



Delivering Historic Results

Annual Report 2019



Our latest fiscal year provided us an opportunity to highlight the lottery's promise to lowans to responsibly raise revenues for important state causes. We know it's the "Iowa" part of the Iowa Lottery that makes our organization unique!

The Iowa Lottery posted the best annual results in its 34-year history, with a fifth straight year of record scratch-ticket sales leading the way in fiscal year 2019. Lottery sales, proceeds to state causes, prizes paid to players, and retail commissions all set records.

The Iowa Lottery's greatest asset in its mission to serve the people of IOWA is integrity: Integrity is at the core of the lottery's operations and the security of all its product offerings.

It is a privilege to lead an organization that is exceeding its revenue projections, operating in an efficient and responsible manner on behalf of lowans, and working to identify consumer trends that ensure the lottery can deliver on its mission into the future.

Thank you to our players, our retail partners, state policymakers, and the Iowa Lottery Board and staff for their role in an historic year of delivering results for the people of Iowa.

A handwritten signature in black ink, appearing to read "M.N. Strawn". The signature is stylized and written in a cursive-like font.



Josh Cook of Ankeny joined the Lottery Board in 2019. He is the president and CEO of the Johnston-based Community Choice Credit Union.



Sherrae Hanson of Ankeny joined the Lottery Board in 2018. She is the tax manager at Denman & Co., a CPA and business-consulting firm in West Des Moines.



Mary Junge served on the Lottery Board from 1999 to 2014 and was re-appointed in 2016. She is a certified public accountant and practicing tax attorney who resides in Cedar Rapids.



John Quinn joined the Lottery Board in 2018. He is the Waukee chief of police and lives in Urbandale.



Mary Rathje joined the Lottery Board in 2015. She is the office manager and controller at Rathje Construction Co. in Marion, where she also resides.

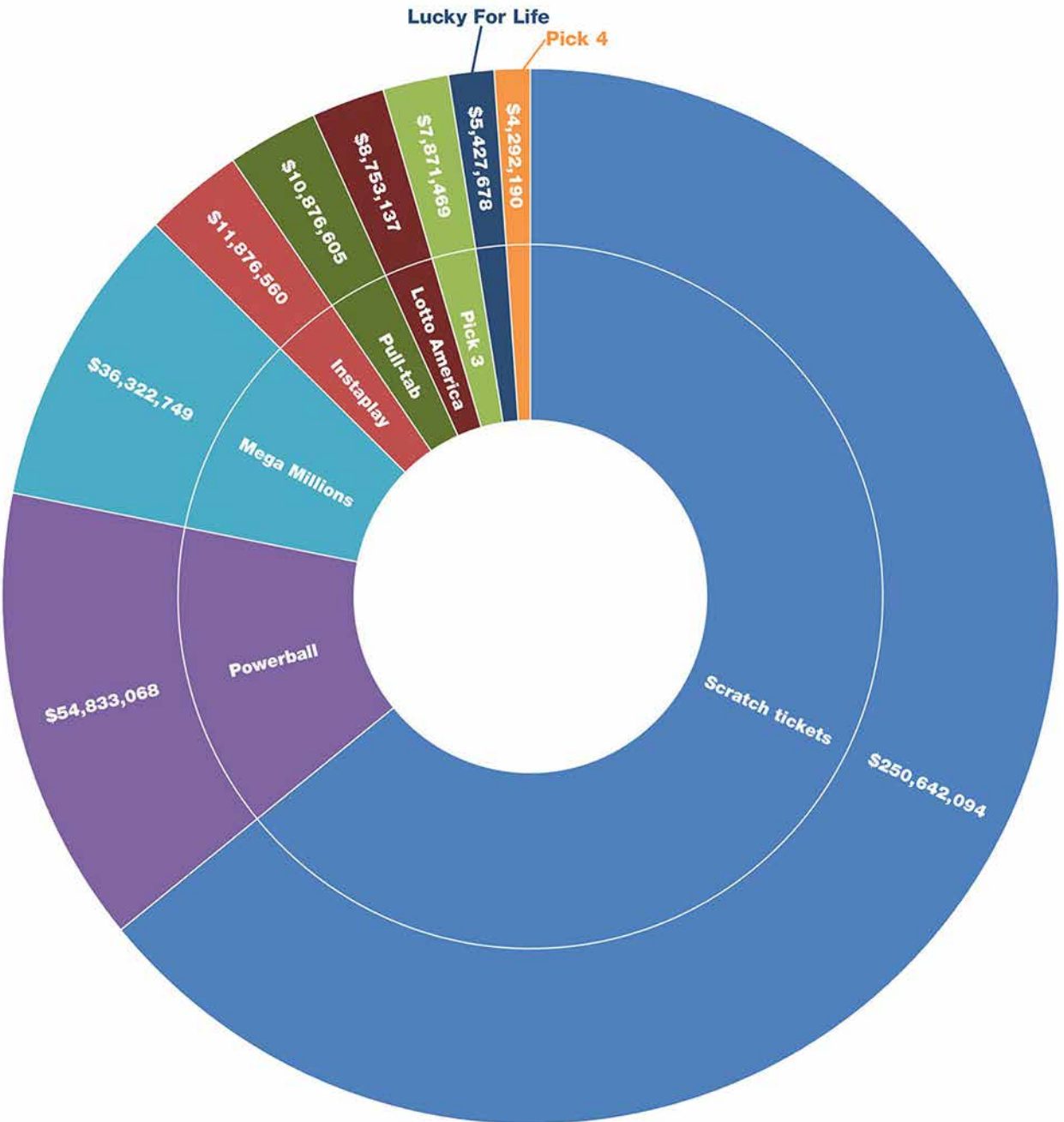


Michael L. Fitzgerald has been a part of the Lottery Board since 2003. He is Iowa's State Treasurer and lives in Waukee.

