



**IA Lottery**<sup>®</sup>  
Woo Hoo for You<sup>®</sup>

# FY 2023

ANNUAL REPORT

JULY 2022 - JUNE 2023

**Record-Setting Results For Iowa**

# CEO Matthew N. Strawn



The Iowa Lottery recorded the strongest financial performance in its 38-year history during fiscal year 2023, setting records for sales, proceeds to benefit state causes, prizes paid to players, and commissions paid to local Iowa businesses. Throughout the year, the efforts of the Lottery team and its partners were instrumental in uniquely serving the people of Iowa with operational integrity, innovation, and an unwavering focus on responsibility.

The Lottery's record \$108.4 million in proceeds in FY 2023 were the result of record sales of nearly \$482 million, which represented a year-over-year increase of 11.3 percent. Nearly every Lottery game and product performed ahead of last year's sales levels, a feat accomplished in the face of external challenges posed by increased competition in the gaming marketplace and inflationary cost pressures on consumers.

The Iowa Lottery is not only delivering on its financial promise to Iowans, but is doing so responsibly. During the last year, the Iowa Lottery exceeded benchmarks for conducting unannounced, undercover retail compliance checks by Lottery investigators, as well as secured a record amount of statewide advertising inventory for problem gambling awareness messaging.

It is a privilege to lead an organization exceeding revenue projections, operating strategically, and focusing on innovative products and responsible promotions to ultimately produce meaningful and reliable proceeds to benefit state causes in Iowa. I offer my sincere thanks to our players, retail partners and vendors, state policymakers, and the Iowa Lottery Board and staff for their roles in achieving a rewarding year for our fellow Iowans.

With appreciation,

A handwritten signature in black ink, appearing to read "M.N. Strawn". The signature is fluid and cursive, with a large loop at the beginning and a long horizontal stroke extending to the right.

Matthew N. Strawn

# Iowa Lottery Board



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



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.



Katie New joined the Lottery Board in 2022. She is the controller at Ellipsis in Des Moines and lives in Indianola.



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.



Dana Wingert joined the Lottery Board in 2022. He is the chief of police in Des Moines, where he also resides.



Roby Smith has been a part of the Lottery Board since January 2023. He is Iowa's State Treasurer and lives in Davenport.

## Immediate Past Member



Michael L. Fitzgerald of Waukee was a part of the Iowa Lottery Board from 2003 to 2022 during his tenure as Iowa's State Treasurer.

# Operational Integrity

One of the highlights of the year was the Lottery's receipt of another clean audit report from the State Auditor's Office. Under state law, the Auditor reviews the Lottery's financial operations each year. Those reviews are in addition to the security standards the Lottery utilizes throughout its operations to ensure the security of its games.

In January, the latest audit report of the Lottery was released. It found that the Lottery's financial statements for FY 2022 were presented fairly and in accordance with U.S. generally accepted accounting principles.

Another important component of the Lottery's security and integrity efforts are the unannounced security checks conducted throughout the year at retail locations by the Lottery's Security Department. During the compliance checks, undercover Iowa Lottery investigators visit retail locations and pose as customers presenting Lottery tickets for validation and payment. The investigators also ensure that the placement of Lottery equipment is in compliance with requirements.

In FY 2023, the Lottery's investigators exceeded the annual performance target of conducting compliance checks in at least 20 percent of the Lottery's approximately 2,500 licensed retail locations.

The Iowa Lottery is committed to conducting its games with fairness and integrity and invites anyone with a question or concern about the Lottery or its products to contact Iowa Lottery Security directly at 515-725-7900 or [wmaster@ialottery.com](mailto:wmaster@ialottery.com)

# Social Responsibility

The Iowa Lottery undertook a number of initiatives in FY 2023 that focused on education about responsible play and informed choices by its players. The Lottery views these efforts as central to its mission of responsibly providing an entertainment option to Iowans while raising proceeds for state causes.

Responsible play is emphasized every day by the Lottery through the information it prints about 1-800-BETS OFF, the statewide helpline of the Iowa Gambling Treatment Program, on millions of Lottery tickets, brochures, point-of-sale materials and other publications.

Additional tools available at retail locations deliver responsible-play messages to consumers. A "play responsibly" icon is on the screens of Lottery terminals and self-service kiosks in Iowa. By touching the icon, retail personnel or customers can print out a message about the help available in our state for problem gambling.

And each March, the Lottery works with the Iowa Department of Public Health to highlight National Problem Gambling Awareness Month through a statewide public-service campaign. The public-service messages are delivered across an array of platforms to best reach consumers.

2023 marked 20 years for the Problem Gambling Awareness Month initiative, with the Lottery's messages delivered through broadcast television, cable, radio, outdoor billboards, online streaming services, and social media. In all, more than \$450,000 in media placements were secured for the initiative in Iowa.

And each December, the Lottery participates in an annual holiday campaign supported by the National Council on Problem Gambling and the North American Association of State and Provincial Lotteries.

