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To: South Dakota Lottery Commission

From: Norman Lingle
Executive Director

Re: November 29, 2018 Lottery Commission Meeting

Date: November 26, 2018

The November 29, 2018 meeting of the South Dakota Lottery Commission will begin at 9:30 a.m. The meeting will be held in Room 412 of the Capitol Building in Pierre.

I would like to highlight a few of the key agenda items.

A recommendation will be made to the Commission regarding the Online Central System and Related Services Request for Proposal. Included with the recommendation will be an overview of the process, scoring and reasons for the recommendation.

The FY20 budget requests for both the video lottery and instant/online programs will be presented to the Commission for approval. There are no changes to the budget requests when compared to the FY19 budgets.

A report will be given regarding sales during the October Mega Millions and Powerball jackpot runs. The \$1.537 billion Mega Millions jackpot was won in South Carolina and the \$678.8 million jackpot was won in Iowa and New York.

There will be a report on FY19 instant ticket sales. The report will include a year over year analysis as well as breakdown of sales by geographic area.

The agenda also includes the normal sales and public relations/advertising reports.

Please contact Clark or me if you have any questions, comments or if there is anything else you would like addressed during the meeting.

South Dakota Lottery Commission
Thursday, Nov 29, 2018 – 9:30 a.m.
Room 412, State Capitol, Pierre, SD

**Please read all materials provided in the packet and print and bring the Agenda and all Exhibits*

Listen live at <http://www.sd.net/room412/>



MEETING AGENDA

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- | | |
|---|--|
| 1. Welcome | Chair Shorma |
| 2. Roll Call | Angela Bieber |
| 3. Approval of Agenda | Chair Shorma |
| 4. Approval of Minutes – September 14, 2018 meeting | Chair Shorma |
| 5. Conflict of Interest | Chair Shorma |
| 6. Secretary of Revenue Comments | Secretary Andy Gerlach |
| 7. Executive Director Comments | Executive Director Norm Lingle |
| 8. Online Central System and Related Services
RFP Recommendation | Executive Director Norm Lingle |
| 9. FY20 Budget Request | Executive Director Norm Lingle |
| 10. Mega Millions and Powerball
Jackpot Run Report | Deputy Executive Director Clark Hepper |
| 11. FY19 Instant Ticket Review | Business Analyst Elizabeth Burdick |
| 12. Sales and Public Relations/Advertising Report | Director of Sales Tom Helland |
| 13. Public Comment | Chair Shorma |
| 14. Next Meeting | Executive Director Norm Lingle |
| 15. Adjournment | Chair Shorma |

Expiration Dates of Commissioner Terms

William Shorma	01/01/2019	Jason Ahrendt	01/26/2019
Joe Kafka	01/01/2020	Jamie Huizenga	01/01/2021
David Wheeler	01/01/2021	Vacant	
Vacant			

Individuals wanting to testify before the Lottery Commission must sign the attendance sheet and in prefacing their remarks, state their name and the entity they represent.

NOTE: This meeting is being held in a physically accessible location. Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the South Dakota Lottery at 605.773.5770 in advance of the meeting to make any necessary arrangements in advance of the meeting to make any necessary arrangements.



Commission Members

William Shorma - Vice Chair
Joe Kafka
David Wheeler
Jason Ahrendt
Jamie Huizenga

Minutes of the Commission Meeting

Room 412, Capitol Building Pierre, SD
Friday, September 14, 2018

UNAPPROVED

Vice Chair William Shorma started the September 14, 2018 meeting of the South Dakota Lottery Commission to order at 9:30 a.m. Vice Chair Shorma, Commissioners Kafka, Wheeler, Ahrendt and Huizenga participated in person.

SUPPORT STAFF PRESENT

Norm Lingle, Clark Hepper, Tom Helland, Angela Bieber, Elizabeth Burdick, Nick Michels,

OTHERS

Bob Mercer, Jeff Hewitt, Bob Riter, Terry Fisher, Michael Capen, Secretary Gerlach, Brandi Hoerner, Jess Wright

APPROVAL OF THE AGENDA

Vice Chair Shorma asked for a motion to approve the agenda. Commissioner Wheeler motioned to approve the agenda. Commissioner Huizenga seconded the motion. Motion passed with no objection.

APPROVAL OF THE MINUTES FROM THE JUNE 07, 2018 MEETING

Vice Chair Shorma asked for a motion to approve the minutes. Commissioner Huizenga moved to approve the minutes. Commissioner Ahrendt seconded the motion. Motion passed with no objection.

CONFLICT OF INTEREST

Vice Chair Shorma asked if there were any conflicts of interest and there were none.

NEW COMMISSIONERS

Vice Chair Shorma welcomed the two new commissioners, Commissioner David Wheeler and Commissioner Jason Ahrendt.

ELECTION OF CHAIR AND VICE CHAIR

Vice Chair Shorma opened the floor up to nominations for Chairman of the Commission. Commissioner Huizenga nominated William Shorma. Commissioner Wheeler seconded. No other nominations were made.

Vice Chair Shorma opened the floor up to nominations for Vice Chairman. Commissioner Huizenga nominated Joe Kafka. Commissioner Wheeler seconded. No other nominations were made.

Vice Chair Shorma moved to vote for both nominations of Chair and Vice Chair. Roll call vote was taken: Aye – Shorma, Kafka, Ahrendt, Huizenga, Wheeler. Motion carried.

EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Norm Lingle reported on the following:

Welcome New Commissioners

- Commissioner Wheeler is an attorney in Huron, South Dakota and also serves on the Huron School Board.
- Commissioner Arnedt is in the insurance industry from Sioux Falls South Dakota.

Thank you both for serving on the Lottery Commission.

Personnel changes to the Lottery

- Elizabeth Burdick joined the lottery in June 2018 and serves as the Business Analyst for the Lottery. She has a Bachelor of Science in Mathematics from South Dakota State University. Masters in Industrial Engineering from the University of Minnesota and has taken classes towards a Masters in Statistics from South Dakota State University.
- Brandi Hoerner joined June 2018 and serves as the Licensing Manager for the Lottery. She has worked with the Walmart Corporation since 1996. This includes managing the Walmarts in Huron and Pierre South Dakota.
- Sonja Campbell joined August 24, 2018 and serves as a Senior Computer Operator. She has experience in customer service and the insurance industry. She has also served on the Long Lake, SD town council.

Fiscal Year 2018 Audit

Fiscal Year 2018 Audit is being conducted by the Department of Legislative Audit. We are not aware of any concerns with the audit at this time and can report on the final outcome of the audit at the next meeting.

RFP Update

- Process has been going on for over a year starting with the RFI then leading to the RFP.
- Proposals have been reviewed by a team made up of lottery staff, DOR administration, and BIT.
- The goal was to have a recommendation at this meeting but that wasn't possible.
- We continue to work through the process.
- May need to schedule a special Commission meeting or use the November meeting to act on the RFP recommendations.

Chair Shorma wanted to recognize Jim Putnam and his recent retirement from the South Dakota Lottery Commission. He served the commission a long time and we appreciate his service.

Fiscal Year 2018 Sales and Transfers Report

Deputy Executive Director Clark Hepper reported on the following:

Fiscal Year 2018 was a good year for the lottery. This was a cumulative effort of the entire lottery. All three products are showing profits year over year.

Instant Ticket Sales

- The yearly spikes in instant sales is consistent year over year. The Lottery saw a 15.78% increase in instant ticket sales from last fiscal year. FY18 sales were the highest since the beginning of instant ticket sales thirty years ago.
- Part of the success is due to DOR 20/20 strategic planning that incorporates the lottery 10 for 10 campaign. The lottery was tasked with increasing sales by 5% each year for two years. The FY18 sales was a good start in achieving this goal.
- Ticket testing, player engagement surveys, new games on a monthly basis, prize structure, and a full warehouse are contributing factors to the Instant ticket success.

Lotto Sales

- \$28 million in sales. 21.68% increase over last year. Lotto sales are typically jackpot driven, and we saw a few jackpot runs last fiscal year that helped drive lotto sales.
- The highest ever Dakota Cash jackpot of \$615,000 also contributed to driving sales.
- New sales started with the introduction of Lucky For Life April 2017. A Fort Pierre resident won the second prize amount of \$25,000 a year for life.
- Lotto draws happen six days a week with a portfolio of lotto games that appeal to a variety of players.
- Lotto America started in FY18. It was a replacement for Hot Lotto in November of 2017.
- Mega Millions had some changes that started a jackpot level at \$40 million whereas before it was \$15 million. Price for the game went from \$1 to \$2. Matrix changed and the over odds went from 1:14 to 1:24. Other features were added, such as \$1 to win just the jackpot.