Immediate past member:

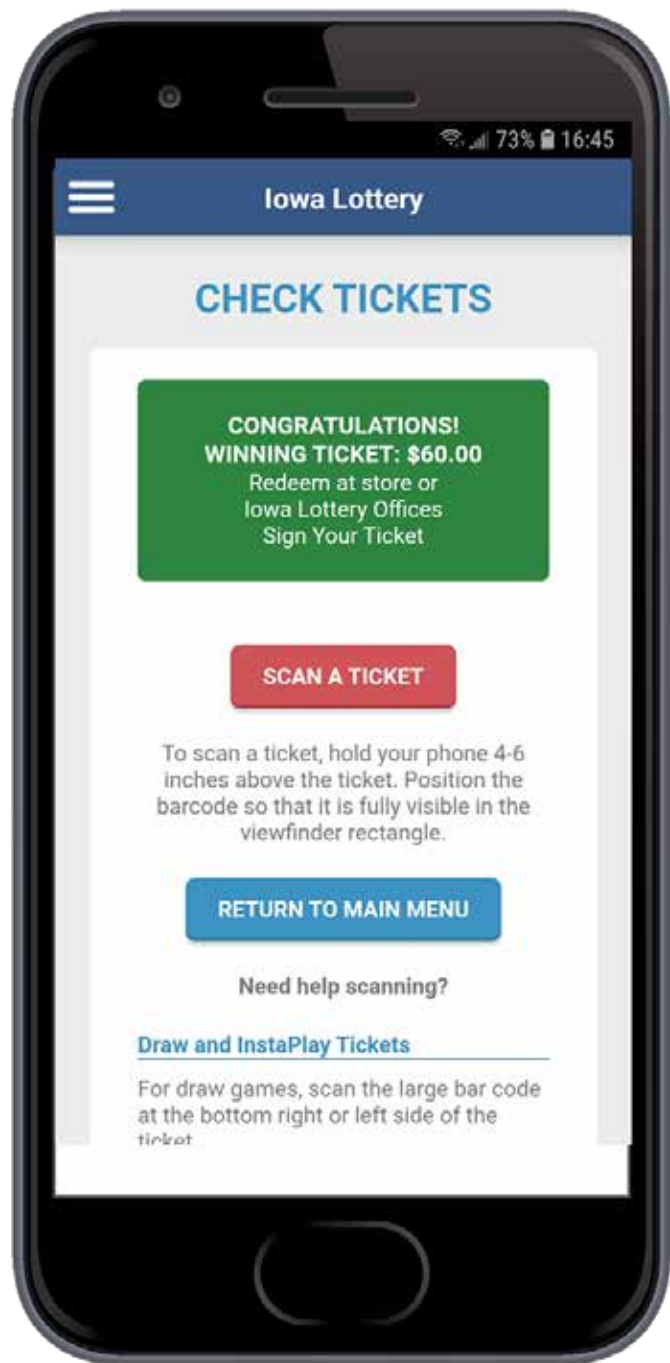


Connor Flynn's term ended in April 2019.



Sales Notes

- **Scratch ticket** sales in Iowa, which have set records consecutively since FY 2015, did so again in FY 2019 and totaled \$250.6 million, an increase of more than \$6 million from the previous record for that product.
- **Mega Millions**® sales leaped up for the year, spurred on by jackpots that topped the \$300 million mark four times and included a prize of more than \$1.5 billion in the Oct. 23, 2018 drawing, the largest jackpot in the game's history.
- **Powerball**® sales dipped slightly for the year, another jackpot-driven result. The Powerball jackpot only surpassed \$300 million three times in FY 2019 compared to four jackpots exceeding that level in FY 2018.



Improving the Player Experience: Lottery App Now Shows Players Amount of Prize

In May 2019 the Iowa Lottery added the ability for players to see the prize amount they have won when they scan a winning ticket using the LotteryPlus app.

Before this change, the app showed whether a ticket was a winner or nonwinner, but it didn't specify the prize amount involved for a winning ticket.

Players asked for this update and the lottery was glad to deliver to our users. It is a convenience for players as well as an important security feature that allows players to determine the outcome of their lottery tickets on their own.

The Iowa Lottery introduced its "Iowa Lottery LotteryPlus" mobile app in May 2017. In addition to checking ticket results, the app also allows players, upon secure age verification, to:

- Log in to the Iowa Lottery VIP Club™ so they can scan their ticket to enter Play It Again® promotions, view a list of their promotion entries and access FAQs for the current promotion(s)
- Learn about the Iowa Lottery's latest promotions, scratch tickets and more
- Get current jackpots and winning numbers for all of the Iowa Lottery's lotto games
- Find a nearby Iowa Lottery retailer
- Use the "ePlayslip" feature to design a ticket for their favorite Iowa Lottery lotto game on the go. They can pick their favorite numbers or shake their device to use the numbers generator

Billion With a 'B'



Iowans won more than 100,000 prizes on plays purchased for a chance at the record \$1.54 BILLION Mega Millions jackpot in the drawing on Oct. 23, 2018.

A Billion-Dollar Jackpot By the Numbers

Statistics represent Mega Millions sales on October 23, 2018 for that night's \$1.54 billion drawing.

\$3.3 million

Iowa Lottery Mega Millions tickets sold - a single-day sales record for the game

106,564

Prizes won by Iowa players ranging from \$2 up to \$1 million

\$7,000

Iowa Lottery Mega Millions tickets sold per minute from 5-6 p.m.

26

Drawings to reach \$1.54 billion jackpot

\$6

Average Iowa Mega Millions purchase

\$343.9 Million Winner

IOWA



Redfield Woman Claims Largest Prize in Iowa Lottery History

Lerynne West of Redfield walked down a path lined with mock currency through celebratory confetti as she claimed her \$343.9 million Powerball prize on Nov. 5, 2018. Her friends, family and lottery employees were there to celebrate with her.



Lerynne West stood at the podium at lottery headquarters in Clive as she claimed a \$343.9 million Powerball prize and said she knew she'd had a life-changing moment. She was excited to share her winnings with family and friends, to purchase a new car, and to take a long vacation -- or several.

The 51-year-old Redfield woman and her family also established the Callum Foundation, named after West's grandson, Callum, who was born prematurely and lived just a day. The charitable foundation (www.callumfoundation.org) is focused on making grants in the core areas of alleviating poverty and hunger; education; animal welfare; and veterans' affairs.

