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Chester J. Culver • Governor  
Patty Judge • Lt. Governor  
Terry Rich • Chief Executive Officer

## **AGENDA**

### ***IOWA LOTTERY BOARD***

**October 28, 2010  
10:00 a.m.**

- I. Call to order  
Approval of Minutes
- II. Monthly Reports
  - a. Security
  - b. Finance
  - c. Marketing
- III. ***Closed Session***
  - a) DCI Presentation – Scientific Games Background Check
- IV. ***Open Session***
  - b) Vote on Scientific Games Contract
- V. Adjournment

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

**MINUTES**  
**IOWA LOTTERY BOARD**  
**September 2, 2010**

The meeting of the Iowa Lottery Board was called to order by Chairman Michael Klappholz at 11:01 a.m. at the Iowa Lottery Headquarters in Des Moines. Board members present: Michael Klappholz, Elaine Baxter, Brad Schroeder, Thomas Rial, Mary Junge, and Michael Fitzgerald.

Staff present at Lottery Headquarters: Terry Rich, Chief Executive Officer; Kenneth Brickman, Chief Operating Officer; Joe Diaz, Vice President for Security; Brenda Loy, Chief Financial Officer; Teri Wood, Vice President for Marketing; Larry Loss, Vice President for Sales; Dave Van Compernelle, Assistant Attorney General; Molly Juffernbruch, Assistant Vice President for Legal Affairs; and Charles Crivaro, Information Technology Specialist.

Others present: Jamie Becker; Bret Baker, GTECH; Kathy Muenks, GTECH; Bonnie Campbell, GTECH; Thomas I. Slaughter, Faegre & Benson; Dave Berger, Scientific Games; Mark Hoffman, Scientific Games; Pat McHugh, Scientific Games; Chantel Ornstein, Scientific Games; Angela Kelley, Faegre & Benson; Lynn Becker, Intralot; Tim Rutten, Intralot; Rod Boshart, Cedar Rapids Gazette; and William Petroski, Des Moines Register.

After calling the meeting to order, Klappholz welcomed Mary Junge back to the Board.

**Minutes**

Baxter moved to approve the minutes of the June 8th meeting. Schroeder seconded the motion and it carried unanimously.

**Notice of Intent to Award Contract from Marketing Research RFP Committee**

Board members were provided with the Marketing Research RFP committee's report. Eight vendors submitted proposals. The committee scored the vendors based on cost, vendor experience and personnel, technical and submission of proposal. Teri Wood reported that Trilix Research and three other vendors stood out from the others with detailed accounts of experience for the Vendor and subcontractors. She also said each provided innovative methods and ideas to further research. Wood stated that Trilix, however, had more competitive pricing over the options presented by the other vendors. Rich disclosed that a friend from his breakfast club is involved with Trilix and his son was an intern there so he recused himself from the decision-making process. On behalf of the Marketing Research RFP committee, Wood recommended negotiation with Trilix Research for an initial contract term for the period of January 1, 2011, through December 31, 2011, with up to four additional, one-year option periods. Junge moved to negotiate with Trilix for an initial contract term from January 1, 2011, to December 31, 2011, with up to four additional, one-year option periods. Schroeder seconded. The motion passed unanimously.

## **On-Line RFP Evaluation Committee Presentation to CEO and Board of Directors, Board Vote on Notice of Intent to Award Subject to Completion of Successful DCI Background Investigation**

Rich thanked all of the vendors for their responses to the Lottery's RFP and noted that all were very qualified.

Loss also complimented and thanked the vendors. He then provided this presentation:

The contract for the current On-line Gaming System covered seven years and allowed for three one-year extensions. The Lottery has exercised all of the extensions associated with the existing contract and therefore went out to bid for a new gaming system. Lottery staff members spent numerous hours developing and writing a Request For Proposal (RFP) for an On-line Gaming System. On June 4, 2010, RFP IL 10-04 was issued.

System and services under this RFP include, but are not limited to:

- On-line games; instant-ticket validation capabilities; instant- and pull-tab games management system, combined instant/pull-tab/on-line accounting, and warehousing and distribution application
- Primary and back-up computer systems and facilities
- Network communications
- Retailer network & terminals
- Operations services
- Internal control systems (ICS)
- Repair of, maintenance of, and updates for all equipment and software.

The deadline for submission of Proposals was July 16, 2010. Proposals were received from the following vendors:

GTECH Corp. (GTECH)  
Intralot, Inc. (INTRALOT)  
Scientific Games International, Inc. (SGI)

Four (4) Iowa Lottery Authority employees representing the Finance, Information Technology, Security and Sales departments served as the Evaluation Committee.

Evaluation Committee members reviewed and evaluated the information contained in the vendor Proposals and ensured that all vendors were treated equally and impartially throughout the process.

The Evaluation Committee established a work area away from the rest of the Lottery staff and evaluated and scored the Technical Proposals. Once the Technical Proposals were scored, the Evaluation Committee took possession of the Pricing Proposals. The Pricing Proposals had remained sealed and secured until the Technical Proposal scoring was completed.

The Pricing Proposals were opened and scored.

There were 650 technical points and 350 pricing points available. The final scoring is presented below:

	GTECH	INTRALOT	SGI
Technical Points	560.71875	548.76250	561.36875
Price Points	<u>317.39046</u>	<u>329.26380</u>	<u>350.00000</u>
Total Points	<u>878.10921</u>	<u>878.02630</u>	<u>911.36875</u>

As reflected above, Scientific Games International, Inc., was the vendor that received the highest point total in the evaluation process.

## **INTRODUCTION AND BACKGROUND**

For the procurement effort, staff members representing all departments discussed Lottery needs, gathered information and wrote the Request For Proposal (RFP). An RFP Coordinator was named and an Evaluation Committee was formed to evaluate the Proposals and report their findings to the Lottery CEO and Iowa Lottery Board. Committee members included:

### RFP Coordinator (non-scoring member):

Tammy Cooper Iowa Lottery Authority - Purchasing Agent

### Evaluation Committee (scoring members):

Charles Crivaro Iowa Lottery Authority – Information Technology Specialist

Joe Diaz Iowa Lottery Authority – Vice President, Security

Larry Loss Iowa Lottery Authority – Vice President, Sales

Brenda Loy Iowa Lottery Authority – Chief Financial Officer

### Advisors (non-scoring members):

Ken Brickman Iowa Lottery Authority – Chief Operating Officer

Brian Gosselin Iowa Lottery Authority – IT Specialist

Molly Juffernbruch Iowa Lottery Authority – Assistant Vice President, Legal Affairs

David Van Compernelle Iowa Department of Justice – Assistant Attorney General

### Technical Information Provided By:

Gary Gassin Battelle Memorial Institute

Mike Huffenberger Battelle Memorial Institute

The Iowa Lottery Authority issued RFP IL 10-04 for the implementation of an On-line Gaming System (instant, pull-tab and on-line product support), with associated gaming and communications products and services. The system will provide retailer terminals along with all related computers and network hardware and software. All proposed system components will be installed, tested and in operation by July 3, 2011.

## **OBJECTIVES**

The Lottery had the following objectives for issuing this RFP and entering into a contract for the implementation and operation of the system:

- Install an integrated gaming system that will meet the gaming product needs of the Lottery for the term of the contract.
- Obtain retailer terminals, supporting systems, and services that are operationally sound, incorporate the highest level of integrity and security, and minimize risk for the Lottery.
- Obtain a highly reliable data communications system that supports the gaming system.
- Obtain retailer terminals that will lead to high retailer and player satisfaction for quality and performance.
- Obtain a system that is sufficiently flexible to meet the Lottery's evolving requirements.
- Ensure that all proposed systems and services are ready to be operational by the agreed-upon on-line system project milestone schedule.
- Ensure that system and services corrections, improvements, and expanded gaming features are delivered in a timely manner.
- Maximize net Lottery proceeds for the State of Iowa.

With these objectives established, the Lottery developed an RFP, received Proposals and conducted an evaluation.

## **RFP TIMELINE**

### June 4, 2010

The Lottery issued RFP IL 10-04.

### June 11, 2010

The Intent to Bid letters were due.

### June 11 – June 21, 2010

Vendors were invited to submit written questions to the Lottery to aid the vendors in their proposal preparation. Questions from the vendors were received.

### June 21 – June 25, 2010

The Lottery answered the questions.

### July 16, 2010

In accordance with the instructions contained in the RFP, proposals were received from three (3) vendors: GTECH, INTRALOT and SGI. The Proposals were logged in as received by the RFP Coordinator. Following the provisions of the RFP, all pricing information was submitted in a separately sealed envelope.

The pricing envelopes were extracted from the proposals by the RFP Coordinator. They were securely stored by the RFP Coordinator for use by the Evaluation Committee after the technical scoring had been completed.

Background Information Forms were extracted from the Proposals for the Iowa Division of Criminal Investigation.

Copies of the technical proposals were distributed to the Evaluation Committee. The original copies of the Proposals were retained by the RFP Coordinator.

### July 28 – August 23, 2010

The Evaluation Committee met to evaluate and score the Technical Proposals. The Evaluation Committee utilized the PMIQ methodology in their evaluation of the Proposals. PMIQ (Plus, Minus, Interesting, Question) is an evaluation tool proposed by Battelle Memorial Institute. Throughout the evaluation process, Evaluation Committee members used a PMIQ worksheet to record (P) Plus, (M) Minus, (I) Interesting items and (Q) Questions.