Net Machine Income

- Net machine income is consistent year over year. Net machine income is cash into the machine verses prizes paid out.
- New line game terminals are still out performing the old legacy games. Line games are bringing in \$92.59 per machine per day with the legacy games bringing in \$50.10 per machine per day.
- 41% of the machines in the market are line game machines. Based on the current rate of machine replacement we anticipate by May 2019 there will be a 50/50 split between the new line game machines and the legacy machines.

Transfers

- \$270 million in sales has been through the entertaining games that the Lottery offers and the Good Fun Brand. FY18 the General Fund received \$6.4 million from Instant ticket sales. Lotto sales generated 1.4 million to the general fund and 5.8 million to capital construction fund. Video Lottery generated 109.8 million to the general fund.
- Total transferred to the General Fund for FY18 was \$123.4 million to support good causes.

Fiscal Year 2018 Product Review

Business Analyst Elizabeth Burdick reported on the following:

Instant Ticket Sales

- Instant sales from 2012-2016 saw a 1-2% increase. 1% decrease in 2017.
- In FY18 Instant sales were 38.18 million which is about a 16% increase from 2017.
- A 5% increase is projected for FY19. As of September 1, 2018 sales were up 13%.
- 39 of our counties had a 5% increase. 26 counties had a 10% increase. The top 4 counties had more than a 30% increase.

Lotto Sales

- In previous years, sales appeared to be cyclical. Sales would increase for one to two years then decrease for one to two years. FY18 was in a period of increasing sales.
- FY18 sales were up 22% from last year.
- A 3% increase is projected for FY19.
- 36 counties had a 20% increase. Only 3 counties had an increase of less than 11%.

Net Machine Income

- 2013-2018 average increased 3.8% each year.
- FY18 NMI was \$220.6 million which was about a 4% increase.
- A 2% increase is projected for NMI in 2019.
- 28 counties had a 5% or more increase in NMI. 16 counties increased more than 10% NMI. 8 counties with a decrease of more than 5% NMI. 4 counties with a decrease of more than 10% NMI.

- Line net machine income continues to increase as game play on new terminals increases. The legacy net machine income is decreasing.
- Average net machine income per terminal per day is remaining relatively constant.
- Every month the number of legacy machines decreases and the number of line machines increases.

Sales and Public Relations/Advertising Report

Director of Sales Tom Helland reported on the following:

- Promotion that was executed in July 2018. Buy 5 Lotto America plays for \$5 and receive a free \$2 Lucky For Life play. Wanted to create awareness of those two new games and not just rely on big jackpots to drive sales. This did increase the sales of Lotto America and Lucky For Life during and after the promotion. May look at another terminal promotion in January or February 2019.
- For the start of the FY19 Instant games are up \$817,127 and online games are down \$2,925,603. Video Lottery has a 3% increase over the 4% from last year. Combined effort of all the games show \$875,270 down in revenue for the start of FY19.

Public Comment

Chair Shorma:

Vice Chair Shorma invited anyone from the public to come up for comment. There were no comments from the public at this time.

NEXT MEETING DATE

Executive Director Norm Lingle reported on the following:

Director Lingle stated the next meeting to be Thursday, November 29, 2018.

ADJOURNMENT

Chair Shorma requested motion to adjourn, Commissioner Huizenga motioned to adjourn and Commissioner Wheeler seconded the motion. Adjourned at 10:22 a.m

South Dakota Lottery Commission Meeting November 29th, 2018



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SOUTH DAKOTA DEPARTMENT OF REVENUE

SD Lottery Commission: Quarterly Meeting

November 2018



Remote Seller Implementation

- South Dakota's remote seller law went into effect on November 1.
- Primary focus continues to be **educating** and **licensing**.
- Since the passage of 2016's Senate Bill 106 (as of 11/27/18):
 - **1,023** remote sellers licensed
 - **\$4.73 million** total tax remitted (state and municipal)
- DOR and BFM are working to develop a system to track and report new revenues as a result of the remote seller law.

Internal Control Efforts

- DOR has partnered with BFM and Price Waterhouse Coopers (PwC) to evaluate our internal control process.
- Each DOR division has worked through:
 - Risk identification
 - Risk prioritization
 - Controls Identification

Governor Transition

- The Daugaard Administration is working with Governor-elect Noem's team to ensure a smooth transition.
- Each state agency submitted a transition document to assist the incoming administration.
- Next steps include each state agency providing a brief to Governor-elect Noem's team.
- Governor Daugaard will provide budget recommendations in December.

Questions?



South Dakota
Department of Revenue



@SDRevenue



South Dakota DOR



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Executive Director Comments



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- Personnel
- FY18 Audit
- FY18 Transfers



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Online Central System and Related Services RFP Recommendation



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FY20 Budget Request



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South Dakota Lottery
Instant / Online - 0281 (Informational Budget)

	Description	FY2017	FY2018		FY2019		FY2020		
		Actual Exp	Operating Budget	Actual Exp (Unaudited)	Budget (Over)/Under	Budget Request	Inc / (Dec)	Budget Request	Inc / (Dec)
1	Personal Services								
2	Salaries	\$957,267	\$1,132,035	\$870,625	\$261,410	\$1,147,260	\$15,225	\$1,147,260	\$0
3	Benefits	291,352	349,991	286,990	63,001	335,342	(14,649)	335,342	0
4	Total Personal Services	\$1,248,619	\$1,482,026	\$1,157,615	\$324,411	\$1,482,602	\$576	\$1,482,602	\$0
5	FTE:	19.6	21.0	18.2	2.8	21.0	0.0	21.0	0.0
6									
7	Travel								
8	In-State Travel	107,508	139,000	116,809	22,191	139,000	0	139,000	0
9	Out-of-State Travel	2,014	6,300	9,813	(3,513)	6,300	0	6,300	0
10	Board / Commission	1,812	1,384	2,033	(649)	1,384	0	1,384	0
11	Total Travel	111,334	146,684	128,655	18,029	146,684	0	146,684	0
12									
13	Contractual Services								
14	Dues & Subscriptions	14,697	12,300	53,227	(40,927)	12,300	0	12,300	0
15	Legal Document Fees	1,692	0	250	(250)	0	0	0	0
16	Consulting Computer - IGT	1,699,874	2,325,000	2,053,194	271,806	2,325,000	0	2,325,000	0
17	Registration Fees	4,831	1,000	2,399	(1,399)	1,000	0	1,000	0
18	Computer Services - BIT	384,327	245,907	462,866	(216,959)	245,907	0	245,907	0
19	Central Services	54,554	37,592	9,504	28,088	37,638	46	37,638	0
20	Equipment Maintenance	0	2,160	0	2,160	2,160	0	2,160	0
21	Janitorial Services	8,707	19,128	8,582	10,546	19,106	(22)	19,106	0
22	Audit Services-State	29,563	22,000	47,096	(25,096)	22,000	0	22,000	0
23	Advertising	637,702	675,000	927,198	(252,198)	675,000	0	675,000	0
24	Marketing	188,046	152,000	91,953	60,047	152,000	0	152,000	0
25	Equipment Rental	2,038	2,000	8,701	(6,701)	2,000	0	2,000	0
26	Telephone	22,750	16,000	20,942	(4,942)	16,000	0	16,000	0
27	IGT - Comm. Fees	456,344	410,000	423,584	(13,584)	410,000	0	410,000	0
28	Office Rent	174,857	97,200	167,089	(69,889)	97,200	0	97,200	0
29	Utilities	12,359	12,000	12,689	(689)	12,000	0	12,000	0
30	Freight	5,949	4,000	3,260	740	4,000	0	4,000	0
31	Instant Ticket Delivery	105,740	95,000	103,093	(8,093)	95,000	0	95,000	0
32	Insurance Premiums	2,546	5,000	3,756	1,244	5,000	0	5,000	0
33	Storage/Microfilm Costs	1,065	2,600	981	1,619	2,600	0	2,600	0
34	Payments to MUSL	56,159	67,000	40,048	26,952	67,000	0	67,000	0
35	Other Contractual Services	43,529	36,868	103,683	(66,815)	36,868	0	36,868	0
36	Retailer Commission	2,629,597	2,868,600	3,108,189	(239,589)	2,868,600	0	2,868,600	0
37	Prize Expense	28,435,728	28,838,000	33,551,350	(4,713,350)	28,838,000	0	28,838,000	0
38	Total Contractual Services	34,972,654	35,946,355	41,203,634	(5,257,279)	35,946,379	24	35,946,379	0

