

# South Dakota Lottery

## Commission Meeting

### December 8, 2022



*A DIVISION OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE*

# Secretary of Revenue Comments



# **Executive Director Comments**



# Executive Director Comments

- Director of Security and Video Lottery
- Powerball Jackpot Run



# **Proposed Fiscal Year 2024 Budget**



# FY 24 Budget

- Lottery Operates Under Two Budget Centers
  - Instant and On-Line
    - controlled by the Commission and reported through the State's Budget Process as an informational only budget.
  - Video Lottery
    - part of the overall Department of Revenue budget, which is approved by the legislature.
- Six Budget Objects
  - Personal Services
  - Travel
  - Contractual Services
  - Supplies & Materials
  - Capital Assets
  - Other
- No increases proposed for the two budget centers for FY24



# Budget Highlights

## Instant/Online

- Personal Services
  - FY23 saw an increase of \$86,321 from the Salary Policy recommended by the Governor and approved by the Legislature
- Travel
  - Primary expense within Travel is related to Fleet and Travel for Sales Reps. Travel to and from retailers.
- Contractual Services
  - Primary Expenses within Contractual Services include:
    - IGT Contract
      - Represents IGT's fee for the Lotto System and Services.
      - This can fluctuate as it's based on Sales
    - Advertising
      - Primarily with our contract with Lawrence & Schiller
    - Instant Ticket Delivery
      - Costs associated with the delivery of our tickets.
    - Retailer Commissions
      - This can fluctuate based on sales.
    - Prizes
      - This can fluctuate as it all ties into sales



# Budget Highlights Instant/Online (Continued)

- Supplies & Materials
  - Primary expense within Supplies & Materials includes ticket printing costs
    - FY21 39 games printed
    - FY22 38 games printed
- Capital Assets
  - Computer Hardware, software, etc...
  - FY22 saw an increase because the Lottery purchased a new Random Number Generator (RNG) machine.
- Other
  - Payments to the Special Jurisdiction Areas
    - 50% of net proceeds from the sale of instant tickets on the reservations goes back to that reservation.





# FY 2024 Instant/Online Budget

Personal Services	\$ 1,714,471
Travel	\$ 181,982
Contractual Services	\$ 59,589,666
Supplies & Materials	\$ 1,102,000
Capital Outlay	\$ 40,000
Other	\$ 79,000
<b>Request Amount</b>	<b>\$ 62,707,119</b>



# Budget Highlights Video Lottery

- Personal Services
  - FY23 saw an increase of \$42,338 from the Salary Policy recommended by the Governor and approved by the Legislature
- Travel
  - Primarily staff travel which is a percentage split between the instant/online budget and video lottery budget.
- Contractual Services
  - Primary Expenses within Contractual Services include:
    - Light and Wonder Contract (formerly Scientific Games)
      - .28% of net machine income
    - Inspection Services
      - MOU with Department of Public Safety to perform the inspections of Video Lottery terminals and establishments



# Budget Highlights Video Lottery (Continued)

- Supplies & Materials
  - Primary expense within Supplies & Materials include supplies that get split between instant/online and video lottery budgets
- Capital Assets
  - Computer Hardware, software, etc...
- Other
  - Transfers out
    - \$214,000 provided to the Department of Social Services for Responsible Gambling Treatment Services.



# FY 2024 Video Lottery Budget

Personal Services	\$ 849,317
Travel	\$ 17,941
Contractual Services	\$ 1,514,493
Supplies & Materials	\$ 29,616
Capital Outlay	\$ 180,000
Other	\$ 214,000
<b>Request Amount</b>	<b>\$ 2,805,367</b>



# Marketing Report



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# Website/Mobile App Update



NEWS RETAILERS LOCATIONS RESPONSIBLE PLAY WHERE THE MONEY GOES **WINNING NUMBERS**

SCRATCH GAMES LOTTO GAMES > VIDEO LOTTERY > WINNERS > WHO WE ARE > > PLAYERS CLUB

**GIVE THE GIFT OF  
SCRATCH!**

JOLLY GOOD FUN



**POWERBALL**

WINNING NUMBERS: 12.05.22

35 47 52 59 14

Power Play: 2x

**POWERBALL  
DOUBLE PLAY**

WINNING NUMBERS: 12.05.22

15 50 53 56 21

**MEGA MILLIONS**

WINNING NUMBERS: 12.02.22

1 29 35 49 52 16

MegaPlier: 3x

**DAKOTA CASH**

WINNING NUMBERS: 12.02.22

3 9 11 17 31

**LUCKY FOR LIFE**

WINNING NUMBERS: 12.05.22

15 19 29 38 40 15

**LOTTO AMERICA**

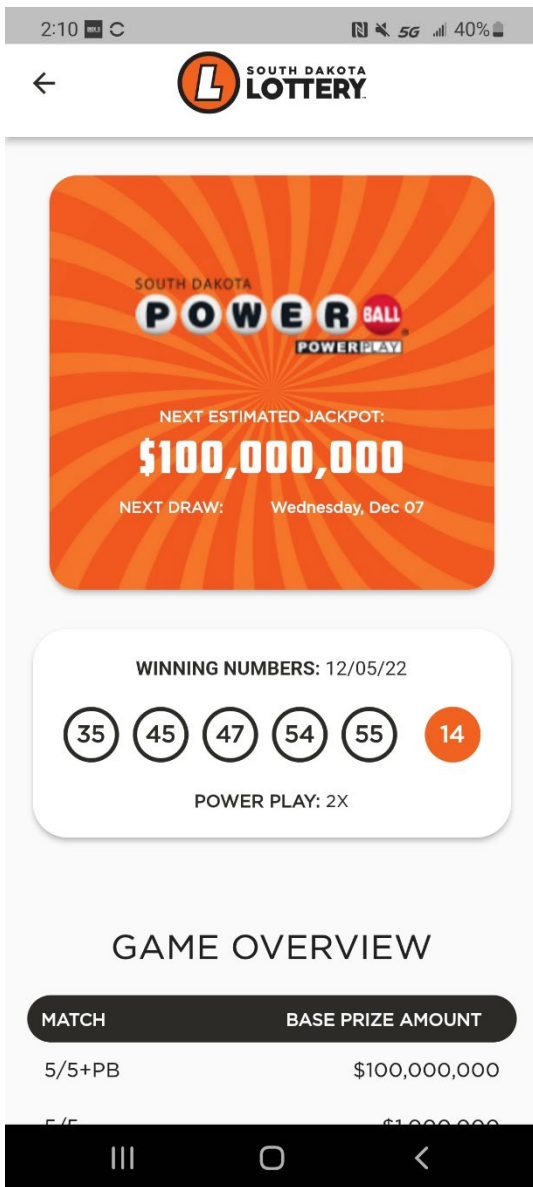
WINNING NUMBERS: 12.05.22

4 13 17 29 34 1

All Star Bonus: 3x

- The new website launched November 28.
- In a week, the site had 21,404 total visits.
- Reception to the site has been mostly positive.





# Mobile App Update

- A new mobile app will launch soon.
- The mobile app has been approved by both Apple and Google.
- The app will improve overall user experience.





# Holiday Campaign



- Our holiday campaign began shortly after Thanksgiving.
- This is typically our largest marketing campaign.
- This also includes Responsible Gambling messaging.





# New Year's Rockin Eve

- Gabriella Anane (Sioux Falls) and Connie Duvall (Aberdeen) were our winners.
- Gabriella has a chance to become 2023's First Powerball Millionaire.



