all FY 2022 sales through November. Sales of those games were up 39.4 percent in that time period, bolstered by a strong Powerball jackpot run that approached \$700 million in early October; the addition of a third weekly Powerball drawing that began in August; and the Lucky for Life game moving from twice weekly drawings to daily drawings in July.

Historically, the Lottery has emphasized to state policymakers that sales in multi-jurisdiction lotto games are always subject to the peaks and valleys of jackpot prize amounts.

The Iowa Lottery remains confident that it will achieve the organization's stated goals for the current fiscal year. It continues to budget conservatively and project revenues based on a five-year rolling average while seeking to proactively identify consumer trends that may affect future Lottery revenues.

FY 2023 Budget Approval

The Iowa Lottery's FY 2023 budget received final approval from the Iowa Lottery Board at its September 28 meeting.

Sales increases were made in the instant-scratch, Lucky for Life and pull-tab categories to reflect the latest actuals for those products. Payroll and travel expenses decreased modestly while rental and utility estimates increased due to the Lottery's expected move from its shared space at the Alcoholic Beverages Division warehouse in Ankeny to a new location.

Also of note for budget planning purposes is that expenses for tickets, prizes, retailer compensation, advertising, gaming system operation and Lottery terminal communications are all directly related to sales, and as sales projections increase, those expense items will increase as well.

Copies of the Iowa Lottery's overall Budget and Operating Expenses for FY 2023 are included with this report as **Attachment C** and **Attachment D**.



The members of the Lottery Board are: Josh Cook of Ankeny, president and CEO of the Johnston-based Community Choice Credit Union; Sharrae Hanson of Ankeny, tax manager at a CPA firm in West Des Moines; Mary Junge of Cedar Rapids, a CPA and practicing tax- and estate-planning attorney; John Quinn of Urbandale, who serves as the chief of police in Waukee; Mary Rathje, manager and controller at a construction company in Marion, where she resides; and State Treasurer Michael Fitzgerald, who serves on the Board as a nonvoting member.

Updates To Lottery Administrative Rules

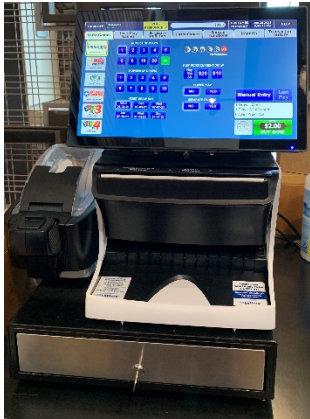
On November 4, amendments took effect in the Iowa Lottery's Administrative Rules related to waiver requests and easy-pick tickets.

The first change was a minor revision to remove the word "variance" from the Lottery's administrative rules pertaining to the process for individuals subject to administrative rules in requesting a waiver for hardship. The rules now refer solely to a waiver rather than a variance or a waiver.

The other rules amendment addresses the method of play for lotto games. The Lottery's Administrative Rules previously indicated that a Lottery player could verbally request an easy-pick ticket in a lotto game. The rules now refer to purchasing an easy-pick ticket, accurately indicating that there are multiple ways a player can achieve the transaction.

Lottery Gaming System Upgrade

On Sept. 26, the statewide central gaming system that provides real-time communications to all 2,400 Lottery retail locations in Iowa was replaced with a new central gaming system. It is one of the biggest projects involved in the operation of the Iowa Lottery and only occurs about once a decade.



While Lottery products did not change, most of the equipment used by Iowa retailers to sell and cash Lottery tickets was replaced during the upgrade. That includes the central communications backbone of the Lottery's gaming system as well the Lottery terminals, self-checkers, self-service kiosks, and lighted jackpot signs in the local businesses where Lottery tickets are sold.

The Iowa Lottery Board had voted unanimously during its March 2020 meeting for the Lottery to proceed with contract negotiations for a new statewide gaming system with Scientific Games International (SGI), a company based near Atlanta. SGI was one of three companies that participated in a months-long public competitive bid process for the Lottery's gaming system.

Like any technology, Lottery equipment needs to be replaced over time. The Lottery's previous central gaming system had been in use since 2011. SGI also supplied that system, and the Lottery's contract for it expired this year.

Gift Responsibly Messages At The Holidays

Each year, the Iowa Lottery participates in a national effort at the holidays designed to minimize the risks associated with youth gambling. The campaign is in conjunction with the National Council on Problem Gambling and the National Association of State and Provincial Lotteries.