She said that she and her three daughters daydreamed for years about winning the lottery, and the plans they ultimately put together are a result of all that dreaming.

West's ticket split the Powerball jackpot in the Oct. 27, 2018 drawing with a ticket purchased in New York City. Her half of the jackpot -- the third-largest prize in the 26-year history of the game -- is a \$343.9 million annuity, or \$198.1 million lump-sum option.

West bought her jackpot-winning ticket at Casey's, 425 Second St. in Redfield, a Dallas County community of about 830 residents, where she recently bought a house. She was moving into her new home on Oct. 26 and she and her sister stopped at Casey's for pizza and coffee. While they were there, West bought an easy-pick Powerball ticket. And the rest, as they say, is history.

West is Iowa's ninth Powerball jackpot winner.

Casey's received a \$10,000 bonus from the Iowa Lottery for selling the jackpot winning ticket at one of its stores. Subsequently, Casey's donated the bonus to the community: \$5,000 to West Central Valley High School, \$2,500 to the Redfield Fire Department and \$2,500 to the Redfield First Responders.

Winners

Lotto Millionaires!



Lisa Hays bought two Powerball® plays in Burlington on a shopping trip - one was worth \$12 and the second won \$2 million. The Monmouth, Ill. teacher said she was glad she added the Power Play, since that boosted her prize from \$1 million to \$2 million! She said her win will help with retirement when that time comes. **Rob Maser of Urbandale** said he couldn't get anyone to believe that he'd won a \$2 million Powerball prize. He quickly realized he must have a reputation as a jokester. He said he'll buy a boat for his father, do some home improvements and save for retirement.



Angelica Chavez of Sioux City played Mega Millions® for the first time and won \$1 million. Chavez has investment ideas for her winnings, and wants to put money aside for her daughter's future.

Danny Lovett stopped in Colfax to buy a Mega Millions ticket during his Davenport to Des Moines trucking run. The E. Moline, Ill. man won a \$1 million prize he said will help him buy a house and a car, and plan for retirement.



Robert Hollenback said something just told him to buy a second ticket for the huge Mega Millions jackpot on Oct. 23, 2018. He ended up winning \$1 million with that ticket! The Milan, Ill. man said he'll share the winnings with family, take a trip and buy some land.

Scratch Tickets

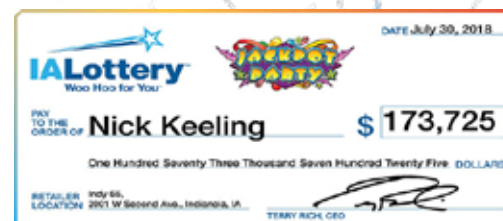


Barbara Edmondson (top) and Shirley Andrews of Allerton claimed a top prize in the "\$250,000 Riches" scratch game. The friends, who have played lottery games together for several years, were redeeming a winning ticket and decided to use their winnings to purchase another one, which ended up winning the game's grand prize. "We couldn't believe it, we just simply couldn't believe it," Edmondson said. She added that her mind went "completely blank."



Ann M. Kirby of Le Claire won a \$300,000 top prize in the "Colossal Crossword" scratch game. "This is a once-in-a-lifetime thing," she said. "This is very shocking for me to win this."

Instaplay



Nick Keeling of Norwalk won the largest JACKPOT PARTY® Progressive InstaPlay jackpot to date of more than \$173,000! The plumber was on his way to work when he stopped for the ticket. He bought two JACKPOT PARTY tickets that day and the second one was the big winner!

Don Burd of Hiawatha also won big playing InstaPlay, claiming a JACKPOT PARTY Progressive InstaPlay prize of more than \$64,000. "I was kind of like, 'You've got to be kidding me. Somebody must have slipped me a phony one or something. There's no way I'm this lucky,'" he recalled.



Lucky For Life

Ray and Delena Eckstein of Davenport won \$25,000 a year for life playing the Lucky For Life game. Their photo is featured on page 18 of this report.

Chris Smith of Cascade and Mark Bussan of Dubuque split a Lucky for Life lotto prize of \$25,000 a year for life. Smith bought the ticket using a set of numbers he's played in lotto games since 2001.

"We'll keep splitting if we keep hitting," Smith said.



Winners Couldn't 'Pass' Up Chance to 'Steal' Suite Seats!



Forty-eight players who entered the Suite Seats Play It Again® promotion scored a ticket package with a pair of tickets in an exclusive suite for regional men's basketball tournament games in Des Moines at the Iowa Events Center in March 2019.

Besides sitting in some "suite" seats, winners received a hospitality package valued at almost \$900 - everything they needed for a great experience during a session at the tournament!

Players entered nonwinning Diamond 9s, \$1,000 Loaded! and Spectacular Riches scratch tickets in the promotion from Jan. 14 until Feb. 25.

Winners are holding commemorative checks in the photos above. They are flanked by Iowa Lottery CEO Matt Strawn on the left and Vice President of External Relations Mary Neubauer on the right. Top photo: **Dawn Devito of Indianola** and a guest enjoy the lottery suite, as does **Christopher Meyer of Farnhamville** in the bottom photo.

Fa La La Loot Was Holiday-licious Promotion



To celebrate the holidays, the Iowa Lottery gave away 61 cash prizes in a holiday-licious promotion called "Fa La La Loot."

The Lottery held six drawings through the holiday season - each for 10 winners of cash prizes ranging from \$500 to \$3,000. Prize values increased with each drawing. The grand prize was a hefty \$20,000 cash!

To enter, players could Play It Again with any nonwinning holiday scratch ticket from Oct. 1, 2018, until January 8, 2019.

Jana Gibbs of Danville, pictured at right, won the \$20,000 grand prize.



Iowa Co-workers Celebrated \$1 Million Win

Eleven members of the Cedar Rapids office pool who shared the \$1 million prize in the "Woo Hoo A Million For You Giveaway" had fun celebrating as they claimed the group's winnings!



Laurie Ginder of Anamosa (holding the check in this photo) made the winning entry into the promotion on behalf of her office pool at Collins Aerospace in Cedar Rapids. The 34 co-workers in the office pool who call themselves **The Dream Big Team** each received about \$29,000 before taxes.