# Upcoming Campaigns

- Beneficiary Awareness
- X Family Scratch Tickets
- Responsible Gambling



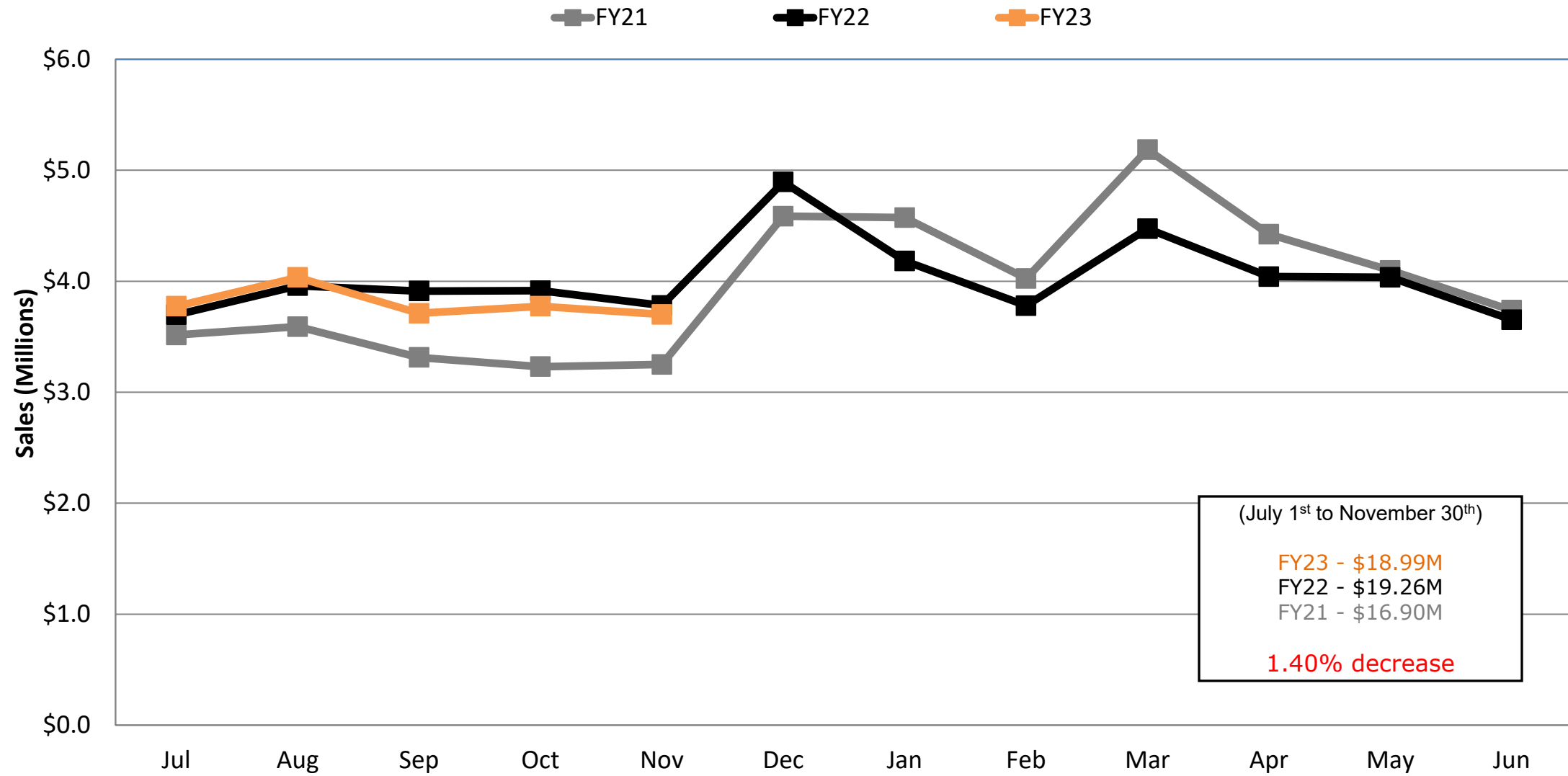


# Sales Report



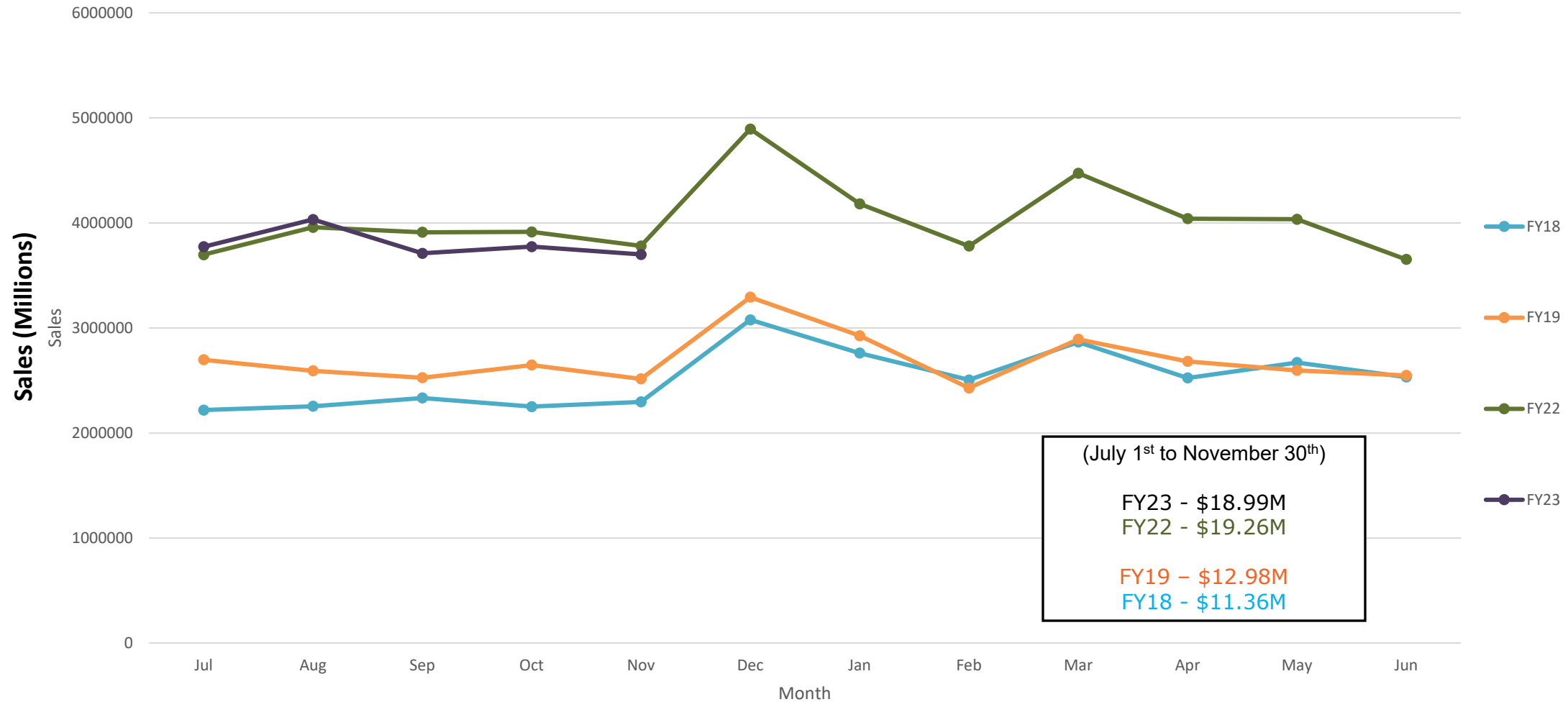
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# Instant Sales



# Non – COVID Instant Sales

Instant Sales by Month And Fiscal Year





# The New Instant Tickets



New Extended Play Concept – Launching in January



New X Family – Launching in February





# \$40,000 Instant Top Prize Winner



Melissa Mohr  
Sioux Falls

Holiday  
Stationstore  
7125 West 26<sup>th</sup>  
Sioux Falls

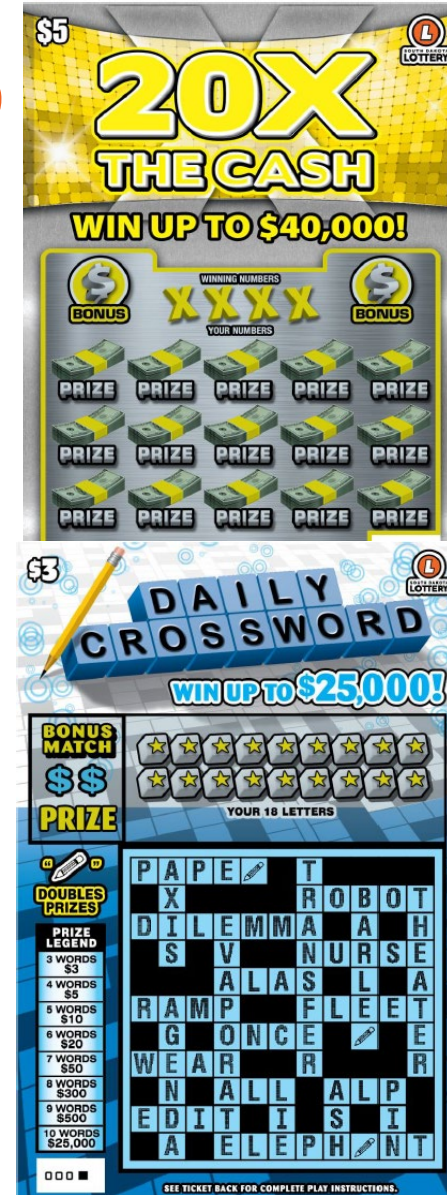




# Instant Top Prize Winners

- \$40,000 20X The Cash (Dell Rapids)
- \$35,000 Hot Sizzling 5s (Brookings)
- \$25,000 Daily Crosswords (Belle Fourche)
- \$20,000 Bingo Nights (Brookings)
- 3 - \$10,000 Top Prizes
  - Mitchell
  - Plankinton
  - Mobridge

