

DATE: April 20, 2012

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for March 2012. During March, we had revenue of \$34,838,819. This sales level resulted in \$9,782,829 of proceeds payable to the State General Fund and \$267,787 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED MARCH 31, 2012

	<u>Month ended March 31, 2012</u>	<u>Month ended March 31, 2011</u>	<u>Year-to-date March 31, 2012</u>	<u>Year-to-date March 31, 2011</u>
OPERATING REVENUES				
Instant-scratch ticket sales	\$17,972,657	\$16,147,600	\$141,258,680	\$122,256,219
Pick 3 sales	606,523	604,376	4,980,711	4,915,858
Powerball sales	4,850,622	4,301,836	43,554,265	34,499,404
Mega Millions sales	8,282,278	2,908,775	18,274,238	12,728,133
Hot Lotto sales	908,688	1,002,210	8,168,226	8,761,828
Pick 4 sales	250,583	243,426	2,087,943	2,023,122
\$100,000 Cash Game sales	410,170	327,197	3,170,289	2,724,071
Pull-tab sales	1,554,507	1,621,488	13,003,468	13,947,601
Application fees	600	450	3,100	3,775
Other revenue	2,191	4,567	171,781	135,986
Total operating revenues	34,838,819	27,161,925	234,672,701	201,995,997
OPERATING EXPENSES				
Scratch ticket prize expense	10,756,199	9,282,470	87,528,919	76,460,425
Pick 3 prize expense	359,254	357,996	2,948,076	2,911,965
Powerball prize expense	2,367,759	2,079,835	21,284,044	16,475,040
Mega Millions prize expense	4,235,787	1,515,899	9,270,195	6,661,489
Hot Lotto prize expense	442,232	489,323	3,979,901	4,229,629
Pick 4 prize expense	148,855	145,056	1,221,086	1,193,249
\$100,000 Cash Game prize expense	221,330	155,307	1,562,999	1,289,140
Pull-tab prize expense	977,549	1,015,676	8,142,347	8,726,757
VIP Club expense	166,071	0	1,419,643	0
Promotional prize expense	6,181	1,191	81,150	79,707
Advertising/publicity	665,475	619,662	5,049,528	4,980,083
Retailer compensation expense	2,205,654	1,733,627	14,953,820	12,846,507
Ticket expense	244,103	233,934	2,340,181	2,140,249
Vendor compensation expense	979,565	575,962	4,952,434	4,359,319
Salary and benefits	777,510	771,334	6,699,546	6,200,795
Travel	36,834	39,092	325,918	287,605
Supplies	13,723	6,245	114,580	72,087
Printing	1,082	1,763	12,938	13,907
Postage	318	293	5,199	4,059
Communications	9,829	57,383	93,192	407,855
Rentals	24,705	22,480	211,512	204,084
Utilities	7,293	8,414	78,342	83,887
Professional fees	6,466	9,675	93,682	45,225
Vending machine maintenance	44,767	44,907	403,488	391,624
Outside services and repairs	22,550	32,684	182,590	222,107
Data processing	4,171	4,584	37,735	35,442
Equipment	34,198	49,364	197,298	162,305
Reimbursement to other				
state agencies	33,977	33,568	312,378	318,997
Depreciation	18,309	7,408	117,411	88,629
Other	1,966	6,924	64,261	47,820
MUSL administrative expense	3,759	3,377	33,829	30,396
Total operating expenses	24,817,471	19,305,433	173,718,222	150,970,383
Operating income (loss)	10,021,348	7,856,492	60,954,479	51,025,614

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FOR THE MONTH AND YEAR ENDED MARCH 31, 2012

	<u>Month ended March 31, 2012</u>	<u>Month ended March 31, 2011</u>	<u>Year-to-date March 31, 2012</u>	<u>Year-to-date March 31, 2011</u>
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(9,782,829)	(7,234,879)	(58,240,950)	(48,859,318)
Veterans Trust Fund	(267,787)	(472,319)	(2,243,512)	(2,542,771)
Interest Income	3,126	6,016	84,835	136,611
Interest expense	(3,284)	(3,558)	(29,556)	(32,019)
Net non-operating revenues (expenses)	(10,050,774)	(7,704,740)	(60,429,183)	(51,297,497)
Change in net assets	(29,426)	151,752	525,296	(271,883)
Net assets, beginning of period	4,739,461	3,778,304	4,184,739	4,201,939
Net assets, end of period	<u><u>\$4,710,035</u></u>	<u><u>\$3,930,056</u></u>	<u><u>\$4,710,035</u></u>	<u><u>\$3,930,056</u></u>