

A G E N D A
IOWA LOTTERY BOARD
September 29, 2009
10:30 a.m.

1. Call to Order
Approval of Minutes
2. Monthly Reports
 - a. Security
 - b. Financial
 - c. Marketing and Sales
3. CEO Update
 - a. ILOT Priorities
 - b. Federal Legislation
 - c. New Games
 - d. Request for Proposals
 - e. Bottom Line Challenge
 - f. Overview of Lottery Trends
4. Fiscal Policy Changes
5. 2011 Budget
6. Contract Extensions
 - a. Instant Tickets
 - b. Vending Machine Maintenance
 - c. Marketing Research
7. ***Closed Session***
 - a. Personnel
 - b. Litigation Update
8. Election of Officers

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 515-725-7870, or if you are hearing impaired, call Relay TTY at 1-800-735-2942.

MINUTES
IOWA LOTTERY BOARD
May 27, 2009

The Iowa Lottery Board convened at 10:05 a.m. at Lottery Headquarters in Des Moines, Chairperson Junge presiding. Board members present: Elaine Baxter, Mary Junge, Michael Klappholz, Thomas Rial, Brad Schroeder, Michael Fitzgerald.

Lottery staff present: Terry Rich, CEO; Kenneth Brickman, Executive Vice President; Brenda Loy, Chief Financial Officer; Joe Hrdlicka, Vice President for Marketing; Larry Loss, Vice President for Sales; Mary Neubauer, Vice President for External Relations; John Ellison, Security Investigator; Evelyn Halterman, IT Manager; Therese Spaulding, Validations Manager; Sally Robson, Advertising Manager; Marci Tooman, Assistant Vice President for Legal Affairs; David Van Compennolle, Assistant Attorney General; Barbara DeHeck, secretary. Participating by telephone: Joe Diaz, Vice President for Security.

Others present: David Berger (Scientific Games), Bill Petroski (Des Moines Register), Jeff Burnham (Ombudsman's office).

Minutes

Baxter moved to approve the minutes of the March 25, 2009 meeting. The motion was seconded by Klappholz and carried unanimously.

Monthly Reports

Written security, financial, and marketing/sales reports were included in the agenda package. Staff members reviewed the information and responded to questions from Board members.

Diaz indicated he was attending a conference involving 35 lotteries from all over the world, addressing ways to be proactive in conducting compliance checks. He reported that the compliance checks conducted since he began as head of lottery security had shown 100 percent compliance, with some room for improvement in enforcement of the signature requirement. He said the Lottery would continue to educate retailers in that regard. He reported that the new security database had been up and running for about a week. The new database was searchable by date, time, location, and many other factors.

Loy noted that financial reports for March and April were included in the agenda package. She said transfers to the state general fund were a little ahead of the previous year, but slightly behind the Lottery's budget projection.

A budget amendment for fiscal year 2010 (Attachment A) was also included in the agenda. Loy noted that, as in past years, the initial budget approved by the Board did not include money for salary adjustments. She said \$27,000 was needed for step increases, which would apply to about 20 employees, the remainder of the staff having reached the top of their pay range, and for increases in health insurance costs. Adjustments were also made to some individual line items to provide funding to more closely match actual anticipated expenses related to building repairs, IT equipment and software needs. The amendment also reflected the fact that funds previously sent to the Iowa gambling treatment fund would now be included in transfers to the general fund. Recent legislation had eliminated the specific fund, while leaving the gambling treatment program itself intact.

Schroeder moved to approve the proposed budget amendment. The motion was seconded by Rial and carried unanimously.

Hrdlicka said the Midwest Millions \$10 scratch ticket game continued to be very popular, and Lottery staff had begun working with the Kansas Lottery on another joint game to begin later in the year. He said the Keep Your Ticket Handy promotion continued, with great promotional value, and showed the latest television spots.

Rich reported that the "Big Beepin' Deal" promotion, in which every twentieth player making a \$5 Powerball with Power Play purchase won \$20, was so successful it was extended for an additional week. However, due to an error on the part of Scientific Games (SGI), the promotion was not in effect for the first two and one-half days of that week. Working with SGI, Lottery staff had decided that, in fairness, anyone who made a qualifying purchase during that time period should receive \$20. SGI had stepped forward to say it would fund the payments and the administrative cost.

Fitzgerald said he thought the situation was handled very well, with good media coverage.

Klappholz said he was impressed with how quickly Lottery staff and SGI had acted, adding that it reflected well on their working relationship.

Schroeder moved to approve the monthly reports. The motion was seconded by Baxter and carried unanimously.

CEO Update

MegaMillions/Powerball. Rich reported that some states wanted to cross-sell both of the multi-state games. He indicated the Powerball Group had begun preliminary discussions, and the Lottery Board would be kept informed of any further developments.

Federal Legislation. Brickman outlined the provisions of a bill introduced in Congress which would establish standards for the regulation of internet gambling in the U.S., noting that it contained a provision for states to opt out of internet gambling. Rich indicated the staff would continue to monitor the situation and keep the Board members informed.

Request for Proposals – Battelle. Rich reviewed the timeline for the on-line system RFP process, noting that the goal was to have a new system in operation in July of 2010.

Brickman requested Board approval to contract with Battelle Memorial Institute to advise and assist the Lottery's RFP evaluation team. He indicated Battelle, a not-for-profit organization, was the only firm possessing the needed technical expertise and experience, having worked in the lottery industry since 1979 and with on-line gaming systems since 1984. Every lottery which Battelle had assisted had been able to withstand any challenge to its procurement. Brickman noted that the Iowa Lottery had utilized Battelle's services in procuring its current online system. A proposed contract, subject to possible minor, non-substantive changes, was provided for the Board's review. Brickman said total costs were anticipated to be \$25,000 or less.

Rial moved to approve the technical services agreement with Battelle in an amount to up \$25,000. The motion was seconded by Schroeder and carried unanimously.

Casino Expansion. Rich noted that there had been recent media reports regarding anticipated requests to establish new casinos in the state. Neubauer reviewed past gaming expansions and their effect on lottery sales. Rich indicated the staff would continue to inform the Board of any further developments. He said the Lottery was not taking a stance either for or against casino expansion.

Security/Dateline NBC. Rich reported that Iowa had seen none of the retailer abuses that *Dateline NBC* had reported from other states and Canada. As Diaz had indicated earlier, the Iowa Lottery continued to conduct comprehensive compliance checks

Ombudsman Report and Discussion

Rich noted that a copy of his response to the recent report issued by the State Ombudsman's office was included in the agenda package. He said that he and the Lottery staff were engaged in continuing dialog with the Ombudsman's office and believed they had a good working relationship. The report, issued on March 27, acknowledged that "the vast majority of Iowa retailers and clerks are honest, reputable and do not engage in fraud or theft." Rich said all of the recommendations presented in the report had been considered by the Lottery in the past and many had already been implemented or were in planning stages.

The Lottery, however, disagreed with some of the recommendations because of cost-benefit factors, personal or game security concerns, or undue governmental intrusion. He said he would like to review several of those issues, to be certain the Board members were in agreement and to obtain their input.

Rich noted that one recommendation was that "The Lottery should develop and install a musical jingle to help cue customers that their ticket is a winner..." He said the staff was looking into ways to address that recommendation while maintaining player security and cost effectiveness. Klappholz suggested that new technology might be available to alert only the player. Rich concurred, noting that the staff continued to investigate new alternatives.

Rich noted that the installation of ticket checkers for players' use had been discussed in considerable detail at the July 17, 2008, meeting when the Board approved the final renewal option for the online contract with Scientific Games. It was decided not to implement them at that time, since it would have taken nine months to have them fully activated, at a cost of nearly \$1 million, when an entirely new system would be installed a year later. Loss added that the system proposed at that time would only check online tickets. With the new system currently out to bid, the Lottery hoped to incorporate devices that would also check instant tickets.

Rich said another issue in question was the instances where the Lottery discovered employee ticket theft but the store owner or local law enforcement officials chose not to file charges. In such cases, did the Lottery have an obligation to pursue the matter further, given that it does not have police powers?

Fitzgerald asked about the suggestion that retail clerks not be permitted to purchase tickets at their place of employment. Rich said enforcement would be difficult, as well as involving undue governmental intrusion; employees were allowed to purchase all other items sold by their employers. Rial said he would be opposed to such a policy.

Burnham said the Ombudsman's office did not expect that everyone would agree with everything in the report. He complimented Diaz on the development of the new electronic database, one of the recommendations. He said the recommendations did not include a ban on people purchasing tickets at their own store. To clarify, he noted that in one instance cited where a clerk had claimed multiple winnings, the report was not suggesting there was necessarily criminal fraud, but rather pointing out that those prize claims had not been investigated. On the issue of suspected violations, the concern was not with cases the local police chose not to prosecute, but rather with violations that were noted in the files where police were not consulted.

Baxter pointed out that in other states the problem had not been with clerks playing, but with clerks taking customers' winning lottery tickets and claiming the prizes.

Rich indicated that once tickets were delivered to a store, the retailer owned them, and ticket theft then became a crime against the store owner. He said the staff would continue to examine the philosophical issue as to whether and to what extent the Lottery should pursue restitution in such cases.

Klappholz expressed concern about the ability to charge someone in instances in which local law enforcement or the county attorney did not have the resources to pursue the case, or chose not to do so.

Rial noted that in many of the report's citations, the problem was with law enforcement or the judiciary, and many of the issues needed to be addressed to the Legislature rather than to the Lottery. He suggested that the Lottery should focus on administrative oversight and providing evidence to law enforcement, and not undertake further measures beyond its authority.

Junge said she was satisfied that the Lottery took the report seriously and was working to make its operation the best it could be. She said the discussion had been good and would be continued at future meetings.

Burnham thanked the Board members for their comments.

Advertising Agency Contract Extensions

Robson requested Board approval for a one-year extension of the contracts with Integer Group Midwest for creative services and with Strategic America for media planning and buying. She noted that the extension, covering fiscal year 2010, was the second of four one-year extension options available under the current contracts. Robson said both agencies had provided exemplary service

Rial moved to extend the advertising agency contracts for an additional year. The motion was seconded by Klappholz and carried unanimously.

Personnel

Brickman noted that state employees would not receive cost of living increases for the coming fiscal year, but those eligible under the state merit system would receive step increases. Board approval was required for any salary adjustments for individuals designated as key employees. He indicated that of the Lottery's nine key employees, one would transfer to another agency at the beginning of the fiscal year, two had been recently hired or promoted and the Board had approved their salaries for the coming year, and three had reached the top of their salary range. Of remaining three, Mary Neubauer and Larry Loss were each eligible for an increase of 19 cents per pay period to bring them to the top of their pay range, and Marci Tooman was eligible for an increase of \$5.60 per pay period. The increases, if approved, would cost a total of \$155.48 for fiscal year 2010.

Baxter moved to approve the salary increases as presented. The motion was seconded by Schroeder and carried unanimously.

Litigation (Closed Session)

Junge announced that the office of the Attorney General was prepared to consult with the Board on the status of pending litigation and that the briefing should be conducted in closed session as provided in Iowa Code chapter 21.5(1)(c) which provided for closed session to discuss strategy with counsel in matters presently in litigation or where litigation was imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.

Baxter moved to go into closed session pursuant to Iowa Code chapter 21.5(1)(c). The motion was seconded by Rial and carried by a unanimous roll-call vote.

The Board convened in closed session at 12:02 p.m. At 12:18 p.m. the Board returned to open session upon a motion by Rial, seconded Baxter, and carried by a unanimous roll-call vote. No action was taken in closed session.

Rial moved to increase by up to \$75,000 the fees to be paid to the Attorney General's office. The motion was seconded by Klappholz and carried unanimously.

There being no further business, the meeting adjourned at 12:20 p.m.

Budget for Lottery Fund

	2010 ORIGINAL BUDGET	2010 PROPOSED AMENDED BUDGET
Resources		
Lottery Sales	245,330,000	245,430,000
Interest	570,000	570,000
Application Fees	5,000	5,000
Other -	5,000	5,000
Total Resources	245,910,000	246,010,000
Expenditures		
Prizes	137,539,184	137,597,684
Retailer Compensation	15,080,000	15,086,000
Marketing, Education and Information	9,813,200	9,817,200
Retailer Lottery System	7,762,000	7,765,000
Instant/PT Ticket Expense	2,496,000	2,497,000
Terminal Communications	425,000	425,000
Terminal equipment/Ticket dispensers	100,000	100,000
PTVM/ITVM Servicing	525,000	525,000
Interest Expense (ITVM/PTVM/BUILDING)	50,000	50,000
Depreciation Expense (ITVM/PTVM/BUILDING)	745,807	745,807
Refunds/Other	2,100	2,100
Lottery Operations	11,686,616	11,713,616
Total Expenditures	186,224,907	186,324,407
Net Income		
Prior to Net Asset Change	59,685,093	59,685,593
Increase (decrease) in net assets	(645,807)	(645,807)
After Net Asset Change	60,330,900	60,331,400
Transfers		
Proceeds Transfer	56,090,040	56,090,040
Veterans Transfer	3,011,310	3,011,310
Gamblers Treatment Transfer	1,229,550	1,230,050
Total Expenditures, Transfers & Change in Net Assets	245,910,000	246,010,000

Lottery Operations - Budget Detail

	2010 BOARD APPROVED BUDGET	2010 PROPOSED AMENDED BUDGET
Personnel - Salaries	9,307,541	9,334,541
Personnel -Travel in State	110,000	105,000
State Vehicle Operation	355,000	285,000
Vehicle Depreciation	170,010	110,010
Personnel -Travel out of State	40,000	40,000
Office Supplies	90,000	85,000
Facility Maintenance Supplies	15,000	15,000
Other Supplies	1,000	5,000
Printing and Binding	18,000	10,000
Postage	5,000	5,000
Communications	115,000	110,000
Rentals	280,000	240,000
Utilities	116,515	101,515
Prof & Scientific Services	96,190	136,190
Outside Services	118,060	76,730
Outside Repairs	100,000	300,000
Attorney General	160,000	140,000
Auditor of State	80,000	80,000
Reimbursement to Other Agencies	202,000	172,000
ITS Reimbursement	40,000	40,000
Equipment	20,000	20,000
Equipment Non Inventory	25,000	20,000
IT Equipment (Inventory, non-inventory)	70,000	150,330
Other Expenses	150,000	130,000
Fees	2,300	2,300
Total Lottery Operations	11,686,616	11,713,616
2010 APPROVED BUDGET		11,686,616
SALARY ADJUSTMENT		27,000
2010 AMENDED BUDGET REQUEST		11,713,616

Increase (Decrease) In Net Assets

	2010 ORIGINAL BUDGET	2010 PROPOSED AMENDED BUDGET
Bonds payment	100,000	100,000
Depreciation Expense (ITVM/PTVM/BUILDING)	(745,807)	(745,807)
Other adjustments - capital assets	-	-
Total Change in Net Assets	(645,807)	(645,807)

**SECURITY REPORT
MAY 2009**

INVESTIGATIONS

2 Thefts

EVENTS

Provide Security for the \$100,000.00 Cash Game and all second chance and promotional drawings. Total 27 drawings.

