Fiscal Year 2002 Budget Request

Division of the Iowa Department of Revenue and Finance

Edward J. Stanek, Ph.D.
Commissioner

Lottery Board Members
Susan Thompson, Chair
Gary Hughes
Michael McCoy
Mary Junge
Timothy Clausen

Lottery Employees in Attendance
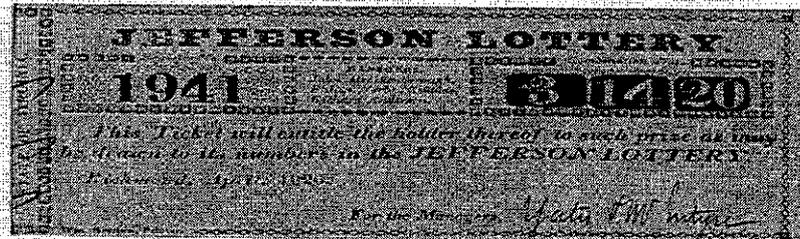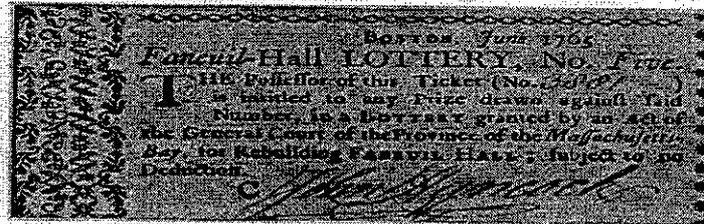Edward J. Stanek, Ph.D., Commissioner
Steve King, Chief Financial Officer
Mary Neubauer, Public Affairs Manager
Brenda Loy, Accounting Supervisor

January 25, 2001

A Historical Look at U.S. Lotteries

# Iowa Code and the Lottery

- The lottery, as set up in Iowa Code, is an enterprise.
- No General Fund revenues may be used.
- Profits are transferred each month.
- Only 21 days' operating expense can be held by the lottery.
- The lottery must show a profit each month or it can't make payroll or pay bills.

The Beginning

☀ Legislation authorizing the lottery was signed in May 1985.

☀ Lottery ticket sales began on Aug. 22, 1985, at the Iowa State Fair.
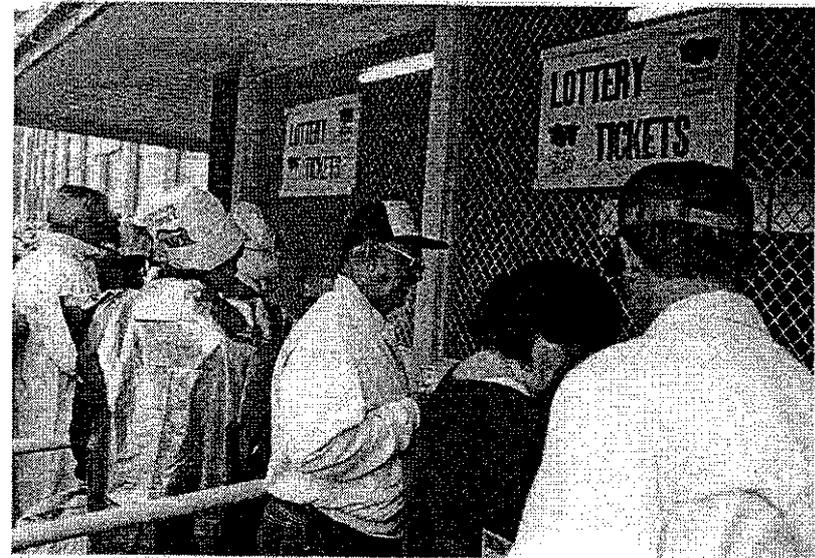
Revenues and Prizes

- From the lottery's start through December 2000, players have won more than $1.4 billion in prizes.

- The lottery has raised more than $706 million for state programs during that same time.
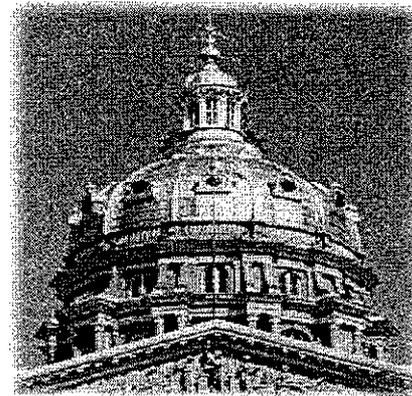
Biggest Winners

- The Iowa Lottery's biggest prize winners to date claimed a $31.8 million Powerball jackpot on Jan. 12, 2000.
- Larry and Sarann Hasken of Sabula split the prize money with their three adult children.

Iowa Lottery Regional Offices

Map of Iowa counties showing regional office locations:
- MASON CITY ③
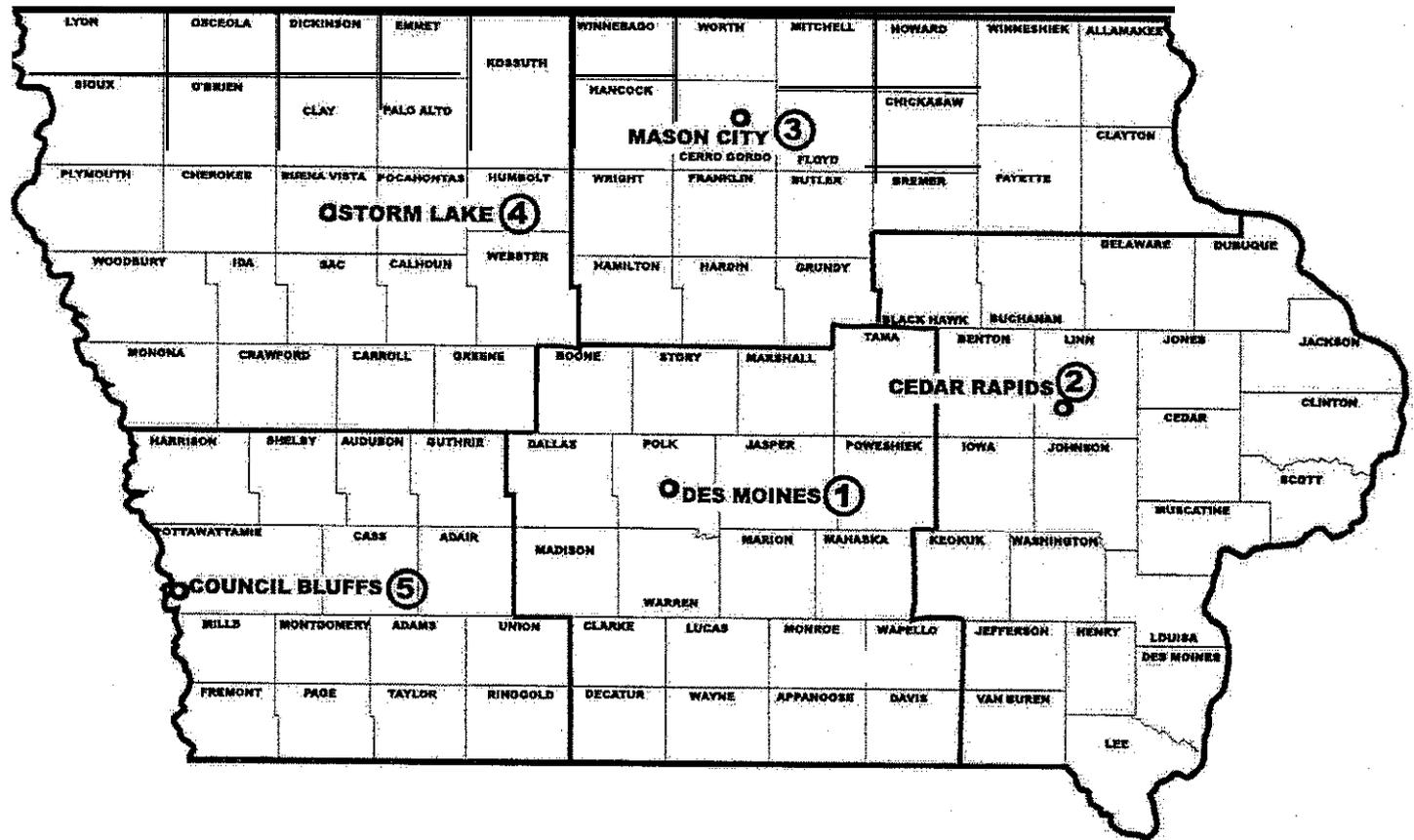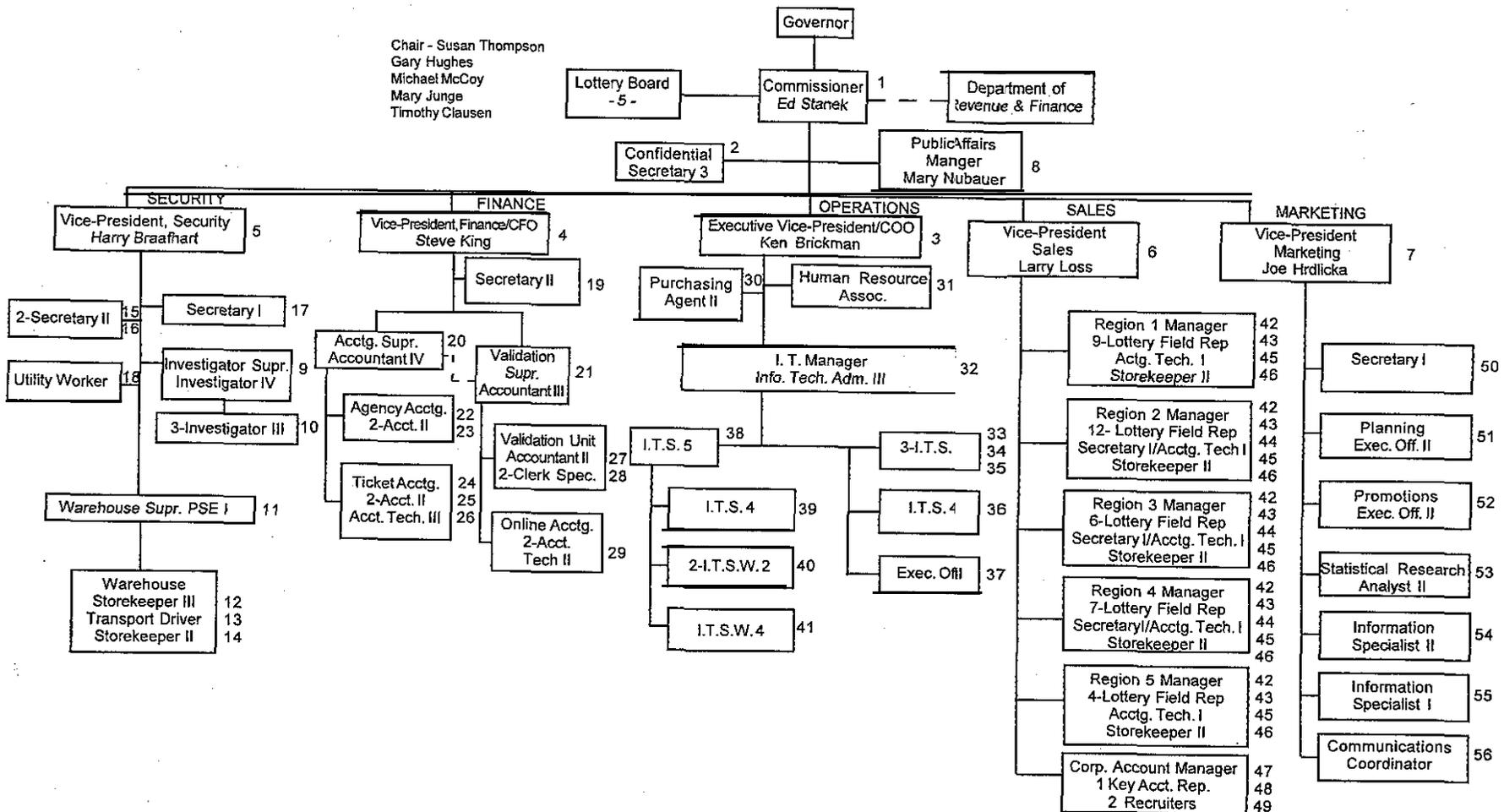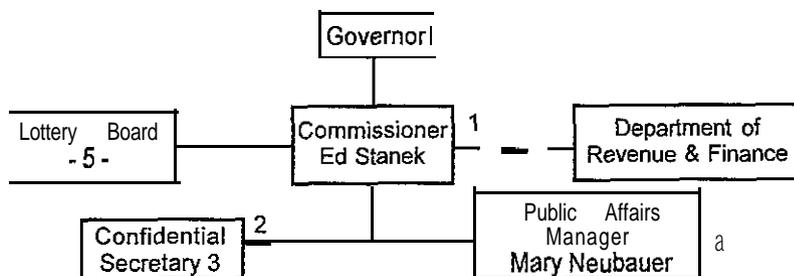- STORM LAKE ④
- CEDAR RAPIDS ②
- DES MOINES ①
- COUNCIL BLUFFS ⑤

