

DATE: June 12, 2014

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for May 2014. During May, we had revenue of \$25,836,149. This sales level resulted in \$6,987,583 of proceeds payable to the State General Fund and \$65,459 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY

SCHEDULE OF ECONOMIC BENEFITS

May 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	55,500,183	
Payable	12,449,883	
	<hr/>	1,299,122,328
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	1,596,077	
Payable	151,467	
	<hr/>	15,144,064
Total		<hr/> <hr/> \$1,549,984,966

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

	Month ended May 31, 2014	Month ended May 31, 2013	Year-to-date May 31, 2014	Year-to-date May 31, 2013
OPERATING REVENUES				
Instant-scratch ticket sales	\$16,813,357	\$17,552,426	\$174,173,338	\$186,625,778
Pick 3 sales	598,496	593,277	6,407,254	6,251,980
Powerball sales	3,978,341	12,771,236	56,931,966	77,148,118
Mega Millions sales	1,396,049	1,613,351	20,949,156	12,440,904
Hot Lotto sales	1,002,811	1,250,105	9,480,124	10,340,967
Raffle sales	0	0	242,960	0
Pick 4 sales	272,663	271,889	2,973,535	2,830,154
All or Nothing sales	540,691	0	2,727,588	0
\$100,000 Cash Game sales	0	390,542	2,530,984	4,119,485
Pull-tab sales	1,231,933	1,373,119	14,449,897	15,001,651
Application fees	350	375	3,725	4,900
Other revenue	1,458	350	9,065	11,149
Total operating revenues	25,836,149	35,816,670	290,879,592	314,775,086
OPERATING EXPENSES				
Scratch ticket prize expense	10,389,355	10,531,221	112,170,673	118,034,465
Pick 3 prize expense	353,787	352,577	3,782,465	3,681,487
Powerball prize expense	1,799,998	6,347,505	27,513,261	37,679,105
Mega Millions prize expense	679,024	807,361	10,511,108	6,102,512
Hot Lotto prize expense	479,537	614,927	4,584,591	5,001,215
Raffle prize expense	0	0	101,536	0
Pick 4 prize expense	162,668	160,883	1,755,546	1,665,597
All or Nothing prize expense	327,173	0	1,850,469	0
\$100,000 Cash Game prize expense	0	278,055	610,955	2,536,367
Pull-tab prize expense	770,036	855,885	9,048,022	9,386,361
VIP Club prize expense	0	165,617	519,101	1,789,727
Promotional prize expense	11,028	40,675	179,626	136,311
Advertising/publicity	463,502	672,571	6,427,799	5,898,387
Retailer compensation expense	1,656,255	2,276,036	18,618,935	20,468,437
Ticket expense	258,045	267,551	3,106,940	3,594,416
Vendor compensation expense	512,290	751,739	5,906,440	6,414,168
Online game expense	0	0	0	230,088
Salary and benefits	735,028	763,209	8,581,399	8,484,128
Travel	37,710	41,157	380,257	387,041
Supplies	9,076	16,134	107,098	97,104
Printing	435	342	19,211	12,667
Postage	379	258	6,607	5,968
Communications	13,929	10,760	163,735	134,563
Rentals	24,797	29,123	282,150	279,578
Utilities	5,594	6,614	105,298	97,365
Professional fees	29,019	10,305	111,566	93,670
Vending machine maintenance	47,425	47,052	520,382	530,790
Outside services and repairs	70,272	25,537	512,423	269,824
Data processing	7,561	5,260	82,200	52,156
Equipment	10,784	18,712	205,128	287,031
Reimbursement to other state agencies	27,723	43,360	389,494	383,386
Depreciation	22,689	20,314	265,351	221,925
Other	11,507	11,844	74,487	78,274
MUSL administrative expense	8,827	3,087	66,345	33,963
Total operating expenses	18,925,453	25,175,671	218,560,598	234,068,076

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

	<u>Month ended May 31, 2014</u>	<u>Month ended May 31, 2013</u>	<u>Year-to-date May 31, 2014</u>	<u>Year-to-date May 31, 2013</u>
Operating income	<u>6,910,696</u>	<u>10,640,999</u>	<u>72,318,994</u>	<u>80,707,010</u>

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

	<u>Month ended May 31, 2014</u>	<u>Month ended May 31, 2013</u>	<u>Year-to-date May 31, 2014</u>	<u>Year-to-date May 31, 2013</u>
Non-operating revenues (expenses)				
Proceeds deposited to:				
State General Fund	(6,987,583)	(10,417,377)	(67,950,066)	(78,405,786)
Veterans Trust Fund	(65,459)	(93,004)	(1,747,544)	(2,041,526)
Interest Income	2,999	7,833	43,790	98,978
Interest expense	0	(3,010)	0	(33,091)
Net non-operating revenues (expenses)	<u>(7,050,043)</u>	<u>(10,505,558)</u>	<u>(69,653,820)</u>	<u>(80,381,425)</u>
Change in net position	(139,347)	135,441	2,665,174	325,585
Net position, beginning of period	<u>9,088,700</u>	<u>5,386,104</u>	<u>6,284,179</u>	<u>5,195,960</u>
Net position, end of period	<u><u>\$8,949,353</u></u>	<u><u>\$5,521,545</u></u>	<u><u>\$8,949,353</u></u>	<u><u>\$5,521,545</u></u>