

DATE: January 17, 2014

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for December 2013. During December, we had revenue of \$29,249,439. This sales level resulted in \$7,431,424 of proceeds payable to the State General Fund and \$70,877 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

January 31, 2014

Proceeds to Iowa Plan		\$170,318,439
Proceeds to CLEAN fund		\$35,894,355
Proceeds to Special Appropriations		\$13,773,572
Proceeds to Gambler's Treatment Program		15,732,208
Proceeds to the State General Fund:		
Prior to Fiscal Year 2014	\$1,231,172,262	
Fiscal Year 2014		
Transferred	39,217,092	
Payable	3,907,599	
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		1,274,296,953
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	849,040	
Payable	227,566	
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		14,473,126
Total		<hr/> <hr/> \$1,524,488,653

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED JANUARY 31, 2014

	Month ended January 31, 2014	Month ended January 31, 2013	Year-to-date January 31, 2014	Year-to-date January 31, 2013
OPERATING REVENUES				
Instant-scratch ticket sales	\$16,074,190	\$17,754,450	\$107,304,957	\$109,989,671
Pick 3 sales	567,775	559,574	3,998,711	3,929,716
Powerball sales	4,231,121	4,631,296	38,173,515	46,787,211
Mega Millions sales	1,134,051	1,043,565	13,819,628	7,661,663
Hot Lotto sales	809,992	951,128	5,747,250	6,649,224
Raffle sales	0	0	242,960	0
Pick 4 sales	260,499	249,550	1,849,091	1,744,940
All or Nothing sales	83,434	0	83,434	0
\$100,000 Cash Game sales	303,520	371,105	2,530,984	2,621,999
Pull-tab sales	1,230,976	1,356,153	9,185,463	9,657,023
Application fees	350	175	2,475	3,425
Other revenue	422	316	6,332	9,738
Total operating revenues	24,696,330	26,917,312	182,944,800	189,054,610
OPERATING EXPENSES				
Scratch ticket prize expense	11,637,376	11,435,971	69,966,654	69,981,572
Pick 3 prize expense	335,085	331,364	2,358,439	2,326,049
Powerball prize expense	2,077,023	2,265,435	18,496,584	22,699,071
Mega Millions prize expense	567,522	527,737	6,953,405	3,861,573
Hot Lotto prize expense	394,299	465,769	2,768,212	3,196,484
Raffle prize expense	0	0	101,536	0
Pick 4 prize expense	151,844	147,265	1,086,340	1,022,734
All or Nothing prize expense	250,486	0	250,486	0
\$100,000 Cash Game prize expense	(45,139)	198,387	1,146,248	1,402,703
Pull-tab prize expense	768,440	849,229	5,755,774	6,044,765
VIP Club prize expense	243,954	165,617	488,955	1,148,631
Promotional prize expense	9,969	(17,163)	133,629	64,661
Advertising/publicity	648,971	426,077	4,283,669	3,493,591
Retailer compensation expense	1,592,877	1,723,631	11,726,545	12,382,731
Ticket expense	264,563	288,540	1,859,794	1,820,276
Vendor compensation expense	506,002	544,170	3,724,513	3,820,651
Online game expense	0	0	0	230,088
Salary and benefits	847,328	841,340	5,575,210	5,481,193
Travel	32,339	32,719	238,196	238,101
Supplies	5,561	16,644	63,715	63,019
Printing	1,083	4,411	7,692	11,110
Postage	695	1,970	2,452	4,989
Communications	13,696	12,661	107,666	84,189
Rentals	25,118	29,809	176,991	178,999
Utilities	14,919	12,613	65,026	61,188
Professional fees	12,290	17,707	53,264	56,299
Vending machine maintenance	47,405	44,631	330,775	312,785
Outside services and repairs	43,893	17,760	252,075	156,489
Data processing	7,455	4,650	52,549	31,750
Equipment	34,529	15,742	172,542	201,155
Reimbursement to other				
state agencies	40,061	37,294	254,688	255,078
Depreciation	24,399	20,283	169,467	141,980
Other	6,301	6,702	49,986	53,044
MUSL administrative expense	4,434	3,087	31,035	21,613
Total operating expenses	20,564,778	20,472,052	138,704,112	140,848,561

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED JANUARY 31, 2014

	<u>Month ended January 31, 2014</u>	<u>Month ended January 31, 2013</u>	<u>Year-to-date January 31, 2014</u>	<u>Year-to-date January 31, 2013</u>
Operating income	<u>4,131,552</u>	<u>6,445,260</u>	<u>44,240,688</u>	<u>48,206,049</u>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED JANUARY 31, 2014

	Month ended January 31, 2014	Month ended January 31, 2013	Year-to-date January 31, 2014	Year-to-date January 31, 2013
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(3,907,599)	(6,409,126)	(43,124,691)	(46,530,738)
Veterans Trust Fund	(227,566)	(253,973)	(1,076,606)	(1,311,924)
Interest Income	7,335	5,077	31,382	73,864
Interest expense	<u>0</u>	<u>(2,988)</u>	<u>0</u>	<u>(21,050)</u>
Net non-operating revenues (expenses)	<u>(4,127,830)</u>	<u>(6,661,010)</u>	<u>(44,169,915)</u>	<u>(47,789,848)</u>
Change in net position	3,722	(215,750)	70,773	416,201
Net position, beginning of period	<u>6,351,230</u>	<u>5,827,911</u>	<u>6,284,179</u>	<u>5,195,960</u>
Net position, end of period	<u><u>\$6,354,952</u></u>	<u><u>\$5,612,161</u></u>	<u><u>\$6,354,952</u></u>	<u><u>\$5,612,161</u></u>