



13001 University Avenue
Clive Iowa 50325-8225
www.ialottery.com
515.725.7900

Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

AGENDA

IOWA LOTTERY BOARD

December 15, 2020
10:30 am

- Teleconference Only -
Conference Call Phone Number: 515-206-9299
(No PIN # is required to join the call)

It is impractical and imprudent for the Iowa Lottery Board to meet in person due to the ongoing public health emergency. Thus, in compliance with Iowa Code section 21.8, this meeting will be conducted by telephone.

- I. Call to Order
 - a. Approval of Agenda
 - b. Approval of Minutes – September 29, 2020
- II. CEO Update
- III. Quarterly Reports
 - a. Financial
 - b. Sales and Marketing
 - c. Security
 - d. IT Systems
 - e. External Relations
- IV. Instant Ticket Printing Contract Extensions
- V. 2021 NASPL Membership
- VI. Adjournment

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

MINUTES

IOWA LOTTERY BOARD

September 29, 2020

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. via conference call; Board Chairperson Sherrae Hanson presiding.

Board Members Present on Teleconference:

Sherrae Hanson, John Quinn, Mary Junge, Hon. Michael Fitzgerald

Board Members Absent:

Josh Cook, Mary Rathje

Lottery Staff Participating:

Matt Strawn, CEO; Larry Loss, COO; Michael Conroy, VP, Finance; Cam Coppess, VP, Security; Mary Neubauer, VP, External Relations; Megan Tooker, VP, Legal Counsel; David Ranscht, AAG; Deb Bassett, Board Secretary.

Others Present on Conference Call:

Angel Banks-Adams, LSA; Dave Berger, SGI; Rod Boshart, Cedar Rapids Gazette; Dar Danielson, Radio Iowa

CALL TO ORDER

Chairperson Hanson called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Hanson announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Junge moved to conduct the meeting via teleconference. Quinn seconded. Motion carried unanimously.

APPROVAL OF AGENDA

Junge moved to approve the agenda for the meeting. Quinn seconded. Motion carried unanimously.

APPROVAL OF MINUTES

Quinn moved to approve the June 23, 2020 board meeting minutes. Junge seconded. Motion carried unanimously.

CEO UPDATE

Strawn provided an update on Lottery operations and sales as the Lottery Authority began its sixth month navigating the coronavirus public health emergency.

Strawn stated that many of the coronavirus-related operational protocols developed throughout the spring and summer remain in place. These protocols include telework, staggered in-person office hour schedules, social distancing practices, and face-covering policies for personnel. Continued protocols include making sure all necessary personal protective equipment is procured, in stock, and available to staff.

Strawn stated the Lottery is starting FY21 in a strong position. Sales are up over 20% compared to the first two months of FY20. Lottery operational expenses are currently 16% under budget for the fiscal year.

Strawn stated current sales trends have emerged. Instant tickets have had incremental growth; InstaPlay is seeing consistent growth; pull-tabs have stable sales; daily lotto games (i.e. Pick 3, Pick 4) have stable sales; and lotto games (i.e. Powerball, Mega Millions) have experienced slumping sales – which has been exacerbated by the changes in consumer behavior driven by the COVID-19 pandemic.

Strawn asked board members to keep these trends in mind in order to understand how the Lottery looks at product performance data in its utilization of a five-year rolling average for the revenue projections and budgeting purposes.

QUARTERLY REPORTS

Sales and Marketing:

Loss provided a Sales and Marketing update on behalf of the VP of Sales and Marketing. Loss stated scratch tickets and InstaPlay have been the best selling products this quarter and pull-tabs have been very steady. Through the first two months, sales are ahead of the fiscal year budget, the 5-year average, and last year's actual sales. September is on track to continue that trend.

The Lottery's Prize Zone that launched in mid-February was designed to allow VIP Club members to enter tickets for both cash and non-cash prizes. Players have embraced the Prize Zone with enthusiasm and that is reflected in scratch ticket sales.

In April, the Lottery launched a digital promotional prize claim process that allows players to claim their promotional prizes in a safe, secure, hands-free manner. A majority of players have chosen to utilize this new prize claim process for promotions.

Loss provided an update on the Summer Cash Bash promotion. The summer promotion was very successful. The majority of entries came through the mobile app and the VIP Club gained 4,500 new members during the promotion; most players chose to use the new digital promotional claim process to claim their prize.