Through the PMIQ process, the Evaluation Committee developed one set of consensus notes and scored the Technical Proposals. Each of the technical factors was graded by the Evaluation Committee based on its best professional judgment, considering all Proposal text, clarifications and demonstrations.

Six hundred-fifty (650) points were available for the Technical Proposals. The scoring system provided a numerical score that represents the Evaluation committee's assessment of the relative value of each proposal.

Scoring of the Technical Proposals was completed.

### August 24 – September 1, 2010

After the Technical Proposals were scored, the Price Proposals were retrieved from the RFP Coordinator.

The Pricing Proposals were opened by the Evaluation Committee. Based on the vendor's Pricing Proposal, the Evaluation Committee calculated a cost for the term of the contract.

Three hundred-fifty (350) points were available for the Pricing Proposal. Points were awarded based on the comparison of the proposal price to the lowest cost proposal.

Under this formula, the lowest cost proposal receives all three hundred-fifty (350) price points that are available. A proposal twice as expensive as the lowest cost proposal earns half as many points.

The technical points and the price points were compiled for each Proposal. The Evaluation Committee reviewed the results and the data was entered into the Evaluation Committee's Report.

### September 2, 2010

The Evaluation Committee delivered its Report of Findings to the Lottery CEO and the Lottery Board.

## **EVALUATION PROCESS**

Procuring a secure and reliable On-line Gaming System is vitally important for the Lottery and great care was taken to ensure that the RFP was written to be as inclusive as possible and that each vendor was treated equally and fairly throughout the process. Committee members understood the necessity to:

1. Hold in confidence all information that was:
  - a. Gathered in the written proposals and clarification answers.
  - b. Gathered during previous site visits.
2. Isolate themselves from outside influences and avoid unnecessary contact with potential vendors.
3. Conduct a comprehensive, fair and impartial evaluation of each proposal.
4. Work together to produce a consensus report that would reflect the findings of the team.

### **Evaluation Steps**

The evaluation process consisted of the following steps:

1. **Review of Proposals to assess compliance with proposal submission requirements: terms and conditions; and mandatory requirements**

All proposals were reviewed for compliance.

**2. Detailed evaluation of proposed functions, features, services and solutions**

The Evaluation Committee utilized the PMIQ methodology to ensure that the functions, features, services and solutions met the requirements of the RFP. Clarifying questions were asked of all vendors.

**3. Scoring of technical proposals**

The Lottery established nine (9) evaluation categories for the technical proposals with a specified weighting for each category in the overall evaluation. Listed below are the categories and the points available as presented in the RFP:

Section 3.1 Central Configuration	40
Section 3.2 Terminals	150
Section 3.3 Communications Network	75
Section 3.4 Software Controls and Data Management	100
Section 3.5 Games and Marketing	65
Section 3.6 Facilities and Disaster Recovery Plan	25
Section 3.7 Staffing, Services and Operations Security Plan	110
Section 3.8 Implementation	65
Section 3.9 Corporate Capability	20
<b>Technical Points Total</b>	<b>650</b>

The Evaluation Committee scored each of the categories and arrived at a final score for each Proposal. The quality and quantity of “plus” observations along with the severity of “minus” observations influenced the overall scoring.

Points in this system are earned based on the Evaluation Committee’s consensus judgment using the following sixty to one hundred percent (60-100%) award scale:

<u>PERCENT</u>	<u>DESCRIPTION</u>
90-100	Vendor’s Proposal exceeds expectations and was near perfect for this criterion.
80-89	Vendor’s Proposal was good and meets the expectations for this area.
70-79	There were limitations or concerns with the approach or capability of the vendor’s Proposal.
60-69	There were numerous deficiencies with the vendor’s Proposal.
Less than 60	The deficiencies were found to be so severely flawed for this criterion as to render an essential element of the solution unworkable and, therefore, the entire Proposal will be rejected.

Thus, for each of the nine criteria, the Proposal received a score as a result of multiplying the points available times the percentage. All nine scores were combined for the Proposal’s total technical score.

Summary

The evaluation committee was impressed with the capabilities of all the vendors. Each of the vendors is capable of providing a secure and reliable gaming system that would meet or exceed the needs of the Iowa Lottery.

#### **4. Evaluation of Price Proposals**

Upon completion of the technical scoring, the sealed price proposals from GTECH, INTRALOT and SGI were retrieved by the Evaluation Committee from the RFP Coordinator who had secured them since July 16, 2010.

The Pricing Proposals were opened.

Evaluation Committee members performed calculations to arrive at an estimated cost for the term of the contract. The estimated cost included the cost of the Base System and the selected Specified Options over the seven (7) year base period and the three (3) extension periods. The estimated total cost was calculated using the Lottery's FY 2008 sales of \$249,000,000.

The Evaluation Committee awarded up to three hundred-fifty (350) points for price, based on a ratio of the estimated cost of the proposal being evaluated versus the estimated cost of the lowest cost acceptable proposal. The formula for any particular proposal evaluated was:

$$\text{PRICE POINTS} = 350 \times (\text{LOWEST PROPOSAL COST} / \text{PROPOSAL COST})$$

Under this formula, the lowest cost proposal received all three hundred-fifty (350) price points that were available.

#### **5. Integration of price and technical scores into a Report of Findings to the Lottery CEO and the Lottery Board**

The Evaluation Committee combined the points from the Technical and Pricing Proposals to determine the total score for each Proposal.

#### **RECOMMENDATION**

Based on the final scoring, it is the Evaluation committee's recommendation that the Board issue a Notice of Intent to Award, subject to the completion of a successful DCI background investigation, to Scientific Games International, Inc.

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The Board took a break for lunch and to look over the information. Upon coming back into session, there were no questions and Baxter moved to issue a notice of intent to award the on-line contract, subject to the completion of a successful DCI background investigation, to Scientific Games International, Inc. Rial seconded the motion and it passed unanimously.

#### **Approval of Preliminary Budget for FY 2012**

Rich presented a budget proposal for fiscal year 2012. He stated there were additions to the budget due to an anticipated switch to courier services for lottery ticket delivery. Rich said he thinks the change would increase convenience to customers. He stated that the Lottery is increasing its total proceeds to the state and lottery staffers hope that the new operating system will eventually lead to great savings.

Baxter asked whether the Lottery had security concerns with the courier service method of delivery. Rich stated that the security of such a system had been investigated and said that several other states had success with a courier system. Rial moved to approve the Budget for FY 2012 and Junge seconded the motion. The motion passed unanimously.

## **Monthly Reports**

### ***Financial Report***

The May, June, and July financial reports were provided in the Board packet as well as the performance reports, including performance reports for FY 2010 and July 2011. Loy indicated in FY 2010, the Lottery had record sales of its core products. Prize payouts were also the highest in the history of the Lottery. The Lottery achieved \$57.9 million in proceeds, even though it had a \$1.5 million expense from retiring employees. Loy stated that FY 2011 is off to a great start. She said sales are up and the Lottery hopes to keep up the momentum.

### ***Marketing Report***

Wood advised the Board that the Lottery has now co-branded its billboard advertising to include Powerball and Mega Millions. She told the Board about the upcoming "Dream" advertising campaign, which focuses on everyone's dream of winning the lottery. Wood showed the Board the new commercial.

### ***Security***

Diaz presented security reports from April through the end of August. He noted that the Lottery opened 176 security cases in FY 2009 and 126 in FY 2010. Diaz said that the Lottery now maintains records of contact when an inquiry does not rise to the level of opening a case. Security staffers also continue to conduct periodic, unannounced security compliance checks at retail locations. Junge asked what a "found ticket" was and Diaz indicated it was a ticket claimed that had been found on the ground. Fitzgerald asked if these cases were related to issues raised by the Ombudsman. Diaz said he did not think they were related.

Schroeder moved to approve the reports and Baxter seconded the motion. The motion passed unanimously.

## **CEO Report**

### ***FY2010 Update***

Rich asked Van Compernelle to explain what the next steps would be following the announcement of the notice of intent to award the on-line contract. Van Compernelle explained that a letter would be sent to the winning vendor, which starts the appeal period. He said the Lottery would then draft a contract and the Iowa Division of Criminal Investigation would complete background checks of the company and its management personnel. Van Compernelle stated that subject to a successful background check and successful contract negotiations, the Lottery will enter into the contract with SGI.

Rich told the Board that the new system should help sales. He said that normally a store would need a certain volume of sales to allow a retailer to sell lotto games. But he said that

under the new system, each lottery retail location will have a machine with the capacity to sell all kinds of lottery products. Rich said that the new system will feature “self-checkers” so customers can check their tickets themselves. He said that will help with the concerns that have been found regarding ticket security in areas outside of Iowa. He also said that with the advanced technology that will come with new system, the Lottery should be better able to help other agencies through cooperative efforts such as the Lottery’s partnership with the Tourism Office this past summer.

Rich also re-emphasized to the Board the Lottery’s success in FY 2010, stating that the Lottery sold more tickets than ever and provided \$57.9 million in proceeds to the State even though it had historically high prize payouts and a \$1.5 expense for retirees under the retirement incentive program approved during the 2010 legislative session.