South Dakota Lottery
Instant / Online - 0281 (Informational Budget)

Description	FY2017	FY2018			FY2019		FY2020	
	Actual Exp	Operating Budget	Actual Exp (Unaudited)	Budget (Over)/Under	Budget Request	Inc / (Dec)	Budget Request	Inc / (Dec)
Supplies & Materials								
Office Supplies	13,509	16,000	11,425	4,575	16,000	0	16,000	0
Ticket Printing	444,095	625,000	636,466	(11,466)	625,000	0	625,000	0
Printing-State	4,675	3,000	1,739	1,261	3,000	0	3,000	0
Printing-Commercial	708	2,000	298	1,702	2,000	0	2,000	0
Postage	7,763	3,300	3,199	101	3,300	0	3,300	0
Promotional Supplies	44,574	78,000	40,313	37,687	78,000	0	78,000	0
Other Supplies	0	1,700	377	1,323	1,700	0	1,700	0
Total Supplies & Materials	515,324	729,000	693,817	35,183	729,000	0	729,000	0
Capital Assets								
Computer Hardware, Software, Other Assets	82,360	40,000	6,920	33,080	40,000	0	40,000	0
Total Capital Assets	82,360	40,000	6,920	33,080	40,000	0	40,000	0
Other								
Escrow to Reservations	64,637	79,000	71,718	7,282	79,000	0	79,000	0
Total Other	64,637	79,000	71,718	7,282	79,000	0	79,000	0
Total Operating Expenses	\$35,746,309	\$36,941,039	\$42,104,744	(\$5,163,705)	\$36,941,063	\$24	\$36,941,063	\$0
Total Instant / On-Line	\$36,994,928	\$38,423,065	\$43,262,359	(\$4,839,294)	\$38,423,665	\$600	\$38,423,665	\$0
Total Video Lottery	\$2,489,815	\$2,683,492	\$2,179,121	\$504,371	\$2,682,351	(\$1,141)	\$2,682,351	\$0
Grand Total Lottery	\$39,484,743	\$41,106,557	\$45,441,480	(\$4,334,923)	\$41,106,016	(\$541)	\$41,106,016	\$0

**South Dakota Lottery
Video Lottery - 0282 Budget**

	Description	FY2017	FY2018		FY2019		FY2020		
		Actual Exp	Operating Budget	Actual Exp (Unaudited)	Budget (Over)/Under	Budget Request	Inc / (Dec)	Budget Request	Inc / (Dec)
1	Personal Services								
2	Salaries	\$551,322	\$571,924	\$522,447	\$49,477	\$578,785	\$6,861	\$578,785	\$0
3	Benefits	167,162	168,450	165,672	2,778	160,487	(7,963)	\$160,487	0
4	Total Personal Services	\$718,484	\$740,374	\$688,119	\$52,255	\$739,272	(\$1,102)	\$739,272	\$0
5	FTE:	11.1	10.0	10.3	(0.3)	10.0	0.0	10.0	0.0
6									
7	Travel								
8	In-State Travel	8,240	7,700	7,272	428	7,700	0	7,700	0
9	Out-of-State Travel	3,459	5,118	1,274	3,844	5,118	0	5,118	0
10	Board / Commission	2,157	2,800	2,024	776	2,800	0	2,800	0
11	Total Travel	13,856	15,618	10,570	5,048	15,618	0	15,618	0
12									
13	Contractual Services								
14	Dues & Subscriptions	8,314	6,100	13,862	(7,762)	6,100	0	6,100	0
15	Consulting - Legal	952	0	0	0	0	0	0	0
16	Registration Fees	2,101	2,000	544	1,456	2,000	0	2,000	0
17	Computer Services	57,679	49,487	135,792	(86,305)	49,487	0	49,487	0
18	Comp Services-BIT	212,827	8,553	46,966	(38,413)	8,553	0	8,553	0
19	Central Services	20,840	25,044	5,955	19,089	25,143	99	25,143	0
20	Equipment Maintenance	0	1,000	0	1,000	1,000	0	1,000	0
21	Janitorial Services	293	13,595	268	13,327	13,457	(138)	13,457	0
22	Audit Services-State	17,362	25,000	14,619	10,381	25,000	0	25,000	0
23	Computer Consulting - SGI	635,440	703,998	660,697	43,301	703,998	0	703,998	0
24	Advertising	122,442	200,500	19,497	181,003	200,500	0	200,500	0
25	Equipment Rental	589	4,500	2,772	1,728	4,500	0	4,500	0
26	Office Rent	50,947	39,500	51,973	(12,473)	39,500	0	39,500	0
27	Telephone	161,168	165,500	141,681	23,819	165,500	0	165,500	0
28	Utilities	491	1,470	544	926	1,470	0	1,470	0
29	Freight	491	500	0	500	500	0	500	0
30	Insurance Premiums	0	3,000	2,930	70	3,000	0	3,000	0
31	Inspection Srvc-Public Safety	178,137	200,000	122,357	77,643	200,000	0	200,000	0
32	Other Contractual Services	51,213	54,137	62,665	(8,528)	54,137	0	54,137	0
33	Total Contractual Services	1,521,286	1,503,884	1,283,122	220,762	1,503,845	(39)	1,503,845	0
34									

**South Dakota Lottery
Video Lottery - 0282 Budget**

Description	FY2017	FY2018		FY2019		FY2020		
	Actual Exp	Operating Budget	Actual Exp (Unaudited)	Budget (Over)/Under	Budget Request	Inc / (Dec)	Budget Request	Inc / (Dec)
Supplies & Materials								
Office Supplies	7,175	10,000	6,913	3,087	10,000	0	10,000	0
Printing-State	1,505	3,000	1,448	1,552	3,000	0	3,000	0
Printing-Commercial	0	3,000	62	2,938	3,000	0	3,000	0
Postage	7,424	13,000	5,106	7,894	13,000	0	13,000	0
Miscellaneous	0	616	0	616	616	0	616	0
Lottery Promo Items	6,039	0	0	0	0	0	0	0
Total Supplies & Materials	22,143	29,616	13,529	16,087	29,616	0	29,616	0
Capital Assets								
Computer Hardware, Software, Other Assets	51,385	180,000	2,452	177,548	180,000	0	180,000	0
Total Capital Assets	51,385	180,000	2,452	177,548	180,000	0	180,000	0
Other								
Operating Transfers Out								
DSS Gambling Treatment	162,661	214,000	181,329	32,671	214,000	0	214,000	0
Total Other	162,661	214,000	181,329	32,671	214,000	0	214,000	0
Total Operating Expenses	\$1,771,331	\$1,943,118	\$1,491,002	\$452,116	\$1,943,079	(\$39)	\$1,943,079	\$0
Total Video Lottery	\$2,489,815	\$2,683,492	\$2,179,121	\$504,371	\$2,682,351	(\$1,141)	\$2,682,351	\$0