This year's annual holiday promotion, Winner Wonderland, will start soon. This will be an exciting promotion with 181 players winning \$640,000, including one player who will win the grand prize of \$250,000.

Security:

Copess discussed the security report for July – September. When comparing past reports, in the category for Records of Contact, customer assists and theft are the two areas that the Security staff put the most effort towards.

IT Systems:

Strasser stated that the Lottery and Scientific Games have started discussions and the groundwork for the implementation and conversion to the new central gaming system which is set to go live on August 22, 2021. The Lottery and the vendor are working to gather specifications for the new system and there is a long list of tasks on the project plan to support the move to the new gaming system.

External Relations:

Neubauer recapped the Lottery's pandemic response thus far and provided details on the Lottery's plan to move the prize claim process back inside Lottery offices prior to the onset of winter. Many restrictions will be in place to mitigate the spread of germs and keep staff and the public safe.

Neubauer stated the External Relations team created a short video to show what the prize claim process will look like beginning October 1, 2020. In the video, additional protective glass or plexi-glass shields are up at the customer-service counters, hand-sanitizing stations are located inside the front doors, floor decals remind everyone to maintain social distancing, and sanitizing wipes are on hand in multiple spots. Staffers will wear masks when interacting with the public, and visitors are encouraged to also wear masks. After each prize-claim appointment, the area will be wiped down and sanitized.

Financial:

Conroy gave a financial report. The performance measures show total sales for fiscal year 2020 were \$371M, which was \$25M ahead of budget. The Iowa Lottery paid \$236M to players in FY20, which was \$26M ahead of budget. Operating expenses came in at \$13.5M, which was \$1.8M under budget. Total proceeds for FY20 were \$81.5M, which was \$9.5M ahead of budget.

For fiscal year 2021, the performance measures show total sales are \$68.6M, which is \$12.9M ahead of budget. The Iowa Lottery has paid \$43M in prizes in FY2021, \$9.2M ahead of budget. Operating expenses for fiscal year to date are \$2.1M, which are \$433K under budget. Total proceeds for FY2021 are \$15.9M, which is \$4.9M ahead of budget.

Conroy also shared the Agreed Upon Procedures Report released by the State Auditor's office. The report details the procedures and findings for the Lucky for Life game; there were no findings related to these procedures.

Junge moved to approve the Quarterly Reports. Quinn seconded. Motion carried unanimously.

Hanson thanked the Lottery team for the great results achieved during the pandemic.

FY22 and FY23 BUDGETS

Conroy discussed the proposed FY22 and FY23 budgets. Conroy stated that the Lottery has budgeted an approximate 1% increase in proceeds to the State for FY22. The budget for FY23 is similar to the FY22 budget minus some one-time expenses which results in an approximately .3% increase in proceeds over FY22. The budgets will be reviewed again next spring for any payroll adjustments and any other external or internal factors change.

Junge moved to approve the FY22 and FY23 budgets. Quinn seconded. Motion carried unanimously.

PULL-TAB CONTRACT EXTENSIONS

Loss stated there are two pull-tab related items on the agenda - Pull-tab Vending Machine Contract Extension and Purchase of Pull-tabs Contract Extension. Loss discussed the two agenda items at the same time due to commonality in the information to be presented.

Loss stated that both of the contracts in place for pull-tabs are with American Games, located in Council Bluffs, Iowa.

The Pull-tab Vending Machine contract was approved by the Board in June of 2016. The initial term ended on September 30, 2019. The first extension ends on September 30, 2020.

The Purchase of Pull-tabs contract was approved by the Board in September of 2017. The initial term ended on December 31, 2019. The first extension ends on December 31, 2020.

Both of the contracts have 3 one-year extensions available. And both of the contracts are subject to a CPI adjustment. Previously, the Lottery had negotiated with American Games, and the Board had approved the use of the July to July CPI adjustment percentage for both contracts. With Board approval, the CPI adjustment for the contract extensions will be 1%.

American Games is in good standing with the Iowa Lottery and have been appropriately executing the terms of the existing contracts.

Loss stated that it is the staff's recommendation to exercise the first extension available for both of the contracts. By exercising the first extension, the Pull-tab Vending Machine contract will be extended to September 30, 2021 and the Purchase of Pull-tabs contract will be extended to December 31, 2021.

Loss requested the Board approve the contract extension for the Pull-tab Vending Machine contract and the contract extension for the Purchase of Pull-tabs contract.

Junge moved to approve the two contract extensions. Quinn seconded. Motion carried unanimously.