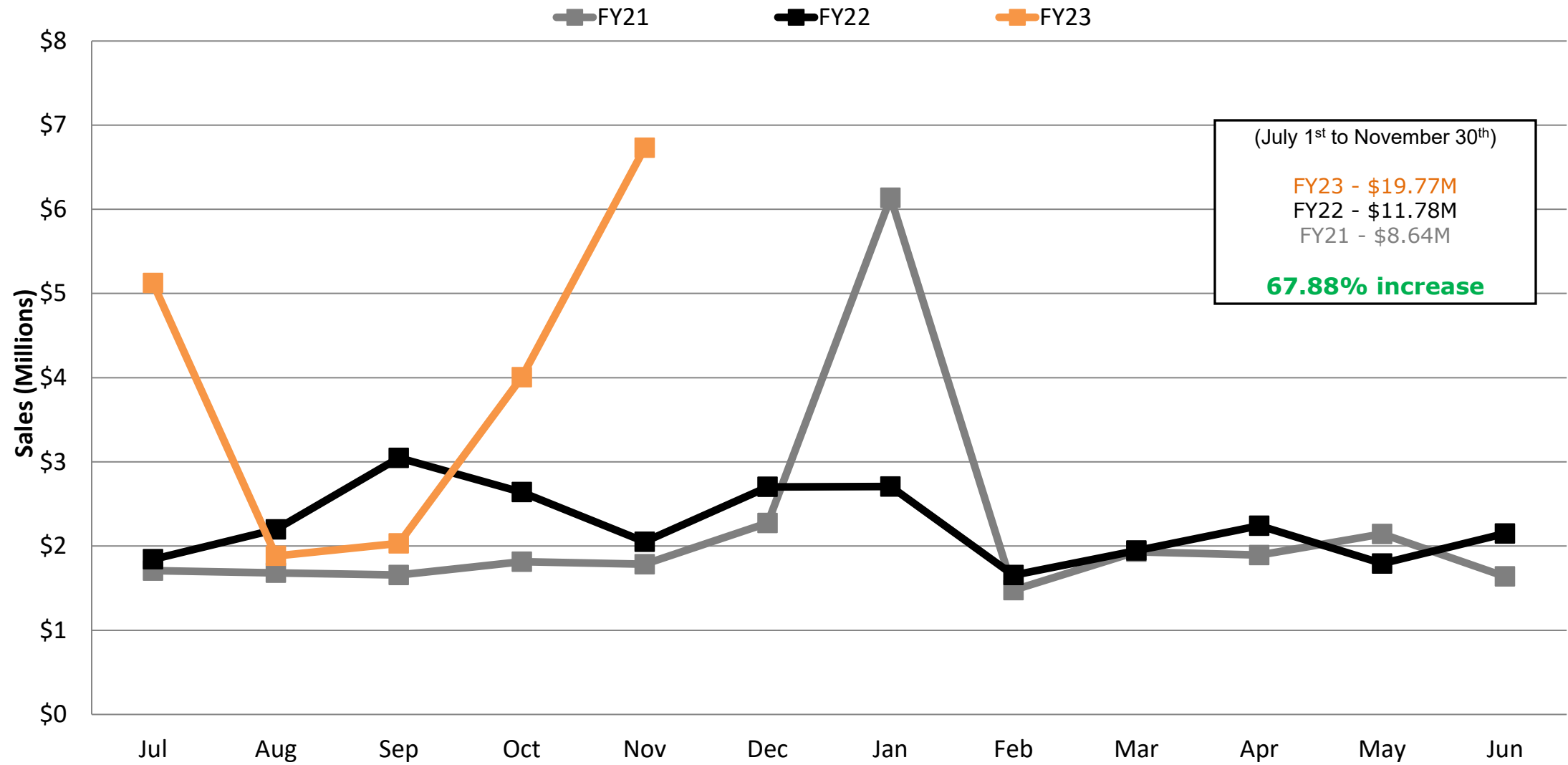
Over 350  
\$500  
Winners







# Lotto Sales





# Lotto Winners



- **\$390,000 Lucky for Life**
  - Cubby's - Mitchell



- **\$20,000 Lotto America**
  - Jake's Corner - White Lake

**Paid Out Over  
\$5,441,600  
in Lotto Prizes  
Year to Date**

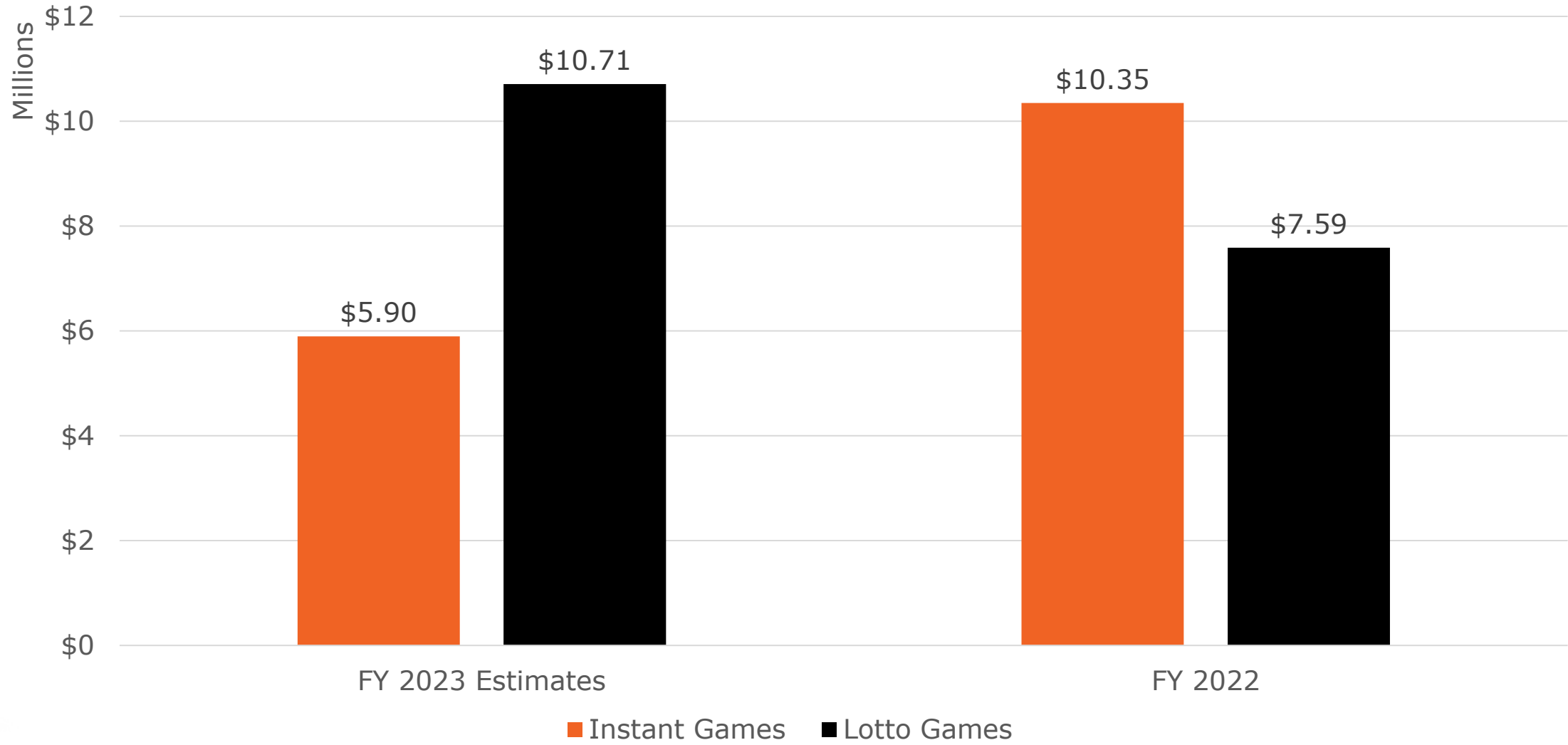
SOUTH DAKOTA



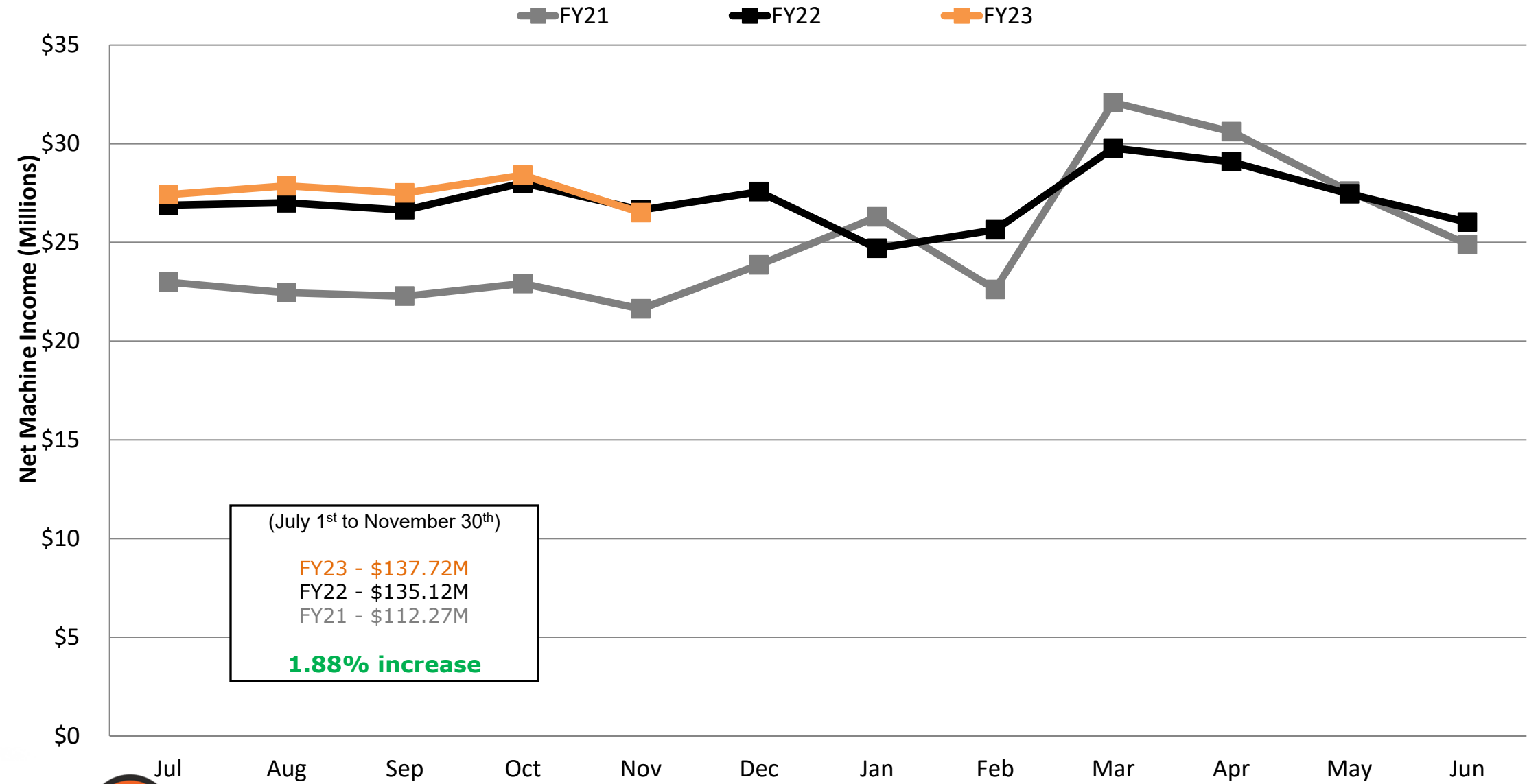
- **\$1,000,000 Powerball Winner**
  - Casey's #3019 - Sioux Falls
- **\$50,000 Powerball Winners (6)**
  - Madison Discount Liquor - Madison
  - Sunshine Foods - Sioux Falls
  - Casey's #3285 - Dell Rapids
  - Casey's #3872 - Sioux Falls
  - Casey's #2391 - Redfield
  - Lazer's - Huron
  - Cenex C-Store - Sturgis