### ***ILOT’s 25<sup>th</sup> Anniversary***

Rich stated that for the Lottery’s 25<sup>th</sup> Anniversary, it introduced “The Silver Ticket,” which went on to become the best-selling \$5 ticket in the history of the Iowa Lottery. He said that the Lottery gave players two options for non-winning tickets in the game: They could take their non-winning tickets to certain businesses for discounts or they could enter them in contests for cash prizes at 25 must-see events throughout Iowa. Rich said that the project allowed the Lottery to promote its game while also promoting events and tourism in Iowa. He said that Matthew Sorensen, an Iowa State University student who was the Lottery’s intern for the summer, did a wonderful job of coordinating and staffing the events and the Lottery received about \$750,000 in free media exposure through its partnership with the Tourism Office. He said the project created a third-party endorsement of the Lottery. Rich said that the promotion culminated with an August media tour recognizing 25 years of Lottery in Iowa, which resulted in statewide media coverage, and a finale celebration at the Iowa State Fair.

He also said that from the Lottery’s partnership with Tourism came the Lottery’s project with the State Fair, in which the Lottery printed State Fair tickets from its sales terminals. Rich said that the project gave people across the state the opportunity to purchase discounted advance-admission State Fair tickets at more locations in Iowa and at the same time, familiarize themselves with lottery terminals.

Rich also updated the Board about the Lottery’s help for the Department of Revenue and court system with the Court Debt Amnesty Program. Rich noted that the Lottery facilitated the use of its advertising agencies so the courts could develop an advertising and informational campaign to collect old court debt. Rich said the program is another example of recent efforts to bring more value to the Lottery.

### ***Update on Lottery Trends and Developments***

Rich told the Board that the Lottery has done a lot of research regarding how often to introduce new scratch games and which price points to use. He said that lotto games may have plateaued since Mega Millions was added, but the Lottery may soon have a new premium game with a lot of different play action. Rich said that the lotto category has huge growth potential. He said he thinks that lotteries will see more variety in that area. Rich also touched on electronic delivery of tickets. He said the process may be Internet-based, but it also could come via smart phones. Rich said that the Lottery takes direction from the Legislature about how to move forward in those areas. He said that the Lottery wants to make sure that the

lottery industry as a whole advances with the trends and technology. Rich indicated that younger players get information in different ways than older players. He said the Lottery is trying to focus on advising the Legislature regarding issues like gray machines that might have a negative effect on Lottery sales and then let lawmakers make the decisions from there.

## **Contract Approvals**

### ***Maintenance of Pull-Tab and Instant-Scratch Ticket Vending Machines***

Loss stated the Lottery's vending machines in the field were initially purchased in 2004 from American Games. He said the machines have been maintained under a contract with American Games that expires on Sept. 30, 2010, and there are no extensions available. Loss said the vending machines are in good working condition and that the Lottery has 1,013 pull-tab vending machines and 304 instant-ticket vending machines. The Lottery can save money by continuing to use these machines instead of buying or leasing new machines, Loss said. He stated that going forward, the Lottery needs a new contract for the maintenance of the machines. Loss said that the Lottery followed the rules for procuring a new maintenance contract, and American Games was the only company expressing interest in the contract. He said that Lottery staff negotiated the terms of the new contract, which is a 2-year contract with 2 one-year extensions. Loss noted that monthly maintenance fees were adjusted by the consumer price index from 2004 and machine delivery charges were also adjusted. Loss recommended that the Board approve the contract with American Games for the maintenance of the PTVMs and ITVMs. Schroeder made the motion and Rial seconded it. The Board voted unanimously to approve the contract.

### ***Instant Ticket Printing – Scientific Games and Pollard Banknote Pull-Tab Printing Extension – American Games***

Loss noted the Board packet included three ticket-printing contract extensions, and all of the vendors are currently printing tickets for the Lottery. He said that the vendors have been printing tickets in a manner consistent with the terms of their contracts and the Lottery is happy with their performance.

Loss said that the first contract extension is with Scientific Games International, Inc. for instant-ticket printing. The original contract was for two years, plus three one-year extensions. He said that the Lottery would now be exercising the second of the three extensions, which would extend the contract through Dec. 31, 2011. Loss said that as part of the extension, the Lottery had negotiated with SGI to provide the use of the FailSafe barcode technology at no charge for all of the instant tickets it produces through Dec. 31, 2011.

Loss said that the second contract is with Pollard Banknote Limited Partnership for instant-ticket printing. The original contract was for two years, plus three one-year extensions. He said that the Lottery would now be exercising the second of the three extensions, which would extend the contract through Dec. 31, 2011. Loss said that as part of this extension, there would be a provision stating that Pollard recognizes that Scientific Games holds the patent on the Failsafe technology and that SGI is allowing Pollard to print the FailSafe barcode at no charge during the term of this agreement.

He said that the third contract extension is with Pollard Games, Inc, doing business as American Games, Inc. for pull-tab ticket printing. The original contract was for two years, plus three one-year extensions. He said that the Lottery would now be exercising the first of the three extensions, which would extend the contract through Dec. 31, 2011.

Loss said that the Lottery recommends the Board approve the contract extension with Scientific Games International, Inc., and Pollard Banknote Limited Partnership for instant-ticket printing, and Pollard Games, Inc., for pull-tab printing.

Junge moved to approve all three contract extensions. Rial seconded the motion. The motion passed unanimously.

## **Personnel**

Brickman discussed several personnel issues with the Board. He stated that at the last meeting, management asked and the Board approved that the salary range for the Executive Secretary be restored to \$38,875.20 to \$58,947.20, as it was for the previous Executive Secretary. Brickman said the Lottery has agreed not to fill two of its vacant secretarial positions, but instead, to add new duties to enhance this position to add project management and coordination duties, special project data collection and management report generation in addition to the duties of Board secretary. Brickman said that the position description had been rewritten, the duties had been redefined and the Lottery had found a candidate who would be well suited for the position on the Lottery team: Jamie Becker. He said she has extensive private-sector experience as an executive assistant to senior management and a project analyst. He also noted that Jamie Becker was at the meeting to answer questions the Board might have.

Brickman noted that the second personnel matter involved Molly Juffernbruch. He said that earlier this year, the Board approved hiring Molly Juffernbruch as Assistant Vice President, Legal Affairs, on a half-time basis. Brickman said that the Lottery has been pleased with her performance and management recommends she be brought on as a full-time employee. He said, however, that this was another situation where the duties and current job description do not comport with the duties of this position. He noted that at the time the Lottery became an Authority, this position was established as a special projects manager with some secondary legal duties, primarily rulemaking. He said that over the years, as the Lottery has fully migrated into its role as an Authority operating on a corporate business model, the functions of this position have become more weighted to legal duties. Brickman said the position has become essentially that of an in-house counsel, working closely in coordination with the assistant attorney general assigned to the Lottery. He said that Lottery management went back to the drawing board to rewrite the job description to conform to reality. Brickman noted that there were great similarities between the duties of the in-house counsel of the Iowa Finance Authority (IFA) and this position, and the Lottery used the IFA job as an example while drafting the new job description.

Brickman said that Rich had approved a revised position description and a revised salary range to compare with other legal positions in state government. He said the Lottery had found the IFA counsel's range to be most comparable to the complexities of the duties and experience level essential for the Lottery counsel position. Brickman said that Lottery management recommends for Board approval the adoption of a salary range with a minimum of \$75,025.60 and a maximum of \$117,665.60, the IFA range.

Brickman noted that these topics were appropriate for closed session and both Jamie Becker and Molly Juffernbruch had presented requests for closed session as required by statute. He said Lottery management requests that the Board approve a change of title for Juffernbruch's position from Assistant Vice President, Legal Affairs, to Vice President, General Counsel.

Klappholz then made the following motion: "The Chair is advised that the CEO has a matter to discuss with the Board within the parameters of Iowa Code Chapter 21.5(1)(i); that the matter pertains to prospective hiring and compensation of Key Employees and that the proposed candidates have tendered written requests that any such review be conducted in closed session, as provided by law. The Chair notes that a vote is required during the public portion of the meeting prior to entering closed session."

"The Chair will now entertain a motion to go into closed session pursuant to Iowa Code chapter 21.5(1)(i), which provides for closed session 'to evaluate the professional competency of employees whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.' Do I hear such a motion?"

Schroeder moved and Baxter seconded the motion.

Klappholz noted that a motion had been made by Schroeder and seconded by Baxter and that the action required a roll call vote. The motion was carried unanimously: Baxter, aye; Junge, aye; Rial, aye; Schroeder, aye; and Klappholz, aye.

The Board then temporarily suspended the open session of the meeting and retired to closed session at 12:51 p.m. The Board returned to open session at 1:09 p.m.

Brickman then stated that management recommends the Board approve offering Jamie Becker the position of Executive Secretary effective Sept. 3, 2010, at an annual rate of \$42,390.40. He said that management further recommends the salary range of the Assistant Vice President, Legal Affairs, be changed to a minimum of \$75,025.60 and a maximum of \$117,665.60, that the position title be changed to Vice President, General Counsel, and that Juffernbruch's part-time employment status in that position be changed to full time at the current annual salary rate of \$90,001.60.

Schroeder so moved and Junge seconded. The Board unanimously approved the motion.

### **Clarification of Hearing Board Designees**

As a housekeeping matter, Juffernbruch requested a change to the alternate designee for the third member on the hearing board for appeals of Lottery licensing matters. Because the Board had voted to change the title of Juffernbruch's position, Baxter moved to clarify the record so that the backup designee to the COO as a member of the hearing board in contested cases would be the vice president, general counsel of the Lottery rather than the assistant vice president, legal affairs. Rial seconded the motion and it passed unanimously.