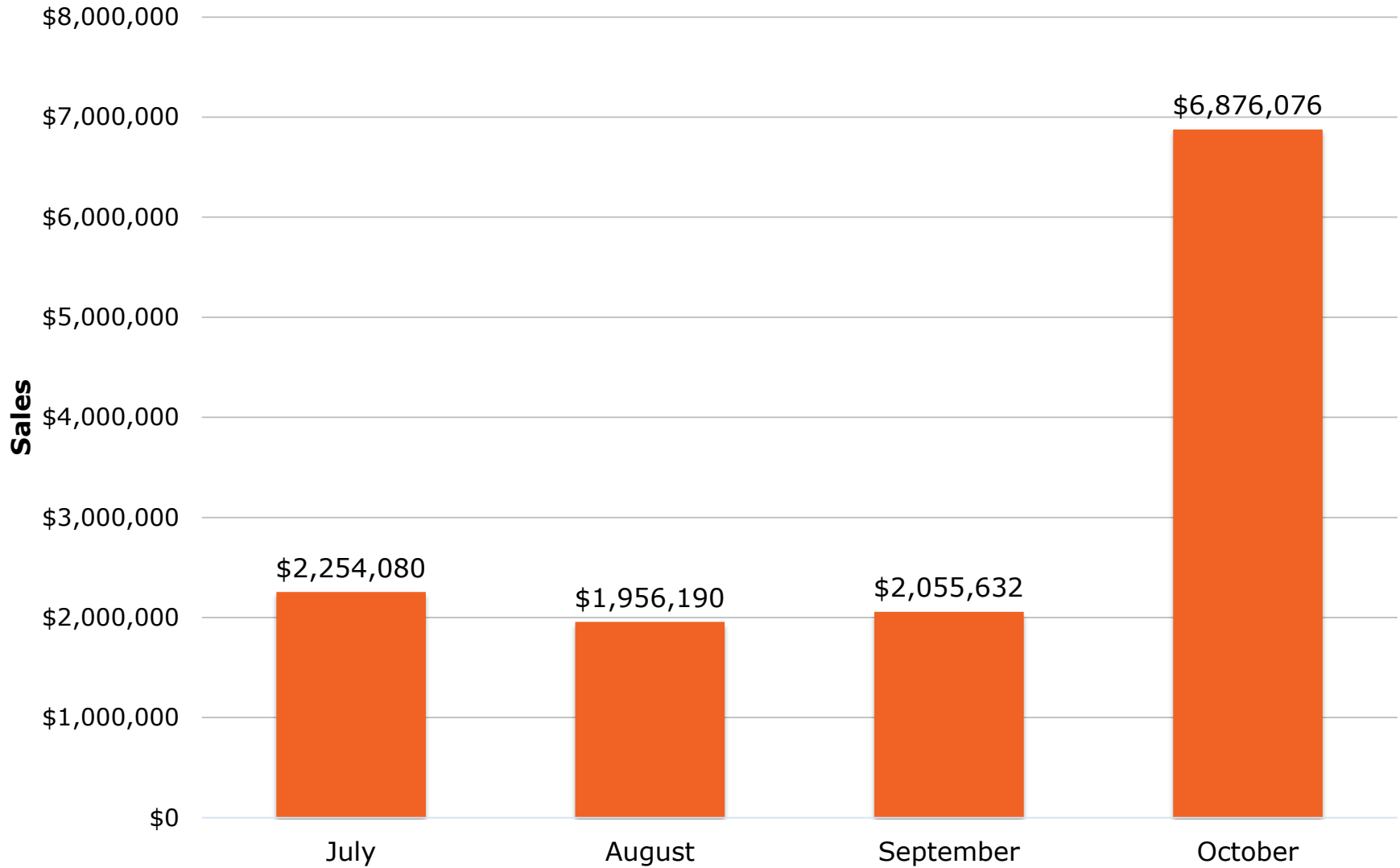
Mega Millions and Powerball Jackpot Run Report



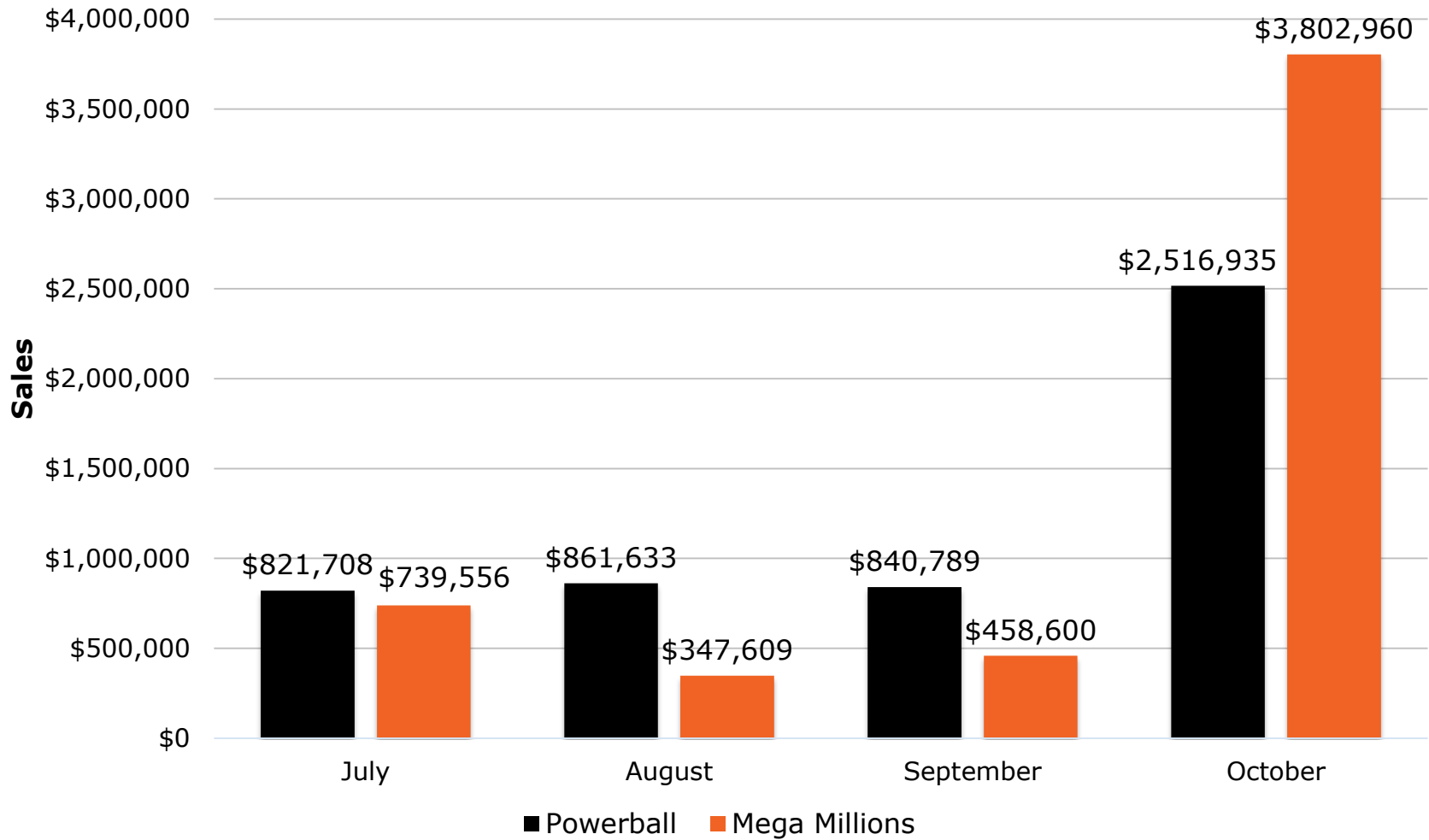
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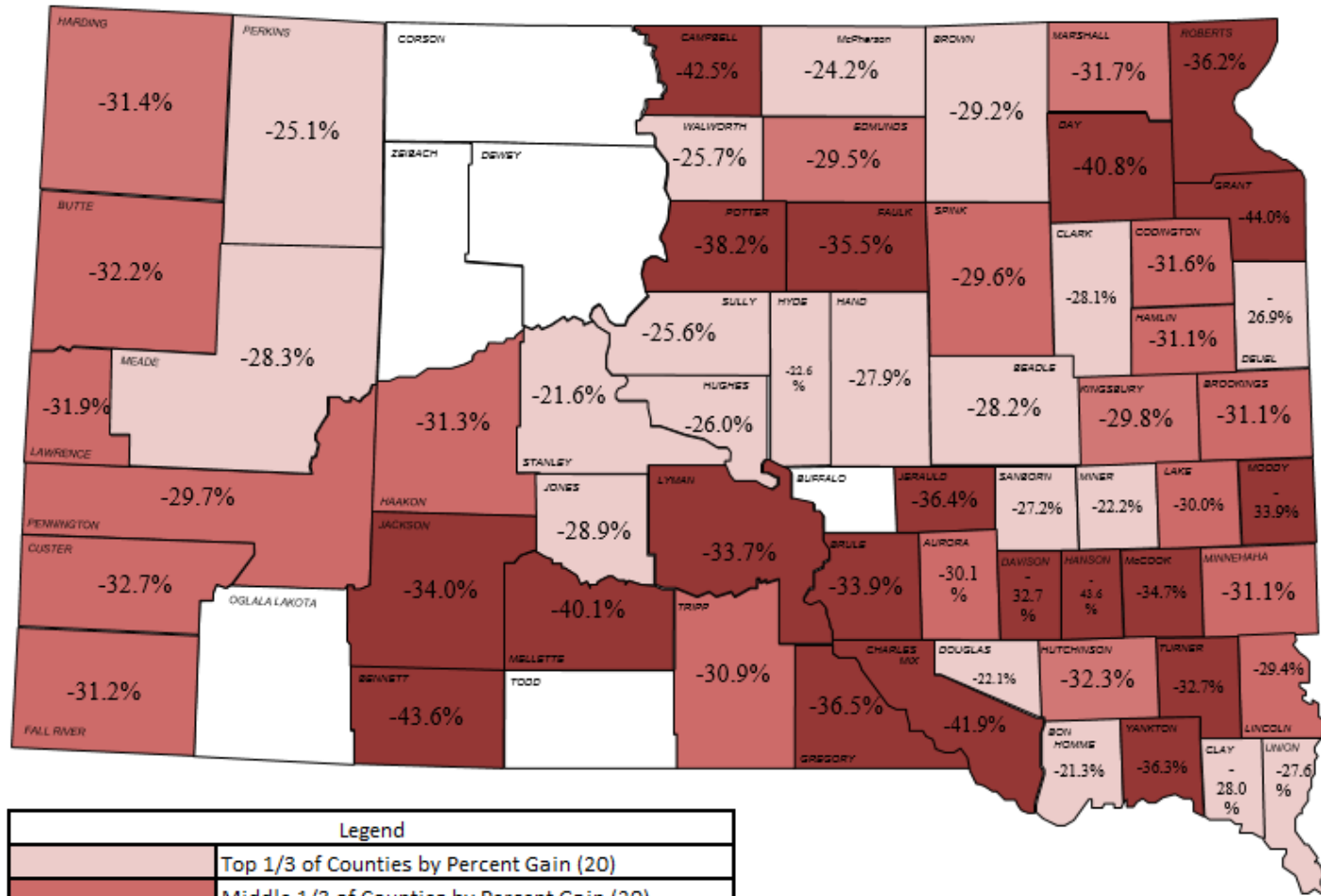
FY19 Online Sales



