

DATE: March 18, 2014

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for February 2014. During February, we had revenue of \$28,545,830. This sales level resulted in \$7,715,155 of proceeds payable to the State General Fund and \$435,807 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

February 28, 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	<u>11,622,755</u>	
		1,282,012,109
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	849,040	
Payable	<u>663,373</u>	
		<u>14,908,933</u>
Total		<u><u>\$1,532,639,616</u></u>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED FEBRUARY 28, 2014

	<u>Month ended February 28, 2014</u>	<u>Month ended February 28, 2013</u>	<u>Year-to-date February 28, 2014</u>	<u>Year-to-date February 28, 2013</u>
OPERATING REVENUES				
Instant-scratch ticket sales	\$16,200,819	\$20,270,257	\$123,505,776	\$130,259,928
Pick 3 sales	549,283	547,980	4,547,994	4,477,696
Powerball sales	7,237,062	4,653,037	45,410,576	51,440,248
Mega Millions sales	1,581,468	798,806	15,401,096	8,460,469
Hot Lotto sales	783,445	685,404	6,530,695	7,334,628
Raffle sales	0	0	242,960	0
Pick 4 sales	258,378	251,240	2,107,469	1,996,181
All or Nothing sales	681,301	0	764,735	0
\$100,000 Cash Game sales	0	340,510	2,530,984	2,962,509
Pull-tab sales	1,253,280	1,212,971	10,438,744	10,869,994
Application fees	300	400	2,775	3,825
Other revenue	494	205	6,826	9,942
Total operating revenues	<u>28,545,830</u>	<u>28,760,810</u>	<u>211,490,630</u>	<u>217,815,420</u>
OPERATING EXPENSES				
Scratch ticket prize expense	9,770,743	12,865,460	79,737,397	82,847,032
Pick 3 prize expense	324,910	322,438	2,683,349	2,648,487
Powerball prize expense	3,576,055	2,253,659	22,072,639	24,952,730
Mega Millions prize expense	798,084	401,110	7,751,489	4,262,683
Hot Lotto prize expense	384,671	333,276	3,152,883	3,529,760
Raffle prize expense	0	0	101,536	0
Pick 4 prize expense	153,496	149,224	1,239,837	1,171,958
All or Nothing prize expense	412,257	0	662,743	0
\$100,000 Cash Game prize expense	(3,672)	181,985	1,142,576	1,584,688
Pull-tab prize expense	784,119	758,487	6,539,893	6,803,252
VIP Club prize expense	196	149,589	489,150	1,298,220
Promotional prize expense	21,880	13,927	155,510	78,587
Advertising/publicity	555,279	547,377	4,838,949	4,040,968
Retailer compensation expense	1,826,927	1,866,255	13,553,472	14,248,986
Ticket expense	495,454	711,198	2,355,248	2,531,473
Vendor compensation expense	590,461	591,517	4,314,973	4,412,167
Online game expense	0	0	0	230,088
Salary and benefits	730,070	715,998	6,305,280	6,197,192
Travel	31,366	38,216	269,562	276,316
Supplies	5,273	7,610	68,988	70,630
Printing	5,681	814	13,372	11,925
Postage	2,957	97	5,409	5,086
Communications	14,323	12,849	121,989	97,038
Rentals	26,074	24,975	203,066	203,975
Utilities	10,715	10,538	75,740	71,726
Professional fees	4,563	8,997	57,827	65,296
Vending machine maintenance	47,405	76,456	378,179	389,241
Outside services and repairs	53,330	41,271	305,405	197,761
Data processing	7,225	4,571	59,775	36,321
Equipment	(44)	30,396	172,498	231,551
Reimbursement to other state agencies	33,615	19,409	288,302	274,487
Depreciation	24,398	19,833	193,865	161,813
Other	3,028	6,165	53,013	59,209
MUSL administrative expense	8,827	3,087	39,863	24,700
Total operating expenses	<u>20,699,666</u>	<u>22,166,784</u>	<u>159,403,777</u>	<u>163,015,346</u>
Operating income	<u>7,846,164</u>	<u>6,594,026</u>	<u>52,086,853</u>	<u>54,800,074</u>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH AND YEAR ENDED FEBRUARY 28, 2014

	<u>Month ended</u> <u>February 28, 2014</u>	<u>Month ended</u> <u>February 28, 2013</u>	<u>Year-to-date</u> <u>February 28, 2014</u>	<u>Year-to-date</u> <u>February 28, 2013</u>
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(7,715,155)	(6,499,139)	(50,839,847)	(53,029,877)
Veterans Trust Fund	(435,807)	(423,787)	(1,512,413)	(1,735,711)
Interest Income	642	9,487	32,024	83,352
Interest expense	0	(3,010)	0	(24,060)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net non-operating revenues (expenses)	(8,150,320)	(6,916,449)	(52,320,236)	(54,706,296)
Change in net position	(304,156)	(322,423)	(233,383)	93,778
Net position, beginning of period	<u>6,354,952</u>	<u>5,612,161</u>	<u>6,284,179</u>	<u>5,195,960</u>
Net position, end of period	<u><u>\$6,050,796</u></u>	<u><u>\$5,289,738</u></u>	<u><u>\$6,050,796</u></u>	<u><u>\$5,289,738</u></u>