## **Election of Officers**

Schroeder presented Klappholz with a gift for his service as the chairman of the Board. Schroeder then moved to nominate Rial as the next chairman of the Board. Baxter seconded the motion and it passed unanimously. Klappholz moved to nominate Schroeder as the vice chairman of the Board and Junge seconded the motion. The motion passed unanimously.

## **Adjournment**

Klappholz moved to adjourn the meeting and Schroeder seconded the motion. The motion passed unanimously and the meeting was adjourned at 1:35 p.m.

SECURITY REPORT  
SEPTEMBER 2010

**INVESTIGATIONS**

Cases Opened: 3  
Cases Closed: 1  
Record of Contact: 17

Types: 1 Employee theft  
1 Possible fraud  
1 Customer assist

**EVENTS**

Provide security for the \$100,000 Cash Game and all second chance and promotional drawings. Total 26 drawings.

**WAREHOUSING AND DISTRIBUTION**

See attached:

**MISCELLANEOUS**

Assist Validations Department: 20  
Law Enforcement contacts: 25  
Juvenile concerns: 0  
Arrests: 1

Date: September 30, 2010

To: Joe Diaz  
Vice President Security

From: Kevin Jones  
Central Warehouse

Re: **Warehousing & Distribution – September 2010**  
**Warehousing**

1. Received and stored the following Instant Games:

Game No. 694 - Tinsel Town  
Game No. 695 - Happy Holidays  
Game No. 696 - Reindeer Bingo  
Game No. 697 - Stocking Stuffer Tripler  
Game No. 698 - Holiday Crossword  
Game No. 699 - Silver Bells  
Game No. 700 - Merry Money  
Game No. 701 - Magic Line Bingo  
Game No. 702 - Crossword

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

Game No. 49 – I.C. 7's

### **Distribution**

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

### **Miscellaneous**

1. Made a trip to Milwaukee Paperboard.

DATE: September 13, 2010

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the final financial statements for June 2010. Previously, you received preliminary financial statements for June 2010.

There was approximately \$4,000 in adjustments primarily related to estimated payables and interest receivable. These factors resulted in a \$3,990 decrease in proceeds payable to the State General Fund.

Attachments

IOWA LOTTERY AUTHORITY

SCHEDULE OF ECONOMIC BENEFITS

June 30, 2010

FINAL

<b>Proceeds to Iowa Plan</b>		\$170,318,439
<b>Proceeds to CLEAN fund</b>		\$35,894,355
<b>Proceeds to Special Appropriations</b>		\$13,773,572
<b>Proceeds to Gambler's Treatment Program</b>		15,732,208
<b>Proceeds to the State General Fund:</b>		
Prior to Fiscal Year 2010	\$952,253,908	
Fiscal Year 2010		
Transferred	41,118,642	
Payable	14,126,870	
	<hr/>	1,007,499,420
<b>Proceeds to the Veterans Trust Fund:</b>		
Prior to Fiscal Year 2010	\$2,783,377	
Fiscal Year 2010		
Transferred	2,083,449	
Payable	578,105	
	<hr/>	5,444,931
<b>Total</b>		<hr/> <hr/> <b>\$1,248,662,925</b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**  
**FINAL**

**ASSETS**

Current Assets:

Cash	\$17,940,676
Cash on hand	600
Cash - Debt Service Account	11,891
Restricted assets - cash	474,192
Interest receivable	19,674
Prepaid expense	25,829
Accounts receivable - net	3,703,134
Ticket inventories	<u>1,594,072</u>

Total current assets 23,770,068

Noncurrent Assets:

Investment in prize annuities	9,009,789
Reserve on deposit with MUSL	4,358,760
Capital assets - net	<u>3,435,075</u>

Total noncurrent assets 16,803,624

**Total assets** \$40,573,692

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**  
**FINAL**

**LIABILITIES**

Current liabilities:

Online games prizes payable	2,295,124
Accounts payable	2,728,354
Current obligation for annuities	1,400
Administrative payroll payable	101,918
Due to:	
State General Fund	14,126,870
Veterans Trust Fund	578,105
Other state agencies	94,351
Interest Payable	3,558
Deferred revenue	166,072
Accrued compensated Absences	1,479,954
State withholding payable	102,998
Federal withholding payable	24,500
	<hr/>
Total current liabilities	21,703,204

Long-term liabilities:

Annuities payable	9,009,789
Bonds payable	1,300,000
Prize reserve fund	4,358,760
	<hr/>
Total long-term liabilities	14,668,549

Total liabilities 

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36,371,753

**NET ASSETS**

Invested in capital assets	2,135,075
Unrestricted	2,066,864
	<hr/>
<b>Total net assets</b>	<b>\$4,201,939</b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE MONTH AND YEAR ENDED JUNE 30, 2010**  
**FINAL**

	<b>Month ended June 30, 2010</b>	<b>Month ended June 30, 2009</b>	<b>Year-to-date June 30, 2010</b>	<b>Year-to-date June 30, 2009</b>
<b>OPERATING REVENUES</b>				
Instant-scratch ticket sales	\$12,689,886	\$10,942,840	\$143,759,258	\$136,268,555
Pick 3 sales	\$526,948	528,715	6,531,001	6,534,765
Powerball sales	\$4,555,224	3,831,770	59,190,012	58,220,203
Mega Millions sales	\$799,092	0	5,544,128	0
Hot Lotto sales	\$850,680	1,209,067	13,653,746	14,329,610
Raffle	\$0	0	789,200	0
Pick 4 sales	\$208,288	206,157	2,662,191	2,555,237
\$100,000 Cash Game sales	\$302,398	327,362	3,908,785	4,113,307
Pull-tab sales	\$1,735,009	1,812,794	20,217,316	21,315,424
Application fees	\$325	200	3,975	3,680
Other revenue	\$4,317	20,038	22,147	65,449
<b>Total operating revenues</b>	<b>21,672,167</b>	<b>18,878,943</b>	<b>256,281,759</b>	<b>243,406,230</b>
<b>OPERATING EXPENSES</b>				
Scratch ticket prize expense	7,819,890	6,164,628	91,479,848	81,846,620
Pick 3 prize expense	313,229	312,019	3,958,003	3,834,735
Powerball prize expense	2,223,846	1,853,035	28,558,287	28,118,140
Mega Millions prize expense	469,849	0	2,879,811	0
Hot Lotto prize expense	407,442	592,804	6,610,476	7,015,713
Raffle Prize Expense	(1,640)	0	392,876	(10,500)
Pick 4 prize expense	122,733	108,607	1,544,018	1,473,587
\$100,000 Cash Game prize expense	142,667	154,282	2,005,333	2,271,476
Pull-tab prize expense	1,096,587	1,138,561	12,702,718	13,389,649
Promotional prize expense	19,643	8,326	322,417	485,921
Advertising/publicity	488,375	625,748	7,539,052	7,007,617
Retailer compensation expense	1,378,753	1,250,143	16,109,637	15,298,641
Ticket expense	232,607	190,282	2,683,364	2,674,067
Vendor compensation expense	682,998	615,428	8,168,273	7,796,934
Salary and benefits	1,996,717	871,977	9,819,749	8,759,206
Travel	34,059	32,468	369,153	404,876
Supplies	2,813	16,322	104,863	110,739
Printing	254	2,500	14,477	9,582
Postage	327	1,145	6,166	4,718
Communications	51,468	52,668	562,025	568,096
Rentals	23,971	25,572	285,660	290,254
Utilities	6,280	5,687	98,468	103,240
Professional fees	19,962	8,859	165,833	121,965
Vending machine maintenance	40,727	40,754	488,697	489,809
Outside services and repairs	183,013	(26,519)	403,083	197,386
Data processing	3,822	3,204	37,700	40,929
Equipment	21,621	55,306	152,832	204,598
Reimbursement to other state agencies	54,013	68,418	455,697	435,976
Depreciation	12,740	121,317	864,963	1,403,051
Other	(12,748)	(29,542)	104,355	132,141
MUSL administrative expense	0	0	17,818	0
<b>Total operating expenses</b>	<b>17,836,018</b>	<b>14,263,999</b>	<b>198,905,652</b>	<b>184,479,166</b>

<b>Operating income (loss)</b>	<b>3,836,149</b>	<b>4,614,944</b>	<b>57,376,107</b>	<b>58,927,064</b>
Interest Income	36,906	45,488	364,957	421,090
Interest expense	(3,558)	(3,831)	(45,702)	(48,986)
<b>Income before transfers</b>	<b>3,869,497</b>	<b>4,656,601</b>	<b>57,695,362</b>	<b>59,299,168</b>
Transfer to:				
Gambler's Treatment Program	0	(94,691)	0	(1,219,137)
Veterans Trust Fund	(167,784)	(93,294)	(2,661,554)	(2,783,377)
State General Fund	(3,737,751)	(4,601,848)	(55,245,512)	(56,550,792)
	<u>(3,905,535)</u>	<u>(4,789,833)</u>	<u>(57,907,066)</u>	<u>(60,553,306)</u>
<b>Change in net assets</b>	<b>(36,038)</b>	<b>(133,232)</b>	<b>(211,704)</b>	<b>(1,254,138)</b>
Net assets, beginning of period	<u>4,237,977</u>	<u>4,546,875</u>	<u>4,413,643</u>	<u>5,667,781</u>
<b>Net assets, end of period</b>	<b><u><u>\$4,201,939</u></u></b>	<b><u><u>\$4,413,643</u></u></b>	<b><u><u>\$4,201,939</u></u></b>	<b><u><u>\$4,413,643</u></u></b>

**IOWA LOTTERY AUTHORITY**  
**ANALYSIS OF NET ASSETS**  
**JUNE 30, 2010**  
**FINAL**

Cash on deposit - state vehicle dispatcher	\$472,792
Ticket inventory	1,594,072
Capital assets - net of related debt	2,135,075
Net Assets	<u><u>\$4,201,939</u></u>

DATE: September 17, 2010

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for August 2010. During August, we had revenue of \$20,629,130. This sales level resulted in \$5,198,524 of proceeds payable to the State General Fund and \$382,640 of proceeds payable to the Veterans Trust Fund.