FY19 Powerball and Mega Millions Sales



YoY % Change in Online Sales as of September 30th



Legend	
	Top 1/3 of Counties by Percent Gain (20)
	Middle 1/3 of Counties by Percent Gain (20)
	Bottom 1/3 of Counties by Percent Gain (20)
	No Online Sales
	County by Percent Loss (60)



Mega Millions

Draw Date	Draw Day	Jackpot	Sales	Sales Increase
07/27/2018	Friday	\$40,000,000	\$31,803	
07/31/2018	Tuesday	\$45,000,000	\$33,691	6%
08/03/2018	Friday	\$50,000,000	\$34,309	2%
08/07/2018	Tuesday	\$55,000,000	\$36,673	7%
08/10/2018	Friday	\$63,000,000	\$33,927	-7%
08/14/2018	Tuesday	\$75,000,000	\$35,634	5%
08/17/2018	Friday	\$88,000,000	\$35,566	0%
08/21/2018	Tuesday	\$102,000,000	\$41,792	18%
08/24/2018	Friday	\$118,000,000	\$40,743	-3%
08/28/2018	Tuesday	\$134,000,000	\$43,705	7%
08/31/2018	Friday	\$152,000,000	\$45,260	4%
09/04/2018	Tuesday	\$167,000,000	\$44,620	-1%
09/07/2018	Friday	\$187,000,000	\$46,337	4%
09/11/2018	Tuesday	\$207,000,000	\$53,097	15%
09/14/2018	Friday	\$227,000,000	\$49,398	-7%
09/18/2018	Tuesday	\$252,000,000	\$55,968	13%
09/21/2018	Friday	\$275,000,000	\$55,109	-2%
09/25/2018	Tuesday	\$303,000,000	\$48,742	-12%
09/28/2018	Friday	\$336,000,000	\$82,103	68%
10/02/2018	Tuesday	\$367,000,000	\$74,305	-9%
10/05/2018	Friday	\$420,000,000	\$91,117	23%
10/09/2018	Tuesday	\$470,000,000	\$107,830	18%
10/12/2018	Friday	\$548,000,000	\$175,157	62%
10/16/2018	Tuesday	\$667,000,000	\$381,316	118%
10/19/2018	Friday	\$1,000,000,000	\$1,136,590	198%
10/23/2018	Tuesday	\$1,586,000,000	\$1,654,371	46%

Powerball

Draw Date	Draw Day	Jackpot	Sales	Sales Increase
08/15/2018	Wednesday	\$40,000,000	\$75,423	
08/18/2018	Saturday	\$50,000,000	\$77,265	2%
08/22/2018	Wednesday	\$60,000,000	\$79,462	3%
08/25/2018	Saturday	\$70,000,000	\$79,985	1%
08/29/2018	Wednesday	\$80,000,000	\$81,669	2%
09/01/2018	Saturday	\$90,000,000	\$89,379	9%
09/05/2018	Wednesday	\$100,100,000	\$90,089	1%
09/08/2018	Saturday	\$118,000,000	\$91,575	2%
09/12/2018	Wednesday	\$131,500,000	\$95,721	5%
09/15/2018	Saturday	\$147,500,000	\$93,627	-2%
09/19/2018	Wednesday	\$161,400,000	\$98,303	5%
09/22/2018	Saturday	\$179,400,000	\$98,923	1%
09/26/2018	Wednesday	\$195,000,000	\$103,229	4%
09/29/2018	Saturday	\$213,400,000	\$109,903	6%
10/03/2018	Wednesday	\$232,400,000	\$116,862	6%
10/06/2018	Saturday	\$262,300,000	\$124,349	6%
10/10/2018	Wednesday	\$287,600,000	\$130,285	5%
10/13/2018	Saturday	\$320,000,000	\$169,626	30%
10/17/2018	Wednesday	\$378,000,000	\$290,276	71%
10/20/2018	Saturday	\$476,700,000	\$479,274	65%
10/24/2018	Wednesday	\$602,500,000	\$666,938	39%
10/27/2018	Saturday	\$687,800,000	\$465,827	-30%



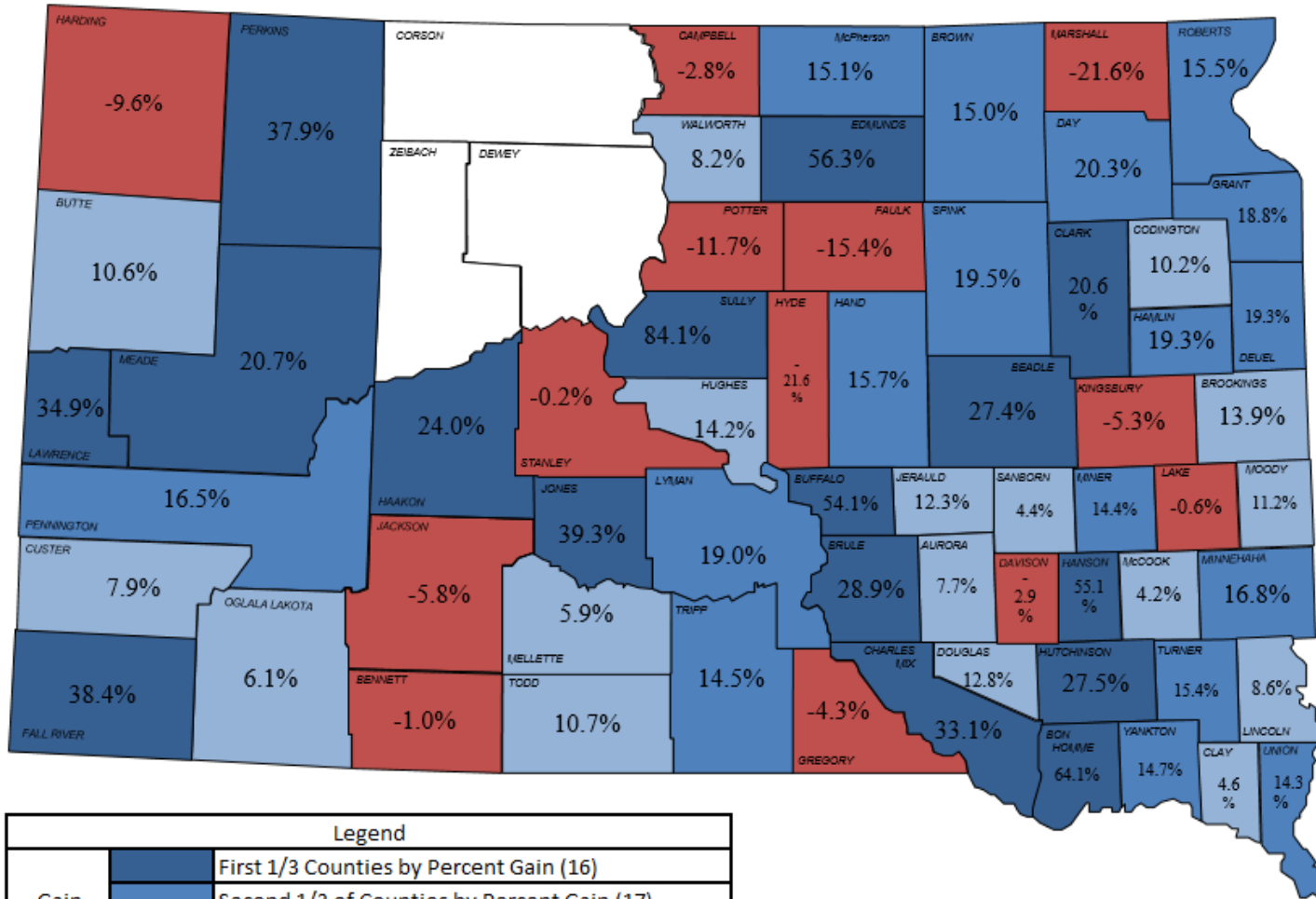
FY 19 Instant Ticket Review



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YoY % Change in Instant Sales