The "Gift Responsibly" image shown here was part of the Iowa Lottery's 2021 messaging as part of the effort. The Lottery reminded consumers that its tickets may not be something that they want to give to those underage.

To provide additional perspective, the Lottery's messaging referenced that the concept also applies to other products. For example, some video games and movies aren't appropriate for all ages due to their content. Alcohol and tobacco-related products have their own age restrictions. Even toys come with age-recommendation guidelines.

The Lottery reminded consumers that in Iowa, players must be at least 21 years old to buy Lottery tickets, and the Lottery has always identified its products as something for adults.

The Lottery's messaging in the campaign was displayed during the month of December throughout the state in many different locations including outdoor billboards, point-of-sale screens in Lottery retail locations, the Lottery's website, and multiple social media platforms.

Electronic Licensing At The Iowa Lottery

In November, the Iowa Lottery upgraded its retailer licensing to an online application through a new state licensing portal called GovConnectIowa.



By using the portal, businesses can register or renew some state licenses and permits, file tax returns and reports, make payments, and communicate with the state agencies involved. Multiple state entities collaborated on the project with a goal of better serving Iowans through modernized technology and procedures.

Applications and licensing for the Iowa Department of Revenue, Iowa Lottery, Iowa Department of Inspections and Appeals, and Iowa Alcoholic Beverages Division are currently being handled through GovConnectIowa.

A business seeking an Iowa Lottery license is directed to the GovConnectIowa portal at <https://govconnect.iowa.gov> to begin the process, with the entire application completed online. The details required for a Lottery license through the electronic process are the same as those that a business previously provided to the Iowa Lottery through a hard-copy application.

The GovConnectIowa portal is designed to provide an efficient, linear path that guides a business to complete a necessary step, such as providing tax information, before it can proceed onward.

Lottery Security-Compliance Reviews At Retail



Each year, the Iowa Lottery conducts unannounced security checks at retail locations across the state to ensure winning tickets are being handled appropriately by retail licensees and that the placement of Lottery equipment is in compliance with requirements.

During the compliance checks, undercover Iowa Lottery investigators visit retail locations and pose as customers presenting Lottery tickets for validation and payment. The Lottery's annual performance target is for its security investigators to conduct compliance checks in at least 20 percent of its 2,400 licensed retail locations. Through November, the Lottery had conducted compliance checks at about 9 percent of its retail locations in FY 2022.

The Iowa Lottery is committed to conducting its games with fairness and integrity and invites anyone with a question or concern about the Lottery or its products to contact Iowa Lottery Security directly at 515-725-7900 or wmaster@ialottery.com.

Iowa's Two Finalists For \$1 Million New Year's Powerball Prize

Two Iowa Lottery players are among five nationwide finalists for a special \$1 million Powerball drawing that will occur just after midnight in the New Year.

This is the third year that the “Powerball First Millionaire of the Year” promotion has been conducted. Each year, there have been five finalists for the \$1 million prize. Iowa has never had a finalist before, and no state has ever had more than one finalist – until now.

Iowa has two of the five finalists for this week’s \$1 million drawing. They are Shari Beenken of Titonka and Rob Long of Waterloo. The other finalists are from Illinois, Louisiana and Pennsylvania.



There has been a three-step process in the promotion so far with the final step of the \$1 million drawing still to go.

From the spring through the fall, Powerball players from across the country could enter the promotion. Here in Iowa, players could enter Powerball tickets into the promotion in September. Then on September 30, the Iowa Lottery held its drawing to determine its 20 semifinalists in the promotion. Those Iowa semifinalists along with those selected by the other Powerball lotteries in the promotion were then put into a random drawing to determine the five finalists for the \$1 million prize. And in the end, Iowa got two of the five.

The \$1 million drawing will be held live on air and the winner will be announced just after midnight EST January 1 during ABC’s broadcast of “Dick Clark’s New Year’s Rockin’ Eve with Ryan Seacrest” from New York’s Time Square.