From May 29 until June 18, 2019, lottery players could enter the Woo Hoo A Million For You Giveaway with any Powerball ticket they purchased in Iowa during that three-week timeframe.

Back in April 2018, a \$1 million Powerball prize won on a ticket purchased in Nevada expired after going unclaimed. Under Iowa law, the money from unclaimed lottery prizes goes into the lottery's prize pools for future games and promotions, so the lottery held a promotion to give away the \$1 million. The promotion's name was a nod to the lottery's long-time catch phrase of "Woo Hoo For You™."

It Was the Summer of Silverado® For Lottery Players



From left, **Cindy Weems of Cumming**, the June grand prize winner, sits in her all-new 2019 Chevy Silverado; **Brittany Dana of Webster City**, the grand prize winner in the August drawing, stands in front of her new truck; and **John Lennon of Davenport** (center) claimed the final Silverado in September, joined by wife Linda and Shottenkirk Waukee General Manager Doug DeYarman. **Julia Thomas of Eldridge** (not pictured) won a truck in July.

Each month last summer from June through September, one lucky Iowa Lottery VIP Club member won an all-new 2019 Chevy Silverado - the grand prizes in our summer promotion called Summer of Silverado. The lottery partnered with Shottenkirk Automotive Group in Waukee to give away the four new trucks.

It all started with the Silverado scratch game in lottery retail locations statewide. The \$5 Silverado tickets were easy to spot because they have an image of a Chevy Silverado on them! Players could win instant prizes in the game of up to \$50,000, but if their ticket was a nonwinner, they could Play It Again by entering it into the Summer of Silverado promotion for a chance to win a truck or a cash prize.

During each of the four drawings, the Lottery gave away a Chevy Silverado LT Trail Boss and five prizes of \$5,000.



Focus On Responsible Gaming

The Iowa Lottery continued its focus on responsible gaming throughout FY 2019, encouraging players in many different ways to make responsible choices and play within their means.

The lottery understands its responsibility to not only promote responsible play, but also support and provide educational resources for any Iowan struggling with problem gambling.

Each day, the lottery provides the public with information about 1-800-BETSOFF, the statewide helpline of the Iowa Gambling Treatment Program, by including messages about the helpline on millions of lottery tickets, brochures, point-of-sale materials and other publications.

IOWA GAMBLING TREATMENT PROGRAM

I-800-BETS OFF

Help During National Problem Gambling Awareness Month



PROBLEM GAMBLING AWARENESS MONTH
→ AWARENESS+ACTION

In FY 2019, the Iowa Lottery secured more than \$200,000 in in-kind media placement services to assist the Iowa Department of Public Health in delivering problem gambling messages to Iowans in March, the month recognized each year as National Problem Gambling Awareness Month.

In addition to traditional advertising on broadcast television, cable, radio and outdoor billboards, these messages were also delivered online in March through streaming services. The lottery understands that utilizing a broad range of media platforms is critical to reaching Iowans across all demographic groups to ensure they know where to turn if they need help for themselves or a loved one.

About Responsible Gambling During The Holidays

During the holiday season, the Iowa Lottery also participated in the National Council on Problem Gambling's responsible gambling holiday campaign. Messages from the lottery in December 2018 reminded the public to consider the age appropriateness of the gifts they are giving. The lottery's messages included the reminder that you are gambling when you play the lottery, so it is important to keep a person's age in mind when it comes to gift-giving to minimize the risks associated with youth gambling.



A Record-Setting Year For Retail Partners

A big "Thank you!" to Iowa retailers for their work in assisting lottery customers and selling tickets.

Annual lottery sales commissions to local businesses across Iowa were \$25.4 million in FY 2019, up 5.1 percent from the prior year. That total surpassed the lottery's previous record for retailer commissions on the lottery's core products of \$24.6 million, set in FY 2016.

Spotlight: Taking Pride in Lottery Sales



Manager Jim Cahalan is proud of the new signage promoting the recently installed pull-tab machine at Hy-Vee Drugstore, 1520 6th St. SW in Cedar Rapids. In the last 2 years, the store has added an eight-game scratch tower and a six-game pull-tab machine to its Wine & Spirits section to go along with the 40 scratch games sold at Customer Service.

Sales Reports

FY 2019 Net Sales By County

County	Total Sales
Adair	\$1,364,619
Adams	\$421,412
Allamakee	\$1,624,477
Appanoose	\$1,961,081
Audubon	\$493,802
Benton	\$2,460,273
Black Hawk	\$19,676,786
Boone	\$2,965,759
Bremer	\$2,271,371
Buchanan	\$2,408,459
Buena Vista	\$3,762,719
Butler	\$1,595,597
Calhoun	\$1,021,637
Carroll	\$2,830,476
Cass	\$1,678,514
Cedar	\$2,014,057
Cerro Gordo	\$8,725,738
Cherokee	\$1,668,643
Chickasaw	\$1,592,629
Clarke	\$1,225,555
Clay	\$2,275,327
Clayton	\$2,343,651
Clinton	\$7,540,072
Crawford	\$2,781,773
Dallas	\$5,824,337
Davis	\$567,048
Decatur	\$399,474
Delaware	\$1,864,309
Des Moines	\$5,169,581
Dickinson	\$3,198,330
Dubuque	\$10,973,001
Emmet	\$1,356,098
Fayette	\$2,432,591
Floyd	\$2,545,714
Franklin	\$1,666,138
Fremont	\$814,442
Greene	\$1,080,030
Grundy	\$978,075
Guthrie	\$494,097
Hamilton	\$2,863,556
Hancock	\$1,223,357
Hardin	\$2,465,930
Harrison	\$1,569,358
Henry	\$2,748,976
Howard	\$1,022,037
Humboldt	\$1,656,704
Ida	\$870,212

