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Kim Reynolds · Governor
Adam Gregg · Lt. Governor

Matthew N. Strawn · Chief Executive Officer

AGENDA
IOWA LOTTERY BOARD
December 14, 2023
10:30 am

Dial In: 515-206-9299

(No PIN # is required to join the call)

- I. Call to Order
 - a. Approval of Agenda
 - b. Approval of Minutes from September 26, 2023 Board Meeting
- II. CEO Report
- III. Quarterly Reports
 - a. Revenue (Sales and Marketing)
 - b. External Relations
 - c. Security
 - d. Finance
- IV. Summer & Fall Promotions Review
- V. Powerball Draw Update
- VI. Adjournment

If you require the assistance of auxiliary aids or services to participate in or attend the meeting because of a disability please call our ADA coordinator at 515-725-7864, or if you are hearing impaired, call Relay TTY at 1-800-735-2942.

MINUTES

IOWA LOTTERY BOARD

September 26, 2023

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. at Lottery Headquarters in Clive; Board Chairperson Katie New presiding.

Board Members Present:

Katie New; Mary Junge; Dana Wingert.

Board Members Present on Teleconference:

Mary Rathje.

Board Members Absent:

Josh Cook.

Lottery Staff Participating:

Matt Strawn, CEO; Mary Mosiman, Department of Revenue Director; Jon Roth, CRO; Mary Neubauer, External Relations; Hale Strasser, Lottery Systems; Steve Waymire, Security; David Ranscht, AAG; Jenny Podrebarac, Accounting and Validations Manager; Laura Wernimont, Internal Audit and Draw Manager.

Others Present:

Abigail Sills, Dept of Revenue; Zach Waldmeier, Dept of Revenue; John Schreurs, Strategic America; Sarah Dekock, Flynn Wright; Victoria Macgruder, Flynn Wright; Dave Berger, Scientific Games.

CALL TO ORDER

New called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. New announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Junge moved to conduct the meeting via teleconference. Wingert seconded. Motion carried unanimously.

APPROVAL OF AGENDA

Wingert moved to approve the agenda for the meeting. Junge seconded. Motion carried unanimously.

APPROVAL OF MINUTES

Junge moved to approve the June 29, 2023 Board meeting minutes. New seconded. Motion carried unanimously.

CEO REPORT

Strawn introduced Iowa Department of Revenue Director Mary Mosiman. Director Mosiman shared an update on the Boards and Commission review process, which is part of the broader government realignment initiative.

Strawn provided an update on the Lottery's financial and operational performance through the first two months of FY24. Through the end of August, total sales were \$95,007,930, which represents a year over year increase of 21.9%. Total net proceeds for the first two months of the fiscal year were \$22,604,953, which represents a 37% increase compared to last year. Scratch ticket sales, which total just over \$51 million, are up 14.1% to start the fiscal year. Powerball sales of just over \$16.5 million represented a 146% increase in sales over the same time period last year. Nearly three-quarters of those sales occurred in July due to the high Powerball jackpot which soared to \$1.08 billion. FY 2024 operational expenses remain below budgeted projections and have only increased a modest 1.5% over last year.

QUARTERLY REPORTS

Sales and Marketing:

Roth gave a sales and marketing report. For FY 2023, the Lottery experienced record setting sales of \$481.5 million. That was an 11.3% increase versus FY 2022, exceeded the five year average by 19.2% and the FY 2023 budget by 29.3%. The start of FY 2024 through August, sales results continue to be strong with \$95.0 million in sales, or a 21.9% increase vs. FY 2023. Scratch tickets and Lotto games continue to be strong performers in driving these results.

For FY 2023, the Lotto category generated \$143.1 million in sales, a 38.4% increase vs. FY 2022. Powerball and Mega Millions were strong contributors with increases of 23.7% and 114.8% increases respectively. Although record setting jackpots were a strong contributor, strategic product enhancements continued to also contribute significantly to results. The start of FY 2024 for the Lotto category is off to a strong start with sales of \$37.7 million through August, or an increase of 39.9% vs FY 2023. Similar to last fiscal year, Powerball and Mega Millions continue to make a strong impact.

For FY 2023, InstaPlay performed very well with new offerings driving significant impact. With sales of \$31.8 million, that generated an increase of 35.8% versus FY 2022. For FY 2024, the category is experiencing similar economic impact to scratch tickets, as well as an impact due to the jackpots for Powerball and Mega Millions. Through August, InstaPlay sales were \$4.1 million, or a 1.6% increase versus FY 2023.