Legend		
Gain		First 1/3 Counties by Percent Gain (16)
		Second 1/3 of Counties by Percent Gain (17)
		Last 1/3 of Counties by Percent Gain (17)
N/A		No Instant Sales
Loss		Counties by Percent Loss (13)



Top Instant Ticket Markets

City	FY18	FY19	\$ Change	% Change
SIOUX FALLS	\$2,241,645	\$2,629,190	\$387,545	17.29%
RAPID CITY	\$1,233,517	\$1,427,940	\$194,423	15.76%
WATERTOWN	\$349,775	\$388,009	\$38,234	10.93%
ABERDEEN	\$318,249	\$365,729	\$47,480	14.92%
BROOKINGS	\$248,067	\$287,577	\$39,510	15.93%
SPEARFISH	\$187,575	\$257,963	\$70,388	37.53%
MITCHELL	\$262,097	\$254,428	-\$7,669	-2.93%
YANKTON	\$215,720	\$242,437	\$26,717	12.39%
HURON	\$180,032	\$230,524	\$50,492	28.05%
PIERRE	\$201,498	\$228,681	\$27,183	13.49%
Rest of the state	\$3,621,537	\$4,152,551	\$531,014	14.66%
State Total	\$9,059,712	\$10,465,029	\$1,405,317	15.51%



Top Instant Tickets

Price Point	Game Name	Sales Rank	Revenue Rank
\$20	\$300,000 Series	1	1
\$20	\$250,000 Show Stopper	2	3
\$10	50X	3	2
\$10	\$100,000 Taxes Paid	4	4
\$5	\$50,000 Bonus Play	5	5
\$10	\$50 or \$100	6	11
\$5	Frogger	7	6
\$5	Trucks & Bucks®	8	7
\$3	Cashword	9	8
\$5	Holiday 7	10	13
\$3	Naughty or Nice	11	10
\$3	Slingo Tripler	12	12
\$3	Pac-Man	13	14
\$1	Whit Hot 7's	14	9
\$2	Money Multiplier	15	15

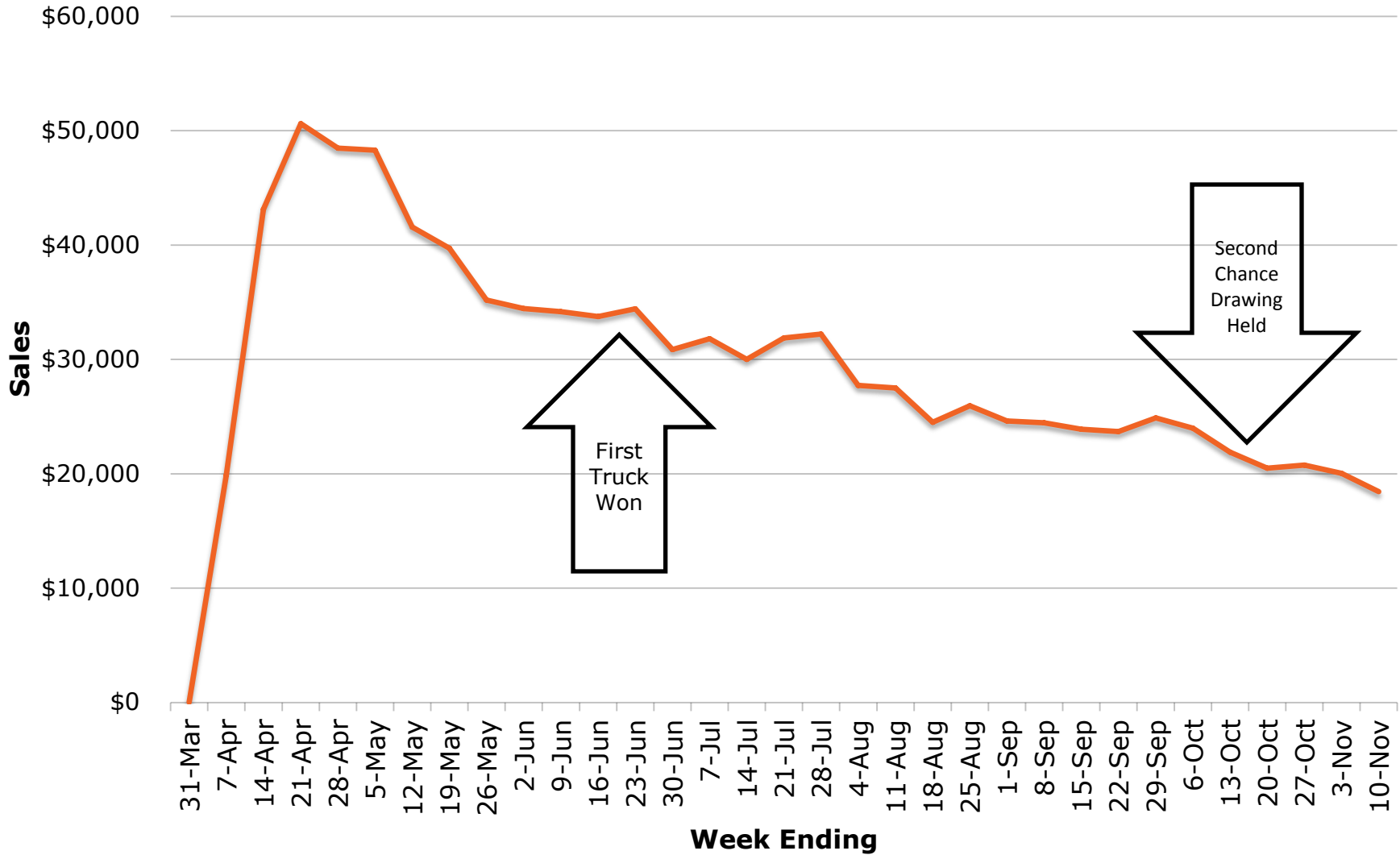


Vendor Recommended Payouts and Odds

Price Point	Minimum Payout	Maximum Payout	Minimum Odds	Maximum Odds
\$1	60.50%	61.50%	1:4.40	1:4.90
\$2	65.00%	66.00%	1:4.00	1:4.40
\$3	66.00%	67.00%	1:3.80	1:4.20
\$5	67.00%	68.00%	1:3.60	1:3.99
\$10	71.00%	72.00%	1:3.20	1:3.59
\$20	74.00%	75.00%	1:2.80	1:3.19