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEARS 2017 THROUGH 2021
FINAL

Attachment A

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
OPERATING REVENUES					
Instant-scratch ticket sales	316,934,651	262,447,704	250,642,094	244,260,964	237,617,703
Instaplay sales	23,478,424	16,279,705	11,876,560	9,733,769	5,820,274
Pick 3 sales	9,540,165	8,502,502	7,871,469	7,705,163	7,318,686
Powerball sales	43,419,695	36,428,043	54,833,068	58,471,047	54,292,902
Mega Millions sales	28,980,779	20,433,854	36,322,749	21,293,740	14,957,109
Hot Lotto sales	-	-	-	3,761,425	8,210,714
Pick 4 sales	5,470,758	4,950,001	4,292,190	4,341,103	3,946,273
All or Nothing sales	-	-	-	-	3,186,443
Lucky for Life sales	5,555,026	5,335,530	5,427,678	5,600,490	5,599,966
Lotto America sales	6,441,090	6,751,811	8,753,137	4,872,494	-
Pull-tab sales	12,771,423	10,824,344	10,876,605	10,916,692	11,292,740
Application fees	4,700	3,750	3,775	3,725	3,600
Other revenue	6,317	7,436	55,516	8,135	18,841
Total operating revenues	452,603,028	371,964,680	390,954,841	370,968,747	352,265,251
OPERATING EXPENSES					
Scratch ticket prize expense	211,664,732	174,595,972	166,890,489	160,144,268	155,043,947
Instaplay prize expense	17,225,460	11,659,100	8,255,638	6,351,026	3,781,706
Pick 3 prize expense	5,766,802	5,101,502	4,670,681	4,567,778	4,261,970
Powerball prize expense	21,710,608	18,219,035	25,500,971	28,512,041	25,876,220
Mega Millions prize expense	14,490,389	10,216,927	18,473,201	10,764,359	7,351,575
Hot Lotto prize expense	-	-	(46,872)	1,782,452	4,000,053
Pick 4 prize expense	3,282,455	3,237,775	2,553,524	2,519,312	2,367,036
All or Nothing prize expense	-	-	(89)	(31,061)	1,882,220
Lucky for Life prize expense	3,535,075	3,147,141	3,111,848	3,305,691	3,521,940
Lotto America prize expense	3,220,545	3,375,906	4,300,353	2,436,247	-
Pull-tab prize expense	7,981,163	6,763,647	6,805,266	6,826,208	7,056,494
VIP Club prize expense	-	-	1,315,880	197,001	252,465
Promotional prize expense	-	-	109,753	115,750	224,943
Advertising/Publicity	7,421,985	6,780,551	7,276,923	7,162,018	6,592,552
Retailer compensation expense	29,694,891	24,314,334	25,447,739	24,213,812	22,914,755
Ticket expense	3,564,730	3,242,459	3,284,663	3,170,682	3,264,975
Vendor compensation expense	6,237,018	6,058,063	6,356,385	8,227,403	7,183,035
Salary and benefits	11,190,015	10,861,223	10,459,454	10,936,612	10,714,712
Travel	196,657	231,957	261,529	256,766	278,279
Supplies	103,778	94,247	106,009	157,977	109,650
Printing	3,076	1,402	3,767	10,088	3,202
Postage	7,380	7,097	5,458	5,561	5,817
Communications	173,362	188,930	202,355	170,146	253,908
Rentals	304,104	318,204	310,280	305,225	304,714
Utilities	91,331	92,719	95,043	95,756	90,824
Professional fees	119,268	169,265	162,023	157,930	191,334
Vending machine maintenance	261,166	257,040	253,416	294,907	526,285
Outside services & repairs	918,261	870,282	828,180	827,274	791,219
Data processing	128,506	125,918	109,069	94,977	117,021
Equipment	509,009	392,535	512,247	610,777	1,071,249
Reimbursement to other state agencies	460,093	479,618	457,598	440,449	427,884
Depreciation	457,136	481,223	541,020	546,260	460,967
Other	53,094	56,126	63,061	57,647	68,936
MUSL administrative expense	9,116	33,596	71,544	8,056	154,543
Total operating expenses	350,781,205	291,373,794	298,748,406	285,241,395	271,146,430
Operating income (loss)	101,821,823	80,590,886	92,206,435	85,727,352	81,118,821

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEARS 2017 THROUGH 2021
FINAL