The Pull-Tab category continued its performance in FY 2023 with \$13.0 million in sales, a 2.5% increase versus FY 2022. Through August of FY2024, sales \$2.1 million are slightly behind the pace of FY 2023, or a decrease of 2.9%.

For FY 2023, retailer compensation was \$31.3 million, or a 10.8% increase vs. FY 2022. YTD through August for FY 2024, retailer compensation is \$6.2 million, or an increase of 22.6% versus FY 2023.

Through the second half of FY 2023 and into the first quarter of FY 2024, promotions focused on VIP experiences for major college and professional sporting events, country music concerts, and sprint & INDYCAR racing. Looking ahead, there will be promotions for women's basketball, men's basketball and men's wrestling for the University of Iowa. This year's holiday promotion will provide players a chance to win a total of \$1 million in prizes. The Lottery will continue to build on country music promotion efforts in FY 2023 as well as some new licensed game promotions later in FY 2024. There may also be a very unique promotional experience at the Iowa State Fair.

External Relations:

Neubauer stated that a \$1 million Mega Millions prize in central Iowa expired on September 6, 2023 without being claimed. Money from prizes that expire without being claimed goes into the lottery's prize

pools for future games and promotions. The Lottery is giving away the money from the unclaimed \$1 million Mega Millions prize in this year's holiday promotion.

Neubauer also shared that there are two prizes of \$150,000 in northwest Iowa that have not yet been claimed. Last year, in December 2022, the Board voted to change the prize claim period in Iowa. The change to the prize claim period was initiated in April and for the next few months, there will continue to be a mix of tickets with a six month expiration date and some of which have a one year expiration date.

Security:

Waymire stated a written Security report was in the Board packet and there were no changes to the report.

Finance:

Podrebarac gave a financial report. The FY 2023 performance measures showed total sales for the fiscal year were \$481.5 million, which was \$109.2 million ahead of budget. Prizes paid to players during the fiscal year totaled \$305.3 million, which was ahead of budget by \$74.8 million. Operating expenses for the fiscal year were \$13.2 million, which was under budget by \$2.1 million. Total FY 2023 proceeds were \$108.4 million, which was ahead of budget by \$34.5 million.

FY24 BUDGET UPDATE

Wernimont stated there were no revisions or changes to the FY 2024 budget presented at the June board meeting.

POWERBALL DOUBLE PLAY UPDATE

Neubauer gave a presentation on a new feature being added to the Powerball game in Iowa called Double Play. This new feature allows players the chance to play – and win – with the same set of number in two drawings rather than just one. For an extra \$1 per play, Double Play can be added to a Powerball ticket. The numbers on that ticket are then eligible to win in the regular Powerball drawing and in a separate Double Play drawing that same night, with a fixed top cash prize of \$10 million. Iowa will be the 18th lottery to date that has added Double Play as an option. This new add-on option means there will now be two add-on options in Powerball - Double Play and Power Play.

PICK 3 AND PICK 4 GAME RULES UPDATE

Ransch stated that the Iowa Lottery previously had an agreement with the Indiana Lottery to conduct Pick 3 and Pick 4 drawings for Iowa. Reflecting that agreement, the game specific rules for Iowa's Pick 3 and Pick 4 currently state that drawings will be conducted by the Indiana Lottery or the Iowa Lottery.

In September 2022, the Lottery Board approved a contract with the Multi-State Lottery Association (MUSL) for MUSL to provide draw services in Iowa's Pick 3 and Pick 4 games. The Board has also previously approved a budget that incorporates an increase in expenses due to MUSL conducting the drawings in these two games.

Since approving the MUSL contract and the budget, the agreement with the Indiana Lottery has ended and MUSL has begun conducting the drawings in Pick 3 and Pick 4. The proposed amended rules remove reference to Indiana and align the rules more precisely with the MUSL agreement and the already-approved budget incorporating additional expenses for MUSL draw services.

Wingert moved to approve the Pick 3 and Pick 4 game rules updates. Junge seconded. Motion carried unanimously.

DEPARTMENT OF REVENUE CONSOLIDATED ADMINISTRATIVE RULES UPDATE

Neubauer discussed the Administrative Rules Review process being conducted by Administrative Rules Review Committee and state agencies. Initially, the Lottery had been given a timeline that the review process needed to be completed by 2025. But now that timeline has been moved up a year and the review will need to be completed by 2024. As the process moves forward, the Board will see a lot of updates and changes regarding the Lottery's administrative rules.