ADJOURNMENT

Quinn moved to adjourn. Junge seconded. Motion carried unanimously.

Meeting adjourned at 11:16 a.m.

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2020
October 31, 2020

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2021	27,772,000	27,953,000	25,424,000	31,328,500	26,772,000	29,323,000	36,479,500	29,870,500	33,188,500	29,115,500	30,819,500	27,807,000
	Actual '21	35,877,538	32,785,001	31,506,897	34,353,991	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2021	16,816,277	16,896,090	15,470,753	18,637,975	16,412,482	17,886,699	21,734,005	18,166,822	20,210,922	17,979,455	18,831,663	16,957,580
	Actual '21	22,153,996	20,849,533	20,674,330	22,370,618	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2021	1,320,537	1,232,134	1,272,793	1,285,539	1,246,693	1,345,992	1,244,642	1,193,006	1,331,215	1,268,539	1,282,156	1,353,173
	Actual '21	1,057,133	1,062,290	1,128,016	1,102,987	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2021	5,823,049	5,149,104	5,563,643	6,458,880	5,475,762	4,923,159	8,287,724	6,536,803	6,136,233	6,434,560	6,525,940	5,385,674
	Actual '21	9,181,924	6,774,387	6,550,482	7,620,918	-	-	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2021	27,772,000	55,725,000	81,149,000	112,477,500	139,249,500	168,572,500	205,052,000	234,922,500	268,111,000	297,226,500	328,046,000	355,853,000
	Actual '21	35,877,538	68,662,539	100,169,436	134,523,427	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2021	16,816,277	33,712,367	49,183,120	67,821,095	84,233,577	102,120,276	123,854,281	142,021,103	162,232,025	180,211,480	199,043,143	216,000,723
	Actual '21	22,153,996	43,003,529	63,677,859	86,048,477	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2021	1,320,537	2,552,671	3,825,464	5,111,003	6,357,696	7,703,688	8,948,330	10,141,336	11,472,551	12,741,090	14,023,246	15,376,419
	Actual '21	1,057,133	2,119,423	3,247,439	4,350,426	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2021	5,823,049	10,972,153	16,535,796	22,994,676	28,470,438	33,393,597	41,681,321	48,218,124	54,354,357	60,788,917	67,314,857	72,700,531
	Actual '21	9,181,924	15,956,311	22,506,793	30,127,711	-	-	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	59.49%	60.30%
Prize Payout - Actual	65.12%	63.97%
Sales - Actual increase (decrease) vs. Budget		19.60%
Proceeds - Actual increase (decrease) vs. Budget		31.02%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2021