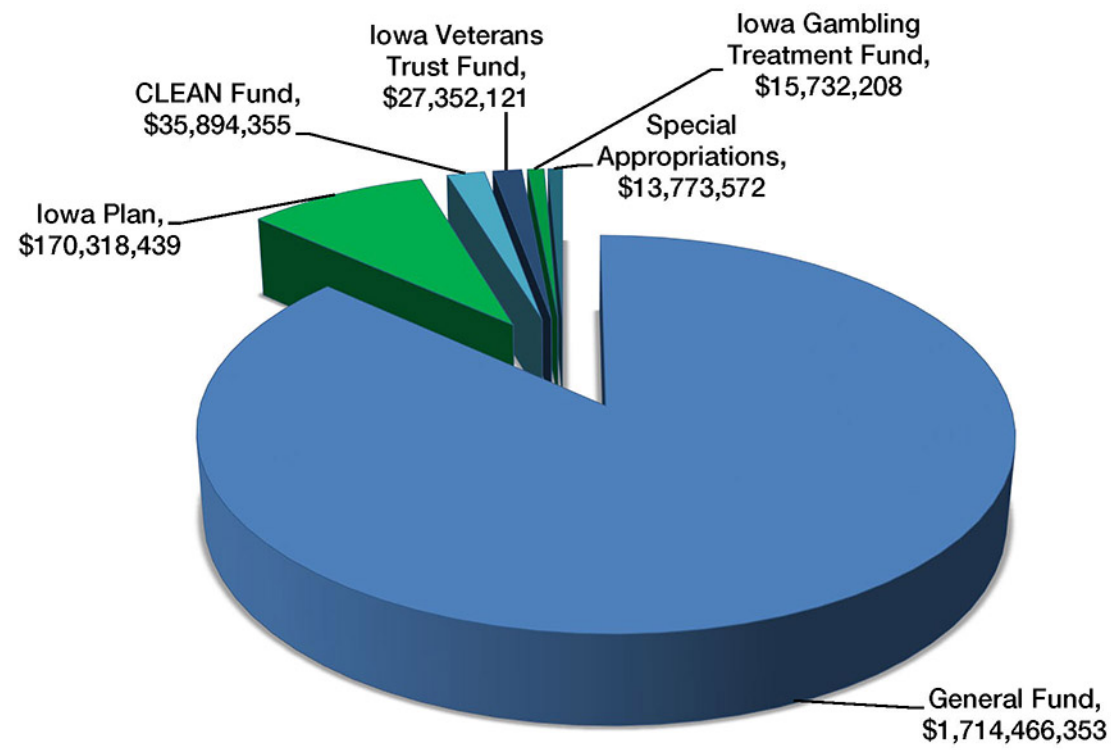
County	Total Sales
Iowa	\$1,457,276
Jackson	\$3,001,747
Jasper	\$3,891,755
Jefferson	\$1,699,648
Johnson	\$11,044,368
Jones	\$2,830,264
Keokuk	\$1,110,121
Kossuth	\$2,320,039
Lee	\$4,370,600
Linn	\$31,217,855
Louisa	\$1,093,548
Lucas	\$1,115,375
Lyon	\$544,877
Madison	\$1,718,458
Mahaska	\$2,750,500
Marion	\$3,529,876
Marshall	\$5,907,385
Mills	\$1,320,798
Mitchell	\$1,414,221
Monona	\$1,020,285
Monroe	\$1,039,026
Montgomery	\$1,248,751
Muscatine	\$6,215,880
O'Brien	\$1,525,512
Osceola	\$534,733
Page	\$1,517,139

County	Total Sales
Palo Alto	\$1,089,192
Plymouth	\$2,203,845
Pocahontas	\$865,299
Polk	\$63,470,313
Pottawattamie	\$13,086,319
Poweshiek	\$2,474,103
Ringgold	\$278,799
Sac	\$1,352,702
Scott	\$24,580,096
Shelby	\$1,084,350
Sioux	\$1,620,852
Story	\$6,678,605
Tama	\$1,567,711
Taylor	\$795,885
Union	\$1,919,201
Van Buren	\$705,685
Wapello	\$6,942,240
Warren	\$4,997,476
Washington	\$2,634,683
Wayne	\$692,380
Webster	\$8,113,097
Winnebago	\$1,684,255
Winneshiek	\$2,087,632
Woodbury	\$10,842,033
Worth	\$928,341
Wright	\$2,656,030

5-Year Fiscal Year Sales



A History of Delivering For Iowa: Where The Money Goes



Note: All of the amounts listed here are from FY 1986 through the end of FY 2019.

Since 1985, the Lottery has raised more than \$1.9 billion for important state causes.

General Fund: \$1,714,466,353 — Since 1992, a majority of Lottery profits have been directed into the state general fund, where they are used to pay for programs that benefit all Iowans. In the Iowa Lottery's latest fiscal year, the Lottery raised more than \$90.3 million in proceeds that were deposited in the state general fund. Some of the programs that receive money from the general fund include education, natural resources, health and family services and public safety. The Governor and Iowa Legislature allocate money from the general fund based on where they believe those funds are needed most.

Iowa Plan: \$170,318,439 — The Iowa Plan was a long-term economic development program. It was divided into four basic areas: a Jobs Now program designed to put people to work; government construction programs; community and economic betterment; and educational and agricultural research. Lottery profits were dedicated to the Iowa Plan from fiscal year 1986 through fiscal year 1990.

CLEAN Fund: \$35,894,355 — The CLEAN Fund stood for Committing the Lottery to Environment, Agriculture and Natural Resources. The program dedicated money to environmental and cultural causes. Lottery profits were dedicated to the CLEAN Fund during fiscal year 1991.

Iowa Veterans Trust Fund \$27,352,121 — Since July 2008, a portion of Lottery proceeds has been dedicated to the Iowa Veterans Trust Fund, where they are used to support our state's veterans. The Iowa Lottery currently provides \$2.5 million annually in proceeds to the Iowa Veterans Trust Fund. The Iowa Veterans Trust Fund was created to provide assistance to qualified veterans to help pay for expenses such as job training or college tuition assistance; some dental, vision and hearing assistance; and individual or family counseling programs.

