

DATE: July 29, 2014

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, 2014. During the quarter, we had revenue of \$75,240,824. This sales level resulted in \$16,641,237 of proceeds payable to the State General Fund and \$208,357 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, 2014

	Quarter ended June 30, 2014	Year-to-date June 30, 2014
OPERATING REVENUES		
Instant-scratch ticket sales	\$48,514,445	\$188,754,111
Pick 3 sales	1,747,748	6,948,165
Powerball sales	12,140,445	61,153,876
Mega Millions sales	3,396,455	21,835,102
Hot Lotto sales	2,949,151	10,434,227
Raffle sales	0	242,960
Pick 4 sales	808,898	3,224,892
All or Nothing Sales	1,640,057	3,196,195
\$100,000 Cash Game sales	0	2,530,984
Pull-tab sales	3,949,411	15,734,917
Application fees	1,400	4,375
Other revenue	92,814	99,932
Total operating revenues	75,240,824	314,159,736
OPERATING EXPENSES		
Scratch ticket prize expense	30,786,830	121,968,549
Pick 3 prize expense	1,031,039	4,101,291
Powerball prize expense	5,802,251	29,583,455
Mega Millions prize expense	1,659,709	10,946,296
Hot Lotto prize expense	1,424,582	5,042,963
Raffle prize expense	0	101,536
Pick 4 prize expense	481,533	1,905,110
All or Nothing prize expense	992,402	2,134,024
\$100,000 Cash Game prize expense	(527,455)	610,955
Pull-tab prize expense	2,470,186	9,851,090
VIP Club expense	9,642	519,101
Promotional prize expense	22,222	184,615
Advertising/publicity	1,511,298	6,939,294
Retailer compensation expense	4,829,896	20,131,428
Ticket expense	853,718	3,447,828
Vendor compensation expense	1,516,812	6,378,256
Online game expense		0
Salary and benefits	2,395,816	9,461,004
Travel	105,182	411,749
Supplies	31,304	110,921
Printing	1,659	20,435
Postage	1,155	6,993
Communications	42,913	178,880
Rentals	75,068	307,286
Utilities	26,927	120,101
Professional fees	64,255	127,287
Vending machine maintenance	142,191	567,775
Outside services and repairs	234,402	603,714
Data processing	22,435	89,573
Equipment	125,948	302,471
Reimbursement to other		
state agencies	111,292	424,834
Depreciation	69,092	287,356
Other	23,305	81,956
MUSL administrative expense	26,483	75,173
Total operating expenses	56,364,092	237,023,299
Operating income (loss)	18,876,732	77,136,437

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FOR THE QUARTER ENDED JUNE 30, 2014

	<u>Quarter ended June 30, 2014</u>	<u>Year-to-date June 30, 2014</u>
Non-operating revenues (expenses)		
Proceeds deposited to:		
State General Fund	(16,641,237)	(72,141,420)
Veterans Trust Fund	(208,357)	(1,804,434)
Interest income	17,289	51,716
Interest expense	(12,622)	(12,622)
	<u>(16,844,927)</u>	<u>(73,906,760)</u>
Change in net position	2,031,805	3,229,677
Net position, beginning of period	<u>7,482,051</u>	<u>6,284,179</u>
Net position, end of period	<u>\$9,513,856</u>	<u>\$9,513,856</u>