ADJOURNMENT

Rathje moved to adjourn. Wingert seconded. Motion carried unanimously.

Meeting adjourned at 11:37 a.m.



Iowa Lottery - Security Division

Activity Summary

09/19/2023 to 12/08/2023

Incident Type	Incident Report	67
	Case Report	22
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Contact Reasons	Burglary	2
	Employee Theft	4
	Fraud/Forgery	9
	Missing Packs/Tickets	4
	Other	7
	Player Assist	17
	Promotional Draw	5
	Quality Control Tickets	7
	Region Assist	1
	Retailer Assist	1
	Theft	12
	Ticket Re-construction	8
	Underage/Juvenile	1
	Validations	11
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Retailer Inspections		117

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2024
October 31, 2023

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2024	30,805,612	32,254,825	29,662,368	34,235,499	29,815,250	33,747,250	39,247,779	30,367,165	36,024,531	34,061,624	35,357,766	32,105,331
	Actual '24	49,622,689	45,383,189	38,382,065	44,439,178	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	19,925,094	18,485,080	20,946,784	18,717,266	20,951,463	24,036,531	19,101,157	22,369,845	21,455,399	22,173,695	20,137,394
	Actual '24	31,264,114	27,582,044	24,938,776	29,349,141	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	1,356,045	1,253,388	1,319,781	1,327,199	1,264,230	1,385,479	1,299,306	1,317,229	1,315,860	1,435,422	1,287,657
	Actual '24	1,108,707	1,176,130	1,075,057	1,102,678	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	5,671,274	5,564,173	6,837,098	5,624,045	5,324,915	8,147,197	6,100,617	5,884,057	6,576,522	6,751,368	5,850,990
	Actual '24	11,582,796	11,022,157	8,226,480	9,363,309	-	-	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2024	30,805,612	63,060,437	92,722,805	126,958,304	156,773,554	190,520,804	229,768,583	260,135,748	296,160,279	330,221,903	365,579,669	397,685,000
	Actual '24	49,622,689	95,005,878	133,387,943	177,827,121	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	39,222,386	57,707,466	78,654,250	97,371,516	118,322,979	142,359,510	161,460,667	183,830,512	205,285,911	227,459,606	247,597,000
	Actual '24	31,264,114	58,846,158	83,784,934	113,134,075	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	2,609,598	3,862,986	5,182,767	6,509,966	7,774,196	9,159,675	10,458,981	11,776,210	13,092,070	14,527,492	15,815,149
	Actual '24	1,108,707	2,284,837	3,359,894	4,462,572	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	12,197,502	17,761,675	24,598,773	30,222,818	35,547,733	43,694,930	49,795,547	55,679,604	62,256,126	69,007,494	74,858,484
	Actual '24	11,582,796	22,604,953	30,831,433	40,194,742	-	-	-	-	-	-	-	-

Current Month Year to Date

Prize Payout - Budget	61.18%	61.95%
Prize Payout - Actual	66.04%	63.62%
Sales - Actual increase (decrease) vs. Budget		40.07%
Proceeds - Actual increase (decrease) vs. Budget		63.40%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2024