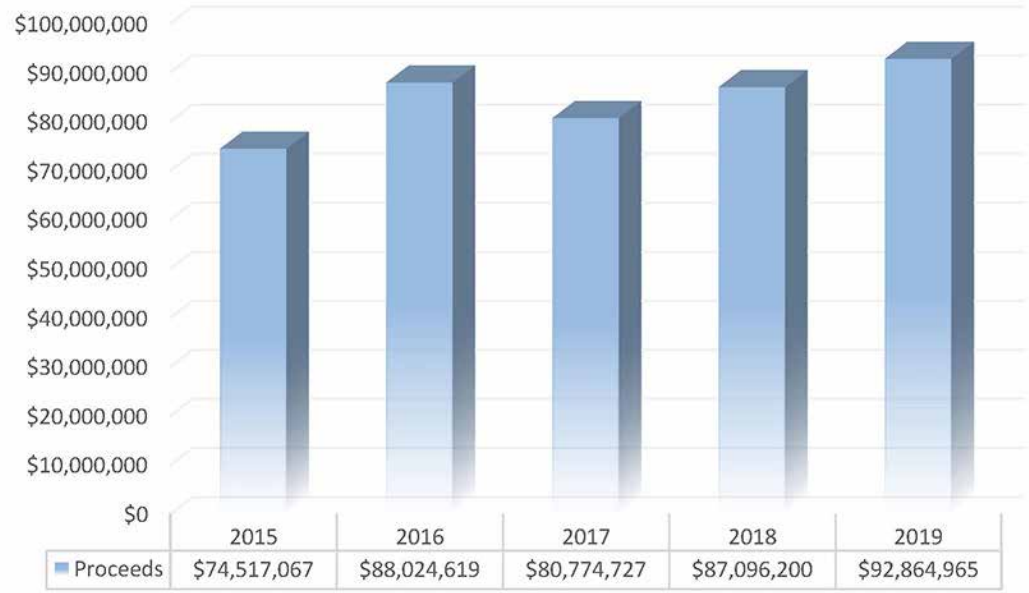
Iowa Gambling Treatment Fund: \$15,732,208 — The Iowa Gambling Treatment Program provides treatment, counseling and outreach programs for those concerned about gambling as well as the 1-800-BETSOFF helpline. The Iowa Lottery is committed to responsible play and helps address the issue of problem gambling. Each year, the Lottery provides the public with information about 1-800-BETSOFF by including messages about the helpline on millions of lottery tickets, brochures and point-of-sale materials as well as other publications. In 2009, the Gambling Treatment Fund was eliminated, with the Gambling Treatment Program now receiving its funding from the state General Fund.

Special Appropriations: \$13,773,572 — A portion of Lottery profits have been earmarked for specific purposes within the state budget.

Backing For Vision Iowa:

In addition to those direct uses of Lottery proceeds, Lottery profits are also linked to the Vision Iowa program. Vision Iowa was implemented in 2000 to create tourism destinations in the state, assist with community attractions, and build and repair schools. Direct funding for Vision Iowa comes from gaming revenues. However, as the program was being initiated, investors indicated there was a need to strengthen the Vision Iowa bonds by dedicating \$20 million annually in Lottery revenues as a backup. Legislation was approved that dedicates \$15 million in Lottery revenues to programs for community attractions in Iowa and another \$5 million to Vision Iowa programs to build and repair schools if gambling revenues don't reach that amount. Lottery funding will continue to be linked to Vision Iowa over the 20-year payback period of the program's bonds.

5-Year Fiscal Year Proceeds to State



Overview



Ray and Delena Eckstein of Davenport won \$25,000 a year for life playing the Lucky For Life game in September 2018.

The Iowa Lottery was established in 1985 and began ticket sales on Aug. 22 of that year. Since the lottery's inception, its players have won more than \$4.4 billion in prizes while the lottery has raised more than \$1.9 billion for the state programs that benefit all Iowans.

The guiding principles of the Iowa Lottery are:

- Develop and distribute products that are fun and exciting to Iowans;
- Maintain integrity and security in production and delivery of those products while utilizing advanced technology;
- Educate and motivate the public to play Lottery games responsibly;
- Maintain the dignity of the Lottery through truthful, tasteful and informative advertising;
- Develop an effective employee workforce that is professional, knowledgeable, skilled, and offers maximum service and reliability to retailers and players; and
- Responsibly maximize net revenues to the state.

Today, lottery proceeds in Iowa have three main purposes: They provide support for veterans and their families through the Iowa Veterans Trust Fund; help for a variety of significant projects through the state General Fund; and backing for the Vision Iowa program, which was implemented to create tourism destinations and community attractions in the state and build and repair schools. And, pursuant to legislation signed into law in May 2019, beginning in FY 2020 lottery funds will also support the Iowa Public Safety Survivor Benefits Fund for the surviving family members of Iowa peace officers and fire fighters who die in the line of duty.

The Lottery has approximately 109 employees in the following departments: external relations, finance, marketing, systems, sales and security. That number does not include the five board members.

The Lottery has approximately 66 employees at its headquarters in Clive. The Lottery also maintains a warehouse facility in Ankeny and four regional offices in Cedar Rapids, Council Bluffs, Mason City and Storm Lake. The lottery has four product categories: scratch tickets, pull-tab tickets, InstaPlay and lotto games. Lottery products are sold through approximately 2,400 licensed retailers across Iowa.

In 2003 the Legislature recognized that as an entrepreneurial entity, the Iowa Lottery could operate more efficiently and established the Iowa Lottery Authority, a public instrumentality of the state. As a result of that change, combined sales for the Lottery's traditional products have continued to climb in the fiscal years since then.

The Iowa Lottery develops an annual budget, which requires approval by the Board of Directors. The budget is monitored through a series of performance measures.

The goals and results discussed in this report cover the following core functions of the Iowa Lottery's operations: sales and distribution; resource management; enforcement and investigation; and reconciliation clearing account.