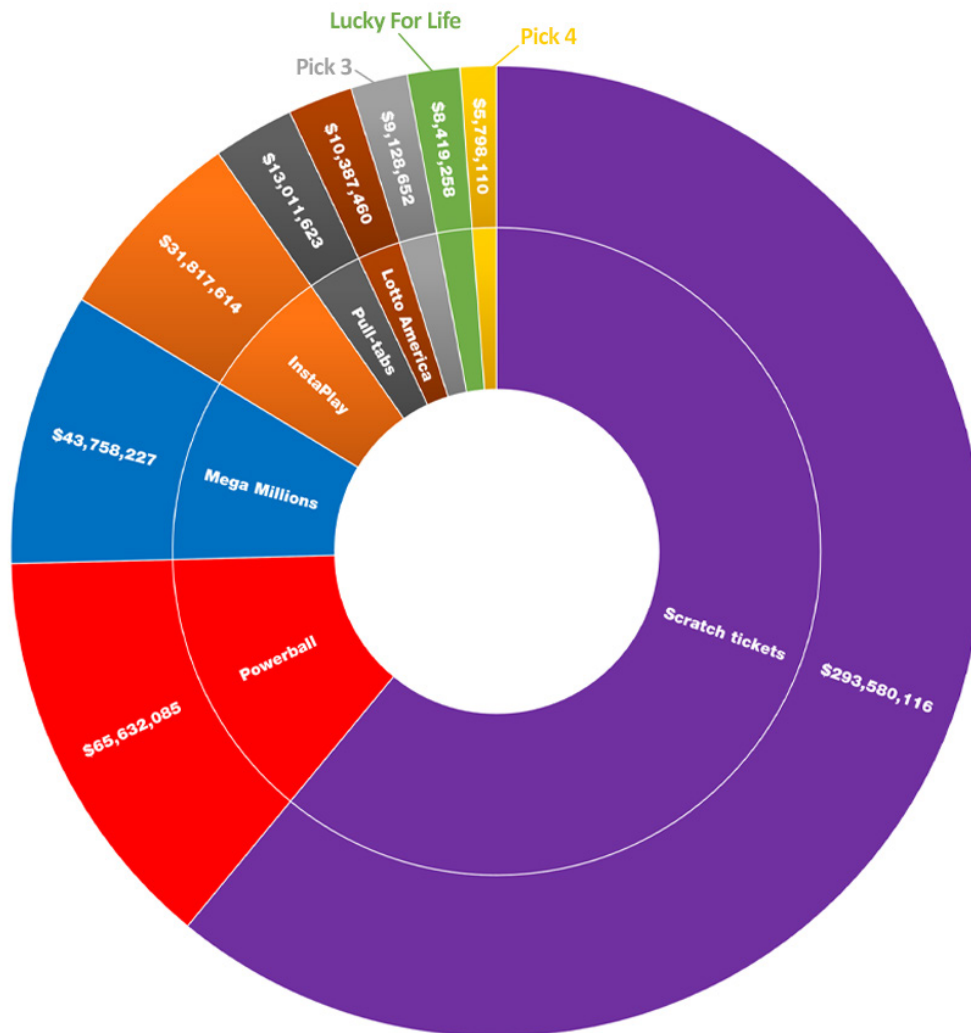
The Gift Responsibly campaign reminds the public to consider the age appropriateness of the gifts they are giving during the holidays. The effort's goal is to raise awareness of the risks of youth problem gambling.

The Iowa Lottery's gift responsibly messages, delivered across an array of platforms, remind consumers that Lottery tickets are "fun for grown-ups." The messages encourage the purchase of Lottery tickets by adults for adults.

For those who have questions about problem gambling, help is available 24/7 in Iowa by calling 1-800-BETS OFF or visiting [yourlifeiowa.org](http://yourlifeiowa.org), the website of the Your Life Iowa program at the Iowa Department of Health and Human Services.



# Fiscal Year 2023 Sales



- The Iowa Lottery achieved record-setting sales of \$481.5 million, generating a year-over-year increase of 11.3%.
- Sales increased over the previous year for every product category with the exception of Pick 3.
- **Scratch ticket** sales started the year slowly, but the second half of the fiscal year saw sales of the product increase. Scratch-ticket sales ended the year at \$293.6 million, ultimately exceeding prior year sales.
- **Mega Millions** and **Powerball** both hit record jackpots during the fiscal year. **Mega Millions** had two jackpots during the fiscal year that exceeded \$1 billion, and **Powerball** experienced the largest jackpot in U.S. history of \$2.04 billion in November 2022. Overall, the Lotto category generated sales of \$143.1 million, a 38.4% increase over prior year. See page 19 for more information.
- Sales of **InstaPlay** also experienced record levels with sales of \$31.8 million, a 35.8% increase over fiscal year 2022.

# Operational Enhancements



## Iowa-Specific Drawings Returned In Pick 3 & Pick 4

Responding to player input, the Iowa Lottery resumed Iowa-specific drawings in its Pick 3 and Pick 4 games on Oct. 1, 2022.



Pick 3 was introduced in Iowa in 1998 while Pick 4 debuted in 2003. Through the years, the games' drawings have been handled in different ways. Since mid-2017, the Iowa Lottery had utilized an agreement with the Hoosier Lottery to share drawing results in Pick 3 and Pick 4.

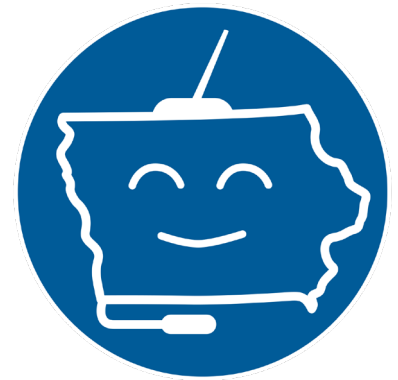
But over time, Iowa players expressed that they would prefer Iowa-only drawings in the games. The Lottery was able to seamlessly make that change in October, with winning numbers now selected in the games that are unique to Iowa. The drawing times and sales cut-off times in the games remain unchanged.

## Chatbot Now On Duty On Iowa Lottery Website

His name is Dave and he's a chatbot. When you visit ialottery.com, you now see a blue chat symbol in the lower right corner of the screen. The symbol tells you that the Iowa Lottery has a digital assistant available to help answer questions.

Dave can already answer more than 200 questions about the Iowa Lottery and its products. As we see new questions being asked through the chat screen, we add in more answers.

Our goal in adding a chatbot to our website is to help visitors easily find information about the Iowa Lottery and its products. The bot helps us deliver customer service 24/7, even at times when our offices are closed.



## Update To Prize-Claim Period In 4 Popular Lottery Games

In an effort to align Iowa Lottery procedures with current industry standards and encourage players to claim prizes in an expeditious manner, the Iowa Lottery updated the prize-claim period in four popular lotto games.

