

DATE: July 24, 2013

TO: The Honorable, Terry E. Branstad, Governor of Iowa
The Honorable, Mary Mosiman, Auditor of State
General Assembly, c/o Legislative Services Agency

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for the quarter ended June 30, 2013. During the quarter, we had revenue of \$88,053,190. This sales level resulted in \$21,784,562 of proceeds payable to the State General Fund and \$283,008 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE QUARTER ENDED JUNE 30, 2013

	<u>Quarter ended</u> <u>June 30, 2013</u>	<u>Year-to-date</u> <u>June 30, 2013</u>
OPERATING REVENUES		
Instant-scratch ticket sales	\$51,823,674	\$202,299,747
Pick 3 sales	1,719,384	6,804,870
Powerball sales	21,275,719	81,385,271
Mega Millions sales	3,843,962	13,317,888
Hot Lotto sales	3,441,740	11,664,946
Pick 4 sales	799,299	3,085,784
\$100,000 Cash Game sales	1,137,344	4,483,605
Pull-tab sales	4,009,891	16,209,309
Application fees	925	5,125
Other revenue	1,252	11,706
Total operating revenues	88,053,190	339,268,251
OPERATING EXPENSES		
Scratch ticket prize expense	31,994,449	128,096,203
Pick 3 prize expense	1,000,371	4,009,581
Powerball prize expense	10,433,012	39,682,727
Mega Millions prize expense	1,804,189	6,538,181
Hot Lotto prize expense	1,689,217	5,652,815
Pick 4 prize expense	468,559	1,812,515
\$100,000 Cash Game prize expense	815,711	2,740,099
Pull-tab prize expense	2,504,043	10,140,042
VIP Club expense	486,165	1,950,002
Promotional prize expense	91,340	179,603
Advertising/publicity	1,762,085	6,602,682
Retailer compensation expense	5,721,512	22,116,797
Ticket expense	1,046,780	3,945,970
Vendor compensation expense	1,796,874	6,885,203
Online game expense	65,575	295,663
Salary and benefits	2,377,611	9,332,928
Travel	109,397	419,036
Supplies	23,258	99,885
Printing	1,534	13,459
Postage	902	6,337
Communications	39,957	149,569
Rentals	78,879	304,507
Utilities	19,152	102,419
Professional fees	40,242	116,182
Vending machine maintenance	139,794	577,841
Outside services and repairs	111,486	324,126
Data processing	15,396	57,072
Equipment	124,878	378,917
Reimbursement to other state agencies	105,919	408,431
Depreciation	64,159	245,805
Other	4,866	67,587
MUSL administrative expense	9,262	37,050
Total operating expenses	64,946,574	253,289,234
Operating income	23,106,616	85,979,017

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FOR THE QUARTER ENDED JUNE 30, 2013

	<u>Quarter ended June 30, 2013</u>	<u>Year-to-date June 30, 2013</u>
Non-operating revenues (expenses)		
Proceeds deposited to:		
State General Fund	(21,784,562)	(82,838,127)
Veterans Trust Fund	(283,008)	(2,126,724)
Interest income	19,236	107,506
Interest expense	(6,382)	(33,453)
	<u>(22,054,716)</u>	<u>(84,890,798)</u>
Net non-operating revenues (expenses)		
	1,051,900	1,088,219
Net position, beginning of period	<u>5,232,279</u>	<u>5,195,960</u>
Net position, end of period	<u><u>\$6,284,179</u></u>	<u><u>\$6,284,179</u></u>