Agency Mission:

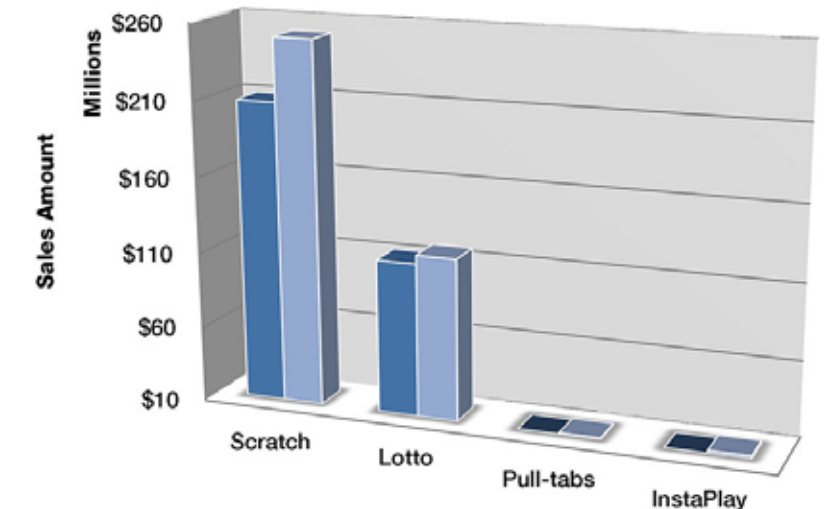
"The Iowa Lottery continually strives to deliver value to the State of Iowa by providing entertainment to the public, responsibly maximizing revenues, and maintaining the highest standards of integrity, security, and accountability. The Iowa Lottery is a nonprofit authority that operates the state's lottery in an entrepreneurial and business-like manner, accountable to a public Board of Directors, the Governor, the General Assembly, and the People of the State."

Key Results

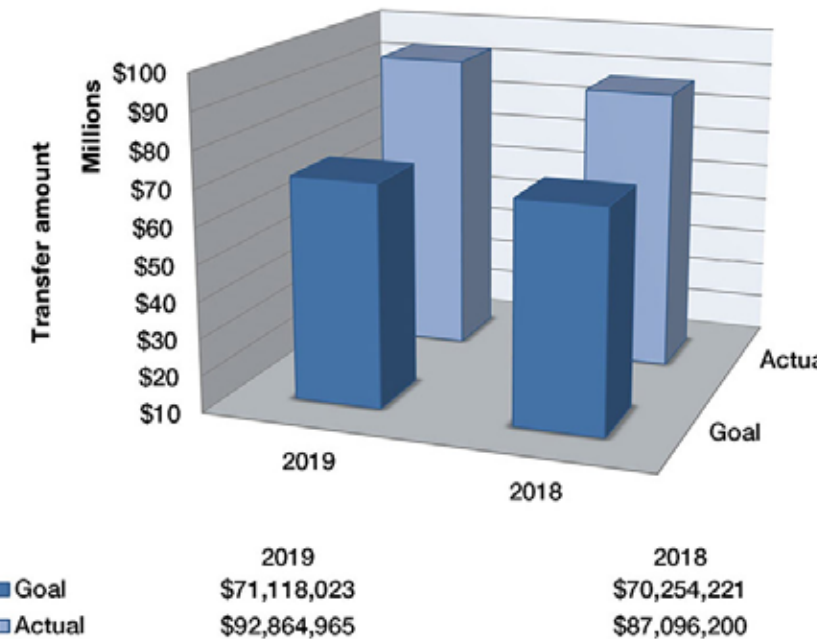
Sales and Distribution

	Goal	Actual
Scratch Tickets	\$209.0M	\$250.6M
Lotto Tickets	\$111.8M	\$117.5M
Pull-tab Tickets	\$9.5M	\$10.9M
InstaPlay Tickets	\$8.0M	\$11.9M

The Legislature, the governor and the public use sales data to generally determine how the Lottery is performing. Sales of different products are analyzed by the Lottery on a yearly basis in order to assess progress.



	Scratch	Lotto	Pull-tabs	InstaPlay
■ Goal	\$209,000,000	\$111,800,000	\$9,500,000	\$8,000,000
■ Actual	\$250,642,094	\$117,500,291	\$10,876,606	\$11,876,560



	2019	2018
■ Goal	\$71,118,023	\$70,254,221
■ Actual	\$92,864,965	\$87,096,200

Resource Management

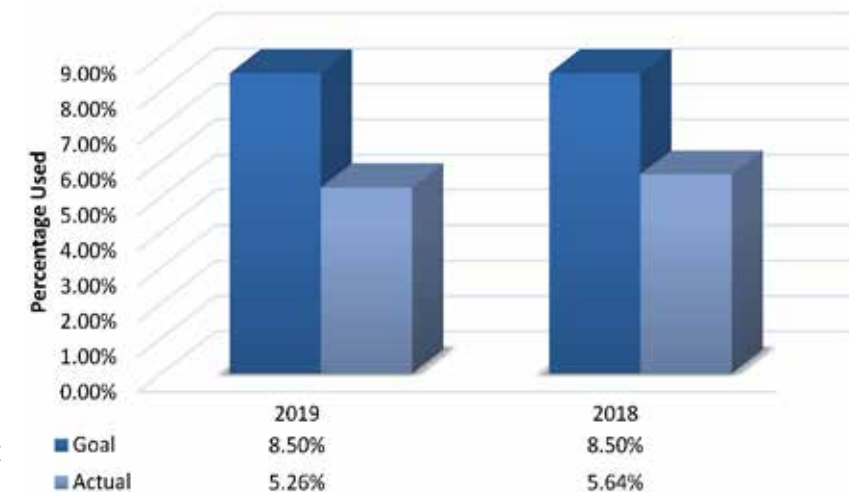
	Goal	Actual
Proceeds to the state (General Fund and Veterans Trust Fund)	\$71.1M	\$92.9M

Total proceeds is the ultimate measure of how well the Lottery is operating because it accounts not only for sales, but also for how well resources are being used. The Lottery must ensure its resources are managed wisely in order to achieve maximum benefits for the state.

Operating & Advertising Budget

	Goal	Actual
Percent of Operating & Advertising Budget to Total Sales	8.5%	5.26%

The operating and advertising budget includes all administrative and advertising expenses incurred by the Lottery, but excludes other costs including, but not limited to, prize payments, retailer compensation, lottery system and terminal communications, and instant and pull-tab ticket expense and machine maintenance.