Iowa Lottery

Governor

Chair - Susan Thompson
Gary Hughes
Michael McCoy
Mary Junge
Timothy Clausen

| Lottery Board -5- | | Commissioner Ed Stanek | 1 | — — | Department of Revenue & Finance |

| Confidential Secretary 3 | 2 | | PublicAffairs Manger Mary Nubauer | 8 |

SECURITY

| Vice-President, Security Harry Braafhart | 5 |

FINANCE

| Vice-President, Finance/CFO Steve King | 4 |

OPERATIONS

| Executive Vice-President/COO Ken Brickman | 3 |

SALES

| Vice-President Sales Larry Loss | 6 |

MARKETING

| Vice-President Marketing Joe Hrdlicka | 7 |

| Secretary II | 19 |

| Purchasing Agent II | 30 | | Human Resource Assoc. | 31 |

| 2-Secretary II | 15 16 | | Secretary I | 17 |

| Acctg. Supr. Accountant IV | 20 | | Validation Supr. Accountant III | 21 |

| Utility Worker | 18 | | Investigator Supr. Investigator IV | 9 |

| I. T. Manager Info. Tech. Adm. III | 32 |

| Region 1 Manager 9-Lottery Field Rep Actg. Tech. 1 Storekeeper II | 42 43 45 46 |

| Secretary I | 50 |

| 3-Investigator III | 10 |

| Agency Acctg. 2-Acct. II | 22 23 |

| Validation Unit Accountant II 2-Clerk Spec. | 27 28 | | I.T.S. 5 | 38 | | 3-I.T.S. | 33 34 35 |

| Region 2 Manager 12- Lottery Field Rep Secretary I/Acctg. Tech I Storekeeper II | 42 43 44 45 46 |

| Planning Exec. Off. II | 51 |

| Warehouse Supr. PSE I | 11 |

| Ticket Acctg. 2-Acct. II Acct. Tech. III | 24 25 26 | | Online Acctg. 2-Acct. Tech II | 29 | | I.T.S. 4 | 39 | | I.T.S. 4 | 36 |

| Region 3 Manager 6-Lottery Field Rep Secretary I/Acctg. Tech. I Storekeeper II | 42 43 44 45 46 |

| Promotions Exec. Off. II | 52 |

| 2-I.T.S.W. 2 | 40 | | Exec. Ofll | 37 |

| Statistical Research Analyst II | 53 |

| Warehouse Storekeeper III Transport Driver Storekeeper II | 12 13 14 |

| I.T.S.W. 4 | 41 |

| Region 4 Manager 7-Lottery Field Rep Secretary I/Acctg. Tech. I Storekeeper II | 42 43 44 45 46 |

| Information Specialist II | 54 |

| Region 5 Manager 4-Lottery Field Rep Acctg. Tech. I Storekeeper II | 42 43 45 46 |

| Information Specialist I | 55 |

| Corp. Account Manager 1 Key Acct. Rep. 2 Recruiters | 47 48 49 |

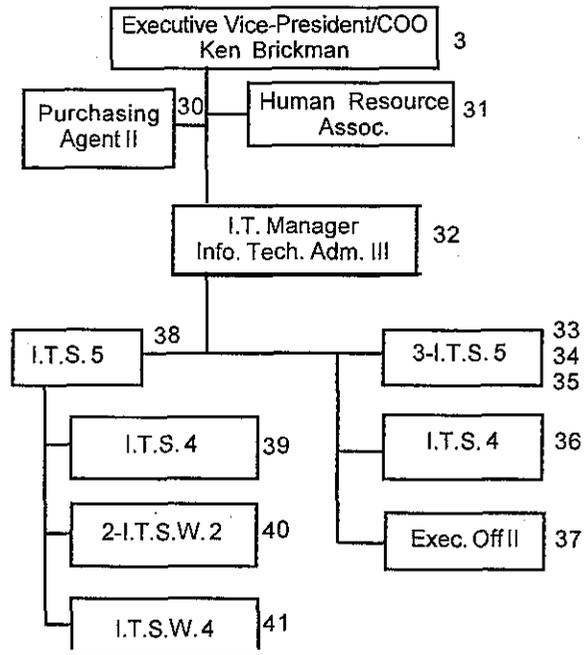| Communications Coordinator | 56 |

The Iowa Lottery

Chair-   Susan   Thompson
  Gary Hughes
  Michael McCoy
  Mary Junge
  Timothy Clausen