		October 31, 2023											
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2024	30,805,612	32,254,825	29,662,368	34,235,499	29,815,250	33,747,250	39,247,779	30,367,165	36,024,531	34,061,624	35,357,666	32,105,331
	5-year av.	34,478,110	31,707,549	31,348,986	37,608,289	35,189,488	35,444,862	42,534,974	32,553,218	36,699,073	36,074,266	37,548,725	34,740,053
	Actual '23	44,238,093	33,672,563	32,852,383	41,842,932	51,431,952	38,825,335	48,866,615	36,473,073	38,310,222	38,122,584	38,784,997	38,112,394
	Actual '24	49,622,689	45,383,189	38,382,065	44,439,178	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	19,925,094	18,485,080	20,946,784	18,717,266	20,951,463	24,036,531	19,101,157	22,369,845	21,455,399	22,173,695	20,137,394
	5-year av.	21,465,762	20,442,425	19,759,085	23,297,414	21,558,920	23,973,507	25,721,798	20,024,591	23,963,967	22,919,840	23,851,068	22,342,258
	Actual '23	26,916,442	22,393,790	20,901,296	26,033,469	30,638,674	26,052,121	29,653,328	22,648,421	24,481,549	25,532,109	25,078,500	24,924,491
	Actual '24	31,264,114	27,582,044	24,938,776	29,349,141	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	1,356,045	1,253,388	1,319,781	1,327,199	1,264,230	1,385,479	1,299,306	1,317,229	1,315,860	1,435,422	1,287,657
	5-year av.	1,068,851	1,104,636	1,109,536	1,140,162	1,122,757	1,084,799	1,140,306	1,044,808	1,135,785	1,093,075	1,143,678	1,104,703
	Actual '23	1,039,787	1,254,852	1,196,388	1,151,290	1,184,160	1,121,173	1,199,194	1,145,077	1,195,753	1,074,336	1,244,370	412,524
	Actual '24	1,108,707	1,176,130	1,075,057	1,102,678	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	5,671,274	5,564,173	6,837,098	5,624,045	5,324,915	8,147,197	6,100,617	5,884,057	6,576,522	6,751,368	5,850,990
	5-year av.	8,252,705	6,121,261	7,113,346	9,358,544	8,515,236	6,584,106	11,095,842	7,856,942	7,432,627	8,294,713	8,517,010	7,359,985
	Actual '23	11,122,326	5,376,525	7,103,656	10,283,720	14,041,170	7,426,090	12,906,031	8,276,147	8,765,814	7,410,123	8,308,957	7,397,814
	Actual '24	11,582,796	11,022,157	8,226,480	9,363,309	-	-	-	-	-	-	-	-

YEAR TO DATE

Gross Sales	Budget FY 2024	30,805,612	63,060,437	92,722,805	126,958,304	156,773,554	190,520,804	229,768,583	260,135,748	296,160,279	330,221,903	365,579,669	397,685,000
	5-year av.	34,478,110	66,185,659	97,534,645	135,142,934	170,332,422	205,777,284	248,312,258	280,865,476	317,564,549	353,638,815	391,187,540	425,927,593
	Actual '23	44,238,093	77,910,656	110,763,039	152,605,971	204,037,923	242,863,258	291,729,873	328,202,946	366,513,168	404,635,752	443,420,749	481,533,143
	Actual '24	49,622,689	95,005,878	133,387,943	177,827,121	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	39,222,386	57,707,466	78,654,250	97,371,516	118,322,979	142,359,510	161,460,667	183,830,512	205,285,911	227,459,606	247,597,000
	5-year av.	21,465,762	41,908,187	61,667,272	84,964,686	106,523,606	130,497,113	156,218,911	176,243,502	200,207,469	223,127,309	246,978,377	269,320,635
	Actual '23	26,916,442	49,310,232	70,211,528	96,244,997	126,883,671	152,935,792	182,589,120	205,237,541	229,719,090	255,251,199	280,329,699	305,254,190
	Actual '24	31,264,114	58,846,158	83,784,934	113,134,075	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	2,609,598	3,862,986	5,182,767	6,509,966	7,774,196	9,159,675	10,458,981	11,776,210	13,092,070	14,527,492	15,815,149
	5-year av.	1,068,851	2,173,487	3,283,023	4,423,185	5,545,942	6,630,741	7,771,047	8,815,855	9,951,640	11,044,715	12,188,393	13,293,096
	Actual '23	1,039,787	2,294,639	3,491,027	4,642,317	5,826,477	6,947,650	8,146,844	9,291,921	10,487,674	11,562,010	12,806,380	13,218,904
	Actual '24	1,108,707	2,284,837	3,359,894	4,462,572	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	12,197,502	17,761,675	24,598,773	30,222,818	35,547,733	43,694,930	49,795,547	55,679,604	62,256,126	69,007,494	74,858,484
	5-year av.	8,252,705	14,373,966	21,487,312	30,845,856	39,361,092	45,945,198	57,041,040	64,897,982	72,330,609	80,625,322	89,142,332	96,502,317
	Actual '23	11,122,326	16,498,851	23,602,507	33,886,227	47,927,397	55,353,487	68,259,518	76,535,665	85,301,479	92,711,602	101,020,559	108,418,373
	Actual '24	11,582,796	22,604,953	30,831,433	40,194,742	-	-	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	61.18%	61.95%
Prize Payout - 5-Year Average	61.95%	62.87%
Prize Payout - Actual	66.04%	63.62%
Sales - Actual increase (decrease) vs. 5-Year Average		31.58%
Proceeds - Actual increase (decrease) vs. 5-Year Average		30.31%
Sales - Actual increase (decrease) vs. Budget		40.07%
Proceeds - Actual increase (decrease) vs. Budget		63.40%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Quarter Ending Saturday, September 30, 2023