Attachments

**IOWA LOTTERY AUTHORITY**  
**SCHEDULE OF ECONOMIC BENEFITS**

**August 31, 2010**

<b>Proceeds to Iowa Plan</b>		\$170,318,439
<b>Proceeds to CLEAN fund</b>		\$35,894,355
<b>Proceeds to Special Appropriations</b>		\$13,773,572
<b>Proceeds to Gambler's Treatment Program</b>		15,732,208
<b>Proceeds to the State General Fund:</b>		
Prior to Fiscal Year 2011	\$1,007,499,420	
Fiscal Year 2011		
Transferred	0	
Payable	9,912,842	
	<hr/>	
		1,017,412,262
<b>Proceeds to the Veterans Trust Fund:</b>		
Prior to Fiscal Year 2011	\$5,444,931	
Fiscal Year 2011		
Transferred	0	
Payable	514,285	
	<hr/>	
		5,959,216
		<hr/>
<b>Total</b>		<b><u><u>\$1,259,090,052</u></u></b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE MONTH AND YEAR ENDED AUGUST 31, 2010**

	<u>Month ended</u> <u>August 31, 2010</u>	<u>Month ended</u> <u>August 31, 2009</u>	<u>Year-to-date</u> <u>August 31, 2010</u>	<u>Year-to-date</u> <u>August 31, 2009</u>
<b>OPERATING REVENUES</b>				
Instant-scratch ticket sales	\$12,315,994	\$10,811,818	\$24,630,979	\$21,273,001
Pick 3 sales	528,749	560,232	1,071,546	1,098,061
Powerball sales	3,355,746	7,058,234	7,370,738	11,400,792
Mega Millions sales	1,201,108	0	2,006,352	0
Hot Lotto sales	902,918	1,703,541	1,795,657	3,162,740
Pick 4 sales	220,306	207,672	436,116	413,462
\$100,000 Cash Game sales	293,985	339,558	606,528	682,965
Pull-tab sales	1,708,074	1,604,126	3,292,427	3,294,555
Application fees	275	425	750	575
Other revenue	101,975	2,355	124,553	2,630
<b>Total operating revenues</b>	<b>20,629,130</b>	<b>22,287,961</b>	<b>41,335,646</b>	<b>41,328,781</b>
<b>OPERATING EXPENSES</b>				
Scratch ticket prize expense	7,429,265	6,869,336	15,863,088	13,416,421
Pick 3 prize expense	314,289	331,290	636,237	649,567
Powerball prize expense	1,539,329	3,494,350	3,456,775	5,574,799
Mega Millions prize expense	609,962	0	1,018,914	0
Hot Lotto prize expense	424,713	837,190	840,468	1,554,069
Pick 4 prize expense	125,654	113,542	252,619	230,636
\$100,000 Cash Game prize expense	139,042	197,574	286,983	359,647
Pull-tab prize expense	1,064,802	1,003,123	2,058,372	2,063,723
Promotional prize expense	45,672	39,540	58,310	45,828
Advertising/publicity	579,664	704,265	982,741	1,155,880
Retailer compensation expense	1,347,123	1,389,811	2,653,903	2,555,058
Ticket expense	293,986	224,996	486,265	427,008
Vendor compensation expense	466,842	651,830	914,178	1,324,781
Salary and benefits	679,739	731,764	1,271,561	1,460,215
Travel	33,569	37,653	59,872	60,893
Supplies	2,533	4,098	24,727	33,693
Printing	555	165	704	5,257
Postage	407	427	759	948
Communications	49,383	38,337	82,966	89,878
Rentals	22,464	23,592	44,466	47,226
Utilities	7,953	5,121	15,326	11,476
Professional fees	2,123	13,802	5,299	16,418
Vending machine maintenance	40,727	41,952	81,454	82,679
Outside services and repairs	7,757	6,749	45,184	16,336
Data processing	3,176	3,152	7,638	6,820
Equipment	10,370	9,853	21,801	24,767
Reimbursement to other state agencies	27,720	32,463	59,183	57,392
Depreciation	12,460	116,598	25,200	234,969
Other	7,348	9,168	13,749	22,019
<b>Total operating expenses</b>	<b>15,288,627</b>	<b>16,931,741</b>	<b>31,268,742</b>	<b>31,528,403</b>

Interest Income	0	18,579	0	18,579
Interest expense	(3,558)	(3,831)	(7,115)	(7,662)
<b>Income before transfers</b>	<b>5,336,945</b>	<b>5,370,968</b>	<b>10,059,789</b>	<b>9,811,295</b>
Transfer to:				
Veterans Trust Fund	(382,640)	(542,277)	(514,285)	(611,761)
State General Fund	(5,198,524)	(4,943,188)	(9,912,842)	(9,159,679)
	<u>(5,581,164)</u>	<u>(5,485,465)</u>	<u>(10,427,127)</u>	<u>(9,771,440)</u>
<b>Change in net assets</b>	<b>(244,219)</b>	<b>(114,497)</b>	<b>(367,338)</b>	<b>39,855</b>
Net assets, beginning of period	<u>4,078,820</u>	<u>4,567,995</u>	<u>4,201,939</u>	<u>4,413,643</u>
<b>Net assets, end of period</b>	<b><u>\$3,834,601</u></b>	<b><u>\$4,453,498</u></b>	<b><u>\$3,834,601</u></b>	<b><u>\$4,453,498</u></b>

DATE: October 14, 2010

TO: Board Members of the Iowa Lottery Authority

FROM: Brenda Loy, Chief Financial Officer

Attached are the financial statements for September 2010. During September, we had revenue of \$20,272,228. This sales level resulted in \$4,295,667 of proceeds payable to the State General Fund and \$441,669 of proceeds payable to the Veterans Trust Fund.

Attachments

**IOWA LOTTERY AUTHORITY**  
**SCHEDULE OF ECONOMIC BENEFITS**

**September 30, 2010**

<b>Proceeds to Iowa Plan</b>		\$170,318,439
<b>Proceeds to CLEAN fund</b>		\$35,894,355
<b>Proceeds to Special Appropriations</b>		\$13,773,572
<b>Proceeds to Gambler's Treatment Program</b>		15,732,208
<b>Proceeds to the State General Fund:</b>		
Prior to Fiscal Year 2011	\$1,007,499,420	
Fiscal Year 2011		
Transferred	0	
Payable	14,208,510	
	<hr/>	
		1,021,707,930
<b>Proceeds to the Veterans Trust Fund:</b>		
Prior to Fiscal Year 2011	\$5,444,931	
Fiscal Year 2011		
Transferred	0	
Payable	955,954	
	<hr/>	
		6,400,885
		<hr/>
<b>Total</b>		<b><u><u>\$1,263,827,389</u></u></b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE MONTH AND YEAR ENDED SEPTEMBER 30, 2010**

	<u>Month ended</u> <u>September 30, 2010</u>	<u>Month ended</u> <u>September 30, 2009</u>	<u>Year-to-date</u> <u>September 30, 2010</u>	<u>Year-to-date</u> <u>September 30, 2009</u>
<b>OPERATING REVENUES</b>				
Instant-scratch ticket sales	\$11,938,480	\$9,958,326	\$36,569,459	\$31,231,327
Pick 3 sales	514,348	537,059	1,585,893	1,635,120
Powerball sales	4,003,105	5,703,697	11,373,843	17,104,489
Mega Millions sales	729,971	0	2,736,323	0
Hot Lotto sales	1,013,950	1,147,088	2,809,607	4,309,828
Pick 4 sales	215,079	214,791	651,194	628,253
\$100,000 Cash Game sales	305,050	344,882	911,578	1,027,847
Pull-tab sales	1,548,753	1,708,772	4,841,181	5,003,327
Application fees	225	475	975	1,050
Other revenue	3,267	785	127,820	3,415
<b>Total operating revenues</b>	<b>20,272,228</b>	<b>19,615,875</b>	<b>61,607,873</b>	<b>60,944,656</b>
<b>OPERATING EXPENSES</b>				
Scratch ticket prize expense	7,469,337	6,382,946	23,332,425	19,799,366
Pick 3 prize expense	301,779	315,575	938,016	965,142
Powerball prize expense	1,857,737	2,752,619	5,314,512	8,327,418
Mega Millions prize expense	399,901	0	1,418,815	0
Hot Lotto prize expense	491,297	546,758	1,331,765	2,100,827
Pick 4 prize expense	127,772	126,970	380,391	357,605
\$100,000 Cash Game prize expense	144,257	248,915	431,240	608,562
Pull-tab prize expense	968,419	1,075,564	3,026,790	3,139,286
Promotional prize expense	2,947	8,345	61,257	54,173
Advertising/publicity	475,234	562,770	1,457,975	1,718,650
Retailer compensation expense	1,268,495	1,210,432	3,922,398	3,765,490
Ticket expense	200,915	182,273	687,180	609,282
Vendor compensation expense	435,310	623,405	1,349,488	1,948,186
Salary and benefits	708,013	663,742	1,979,573	2,123,956
Travel	29,231	22,242	89,103	83,136
Supplies	3,735	6,394	28,462	40,087
Printing	1,132	450	1,836	5,708
Postage	326	424	1,085	1,372
Communications	48,993	52,038	131,959	141,916
Rentals	23,168	23,592	67,633	70,817
Utilities	7,212	7,195	22,538	18,671
Professional fees	3,482	20,275	8,781	36,694
Vending machine maintenance	40,727	39,502	122,181	122,181
Outside services and repairs	18,691	17,519	63,875	33,854
Data processing	3,618	3,075	11,256	9,895
Equipment	7,953	33,780	29,754	58,547
Reimbursement to other				
state agencies	25,528	41,734	84,711	99,127
Depreciation	12,358	114,942	37,559	349,911
Other	3,383	24,483	17,132	46,502
MUSL administrative expense	10,132	0	10,132	0
<b>Total operating expenses</b>	<b>15,091,082</b>	<b>15,107,959</b>	<b>46,359,822</b>	<b>46,636,361</b>
<b>Operating income (loss)</b>	<b>5,181,146</b>	<b>4,507,916</b>	<b>15,248,051</b>	<b>14,308,295</b>