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                                    │ Governor │
                                    └──────────┘
                                         │
┌──────────────┐      ┌──────────────┐      ┌──────────────────┐
│ Lottery Board│──────│ Commissioner │  1   │  Department of   │
│     - 5 -    │      │  Ed Stanek   │──────│ Revenue & Finance│
└──────────────┘      └──────────────┘      └──────────────────┘
                             │
         ┌──────────────┐ 2      ┌──────────────────┐
         │ Confidential │────────│ Public    Affairs│  a
         │ Secretary 3  │        │     Manager      │
         └──────────────┘        │  Mary Neubauer   │
                                 └──────────────────┘
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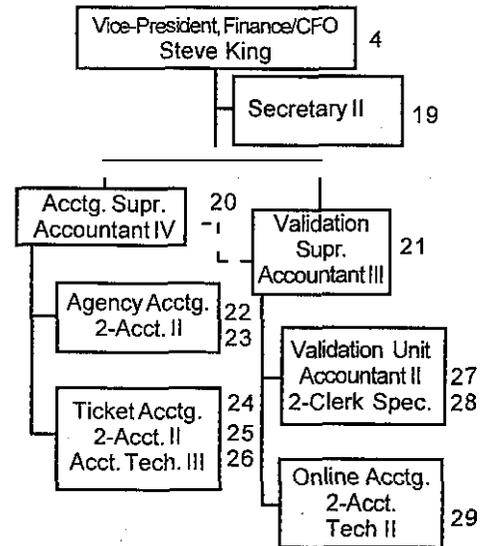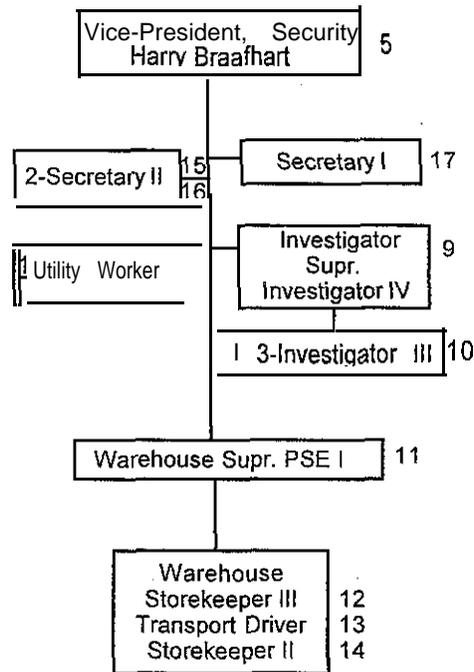
Operations Division

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        ┌─────────────────────────────┐
        │ Executive Vice-President/COO │ 3
        │       Ken Brickman          │
        └─────────────────────────────┘
   ┌──────────────┐30  ┌──────────────────┐ 31
   │  Purchasing  │────│ Human Resource   │
   │  Agent II    │    │     Assoc.       │
   └──────────────┘    └──────────────────┘
           ┌────────────────────┐ 32
           │   I.T. Manager      │
           │ Info. Tech. Adm. III│
           └────────────────────┘
   ┌──────────┐ 38          ┌──────────────┐ 33
   │ I.T.S. 5 │             │  3-I.T.S. 5  │ 34
   └──────────┘             └──────────────┘ 35
      ┌─────────────┐ 39       ┌──────────┐ 36
      │  I.T.S. 4   │          │ I.T.S. 4 │
      └─────────────┘          └──────────┘
      ┌─────────────┐ 40       ┌──────────────┐ 37
      │ 2-I.T.S.W. 2│          │ Exec. Off II │
      └─────────────┘          └──────────────┘
      ┌─────────────┐ 41
      │ I.T.S.W. 4  │
      └─────────────┘
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The Operations Division develops and implements strategies to increase gross revenue and develops and implements controls to increase the new revenue. Manages the activities affecting the entire Lottery; including personnel, training, data processing, purchasing, supplies and service. Sets Lottery goals and objectives and makes final determination on games, prizes and marketing programs.

Finance Division

Vice-President, Finance/CFO
Steve King | 4

Secretary II | 19

Acctg. Supr.
Accountant IV | 20

Validation
Supr.
Accountant III | 21

Agency Acctg.
2-Acct. II | 22
23

Validation Unit
Accountant II
2-Clerk Spec. | 27
28

Ticket Acctg.
2-Acct. II
Acct. Tech. III | 24
25
26

Online Acctg.
2-Acct.
Tech II | 29

The Finance Division maintains the controls which were designed to maximize net revenue. Manages the activities of fund accounts, payroll and accounting associated with all retailers. Validates winning tickets and pays corresponding prizes.

Security Division

Vice-President, Security
Harry Braafhart   5

2-Secretary II   15
16

Secretary I   17

Utility Worker   8

Investigator
Supr.
Investigator IV   9

3-Investigator III   10

Warehouse Supr. PSE I   11

Warehouse
Storekeeper III   12
Transport Driver   13
Storekeeper II   14

The **Security** Division: Designs and implements security policies and procedures affecting computer systems, facilities, Lottery and vendor personnel, and product control to insure the total and complete honesty and integrity of the Lottery; protects the Lottery's premises from intrusion or harm, and recommends unusual circumstances for investigation; coordinates all licensing matters pertaining to the Lottery and interprets license rules and recommends appropriate action: review and recommends the selection of all equipment used for Lottery drawings and events and maintains all equipment to insure randomization of drawings and jackpot events.

Sales Division
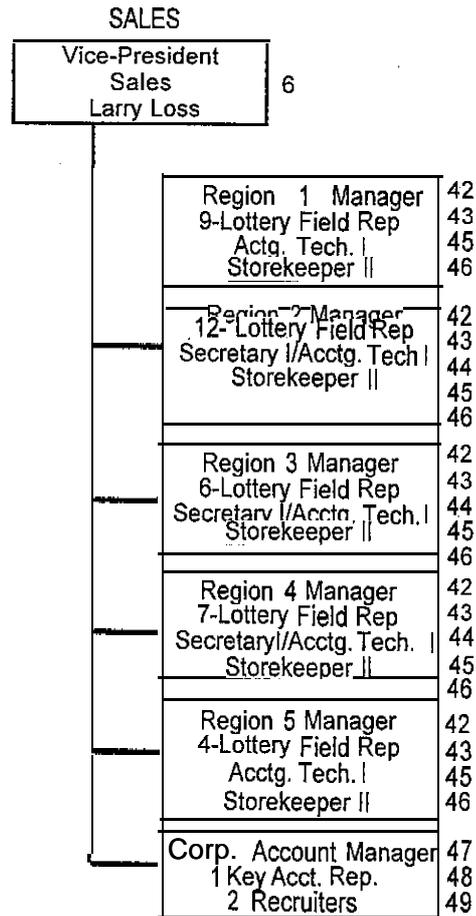
SALES

| Vice-President Sales Larry Loss | 6 |

| Region 1 Manager 9-Lottery Field Rep Actg. Tech. I Storekeeper II | 42 43 45 46 |

| Region 2 Manager 12-Lottery Field Rep Secretary I/Acctg. Tech I Storekeeper II | 42 43 44 45 46 |

| Region 3 Manager 6-Lottery Field Rep Secretary I/Acctg. Tech. I Storekeeper II | 42 43 44 45 46 |

| Region 4 Manager 7-Lottery Field Rep Secretaryl/Acctg. Tech. I Storekeeper II | 42 43 44 45 46 |

| Region 5 Manager 4-Lottery Field Rep Acctg. Tech. I Storekeeper II | 42 43 45 46 |

| Corp. Account Manager 1 Key Acct. Rep. 2 Recruiters | 47 48 49 |

The Sales and Marketing Division is responsible for developing and marketing Lottery products to the State's consumers to achieve projected sales goals. Develops and implements strategies to encourage sales productivity of the Lottery retailer base, develops and implements advertising and promotional strategies for the marketing of Lottery products to maximize sales potential, and designs future Lottery products that incorporate elements the public prefers, thus maximizing public acceptance and participation,

Marketing Division
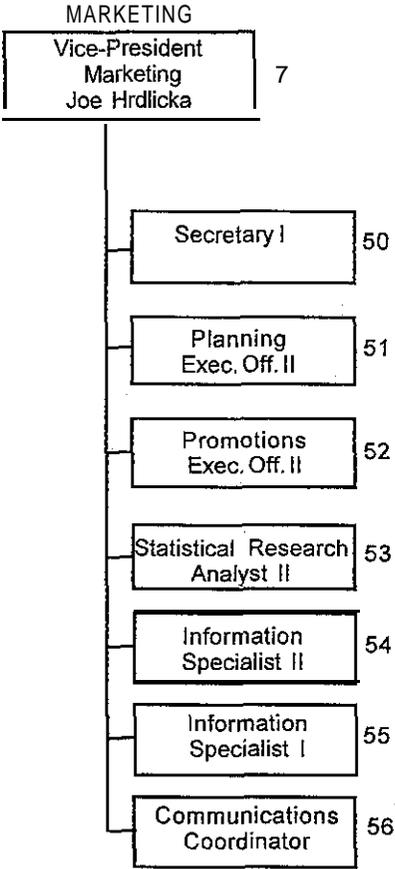
MARKETING

| Vice-President Marketing Joe Hrdlicka | 7 |

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├── Secretary I                    50
├── Planning Exec. Off. II          51
├── Promotions Exec. Off. II        52
├── Statistical Research Analyst II 53
├── Information Specialist II        54
├── Information Specialist I         55
└── Communications Coordinator      56
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LOTTERY STAFF RESPONSIBILITIES