WAREHOUSING AND DISTRIBUTION

See attached report

MISCELLANEOUS

24 Assist Validation Department
04 Days monitoring production of pull-tabs.
13 Law enforcement contacts.

TOTAL RETAILERS

2432

**SECURITY REPORT
JUNE 2009**

INVESTIGATIONS

1 Theft

EVENTS

Provide Security for the \$100,000.00 Cash Game and all second chance and promotional drawings. Total 28 drawings.

WAREHOUSING AND DISTRIBUTION

See attached report.

MISCELLANEOUS

21 Assist Validation Department.
04 Days monitoring production of pull-tabs.
04 Days monitoring production of instant tickets.
11 Law enforcement contacts.

TOTAL RETAILERS

2439

SECURITY REPORT JULY 2009

INVESTIGATIONS

Cases Opened: 2 Types: 2 Thefts
Cases Closed: 0
Record of Contact: 5

EVENTS

Provide Security for the \$100,000.00 Cash Game and all second chance and promotional drawings. Total 27 drawings.

WAREHOUSING AND DISTRIBUTION

See attached report.

MISCELLANEOUS

28 Assist Validation Department
04 Days monitoring production of pull-tabs.
10 Days monitoring production of Instant tickets.
13 Law enforcement contacts.

Total Retailers

2448 Active

Date: July 29th, 2009

To: Joe Diaz
Vice President Security

From: Kevin Jones
Central Warehouse

Re.: **WAREHOUSING & DISTRIBUTION – JULY 2009**

WAREHOUSING

1. Received and stored the following Instant Games:

Game # 647	Cash Splash
Game # 648	10K Pay Day
Game #654	Fabulous Fortune
Game # 655	Cash Vault
Game # 656	Crossword

2. Received and stored the following Pull-Tab Games:

Game # 30	Red White and Blue
Game # 31	Loot Pursuit
Game # 32	Deal with it

DISTRIBUTION

1. Shipped Tickets, Marketing materials and supplies to all Regional Distribution Centers as required.

MISCELLANEOUS

1. Made a trip to Milwaukee Paper Board.

SECURITY REPORT AUGUST 2009

INVESTIGATIONS

1 Large Scale Retailer Compliance Check (Operation Starburst)
See Attachment.

Cases Opened: 2 Types: 1 Theft - 1 Altered
Cases Closed: 0
Record of Contact: 12

EVENTS

Provide Security for the \$100,000.00 Cash Game and all second chance
and promotional drawings. Total 27 drawings.

WAREHOUSING AND DISTRIBUTION

See attached report.

MISCELLANEOUS

28 Assist Validation Department
04 Days monitoring production of pull-tabs.
04 Days monitoring production of Instant tickets.
16 Law enforcement contacts.

Total Retailers

2448 Active

Date: August 26, 2009

To: Joe Diaz
Vice President Security

From: Kevin Jones
Central Warehouse

Re.: **WAREHOUSING & DISTRIBUTION – AUGUST 2009**

1. Received and stored the following Instant Games:

Game # 649 – BlackJack
Game # 650 - Flying Aces
Game # 651 – Midwest Millions
Game # 652 – Harvest Moon
Game # 653 – Roll’Em

2. Received and stored the following Pull-Tab Game:

Game # 33 – Fantastic Fortunes

DISTRIBUTION

Shipped tickets, marketing materials and supplies to all Regional Distribution Centers as required.

Operation Starburst Activity Summary August 5, 2009

Days active: Two (2) August 3-4, 2009.

Hours worked: 122.0 from 7am – 11:30pm

Miles Driven: 3,632

Personnel: Four (4) Lottery Investigators
Four (4) DCI Special Agents

Retailers Checked: 217 in 82 Cities and Towns: Leon, Corydon, Centerville, Keosauqua, Bonaparte, Brighton, Fairfield, Eldon, Ottumwa, Albia, Chariton, Lucas, Indianola, Williamsburg, North English, Wellman, Iowa City, Oskaloosa, Pella, Prairie City, Colfax, Mitchellville, Altoona, Washington, Sigourney, Monroe, Solon, Mount Vernon, Cedar Rapids, Anamosa, Dubuque, Maquoketa, Clinton, Princeton, Le Claire, Bettendorf, Davenport, Muscatine, Wapello, Mediapolis, Burlington, West Burlington, Mount Pleasant, Des Moines, Perry, Jefferson, Carroll, Storm Lake, Alta, Le Mars, Sioux City, Council Bluffs, Hampton, Rockwell, Mason City, Clear Lake, Dumont, Cedar Falls, Waterloo, Holland, Grundy Center, Toledo, Traer, Newton, Grinnell, Marshalltown, Ankeny, Polk City, Cambridge, Maxwell, Nevada, Ames, Boone, Stratford, Lehigh, Fort Dodge, Otho, Humboldt, Algona, Britt, Garner.

Counties Visited: Forty-eight (48): Polk, Greene, Carroll, Buena Vista, Plymouth, Woodbury, Pottawattamie, Johnson, Linn, Jones, Dubuque, Jackson, Clinton, Scott, Muscatine, Louisa, Des Moines, Henry, Franklin, Cerro Gordo, Butler, Black Hawk, Grundy, Tama, Jasper, Poweshiek, Marshall, Story, Boone, Hamilton, Webster, Humboldt, Kossuth, Hancock, Decatur, Wayne, Appanoose, Van Buren, Washington, Jefferson, Wapello, Monroe, Lucas, Warren, Iowa, Mahaska, Marion, Keokuk.

Tickets intentionally retained by retailers: (0)

Transactions resulting in criminal charges: (0)

Signatures required by retailers: 141 (65% compliance ratio: 141/217)

Customer Receipts issued by retailers: 214 (99% compliance ratio: 214/217)

Proper Display of CDU: 216 (99% compliance ratio: 216/217)

Second and Third Time Signature Non-Compliant Retailers: (Pending calculation).

Executive Summary

Supplemental to Agenda - Security Report May through August 2009

INVESTIGATIONS:

- May** 1 retailer compliance check – 66 stores 100% ticket compliance
67% signature-required compliance
- 8 cases opened (4 theft cases)
1 case closed
15 records of contact
- June** 10 cases opened (8 theft 2 burglary)
16 cases closed
5 records of contact
- July** 8 cases opened (2 theft cases)
3 cases closed
5 records of contact
- August** 1 large scale retailer compliance check (Operation Starburst)
217 stores 100% ticket compliance 65% signature-required
compliance
- 5 cases opened (2 theft 1 altered ticket)
12 records of contact

ADDITIONAL:

On May 4, 2009 the new Lottery Security Database became operational. The new system includes expanded fields for identifying and documenting initial contact information, incident details, victim information, suspect information, stolen items, physical evidence, witness interviews, case resolution, links to retailer inspections and offset files, and investigation narratives.

The new system also features a much improved search capability and the flexibility to generate several administrative reports with ease. Currently, old system records have been entered back to 2003 and soon will be searchable back to 2002.



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Chester J. Culver • Governor
Patty Judge • Lt. Governor

Terry Rich • Chief Executive Officer

DATE: June 16, 2009
TO: Board Members of the Iowa Lottery Authority
FROM: Brenda Loy, Chief Financial Officer 

Attached are the financial statements for May 2009. During May, we had revenue of \$22,479,994. This sales level resulted in \$5,471,857 of proceeds payable to the State General Fund, \$139,233 of proceeds payable to the Veterans Trust Fund, and \$112,505 payable to the Gambler's Treatment Program.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

May 31, 2009

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		
Prior to Fiscal Year 2009	\$14,513,071	
Fiscal Year 2009		
Transferred	904,973	
Payable	219,473	
	<hr/>	15,637,517
Proceeds to the State General Fund:		
Prior to Fiscal Year 2009	\$895,703,116	
Fiscal Year 2009		
Transferred	41,110,477	
Payable	10,838,467	
	<hr/>	947,652,060
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2009	\$0	
Fiscal Year 2009		
Transferred	2,378,009	
Payable	312,074	
	<hr/>	2,690,083
Total		<hr/> \$1,185,966,026 <hr/>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED MAY 31, 2009

	Month ended May 31, 2009	Month ended May 31, 2008	Year-to-date May 31, 2009	Year-to-date May 31, 2008
OPERATING REVENUES				
Instant ticket sales	\$11,319,971	\$11,118,342	\$125,325,715	\$126,960,113
Pick 3 sales	567,638	544,193	6,006,050	5,860,480
Powerball sales	6,988,996	4,703,665	54,388,433	60,148,565
Hot Lotto sales	1,281,335	1,062,926	13,120,543	10,932,386
Pick 4 sales	230,305	200,994	2,349,081	2,135,651
\$100,000 Cash Game sales	339,847	371,920	3,785,945	3,970,331
Pull-tab sales	1,750,967	1,851,171	19,502,629	19,725,631
Application fees	250	375	3,480	4,725
Other revenue	685	1,757	45,411	40,010
Total operating revenues	22,479,994	19,855,343	224,527,287	229,777,892
OPERATING EXPENSES				
Instant Prize expense	6,962,706	6,858,803	75,681,992	79,830,270
Pick 3 prize expense	336,103	323,916	3,522,716	3,459,280
Powerball prize expense	3,435,893	2,303,988	26,265,105	29,006,765
Hot Lotto prize expense	627,932	517,407	6,422,910	5,289,681
Raffle Prize Expense	0		(10,500)	
Pick 4 prize expense	135,908	119,256	1,364,980	1,245,831
\$100,000 Cash Game prize expense	160,232	176,248	2,117,194	2,373,642
Pull-tab prize expense	1,100,690	1,159,610	12,251,088	12,342,102
Promotional prize expense	(38,428)	8,235	477,594	97,177
Advertising/Publicity	793,182	437,812	6,381,870	6,619,096
Retailer compensation expense	1,410,223	1,260,281	14,048,497	14,402,683
Ticket expense	232,951	213,705	2,483,784	2,225,154
Vendor compensation expense	714,346	648,038	7,181,506	7,215,664
Administrative Payroll	697,599	737,760	7,887,229	7,996,101
Travel	23,706	32,671	372,408	402,616
Supplies	4,036	5,719	94,417	103,045
Printing	636	240	7,082	15,977
Postage	354	11	3,572	3,128
Communications	37,723	36,961	515,428	514,272
Rentals	26,690	26,457	264,682	252,104
Utilities	5,219	7,369	97,553	109,058
Professional fees	3,081	12,659	113,106	74,259
Vending machine maintenance	40,798	41,021	449,055	451,474
Outside services and repairs	9,527	13,933	223,905	229,587
Data processing	3,755	3,316	37,725	34,927
Equipment	31,461	9,060	149,292	144,438
Reimbursement to other				

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED MAY 31, 2009

	Month ended May 31, 2009	Month ended May 31, 2008	Year-to-date May 31, 2009	Year-to-date May 31, 2008
state agencies	27,622	97,819	367,559	449,550
Depreciation	116,653	117,940	1,281,735	1,290,225
Other	11,411	26,277	161,683	153,346
Total operating expenses	16,912,009	15,196,512	170,215,167	176,331,452
Operating income (loss)	5,567,985	4,658,831	54,312,120	53,446,440
Interest Income	479	31,312	375,602	571,489
Interest expense	(4,105)	(9,578)	(45,155)	(105,362)
Income before transfers	5,564,359	4,680,565	54,642,567	53,912,567
Transfer to:				
Gambler's Treatment Program	(112,505)	(99,409)	(1,124,446)	(1,151,614)
Veterans Trust Fund	(139,233)		(2,690,083)	
State General Fund	(5,471,857)	(2,770,425)	(51,948,944)	(51,426,150)
Change in net assets	(159,236)	1,810,731	(1,120,906)	1,334,803
Net assets, beginning of period	4,706,111	3,878,451	5,667,781	4,354,379
Net assets, end of period	\$4,546,875	\$5,689,182	\$4,546,875	\$5,689,182

DATE: July 28, 2009

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for June 2009. During June, we had revenue of \$18,878,467. This sales level resulted in \$4,649,318 of proceeds payable to the State General Fund, \$93,294 of proceeds payable to the Veterans Trust Fund, and \$94,520 payable to the Gambler's Treatment Program.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

June 30, 2009
FINAL

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		
Prior to Fiscal Year 2009	\$14,513,071	
Fiscal Year 2009		
Transferred	904,973	
Payable	314,164	
	<hr/>	15,732,208
Proceeds to the State General Fund:		
Prior to Fiscal Year 2009	\$895,703,116	
Fiscal Year 2009		
Transferred	41,110,477	
Payable	15,440,315	
	<hr/>	952,253,908
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2009	\$0	
Fiscal Year 2009		
Transferred	2,378,009	
Payable	405,368	
	<hr/>	2,783,377
Total		<hr/> <hr/> \$1,190,755,859

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED JUNE 30, 2009
FINAL

	Month ended June 30, 2009	Month ended June 30, 2008	Year-to-date June 30, 2009	Year-to-date June 30, 2008
OPERATING REVENUES				
Instant ticket sales	\$10,942,840	\$10,957,735	\$136,268,555	\$137,917,848
Pick 3 sales	\$528,715	512,882	6,534,765	6,373,362
Powerball sales	\$3,831,770	3,612,459	58,220,203	63,761,024
Hot Lotto sales	\$1,209,067	792,030	14,329,610	11,724,416
Raffle sales	\$0	1,425,460	0	1,425,460
Pick 4 sales	\$206,157	179,818	2,555,237	2,315,469
\$100,000 Cash Game sales	\$327,362	321,602	4,113,307	4,291,933
Pull-tab sales	\$1,812,794	1,682,324	21,315,424	21,407,956
Application fees	\$200	425	3,680	5,150
Other revenue	\$20,038	7,953	65,449	47,962
Total operating revenues	18,878,943	19,492,688	243,406,230	249,270,580
OPERATING EXPENSES				
Instant Prize expense	6,164,628	6,077,414	81,846,620	85,907,684
Pick 3 prize expense	312,019	304,429	3,834,735	3,763,710
Powerball prize expense	1,853,035	1,743,013	28,118,140	30,749,779
Hot Lotto prize expense	592,804	379,029	7,015,713	5,668,710
Raffle prize expense	0	1,200,000	(10,500)	1,200,000
Pick 4 prize expense	108,607	106,830	1,473,587	1,352,661
\$100,000 Cash Game prize expense	154,282	151,724	2,271,476	2,525,366
Pull-tab prize expense	1,138,561	1,055,327	13,389,649	13,397,429
Promotional prize expense	8,326	7,059	485,921	104,236
Advertising/Publicity	625,748	688,433	7,007,617	7,307,529
Retailer compensation expense	1,250,143	1,247,749	15,298,641	15,650,431
Ticket expense	190,282	218,871	2,674,067	2,444,025
Vendor compensation expense	615,428	608,057	7,796,934	7,823,721
Administrative Payroll	871,977	1,439,010	8,759,206	9,435,111
Travel	32,468	40,829	404,876	443,445
Supplies	16,322	4,547	110,739	107,592
Printing	2,500	1,760	9,582	17,737
Postage	1,145	1,400	4,718	4,528
Communications	52,668	59,758	568,096	574,029
Rentals	25,572	25,069	290,254	277,173
Utilities	5,687	5,233	103,240	114,292
Professional fees	8,859	70,694	121,965	144,953
Vending machine maintenance	40,754	41,021	489,809	492,495
Outside services and repairs	(26,519)	34,564	197,386	264,151
Data processing	3,204	3,071	40,929	37,998
Equipment	55,306	10,987	204,598	155,425
Reimbursement to other	0			
state agencies	68,418	50,684	435,976	500,235
Depreciation	121,317	117,676	1,403,051	1,407,901
Other	(29,542)	(24,176)	132,141	129,169
MUSL administrative expense	0	0	0	0
Total operating expenses	14,263,999	15,670,062	184,479,166	192,001,515