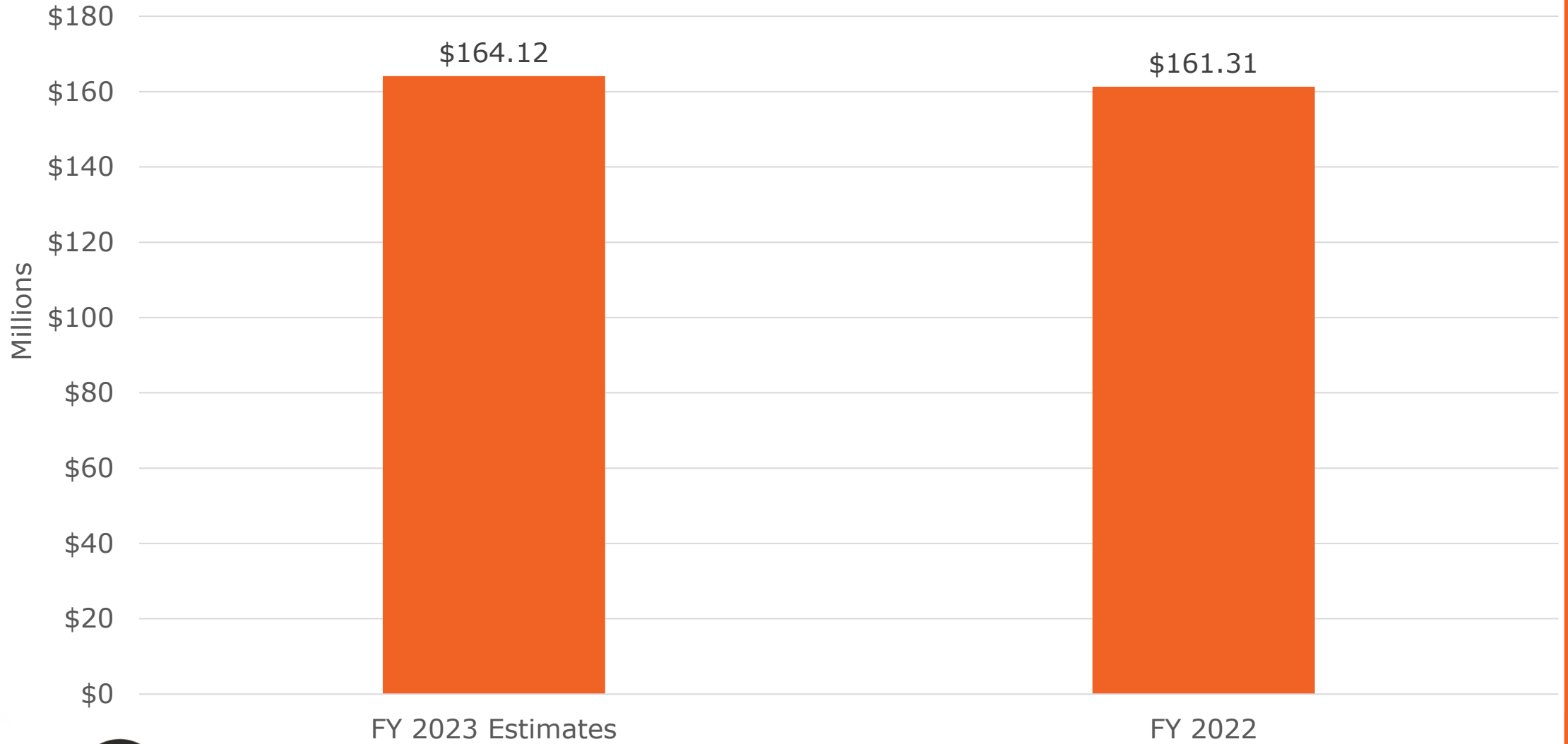
# Instant and Online FY23 Revenue Projections as of November 30, 2022



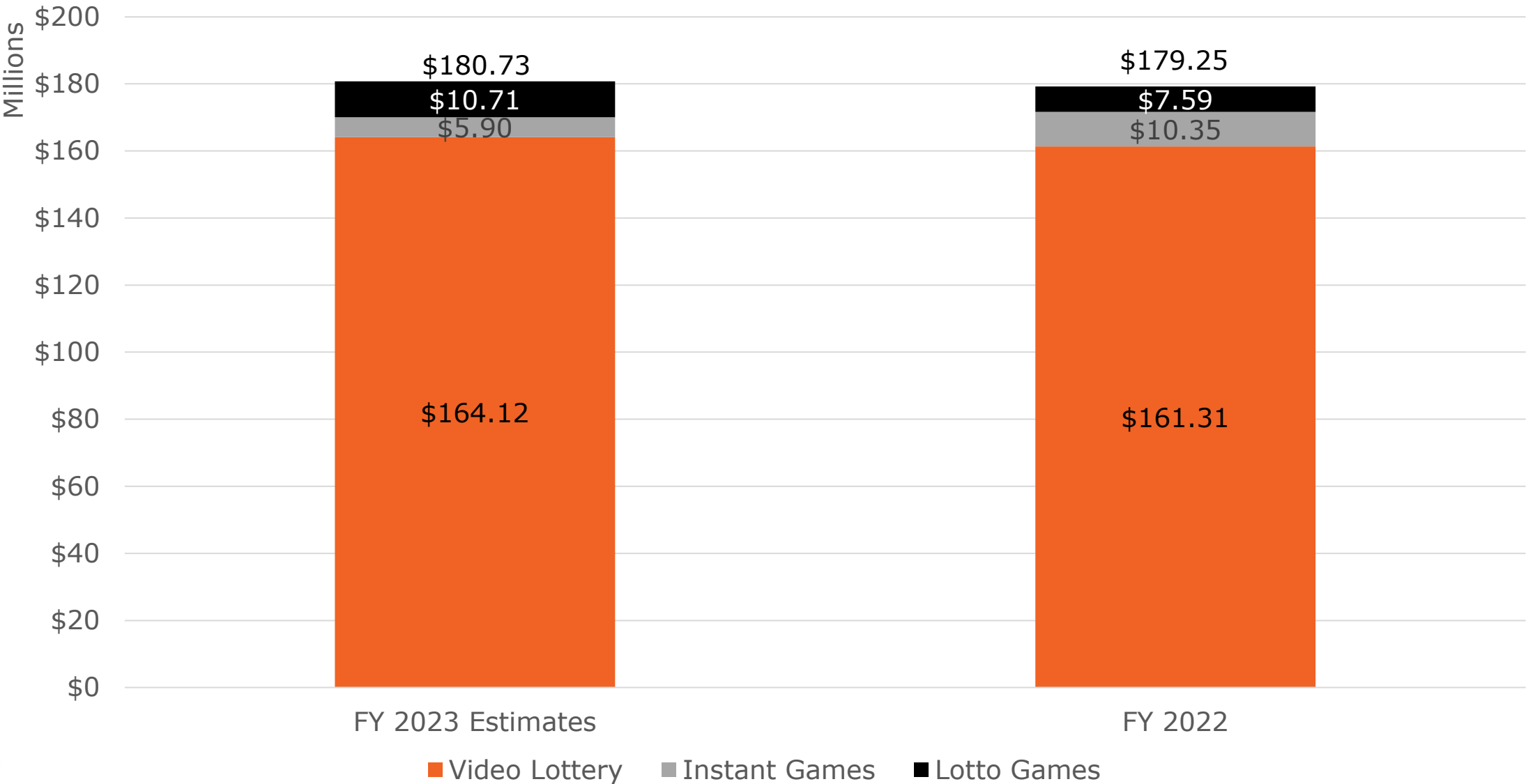
# Video Lottery NMI



# Video Lottery FY23 State Share Revenue Projection as of November 30, 2022



# Total FY23 Revenue Projections as of November 30, 2022



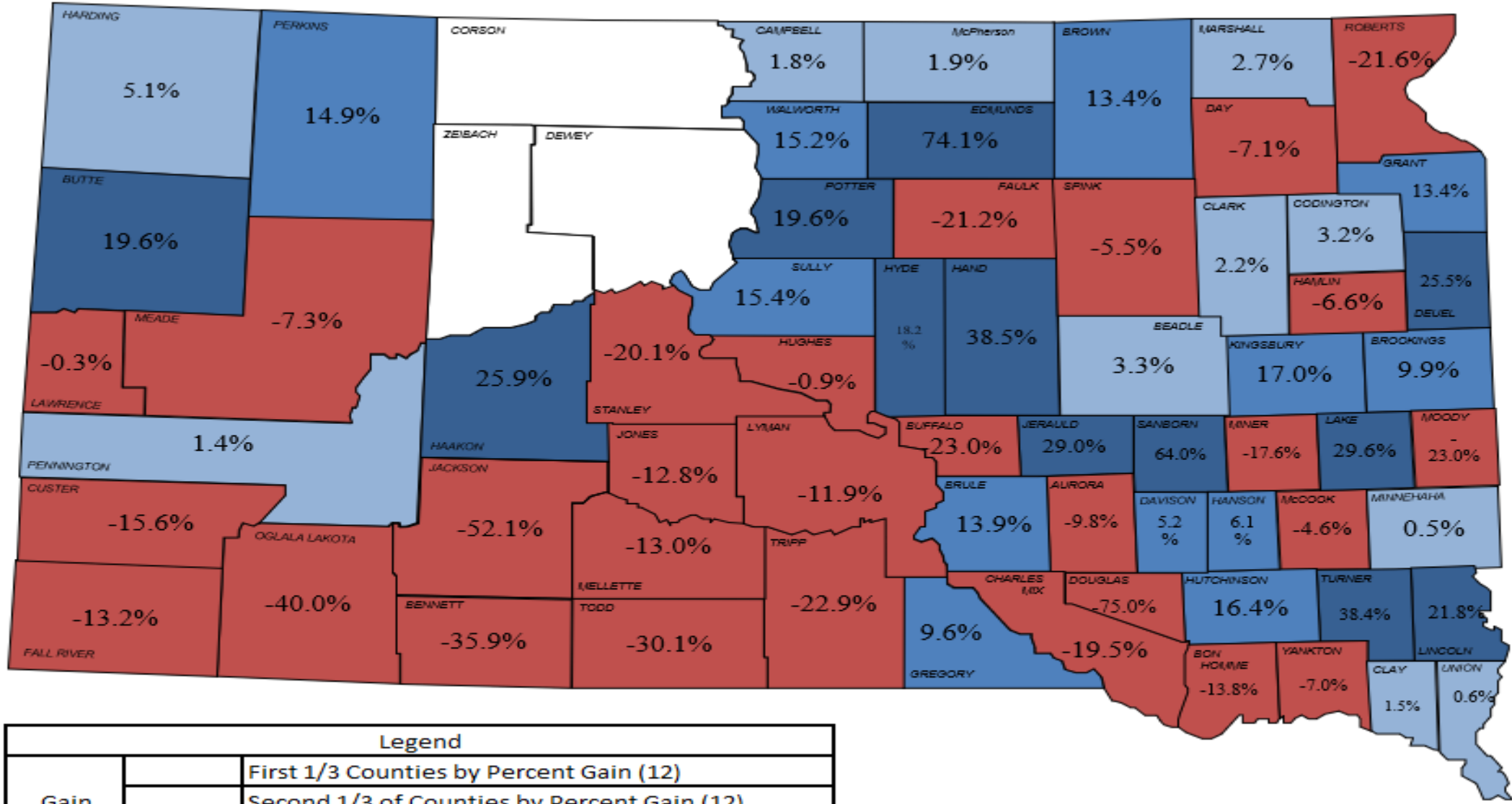


# FY2022 Instant Review



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## Percent Change of Instant Sales YOY FY2022 over FY2021