October 31, 2020		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2021	27,772,000	27,953,000	25,424,000	31,328,500	26,772,000	29,323,000	36,479,500	29,870,500	33,188,500	29,115,500	30,819,500	27,807,000
	5-year av.	28,909,745	29,312,375	26,699,784	31,123,852	28,159,420	30,704,090	37,086,272	29,466,602	33,757,889	31,145,692	33,530,516	30,695,695
	Actual '20	27,846,491	28,093,920	27,156,818	27,814,584	28,775,272	30,955,509	34,426,107	30,040,444	28,896,281	32,194,176	38,846,931	36,906,960
	Actual '21	35,877,538	32,785,001	31,506,897	34,353,991	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2021	16,816,277	16,896,090	15,470,753	18,637,975	16,412,482	17,886,699	21,734,005	18,166,822	20,210,922	17,979,455	18,831,663	16,957,580
	5-year av.	17,703,509	18,251,671	16,405,033	19,038,577	16,985,912	20,365,393	21,755,231	17,603,095	21,982,406	18,974,262	20,594,988	18,967,262
	Actual '20	17,579,210	18,081,688	16,760,932	17,241,936	17,559,342	22,137,093	20,486,448	17,786,919	19,476,775	19,973,806	25,928,192	23,304,663
	Actual '21	22,153,996	20,849,533	20,674,330	22,370,618	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2021	1,320,537	1,232,134	1,272,793	1,285,539	1,246,693	1,345,992	1,244,642	1,193,006	1,331,215	1,268,539	1,282,156	1,353,173
	5-year av.	1,090,471	1,071,667	1,030,775	1,099,078	1,097,187	1,091,716	1,103,912	1,016,971	1,060,368	1,054,879	1,154,536	1,434,118
	Actual '20	1,110,516	1,030,009	1,057,965	1,130,916	1,044,839	1,112,026	1,127,198	1,040,632	1,131,397	1,096,660	1,022,773	1,598,539
	Actual '21	1,057,133	1,062,290	1,128,016	1,102,987	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2021	5,823,049	5,149,104	5,563,643	6,458,880	5,475,762	4,923,159	8,287,724	6,536,803	6,136,233	6,434,560	6,525,940	5,385,674
	5-year av.	6,845,977	6,301,169	6,275,263	7,561,043	6,605,298	5,680,813	9,887,228	7,431,415	6,857,904	7,739,735	7,913,614	6,958,510
	Actual '20	6,009,246	5,494,118	6,310,989	6,563,644	6,756,517	4,206,053	8,710,630	7,999,869	5,040,937	8,195,442	7,713,140	8,528,747
	Actual '21	9,181,924	6,774,387	6,550,482	7,620,918	-	-	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2021	27,772,000	55,725,000	81,149,000	112,477,500	139,249,500	168,572,500	205,052,000	234,922,500	268,111,000	297,226,500	328,046,000	355,853,000
	5-year av.	28,909,745	58,222,120	84,921,904	116,045,756	144,205,176	174,909,266	211,995,538	241,462,140	275,220,029	306,365,721	339,896,237	370,591,932
	Actual '20	27,846,491	55,940,411	83,097,229	110,911,813	139,687,085	170,642,594	205,068,701	235,109,145	264,005,426	296,199,602	335,046,533	371,953,493
	Actual '21	35,877,538	68,662,539	100,169,436	134,523,427	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2021	16,816,277	33,712,367	49,183,120	67,821,095	84,233,577	102,120,276	123,854,281	142,021,103	162,232,025	180,211,480	199,043,143	216,000,723
	5-year av.	17,703,509	35,955,180	52,360,213	71,398,790	88,384,702	108,750,095	130,505,326	148,108,421	170,090,827	189,065,089	209,660,077	228,627,339
	Actual '20	17,579,210	35,660,898	52,421,830	69,663,766	87,223,108	109,360,201	129,846,649	147,633,568	167,110,343	187,084,149	213,012,341	236,317,004
	Actual '21	22,153,996	43,003,529	63,677,859	86,048,477	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2021	1,320,537	2,552,671	3,825,464	5,111,003	6,357,696	7,703,688	8,948,330	10,141,336	11,472,551	12,741,090	14,023,246	15,376,419
	5-year av.	1,090,471	2,162,138	3,192,913	4,291,991	5,389,178	6,480,894	7,584,806	8,601,777	9,662,145	10,717,024	11,871,560	13,305,678
	Actual '20	1,110,516	2,140,525	3,198,490	4,329,406	5,374,245	6,486,271	7,613,469	8,654,101	9,785,498	10,882,158	11,904,931	13,503,470
	Actual '21	1,057,133	2,119,423	3,247,439	4,350,426	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2021	5,823,049	10,972,153	16,535,796	22,994,676	28,470,438	33,393,597	41,681,321	48,218,124	54,354,357	60,788,917	67,314,857	72,700,531
	5-year av.	6,845,977	13,147,146	19,422,409	26,983,452	33,588,750	39,269,563	49,156,791	56,588,206	63,446,110	71,185,845	79,099,459	86,057,969
	Actual '20	6,009,246	11,503,364	17,814,353	24,377,997	31,134,514	35,340,567	44,051,197	52,051,066	57,092,003	65,287,445	73,000,585	81,529,332
	Actual '21	9,181,924	15,956,311	22,506,793	30,127,711	-	-	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	59.49%	60.30%
Prize Payout - 5-Year Average	61.17%	61.53%
Prize Payout - Actual	65.12%	63.97%
Sales - Actual increase (decrease) vs. 5-Year Average		15.92%
Proceeds - Actual increase (decrease) vs. 5-Year Average		11.65%
Sales - Actual increase (decrease) vs. Budget		19.60%
Proceeds - Actual increase (decrease) vs. Budget		31.02%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Four Months Ending Saturday, October 31, 2020