The change followed a review of prize claims from recent drawings in Powerball®, Mega Millions®, Lotto America® and Lucky for Life®. The review found that less than 3 percent of prizes from those drawings were claimed after 180 days.



In late April 2023, the prize-claim period in those games was changed from 365 days to 180 days from the drawing in which the prize was won.

With the change, Iowa joins 33 other jurisdictions, including the three most populous U.S. states, in requiring prize claims within 180 days or six months (182 days).

The change has no monetary benefit to the Iowa Lottery: Under state law, the money from prizes that expire in Iowa without being claimed goes back to players through the Lottery's prize pools for future games and promotions.

# Lotto Winners

**Earl Lape of Dubuque** bought a Lottery ticket on April Fools' Day and later was told that he'd won the biggest jackpot in the history of the Lotto America® game. Lape says even he thought it was a joke.

Lape plans to invest the money so it can help his family for generations. He also is planning donations to organizations that benefit children with medical needs, specifically the University of Iowa Stead Family Children's Hospital in Iowa City, and Blank Children's Hospital in Des Moines.



**Tammy Gordy of Ottumwa** claimed a \$2 million Powerball® prize and plans to use part of her winnings to finish the home she and her husband are building years after they lost a house in a tornado.

Gordy said she realized she'd won big when she used the Iowa Lottery's mobile app to check some Lottery tickets she had in her purse. She was flabbergasted when the results of one of her Powerball tickets showed it had won a \$2 million prize.



"I fell into my chair," Gordy said. "I couldn't see! There were all those zeroes! I was like, 'Maybe I need my glasses.' So yeah, we screamed."

**Daryl Ingram of Mapleton** has survived a heart attack and another major health scare, and now, he's won a \$1 million Powerball® prize.

So, does he consider himself lucky?

"Unlucky or lucky, one of the two, I don't know!" Ingram said as he claimed his \$1 million prize.

Ingram, who is retired from trucking and still works in farming, said he plans to use his winnings to pay off his home, invest for the future, and likely take a trip with his girlfriend, Joan.



# Scratch Winners



**Destiny Lawson of Pella** bought a Lottery ticket for the first time and won a \$250,000 prize.

Lawson, an assistant manager at Casey’s, decided to buy a “\$250,000 Extreme Cash” scratch ticket before she started her shift. “Normally I consider myself not lucky,” she said. “But today, I’m definitely lucky.”

Lawson said she plans to put part of her winnings toward rent, an upcoming European vacation and a new car. She also plans to share some with her brother.



**Carolyn Carson of Iowa Falls** bought a Lottery ticket on a whim and won \$500,000.

After running an errand for her daughter, Carson said she stopped at a Casey’s store.

Carson and her husband plan to invest the winnings.

“This was a spur-of-the-moment thought to go get that ticket,” she said. “If you’ve got an inkling, go do it.”



**Renee Beek of Hinton** won \$300,000 after buying a ticket on a whim.

“It’s just a feeling of shock,” she said when she claimed her prize at Iowa Lottery Headquarters.

Beek won the 17th top prize in the Iowa Lottery’s “Colossal Crossword” scratch game.

She plans to put her winnings toward a vacation and retirement.





# InstaPlay Winners

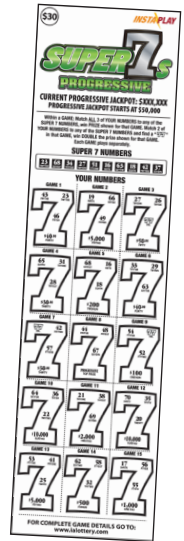


**Brad Carter of Des Moines** bought a Lottery ticket and won more than \$443,000.

“I’m just shocked as much as anything,” said Brad Carter as he claimed his “Super 7s Progressive” InstaPlay prize at Lottery headquarters in Clive.

Carter said, “I double-checked it, double-checked it and double-checked it. It’s a pretty good feeling, I can tell you that.”

Carter, who owns his own painting business, said he’s going to share the wealth.



**Tanya Munkel of Cresco** won more than \$19,000 on a Cherry Twist Progressive InstaPlay ticket.

Munkel said her big win brought a sense of relief. “We have a massive plumbing leak in our kitchen from the upstairs bathroom. And so it came at the perfect time.”

She and her husband, Matthew, plan to use the winnings to pay bills and have a great holiday season.



**Jill Allen of Danville** won a Lottery prize of more than \$189,000 on her “Extreme Green Progressive” InstaPlay ticket.

“It’s just life-changing. Happiness. Relief,” said Allen.

Allen and her husband plan to use the winnings to pay down debt, share with their family, and “celebrate a little bit.”



# Promotions

## Fly With Cy - Austin

Our 50 Fly with Cy winners took in the sights and sounds of Austin, Texas, from a rooftop pre-party (with tacos, of course!) to attending a football game in one of the world's largest stadiums and getting to explore the city. These winners had loads of fun during their October 2022 visit to Texas!



## Powerball First Millionaire of the Year

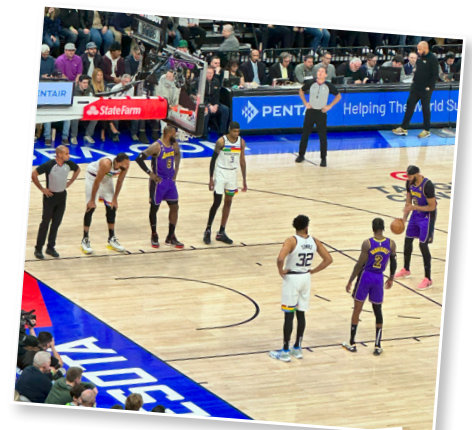


Chris Manuel of Swan won the trip as Iowa's contestant in the Powerball First Millionaire of the Year drawing. She and her husband, Randy, were able to see the iconic New Year's Eve ball drop during an exclusive Times Square party to ring in 2023 and Chris had a chance at the \$1 million prize in the special drawing.