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH AND YEAR ENDED JUNE 30, 2009
FINAL

	<u>Month ended June 30, 2009</u>	<u>Month ended June 30, 2008</u>	<u>Year-to-date June 30, 2009</u>	<u>Year-to-date June 30, 2008</u>
Operating income (loss)	4,614,944	3,822,626	58,927,064	57,269,065
Interest income	45,488	128,432	421,090	699,922
Interest expense	(3,831)	(4,105)	(48,986)	(109,467)
Income before transfers	4,656,601	3,946,953	59,299,168	57,859,520
Transfers to:				
Gambler's Treatment Program	(94,691)	(98,238)	(1,219,137)	(1,249,853)
Veterans Trust Fund	(93,294)	0	(2,783,377)	0
State General Fund	(4,601,848)	(3,870,116)	(56,550,792)	(55,296,265)
Total Transfers	(4,789,833)	(3,968,354)	(60,553,306)	(56,546,118)
Change in net assets	(133,232)	(21,401)	(1,254,138)	1,313,402
Net assets, beginning of period	4,546,875	5,689,182	5,667,781	4,354,379
Net assets, end of period	\$4,413,643	\$5,667,781	\$4,413,643	\$5,667,781

IOWA LOTTERY AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2009
FINAL

ASSETS

Current Assets:

Cash	\$18,809,886
Cash on hand	600
Cash - Debt Service Account	12,165
Restricted assets - cash	391,983
Interest receivable	33,797
Prepaid expense	72,917
Accounts receivable - net	3,293,552
Ticket inventories	1,195,091
	<hr/>
Total current assets	23,809,991

Noncurrent Assets:

Investment in prize annuities	11,191,047
Reserve on deposit with MUSL	4,421,853
Capital assets - net	4,286,169
	<hr/>
Total noncurrent assets	19,899,069

Total assets	<hr/>\$43,709,060
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IOWA LOTTERY AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2009
FINAL

LIABILITIES

Current liabilities:

Online games prizes payable	2,297,882
Accounts payable	1,514,854
Current obligation for annuities	59,600
Personal services payable	88,383
Due to:	
State General Fund	15,440,315
State-Gamblers Treatment	314,164
Veterans Trust Fund	405,368
Other state agencies	128,603
Interest payable	3,831
Deferred revenue	408,234
Accrued compensated absences	1,505,078
State withholding payable	29,430
Federal withholding payable	86,775
	<hr/>
Total current liabilities	22,282,517

Long-term liabilities:

Annuities payable	11,191,047
Bonds payable	1,400,000
Prize reserve fund	4,421,853
	<hr/>
Total long-term liabilities	17,012,900

Total liabilities	39,295,417
	<hr/>

NET ASSETS

Invested in capital assets, net of related debt	2,886,169
Unrestricted	1,527,474
	<hr/>
Total net assets	\$4,413,643
	<hr/> <hr/>

IOWA LOTTERY AUTHORITY
ANALYSIS OF NET ASSETS
JUNE 30, 2009
FINAL

Cash on deposit - state vehicle dispatcher	332,383
Ticket inventory	1,195,091
Capital assets - net of related debt	2,886,169
Net Assets	<u>4,413,643</u>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR FISCAL YEARS 2005 THROUGH 2009

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
OPERATING REVENUES					
Instant ticket sales	136,268,555	\$137,917,848	\$125,147,976	106,562,536	\$103,259,272
Pick 3 sales	6,534,765	6,373,362	6,282,529	6,056,037	6,200,109
Powerball sales	58,220,203	63,761,024	61,548,520	71,110,985	54,244,379
Hot Lotto sales	14,329,610	11,724,416	14,453,908	9,634,818	10,443,903
Raffle sales	0	1,425,460			
Pick 4 sales	2,555,237	2,315,469	2,224,092	2,066,769	2,042,499
\$100,000 Cash Game sales	4,113,307	4,291,933	4,362,916	4,323,511	4,426,833
Touch Play Machine (Net Receipts)			(77,671)	123,887,516	6,428,123
Touch Play Uncollected Amounts				(2,436,987)	
Pull-tab sales	21,315,424	21,407,956	21,058,969	18,314,338	23,624,094
Application fees	3,680	5,150	6,325	60,525	61,225
Other revenue	65,449	47,962	147,426	1,326,245	275,806
Total operating revenues	243,406,230	249,270,580	235,154,990	340,906,293	211,006,243
OPERATING EXPENSES					
Instant Prize expense	81,846,620	85,907,684	76,461,872	64,494,790	60,759,895
Pick 3 prize expense	3,834,735	3,763,710	3,710,127	3,533,969	3,596,814
Powerball prize expense	28,118,140	30,749,779	29,416,275	34,745,273	25,878,086
Hot Lotto prize expense	7,015,713	5,668,710	7,097,545	4,683,123	5,111,857
Raffle prize expense	(10,500)	1,200,000			
Pick 4 prize expense	1,473,587	1,352,661	1,202,769	1,042,785	1,179,953
\$100,000 Cash Game prize expense	2,271,476	2,525,366	2,212,777	2,036,709	1,897,416
Pull-tab prize expense	13,389,649	13,397,429	13,103,358	11,395,588	14,699,032
Promotional prize expense	485,921	104,236	152,137	326,367	332,620
Advertising/Publicity	7,007,617	7,307,529	6,277,829	6,952,369	5,911,199
Retailer compensation expense	15,298,641	15,650,431	14,674,744	107,849,743	17,341,859
Ticket expense	2,674,067	2,444,025	2,626,607	2,348,063	3,010,793
Vendor compensation expense	7,796,934	7,823,721	7,339,692	6,754,262	6,218,221
Administrative Payroll	8,759,206	9,435,111	8,412,628	8,462,406	7,516,410
Travel	404,876	443,445	396,384	366,149	389,080
Supplies	110,739	107,592	97,168	143,139	103,143
Printing	9,582	17,737	22,485	34,253	24,621
Postage	4,718	4,528	44,942	48,990	30,781
Communications	568,096	574,029	544,149	652,191	550,034
Rentals	290,254	277,173	276,385	366,065	1,527,912
Utilities	103,240	114,292	91,013	114,856	84,421
Professional fees	121,965	144,953	91,137	83,723	161,862
Vending machine maintenance	489,809	492,495	492,576	492,576	219,960
Outside services & repairs	197,386	264,151	182,157	213,512	67,050

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR FISCAL YEARS 2005 THROUGH 2009

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
Data processing	40,929	37,998	38,380	22,908	18,256
Equipment	204,598	155,425	238,897	164,950	1,501,912
Reimbursement to other state agencies	435,976	500,235	350,385	312,079	364,998
Depreciation	1,403,051	1,407,901	1,415,964	1,417,593	625,490
Other	132,141	129,169	124,649	152,839	128,331
MUSL administrative expense	0	0	(32,454)	85,289	118,272
Total operating expenses	184,479,166	192,001,515	177,062,577	259,296,559	159,370,278

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR FISCAL YEARS 2005 THROUGH 2009

	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
Operating income (loss)	58,927,064	57,269,065	58,092,413	81,609,734	51,635,965
Non-operating revenue (expense)					
Interest income	421,090	699,922	821,922	938,212	608,980
Interest expense	(48,986)	(109,467)	(175,147)	(240,811)	(210,746)
Income before transfers	59,299,168	57,859,520	58,739,188	82,307,135	52,034,199
Transfers to:					
Gambler's Treatment Program	(1,219,137)	(1,249,853)	(1,179,883)	(1,709,221)	(1,058,074)
Veterans Trust Fund	(2,783,377)				
State General Fund	(56,550,792)	(55,296,265)	(56,970,554)	(79,166,575)	(50,036,035)
Total Transfers	(60,553,306)	(56,546,118)	(58,150,437)	(80,875,796)	(51,094,109)
Change in net assets	(1,254,138)	1,313,402	588,751	1,431,339	940,090
Net assets, beginning of period	5,667,781	4,354,379	3,765,628	2,334,289	1,394,199
Net assets, end of period	\$4,413,643	\$5,667,781	\$4,354,379	\$3,765,628	\$2,334,289

DATE: September 1, 2009

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for July 2009. During July, we had revenue of \$19,040,821. This sales level resulted in \$4,216,491 of proceeds payable to the State General Fund and \$69,484 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

July 31, 2009

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		\$15,732,037
Proceeds to the State General Fund:		
Prior to Fiscal Year 2010	\$952,301,378	
Fiscal Year 2010		
Transferred	0	
Payable	4,216,491	
	<hr/>	956,517,869
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2010	\$2,783,377	
Fiscal Year 2010		
Transferred	0	
Payable	69,484	
	<hr/>	<hr/> 2,852,861
Total		<hr/> \$1,195,089,133 <hr/>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH ENDED JULY 31, 2009

	Month ended July 31, 2009	Month ended July 31, 2008
OPERATING REVENUES		
Instant ticket sales	\$10,461,183	\$10,446,547
Pick 3 sales	537,829	533,532
Powerball sales	4,342,558	4,229,386
Hot Lotto sales	1,459,199	895,629
Pick 4 sales	205,790	194,390
\$100,000 Cash Game sales	343,407	345,589
Pull-tab sales	1,690,430	1,937,234
Application fees	150	275
Other revenue	275	480
Total operating revenues	19,040,821	18,583,062
OPERATING EXPENSES		
Instant Prize expense	6,547,085	6,148,459
Pick 3 prize expense	318,277	316,739
Powerball prize expense	2,080,449	2,049,914
Hot Lotto prize expense	716,880	435,045
Pick 4 prize expense	117,093	111,389
\$100,000 Cash Game prize expense	162,072	163,290
Pull-tab prize expense	1,060,600	1,213,937
Promotional prize expense	6,288	7,296
Advertising/Publicity	451,615	555,192
Retailer compensation expense	1,165,247	1,140,471
Ticket expense	202,012	202,934
Vendor compensation expense	672,951	559,733
Administrative Payroll	728,450	796,218
Travel	23,241	43,744
Supplies	29,595	21,230
Printing	5,092	0
Postage	520	1
Communications	51,541	52,256
Rentals	23,634	21,081
Utilities	6,355	6,659
Professional fees	2,617	2,807
Vending machine maintenance	40,727	41,021
Outside services and repairs	9,587	22,945
Data processing	3,669	3,501
Equipment	14,914	6,543
Reimbursement to other state agencies	24,930	29,082
Depreciation	118,371	116,530
Other	12,851	15,807
Total operating expenses	14,596,663	14,083,824
Operating income (loss)	4,444,158	4,499,238
Interest expense	(3,831)	(4,105)
Income before transfers	4,440,327	4,495,133

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH ENDED JULY 31, 2009

	<u>Month ended July 31, 2009</u>	<u>Month ended July 31, 2008</u>
Transfer to:		
Gambler's Treatment Program	0	(92,915)
Veterans Trust Fund	(69,484)	(110,916)
State General Fund	(4,216,491)	(4,333,006)
	<u>(4,285,975)</u>	<u>(4,536,837)</u>
Change in net assets	154,352	(41,704)
Net assets, beginning of period	<u>4,414,648</u>	<u>5,667,781</u>
Net assets, end of period	<u><u>\$4,569,000</u></u>	<u><u>\$5,626,077</u></u>

DATE: September 28, 2009

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for August 2009. During August, we had revenue of \$22,287,961. This sales level resulted in \$4,943,188 of proceeds payable to the State General Fund and \$542,277 of proceeds payable to the Veterans Trust Fund.

Attachments

IOWA LOTTERY AUTHORITY
SCHEDULE OF ECONOMIC BENEFITS

August 31, 2009

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 2010	\$952,253,908	
Fiscal Year 2010		
Transferred	0	
Payable	9,159,679	
	<hr/>	961,413,587
Proceeds to the Veterans Trust Fund:		
Prior to Fiscal Year 2010	\$2,783,377	
Fiscal Year 2010		
Transferred	0	
Payable	611,761	
	<hr/>	3,395,138
Total		<hr/> \$1,200,527,299 <hr/>

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH ENDED AUGUST 31, 2009

	<u>Month ended August 31, 2009</u>	<u>Month ended August 31, 2008</u>	<u>Year-to-date August 31, 2009</u>	<u>Year-to-date August 31, 2008</u>
OPERATING REVENUES				
Instant-scratch ticket sales	\$10,811,818	\$10,497,023	\$21,273,001	\$20,943,570
Pick 3 sales	560,232	533,854	1,098,061	1,067,385
Powerball sales	7,058,234	4,284,720	11,400,792	8,514,107
Hot Lotto sales	1,703,541	1,080,081	3,162,740	1,975,710
Pick 4 sales	207,672	215,551	413,462	409,941
\$100,000 Cash Game sales	339,558	339,757	682,965	685,346
Pull-tab sales	1,604,126	1,731,656	3,294,555	3,668,890
Application fees	425	450	575	725
Other revenue	2,355	270	2,630	750
Total operating revenues	22,287,961	18,683,362	41,328,781	37,266,424
OPERATING EXPENSES				
Scratch ticket prize expense	6,869,336	6,073,574	13,416,421	12,222,033
Pick 3 prize expense	331,290	315,892	649,567	632,631
Powerball prize expense	3,494,350	1,982,154	5,574,799	4,032,068
Hot Lotto prize expense	837,190	528,843	1,554,069	963,889
Pick 4 prize expense	113,542	129,021	230,636	240,410
\$100,000 Cash Game prize expense	197,574	159,403	359,647	322,693
Pull-tab prize expense	1,003,123	1,089,907	2,063,723	2,303,844
Promotional prize expense	39,540	114,260	45,828	121,557
Advertising/publicity	704,265	594,605	1,155,880	1,149,797
Retailer compensation expense	1,389,811	1,157,395	2,555,058	2,297,866
Ticket expense	224,996	218,644	427,008	421,578
Vendor compensation expense	651,830	601,410	1,324,781	1,161,143
Administrative payroll	731,764	684,754	1,460,215	1,480,972
Travel	37,653	49,304	60,893	93,047
Supplies	4,098	4,091	33,693	25,321
Printing	165	877	5,257	877
Postage	427	0	948	1
Communications	38,337	37,828	89,878	90,084
Rentals	23,592	23,668	47,226	44,749
Utilities	5,121	6,530	11,476	13,189
Professional fees	13,802	18,969	16,418	21,775
Vending machine maintenance	41,952	40,717	82,679	81,738
Outside services and repairs	6,749	(350)	16,336	22,595
Data processing	3,152	3,169	6,820	6,670
Equipment	9,853	5,662	24,767	12,205
Reimbursement to other state agencies	32,463	31,040	57,392	60,122

**IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH ENDED AUGUST 31, 2009**

	<u>Month ended August 31, 2009</u>	<u>Month ended August 31, 2008</u>	<u>Year-to-date August 31, 2009</u>	<u>Year-to-date August 31, 2008</u>
Depreciation	116,598	114,677	234,969	231,207
Other	9,168	9,020	22,019	24,827
Total operating expenses	16,931,741	13,995,064	31,528,403	28,078,888
Operating income (loss)	5,356,220	4,688,298	9,800,378	9,187,536

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE MONTH ENDED AUGUST 31, 2009

	<u>Month ended August 31, 2009</u>	<u>Month ended August 31, 2008</u>	<u>Year-to-date August 31, 2009</u>	<u>Year-to-date August 31, 2008</u>
Interest Income	18,579	36,698	18,579	36,699
Interest expense	(3,831)	(4,105)	(7,662)	(8,210)
Income before transfers	5,370,968	4,720,891	9,811,295	9,216,025
Transfer to:				
Gambler's Treatment Program	0	(93,426)	0	(186,342)
Veterans Trust Fund	(542,277)	(584,994)	(611,761)	(695,910)
State General Fund	(4,943,188)	(4,289,732)	(9,159,679)	(8,622,738)
Total transfers	(5,485,465)	(4,968,152)	(9,771,440)	(9,504,990)
Change in net assets	(114,497)	(247,261)	39,855	(288,965)
Net assets, beginning of period	4,567,995	5,626,077	4,413,643	5,667,781
Net assets, end of period	<u><u>\$4,453,498</u></u>	<u><u>\$5,378,816</u></u>	<u><u>\$4,453,498</u></u>	<u><u>\$5,378,816</u></u>

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2010

		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Month													
Gross Sales	Budget 10	18,333,332	20,211,277	19,360,538	21,262,049	19,570,807	20,555,531	21,096,497	21,488,295	22,040,647	20,705,211	21,343,583	19,462,233
	Actual 09	18,582,307	18,682,642	20,586,808	19,749,090	19,082,468	20,256,054	21,513,631	21,277,161	20,902,169	21,367,006	22,479,059	18,858,705
	Actual 10	19,040,396											
Prize Expense	Budget 10	10,278,385	11,331,234	10,854,277	11,920,339	10,972,162	11,524,237	11,827,524	12,047,181	12,356,851	11,608,153	11,966,050	10,911,291
	Actual 09	10,446,069	10,393,054	12,024,701	11,111,666	10,494,213	12,190,611	12,518,090	12,468,084	11,580,186	12,145,365	12,721,036	10,336,286
	Actual 10	11,008,744											
Operating Expenses	Budget 10	641,321	919,588	919,587	919,587	919,587	1,226,047	919,587	919,587	919,587	919,587	919,587	1,569,960
	Actual 09	689,978	764,399	869,773	854,976	875,339	1,264,886	756,387	795,741	790,285	878,546	792,522	1,243,933
	Actual 10	542,134											
Proceeds Transfer-General	Budget 10	4,515,415	4,765,371	4,526,078	5,060,929	4,585,222	4,555,742	5,014,363	5,124,566	5,279,930	4,904,303	5,083,862	3,904,309
	Actual 09	4,425,921	4,383,158	4,254,409	4,979,410	4,994,240	3,710,269	5,132,617	5,065,767	5,069,658	5,473,578	5,584,362	4,743,838
	Actual 10	4,216,491											
Proceeds Transfer-Veterans	Budget 10	250,943	250,943	250,943	250,943	250,943	250,943	250,943	250,943	250,943	250,943	250,943	250,943
	Actual 09	110,916	584,994	296,863	171,861	150,898	127,193	196,152	279,052	460,079	172,841	139,233	93,294
	Actual 10	69,484											
Total Proceeds Transfers	Budget 10	4,766,358	5,016,314	4,777,021	5,311,872	4,836,165	4,806,685	5,265,306	5,375,509	5,530,873	5,155,246	5,334,805	4,155,252
	Actual 09	4,536,837	4,968,152	4,551,272	5,151,271	5,145,138	3,837,462	5,328,769	5,344,819	5,529,737	5,646,419	5,723,595	4,837,132
	Actual 10	4,285,975											

YEAR TO DATE

Gross Sales	Budget 10	18,333,332	3.86% 1)	38,544,608	57,905,147	79,167,196	98,738,003	119,293,534	140,390,031	161,878,325	183,918,973	204,624,184	225,967,767	245,430,000
	Actual 09	18,582,307	2.47% 2)	37,264,949	57,851,757	77,600,847	96,683,315	116,939,369	138,453,000	159,730,161	180,632,330	201,999,336	224,478,395	243,337,100
	Actual 10	19,040,396												
Prize Expense	Budget 10	10,278,385	56.06% 3)	21,609,619	32,463,896	44,384,235	55,356,397	66,880,634	78,708,158	90,755,338	103,112,190	114,720,343	126,686,393	137,597,684
	Actual 09	10,446,069	56.22% 4)	20,839,123	32,863,824	43,975,490	54,469,703	66,660,314	79,178,404	91,646,488	103,226,674	115,372,039	128,093,075	138,429,361
	Actual 10	11,008,744	57.82% 5)											
Operating Expenses	Budget 10	641,321		1,560,909	2,480,496	3,400,084	4,319,671	5,545,719	6,465,306	7,384,894	8,304,481	9,224,068	10,143,656	11,713,616
	Actual 09	689,978		1,454,377	2,324,150	3,179,126	4,054,465	5,319,351	6,075,738	6,871,479	7,661,764	8,540,310	9,332,832	10,576,765
	Actual 10	542,134												
Proceeds Transfer-General	Budget 10	4,515,415		9,280,786	13,806,864	18,867,793	23,453,015	28,008,757	33,023,120	38,147,686	43,427,616	48,331,919	53,415,781	57,320,090
	Actual 09	4,425,921	*	8,809,079	13,063,488	18,042,898	23,037,138	26,747,407	31,880,024	36,945,791	42,015,449	47,489,027	53,073,389	57,817,227
	Actual 10	4,216,491												
Proceeds Transfer-Veterans	Budget 10	250,943		501,885	752,828	1,003,770	1,254,713	1,505,655	1,756,598	2,007,540	2,258,483	2,509,425	2,760,368	3,011,310
	Actual 09	110,916		695,910	992,773	1,164,634	1,315,532	1,442,725	1,638,877	1,917,929	2,378,008	2,550,849	2,690,082	2,783,376
	Actual 10	69,484												
Total Proceeds Transfers	Budget 10	4,766,358	-10.08% 1)	9,782,671	14,559,692	19,871,563	24,707,728	29,514,412	34,779,718	40,155,226	45,686,099	50,841,344	56,176,149	60,331,400
	Actual 09	4,536,837	-5.53% 2)	9,504,989	14,056,261	19,207,532	24,352,670	28,190,132	33,518,901	38,863,720	44,393,457	50,039,876	55,763,471	60,600,603
	Actual 10	4,285,975												

* 2009 Gambler's Treatment Fund transfer included with General Fund transfer

- 1) Actual FY10 compared to Budget FY10
- 2) Actual FY10 compared to Actual FY09
- 3) Budget FY10 Prize Expense as a % of Budget FY10 Sales
- 4) Actual FY09 Prize Expense as a % of Actual FY09 Sales
- 5) Actual FY10 Prize Expense as a % of Actual FY10 Sales



Marketing/Sales Board Report, April 2009

Game	Details	April Sales	April Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	There was one \$100,000 prize won in the \$100,000 Cash Game in April: Darlene Johnson of Cedar Rapids (04.27.09).	\$344,177	\$0.03	\$3,598,411	\$3,446,098	-4.23%	\$3,500,000	98.46%
	There were no \$200,000 prizes won in April. The jackpot reached its peak for the month at \$144 million on April 8 and ended at \$65.1 million on April 29.	\$5,117,493	\$0.40	\$55,444,900	\$47,399,437	-14.51%	\$54,358,330	87.20%
	There was one \$10,000 Hot Lotto prize won in April: Pamela Smith of Cedar Rapids (04.03.09). The jackpot was at its highest level and ended for the month at \$4.32 million on April 29.	\$1,441,535	\$0.11	\$9,869,460	\$11,839,208	19.96%	\$9,583,330	123.54%
	Pick 4 sales for April averaged \$51,066 per week.*	\$218,854	\$0.02	\$1,934,658	\$2,118,776	9.52%	\$1,833,330	115.57%
	Pick 3 sales for April averaged \$130,183 per week.*	\$557,929	\$0.04	\$5,316,287	\$5,438,411	2.30%	\$5,166,670	105.26%

Game	Details	April Sales	April Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	Instant sales for April averaged \$2,753,721 per week. [†] Three instant games were introduced in April: "King of Cash" (\$2) was introduced on April 13; "Cash Cow" (\$1) and "Treasure Hunter" (\$3) were introduced on April 20.	\$11,801,663	\$0.91	\$115,841,771	\$114,005,744	-1.58%	\$112,500,000	101.34%
	Pull-tab sales for April averaged \$439,916 per week. [†] One new pull-tab game was introduced in April: "Signature 7's" (\$.50) was introduced on April 13.	\$1,885,355	\$0.15	\$17,874,460	\$17,751,663	-0.69%	\$17,500,000	101.44%
Totals		\$21,367,006		\$209,879,947	\$201,999,337	-3.75%	\$204,441,660	98.81%

*Based on the state population of 2.9 million people.

[†]Monthly sales divided by the number of days in the month, multiplied times seven (days).

PROMOTIONS FOR APRIL 2009

	<p>The Iowa Lottery introduced its second Midwest Millions scratch ticket on Sept. 15. The game is again a joint effort between the Kansas and Iowa Lotteries. There are two ways to win. Players may win up to \$50,000 instantly playing the scratch game. Or, if they do not win an instant prize, they may enter their nonwinning Midwest Millions ticket in a second-chance drawing for a chance to win up to \$500,000. There will be two second-chance drawings in the game. Each second-chance drawing will offer a \$500,000 prize and 5 prizes of \$10,000.</p> <p>The first drawing was Jan. 9, 2009, in Topeka, Kan. The \$500,000 winner was Sandra Vines of Wichita, Kan. The five \$10,000 winners were: Jim Gardner of Ottumwa, Iowa; Dave Von Sprecken of Swisher, Iowa; Steve Dillon of Hutchinson, Kan.; Eric Corrill of Council Bluffs, Iowa, and Roma Wisdom of Eudora, Kan.</p> <p>The second drawing was on April 17, 2009, in Des Moines. All entries not drawn as winners in the Jan. 9 drawing were discarded. To enter, players filled out the information on the back of the nonwinning "Midwest Millions" ticket and 1) put a first class stamp (\$.42) on it and mail it OR 2) drop it in an official entry box at any Iowa Lottery regional office.</p> <p>The \$500,000 winner from the April 17 drawing was Adam Sorell of Shawnee, Kan. The five \$10,000 winners were: Dezi Richardson of Newton, Iowa; Marcie Liebl of Clafin, Kan.; Harry Marquis of Des Moines, Iowa; Jack Baker of Topeka, Kan. and Bob Newlin of Center Point, Iowa.</p>
	<p>The Super Sampler promotion began March 29, 2009 and runs through May 2, 2009. When players purchase the Super Sampler (\$3 in Powerball plays with the \$3 Power Play and \$3 in Hot Lotto plays with the \$3 Sizzler) they receive the \$12 value for just \$10.</p> <p>The Iowa Lottery's spring Super Sampler promotion makes Powerball Power Play and Hot Lotto Sizzler cheaper by the dozen. To receive this special promotional offer, players just ask their retail clerk for "Super Sampler."</p> <p>Any \$6 Powerball with Power Play purchase made with any \$6 Hot Lotto Sizzler purchase is eligible for the Super Sampler discount during the promotion period. Plays may be either for a single drawing or for multiple drawings. Players may choose their numbers or ask for an easy pick.</p>



Marketing/Sales Board Report, May 2009

Game	Details	May Sales	May Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	There were no \$100,000 prizes won in the \$100,000 Cash Game in May.	\$339,847	\$0.03	\$3,970,331	\$3,785,945	-4.64%	\$3,666,663	103.25%
	There was one \$200,000 prize won in May: Mary Woll from Clinton (05.21.09). The jackpot reached its peak for the month at \$232.1 million on May 27 and ended at \$20 million on May 30.	\$6,988,996	\$0.54	\$60,148,565	\$54,388,433	-9.58%	\$57,685,837	94.28%
	There was one \$30,000 Hot Lotto prize won in May: Patricia Thomas from Independence (05.15.09). And there was one \$10,000 Hot Lotto prize won in May: Rhonda Holeton from North English (05.21.09). The jackpot was at its highest level and ended for the month at \$7.49 million on May 30.	\$1,281,335	\$0.10	\$10,932,386	\$13,120,543	20.02%	\$11,000,000	119.28%
	Pick 4 sales for May averaged \$52,004 per week.*	\$230,305	\$0.02	\$2,135,651	\$2,349,081	9.99%	\$2,016,663	116.48%
	Pick 3 sales for May averaged \$128,176 per week.*	\$567,638	\$0.04	\$5,860,480	\$6,006,050	2.48%	\$5,775,000	104.00%

Game	Details	May Sales	May Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	Instant sales for May averaged \$2,556,122 per week. [†] Two instant games were introduced in May: "Made In The Shade" (\$1) and "10X The Money" (\$2) were introduced on May 11.	\$11,319,971	\$0.87	\$126,960,113	\$125,325,715	-1.29%	\$126,041,663	99.43%
	Pull-tab sales for May averaged \$395,379 per week. [†] One new pull-tab game was introduced in May: "Ace's Wild" (\$.50) was introduced on May 8.	\$1,750,967	\$0.13	\$19,725,631	\$19,502,629	-1.13%	\$18,791,663	103.78%
Totals		\$22,479,059		\$229,733,157	\$224,478,396	-2.29%	\$224,977,489	99.78%

*Based on the state population of 2.9 million people.

[†]Monthly sales divided by the number of days in the month, multiplied times seven (days).