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Non-operating revenues (expenses)					
Proceeds to state causes**	(101,747,494)	(81,529,332)	-	-	-
State General Fund		-	(90,364,965)	(84,596,200)	(78,274,727)
Veterans Trust Fund		-	(2,500,000)	(2,500,000)	(2,500,000)
Interest income	59,467	383,498	495,974	313,694	182,107
Gain (Loss) on disposal of capital assets	18,400	1,647	15,017	(139,572)	(722,748)
Net non-operating revenues(expenses)	(101,669,627)	(81,144,187)	(92,353,974)	(86,922,078)	(81,315,368)
Change in net position	152,196	(553,301)	(147,539)	(1,194,726)	(196,547)
Net position, beginning of period, as restated*	4,249,354	4,802,655	4,950,194	6,144,920	6,554,077
Net position, end of period	4,401,550	4,249,354	4,802,655	4,950,194	6,357,530

* beginning Net Position was restated in FY 2018 due to implementation of GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

** beginning in FY20, proceeds are reported as one total

Fiscal Year 2021 numbers are unaudited.

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Five Months Ending Tuesday, November 30, 2021

Attachment B

	Month ended 11/30/2021	Month ended 11/30/2020	Year-to-date 11/30/2021	Year-to-date 11/30/2020
Operating revenues:				
Instant-scratch ticket sales	\$23,762,826.00	\$24,412,461.00	\$120,591,313.00	\$120,133,159.00
InstaPlay sales	1,730,944.00	1,221,266.00	8,534,860.00	10,598,869.00
Pick 3 sales	751,599.00	746,500.50	3,857,510.00	3,857,387.00
Powerball sales	3,664,010.50	2,822,087.00	23,367,331.00	13,962,109.00
Mega Millions Sales	1,271,116.00	1,425,665.00	9,007,861.00	6,795,605.00
Pick 4 sales	461,026.00	410,831.00	2,270,410.00	2,238,250.50
Lucky for Life sales	676,270.00	454,544.00	3,234,578.00	2,290,792.00
Lotto America sales	477,452.00	452,837.00	2,516,942.00	2,597,230.00
Pull-tab sales	998,448.99	785,790.03	5,121,329.50	4,782,007.52
Application fees	225.00	400.00	2,925.00	1,650.00
Other	308.72	302.87	3,308.10	1,620.12
Total operating revenues	33,794,226.21	32,732,684.40	178,508,367.60	167,258,679.14
Operating expenses:				
Scratch ticket prizes	15,157,937.00	15,840,173.00	79,878,969.67	78,988,812.66
InstaPlay prizes	1,300,268.15	848,821.39	6,073,031.46	7,873,127.87
Pick 3 prizes	450,959.40	447,900.30	2,314,506.00	2,314,432.20
Powerball prizes	1,832,642.50	1,411,067.00	11,684,816.50	6,981,169.00
Mega Millions prizes	635,558.00	712,832.50	4,503,930.50	3,397,802.50
Pick 4 prizes	276,615.60	246,498.60	1,362,246.00	1,342,950.30
Lucky for Life prizes	401,930.89	270,152.00	1,918,752.36	1,361,495.29
Lotto America prizes	238,726.00	226,418.50	1,258,471.00	1,298,615.00
Pull-tab prizes	626,277.15	492,936.02	3,196,690.02	2,986,871.35
Advertising/publicity	694,249.05	736,078.85	3,472,128.57	2,893,997.34
Retailer compensation expense	2,210,069.71	2,169,364.03	11,666,606.90	10,963,118.72
Ticket expense	256,912.73	282,852.17	1,310,498.91	1,314,790.81
Vendor compensation expense	520,095.96	458,822.16	2,727,218.29	2,306,078.18
Salary and benefits	887,172.05	862,248.00	4,465,272.13	4,444,444.27
Travel	23,737.17	10,755.11	111,945.25	65,458.19
Supplies	3,430.59	5,858.36	54,443.53	50,779.05
Printing	-	998.74	-	1,085.26
Postage	297.03	209.09	1,503.35	1,910.49
Communications	14,809.18	14,291.67	70,474.75	68,214.75
Rentals	18,226.45	26,617.13	88,447.97	133,134.55
Utilities	7,183.68	7,608.08	35,921.21	35,536.94
Professional fees	9,122.85	10,251.01	46,492.88	47,173.45
Vending machine maintenance	23,856.00	21,840.00	111,216.00	108,192.00
Outside services and repairs	85,476.92	54,520.37	503,227.21	356,765.32
Data processing	10,737.47	10,751.06	53,563.79	53,624.17
Equipment	33,291.79	16,997.71	108,393.54	108,431.93
Reimbursement to other state agencies	68,316.29	79,354.69	210,981.96	201,214.65
Depreciation	42,518.83	37,800.15	202,556.36	188,642.73
Other	4,187.24	4,056.68	23,325.88	21,953.94
MUSL/Lotto administrative expense	3,284.90	9,920.24	13,948.35	50,145.76
Total operating expenses	25,837,890.58	25,317,994.61	137,469,580.34	129,959,968.67
Operating income	7,956,335.63	7,414,689.79	41,038,787.26	37,298,710.47
Non-operating revenue (expenses):				
Proceeds to state causes	(7,867,371.44)	(7,367,664.50)	(41,123,483.13)	(37,495,374.46)
Interest income	7,074.71	1,970.77	39,571.94	33,874.50
Gain (Loss) on disposal of capital assets	-	4,275.00	35,593.00	16,600.00
Net non-operating revenues (expenses)	(7,860,296.73)	(7,361,418.73)	(41,048,318.19)	(37,444,899.96)
Change in net position	96,038.90	53,271.06	(9,530.93)	(146,189.49)
Net position beginning of period	4,380,968.48	4,049,893.56	4,486,538.31	4,249,354.11
Net position end of period	4,477,007.38	4,103,164.62	4,477,007.38	4,103,164.62