## Suite Seats - IA Wolves and MN Timberwolves

Iowa Lottery winners in this promotion in early 2023 chose tickets to a session of the national men's college basketball tournament in Des Moines, or a prize package that included two suite tickets to the Los Angeles Lakers vs. Minnesota Timberwolves game in Minneapolis.

As part of the fun, the Iowa Lottery held a special event at an Iowa Wolves basketball game in Des Moines. VIP Club members were able to request four free tickets to the game, and the Lottery was there with courtside scratch-ticket sales, a contest, and giveaways.



# Promotions

## Living Lucky with Luke Combs

In this promotion from March-June 2023, Iowa Lottery players had a chance to win a trip to an exclusive Nashville concert with country recording star Luke Combs. During the concert, a \$10,000 winner will be selected from Iowa and each of the other lotteries sending players to Nashville along with one grand-prize winner of \$500,000. The grand-prize winner will be announced by Luke Combs during his performance.



## Holiday Cash Bash



This promotion during the 2022 holiday season offered \$355,000 in cash prizes, including a \$100,000 grand prize. VIP Club members made entries with eligible holiday scratch tickets throughout the promotion period, winning prizes ranging from \$1,000 up to \$100,000. There were 91 cash prizes awarded to winners throughout the three draw periods.

## World of Outlaws

The Race into Summer promotion from May-July 2022 offered Iowa Lottery players the chance to win a VIP experience at the Sprint Car Capital of the World.

A total of 20 promotion winners and their guests enjoyed VIP suite packages during the during the World of Outlaws races in Knoxville, while hundreds of players received free entry tickets reserved for the Lottery's VIP Club members. Brian Brown, with whom the Lottery partnered for the promotion, won the feature race on June 9.

The Iowa Lottery staff added smiles at the racetrack by selling tickets and rewarding promotion winners at the Knoxville Raceway.



# Our Retail Partners

The Iowa Lottery is proud to have made a meaningful difference for local businesses across the state in fiscal year 2023 through a record \$31.3 million in sales commissions from the sale of Lottery tickets.

The Lottery's retailer compensation program includes a base commission rate for the sale of each Lottery ticket along with a series of other bonuses. Those include peak sales bonuses for all retailers at times when Powerball and Mega Millions jackpots are at \$400 million or higher; and bonuses for the sale of lotto tickets winning prizes of \$100,000 or more.

In FY 2023, one of the largest Lottery retailer bonuses went to Eichman's, a restaurant and convenience store in Dubuque that sold a ticket winning a \$40.03 million jackpot in the Lotto America® game. That family-owned business received a \$5,000 bonus from the Iowa Lottery for selling that winning ticket. The Lotto America jackpot involved was claimed in early April by a Dubuque man.



## Winner Posters

It is always an exciting moment when someone wins a sizeable Lottery prize, and the Iowa Lottery coordinates with its retailers to highlight the locations where large Lottery prizes have been won.

Throughout the year, the Lottery produces winner posters and digital-screen images that are displayed in retail locations where prizes of \$10,000 or more have been won. In some instances if a photo of the winner who claimed the prize is available, the Lottery includes that image in the details displayed at retail. If a winner photo is not available, the Lottery information highlights the prize won.

*Perla at Casey's in Paullina shows off a \$100,000 scratch ticket winner sold in her store.*



*Manager Renee at Big 10 Mart in Bettendorf is happy about a \$2 million-winning ticket recently purchased in her store.*

# Our Retail Partners

## Expanded Retail Network & State-of-the-Art Self-Service Machines



Throughout fiscal year 2023, the Iowa Lottery significantly increased the number of locations that offer Lottery products across the state to about 2,500 retailers. One of the Lottery's newest retail partners is Walmart, expanding the sales of Lottery products to 60 of its locations across the state of Iowa.

As retailers continue to be impacted by in-store staffing challenges, the Iowa Lottery is also adding state-of-the-art self-service kiosk machines at an expanded number of retail locations to serve public convenience.

Including such features as debit-card readers to allow players to make purchases through cashless transactions continues to aid retailers while adding to player convenience. Many self-service kiosks now also feature jackpot signs to better highlight today's larger top prize amounts.

## Business Convenience Through Electronic Licensing

In FY 2023, the Iowa Lottery, along with other state entities, continued to build upon the success of online licensing for businesses and individuals through the GovConnectIowa licensing portal.

Through the portal, businesses can register or renew some state licenses and permits, file tax returns and reports, make payments, and communicate with relevant state agencies. Multiple state entities, including the Lottery, collaborated on the project to better serve Iowans through this online technology.

While GovConnectIowa debuted in FY 2022, updates to the portal in FY 2023 continued to focus on ease of use and enhanced capabilities on the site. The Iowa Lottery is gratified to have been part of this effort to make it easier to do business in Iowa.