Trucks and Bucks



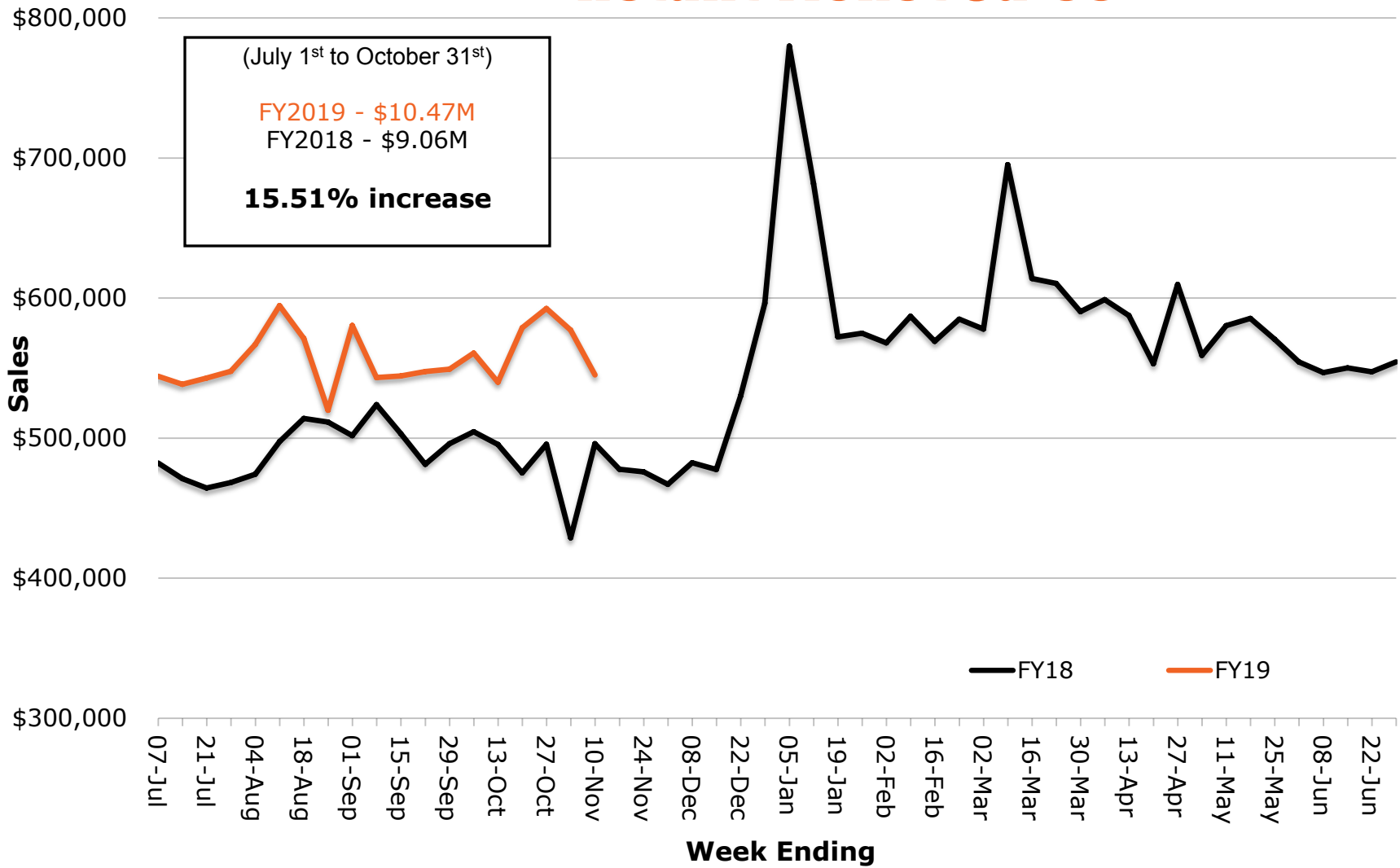
Sales and Public Relations/Advertising Report



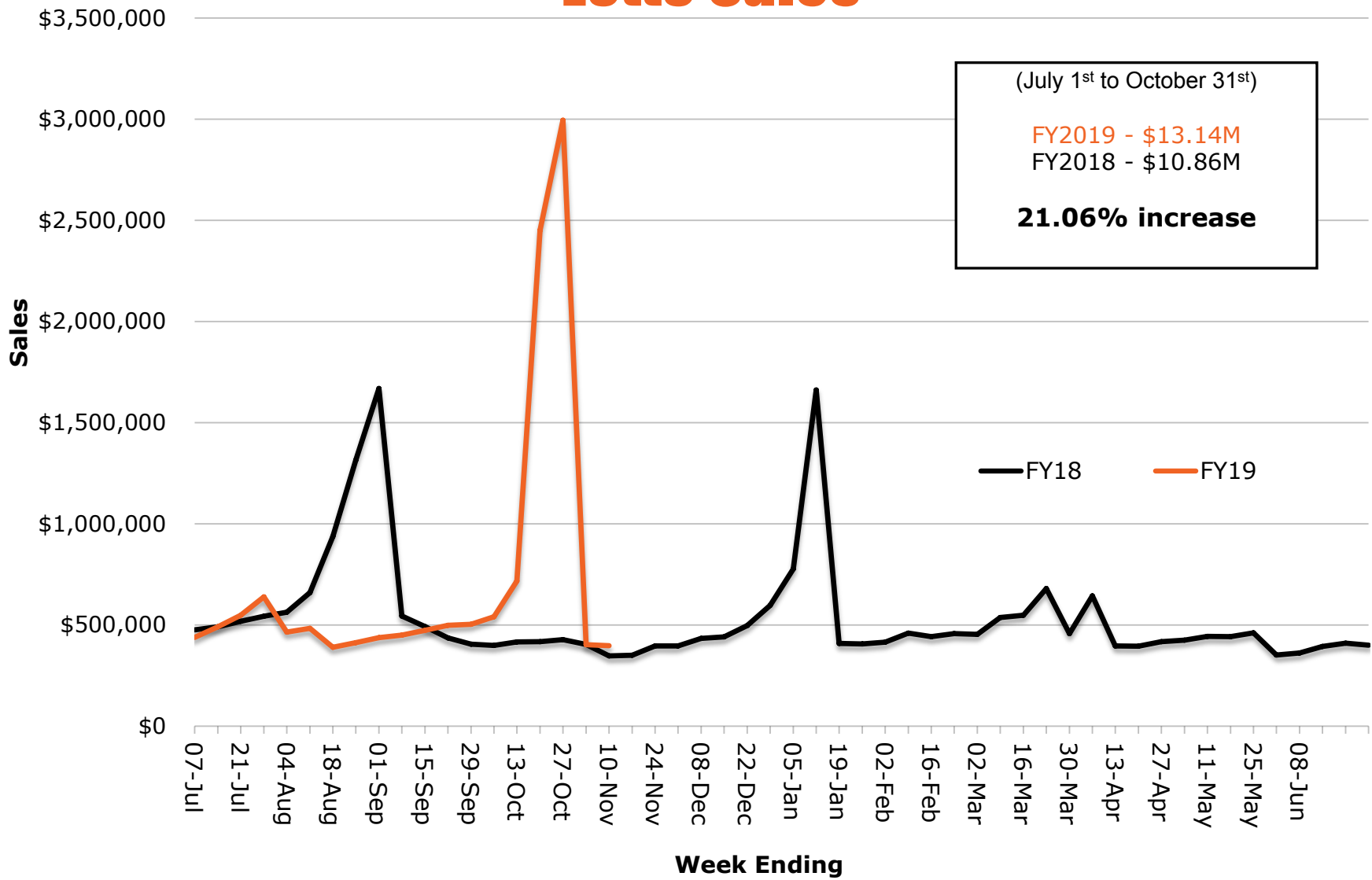
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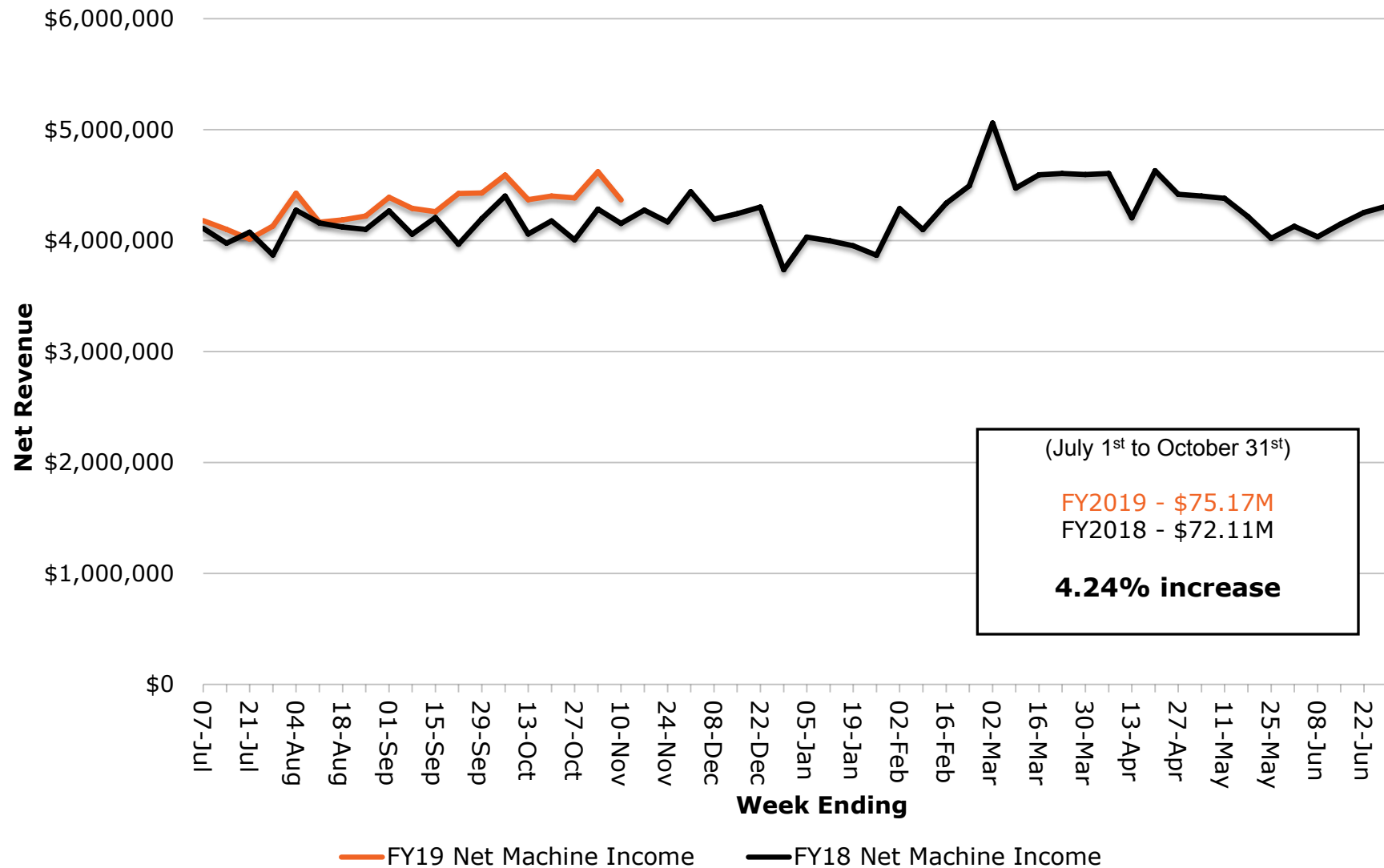
Instant Ticket Sales