Budget For Lottery Fund

Attachment C

	FY 2021 Actual	FY 2022 Board Approved Budget	FY 2023 Board Approved Budget
<u>Resources</u>			
Lottery sales	\$ 452,592,011	\$ 371,000,000	\$ 371,900,000
Interest income	59,467	500,000	60,000
Application fees	4,700	5,000	5,000
Other	6,317	5,000	5,000
Total Resources	452,662,495	371,510,000	371,970,000
<u>Expenses and Change in Net Assets</u>			
Prizes	288,877,229	229,722,000	230,301,000
Retailer compensation	29,694,891	24,858,000	24,918,300
Advertising production and media purchases	7,421,985	14,840,000	14,876,000
Retailer Lottery system/Terminal Communications	6,277,734	7,537,034	7,653,501
Instant/Pull-tab ticket expense	3,576,478	4,528,500	4,546,400
Vending machines & maintenance/Ticket dispensers	394,430	539,248	539,248
Courier delivery of instant tickets	710,983	660,000	660,000
Interest expense	0	0	0
Lottery operating expense	13,827,475	15,655,401	15,151,079
Increase (decrease) in net assets	133,796	(330,600)	(532,600)
Total Expenses and Change in Net Assets	350,915,001	298,009,583	298,112,928
<u>Proceeds</u>			
Proceeds Transfer to Veterans Trust Fund	2,500,000	2,500,000	2,500,000
Public Safety Survivor Benefit Fund	100,000	100,000	100,000
Department of Corrections Survivor Benefits Fund	100,000	0	100,000
Proceeds Transfer to General Fund	99,047,494	70,900,417	71,157,072
Total Proceeds Transfers	101,747,494	73,500,417	73,857,072
Total Expenses and Proceeds	452,662,495	371,510,000	371,970,000

FY 2021 Actual numbers are unaudited.

Lottery Operations - Budget Detail

Attachment D

	FY 2021 Actual	FY 2022 Board Approved Budget	FY 2023 Board Approved Budget
Administrative Payroll	\$ 11,190,015	\$ 11,848,442	\$ 11,616,120
Travel & Transportation	196,657	417,500	407,500
Supplies	86,120	103,000	103,000
Printing	3,076	10,500	10,500
Postage	7,380	7,000	7,000
Communications	173,362	232,400	192,400
Rentals	304,104	299,179	299,179
Utilities	91,331	108,800	108,800
Professional fees	119,268	204,000	204,000
Outside services and repair	204,523	484,211	274,211
Data processing	128,506	150,000	150,000
Equipment	353,102	464,869	452,869
Reimbursement to state agencies	460,093	531,900	531,900
Depreciation	457,136	707,600	707,600
Other expenses	52,802	86,000	86,000
Total operating expenses	13,827,475	15,655,401	15,151,079

FY 2021 Actual numbers are unaudited.