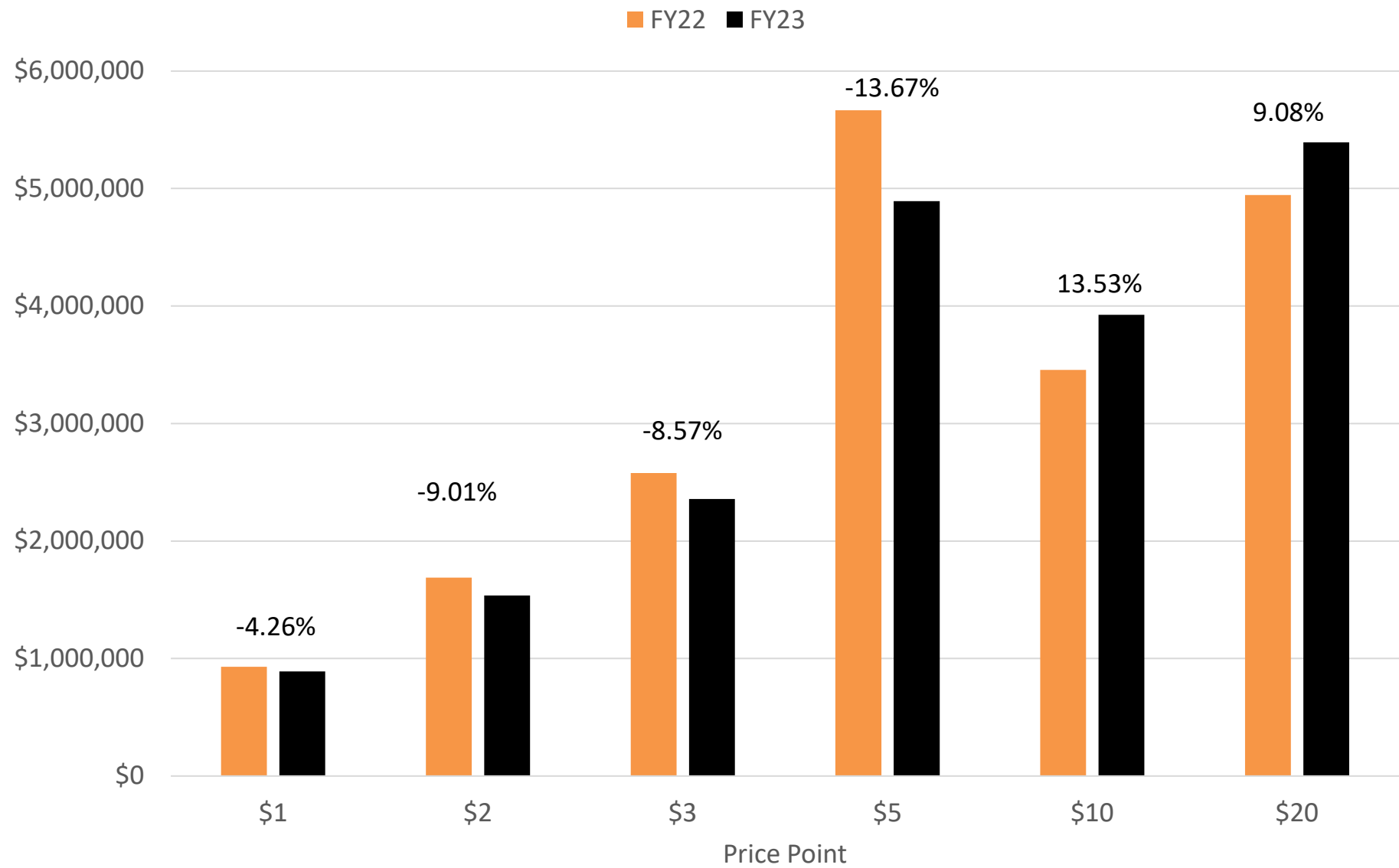
Legend		
Gain		First 1/3 Counties by Percent Gain (12)
		Second 1/3 of Counties by Percent Gain (12)
		Last 1/3 of Counties by Percent Gain (11)
N/A		No Instant Sales
Loss		Counties by Percent Loss (28)

# Top Instant Ticket Markets

	FY21	FY22	\$ Change	% Change
Sioux Falls	\$4,522,527	\$4,530,484	\$7,957	0.18%
Rapid city	\$2,722,611	\$2,753,619	\$31,008	1.14%
Aberdeen	\$709,537	\$786,440	\$76,903	10.84%
Watertown	\$632,357	\$644,197	\$11,840	1.87%
Brookings	\$426,526	\$461,956	\$35,430	8.31%
Yankton	\$460,141	\$427,815	-\$32,326	-7.03%
Spearfish	\$405,910	\$390,370	-\$15,540	-3.83%
Mitchell	\$443,270	\$466,455	\$23,185	5.23%
Pierre	\$426,251	\$424,186	-\$2,065	-0.48%
Huron	\$358,743	\$378,748	\$20,005	5.58%
Other	\$8,155,617	\$7,698,467	-\$457,150	-5.61%
Total	\$19,263,490	\$18,962,737	-\$300,753	-1.56%



# Instant Sales by Price Point

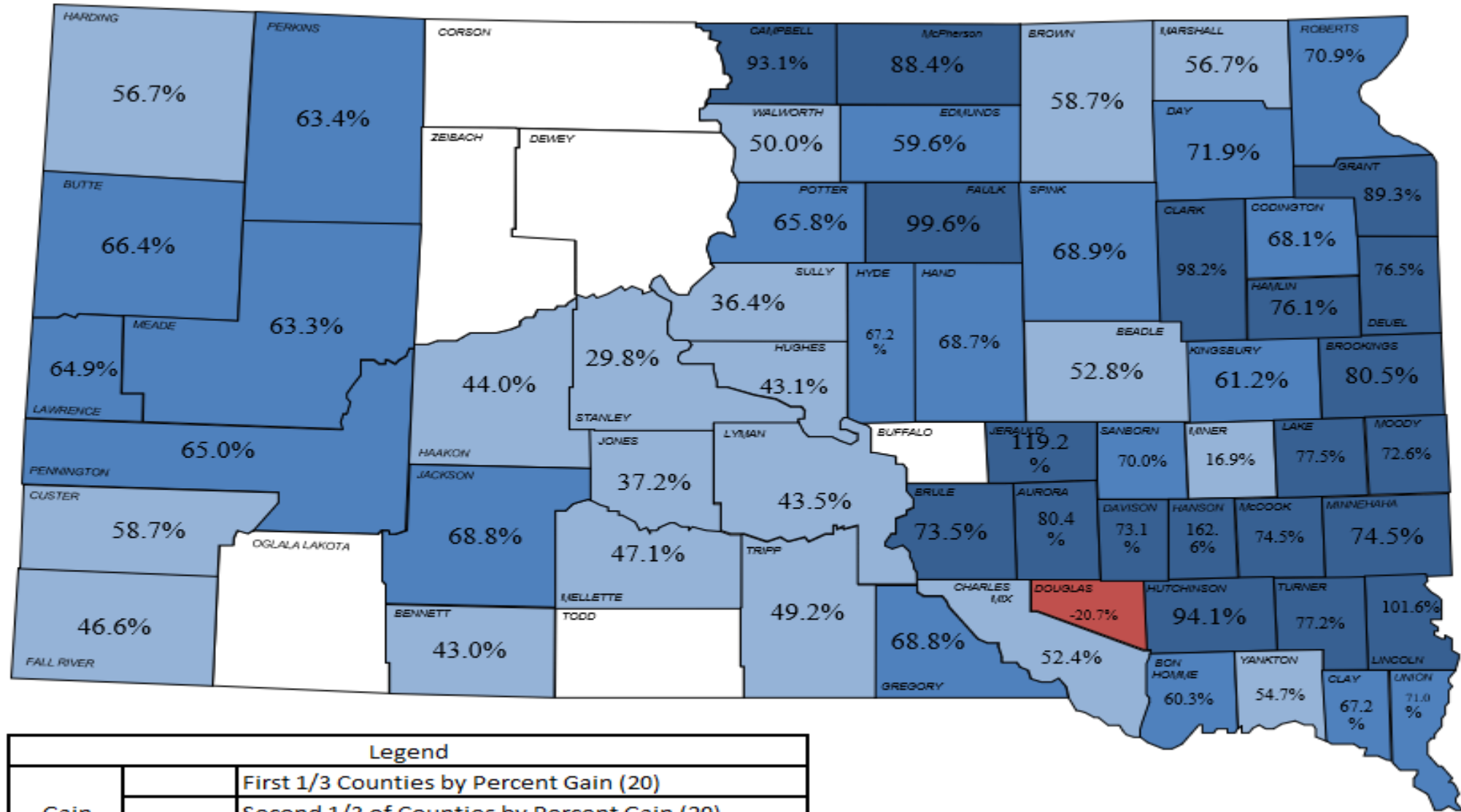


# FY2022 Online Review



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# Percent Change of Lotto Sales YOY FY2022 over FY2021