The Iowa Lottery operates as a division of the Department of Revenue and Finance. The commissioner is appointed by the governor and confirmed by the senate. A five-member citizen board, also appointed and confirmed, and the commissioner "supervise the lottery in order to produce the maximum amount of net revenues for the state in a manner which maintains the dignity of the state and the general welfare of the people." (Iowa Code 99E.9(1). The board must meet at least quarterly (Iowa Code 99E.7) and its members are allowed expenses and compensation as provided in Iowa Code 7E6. Each lottery employee position title on the attached organization chart is identified with a number, to the right of the box. Lottery central offices are located in Des Moines, central warehouse facilities are in Ankeny and there are five regional offices for sales, product distribution and prize payment located in Des Moines, Cedar Rapids, Mason City, Storm Lake and Council Bluffs, respectively. The following is a description of each position title, numbered to correspond with the organization chart breakout:

Working Title   (C l a s s i f i c a t i o n .   D u t y   S u m m a r y

1. Lottery Commissioner -functions as chief executive officer. Directs the activities of the lottery.
2. Secretary to the Commissioner - (Confidential Secretary 3) - secretary to the commissioner.
3. Executive Vice President & COO (PSE5) -chief operating officer, directs operations, (information technology, personnel, procurement, administration)-serves as acting (Iowa Code 99E.14) in the absence of the commissioner.
4. Vice President, Finance & CFO (PSE4) - chief financial officer, directs financial accounting, prize validation and payment, budget.
5. Vice President, Security (PSE4) -directs security (facilities, drawings, retailer licensing, investigations, warehousing, including distribution of ticket and point of sale materials to regions).
6. Vice President, Sales (PSE4) - directs statewide sales force operating from five regional offices, corporate account activities and trailer promotional events.
7. Vice President, Marketing (Lottery Marketing Director) -directs statewide marketing program (advertising, promotions, creative, games development), publications, website).
8. Public Affairs Manager (Executive Officer V) - directs public relations and information, legislative/executive liaison functions.
9. Security Investigator Supervisor (Investigator IV) - internal and background investigations, drawing and ticket production security, coordination/support of local&ate law enforcement investigations.
10. Security Investigator (Investigator III) - (3) -see number 9 above.
11. Warehouse Supervisor (PSE1) - manages central warehouse shipping, storage and receiving functions.
12. Storekeeper (Storekeeper III) - warehousing, materials handling, ticket inventory and quality control, shipping and receiving at central warehouse.
13. Transport Driver-delivers tickets, sales materials, etc. to regional offices from central warehouse.
14. Mail Clerk - (Storekeeper 2) -handles central office mail receipt, posting, processing and distribution.
15. Secretary II - retailer licensing coordinator (processing, security/financial background coordination)
16. Secretary II-secretarial support to investigators, fleet vehicle and employee identification pass control.
17. Receptionist (Secretary I) -central office reception, phone inquiries, initial mail payment recording/check routing, backup to mail clerk and licensing coordinator.
18. Utility Worker-central office janitorial duties.
19. Secretary II-furnishes secretarial and administrative support to finance division, and employee travel processing.

20. Accounting Supervisor – (Accountant IV) – supervises accounting function, financial statement preparation;
21. Validation Supervisor – (Accountant III) -supervises ticket validation and payment function, financial statement preparation.
22. Accountant – (Accountant II) -payroll, payables, etc.
23. Accountant – (Accountant II) – fixed assets, ticket inventory, on-line accounts receivable.
24. Accountant – (Fund Accountant II) -retailer funds payments, collections, inter-agency transfers, tax withholding transfers.
25. Accountant – (Accountant II) -ticket accounting, jackpot prize portfolio, automation projects.
26. Accounting Technician – (Accounting Technician III) -instant sales balancing, instant accounts receivable.
27. Validations Accountant   (Accountant II) – serves in central office validation unit. 'Oversees headquarters validation, responsible for annuity payments.
28. Validations Clerk – (Clerk Specialist) -(two) -claims validation/payment, central office.
29. Accounting Technician – (Accounting Technician II) – (two) – on-line ticket problem resolution, drawing support.
30. Purchasing Agent – (Purchasing Agent II) -purchasing, contract coordination, disaster recovery officer, facilities management.
31. Human Resource Associate – coordinates all personnel functions.
32. Information Technology Manager – (Information Technology Administrator III) -manages lottery IT operations, oversight and enforcement of online gaming system vendor contract.
33. LAN Administrator – (Information Technology Specialist V) -designs and maintains lottery PC communications and data processing network.
34. Network Coordinator – (Information Technology Specialist V) – coordinates lottery telecommunications network installations, terminations and maintenance.
35. System Administrator – (Information Technology Specialist V) -develops N-tier (database/web/PC) system solutions for IT operations and online gaming systems.
36. Web Developer – (Information Technology Specialist IV) -develops and maintains lottery website.
37. Operations Support Coordinator – (Executive Officer II) -online and scratch game software testing, game rules drafting, special projects.
38. Senior Programmer Analyst – (Information Technology Specialist V) -senior system programmer involving on-line gaming, internal control system.
39. Programmer Analyst – (Information Technology Specialist IV) – system programming involving on-line gaming, internal control system.
40. Control Room Operator – (Information Technology Support Worker 2) (two) – data processing.
41. Control Room Operator – (Information Technology Support Worker 4) -data processing.
42. Lottery Regional Manager – (five) -manages sales operations for one of five statewide sales regions.
43. Lottery District Sales Representative – (thirty-eight) -handle statewide sales and distribution of lottery products, informational materials, retailer accounting and merchandising support.
44. Secretary – (Secretary I) – (three) -secretarial support in three regional offices.
45. Accounting Technician – (Accounting Technician I) – regional office accounting, ticket claim processing.
46. Storekeeper – (Storekeeper II) – (five) – warehousing, inventory control and processing in regions.
47. Corporate Accounts Manager – (Lottery Regional Manager) – coordinates product introduction, group licensing, and other chain and key account activities with corporate retail management.
48. Key Account Executive – works with Corporate Accounts Manager handling key accounts – handles lottery trailer promotional events.
49. Recruiter – (Lottery District Sales Representative) – (two) – focus on recruiting new retailers, support sales representatives when needed.
50. Secretary – (Secretary I) -supports marketing staff.
51. Planning – (Executive Officer II) -scratch game development and execution, marketing analysis.
52. Promotions -(Executive Officer II) -promotions, cooperative marketing ventures, development and execution.
53. Research Analyst – (Statistical Research Analyst II) – market research, sales analysis.

54. Information Specialist – (Information Specialist II) – creative print layout and design, lottery employee and retailer informational publications, game play instructional materials design.
55. Information Specialist – (Information Specialist I) -internal sales, project reports, website info update.
56. Advertising Manager – (Communications Coordinator) – manages and coordinates advertising creative, media purchasing and budget control.

Sales – Fiscal Year 2000

- Pull-tabs $27.2 million
- Scratch games $90.3 million
- Lotto:

  Powerball $48.0 million

  $100,000 Cash $4.9 million

  Pick 3 $4.1 million

  Freeplay Replay $0.4 million

  Cash 4 Life $3.3 million

- Total: $178.2 million
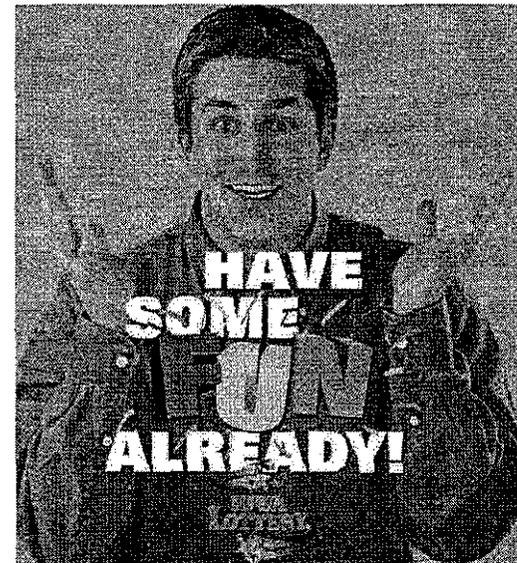
Multi-State Lottery

- The Iowa Lottery was a founding member of the Multi-State Lottery Association, which has grown to include 20 states and the District of Columbia.