PROMOTIONS FOR MAY 2009

	<p>The Super Sampler promotion began March 29, 2009 and runs through May 2, 2009. When players purchase the Super Sampler (\$3 in Powerball plays with the \$3 Power Play and \$3 in Hot Lotto plays with the \$3 Sizzler) they receive the \$12 value for just \$10.</p> <p>The Iowa Lottery's spring Super Sampler promotion makes Powerball Power Play and Hot Lotto Sizzler cheaper by the dozen. To receive this special promotional offer, players just ask their retail clerk for "Super Sampler."</p> <p>Any \$6 Powerball with Power Play purchase made with any \$6 Hot Lotto Sizzler purchase is eligible for the Super Sampler discount during the promotion period. Plays may be either for a single drawing or for multiple drawings. Players may choose their numbers or ask for an easy pick.</p>
	<p>The "Big Beepin' Deal" was a statewide promotion – the lottery awarded \$20 on every 20th transaction of a \$5 Powerball with the \$5 Power Play (\$10 total transaction). The offer initially was for the first three weeks in May (beginning Sunday, May 3 – Saturday, May 23). At the Lottery's sole discretion, a fourth week could be added to the promotion (beginning Sunday, May 24 – Saturday, May 30). The Lottery elected to extend the promotion for a fourth week, and thus the lottery amended the rules to reflect that addition.</p> <p>On every 20th statewide <i>Big Beepin' Deal</i> transaction the lotto terminal made a "BEEP—BEEP" sound and printed a voucher. The retailer with a player who purchased the 20th transaction statewide received a printed voucher from the terminal for the player to sign, and then the player received \$20 cash from the retailer. The retailer's accounts were automatically credited the \$20 – the retailers were instructed to keep the signed voucher for their accounting records.</p> <p>During the extension of the fourth week of the Big Beepin' Deal, an operator error by a vendor temporarily interrupted the promotion between 12:00 a.m. Sunday, May 24, and 11:28 a.m. Tuesday, May 26. Due to this interruption <i>any</i> Iowa Lottery player who made a <i>qualifying</i> purchase in the Big Beepin' Deal promotion during this time period can now receive a \$20 bonus by mailing their ticket to the lottery. If their ticket was a winning ticket, the \$20 bonus will be added to any prizes that may have been won.</p> <p>In order to have a qualified purchase for the bonus, the player must have purchased a \$10 Powerball with Power play ticket – 5 Powerball Plays with 5 Power Plays on one ticket between 12:00 a.m. Sunday, May 24, and 11:28 a.m. Tuesday, May 26. Players were then instructed to mail their Powerball with Power Play tickets to: Iowa Lottery, P.O. Box 10474, Des Moines, Iowa 50306. Players were given until May 27, 2010, to claim their bonuses from the lottery.</p>
	<p>The Iowa Tourism Office and the Iowa Lottery teamed up to help encourage people to "Experience Iowa" starting in May. Attractions and retailers were encouraged to participate in the promotion by offering tickets, discounts and coupon "offers" during the months of May through August – "Keep Your Powerball Ticket Handy!" The Keep Your Powerball Ticket Handy bonus offers are redeemed at Iowa destinations, attractions and retailers accompanied by an Iowa Powerball ticket.</p> <p>There were two components to this bonus offer promotion: Powerball pod offers that will be available at ialottery.com and Powerball Patrol offers that will be handed out by lottery Powerball Patrol personnel. To obtain a Pod Offer, the player must legally acquire a specified, non-winning Iowa Powerball ticket. To receive a Powerball Patrol offer a specified Iowa Powerball ticket must be shown by the player to the lottery Powerball Patrol personnel.</p> <p>Pod Offers explained: When players go to ialottery.com to check the winning numbers from the previous Powerball drawing, there is an icon for Keep Your Ticket Handy with exclusive bonus offers for players with a nonwinning Powerball ticket. The Pod Offers change periodically from May through June. The Pod Offers are in a PDF coupon that can be printed by the players or a redemption method approved by the Iowa Lottery. To redeem, the players use their non-winning Powerball tickets with the Pod Offers and present them to the attractions and/or retailers in accordance with the terms and conditions listed on the coupons. The player must choose which bonus offer to redeem and there is only one bonus offer per Powerball ticket.</p> <p>The Powerball Patrol attends events across Iowa that have agreed to participate in the promotion. While at the events, the Powerball Patrol personnel ask individuals if they have a Powerball ticket handy. Those players that have a specified Powerball ticket are given one of the offers.</p>



Marketing/Sales Board Report, June 2009

Game	Details	June Sales	June Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	There was one \$100,000 prize won in the \$100,000 Cash Game. Donald Sims from Mason City won on June 10.	\$327,362	\$0.03	\$4,291,933	\$4,113,307	-4.16%	\$4,200,000	97.94%
	There was one \$200,000 prize won in June: Lucinda Pena from Muscatine (06.24.09). The jackpot reached its peak for the month at \$88.1 million on June 20 and ended at \$25 million on June 30.	\$3,831,770	\$0.29	\$63,761,024	\$58,220,203	-8.69%	\$65,230,000	89.25%
	There were no \$30,000 Hot Lotto prizes won in June. There were three \$10,000 Hot Lotto prizes won in June: Jane Regan from Dubuque (06.08.09), Wanda McDowell from Manchester (06.16.09) and Charles Simmons from Morning Sun (06.23.09). The jackpot was at its highest level and ended for the month at \$10.18 million on June 30.	\$1,209,067	\$0.09	\$11,724,416	\$14,329,610	22.22%	\$11,500,000	124.61%
	Pick 4 sales for June averaged \$48,103 per week.*	\$206,157	\$0.02	\$2,315,469	\$2,555,238	10.36%	\$2,200,000	116.15%
	Pick 3 sales for June averaged \$123,367 per week.*	\$528,715	\$0.04	\$6,373,362	\$6,534,764	2.53%	\$6,200,000	105.40%

Game	Details	June Sales	June Weekly Per Capita*	Fiscal YTD Sales			FY2009 YTD Goal	
				FY2008	FY2009	Change	\$	%
	Instant sales for June averaged \$2,553,329 per week.† Four instant games were introduced in June: “County Fair” (\$1) and “Win Big or Go Home!” (\$2) were introduced on June 1; “Line ‘Em Up” (\$1) and “Funky 5’s” (\$5) were introduced on June 22.	\$10,942,840	\$0.84	\$137,917,848	\$136,268,555	-1.20%	\$135,000,000	100.94%
	Pull-tab sales for June averaged \$422,985 per week.† One new pull-tab game was introduced in June: “Ace’s Wild” (\$.50) was introduced on June 8.	\$1,812,794	\$0.14	\$21,407,956	\$21,315,424	-0.43%	\$21,000,000	101.50%
Totals		\$18,858,705		\$247,792,008	\$243,337,101	-1.80%	\$245,330,000	99.19%

*Based on the state population of 3 million people.

†Monthly sales divided by the number of days in the month, multiplied times seven (days).

PROMOTIONS FOR JUNE 2009

	<p>The Iowa Tourism Office and the Iowa Lottery teamed up to help encourage people to “Experience Iowa” starting in May. Attractions and retailers were encouraged to participate in the promotion by offering tickets, discounts and coupon “offers” during the months of May through August – “Keep Your Powerball Ticket Handy!” The Keep Your Powerball Ticket Handy bonus offers are redeemed at Iowa destinations, attractions and retailers accompanied by an Iowa Powerball ticket.</p> <p>There were two components to this bonus offer promotion: Powerball pod offers that will be available at ialottery.com and Powerball Patrol offers that will be handed out by lottery Powerball Patrol personnel. To obtain a Pod Offer, the player must legally acquire a specified, nonwinning Iowa Powerball ticket. To receive a Powerball Patrol offer, a specified Iowa Powerball ticket must be shown by the player to the lottery Powerball Patrol personnel.</p> <p>Pod Offers explained: When players go to ialottery.com to check the winning numbers from the previous Powerball drawing, there is an icon for Keep Your Ticket Handy with exclusive bonus offers for players with a nonwinning Powerball ticket. The Pod Offers change periodically. The Pod Offers are in a PDF coupon that can be printed by the players or a redemption method approved by the Iowa Lottery. To redeem, the players use their non-winning Powerball tickets with the Pod Offers and present them to the attractions and/or retailers in accordance with the terms and conditions listed on the coupons. The player must choose which bonus offer to redeem and there is only one bonus offer per Powerball ticket.</p> <p>The Powerball Patrol attends events across Iowa that have agreed to participate in the promotion. While at the events, the Powerball Patrol personnel ask individuals if they have a Powerball ticket handy. Those players that have a specified Powerball ticket are given one of the offers.</p>
	<p>The Win Big or Go Home! Second-Chance Promotion is a mail-in promotion that gives entrants a chance to win four tickets to an Iowa Cubs baseball game, picnic lunch and entry in a reverse drawing for a grand prize of four tickets to a professional baseball game in Chicago. The Win Big or Go Home! Second-Chance Promotion began Monday, June 15, 2009 and runs through Monday, Aug. 17, 2009.</p> <p>Entry into the promotion is accomplished by mailing three or more nonwinning \$2 Win Big or Go Home! scratch tickets that have all been signed and the back of the tickets completed with the entrant’s name, address and phone number. Entries must include the correct postage and be mailed in pink or yellow Iowa Lottery Second-Chance Drawing envelopes. All entries must be received at the Lottery address on the pre-printed pink and yellow second-chance drawing envelopes by Monday, August 17, 2009 to be entered in the promotion.</p> <p>The nine semifinalists will each receive four tickets to the I-Cubs game on Aug. 30, along with one parking pass, four picnic lunch tickets and \$100 spending cash for a combined prize package worth \$210.</p> <p>At the I-Cubs game, one lucky semifinalist will be named "MVP," winning four tickets to see a professional baseball game in Chicago on Sept. 12. The grand prize winner will also receive \$1,000 cash for a combined prize package worth \$1,316.34. All other semifinalist team members will win baseball and lottery merchandise.</p>



Marketing/Sales Board Report, July 2009

Game	Details	July Sales	July Weekly Per Capita*	Fiscal YTD Sales			FY2010 YTD Goal	
				FY2009	FY2010	Change	\$	%
	There were two \$100,000 prizes won in the \$100,000 Cash Game in July. Jeff Gerstenkorn from Denver (07.21.09) and Brian Schade from Carroll (07.27.09).	\$343,407	\$0.03	\$345,589	\$343,407	-0.63%	\$333,333	103.02%
	There were no \$200,000 or \$1 million prizes won in July. The jackpot reached its peak for the month and ended at \$104.6 million on July 31.	\$4,342,558	\$0.33	\$4,229,386	\$4,342,558	2.68%	\$5,244,167	82.81%
	There were no \$10,000 or \$30,000 Hot Lotto prizes won in July. The jackpot was at its highest level and ended for the month at \$13.75 million on July 31.	\$1,459,199	\$0.11	\$895,629	\$1,459,199	62.92%	\$1,000,000	145.92%
	Pick 4 sales for July averaged \$46,469 per week.*	\$205,790	\$0.02	\$194,390	\$205,790	5.86%	\$183,333	112.25%
	Pick 3 sales for July averaged \$121,445 per week.*	\$537,829	\$0.04	\$533,532	\$537,829	0.81%	\$525,000	102.44%

Game	Details	July Sales	July Weekly Per Capita*	Fiscal YTD Sales			FY2010 YTD Goal	
				FY2009	FY2010	Change	\$	%
	Instant sales for July averaged \$2,362,203 per week. [†] Three instant games were introduced in July: "Superstar Cash" (\$3), "The Freedom Rock™" (\$2) and "Hundreds of Dollars" (\$1) were introduced on July 13.	\$10,461,183	\$0.80	\$10,446,547	\$10,461,183	0.14%	\$11,458,333	91.30%
	Pull-tab sales for July averaged \$381,710 per week. [†] One new pull-tab game was introduced in July: "Red White & Blue" (\$1) was introduced on July 20.	\$1,690,430	\$0.13	\$1,937,234	\$1,690,430	-12.74%	\$1,708,333	98.95%
Totals		\$19,040,396		\$18,582,307	\$19,040,396	2.47%	\$20,452,499	93.10%

*Based on the state population of 3 million people.

[†]Monthly sales divided by the number of days in the month, multiplied times seven (days).

PROMOTIONS FOR JULY 2009

	<p>The Iowa Tourism Office and the Iowa Lottery teamed up to help encourage people to “Experience Iowa” starting in May. Attractions and retailers were encouraged to participate in the promotion by offering tickets, discounts and coupon “offers” during the months of May through August – “Keep Your Powerball Ticket Handy!” The Keep Your Powerball Ticket Handy bonus offers are redeemed at Iowa destinations, attractions and retailers accompanied by an Iowa Powerball ticket.</p> <p>There were two components to this bonus offer promotion: Powerball pod offers that will be available at ialottery.com and Powerball Patrol offers that will be handed out by lottery Powerball Patrol personnel. To obtain a Pod Offer, the player must legally acquire a specified, nonwinning Iowa Powerball ticket. To receive a Powerball Patrol offer, a specified Iowa Powerball ticket must be shown by the player to the lottery Powerball Patrol personnel.</p> <p>Pod Offers explained: When players go to ialottery.com to check the winning numbers from the previous Powerball drawing, there is an icon for Keep Your Ticket Handy with exclusive bonus offers for players with a nonwinning Powerball ticket. The Pod Offers change periodically. The Pod Offers are in a PDF coupon that can be printed by the players or a redemption method approved by the Iowa Lottery. To redeem, the players use their nonwinning Powerball tickets with the Pod Offers and present them to the attractions and/or retailers in accordance with the terms and conditions listed on the coupons. The player must choose which bonus offer to redeem and there is only one bonus offer per Powerball ticket.</p> <p>The Powerball Patrol attends events across Iowa that have agreed to participate in the promotion. While at the events, the Powerball Patrol personnel ask individuals if they have a Powerball ticket handy. Those players that have a specified Powerball ticket are given one of the offers.</p>
	<p>The Win Big or Go Home! Second-Chance Promotion is a mail-in promotion that gives entrants a chance to win four tickets to an Iowa Cubs baseball game, picnic lunch and entry in a reverse drawing for a grand prize of four tickets to a professional baseball game in Chicago. The Win Big or Go Home! Second-Chance Promotion began Monday, June 15, 2009 and runs through Monday, Aug. 17, 2009.</p> <p>Entry into the promotion is accomplished by mailing three or more nonwinning \$2 Win Big or Go Home! scratch tickets that have all been signed and the back of the tickets completed with the entrant’s name, address and phone number. Entries must include the correct postage and be mailed in pink or yellow Iowa Lottery Second-Chance Drawing envelopes. All entries must be received at the Lottery address on the pre-printed pink and yellow second-chance drawing envelopes by Monday, Aug. 17, 2009 to be entered in the promotion.</p> <p>The nine semifinalists will each receive four tickets to the I-Cubs game on Aug. 30, along with one parking pass, four picnic lunch tickets and \$100 spending cash for a combined prize package worth \$210.</p> <p>At the I-Cubs game, one lucky semifinalist will be named "MVP," winning four tickets to see a professional baseball game in Chicago on Sept. 12. The grand prize winner will also receive \$1,000 cash for a combined prize package worth \$1,316.34. All other semifinalist team members will win baseball and lottery merchandise.</p>
	<p>The “Win the Powerball Patrol Car” promotion begins July 2, 2009. The promotion gives players the chance to win a red, 2009 Volkswagen Beetle, the same car that is being used to promote the “Keep Your Ticket Handy” campaign. Players enter the Powerball Patrol Car second-chance drawing with the serial number from a nonwinning \$5 Powerball with \$5 Power Play ticket from the Iowa Lottery. Players enter the serial numbers online at our Web site starting at noon on July 2 until noon on Aug. 24, 2009. To be eligible, tickets must be purchased between June 28, 2009 and Aug. 22, 2009. The drawing dates on the ticket must be between July 1, 2009 and Aug. 22, 2009. Players must keep all nonwinning Powerball/Power Play tickets they enter and they may use each ticket only once as an eligible entry. Players may enter as many times as they wish. After the final drawing on Aug. 26, 2009, the winner will be contacted and must present his/her nonwinning \$10 Powerball/Power Play ticket to the Iowa Lottery to be eligible for the prize.</p>