	<u>Qtr Ended 9/30/2023</u>	<u>Year to Date 2024</u>
Operating revenues:		
Instant-scratch ticket sales	\$73,835,603.00	\$73,835,603.00
InstaPlay sales	6,715,917.00	6,715,917.00
Pick 3 sales	2,260,564.00	2,260,564.00
Powerball sales	24,253,148.50	24,253,148.50
Mega Millions Sales	17,623,015.00	17,623,015.00
Pick 4 sales	1,441,078.50	1,441,078.50
Lucky for Life sales	2,214,614.00	2,214,614.00
Lotto America sales	2,020,406.00	2,020,406.00
Pull-tab sales	3,023,596.99	3,023,596.99
Application fees	1,075.00	1,075.00
Other	1,752.95	1,752.95
Total operating revenues	<u>133,390,770.94</u>	<u>133,390,770.94</u>
Operating expenses:		
Scratch ticket prizes	51,862,414.00	51,862,414.00
InstaPlay prizes	4,564,300.53	4,564,300.53
Pick 3 prizes	1,356,338.40	1,356,338.40
Powerball prizes	12,112,233.65	12,112,233.65
Mega Millions prizes	8,811,507.50	8,811,507.50
Pick 4 prizes	864,647.10	864,647.10
Lucky for Life prizes	1,316,222.68	1,316,222.68
Lotto America prizes	1,010,203.00	1,010,203.00
Pull-tab prizes	1,887,066.18	1,887,066.18
Advertising/publicity	3,535,095.00	3,535,095.00
Retailer compensation expense	8,670,994.77	8,670,994.77
Ticket expense	701,343.66	701,343.66
Vendor compensation expense	2,135,548.55	2,135,548.55
Salary and benefits	2,646,304.61	2,646,304.61
Travel	71,590.11	71,590.11
Supplies	15,925.72	15,925.72
Postage	999.85	999.85
Communications	54,268.26	54,268.26
Rentals	27,381.80	27,381.80
Utilities	26,519.00	26,519.00
Professional fees	24,458.25	24,458.25
Vending machine maintenance	76,749.98	76,749.98
Outside services and repairs	324,735.99	324,735.99
Data processing	34,753.10	34,753.10
Equipment	59,904.76	59,904.76
Reimbursement to other state agencies	106,562.84	106,562.84
Depreciation	123,204.22	123,204.22
Amortization	137,654.10	137,654.10
MUSL/Lotto administrative expense	29,994.89	29,994.89
Debit card fees	64,645.25	64,645.25
Other	15,060.63	15,060.63
Total operating expenses	<u>102,668,628.38</u>	<u>102,668,628.38</u>
Operating income	<u>30,722,142.56</u>	<u>30,722,142.56</u>
Non-operating revenue (expenses):		
Proceeds to state causes	(30,831,432.62)	(30,831,432.62)
Interest income	322,530.97	322,530.97
Interest expense	(8,267.72)	(8,267.72)
Gain (Loss) on disposal of capital assets	23,155.00	23,155.00
Net non-operating revenues (expenses)	<u>(30,494,014.37)</u>	<u>(30,494,014.37)</u>
Change in net position	228,128.19	228,128.19
Net position beginning of period	6,908,834.45	6,908,834.45
Net position end of period	<u><u>7,136,962.64</u></u>	<u><u>7,136,962.64</u></u>

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Four Months Ending Tuesday, October 31, 2023