- The Iowa Lottery offers three games through MUSL:

  Powerball
  Powerball – The Game Show
  Rolldown
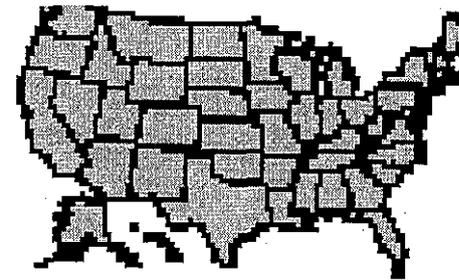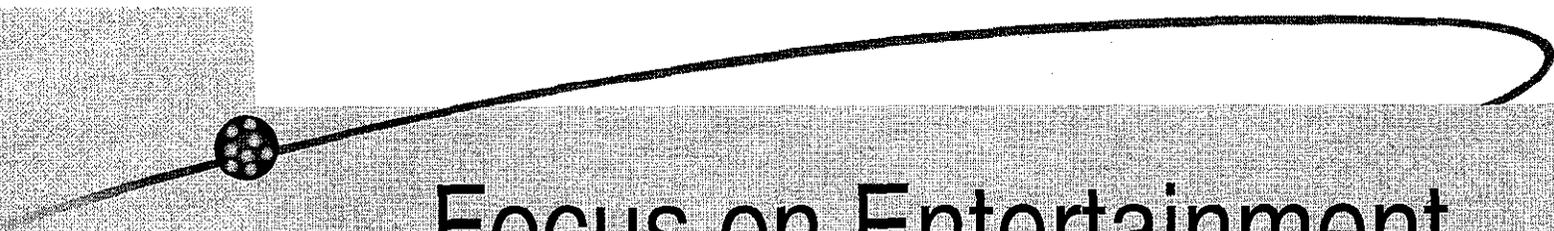
Focus on Entertainment

- The Legislature and the governor's office in recent years have instructed the lottery to, put more focus on entertainment value vs. the possibility of instant riches.
- We believe three current games are good examples of the steps we have taken in that direction ...

"Powerball – The Game Show"

- Iowa and nine other states launched "Powerball – The Game Show" on Oct. 7.
- The weekly TV game show airs in all Iowa markets with an Iowa Lottery player on every show.
- Sam Armstrong of Davenport won $22,500 on last Saturday's show.
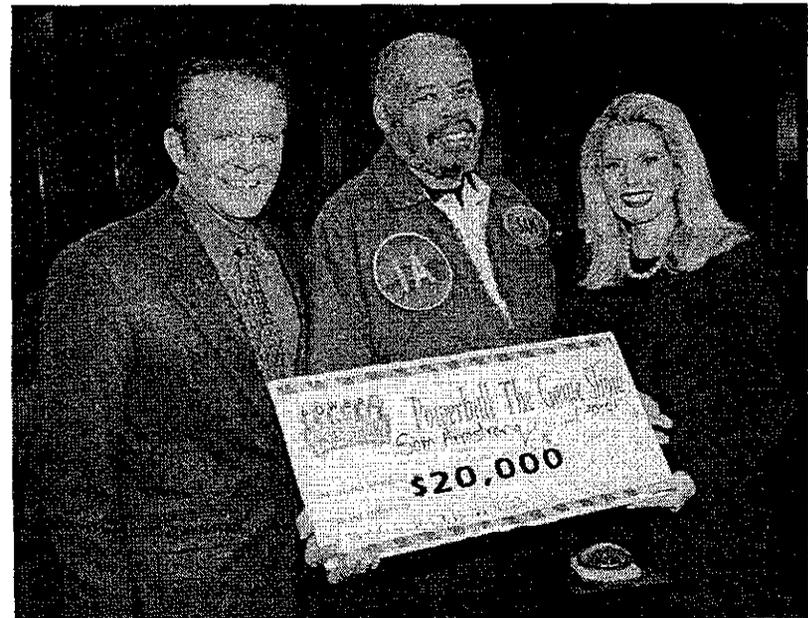
Treasure Tower

- In October, the Iowa Lottery became the first in the nation to sell a scratch game that is played on a personal computer.

- Treasure Tower's CD-ROM technology offers players extended playing time and digital entertainment.

Easy As Pie

- In November, the lottery introduced Easy As Pie, the fiirst Iowa game to feature scented tickets.
- Scented ink releases the smell of cinnamon and pumpkin when players scratch the tickets.
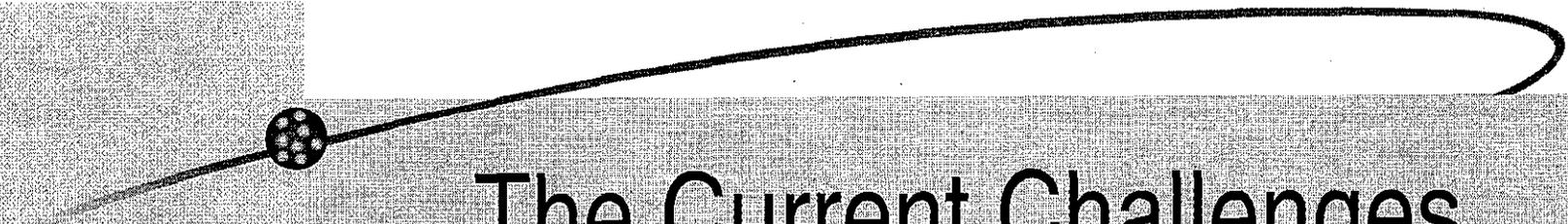
The Current Challenges

- Gasoline prices remain high.
- The stock market is slumping.
- Pay-at-the-pump technology is becoming more prevalent.
- Frigid, snowy winter weather has made travel difficult.
- Internet pirates are stealing our sales.
- Energy prices have skyrocketed and remain high.
- "Super stores" are displacing historic retailers.
- Our operating budget was cut.

Meeting the Challenge

- This month, the lottery launched the "It's A Gas" promotion.
- On March 3, five players will win grand prizes of $1,300 in ethanol certificates from the Iowa Corn Growers Association – enough to buy $25 in fuel each week for a year.
- 25 other ethanol prizes also will be awarded.

IT'S A GAS!

PROMOTION
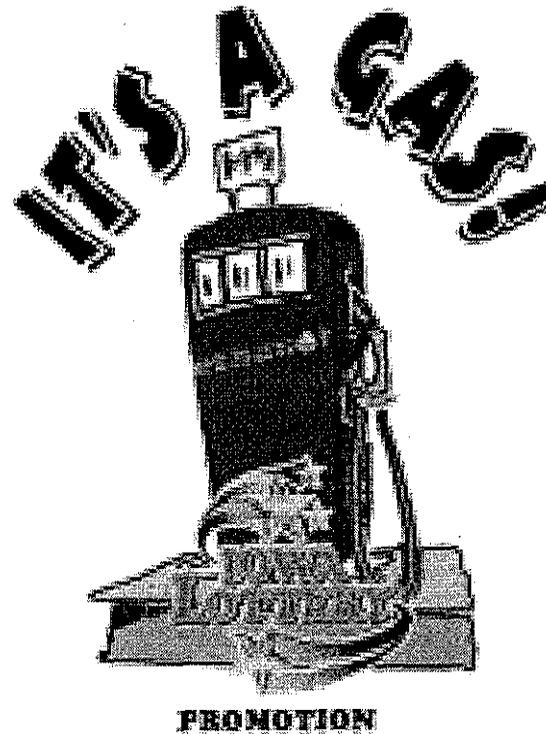
Current Events

- The Iowa Lottery continues to work to prevent underage sales.
- The lottery joined with the Iowa Grocers and Petroleum Marketers again this year to distribute 10,000 copies of this "legal age" notice to Iowa retailers.

YOUR BIRTHDAY MUST BE ON OR BEFORE TODAY'S DATE IN:

1980 TO PURCHASE ALCOHOLIC BEVERAGES OR LOTTERY PRODUCTS

1983 TO PURCHASE TOBACCO PRODUCTS

Iowa Grocery Industry Association

IOWA LOTTERY

PMI

Expires 12-31-2001

Current Events

- The terminals and computer system used to sell lotto tickets in Iowa have been in place since 1990.
- While the system is still extremely reliable, upkeep has become more costly and technology has obviously progressed in the decade the system has been used.

Current Events

✲ In September, the Lottery Board approved a contract proposal for a new lotto system.

✲ By July 1, the new system from Autotote Lottery Corp. will be used to sell tickets at about 2,800 Iowa retailers.