Top 50 Stores

Sales: FY 09 - ALL

Rank	Retailer#	Region Name	Address	City	Instant	Pulltabs	Online	Total	
1	108541	2	HY-VEE #1056	20 WILSON AVE SW	CEDAR RAPIDS	\$466,305.00	\$254,340.00	\$220,069.50	\$940,714.50
2	108523	2	HY-VEE #1054	1843 JOHNSON AVE NW	CEDAR RAPIDS	\$383,372.00	\$125,820.00	\$295,452.50	\$804,644.50
3	194191	1	QUICK SHOP FOODS - 2LT	405 S MADISON	OTTUMWA	\$438,348.00	\$61,560.00	\$152,374.50	\$652,282.50
4	200673	2	PORTER'S CONVENIENT 66	1512 LINCOLNWAY	CLINTON	\$326,394.00	\$55,080.00	\$202,424.50	\$583,898.50
5	182328	1	DAHL'S #15	4343 MERLE HAY RD	DES MOINES	\$272,645.00	\$0.00	\$305,935.50	\$578,580.50
6	100415	1	HY-VEE #1138 - 2LT	2540 E EUCLID AVE	DES MOINES	\$294,916.00	\$162,675.00	\$114,702.50	\$572,293.50
7	201628	1	DEZIS QUICK SHOP	702 1ST AVE E	NEWTON	\$326,994.00	\$40,365.00	\$157,813.00	\$525,172.00
8	108606	2	HY-VEE DRUGSTORE #1	1520 6TH ST SW	CEDAR RAPIDS	\$288,383.00	\$92,340.00	\$144,022.00	\$524,745.00
9	100299	1	DAHL'S #20	3400 E 33RD ST	DES MOINES	\$269,319.00	\$38,340.00	\$199,544.50	\$507,203.50
10	101573	1	HY-VEE #1151	1107 SE ARMY POST RD	DES MOINES	\$274,372.00	\$56,565.00	\$172,491.50	\$503,428.50
11	169355	2	KWIK STAR #642	911 S 14TH ST	CLINTON	\$307,195.00	\$0.00	\$190,759.50	\$497,954.50
12	201319	2	GUPPY'S ON THE GO	235 EDGEWOOD RD NW	CEDAR RAPIDS	\$290,442.00	\$80,190.00	\$115,680.50	\$486,312.50
13	101555	1	HY-VEE #1142	3221 SE 14TH	DES MOINES	\$297,909.00	\$64,665.00	\$123,627.00	\$486,201.00
14	206833	4	KUM & GO #89	115 N 22ND ST	FORT DODGE	\$275,788.00	\$58,455.00	\$144,043.00	\$478,286.00
15	100613	1	QUIK TRIP #541	2428 HUBBELL	DES MOINES	\$307,737.00	\$0.00	\$168,256.00	\$475,993.00
16	117631	3	HY-VEE #1410	2400 4TH ST SW	MASON CITY	\$160,580.00	\$178,740.00	\$132,242.00	\$471,562.00
17	183264	2	HY-VEE #1869 - 2LT	4000 UNIVERSITY	WATERLOO	\$252,801.00	\$101,115.00	\$113,804.00	\$467,720.00
18	185419	2	HCS - WILEY BLVD	2330 WILEY BLVD	CEDAR RAPIDS	\$268,700.00	\$41,310.00	\$154,314.00	\$464,324.00
19	190082	2	HY-VEE #1107	1823 E KIMBERLY	DAVENPORT	\$170,510.00	\$0.00	\$284,113.50	\$454,623.50
20	101822	1	QUIK TRIP #516	900 E UNIVERSITY	DES MOINES	\$293,971.00	\$0.00	\$158,535.50	\$452,506.50
21	108550	2	HY-VEE #1060	1556 1ST AVE NE	CEDAR RAPIDS	\$200,928.00	\$128,925.00	\$115,526.50	\$445,379.50
22	126118	4	HY-VEE #1192	115 S 29TH ST	FORT DODGE	\$194,035.00	\$98,280.00	\$150,605.00	\$442,920.00
23	100631	1	QUIK TRIP #534	2945 E UNIVERSITY	DES MOINES	\$287,302.00	\$0.00	\$150,500.00	\$437,802.00
24	117640	3	HY-VEE #1413	551 S ILLINOIS ST	MASON CITY	\$193,960.00	\$110,295.00	\$128,278.50	\$432,533.50
25	102383	1	DAHL'S #05	1320 E EUCLID	DES MOINES	\$253,308.00	\$0.00	\$178,926.00	\$432,234.00
26	217818	1	L & M GAS & GROCERY	320 W MAMIE EISENHOWER	BOONE	\$249,702.00	\$68,985.00	\$107,930.00	\$426,617.00
27	268619	5	DARRAHS	3607 9TH AVE	COUNCIL BLUFFS	\$190,394.00	\$34,020.00	\$197,947.50	\$422,361.50
28	100622	1	QUIK TRIP #535	1501 E GRAND	DES MOINES	\$290,498.00	\$0.00	\$123,880.00	\$414,378.00
29	126949	5	HY-VEE #1092	1706 N 16TH ST	COUNCIL BLUFFS	\$128,895.00	\$148,500.00	\$128,184.50	\$405,579.50
30	108569	2	HY-VEE #1061	3235 OAKLAND RD NE	CEDAR RAPIDS	\$164,870.00	\$46,440.00	\$193,694.50	\$405,004.50
31	101466	1	DAHL'S #03	4121 FLEUR DR	DES MOINES	\$188,106.00	\$0.00	\$211,683.50	\$399,789.50
32	141164	2	KWIK STAR #732	324 FLETCHER AVE	WATERLOO	\$227,785.00	\$47,655.00	\$118,565.00	\$394,005.00
33	157500	2	HY-VEE #1106	2200 W KIMBERLY RD	DAVENPORT	\$125,971.00	\$40,770.00	\$227,069.50	\$393,810.50
34	101448	1	DAHL'S #07	3425 INGERSOLL	DES MOINES	\$202,487.00	\$0.00	\$188,425.50	\$390,912.50
35	101813	1	QUIK TRIP #523	850 SW ARMY POST RD	DES MOINES	\$217,181.00	\$0.00	\$170,738.50	\$387,919.50
36	110838	2	HY-VEE #1863	2181 LOGAN AVE	WATERLOO	\$157,564.00	\$63,720.00	\$164,940.00	\$386,224.00
37	103257	1	HY-VEE #1038	1111 8TH ST	BOONE	\$133,621.00	\$138,915.00	\$110,238.50	\$382,774.50
38	101760	1	QUIK TRIP #538	4575 NW 2ND	DES MOINES	\$207,619.00	\$0.00	\$168,229.50	\$375,848.50
39	138113	1	HY-VEE #1888	1990 GRAND AVE	WEST DES MOINES	\$144,320.00	\$60,615.00	\$167,062.50	\$371,997.50
40	101742	1	QUIK TRIP #544	3941 SE 14TH	DES MOINES	\$220,677.00	\$0.00	\$149,704.00	\$370,381.00
41	211007	2	HY-VEE #5	2351 W LOCUST	DAVENPORT	\$140,117.00	\$30,240.00	\$199,609.50	\$369,966.50
42	177828	5	SUPER SAVER IV #12	1141 N BROADWAY	COUNCIL BLUFFS	\$185,180.00	\$0.00	\$181,225.50	\$366,405.50
43	266631	2	ROAD RANGER #148	550 WILSON AVE SW	CEDAR RAPIDS	\$237,727.00	\$0.00	\$124,217.00	\$361,944.00
44	100640	1	QUIK TRIP #530	2300 E 14TH ST	DES MOINES	\$241,952.00	\$0.00	\$111,886.00	\$353,838.00
45	108624	2	HY-VEE #1396	3600 BUSINESS HWY 151	MARION	\$142,204.00	\$76,950.00	\$134,529.50	\$353,683.50

46	200619	1	KNOXVILLE 66	306 W PLEASANT	KNOXVILLE	\$243,914.00	\$41,040.00	\$68,314.50	\$353,268.50
47	108909	2	HCS - NOLL RIDGE PK	1120 OLD MARION RD NE	CEDAR RAPIDS	\$202,905.00	\$46,845.00	\$103,518.00	\$353,268.00
48	173737	2	HASS FOOD MKT	122 S 2ND	CLINTON	\$238,178.00	\$24,030.00	\$88,511.00	\$350,719.00
49	168873	2	MOTHER HUBBARD'S #6	3636 HICKORY GROVE RD	DAVENPORT	\$149,129.00	\$62,235.00	\$137,283.00	\$348,647.00
50	196382	4	HY-VEE #1615	3401 GORDON DRIVE	SIOUX CITY	\$105,000.00	\$71,550.00	\$170,536.50	\$347,086.50
			Total			\$11,832,210.00	\$2,751,570.00	\$8,021,964.50	\$22,605,744.50

Top 10 Stores - Each Region

Reg Rank	State Rank	Store Name	Address	City	Sales: FY 09_ALL			
					Instant	Pulltabs	Online	Total
1	3	194191 QUICK SHOP FOODS - 2LT	405 S MADISON	OTTUMWA	\$438,348.00	\$61,560.00	\$152,374.50	\$652,282.50
2	5	182328 DAHL'S #15	4343 MERLE HAY RD	DES MOINES	\$272,645.00	\$0.00	\$305,935.50	\$578,580.50
3	6	100415 HY-VEE #1138 - 2LT	2540 E EUCLID AVE	DES MOINES	\$294,916.00	\$162,675.00	\$114,702.50	\$572,293.50
4	7	201628 DEZIS QUICK SHOP	702 1ST AVE E	NEWTON	\$326,994.00	\$40,365.00	\$157,813.00	\$525,172.00
5	9	100299 DAHL'S #20	3400 E 33RD ST	DES MOINES	\$269,319.00	\$38,340.00	\$199,544.50	\$507,203.50
6	10	101573 HY-VEE #1151	1107 SE ARMY POST RD	DES MOINES	\$274,372.00	\$56,565.00	\$172,491.50	\$503,428.50
7	13	101555 HY-VEE #1142	3221 SE 14TH	DES MOINES	\$297,909.00	\$64,665.00	\$123,627.00	\$486,201.00
8	15	100613 QUIK TRIP #541	2428 HUBBELL	DES MOINES	\$307,737.00	\$0.00	\$168,256.00	\$475,993.00
9	20	101822 QUIK TRIP #516	900 E UNIVERSITY	DES MOINES	\$293,971.00	\$0.00	\$158,535.50	\$452,506.50
10	23	100631 QUIK TRIP #534	2945 E UNIVERSITY	DES MOINES	\$287,302.00	\$0.00	\$150,500.00	\$437,802.00
Total Region 1					\$3,063,513.00	\$424,170.00	\$1,703,780.00	\$5,191,463.00
1	1	108541 HY-VEE #1056	20 WILSON AVE SW	CEDAR RAPIDS	\$466,305.00	\$254,340.00	\$220,069.50	\$940,714.50
2	2	108523 HY-VEE #1054	1843 JOHNSON AVE NW	CEDAR RAPIDS	\$383,372.00	\$125,820.00	\$295,452.50	\$804,644.50
3	4	200673 PORTER'S CONVENIENT 66	1512 LINCOLNWAY	CLINTON	\$326,394.00	\$55,080.00	\$202,424.50	\$583,898.50
4	8	108606 HY-VEE DRUGSTORE #1	1520 6TH ST SW	CEDAR RAPIDS	\$288,383.00	\$92,340.00	\$144,022.00	\$524,745.00
5	11	169355 KWIK STAR #642	911 S 14TH ST	CLINTON	\$307,195.00	\$0.00	\$190,759.50	\$497,954.50
6	12	201319 GUPPY'S ON THE GO	235 EDGEWOOD RD NW	CEDAR RAPIDS	\$290,442.00	\$80,190.00	\$115,680.50	\$486,312.50
7	17	183264 HY-VEE #1869 - 2LT	4000 UNIVERSITY	WATERLOO	\$252,801.00	\$101,115.00	\$113,804.00	\$467,720.00
8	18	185419 HCS - WILEY BLVD	2330 WILEY BLVD	CEDAR RAPIDS	\$268,700.00	\$41,310.00	\$154,314.00	\$464,324.00
9	19	190082 HY-VEE #1107	1823 E KIMBERLY	DAVENPORT	\$170,510.00	\$0.00	\$284,113.50	\$454,623.50
10	21	108550 HY-VEE #1060	1556 1ST AVE NE	CEDAR RAPIDS	\$200,928.00	\$128,925.00	\$115,526.50	\$445,379.50
Total Region 2					\$2,955,030.00	\$879,120.00	\$1,836,166.50	\$5,670,316.50
1	16	117631 HY-VEE #1410	2400 4TH ST SW	MASON CITY	\$160,580.00	\$178,740.00	\$132,242.00	\$471,562.00
2	24	117640 HY-VEE #1413	551 S ILLINOIS ST	MASON CITY	\$193,960.00	\$110,295.00	\$128,278.50	\$432,533.50
3	64	129437 KUM & GO #109	1224 N FEDERAL AVE	MASON CITY	\$199,806.00	\$57,645.00	\$62,585.00	\$320,036.00
4	81	172500 DOC'S STOP #3	1345 2ND ST	WEBSTER CITY	\$179,637.00	\$58,185.00	\$63,339.00	\$301,161.00
5	82	118386 KUM & GO #404	1303 4TH ST SW	MASON CITY	\$155,517.00	\$60,075.00	\$84,353.00	\$299,945.00
6	88	152546 BUY LOW NORTH	1200 N GRAND	CHARLES CITY	\$170,059.00	\$67,635.00	\$55,981.50	\$293,675.50
7	102	119064 ROCK `C` STORE	418 ROCKSYLVANIA AVE	IOWA FALLS	\$128,346.00	\$89,100.00	\$59,250.50	\$276,696.50
8	118	207990 NORDIC EXPRESS	1101 MONTGOMERY ST	DECORAH	\$116,626.00	\$92,610.00	\$57,735.00	\$266,971.00
9	123	118304 KUM & GO #6	1920 S FEDERAL	MASON CITY	\$183,216.00	\$0.00	\$82,379.50	\$265,595.50
10	124	263664 AMPRIDE	504 1ST ST SW	MASON CITY	\$154,833.00	\$70,065.00	\$40,510.50	\$265,408.50
Total Region 3					\$1,642,580.00	\$784,350.00	\$766,654.50	\$3,193,584.50