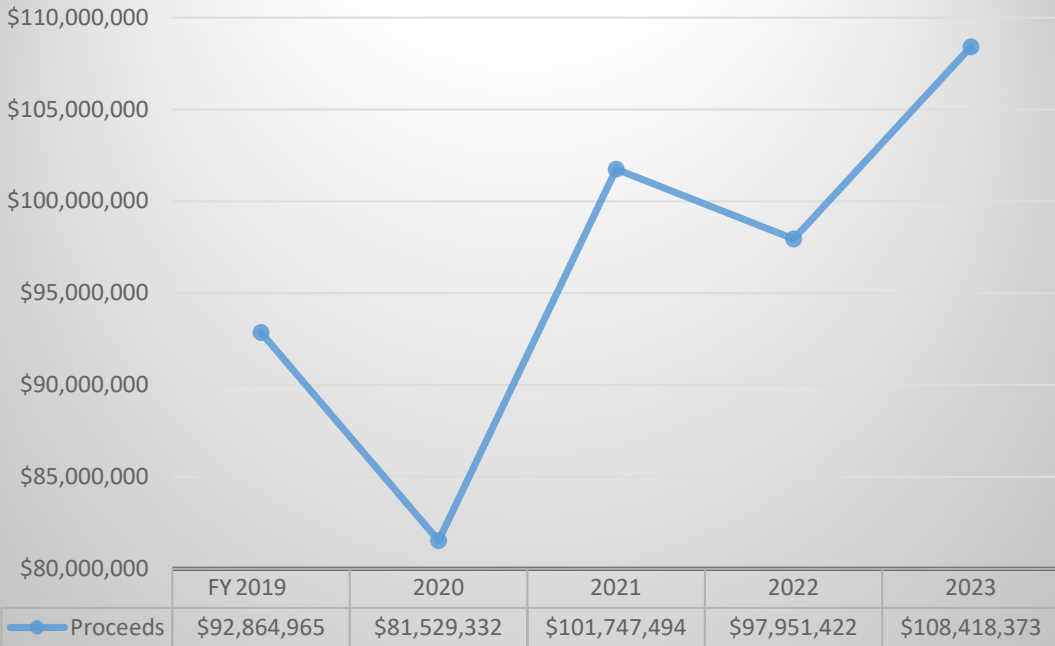


# Sales Reports

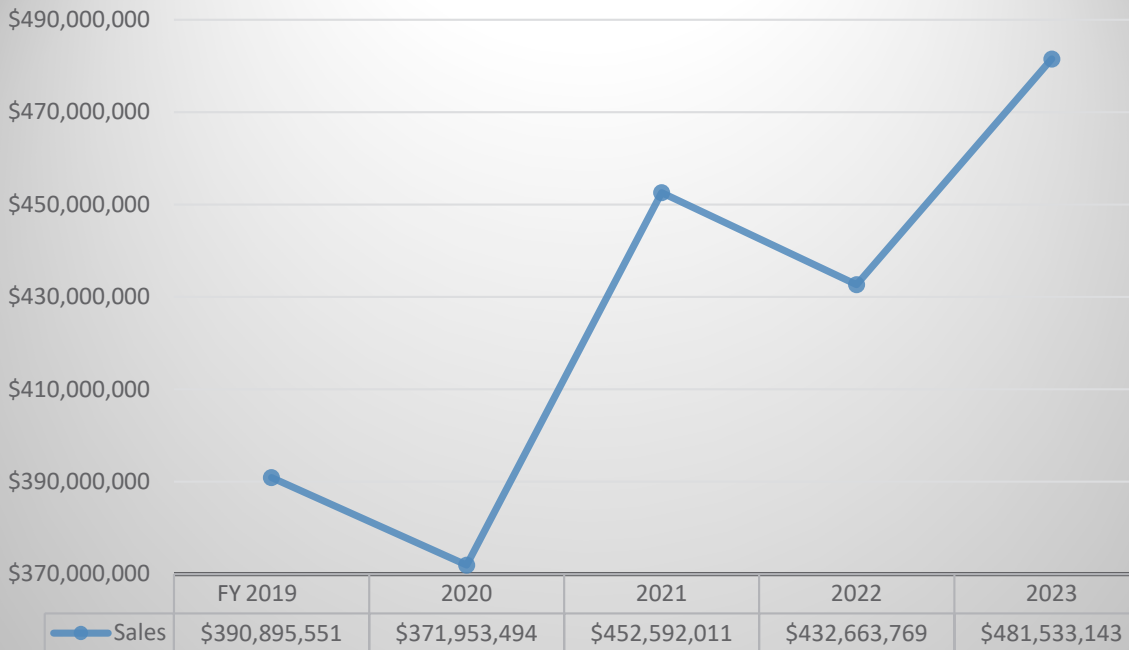
## FY 2023 Net Sales By County

County	Net Total Sales	County	Net Total Sales	County	Net Total Sales
Adair	\$1,564,415	Franklin	\$1,907,245	Montgomery	\$1,646,083
Adams	\$317,931	Fremont	\$1,091,974	Muscatine	\$7,619,689
Allamakee	\$2,177,018	Greene	\$1,328,025	O'Brien	\$1,943,616
Appanoose	\$2,604,565	Grundy	\$1,140,553	Osceola	\$722,436
Audubon	\$519,932	Guthrie	\$588,495	Page	\$1,830,618
Benton	\$3,323,332	Hamilton	\$3,456,793	Palo Alto	\$1,457,195
Black Hawk	\$25,645,905	Hancock	\$1,288,747	Plymouth	\$3,029,417
Boone	\$3,751,206	Hardin	\$2,723,806	Pocahontas	\$909,325
Bremer	\$3,248,634	Harrison	\$1,992,716	Polk	\$76,679,749
Buchanan	\$3,076,418	Henry	\$3,219,955	Pottawattamie	\$15,902,067
Buena Vista	\$4,867,868	Howard	\$1,496,414	Poweshiek	\$2,728,455
Butler	\$1,803,117	Humboldt	\$1,934,687	Ringgold	\$369,923
Calhoun	\$1,074,054	Ida	\$1,327,286	Sac	\$1,649,283
Carroll	\$3,373,409	Iowa	\$1,853,765	Scott	\$29,210,117
Cass	\$1,871,164	Jackson	\$3,981,830	Shelby	\$1,290,467
Cedar	\$2,617,707	Jasper	\$4,867,335	Sioux	\$2,352,461
Cerro Gordo	\$11,264,529	Jefferson	\$2,079,430	Story	\$8,426,891
Cherokee	\$1,734,020	Johnson	\$13,874,189	Tama	\$1,877,606
Chickasaw	\$2,336,624	Jones	\$3,359,723	Taylor	\$682,962
Clarke	\$1,464,861	Keokuk	\$1,322,500	Union	\$1,978,906
Clay	\$2,750,104	Kossuth	\$2,618,343	Van Buren	\$697,965
Clayton	\$2,828,539	Lee	\$4,992,826	Wapello	\$8,699,324
Clinton	\$9,254,042	Linn	\$38,132,608	Warren	\$6,194,268
Crawford	\$3,552,868	Louisa	\$1,064,157	Washington	\$3,293,721
Dallas	\$9,211,342	Lucas	\$1,276,343	Wayne	\$910,825
Davis	\$614,237	Lyon	\$850,811	Webster	\$9,070,023
Decatur	\$464,865	Madison	\$2,002,530	Winnebago	\$2,020,519
Delaware	\$2,348,106	Mahaska	\$3,400,345	Winneshiek	\$2,644,455
Des Moines	\$6,546,960	Marion	\$4,908,568	Woodbury	\$14,026,137
Dickinson	\$4,769,562	Marshall	\$7,356,533	Worth	\$1,226,301
Dubuque	\$12,868,202	Mills	\$1,631,121	Wright	\$2,676,187
Emmet	\$1,936,383	Mitchell	\$1,587,351		
Fayette	\$2,900,652	Monona	\$1,233,928		
Floyd	\$3,410,243	Monroe	\$1,502,865		