	Month ended 10/31/2023	Month ended 10/31/2022	Year-to-date 10/31/2023	Year-to-date 10/31/2022
Operating revenues:				
Instant-scratch ticket sales	\$24,528,671.00	\$22,188,316.00	\$98,364,274.00	\$88,893,234.00
InstaPlay sales	2,184,502.00	2,394,079.00	8,900,419.00	8,416,011.00
Pick 3 sales	751,033.00	748,740.00	3,011,597.00	3,057,601.50
Powerball sales	11,852,661.50	11,174,704.00	36,105,810.00	20,950,789.00
Mega Millions Sales	2,103,420.00	2,124,896.00	19,726,435.00	18,751,791.00
Pick 4 sales	492,499.50	496,228.50	1,933,578.00	1,956,600.50
Lucky for Life sales	743,742.00	715,314.00	2,958,356.00	2,838,530.00
Lotto America sales	573,795.00	1,035,021.00	2,594,201.00	3,587,153.00
Pull-tab sales	1,208,853.85	965,633.98	4,232,450.84	4,154,260.96
Application fees	700.00	550.00	1,775.00	1,950.00
Other	766.17	287.12	2,519.12	2,374.03
Total operating revenues	<u>44,440,644.02</u>	<u>41,843,769.60</u>	<u>177,831,414.96</u>	<u>152,610,294.99</u>
Operating expenses:				
Scratch ticket prizes	18,344,689.57	15,391,132.01	70,207,103.57	60,902,145.01
InstaPlay prizes	1,793,623.62	1,580,480.60	6,357,924.15	6,195,417.50
Pick 3 prizes	450,619.80	449,244.00	1,806,958.20	1,834,560.90
Powerball prizes	5,927,890.50	5,595,158.50	18,040,124.15	10,418,093.39
Mega Millions prizes	1,051,710.00	1,083,698.38	9,863,217.50	9,394,722.88
Pick 4 prizes	295,499.70	388,770.30	1,160,146.80	1,411,450.10
Lucky for Life prizes	442,031.89	425,136.14	1,758,254.57	1,687,037.76
Lotto America prizes	286,897.50	517,510.50	1,297,100.50	1,793,576.50
Pull-tab prizes	756,178.73	602,338.92	2,643,244.91	2,607,993.49
Advertising/publicity	863,962.89	911,642.59	4,399,057.89	3,623,935.19
Retailer compensation expense	2,884,544.09	2,722,736.52	11,555,538.86	9,898,554.24
Ticket expense	310,892.04	220,128.24	1,012,235.70	1,036,425.97
Vendor compensation expense	725,755.91	652,159.19	2,861,304.46	2,368,553.05
Salary and benefits	870,073.79	851,452.13	3,516,378.40	3,572,055.57
Travel	20,456.38	26,483.68	92,046.49	125,515.01
Supplies	6,093.58	5,238.93	22,019.30	39,374.61
Printing	40.00	258.58	40.00	326.08
Postage	276.58	371.43	1,276.43	1,590.15
Communications	17,850.09	17,096.94	72,118.35	60,294.84
Rentals	8,531.23	11,641.70	35,913.03	39,649.59
Utilities	3,226.67	4,046.08	29,745.67	32,188.09
Professional fees	8,922.25	9,097.58	33,380.50	31,094.58
Vending machine maintenance	25,230.00	22,848.00	101,979.98	91,392.00
Outside services and repairs	165,705.57	123,476.35	490,441.56	504,060.97
Data processing	11,666.93	12,512.89	46,420.03	50,049.15
Equipment	6,491.80	70,172.32	66,396.56	119,320.07
Reimbursement to other state agencies	37,094.03	36,142.94	143,656.87	142,423.81
Depreciation	40,738.83	46,931.52	163,943.05	191,819.53
Amortization	45,884.70	45,884.70	183,538.80	181,107.96
MUSL/Lotto administrative expense	13,226.56	9,002.97	43,221.45	35,335.32
Debit card fees	23,251.36	12,233.05	87,896.61	36,658.25
Other	4,504.75	4,893.75	19,565.38	20,727.06
Total operating expenses	<u>35,443,561.34</u>	<u>31,849,921.43</u>	<u>138,112,189.72</u>	<u>118,447,448.62</u>
Operating income	<u>8,997,082.68</u>	<u>9,993,848.17</u>	<u>39,719,225.24</u>	<u>34,162,846.37</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(9,363,308.79)	(10,283,719.81)	(40,194,741.41)	(33,886,227.05)
Interest income	60,309.52	35,147.93	382,840.49	88,381.82
Interest expense	(2,447.63)	(2,960.05)	(10,715.35)	(11,525.26)
Gain (Loss) on disposal of capital assets	7,580.00	-	30,735.00	-
Net non-operating revenues (expenses)	<u>(9,297,866.90)</u>	<u>(10,251,531.93)</u>	<u>(39,791,881.27)</u>	<u>(33,809,370.49)</u>
Change in net position	<u>(300,784.22)</u>	<u>(257,683.76)</u>	<u>(72,656.03)</u>	<u>353,475.88</u>
Net position beginning of period	7,136,962.64	6,179,501.76	6,908,834.45	5,568,342.12
Net position end of period	<u>6,836,178.42</u>	<u>5,921,818.00</u>	<u>6,836,178.42</u>	<u>5,921,818.00</u>