1	14	206833	KUM & GO #89	115 N 22ND ST	FORT DODGE	\$275,788.00	\$58,455.00	\$144,043.00	\$478,286.00
2	22	126118	HY-VEE #1192	115 S 29TH ST	FORT DODGE	\$194,035.00	\$98,280.00	\$150,605.00	\$442,920.00
3	50	196382	HY-VEE #1615	3401 GORDON DRIVE	SIOUX CITY	\$105,000.00	\$71,550.00	\$170,536.50	\$347,086.50
4	55	199900	DALES CORNER STORE	231 5TH AVE N	FORT DODGE	\$250,709.00	\$20,790.00	\$63,480.50	\$334,979.50
5	61	263019	ONE STOP SHOP	1101 N LAKE AVE	STORM LAKE	\$207,174.00	\$26,055.00	\$95,465.50	\$328,694.50
6	69	122651	HY-VEE #1628	1500 18TH ST	SPIRIT LAKE	\$115,846.00	\$115,560.00	\$80,870.00	\$312,276.00
7	75	244079	SMOKE SHOP	229 N 7TH	DENISON	\$122,651.00	\$46,743.00	\$136,711.50	\$306,105.50
8	80	206842	KUM & GO #87	1601 5TH AVE S	FORT DODGE	\$228,446.00	\$31,185.00	\$41,750.00	\$301,381.00
9	92	126622	KUM & GO #564	1212 8TH AVE N	HUMBOLDT	\$203,953.00	\$24,705.00	\$60,131.50	\$288,789.50
10	99	124178	HY-VEE #1614	4500 SERGEANT RD	SIOUX CITY	\$62,662.00	\$42,255.00	\$173,845.50	\$278,762.50

Total Region 4

\$1,766,264.00 \$535,578.00 \$1,117,439.00 \$3,419,281.00

1	27	268619	DARRAHS	3607 9TH AVE	COUNCIL BLUFFS	\$190,394.00	\$34,020.00	\$197,947.50	\$422,361.50
2	29	126949	HY-VEE #1092	1706 N 16TH ST	COUNCIL BLUFFS	\$128,895.00	\$148,500.00	\$128,184.50	\$405,579.50
3	42	177828	SUPER SAVER IV #12	1141 N BROADWAY	COUNCIL BLUFFS	\$185,180.00	\$0.00	\$181,225.50	\$366,405.50
4	63	129200	KUM & GO #501	301 W TAYLOR ST	CRESTON	\$218,762.00	\$35,775.00	\$69,952.50	\$324,489.50
5	89	198173	KUM & GO #522	701 POPLAR	ATLANTIC	\$169,260.00	\$38,340.00	\$85,187.00	\$292,787.00
6	156	267556	BUCKY'S EXPRESS #34	3501 BROADWAY	COUNCIL BLUFFS	\$101,171.00	\$0.00	\$150,343.00	\$251,514.00
7	171	126958	HY-VEE #1101	1745 MADISON	COUNCIL BLUFFS	\$64,798.00	\$0.00	\$176,271.00	\$241,069.00
8	186	198091	KUM & GO #235	1 N LOCUST	GLENWOOD	\$131,910.00	\$53,325.00	\$49,190.00	\$234,425.00
9	188	177946	KUM & GO #4205	1303 SHERIDAN	SHENANDOAH	\$123,285.00	\$54,000.00	\$56,885.50	\$234,170.50
10	212	198146	KUM & GO #193	1303 FRONT ST	STUART	\$119,877.00	\$27,945.00	\$75,230.50	\$223,052.50

Total Region 5

\$1,433,532.00 \$391,905.00 \$1,170,417.00 \$2,995,854.00

Top 3 Corps: FY 04 - FY 09

Instant												
	FY 04		FY 05		FY 06		FY 07		FY 08		FY 09	
Caseys	\$319,916.00	0.33%	\$6,193,374.00	5.99%	\$11,726,847.00	11.00%	\$17,777,316.00	14.20%	\$23,164,752.00	16.78%	\$25,052,299.00	18.37%
Kum & Go	\$15,540,142.00	16.18%	\$16,803,949.00	16.26%	\$15,623,122.00	14.65%	\$17,861,180.00	14.27%	\$19,102,208.00	13.84%	\$18,143,585.00	13.31%
Hy-Vee	\$10,525,747.00	10.96%	\$11,161,493.00	10.80%	\$11,223,045.00	10.52%	\$13,064,751.00	10.43%	\$14,877,522.00	10.78%	\$15,833,626.00	11.61%
Other	\$69,650,437.00	72.53%	\$69,158,502.00	66.94%	\$68,078,685.00	63.83%	\$76,500,257.00	61.10%	\$80,898,589.00	58.60%	\$77,319,756.00	56.71%
Total	\$96,036,242.00	100.00%	\$103,317,318.00	100.00%	\$106,651,699.00	100.00%	\$125,203,504.00	100.00%	\$138,043,071.00	100.00%	\$136,349,266.00	100.00%
Change			\$7,281,076.00	8%	\$3,334,381.00	3%	\$18,551,805.00	17%	\$12,839,567.00	10%	(\$1,693,805.00)	-1%
Pulltab												
	FY 04		FY 05		FY 06		FY 07		FY 08		FY 09	
Caseys	\$0.00	0.00%	\$1,890.00	0.01%	\$4,860.00	0.03%	(\$474.74)	0.00%	\$0.00	0.00%	\$0.00	0.00%
Kum & Go	\$1,597,689.00	6.27%	\$1,648,127.00	6.98%	\$1,414,567.00	7.72%	\$1,761,393.83	8.36%	\$1,825,258.89	8.53%	\$1,831,845.48	8.59%
Hy-Vee	\$4,603,546.00	18.07%	\$4,491,645.00	19.01%	\$3,604,476.00	19.68%	\$4,117,916.99	19.55%	\$4,574,394.79	21.37%	\$5,130,808.80	24.06%
Other	\$19,271,728.00	75.66%	\$17,483,524.00	74.00%	\$13,290,347.00	72.57%	\$15,182,237.75	72.09%	\$15,010,956.26	70.11%	\$14,363,406.84	67.35%
Total	\$25,472,963.00	100.00%	\$23,625,186.00	100.00%	\$18,314,250.00	100.00%	\$21,061,073.83	100.00%	\$21,410,609.94	100.00%	\$21,326,061.12	100.00%
Change			(\$1,847,777.00)	-7%	(\$5,310,936.00)	-22%	\$2,746,823.83	15%	\$349,536.11	2%	(\$84,548.82)	0%
Online												
	FY 04		FY 05		FY 06		FY 07		FY 08		FY 09	
Caseys	\$282,054.00	0.32%	\$3,325,055.00	4.24%	\$8,875,727.50	9.42%	\$11,468,835.50	12.82%	\$13,167,909.00	14.50%	\$13,545,241.00	15.54%
Kum & Go	\$11,866,498.00	13.66%	\$10,343,094.50	13.18%	\$11,373,862.00	12.07%	\$10,391,953.50	11.61%	\$10,408,786.00	11.46%	\$9,502,342.50	10.90%
Hy-Vee	\$13,291,837.00	15.30%	\$12,149,002.00	15.48%	\$13,809,286.50	14.65%	\$13,471,515.50	15.06%	\$13,809,139.00	15.20%	\$14,073,194.50	16.15%
Other	\$61,417,931.00	70.71%	\$52,673,710.00	67.11%	\$60,204,007.50	63.87%	\$54,140,250.00	60.51%	\$53,455,125.50	58.84%	\$50,028,483.50	57.41%
Total	\$86,858,320.00	100.00%	\$78,490,861.50	100.00%	\$94,262,883.50	100.00%	\$89,472,554.50	100.00%	\$90,840,959.50	100.00%	\$87,149,261.50	100.00%
Change			(\$8,367,458.50)	-10%	\$15,772,022.00	20%	(\$4,790,329.00)	-5%	\$1,368,405.00	2%	(\$3,691,698.00)	-4%
Total												
	FY 04		FY 05		FY 06		FY 07		FY 08		FY 09	
Caseys	\$601,970.00	0.29%	\$9,520,319.00	4.63%	\$20,607,434.50	9.40%	\$29,245,676.76	12.41%	\$36,332,661.00	14.52%	\$38,597,540.00	15.77%
Kum & Go	\$29,004,329.00	13.92%	\$28,795,170.50	14.02%	\$28,411,551.00	12.96%	\$30,014,527.33	12.73%	\$31,336,252.89	12.52%	\$29,477,772.98	12.04%
Hy-Vee	\$28,421,130.00	13.64%	\$27,802,140.00	13.53%	\$28,636,807.50	13.06%	\$30,654,183.49	13.00%	\$33,261,055.79	13.29%	\$35,037,629.30	14.31%
Other	\$150,340,096.00	72.15%	\$139,315,736.00	67.82%	\$141,573,039.50	64.58%	\$145,822,744.75	61.86%	\$149,364,670.76	59.68%	\$141,711,646.34	57.88%
Total	\$208,367,525.00	100.00%	\$205,433,365.50	100.00%	\$219,228,832.50	100.00%	\$235,737,132.33	100.00%	\$250,294,640.44	100.00%	\$244,824,588.62	100.00%
Change			(\$2,934,159.50)	-1%	\$13,795,467.00	7%	\$16,508,299.83	8%	\$14,557,508.11	6%	(\$5,470,051.82)	-2%

IOWA LOTTERY PRIORITIES

FY 2010

- 1. Exceed Proceeds Goals- \$60.33M**
 - a. Maximize revenue
 - b. Minimize expenses

- 2. Lottery Image**
 - a. Customers- fun and trusted
 - b. Government/ Retailers- show proof of value

- 3. Best in Class Lottery Operations**
 - a. Encourage employee input of knowledge from the field
 - b. Encourage management knowledge of national trends and successes

- 4. Create Culture of Fun Energy**
 - a. “Nimbleness” of sales from base business
 - b. Calculated risks- continuous testing of new products
 - c. Communicate information for employee knowledge of finances/ budget

Date: September 15, 2009
To: Iowa Lottery Employees
From: Larry L. Loss
Re: Bottom-Line Challenge Contest Results

On March 25, 2009, the Lottery Board approved the Bottom-Line Challenge contest. The contest consisted of two components:

- One component for District Sales Representatives (DSRs)
- One component for all other employees.

The final results are in. Here are the results:

Thirty-three of the forty-one DSRs exceeded their goals and earned credit towards an Iowa Lottery apparel order. \$1,555.00 is the total amount of credits for apparel earned by DSRs.

The FY09 transfer goal for all other employees was \$61,330,902. The actual transfer was \$60,553,306. Unfortunately, we did not meet the goal and no credit toward the purchase of apparel was earned.

Thanks to everyone for participating in the Bottom-Line Challenge Contest and working hard to produce a transfer in excess of \$60,000,000.

DATE: September 18, 2009
TO: Board Members of the Iowa Lottery Authority
FROM: Brenda Loy, Chief Financial Officer
RE: Summary of Changes to Iowa Lottery Fiscal Policies

The Iowa Lottery's financial management policies are based on the financial management policies utilized by the state of Iowa Department of Administrative Services (DAS) State Accounting Enterprise. DAS has updated several policies. Many policy changes are due to Executive Order 13 signed by Governor Culver on May 26, 2009 for implementation effective July 1, 2009. Executive Order 13 requires that actual receipts be provided for all meals, travel and work-related allowable costs. In addition, several policies are being updated for procedural changes related to processing claims.

The changes are listed below:

210.115 Travel-General-Direct Billing

- Removed \$75 limitation on direct billing for registrations
- Added wording to allow direct billing for in-state registrations but not out-of-state registrations

210.120 Travel-General-Cancellation of Reservations

- Added wording for registrations when cancelled

210.130 Travel-General-Lottery Vehicles-Use for Personal Reasons

- Added wording to clarify maximum mileage for personal vehicles is measured annually on a fiscal year basis beginning July 1 of each year

210.140 Travel-General-Miscellaneous Expense

- Deleted the Iowa Lottery fiscal policy. The DAS policy is identical to the Lottery policy with the exception of item 4 covering employee provided cell phones. Cell phones are covered by internal Lottery policy therefore a separate Lottery policy is not needed. The Lottery will use the DAS version of this policy.

210.200 Travel-In-State-Mode of Transportation

- Added internet sites that are available for mileage verification

210.205 Travel—In-State—Subsistence Allowance

- Added receipts are required
- Added internet
- Added overnight lodging facility
- Changed departure time to 6 a.m. and the return time to 7 p.m.

210.235 Travel-In-State-Overnight Travel No Overnight Lodging Expense

- Limits meal to the employee
- Added receipt is required

210.245 Travel—In-State—Board, Commission, Advisory Council, and Task Force Member Expenses

- Added receipts are required
- Added internet sites that are available for mileage verification

210.305 Travel—Out-of-State—Subsistence Allowance

- Added receipts are required
- Clarified a tip of no more than 15% per meal is allowed
- Changed departure time to 6 a.m. and the return time to 7 p.m.

210.405 Travel-International Subsistence Allowance and Miscellaneous Expenses

- Added receipts are required
- Changes procedure for determining meal rates and per diem limits to the method used by DAS.

220.100 Employee Expenses-Relocation Reimbursement

- The initiation of a maximum reimbursable amount of \$50,000
- Added definitions and information on making arrangements for relocating
- Income tax assistance is calculated at 35%; the previous rate used was 50%
- The maximum allowable amount for incidental expenses is now \$5,000; the previous maximum was \$15,000
- Additional language was added to clarify the requirements surrounding bids from moving companies
- Some fees were adjusted
- Added receipts are required

The related DAS policy for each of these Lottery policies is effective July 1, 2009. Executive Order 13 requires implementation of the receipt requirement on July 1, 2009. Therefore we request that the Board approve the implementation of these policies retroactive to July 1, 2009 at the September 29, 2009 Board meeting.

Full text available upon request.