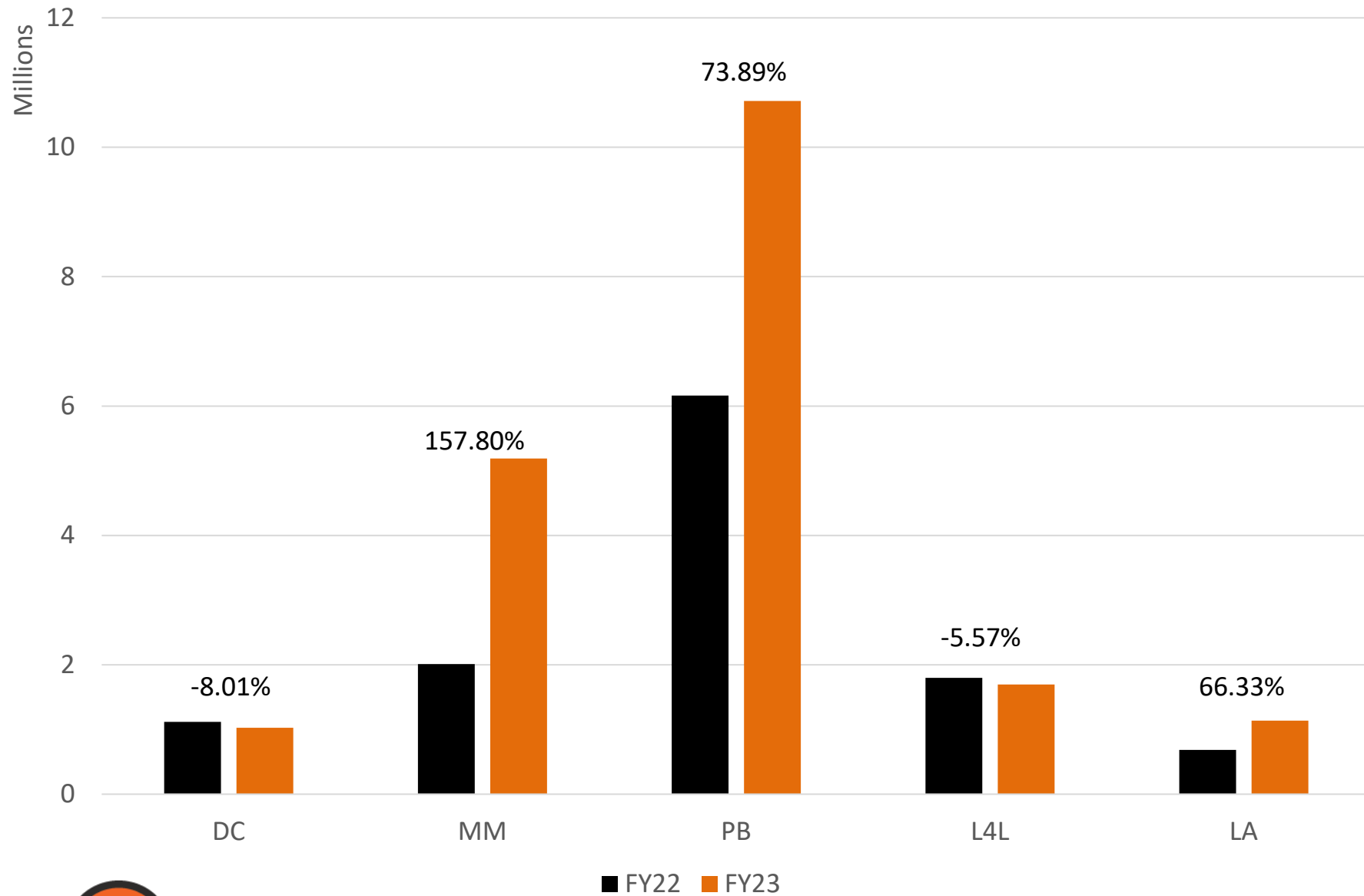
Legend		
Gain		First 1/3 Counties by Percent Gain (20)
		Second 1/3 of Counties by Percent Gain (20)
		Last 1/3 of Counties by Percent Gain (19)
N/A		No Lotto Sales
Loss		Counties by Percent Loss (1)

# Top Lotto Ticket Markets

	FY21	FY22	\$ Change	% Change
Sioux Falls	\$2,652,663	\$4,628,464	\$1,975,801	74.48%
Rapid city	\$1,556,709	\$2,545,877	\$989,168	63.54%
Aberdeen	\$493,510	\$767,356	\$273,846	55.49%
Watertown	\$524,329	\$874,545	\$350,216	66.79%
Pierre	\$376,492	\$536,105	\$159,613	42.39%
Yankton	\$361,535	\$559,319	\$197,784	54.71%
Mitchell	\$320,175	\$554,378	\$234,203	73.15%
Spearfish	\$270,741	\$439,135	\$168,394	62.20%
Brookings	\$255,559	\$452,450	\$196,891	77.04%
Huron	\$233,409	\$363,982	\$130,573	55.94%
Other	\$4,732,320	\$8,050,301	\$3,317,981	70.11%
Total	\$11,777,442	\$19,771,912	\$7,994,470	67.88%



## Sales by Lotto Game





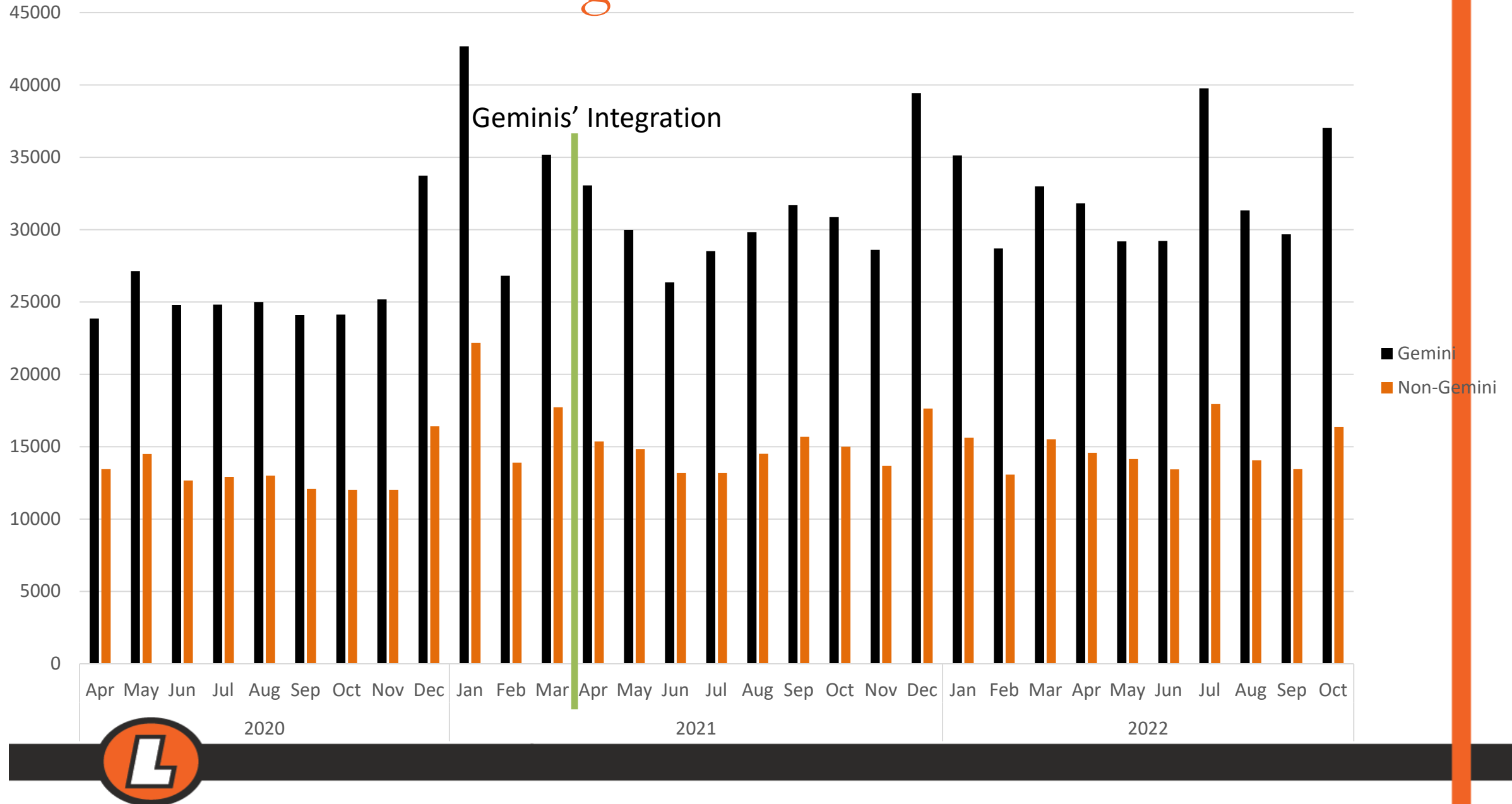
# FY2022

## Gemini Performance



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# Average Sales Per Store



## Average Sales Per Month Per Store

	Before	After	Change
No Gemini	\$14,415.19	\$14,668.43	1.76%
Gemini	\$28,158.03	\$31,338.25	11.29%
All	\$14,781.97	\$15,583.83	5.42%

## Total Sales

	Before	After	\$ Change
No Gemini	\$99,796,390	\$103,324,446	\$3,528,056
Gemini	\$16,331,660	\$18,646,261	\$2,314,601
All	\$118,152,280	\$123,610,918	\$5,458,638