## 5-Year Overview of Proceeds to the State of Iowa



## 5-Year Overview of Lottery Sales



# Iowa Lottery Gives Back

**General Fund: \$2,093,412,974**— 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 like education, natural resources, health and family services and public safety. In the Iowa Lottery’s latest fiscal year, it raised more than \$105 million in proceeds that were deposited in the General Fund. 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. Lottery profits were dedicated to the Plan from FY 1986 through FY 1990.

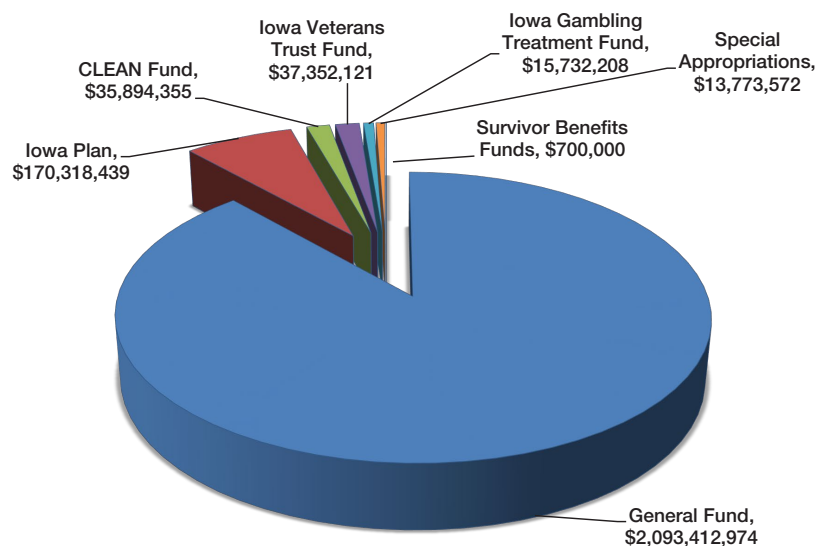
**CLEAN Fund: \$35,894,355** — The CLEAN Fund stood for Committing the Lottery to Environment, Agriculture and Natural Resources. Lottery profits were dedicated to the Fund during FY 1991.

**Iowa Veterans Trust Fund: \$37,352,121** — 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 and also provides the 1-800-BETS OFF 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-BETS OFF 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.

**Iowa Survivor Benefits Funds: \$700,000** — Since 2019, a portion of Lottery proceeds has been dedicated to the Public Safety Survivor Benefits Fund to help with the cost of accident or health insurance for the families of Iowa peace officers and fire fighters killed in the line of duty. And since 2021, a portion of Lottery proceeds has been dedicated to the Department of Corrections Survivor Benefits Fund to help with those same insurance costs for the families of Iowa Corrections employees who die in the line of duty.



Note: All of the amounts listed here are from FY 1986 through the end of FY 2023.

For more information on where Iowa Lottery proceeds go, visit [ialottery.com](http://ialottery.com).



# Since 1985, the Lottery has raised more than \$2.3 billion for important state causes.

To date, the Iowa Lottery has raised more than \$2.3 billion for our great state. That money supports everything from veterans and law enforcement to education, parks and conservation, agriculture, and human services. And each year, the Lottery raises millions more to help make Iowa even better.

Here is how each \$1 spent on Lottery products makes a difference in Iowa (fiscal year 2023 totals).



**63¢** to player prizes



**22¢** to vital state programs



**7¢** to Iowa businesses that sell lottery products



**8¢** to daily lottery costs



Since 2019, a portion of Lottery proceeds has been dedicated to the Public Safety Survivor Benefits Fund to help with insurance costs for the families of Iowa peace officers and fire fighters killed in the line of duty. And since 2021, a portion of Lottery proceeds has been dedicated to the Department of Corrections Survivor Benefits Fund to help with those same insurance costs for the families of Iowa Corrections employees who die in the line of duty.

## State Funds That Benefit From Lottery Proceeds

Since 1992, a majority of Lottery proceeds has gone into the state General Fund to benefit programs including education, natural resources, agriculture, health and family services and public safety. The Governor and Iowa Legislature allocate money from the General Fund to the areas they believe need it most.



**IOWA  
VETERANS  
TRUST FUND**

Since 2008, a portion of Lottery proceeds has been dedicated to the Iowa Veterans Trust Fund. The IVTF was created to help Iowa veterans and their families with expenses such as job training or college tuition; some dental, vision and hearing assistance; and individual or family counseling.



# Overview and Key Results

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 \$5.5 billion in prizes while the Lottery has raised more than \$2.3 billion for the state programs that benefit all Iowans.