Interest Income	86,740	22,391	86,740	40,970
Interest expense	<u>(3,558)</u>	<u>(3,831)</u>	<u>(10,673)</u>	<u>(11,494)</u>
<b>Income before transfers</b>	<b>5,264,328</b>	<b>4,526,476</b>	<b>15,324,118</b>	<b>14,337,771</b>
Transfer to:				
Veterans Trust Fund	(441,669)	(211,064)	(955,954)	(822,825)
State General Fund	<u>(4,295,667)</u>	<u>(4,347,444)</u>	<u>(14,208,510)</u>	<u>(13,507,123)</u>
	<u>(4,737,336)</u>	<u>(4,558,508)</u>	<u>(15,164,464)</u>	<u>(14,329,948)</u>
<b>Change in net assets</b>	<b>526,992</b>	<b>(32,032)</b>	<b>159,654</b>	<b>7,823</b>
Net assets, beginning of period	<u>3,834,601</u>	<u>4,453,498</u>	<u>4,201,939</u>	<u>4,413,643</u>
<b>Net assets, end of period</b>	<b><u>\$4,361,593</u></b>	<b><u>\$4,421,466</u></b>	<b><u>\$4,361,593</u></b>	<b><u>\$4,421,466</u></b>

IOWA LOTTERY PERFORMANCE MEASURES FY 2011														
		JUL	AUG	SEP		OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Month														
Gross Sales	Budget '11	18,722,184	21,125,451	19,513,607		21,220,894	19,642,139	20,464,331	21,420,742	22,054,859	23,025,951	21,590,576	21,385,870	19,933,398
	Actual '10	19,040,396	22,285,181	19,614,614		19,964,605	19,460,281	21,080,059	20,100,947	20,998,253	24,902,645	23,682,829	23,458,304	21,667,379
	Actual '11	20,683,463	20,526,880	20,268,736										
Prize Expense	Budget '11	10,924,452	12,326,766	11,386,250	58.35% 3)	12,382,457	11,461,249	11,941,000	12,499,069	12,869,078	13,435,713	12,598,167	12,478,721	11,631,199
	Actual '10	11,008,744	12,885,945	11,457,691	58.41% 4)	11,590,409	11,177,370	12,395,334	12,887,034	12,888,422	13,856,385	14,726,535	12,965,678	12,614,246
	Actual '11	12,779,039	11,692,728	11,763,446	58.04% 5)									
Operating Expenses	Budget '11	595,484	902,980	902,980		902,980	1,309,847	786,732	909,954	909,954	909,954	909,954	1,320,891	1,174,486
	Actual '10	542,134	833,390	814,169		832,892	808,120	1,044,094	755,973	872,015	854,294	773,491	913,845	1,389,016
	Actual '11	539,097	693,153	884,831										
Proceeds Transfer-General	Budget '11	4,438,166	4,776,813	4,343,452		4,802,474	3,971,142	4,715,312	4,849,230	5,019,719	5,280,807	4,894,892	4,428,918	4,184,811
	Actual '10	4,216,491	4,943,188	4,347,444		4,165,398	4,592,408	4,913,856	3,537,410	3,884,803	6,517,645	4,532,576	5,856,542	3,741,741
	Actual '11	4,714,318	5,198,524	4,295,667										
Proceeds Transfer-Veterans	Budget '11	82,829	517,578	233,211		143,812	121,555	102,969	151,239	274,763	420,489	185,818	145,864	119,872
	Actual '10	69,484	542,277	211,064		141,357	113,846	97,070	133,242	319,374	455,734	231,865	178,455	167,784
	Actual '11	131,645	382,640	441,669										
Total Proceeds Transfers	Budget '11	4,520,995	5,294,391	4,576,663		4,946,286	4,092,697	4,818,281	5,000,469	5,294,482	5,701,296	5,080,710	4,574,782	4,304,683
	Actual '10	4,285,975	5,485,465	4,558,508		4,306,755	4,706,254	5,010,926	3,670,652	4,204,177	6,973,379	4,764,441	6,034,997	3,909,525
	Actual '11	4,845,963	5,581,164	4,737,336										
YEAR TO DATE														
Gross Sales	Budget '11	18,722,184	39,847,634	59,361,241	3.57% 1)	80,582,135	100,224,274	120,688,605	142,109,347	164,164,206	187,190,156	208,780,732	230,166,602	250,100,000
	Actual '10	19,040,396	41,325,577	60,940,191	0.88% 2)	80,904,796	100,365,077	121,445,136	141,546,083	162,544,336	187,446,981	211,129,810	234,588,114	256,255,491
	Actual '11	20,683,463	41,210,343	61,479,079										
Prize Expense	Budget '11	10,924,452	23,251,217	34,637,467	58.35% 3)	47,019,924	58,481,173	70,422,173	82,921,241	95,790,319	109,226,033	121,824,200	134,302,921	145,934,120
	Actual '10	11,008,744	23,894,689	35,352,380	58.01% 4)	46,942,789	58,120,159	70,515,493	83,402,527	96,290,949	110,147,334	124,873,869	137,839,547	150,453,787
	Actual '11	12,779,039	24,471,767	36,235,213	58.94% 5)									
Operating Expenses	Budget '11	595,484	1,498,464	2,401,444		3,304,424	4,614,271	5,401,003	6,310,957	7,220,911	8,130,865	9,040,819	10,361,710	11,536,196
	Actual '10	542,134	1,375,524	2,189,693		3,022,585	3,830,705	4,874,799	5,630,772	6,502,787	7,357,081	8,130,572	9,044,417	10,433,431
	Actual '11	539,097	1,232,250	2,117,081										
Proceeds Transfer-General	Budget '11	4,438,166	9,214,979	13,558,431		18,360,905	22,332,047	27,047,359	31,896,589	36,916,308	42,197,115	47,092,007	51,520,925	55,705,736
	Actual '10	4,216,491	9,159,679	13,507,123		17,672,521	22,264,929	27,178,785	30,716,195	34,600,998	41,118,643	45,651,219	51,507,761	55,249,502
	Actual '11	4,714,318	9,912,842	14,208,509										
Proceeds Transfer-Veterans	Budget '11	82,829	600,408	833,619		977,431	1,098,986	1,201,955	1,353,194	1,627,957	2,048,446	2,234,264	2,380,128	2,500,000
	Actual '10	69,484	611,761	822,825		964,182	1,078,028	1,175,098	1,308,340	1,627,714	2,083,448	2,315,313	2,493,768	2,661,554
	Actual '11	131,645	514,285	955,954										
Total Proceeds Transfers	Budget '11	4,520,995	9,815,387	14,392,050	5.37% 1)	19,338,336	23,431,033	28,249,314	33,249,783	38,544,265	44,245,561	49,326,271	53,901,053	58,205,736
	Actual '10	4,285,975	9,771,440	14,329,948	5.82% 2)	18,636,703	23,342,957	28,353,883	32,024,535	36,228,712	43,202,091	47,966,532	54,001,529	57,911,056
	Actual '11	4,845,963	10,427,127	15,164,463										
1) Actual FY11 compared to Budget FY11														
2) Actual FY11 compared to Actual FY10														
3) Budget FY11 Prize Payout														
4) Actual FY10 Prize Payout														
5) Actual FY11 Prize Payout														

**IOWA LOTTERY AUTHORITY  
1ST QUARTER FY 2011  
CONFERENCE/SEMINAR OUT OF STATE TRAVEL**

<b>DATES</b>	<b>NAME</b>	<b>DESTINATION</b>	<b>TOTAL EXPENSES</b>
7/19/10 - 7/22/10	Joe Diaz	Madison, WI	\$859.58
7/19/10 - 7/22/10	Mary Neubauer	Madison, WI	\$805.54
7/19/10 - 7/22/10	Molly Juffernbruch	Madison, WI	\$808.16
7/19/10 - 7/22/10	Brenda Loy	Madison, WI	\$815.04
9/21/10 - 9/24/10	Larry Loss	Grand Rapids, MI	\$2,083.03
9/20/10 - 9/23/10	Terry Rich	Grand Rapids, MI	\$169.86