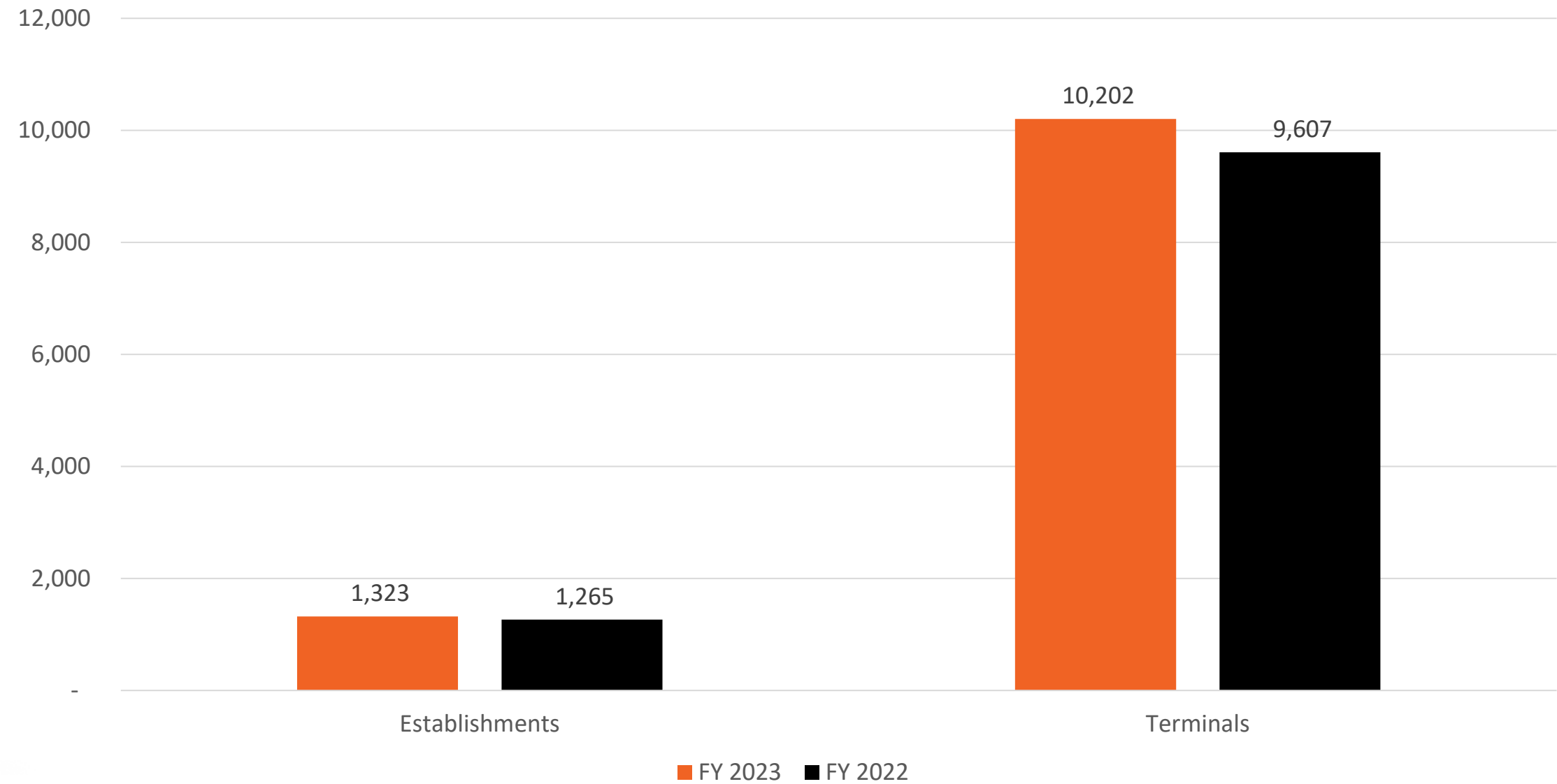


# Video Lottery Report



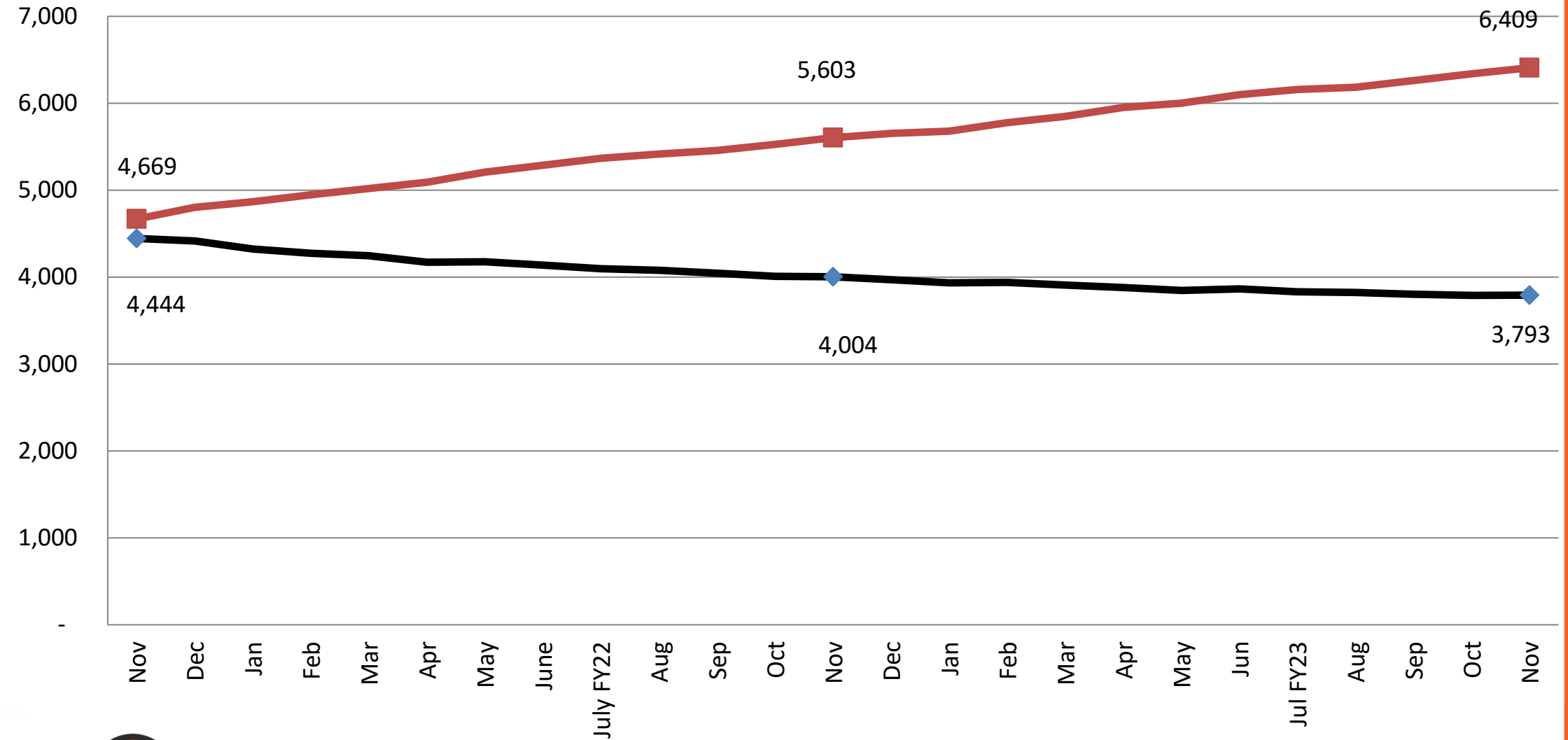
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# Number of Terminals and Establishments as of November 30, 2022