Lotto Sales



Video Lottery Net Machine Income



Trucks & Bucks “2nd Chance” Winner

- Raquel Moffer / Fort Thompson
 - “Non-Winning” Ticket purchased at Fuel Mart in Spencer
 - Drawn from 90,000+ entries on October 12th
 - Ford F-150 ordered from Vern Eide Ford in Mitchell



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Major Winners Since September

- \$331,506 / Dakota Cash (Box Elder)
- \$133,000 / Instant (Watertown)
- \$86,448 / Dakota Cash (Pierre)
- \$100,000 / Powerball (Sioux Falls)
- \$100,000 / Powerball (Lead)
- \$50,000 / Powerball (Madison)
- \$50,000 / Powerball (Mitchell)
- \$50,000 / Instant (Britton)
- \$50,000 / Instant (Pringle)
- \$50,000 / Instant (Huron)



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Lucky for Life 2nd Prize Winner

- Christopher Whitley / Redfield
 - \$390,000 Prize Value
 - Drawn on October 10th
 - Second SD Winner



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SD LOTTERY

luck calls & holiday

Creative Review

A close-up, profile view of a woman with long, wavy hair looking towards a dark, curly-haired dog. The scene is lit with a warm, orange-brown glow, creating a soft and intimate atmosphere. The woman's face is partially visible, showing her eye and nose. The dog's head is in the foreground, facing the woman.

WHEN LUCK CALLS, SCRATCH IT.

INSTANT CAMPAIGN

TV



TV

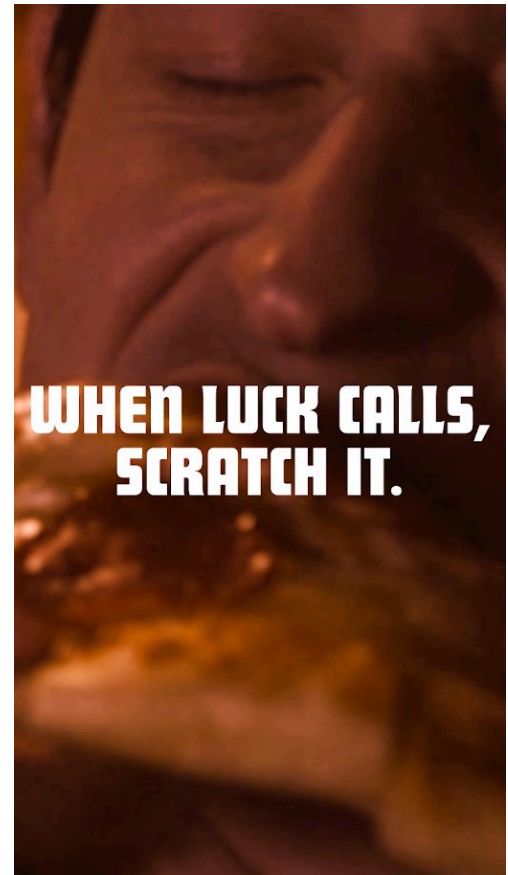


TV



Paid Social - Video

The image shows a \$3 Pac-Man Lottery scratch-off ticket. At the top, it says '\$3' and 'LOTTERY'. Below that is a row of icons for different game features: 'GO RIGHT', 'GO LEFT', 'GO UP', 'GO DOWN', 'GAME OVER', 'WIN 1', 'WIN 2', 'WIN 3', and 'WIN BIG'. The main area of the ticket is a maze with a Pac-Man character at the start and four 'FINISH' points. Below the maze are three 'LIFE' indicators (LIFE 1, LIFE 2, LIFE 3) and the text 'SCRATCH ANY LIFE TO START'. At the bottom of the ticket, it says 'WIN UP TO \$30,000!' and 'BEFORE SCRATCHING, SEE BACK FOR PLAY INSTRUCTIONS'. Below the ticket, there is a digital score display on a blue background that reads 'SCORE UP TO \$30,000' in a pixelated font.



JOLLY GOOD FUN ...FOR EVERYONE

HOLIDAY 2018 CAMPAIGN



TV



Holiday POS

Poster
Window Cling
Ceiling Dangler

FINISH
YOUR
LIST
IN A
DASH.



**SOUTH DAKOTA
LOTTERY**

JollyGoodFunSD.com

Must be 18 to play. Please play responsibly.

Holiday Billboard (last minute)

JOLLY GOOD
LAST-MINUTE GIFTS.

L
SOUTH DAKOTA
LOTTERY

NAUGHTY or NICE
CASHWORD
YOUR 10 LETTERS
* BONUS NAME *
LOUIS
RED LINE DOUBLES
BONUS PRIZE PRIZE
WIN UP TO \$30,000!

A crossword puzzle ticket with a red border and a small illustration of a mischievous elf. The ticket includes a grid of letters and words to be filled in, with a bonus name field and prize amounts.

FINISH YOUR LIST IN A DASH.

L
SOUTH DAKOTA
LOTTERY

7
WIN UP TO \$57,777!

WIN UP TO 15 TIMES!

A scratch-off lottery ticket with a green background and a large red number '7'. The ticket features a grid of dollar signs and a small illustration of Santa Claus on a sleigh. The text 'WIN UP TO 15 TIMES!' is visible at the bottom.

Holiday Magazine Ad (etc for her, Black Hills woman & Sioux Falls woman)

**JOLLY
GOOD
FUN FOR
EVERYONE.**

To All a
Good Scratch

- Stocking Stuffers
- Last-Minute Gifts
- Office Party Gift
- Secret Santa Gift
- Hostess Gift
- Party Favours
- Co-workers
- Dog Sitter
- Mail Carrier
- Mrs. Claus
- Elves
- Reindeer

CASTING UP THE SNOW
WIN UP TO \$10,000

NAUGHTY NICE CASINO
WIN UP TO \$10,000

7
WIN UP TO \$7,777!

KEEP ME HOT MONEY
WIN UP TO \$10,000

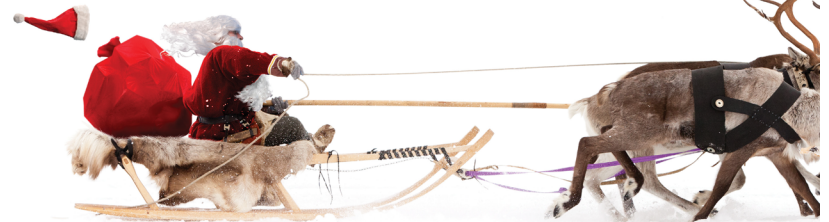
SOUTH DAKOTA LOTTERY
JollyGoodFunSD.com

Must be 18 to play. Please play responsibly.

Holiday Mall Table Clings (Empire Mall & Rushmore Mall)



FINISH YOUR LIST IN A DASH.



Must be 18 to play. Please play responsibly.



SOUTH DAKOTA
LOTTERY™