The guiding principles of the Iowa Lottery are:

- Maintaining integrity, fairness and transparency in operations and product offerings;
- Maintaining the "Iowa" nature of the Iowa Lottery in the organization's product offerings, marketing and communications;
- Consistently offering an innovative and entertaining portfolio of products to Iowans;
- Being thoughtful stewards of Lottery revenues by increasing operational efficiencies through consistent monitoring and control of business processes;
- Responsibly increasing sales; and
- Delivering robust proceeds annually to the State of Iowa through adherence to all the above.

Today, Lottery proceeds help our state in multiple ways. They help Iowa veterans and their families through the Iowa Veterans Trust Fund. They help the families of Iowa peace officers, firefighters and corrections employees who die in the line of duty. And they provide help for a variety of significant projects through the state General Fund.

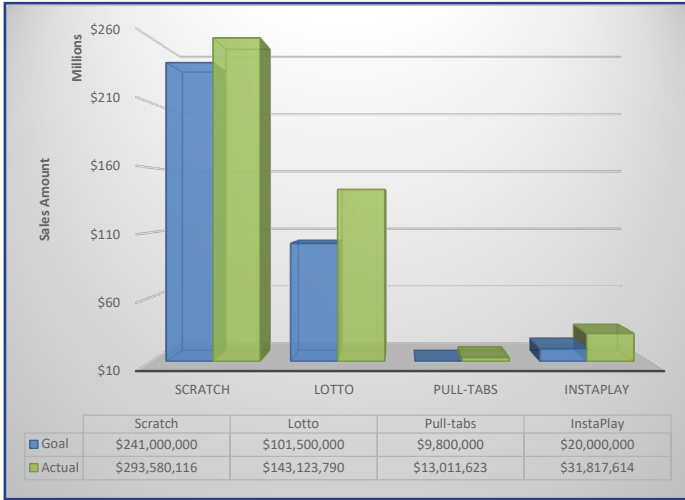
The Lottery has approximately 108 employees in the following departments: administration, external relations, finance, marketing, systems, sales and security. That number does not include the board members.

The Lottery's headquarters office is in Clive, and it maintains a warehouse facility in Ankeny and three regional offices in Cedar Rapids, 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 about 2,500 licensed retailers across Iowa.

The Iowa Lottery develops an annual budget, which as of July 1, 2023, requires approval by the Department of Revenue. 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; and enforcement and investigation.

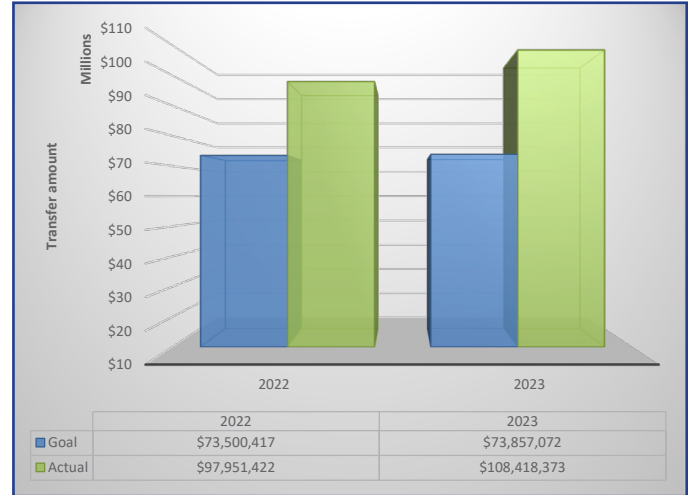
**Agency Mission:** "The Iowa Lottery continually strives to deliver value to the State of Iowa by providing entertainment to the public, responsibly maximizing revenues, and maintaining the highest standards of integrity, security, and accountability. The Iowa Lottery is a nonprofit authority that operates 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."



### Sales and Distribution

	Goal	Actual
Scratch Tickets	\$241.0M	\$293.6M
Lotto Tickets	\$101.5M	\$143.1M
Pull-tab Tickets	\$9.8M	\$13.0M
InstaPlay Tickets	\$20.0M	\$31.8M

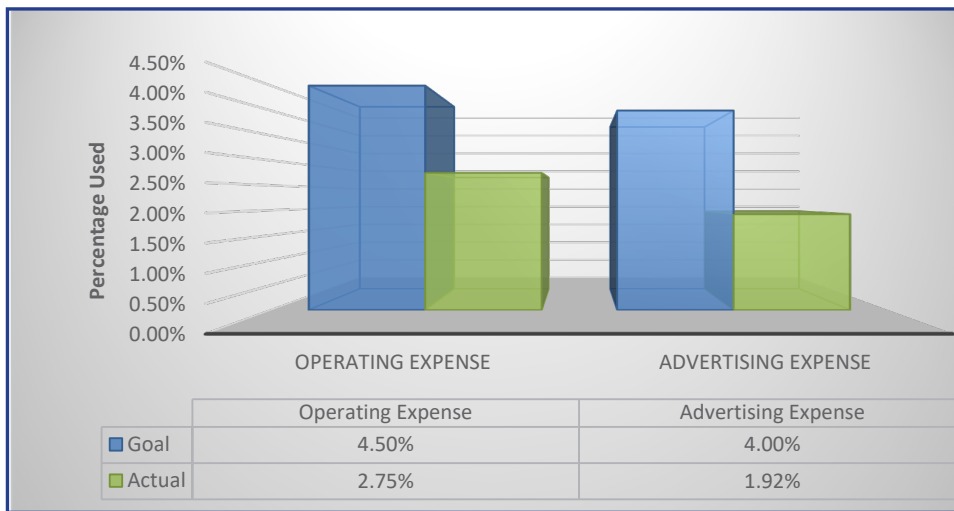
The Legislature, the Governor and the public use sales data to generally determine how the Lottery is performing. Sales of different products are analyzed by the Lottery on a yearly basis in order to assess progress