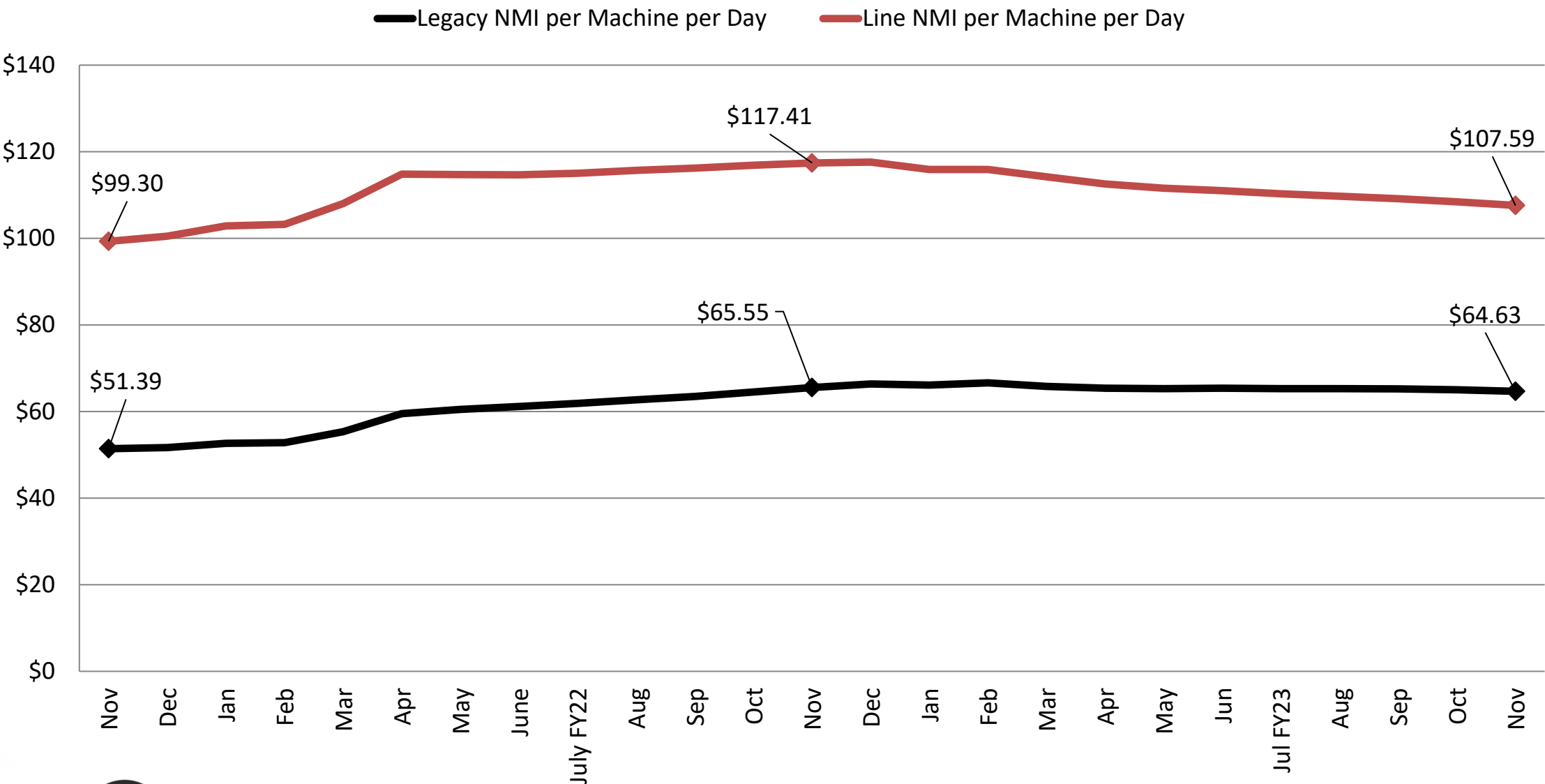


# Terminal Counts - Legacy vs. Line as of November 30, 2022

Legacy Machines Line Machines



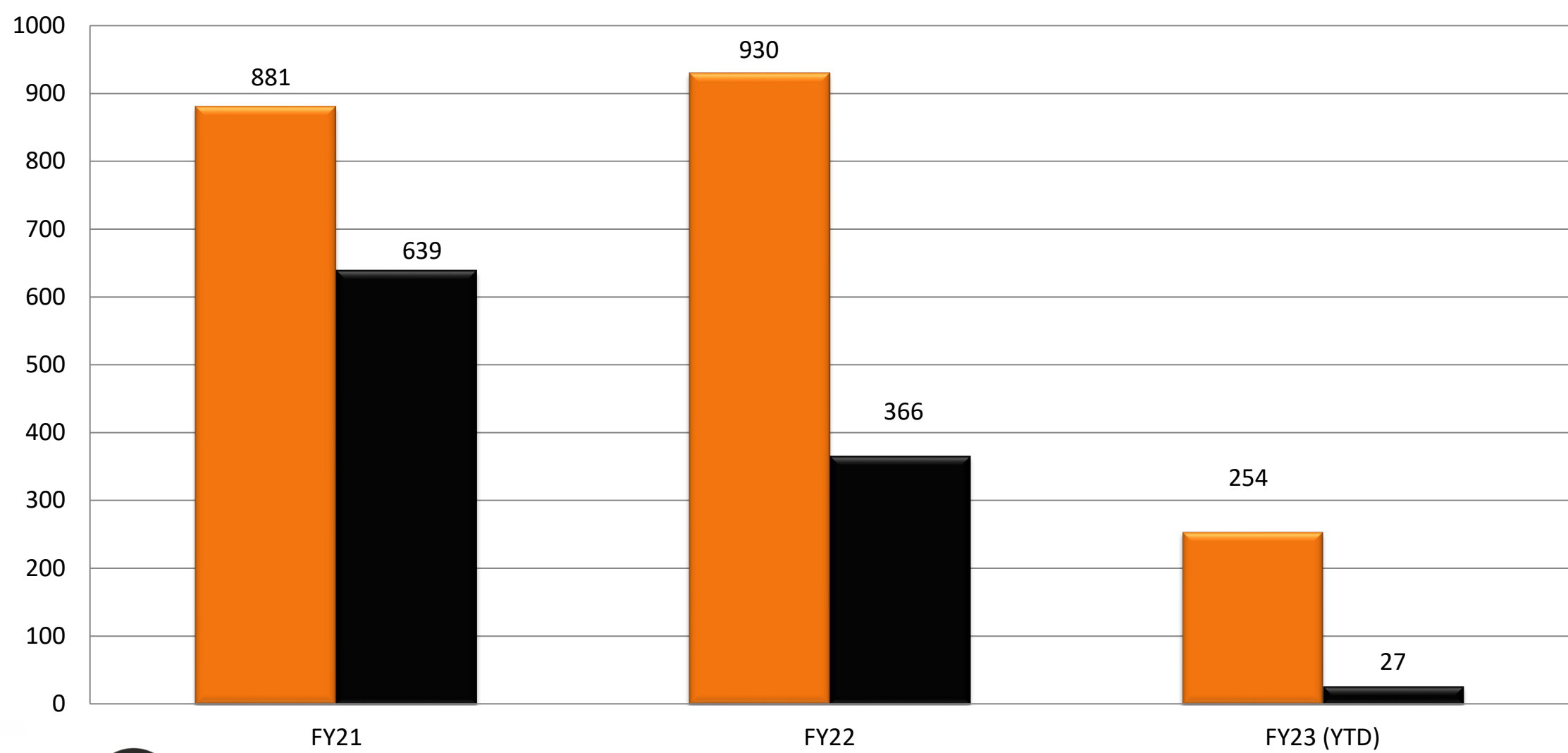
# NMI/Terminal/Day - Legacy vs. Line as of November 30, 2022





# New & Destroyed Terminals

■ New ■ Destroyed



## South Dakota Licensed Manufacturers

- International Gaming Technology (IGT)
  - Ainsworth Gaming Technology (AGT)
  - Grover Gaming Inc.
  - Accel Entertainment Inc. (Grand Vision Gaming)
  - TrestleCo LLC
  - JVL Systems, Inc.
- 
- VLC, Fortunet/Summit, Harms Vending and Techlink Entertainment also have equipment in the field but are no longer supported.

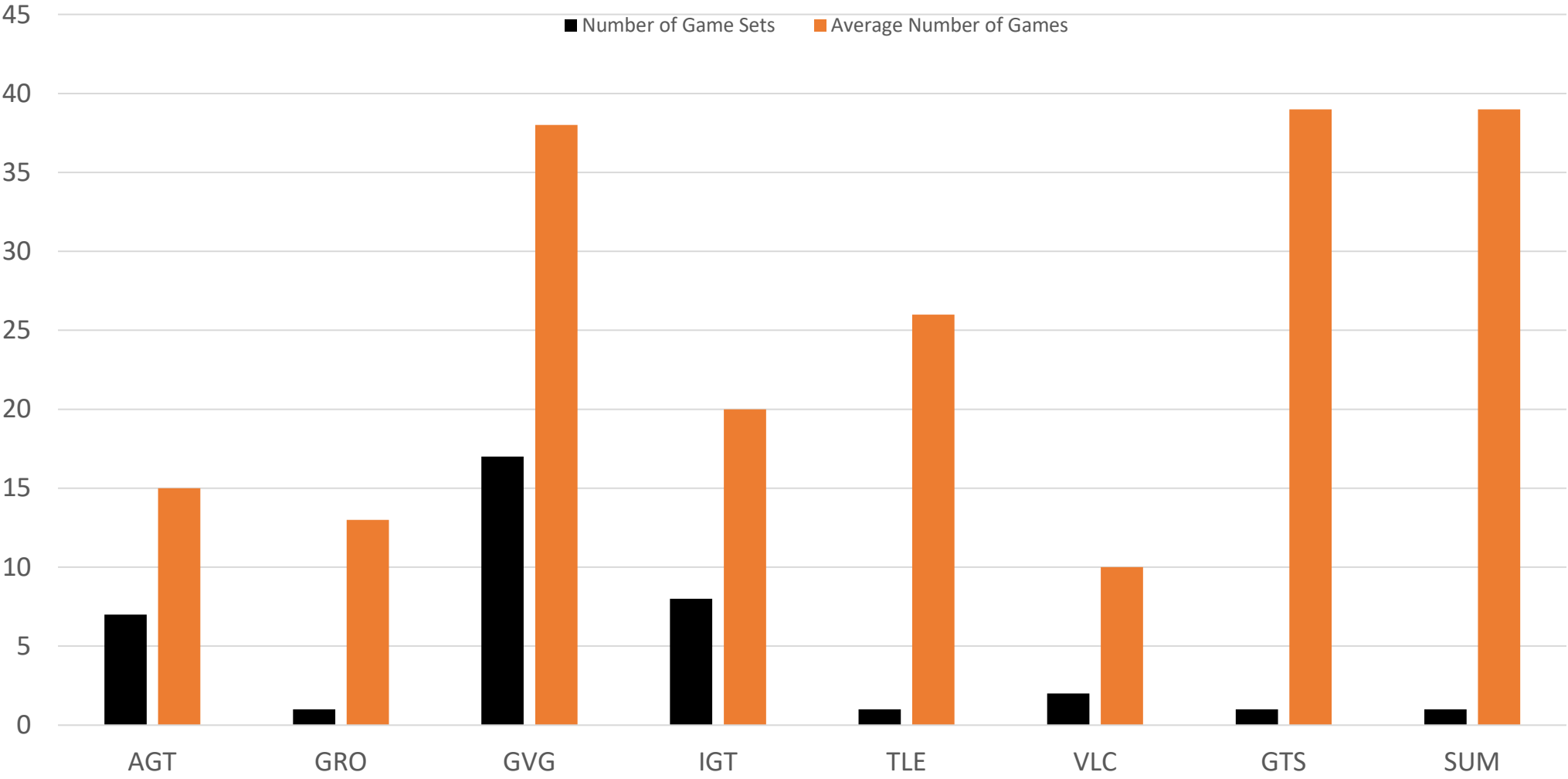


## Video Lottery Terminals by Manufacturer and Model

Manufacturer	Model	Terminals
Ainsworth Gaming Technology	Apollo	362
	MTD-Apollo	293
	MTD-Evolver	173
	MTD-Nitro	55
	HVG-Evolver	1
Grover Gaming	Fusion	14
	Hydro	276
Accel Entertainment Inc. (GVG)	Dual-ScreenUpright/atlas/hybrid	2042
	XVR	110
	GVG Bartop	2
	Signature Slant (GVG Non-TUV)	74
	Signature Slant (GVG-TUV)	583
	Signature Upright/Edge (GVG-TUV)	70
	Atlas Single Display	221
International Gaming Technology	Cobalt	609
	U/R, IBA, SDL	1
	Spielo-PS Plus line/GMMS	524
	Spielo-Ultra	976
Techlink Entertainment	Blast	35
VLC		3766
GTS	SAS	2
Summit	GMMS	12
	SAS	6
Total		10,207



# Manufacturers Software and Game Sets





**SOUTH DAKOTA**  
**LOTTERY**™