New Technology and Cooperation

- In addition to touch-screen technology and faster and quieter printing, the new terminals can scan documents.
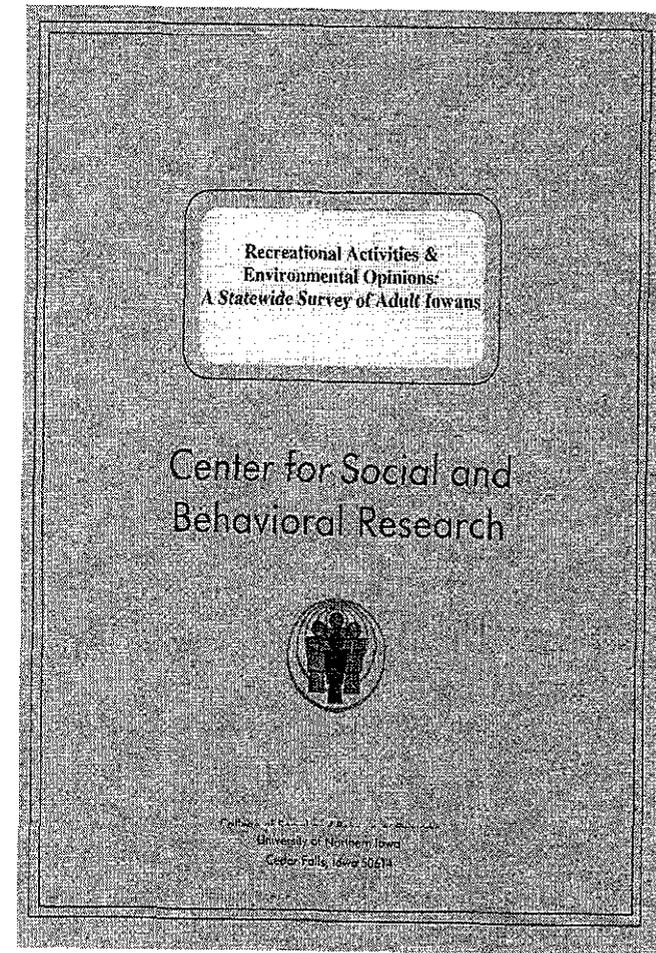- That opens up the possibility of providing other state services through lotto terminals.

Lottery Help to the State

- Since 1992, Iowa Lottery profits have gone into the state general fund.
- But Iowans have told us they want lottery revenues used for a specific purpose.

Iowa Lottery Profits Go To The State General Fund. Where Does The General Fund Go?
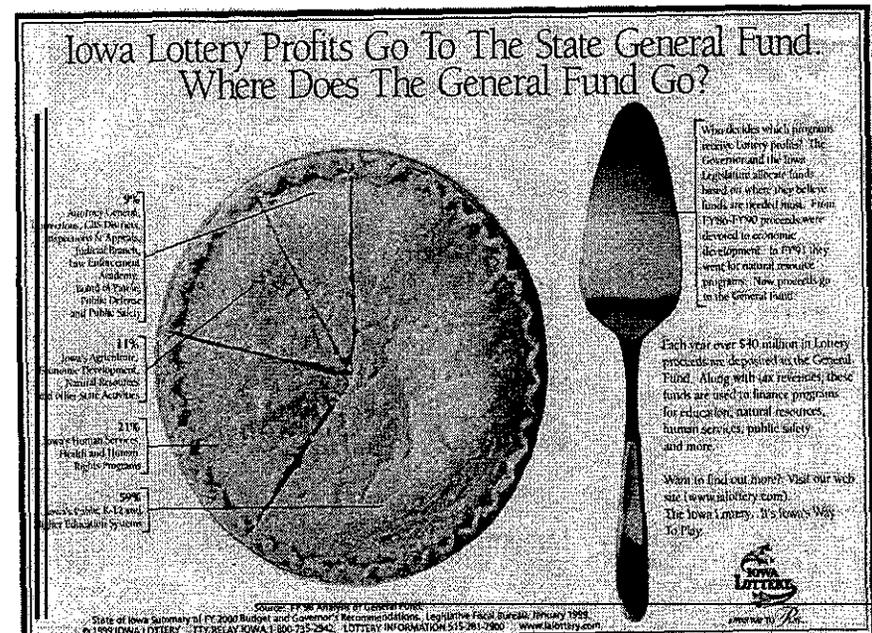
Public Support for Environmental Benefits

- A December 2000 survey from UNI shows 92.5 percent public support for dedicating lottery revenues to environmental programs.
- Governor Vilsack's 2002 budget recommendations include a proposal to dedicate lottery revenues to the Environment First Fund.

Recreational Activities & Environmental Opinions: A Statewide Survey of Adult Iowans

Center for Social and Behavioral Research
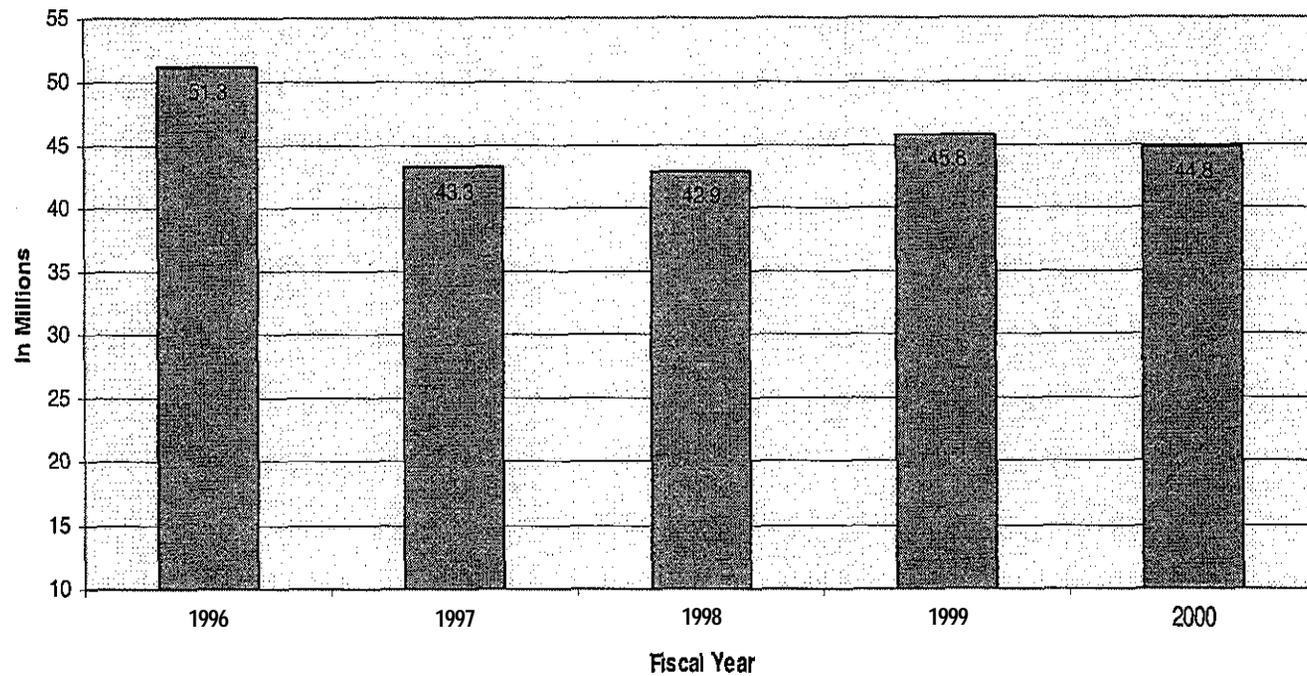
University of Northern Iowa
Cedar Falls, Iowa 50614

Promoting Iowa Successes

- The change would answer Iowans' calls for a specific use for lottery revenues.

- The lottery also could advertise the programs it benefits, highlighting Iowa's commitment to a clean, safe environment.
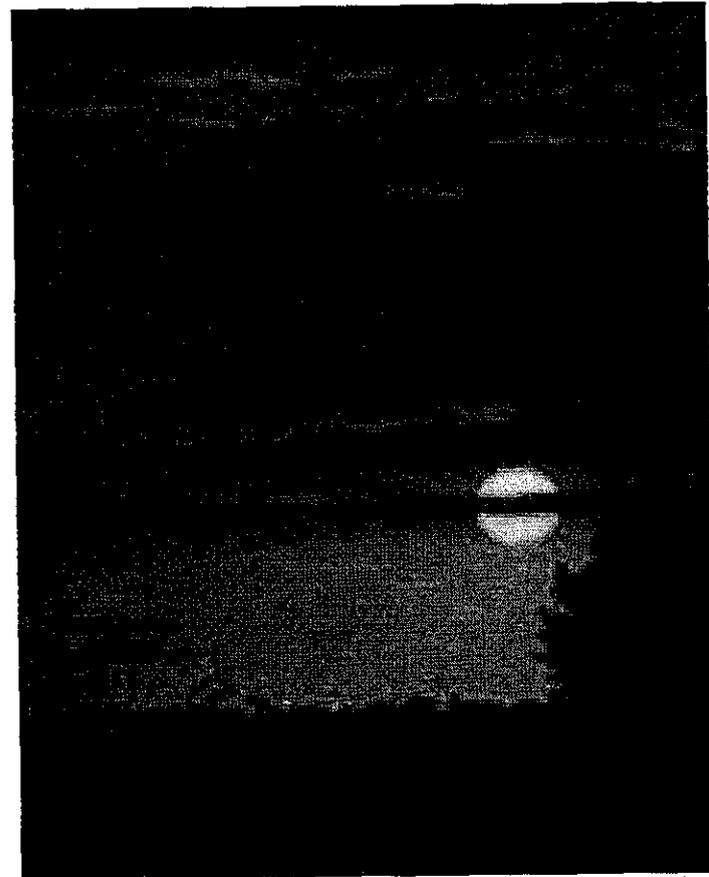
State Revenues

TRANSFERS TO STATE OF IOWA

Lottery transfers to state funds have remained in the $40 million to $50 million range for the last several years.