TOTAL    \$5,541.21



# Marketing/Sales Board Report, August 2010

Game	Details	August Sales	August Weekly Per Capita*	Fiscal YTD Sales		
				FY2010	FY2011	Change
	There were two \$100,000 Cash Game winners in August: Betty Woolsoncroft in Council Bluffs (08.19.10) and Dean Hoover in Des Moines (08.26.10).	\$293,985	\$0.02	\$682,965	<b>\$606,528</b>	<b>-11.19%</b>
	The jackpot reached its peak for August at \$79 million and ended the month at \$25 million on Aug. 28.	\$3,355,746	\$0.26	\$11,400,792	<b>\$7,370,738</b>	<b>-35.35%</b>
	There were two \$30,000 Hot Lotto Sizzler winners in August: Carol Frederick in Emmetsburg (08.20.10) and Archie Batcheller in Urbandale (08.23.10). The jackpot reached its peak for August and ended the month at \$5.8 million on Aug. 28.	\$902,918	\$0.07	\$3,162,740	<b>\$1,795,657</b>	<b>-43.22%</b>
	There was one \$250,000 Mega Millions winner in August: Dennis Dyrland in Cedar Rapids (08.09.10). The jackpot reached its peak for August at \$133 million and ended the month at \$12 million on Aug. 31.	\$1,201,108	\$0.09		<b>\$2,006,352</b>	
	Pick 4 sales for August averaged <b>\$49,747</b> per week.*	\$220,306	\$0.02	\$413,462	<b>\$436,116</b>	<b>5.48%</b>
	Pick 3 sales for August averaged <b>\$119,395</b> per week.*	\$528,749	\$0.04	\$1,098,061	<b>\$1,071,546</b>	<b>-2.41%</b>

Game	Details	August Sales	August Weekly Per Capita*	Fiscal YTD Sales		
				FY2010	FY2011	Change
	Instant sales for August averaged <b>\$2,781,031</b> per week.† Four instant games were introduced in August: “Rings of Cash” (\$3) was introduced on Aug. 9. “Black Cherry Doubler” (\$1), “Cool Cash” (\$2) and “Fabulous Fortune” (\$5) were introduced on Aug 30.	\$12,315,994	\$0.95	\$21,273,001	<b>\$24,630,979</b>	<b>15.79%</b>
	Pull-tab sales for August averaged <b>\$385,694</b> per week.† One new pull-tab game was introduced in August: “Sparkling Sapphires” (\$.50) was introduced on Aug. 2.	\$1,708,074	\$0.13	\$3,294,555	<b>\$3,292,427</b>	<b>-0.06%</b>
<b>Totals</b>		<b>\$20,526,880</b>		<b>\$41,325,576</b>	<b>\$41,210,343</b>	<b>-0.28%</b>

\*Based on the state population of 3,002,555 people.

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

## PROMOTIONS FOR AUGUST 2010



Iowans can have fun all summer long – and win cash prizes or receive discounts to many festivals, attractions and businesses – in a promotion announced April 19 that partners the Iowa Tourism Office and the Iowa Lottery. This is the second year for a summer travel project from Tourism and the Lottery.

This year's project is being called the "Silver Ticket Celebration" in honor of the lottery's 25<sup>th</sup> anniversary. And the lottery game that is the key to summer fun is "The Silver Ticket," a new \$5 instant-scratch game that celebrates 25 years of lottery entertainment in Iowa. Those who buy a ticket in The Silver Ticket game can win instant prizes ranging from \$5 up to \$25,000. And if you don't win a cash prize, there are a few different ways your ticket can be used for even more value:

- "Silver Ticket Savings." Iowa Lottery players can use nonwinning tickets like a coupon for savings at Iowa events, businesses and attractions. A complete list of the special discount offers available to Silver Ticket customers is available on the Tourism Office Web site at [www.traveliowa.com](http://www.traveliowa.com).
- "Silver Ticket Cash Stops." Lottery players can use nonwinning tickets in The Silver Ticket game for a chance to win cash prizes in contests the lottery will hold at 25 events across the state. Four cash prizes of up to \$500 will be awarded during each contest for a total of \$1,000 in prizes at each event.
- Finally, State Fairgoers can use their nonwinning tickets as an entry in the Silver Ticket Cash Stop festivities during the Tourism-Lottery project's finale event, the Iowa State Fair. We'll kick things off during the Fair's opening ceremonies, which will be at 9 a.m. this year inside the new Richard O. Jacobsen Exhibition Center. While supplies last, the lottery will hand out a \$1 "Veterans Hot 7's" scratch ticket to Fairgoers 21 and older at the event in the new building.

Then, during the Fair's first 10 days (Aug. 12-21), players can visit our booth in the William C. Knapp Varied Industries Building and enter nonwinning tickets in The Silver Ticket game for a chance to win one of five daily cash prizes of \$100 each. The winners' names will be announced each evening at 5:30 p.m. Weekdays, Aug. 12, 13, 16-20, the winner's names will be drawn on the Anderson Erickson Dairy Stage during the KCCI First News at Five. On the weekends, Aug. 14, 15 and 21, the winner's names will be drawn inside our fair booth. Winners do not have to be present to win. A complete list of all winners will be posted in our booth.

On the last day of the Fair (Aug. 22), players can enter their nonwinning tickets in The Silver Ticket game for the chance to win one of 25 cash prizes of \$100. Winners' names that day will be selected during a contest on the Grand Concourse at 5:30 p.m.



Legislation authorizing a lottery in Iowa was signed into law on April 18, 1985, and the Iowa Lottery sold its first tickets during a kick-off celebration on Aug. 22, 1985, at the Iowa State Fair. Tourism and lottery officials returned to where it all started by announcing this summer's travel initiative on April 19 at the State Fairgrounds.

Sales in The Silver Ticket game began April 19. The first of The Silver Ticket discount offers from businesses and attractions across the state began April 26. Special offers will continue to be available throughout the spring and summer to customers who present The Silver Ticket.

A list of the 25 events that have been chosen as Silver Ticket Cash Stop contest locations is below. During each event, the lottery will hold a contest to give away prizes of \$100, \$150, \$250 and \$500 (a total of \$1,000 at each event). Visitors to each event can enter the local contest with nonwinning tickets in The Silver Ticket game.



25 "Must-See" Silver Ticket Cash Stop locations

<u>Date</u>	<u>Festival/Event</u>
Saturday, May 15	Celebrate CB, Council Bluffs
<b>Winners:</b> \$500 - Todd Bean, La Vista, NE; \$250 - Betsy Kill, Magnolia; \$150 - Mary Emblen, Council Bluffs; \$100 - Claudette Moriarty, Council Bluffs	
Sunday, May 16	2 <sup>nd</sup> Annual PZAZZ! Great American Grill-Off, Burlington
<b>Winners:</b> \$500 - Jim Foster, Oquawka, IL; \$250 - Vikki Davis, Mount Pleasant; \$150 - Rodney Nelson, Burlington; \$100 - John Dixon, Mount Pleasant	
Friday, May 28	John Wayne Birthday Celebration, Winterset
<b>Winners:</b> \$500 - Michele Shortley, Winterset; \$250 - Randy Kerr, Winterset; \$150 - Terri Scott, Winterset; \$100 - Sierra Treanor, Winterset	
Saturday, May 29	Tivoli Fest, Elk Horn
<b>Winners:</b> \$500 - Edith Irlbeck, Audubon; \$250 - Roger Rust, Harlan; \$150 - John Irlbeck Jr., Audubon; \$100 - Jeanne Nelson, Audubon	
Sunday, May 30	Great Okoboji Wing Ding, Arnolds Park
<b>Winners:</b> \$500 - Kathy Briffett, Sioux Falls, SD; \$250 - Rick Bruchheit, Spencer; \$150 - Mary Kraninger, Milford; \$100 - Keith Swanson, Akron	
Thursday, June 3	My Waterloo Days, Waterloo
<b>Winners:</b> \$500 - Victoria Washington, Waterloo; \$250 - Joe Segebarth, Waterloo; \$150 - David Chilcote, Waterloo; \$100 - Brian Baker, Cedar Falls	
Friday, June 4	1st Fridays Art Walk, Fairfield
<b>Winners:</b> \$500 - Brian Hawthorne, Fairfield; \$250 - Mike Wagner, Fairfield; \$150 - Roberta Fleig, Fairfield; \$100 - John Dixon, Mount Pleasant	
Saturday, June 5	Iowa Arts Festival, Iowa City
<b>Winners:</b> \$500 - Susan Kahler, Cedar Rapids; \$250 - Thomas Schaffnit, Iowa City; \$150 - Jessica Marie, Iowa City; \$100 - Samantha Pieczynski, Davenport	
Saturday, June 12	America's River Festival, Dubuque
<b>Winners:</b> \$500 - Dawn Udelhofen, Peosta; \$250 - Bev Steuer, Dubuque; \$150 - Sherry O'Toole, Dubuque; \$100 - Mary Leslein, Dubuque	
Sunday, June 13	Hy-Vee Triathlon, West Des Moines
<b>Winners:</b> \$500 - Timothy Graves, Chariton; \$250 - Tim Foster, West Des Moines; \$150 - Keira Stinson, Des Moines; \$100 - Darrell Fremont, Madrid	
Friday, June 18	AMVET's June Antique Show, Walnut
<b>Winners:</b> \$500 - Edith Irlbeck, Audubon; \$250 - John Irlbeck Jr., Audubon; \$150 - Jason Wood, Walnut; \$100 - Timothy Graves, Chariton	
Saturday, June 19	Awesome Biker Nights, Sioux City
<b>Winners:</b> \$500 - Brian Van Bruggen, Sioux Center; \$250 - Todd Beaulieu, Clinton; \$150 - Keith Wissink, Sioux Center; \$100 - Gretchen Wissink, Sioux Center	
Tuesday, June 22	U.S. Modified Tours Series At Mineral City Speedway, Fort Dodge
<b>Winners:</b> \$500 - Larry Donahe, Webster City; \$250 - Beth Ann Roberts, Callender; \$150 - Jeff Nemmers Jr., Fort Dodge; \$100 - Larry Ackerson, Fort Dodge	
Friday, June 25	33 <sup>rd</sup> Annual Ottumwa Pro Balloon Race, Ottumwa
<b>Winners:</b> \$500 - Janet McCullough, Bloomfield; \$250 - Jim Steele, Batavia; \$150 - Bernard Noel, Bloomfield; \$100 - Robert Kudart, Ottumwa	