### Resource Management

	Goal	Actual
Proceeds to the state (General Fund, Veterans Trust Fund and Public Safety & Corrections Survivor Benefits Funds)	\$73.8M	\$108.4M

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 Budgets

	Goal	Actual
Operating Expense (% of total sales)	4.5%	2.75%
Advertising Expense (% of total sales)	4.0%	1.92%

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	\$372,300,000	\$481,533,143	What Occurred: Total sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Service, Product or Activity:			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Total Scratch Ticket Sales	\$241,000,000	\$293,580,116	What Occurred: Instant (scratch) ticket sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Lotto Game Sales	\$101,500,000	\$143,123,790	What Occurred: Online (lotto) ticket sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total Pull-tab Sales	\$9,800,000	\$13,011,623	What Occurred: Pull-tab sales exceeded the goal. Data Source: Iowa Lottery Financial Reports
Total InstaPlay Sales	\$20,000,000	\$31,817,614	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, Veterans Fund, and Public Safety & Corrections Survivor Benefits Funds	\$73,857,072	\$108,418,373	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 Budget* to Total Sales	4.5%	2.75%	What Occurred: Expenses were well controlled and stayed below goal relative to sales. Data Source: Iowa Lottery Financial Reports
Percent of Advertising Budget* to Total Sales	4.0%	1.92%	What Occurred: Expenses were well controlled and stayed below goal relative to sales. Data Source: Iowa Lottery Financial Reports
Total Funds Transferred to General Fund	\$71,157,072	\$105,718,373	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
Total Funds Transferred to Public Safety & Corrections Survivor Benefits Funds	\$200,000	\$200,000	What Occurred: Public Safety & Corrections Survivor Benefits Funds transfers set amounts (\$100,000 each). 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%	21%	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, 2023

### Assets

#### Current assets:

Cash	\$27,827,366
Restricted assets - cash	756,137
Prepaid expense	184,318
Interest receivable	56,907
Accounts receivable, net	4,591,424
Ticket inventories	3,908,532
Investment in prize annuities	58,058
<b>Total current assets</b>	<b>37,382,742</b>

#### Noncurrent assets:

Prize reserve	4,975,966
Investment in prize annuities	774,253

#### Capital assets:

Capital assets, net	7,036,593
Lease assets, net	2,537,145
<b>Total noncurrent assets</b>	<b>15,323,957</b>
<b>Total assets</b>	<b>52,706,699</b>

### Deferred Outflows of Resources

OPEB related deferred outflows	356,000
Pension related deferred outflows	844,817
<b>Total Deferred Outflows of Resources</b>	<b>1,200,817</b>

### Liabilities

#### Current liabilities:

Lotto prizes payable	4,455,118
InstaPlay Prize Payable	561,859
Annuity Prizes Payable	58,058
Accounts payable and accruals	25,011,531
Lease liability	549,902
Unearned revenue	469,225
Salary and benefits payable	313,749
Compensated absences and OPEB	859,723
<b>Total current liabilities</b>	<b>32,279,165</b>

#### Long-term liabilities:

Accounts payable and accruals	94,965
Lease liability	1,992,562
Compensated absences and OPEB	2,062,527
Net pension liability	3,526,018
Prize reserve	4,975,966
Annuity prizes payable	774,253
<b>Total long-term liabilities</b>	<b>13,426,291</b>
<b>Total liabilities</b>	<b>45,705,456</b>

### Deferred Inflows of Resources

OPEB related deferred inflows	556,000
Pension related deferred inflows	737,226
<b>Total Deferred Inflows of Resources</b>	<b>1,293,226</b>

### Net Position

Net investment in capital and lease assets	7,031,274
Unrestricted	(122,440)
<b>Total net position</b>	<b>6,908,834</b>

## Iowa Lottery Authority Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2023

### Operating revenues:

#### Sales:

Scratch ticket	\$293,580,116
InstaPlay	31,817,614
Pick 3	9,128,652
Pick 4	5,798,109
Powerball	65,632,085
Mega Millions	43,758,227
Lucky for Life	8,419,258
Lotto America	10,387,460
Pull-tab	13,011,623
Application fees	5,750
Other	23,299
<b>Total operating revenues</b>	<u>481,562,193</u>

### Operating expenses:

#### Prizes:

Scratch ticket	199,208,532
InstaPlay	23,769,641
Pick 3	5,477,191
Pick 4	3,769,003
Powerball	32,734,985
Mega Millions	21,963,857
Lucky for Life	5,003,860
Lotto America	5,193,730
Pull-tab	8,133,393
<b>Total prizes</b>	<u>305,254,192</u>

Retailer compensation	31,307,795
Advertising production and media purchases	9,235,256
Retailer Lottery system / terminal communications	8,191,177
Instant/pull-tab ticket expense	3,496,322
Vending machines & maintenance / ticket dispensers	497,403
Courier delivery of tickets	1,321,114
Other operating expenses	13,218,903
<b>Total operating expenses</b>	<u>372,522,162</u>

**Operating income** 109,040,031

### Non-operating revenue (expenses):

Proceeds provided to state causes	(108,418,373)
Interest income	757,312
Interest expense	(33,724)
Gain (Loss) on disposal of capital assets	(4,754)
<b>Net non-operating revenues (expenses)</b>	<u>(107,699,539)</u>

**Change in net position** 1,340,492

Net position beginning of period 5,568,342  
**Net position end of period** 6,908,834

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## Headquarters

### Clive:

13001 University Ave., 50325  
Phone: (515) 725-7900

## Regional Offices

### Cedar Rapids:

2345 Blairs Ferry Road NE, 52402  
Phone: (319) 395-9313

### Mason City:

2900 Fourth St. SW, 50401  
Phone: (641) 424-6011

### Storm Lake:

822 Flindt Drive, 50588  
Phone: (712) 732-6662