BUDGET FOR LOTTERY FUND (633)

	FY 00 ACTUAL	FY 01 BUDGET	FY 02 BUDGET REQUEST
Resources			
Interest	$ 518,017	$ 800,000	$ 800,000
Application Fees	17,875	25,000	25,000
Refunds	525	2,500	2,500
Lottery Sales	178,493,564	175,000,000	175,000,000
Other	26,327	2,500	2,500
Total Resources	$ 179,056,308	$ 175,830,000	$ 175,830,000
Expenditures			
Terminal Communications	$ 1,451,399	$ 1,598,305	$ 2,146,475
Instant PT Vending machine rentals	2,266,753	2,235,640	2,168,644
Retailer Lottery System	4,438,886	4,585,305	5,699,022
Proceeds transfer	35,764,404	34,175,688	32,433,038
Gamblers Assistance	511,125	502,490	502,490
Marketing, Education and Information	5,916,354	6,666,667	6,666,667
Outside Repairs	−	5,000	2,000
Sales Tax Transfer	8,493,990	8,333,334	8,333,333
Ticket Dispensers	112,559	91,000	62,679
Prizes	99,115,614	95,309,754	95,745,120
Retailer Compensation	11,242,180	11,104,090	11,137,736
Instant PT Ticket Expense	2,232,761	2,755,029	2,488,106
Refunds	1,632	500	1,632
	171,547,657	167,362,802	167,386,942
State Appropriations			
Lottery Operations	7,704,020	8,443,058	8,443,058
Total Expenditure of Resources	$ 179,251,677	$ 175,805,860	$ 175,830,000

*FY 02 includes 1,671,137 of expenditures for purchase of radio equipment, spares and installation costs. FY 03 communication costs will be $1,671,137 less with a corresponding increase in proceeds transfer of $1,671,137.

BUDGET FOR LOTTERY OPERATIONS

	FY 00 ACTUAL	FY 01 BUDGET	FY 02 BUDGET REQUEST
Resources			
Appropriation Lottery Operations	$7,704,020	$8,443,058	$ 8,443,058
FTE	108	117	117
Expenditures			
Personal Services	$5,309,905	$6,033,594	$ 5,827,979
Personal Travel in State	112,661	107,855	121,551
State Vehicle Operation	190,590	194,862	228,099
Vehicle Depreciation	134,230	174,078	159,582
Personal Travel Out of State	19,709	20,378	20,040
Office Supplies	140,749	125,600	154,845
Facility Maintenance Supplies	8,347	8,064	9,297
Other Supplies	3,232	3,737	3,658
Printing & Binding	94,207	87,320	103,628
Communications	146,226	143,406	157,326
Rentals	612,748	614,363	583,164
Utilities	68,031	62,047	68,833
Prof & Scientific Services	198,880	162,867	215,689
Outside Services	43,327	42,597	47,349
Outside Repairs	13,757	14,999	15,333
Attorney General	62,860	58,369	93,201
Auditor of State	121,480	87,675	122,628
Reimbursement to Other Agencies	205,137	189,474	224,178
ITS Reimbursement	7,255	7,275	7,981
Equipment	2,400	3,323	2,740
Office Equipment	12,224	13,868	18,446
Equipment Non Inventory	23,966	12,704	25,781
Data Processing Inventory	36,640	80,599	40,304
Data Processing Non Inventory	77,781	129,948	128,081
Other Expenses	53,752	59,704	59,026
Licenses	15	17	17
Fees	3,911	4,335	4,302
Total Expenditures	$7,704,020	$8,443,058	$ 8,443,058

STATE OF IOWA
BUDGETING FOR RESULTS

Budget Unit: 633-627
Iowa Lottery

	Fiscal Year	General Fund Appropriations	Other Appropriations	Receipts	TOTAL BUDGET
Actual	2000	$0	$0	$178,868,305	$178,868,305
Estimated	2001	$0	$0	$175,830,000	$175,830,000
Department Request	2002	$0	$0	$175,830,000	$175,830,000
Governor's Recommendation	2002				

The goal of the Iowa Lottery is to produce the maximum amount of net revenues for the state in a manner which maintains the dignity of the state and the general welfare of the people.

Programs

	BFR CODE				
Lottery sales	22.6	$0		$175,830,000	$175,830,000
Gambler's treatment program	22.7	$0		$502,490	$502,490

Lottery Sales

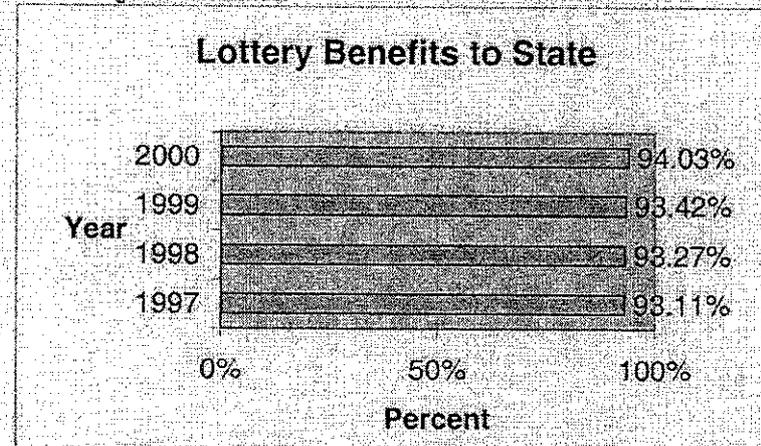|			
	$0	$175,830,000	$175,830,000

Program Purpose:
To develop and operate Lottery games that provide Iowans with fun and entertainment while maximizing net revenues in a manner which maintains the dignity of the state and the general welfare of its people.

Performance Measures
Percentage of sales returned as direct benefits to residents of the state. Direct benefits consists of prizes, retailer compensation, proceeds to the state, payment to Iowa vendors, gambler's treatment transfers, sales tax, and salaries.

Program Data Trends:

Lottery Benefits to State

Year	Percent
2000	94.03%
1999	93.42%
1998	93.27%
1997	93.11%

Gambler's Treatment Information
Program Purpose:

To cooperate with the Gambling Treatment Program administered by the Iowa Department of Public Health to incorporate information regarding the Gambling Treatment Program and its toll-free telephone number in printed materials.
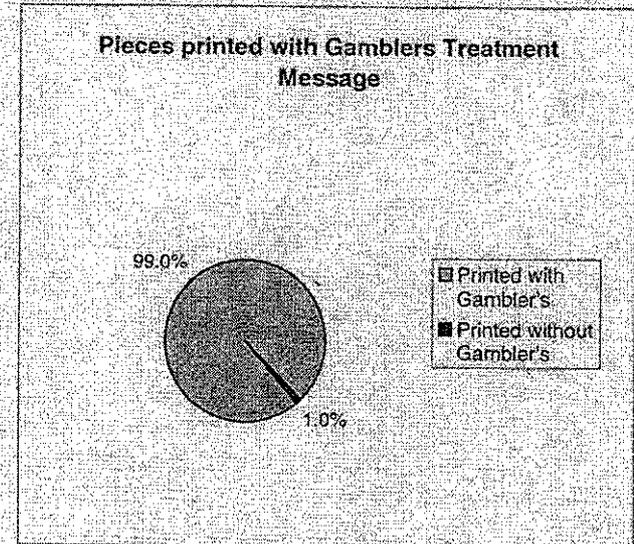
Performance Measures
Percentage of Lottery's printed materials that refer to the Gambler's Treatment Program.

Over 120 million printed items contained the Gambler's Treatment message and phone number.

| 50 | $502,490 | $502,490 |

Program Data Trends:

Pieces printed with Gamblers Treatment Message

99.0%

1.0%

☐ Printed with Gambler's
■ Printed without Gambler's

IOWA LOTTERY

FISCAL YEAR 2000

Description	Name		SumOfAmt
ANSWERING SERVICE			
	ELECTRONIC ENGINEERING		12,305.43
		Sum	**12,305.43**
AUDIT FEES			
	ERNST & YOUNG LLP		25,122.00
		Sum	**25,122.00**
CUSTODIAL			
	QUALITY JANITORIAL SERV		2,123.60
	SHINEWAY SERVICES &		1,824.00
	STIEF, JACQUELINE		1,162.50
	VISUAL DIFFERENCE		2,420.00
		Sum	**7,530.10**
EQUIPMENT RENTAL			
	AMERICAN GAMES, INC		1,563,465.50
	HOTEL FORT DES MOINES		107.10
	INTERLOTT, INC		703,287.50
		Sum	**2,266,860.10**
INSURANCE PREM,NON AUTO			
	AFCO		26,897.00
		Sum	**26,897.00**
JANITOR SUPPLIES			
	MARSHALL & SWIFT,		327.60
	UNITOG RENTAL SERVICES		2,158.47
		Sum	**2,486.07**
LAWN MOWING			
	DANS LAWN SERVICE INC		1,661.00
	LAWN OF LEISURE INC		212.50
		Sum	**1,873.50**
LEGAL FEES			
	DAVIS, HOCKENBERG, WINE,		6,181.60
		Sum	**6,181.60**
MARKETING & PROMOTIONAL DEVELOPMENT			
	ACME PRINTING CO		52,360.68
	ALL IOWA AGRI ASSO		750.00
	ATLANTIC NEWS-TELEGRAPH		7,765.54
	AVERY BROS.		13,392.00
	BANKERS ADVERTISING CO		3,814.39
	BIG DOG SPORTSWEAR, INC.		8,650.62
	BOISE MARKETING SERVICES		52,257.54
	BOONE NEWS-REPUBLICAN		4,927.33