Friday, July 2                      Clinton Riverboat Days, Clinton  
**Winners:** \$500 - Jason Anthony, Clinton; \$250 - Valerie Drury, Clinton; \$150 - Bruce Drury, Clinton; \$100 - Terry Nielsen, Clinton

Saturday, July 3                      Star Spangled Spectacular, Storm Lake  
**Winners:** \$500 - Tom Ellis, Storm Lake; \$250 - Barb Hartje, Storm Lake; \$150 - Cindy Wagener, Storm Lake; \$100 - Jerome Kippley, Denison

Sunday, July 4                      Cedar Rapids Freedom Festival, Cedar Rapids  
**Winners:** \$500 - Rodger Stambaough, Cedar Rapids; \$250 - Don Fleming, Anamosa; \$150 - Wendy Bemer, Cedar Rapids; \$100 - Bobbie McLane, Palo

Friday, July 16                      Party in the Park, Charles City  
**Winners:** \$500 - Janice Barrett, Charles City; \$250 - Leslie Becthold, Nashua; \$150 - Dennis Smith, Charles City; \$100 - Bryan Schmidt, Charles City

Saturday, July 17                      57<sup>th</sup> Annual Black Hawk Lake Water Carnival, Lake View  
**Winners:** \$500 - Kreg Haukap, Storm Lake; \$250 - Susan Musfeldt, Carroll; \$150 - Candy Ludwig, Lake View; \$100 - Jean Lamaak, Pomeroy

Friday, July 23                      Downtown Street Fest, Davenport  
**Winners:** \$500 - Stephanie Miller, North Liberty; \$250 - Samantha Pieczynski, Davenport; \$150 - Tom Hebbeln, Davenport; \$100 - Richard Hakes, Davenport

Saturday, July 24                      LakeFest, Clear Lake  
**Winners:** \$500 - John Harbacheck, Mason City; \$250 - Peggy Coleman, Webster City; \$150 - Carolyn Thompson, Forest City; \$100 - Amelia Hartema, Mason City

Saturday, July 31                      Iowa Speedway, Newton  
**Winners:** \$500 - DeAnn Cahalan, Decorah; \$250 - Darlene Clark, Pleasantville; \$150 - Jennifer Reuter, Jesup; \$100 - Helen Morgan, Milo

Sunday, Aug. 1                      National Balloon Classic, Indianola  
**Winners:** \$500 - Pilar Logsdon, Des Moines; \$250 - Andrea Langham, Ames; \$150 - Jan Culbertson, Afton; \$100 - Becky Adams, Indianola

Saturday, Aug. 7                      Estherville Sweet Corn Days, Estherville  
**Winners:** \$500 - Susan Janssen, Sibley; \$250 - Larry Bollman, Ruthven; \$150 - Jana Bailey, Alta; \$100 - Angela Myers, Estherville

Wednesday, Aug. 11                      50<sup>th</sup> Goodyear Knoxville Nationals, Knoxville  
**Winners:** \$500 - Diana Luksetich, Ankeny; \$250 - Kenneth Loynachan, Knoxville; \$150 - Nick Neef, Ankeny; \$100 - Phil Luksetich, Ankeny

Daily \$100 Winners From Grand Finale at Iowa State Fair  
Thursday, Aug. 12  
**Winners:** Jason King, Des Moines; Shirley McGill, Clive; Barbara Callies, Van Wert; Phil Kramer, Nevada; Ginny Lapley, Clive

Friday, Aug. 13  
**Winners:** Dustin Tharp, Victor; Shirley Edwards, Des Moines; Sharon Sanders, Des Moines; Lori Till, Bellevue; Patti Leech, Tustin, CA

Saturday, Aug. 14  
**Winners:** Alicia Flemmens, Ankeny; Jim Weaver, Martensdale; Michelle Mullica, Des Moines; Kenneth Vargason, Montezuma; Kathy Hiatt, Urbandale



Sunday, Aug. 15

**Winners:** Mike Donahue, Des Moines; KC Sloan, Des Moines; Phillip Bickford, Maquoketa; Ken Smith, Knoxville; Tabitha Sears, Riverview, FL

Monday, Aug. 16

**Winners:** Katina Parrish, Des Moines; Ed Christensen, Greenfield; Shirley Edwards, Des Moines; Violet Adams, Wellsburg; Linda Town, Wellsburg

Tuesday, Aug. 17

**Winners:** Swapna Aurora, West Des Moines; Kristi Beck, Waterloo; Twyla Morlan, Oxford; Karen Long, Iowa City; Tonia Pontier, Osceola

Wednesday, Aug. 18

**Winners:** Ron Sieck, Des Moines; Sue Ornduff, Oskaloosa; Adele Plaisance, Des Moines; Lori Ford, Norwalk; Eugene Pfrimmer, Iowa Falls

Thursday, Aug. 19

**Winners:** Michael Brown, Brooklyn; Patty Weiland, Cedar Rapids; Stephanie Villasen, Ankeny; Rose Denny, Johnston; Terry Arkland, Webster City

Friday, Aug. 20

**Winners:** Michelle Patrick, Waukee; Linda Van Wyngarden, Knoxville; Peter Potycki, Clive; Vincent Gaeta, Fruitland; Ashley Flitcraft, Des Moines

Saturday, Aug. 21

**Winners:** Jodi Mortensen, Kiron; Rhonda Hein, Gladbrook; Dan Roby, Des Moines; Sherie Saylor, Blakesburg; Laura Sheriff, Des Moines



Sunday, Aug. 22 – Silver Ticket Grand Finale Drawing of 25 \$100 Winners

**Winners:** Lisa Beaty, Marshalltown; Sharon Brimmer, Marshalltown; Ed Christensen, Greenfield; Matt Crozier, De Soto; Jeff Current, Tipton; Fran Doll, Norwalk; Mark Dugan, Bagley; Ginger Eilers, Monticello; Patricia J Yost-Emery, Johnston; Tiffany Helm, Des Moines; Sue Howard, Maynard; Aaron Knapp, Des Moines; Rachel Leach, Kellogg; Nick Liles, Bloomfield; Julie Mahoney, Bondurant; Christina Mathews, Pleasant Hill; Tim McFadden, Des Moines; Machele Powell, West Des Moines; Jimmy Quick, Altoona; Jason Richards, Newton; Cheri Roberts, Ankeny; Jeri Robinette, Des Moines; Carol Smith, Newton; Roland Stahl, Galva; John Wallace, West Branch

**State Fair Discount Admission Tickets being Sold by Iowa Lottery for First Time**

It's a convenience offered by thousands of new locations where fans can buy fair tickets.

- Adult advance-admission tickets to the Iowa State Fair were made available through Iowa Lottery sales terminals this year for the first time, giving Fair fans nearly 2,000 locations statewide where they can buy tickets. The Fair is set for "Non Stop Fun" Aug. 12-22.
- Tickets are being printed from Lottery terminals on the same paper that is used for lotto tickets in games such as Powerball. Adult advance-admission is \$7, with a \$1 convenience fee for tickets available from lottery terminals. Tickets went on sale July 1 and must be purchased by Aug. 11, the day before the Fair begins. Tickets are good any one Fair day.

Child advance-admission tickets will not be available through the Lottery system but will be available at all Dahl's Food Stores, participating Fareways, as well as participating Iowa and Omaha-area Hy-Vee and Hy-Vee Drugstores. They will be \$3. Children 5 and under are admitted free every day.





**Lotto 12-pack**

Aug. 8 - 28 - with the "Lotto 12-Pack Special" players will receive a special price on three of the lottery's games.

Players who buy all three lotto games at once - [Powerball with Power Play®](#), [Mega Millions with Megaplier®](#) and [Hot Lotto® with the Sizzler](#) - receive the following discount:

Save \$2 with the One-Week Bundle: Two draws each of: Powerball with Power Play, Mega Millions with the Megaplier and Hot Lotto with the Sizzler - a \$12 value for \$10.

Players can choose their own numbers or ask for an easy pick. Play slip and manual plays are eligible. Not valid with any other offer.