Budget for Lottery Fund

	2009 ACTUAL	2010 BOARD APPROVED BUDGET	2011 PROPOSED BUDGET
Resources			
Lottery sales	243,337,101	245,430,000	250,100,000
Interest income	421,090	570,000	500,000
Application fees	3,680	5,000	5,000
Other	65,449	5,000	5,000
Total resources	243,827,320	246,010,000	250,610,000
Expenses			
Prizes	138,425,341	137,597,684	142,814,120
Retailer compensation	15,298,983	15,088,100	15,606,100
Advertising production and media purchases	6,995,166	9,817,200	10,004,000
Retailer Lottery system/Terminal communications	8,248,110	8,190,000	5,897,595
Instant/Pull-tab ticket expense & machine maintenance	3,194,530	3,022,000	3,235,412
Terminal equipment/Ticket dispensers	81,249	100,000	100,000
Interest expense (ITVM/PTVM/Building)	48,986	50,000	42,500
Lottery operating expense	12,235,787	12,459,423	11,927,095
Total Expenses	184,528,152	186,324,407	189,626,822
Net Income			
Prior to Net Asset Change	59,299,168	59,685,593	60,983,178
Less increase (decrease) in net assets	(1,254,138)	(645,807)	48,341
After Net Asset Change	60,553,306	60,331,400	60,934,837
Proceeds			
Proceeds Transfer to General Fund	56,550,792	57,320,090	58,234,837
Proceeds Transfer to Veterans Trust Fund	2,783,377	3,011,310	2,700,000
Proceeds Transfer to Gamblers Treatment Fund	1,219,137	-	-
Total Proceeds Transfers	60,553,306	60,331,400	60,934,837
Total Expenses and Proceeds	243,827,320	246,010,000	250,610,000

Lottery Operations - Budget Detail

	2009 ACTUAL	2010 BOARD APPROVED BUDGET	2011 PROPOSED BUDGET	
Administrative payroll	8,759,206	9,334,541	9,426,178	(1)
Travel	404,876	430,000	430,000	
Supplies	110,739	105,000	105,000	
Printing	9,582	10,000	10,000	
Postage	4,718	5,000	5,000	
Communications	116,920	110,000	110,000	
Rentals	290,254	240,000	240,000	
Utilities	103,240	101,515	101,515	
Professional fees	121,965	136,190	136,190	
Advertising	12,451			
Outside services and repair	166,732	376,730	396,932	
Data processing	40,929	40,000	40,000	
Non-capitalized equipment	123,349	190,330	241,049	
Reimbursement to state agencie	435,976	392,000	392,000	
Depreciation	1,403,051	855,817	160,931	
Other expenses	131,799	132,300	132,300	
Total operating expenses	\$ 12,235,787	\$ 12,459,423	\$ 11,927,095	

Depreciation Expense (ITVM/PTVM/Building)
 Lottery Operations shown on 2010 Budget

745,807
11,713,616

- (1) The Administrative payroll 2011 proposed budget does not include salary and benefit cost increases. Consistent with prior years, salary and benefit cost increases will be requested as a budget amendment in June 2010. Additionally, the Administrative payroll 2011 proposed budget includes \$40,000 for system conversion costs

Increase (Decrease) In Net Assets

	2009 ACTUAL	2010 BOARD APPROVED BUDGET	2011 BOARD APPROVED BUDGET
Bonds payment	100,000	100,000	100,000
Depreciation Expense (ITVM/PTVM/BUILDING)	(1,216,296)	(745,807)	(51,659)
Other adjustments	(137,842)		
Total Change in Net Assets	(1,254,138)	(645,807)	48,341

Capital Expenses

Category		Fiscal Year			
		2009	2010	2011	2012
Property Upkeep					
	Tuck Point exterior 1/2 '09, 1/2 '10	\$ -	\$160,000		
	Exterior Windows			\$165,000	
	Vinyl wall coverings			\$ 4,000	
	Security Camers	\$ 5,000			
	Lighting upgrade			\$ 12,000	
	Cafeteria lighting upgrade			\$ 5,500	
	Halon fire suppression replacement			\$ 28,000	
	Elevator control panel				\$ 85,000
	Rest room upgrades				\$ 6,500
	Carpeting				\$ 42,120
	Repair roof	\$ 3,500			
	Repair concrete and fix sidewalk heeled areas	\$ 12,900			
	Hallway painting general M&R		\$ 5,000		
	Outdoor upkeep/ repair	\$ 7,500	\$ 5,000	\$ 5,000	\$ 5,000
	TOTAL	\$ 28,900	\$200,000	\$219,500	\$138,620
Outside Service & Repairs					
	Maintenance Contract on Statement Printers			\$ 4,200	
	Remodel of Test Area			\$ 6,500	
	TOTAL	\$ -	\$ -	\$ 10,700	\$ -
Computer Hardware					
	VM Ware Server Replacement	\$ 95,526	\$ 20,000		
	PC Replacement	\$ 20,374	\$ 3,526	\$ 24,000	\$ 24,000
	Printer replacement		\$ 17,500	\$ 29,600	
	TOTAL	\$ 75,900	\$ 41,126	\$ 53,600	\$ 24,000
Computer Software					
	WLA Security/ ISO 27001 Services	\$ -	\$ 28,800	\$ 10,400	\$ 10,400
	UTM Firewall Replacement	\$ 20,000	\$ 6,104		
	Software upgrade- Chrystal '10, Office '11		\$ 10,000	\$ 49,700	
	Software upgrade- Office/ Adobe	\$ 1,500			
	Microsoft Maintenance- Cisco/Nortel/ Symantec, etc.		\$ 11,800		
	Skype access	\$ 1,000			
	TOTAL	\$ 22,500	\$ 56,704	\$ 60,100	\$ 10,400
Various					
	Badge ID	\$ 4,000			
	Sign at Storm Lake Office	\$ 5,031			
	Photo printer replacements	\$ 5,000			
	Security equipment			\$ 4,000	
	TOTAL	\$ 14,031	\$ -	\$ 4,000	\$ -
	GRAND TOTAL	\$ 141,331	\$297,830	\$347,900	\$173,020



MEMORANDUM

TO: Elaine Baxter Mike Klappholz
Brad Schroeder Thomas Rial
Mary Junge Michael Fitzgerald

FROM: Joe Hrdlicka

RE: INSTANT TICKET PRINTING CONTRACT EXTENSIONS

For the Iowa Lottery's instant ticket printing services, contracts were negotiated in 2007 with two vendors:

- Pollard Banknote Limited of Winnipeg, Manitoba, Canada
- Scientific Games International (SGI) of Alpharetta, Georgia

Each vendor has shown adequate capabilities in the critical areas of marketing support, plant operations, ticket print quality and ticket/plant security.

It is the staff's recommendation to continue with Scientific Games as primary instant ticket printer for the Iowa Lottery. By following staff recommendation, the Board would approve the first of up to three one-year extensions on the original contracts for the period of January 1, 2008 through December 31, 2009. SGI won this contract to be primary printer as it was the lowest bidder in the request for proposals process conducted in 2007. Additionally, instant sales continue to increase. This year, instant sales are up 1 to 2 percent over last year.

The Board should note; however, that increased sales continue to pose a changing dynamic in instant ticket printing costs. Nationally, there are a variety of trends affecting the cost of ticket printing such as the increase in the use of the larger size tickets, variance in the number of tickets per game and the number of instant games introduced during the course of the year. Next year, we will evaluate whether to seek new bids from vendors. We will continue to monitor this situation and report back to you accordingly.

Staff also recommends extending the contract with Pollard Banknote as a secondary printing vendor. Due to the various intellectual properties available for licensed games, it is in the interest of the Lottery to continue to have contracts with each of these companies.

These contracts allow for increases based on increases in the Consumer Price Index.

**FIRST EXTENSION OF
AGREEMENT FOR THE PURCHASE OF
INSTANT TICKETS AND RELATED SERVICES**

This Extension of Agreement For the Purchase of Instant Tickets and Related Services (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **Scientific Games International, Inc.** (Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 2323 Grand Avenue, Des Moines, Iowa 50312.

1.2 The Contractor is a wholly owned subsidiary of Scientific Games Corporation, is incorporated in the state of Delaware, and whose business, among other things, includes printing of instant tickets. Contractor's principal place of business is 1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004.

SECTION 2. EXTENSION OF TERM.

On or about January 29, 2008, the Lottery and Contractor entered into an Agreement for the Purchase of Instant Tickets and Related Services ("Agreement"). The term of the Agreement was for two years, plus three one-year extension periods exercisable at the option of the Lottery. Pursuant to Section 5 of the Agreement, the first option period is hereby exercised extending the term through December 31, 2010.

SECTION 3. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of this Agreement shall remain in full force and effect.

SECTION 4. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Kenneth A. Brickman
Title: Executive Vice President

Date: _____

Scientific Games International, Inc.

By: _____
Name: James C. Kennedy
Title: Sr. President

Date: _____

**FIRST EXTENSION OF
AGREEMENT FOR THE PURCHASE OF
INSTANT TICKETS AND RELATED SERVICES**

This Extension of Agreement For the Purchase of Instant Tickets and Related Services (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **Pollard Banknote Limited Partnership** (Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 2323 Grand Avenue, Des Moines, Iowa 50312.

1.2 The Contractor is a limited partnership established under the laws of the Province of Manitoba, Canada, and whose business, among other things, includes printing of instant tickets. Contractor's principal place of business is 1499 Buffalo Place, Winnipeg, Manitoba R3T 1L7.

SECTION 2. EXTENSION OF TERM.

On or about January 11, 2008, the Lottery and Contractor entered into an Agreement for the Purchase of Instant Tickets and Related Services ("Agreement"). The term of the Agreement was for two years, plus three one-year extension periods exercisable at the option of the Lottery. Pursuant to Section 5 of the Agreement, the first option period is hereby exercised extending the term through December 31, 2010.

SECTION 3. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of this Agreement shall remain in full force and effect.

SECTION 4. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Kenneth A. Brickman
Title: Executive Vice President

Date: _____

Pollard Banknote Limited Partnership

By its' General Partner Pollard Banknote Limited

By: _____
Name: Gordon O. Pollard
Title: Co. Chief Executive Officer

Date: _____

**EXTENSION TO THE PTVM and ITVM MAINTENANCE
PROGRAM AGREEMENT**

THIS EXTENSION, is effective on October 1, 2009 and is made by and between the **IOWA LOTTERY AUTHORITY** (the "Lottery"), and **Pollard Games, Inc. dba American Games Inc.** (Contractor).

In consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 2323 Grand Ave., Des Moines, Iowa 50312.

1.2 American Games, Inc. (Contractor) is a corporation, whose business, is among other things manufacture of vending machines and related services. The address for Contractor is 504 34th Avenue, Council Bluffs, IA 51501.

SECTION 2. STATEMENT OF AGREEMENT AND PURPOSE.

The Lottery and Contractor entered into an Agreement for a Maintenance Program (Agreement), effective October 1, 2004 through September 30, 2008. The Agreement provides that the Lottery and the Contractor can extend the Agreement for two one-year option periods.

SECTION 6. EXECUTION.

IN WITNESS WHEREOF, in consideration of mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

Iowa Lottery Authority

By: _____
Kenneth A. Brickman
Executive Vice President

Date: _____

SECTION 3. EXTENSION. Pursuant to Section 2 and 4, the Lottery is hereby extending the Agreement through September 30, 2010.

SECTION 4. RATIFICATION. Except as expressly amended hereby, the Agreement shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof.

SECTION 5. AUTHORIZATION. Each party to this Agreement represents and warrants to the other that:

5.1 It has the right, power and authority to enter into and perform its obligations under this Agreement.

5.2 It has taken requisite action (corporate or otherwise) to approve execution, delivery and performance of this Agreement, and this Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency and similar laws.

Pollard Games, Inc. dba American Games, Inc.

By: _____

Date: _____

**EXTENSION TO THE
AGREEMENT FOR
MARKETING RESEARCH PROJECTS**

This Extension to the Agreement for Marketing Research Projects (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **Crawford Johnson & Northcott, Inc.** (Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 2323 Grand Avenue, Des Moines, Iowa 50312.

1.2 The Contractor is an Iowa corporation whose business, among other things, includes providing marketing research services. Contractor's principal place of business is 309 Court Avenue, Suite 226, Des Moines, Iowa 50309.

SECTION 2. EXTENSION OF TERM.

On or about January 1, 2006, the Lottery and Contractor entered into an Agreement for Marketing Research Projects ("Agreement"). The term of the Agreement was for one year, plus up to four one-year extension periods exercisable at the option of the Lottery. Pursuant to Section 4 of the Agreement, the fourth and final option period is hereby exercised extending the term through December 31, 2010.

SECTION 3. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of the Agreement shall remain in full force and effect.

SECTION 4. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Kenneth A. Brickman
Title: Executive Vice President

Date: _____

Crawford, Johnson & Northcott, Inc.

By: _____
Name:
Title:

Date: _____

Iowa Lottery's Social Media Efforts

The Iowa Lottery has delved heavily into social media. Why?

- We think it's a necessary part of doing business today if you truly want to communicate with your customers and connect with the public.
- We consider our social media tools something that the public expects today and will be demanding soon from all companies.
- It's the same conversation we were having 10 years ago about Web sites. Some companies back then still didn't think that they really had to have Web sites. Today, you don't exist if you don't have a Web site. Social media today is what a Web site was a decade ago – some companies will be slower to get there, but they're missing a huge opportunity in the meantime.
- It's hard to argue with the statistics (although these are recent, they became outdated the second I typed them):
 - 300 million active users on Facebook. The fastest-growing group on Facebook is users 35 and older.
 - More than 100 million videos on YouTube with 65,000 new videos per day.
 - More than 8 million users on Twitter.
 - More than 200 million blogs worldwide, and more than 70 percent of online users have read a blog.
- Consumers today don't want to be "talked at" through news releases and blanket statements from companies. They want to have a conversation with a company. The old way of doing things gave consumers little, if any, validation or recognition. Social media is changing all that by allowing companies to go directly to the consumer. You can meet people and start conversations, answer questions and receive advice – all important parts of doing business. It also lets you follow what others are saying about you – and their opinions have huge sway in the online world!
- Mainstream media has tuned into social media and using it to interact with people and generate story ideas. We're followed on Twitter and Facebook and have conversations there with columnists and reporters from the Cedar Rapids Gazette, the Des Moines Register, the Sioux City Journal, the Quad-City Times, Iowa Public Radio and Radio Iowa, just to name a few.
- The Iowa Lottery was one of the first lotteries in the country to begin using social media, and we have since been consulted by many other lotteries for advice as they began their own social media projects. So far, we've helped lotteries in: Tennessee, Louisiana, Arizona, New Mexico, Colorado, Montana, Idaho, Kansas, Virginia, Minnesota, South Carolina, Michigan, Oregon and Washington, D.C. It has been a bit time-consuming to do all of the consultation, but we've been glad to do it because we believe it strengthens the lottery industry as a whole to have a presence by more lotteries in the world of social media.

Where to find us:

BLOG: ialotteryblog.com debuted Sept. 15, 2008. Daily traffic varies, but we've already had more than 450 daily visits to our blog. We're getting a lot of readers, but not as many comments, and we'd love to have more comments because they tell us how we're doing. We average 2,500-3,500 hits a month on our blog, and that's growing.

FACEBOOK: Follow us on the Iowa Lottery fan page. We joined Facebook on Sept. 12, 2008, and we're up to about 1,000 friends. (<http://www.facebook.com/IowaLottery>)

TWITTER: Follow us under ialottery. We joined Twitter on Sept. 5, 2008, and currently have about 1,300 followers.

PODCASTS: A Whole Lotto Talk is a 5-10 minute podcast with a new edition posted each Friday, available through itunes or www.ialottery.com. It debuted Jan. 11, 2008. We have between 400 and 700 weekly listeners weekly through itunes, but our big numbers have come since we've made the podcast available for listening through our Web site. We're getting up to 14,000 hits a week there and those numbers are growing.

TEXT MESSAGING SERVICE: Debuted in December 2007. Players can receive lotto drawing results, jackpot alerts, plus updates on games, promotions and special events on their cell phones or mobile devices. Players can sign up directly from their mobile phones or on the lottery Web site at www.ialottery.com. More than 1,000 people currently receive text messages from us, a number that's growing.

WIDGET: The Iowa Lottery's widget is available for free from our Web site and delivers the latest winning numbers directly to your computer desktop. Our widget debuted on Aug. 9, 2007, and has been downloaded hundreds of times.

VIDEOS and YOUTUBE: The Iowa Lottery began producing its own videos for its Web site in July 2007. We later established our own channel on YouTube (you'll find us as Iowa Lottery under "channels" on YouTube) and began posting videos there. We continue to receive the most video hits on our own Web site, but our YouTube numbers are climbing. Our videos receive between 4,000 and 10,000 hits on our Web site each week.

-- The most popular videos are those featuring our winners – you can't beat watching someone tell his/her own story about winning a big prize. The second-most popular videos are those we did on a lark just because we like David Letterman's "Letters" segments that he uses to answer viewer mail. We decided to do "Player Mail" videos in much the same vein and they've been hugely popular.

-- We feature several videos on our Web site's home page and there also is a link there to our "Videos & More" page where even more videos are available.