Performance Plan Results

Core Function: Sales & Distribution			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Total Sales	\$338,300,000	\$390,895,551	What Occurred: Total sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Service, Product or Activity:			
Performance Measure	Data Source: Iowa Lottery Financial Reports	Performance Actual	Performance Comments & Analysis
Total Instant Ticket Sales	\$209,000,000	\$250,642,094	What Occurred: Instant (scratch) ticket sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Online Game Sales	\$111,800,000	\$117,500,291	What Occurred: Online (lotto) ticket sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Pull-Tab Sales	\$9,500,000	\$10,876,606	What Occurred: Pull-tab sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total InstaPlay Sales	\$8,000,000	\$11,876,560	What Occurred: InstaPlay sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Core Function: Resource Management			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Total Funds Transferred to General Fund and Veterans Fund	\$71,118,023	\$92,864,965	What Occurred: Total transfers exceeded the goal. Data Source: Iowa Lottery Financial Reports
Service, Product or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of Operating & Advertising Budget* to Total Sales	8.5%	5.26%	What Occurred: Expenses were well controlled and stayed below budgeted goal relative to sales. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to General Fund	\$68,618,023	\$90,364,965	What Occurred: General Fund transfers exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to Veterans Trust Fund	\$2,500,000	\$2,500,000	What Occurred: Veterans Trust Fund transfers a set amount. Data Source: Iowa Lottery Financial Reports
Core Function: Enforcement & Investigation			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of investigated complaints and indicators of concern regarding lottery products	100%	100%	What Occurred: Complaint investigation goal was met. Data Source: Iowa Lottery Security Department
Service, Product or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percent of requests from law enforcement agencies and county attorney offices responded to by Security Division	100%	100%	What Occurred: Law enforcement assistance goal was met. Data Source: Iowa Lottery Security Department
Percent of requests from other divisions within the Lottery responded to by Security Division	100%	100%	What Occurred: Intra-lottery assistance goal was met. Data Source: Iowa Lottery Security Department
Percent of all lottery retailers that underwent compliance checks during the fiscal year	20%	29%	What Occurred: Compliance check goal was exceeded. Data Source: Iowa Lottery Security Department
Percent of retailers that underwent compliance checks following a complaint	100%	100%	What Occurred: Follow-up compliance check goal was met. Data Source: Iowa Lottery Security Department

*Lottery Operating & Advertising Budget includes all administrative & advertising expenses incurred by the Lottery, but excludes other costs including, but not limited to, prize payments, retailer compensation, lottery system and terminal communications, and instant and pull-tab ticket expense and machine maintenance.

Financials

Iowa Lottery Authority Statement of Net Position June 30, 2019

Assets	
Current assets:	
Cash	\$27,107,965
Restricted assets - cash	735,598
Prepaid expense	265,664
Interest receivable	78,929
Accounts receivable	3,726,203
Ticket inventories	2,778,506
Investment in prize annuities	25,615
Total current assets	<u>34,718,480</u>
Noncurrent assets:	
Prize reserve	5,757,963
Investment in prize annuities	428,792
Capital assets, net	7,370,438
Total noncurrent assets	<u>13,557,193</u>
Total assets	<u>48,275,673</u>
Deferred Outflows of Resources	
OPEB-related deferred outflows	103,065
Pension-related deferred outflows	1,657,857
Total Deferred Outflows of Resources	<u>1,760,922</u>
Liabilities	
Current liabilities:	
Lotto prizes payable	3,817,720
InstaPlay prizes payable	48,015
Annuity prizes payable	25,615
Accounts payable and accruals	24,729,490
Unearned revenue	270,693
Salary and benefits payable	492,887
Compensated absences	866,085
Total current liabilities	<u>30,250,505</u>
Long-term liabilities:	
Accounts payable and accruals	42,797
Compensated absences and OPEB	2,041,074
Net pension liability	6,310,618
Prize reserve	5,757,963
Annuity prizes payable	428,792
Total long-term liabilities	<u>14,581,244</u>
Total liabilities	<u>44,831,749</u>
Deferred Inflows of Resources	
OPEB-related deferred inflows	37,804
Pension-related deferred inflows	364,387
Total Deferred Inflows of Resources	<u>402,191</u>
Net Position	
Net investment in capital assets	7,370,438
Unrestricted	(2,567,783)
Total net position	<u>\$4,802,655</u>

Iowa Lottery Authority Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2019

Operating revenues:	
Scratch ticket sales	\$250,642,094
InstaPlay sales	11,876,560
Pick 3 sales	7,871,469
Pick 4 sales	4,292,190
Powerball® sales	54,833,068
Mega Millions® sales	36,322,749
Lucky for Life® sales	5,427,678
Lotto America® sales	8,753,137
Pull-tab sales	10,876,605
Application fees	3,775
Other	55,516
Total operating revenues	<u>\$ 390,954,841</u>
Operating expenses:	
Prizes	
Scratch ticket	166,890,489
InstaPlay	8,255,638
Pick 3	4,670,681
Pick 4	2,553,524
Powerball	25,454,010
Mega Millions	18,473,201
Lucky for Life	3,111,848
Lotto America	4,300,353
Pull-tab	6,805,266
Promotional	109,753
VIP Club prize expense	1,315,880
Total prizes	<u>241,940,643</u>
Retailer compensation	25,447,739
Advertising production and media purchases	7,276,923
Retailer lottery system/terminal communications	6,459,529
Instant/pull-tab ticket expense	3,301,724
Vending machines & maintenance/ticket dispensers	433,771
Courier delivery of tickets	616,718
Other operating expenses	13,271,359
Total operating expenses	<u>298,748,406</u>
Operating income	<u>92,206,435</u>
Non-operating revenue (expenses):	
Proceeds deposited to State General Fund	(90,364,965)
Proceeds deposited to Veterans Trust Fund	(2,500,000)
Interest income	495,974
Gain on disposal of capital assets	15,017
Net non-operating expenses	<u>(92,353,974)</u>
Change in net position	(147,539)
Net position beginning of period	4,950,194
Net position end of period	<u>\$4,802,655</u>

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