Description	Name	SumOfAmt
	BURLINGTON BASEBALL ASSN	1,275.00
	BUSINESS RECORD	7,003.02
	CARPENTER PROMOTIONS	12,862.67
	CEDAR RAPIDS GAZETTE	27,211.94
	CEDAR VALLEY TIMES	4,213.56
	CENTERVILLE/IOWEIGAN	4,855.20
	CHICAGO PROF SPORTS	10,000.00
	CICICASTERS CO	67,000.00
	CIVIC CENTER OF GREATER	2,695.00
	CLINTON HERALD	9,740.74
	CLINTON LUMBER KINGS	1,500.00
	COMEDY III ENTERTAINMENT	151.95
	CRESTON PUBLISHING CO	5,700.06
	CUSTOMIZED NEWSPAPER	317,289.51
	DAILY TIMES HERALD	5,942.70
	DES MOINES ARTS FESTIVAL	7,000.00
	DES MOINES BUCCANEERS	10,000.00
	DES MOINES COMMUNITY	60.00
	DES MOINES DRAGONS	17,900.00
	DIGITAL PRINTING INT'L	20,394.88
	DUBUQUE FIGHTING SAINTS	3,000.00
	DUBUQUE TELEGRAPH HERAL	16,117.05
	ELLER MEDIA COMPANY	186,790.00
	ESTHERVILLE DAILY NEWS	3,232.80
	FAIRFIELD LEDGER	6,039.08
	FORT DODGE MESSENGER	16,831.08
	FT MADISON DEMOCRAT/KEO	11,287.56
	GARNER PRINTING	34,318.75
	GENERAL SPORTS SHOWS INC	550.00
	GLOBE GAZETTE	22,967.52
	GREATER DM BASEBALL CO.	8,152.88
	HARLAN TRIBUNE	5,425.10
	HOLM GRAPHIC SERVICES	9,878.00
	IA ASSO OF CHIEFS OF	560.00
	IA GROCERY INDUSTRY ASSN	7,380.00
	IMPACT	19,710.90
	IOWA LEGENDS	1,200.00
	IOWA POLICE JOURNAL	200.00
	IOWA PRO FOOTBALL L.P.	12,000.00
	IOWA SPORT SHOW	2,260.00
	IOWA STATE FAIR	7,539.00
	JULIN PRINTING COMPANY	17,206.00
	LOS ANGELES LAKERS	375.00
	MOLINE DISPATCH/ROCK ISL	29,377.00

Description	Name	SumOfAmt
	MUSCATINE JOURNAL	7,216.60
	NAT'L CONF FOR COMMUNITY	60.00
	NESPER SIGN ADVERTISING	16,082.00
	NEWSPAPER HOLDING INC	1,171.80
	NEWTON DAILY NEWS	7,452.08
	NW SPORTS INC	600.00
	OELWEIN DAILY REGISTER	7,416.98
	PETROLEUM MARKETERS OF	1,250.00
	PILOT PUBLISHING	10,450.22
	PRINTED PRODUCTS	5,600.33
	QUAD CITY MALLARDS	3,450.00
	QUAD CITY THUNDER	3,000.00
	QUAD-CITY TIMES	17,487.71
	QUALITY PRINTING	165.00
	SCHREURS & ASSOCIATES	3,625,338.46
	SEVENTH INNING STRETCH	6,000.00
	SIGLER PRINTING & PUBLIS	1,150.00
	SIOUX CITY EXPLORERS	2,500.00
	SIOUX CITY JOURNAL	25,260.04
	STRATEGIC AMERICA	436,858.71
	SUPERLAND SPORTS, INC.	2,000.00
	SURF BALLROOM	5,000.00
	THE DAILY NONPAREIL	13,558.69
	THE HAWK EYE	11,746.23
	THE IOWAN MAGAZINE	4,207.50
	THE LAMAR COMPANIES	180,252.00
	THE MT PLEASANT NEWS	5,275.60
	THE OTTUMWA COURIER	13,379.75
	THE PRINTING STATION	35.70
	THOMAS C. PORTER	43,546.33
	TIMES-REPUBLICAN	10,040.57
	VARIETY CLUB OF IOWA	5,200.00
	VOLKAMER ENTERPRISES INC	2,135.94
	WALLACE HOMESTEAD	93,685.96
	WASHINGTON EVENING JOUR	5,629.86
	WATERLOO COURIER	21,929.42
	WHYTE BUSINESS FORMS	2,771.64
	Sum	**5,698,017.17**
MISC. OFFICE FURN N INVENTORY		
	PIGOTT, INC	1,324.30
	Sum	**1,324.30**
MISCELLANEOUS EQ N INVENTORY		
	SCHAFER SYSTEMS	57,917.48
	TAKE-A-TICKET INC	54,621.50

Description	Name	SumOfAmt
	Sum	**112,538.98**
OFFICE RENTAL		
	GRAND AVE ASSOCIATES	386,750.00
	OMNI CENTRE	25,283.94
	STONE CREEK PARTNERS	42,680.00
	SWEENEY CO	54,179.62
	Sum	**508,893.56**
OTHER CONTRACTURAL SERVICES		
	AAA SECURITY SYSTEMS INC	6,412.00
	ALTERNATIVE BUSINESS SYS	703.39
	EUL, JOHN	1,377.40
	IKON OFFICE SOLUTIONS	2,615.90
	INFOMAX OFFICE SYSTEMS	886.65
	KONE INC.	1,641.24
	MIDWEST OFFICE	1,901.90
	SHELTON TECHNOLOGIES	1,667.23
	THE SAVERY HOTEL	245.00
	Sum	**17,450.71**
OTHER OFFICE SUPPLIES		
	COLUMBIA RIVER NEWSPAPE	137.39 .
	EARTHWEB CAREER SOLUTIO	1,190.00
	Sum	**1,327.39**
OTHER PROF & SCIENTIFIC SERV		
	A MILLION MILES OF	1,500.00
	GTECH CORPORATION	4,358,934.38
	LON VENNARD	4,500.00
	LOTTERY CHANNEL INC.	1,500.00
	SILICON PLAINS TECH INC	687.50
	Sum	**4,367,121.88**
OUTSIDE REPAIRS & SERVICE-BLDG		
	STROH CORPORATION	2,223.67
	Sum	**2,223.67**
PEST CONTROL		
	ORKIN	746.70
	Sum	**746.70**
PHOTOCOPY MACHINES		
	MIDWEST OFFICE	12,976.00
	Sum	**12,976.00**
PRESS RELEASE		
	THE LINK	6,440.72
	Sum	**6,440.72**
PRIZES		
	SHORTS TRAVEL SERVICE	34,750.00

Description	Name		SumOfAmt
		Sum	**34,750.00**
PROFESSIONAL FEES			
	BATTELLE		41,025.00
	INGENIO		840.48
	SOLUTECH, INC.		55,892.50
	WIXTED POPE NORA ASSO		3,000.00
		Sum	**100,757.98**
PUBLICATION SUPPLIES			
	AMERICAN BUSINESS FORMS		2,168.95
	HEINRICH ENVELOPE INC		12,434.72
	IOWA BUSINESS FORMS INC		1,774.22
	PRINTING STATION		808.65
	STANDARD PRINTING		595.91
	TENSION ENVELOPE CORP.		15,175.37
	TRU ART COLOR GRAPHICS		6,628.44
		Sum	**39,586.26**
PURCHASE OF LOTTERY TICKETS			
	AMERICAN GAMES, INC		800,225.32
	POLLARD BANKNOTE LTD		1,002,524.91
		Sum	**1,802,750.23**
RESEARCH			
	CRAWFORD JOHNSON GROUP		64,380.00
		Sum	**64,380.00**
SNOW REMOVAL			
	WRIGHT TREE CARE COMPAN		1,839.50
		Sum	**1,839.50**
STATIONERY & SUPPLIES			
	OFFICE SYSTEMS COMPANY		865.50
		Sum	**865.50**
SUBSCRIPTIONS			
	CSC CREDIT SERVICES		1,085.50
	DUN & BRADSTREET		3,000.00
	IOWA LEGISLATIVE NEWS		596.00
	LEGI-SLATE		100.00
		Sum	**4,781.50**
TELEPHONE & TELEGRAPH			
	INTERPRISE NETWORKING		18,091.63
	QWEST		56.16
	US CELLULAR		24,523.88
	US WEST COMMUNICATIONS		1,250,281.69
		Sum	**1,292,953.36**
Grand Total			**16,420,981.21**