	Month ended 10/31/2020	Month ended 10/31/2019	Year-to-date 10/31/2020	Year-to-date 10/31/2019
Operating revenues:				
Instant-scratch ticket sales	\$ 24,814,407.00	\$ 19,427,026.00	\$ 95,720,698.00	\$ 77,716,817.00
InstaPlay sales	2,130,086.00	987,458.00	9,377,603.00	3,501,957.00
Pick 3 sales	788,552.50	664,203.00	3,110,886.50	2,635,373.50
Powerball sales	2,809,675.00	3,063,870.00	11,140,022.00	11,765,850.00
Mega Millions Sales	1,342,402.00	1,322,919.00	5,369,940.00	5,962,646.00
Pick 4 sales	438,650.50	385,918.50	1,827,419.50	1,523,634.00
Lucky for Life sales	465,928.00	451,812.00	1,836,248.00	1,820,170.00
Lotto America sales	522,141.00	557,173.00	2,144,393.00	2,233,316.00
Pull-tab sales	1,042,148.76	954,204.93	3,996,217.49	3,752,050.93
Application fees	325.00	375.00	1,250.00	1,200.00
Other	197.59	686.28	1,317.25	2,098.40
Total operating revenues	<u>34,354,513.35</u>	<u>27,815,645.71</u>	<u>134,525,994.74</u>	<u>110,915,112.83</u>
Operating expenses:				
Scratch ticket prizes	16,544,110.16	12,586,679.87	63,148,639.66	51,333,438.87
InstaPlay prizes	1,825,786.00	690,172.88	7,024,306.48	2,429,429.74
Pick 3 prizes	473,131.50	398,521.80	1,866,531.90	1,581,224.10
Powerball prizes	1,404,765.50	1,532,613.50	5,570,102.00	5,887,414.00
Mega Millions prizes	671,201.00	661,459.50	2,684,970.00	2,981,323.00
Pick 4 prizes	263,190.30	231,551.10	1,096,451.70	914,180.40
Lucky for Life prizes	276,915.00	266,623.26	1,091,343.29	1,073,588.76
Lotto America prizes	261,070.50	278,586.50	1,072,196.50	1,116,658.00
Pull-tab prizes	650,448.12	595,727.51	2,493,935.33	2,346,509.46
Advertising/publicity	454,000.34	600,806.25	2,157,918.49	2,452,287.50
Retailer compensation expense	2,253,573.31	1,812,065.83	8,793,754.69	7,234,022.75
Ticket expense	265,496.22	305,165.41	1,031,938.64	1,065,658.90
Vendor compensation expense	464,828.72	456,738.65	1,847,256.02	1,803,738.01
Salary and benefits	907,199.87	920,809.30	3,582,196.27	3,468,017.93
Travel	16,011.74	21,669.71	54,703.08	97,034.69
Supplies	8,980.52	26,499.93	44,920.69	42,171.43
Printing	-	-	86.52	184.80
Postage	267.99	230.39	1,701.40	968.95
Communications	14,677.58	14,751.43	53,923.08	60,115.85
Rentals	26,683.03	26,509.22	106,517.42	106,094.68
Utilities	2,438.13	3,993.78	27,928.86	31,074.06
Professional fees	10,118.12	13,811.25	36,922.44	49,677.66
Vending machine maintenance	21,840.00	21,168.00	86,352.00	84,672.00
Outside services and repairs	89,715.42	53,679.13	302,244.95	267,521.44
Data processing	10,716.52	10,176.99	42,873.11	43,747.59
Equipment	31,478.35	20,306.08	91,434.22	103,970.15
Reimbursement to other state agencies	31,174.61	38,285.80	121,859.96	132,986.35
Depreciation	38,287.58	40,724.37	150,842.58	171,546.97
Other	4,161.42	4,378.71	17,897.26	22,875.88
MUSL/Lotto administrative expense	10,056.38	2,761.58	40,225.52	11,046.32
Total operating expenses	<u>27,032,323.93</u>	<u>21,636,467.73</u>	<u>104,641,974.06</u>	<u>86,913,180.24</u>
Operating income	<u>7,322,189.42</u>	<u>6,179,177.98</u>	<u>29,884,020.68</u>	<u>24,001,932.59</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(7,620,917.97)	(6,563,644.27)	(30,127,709.96)	(24,377,996.58)
Interest income	1,458.75	37,287.51	31,903.73	147,676.84
Gain (Loss) on disposal of capital assets	12,325.00	-	12,325.00	1,750.00
Net non-operating revenues	<u>(7,607,134.22)</u>	<u>(6,526,356.76)</u>	<u>(30,083,481.23)</u>	<u>(24,228,569.74)</u>
Change in net position	<u>(284,944.80)</u>	<u>(347,178.78)</u>	<u>(199,460.55)</u>	<u>(226,637.15)</u>
Net position beginning of period	4,334,838.36	4,923,197.08	4,249,354.11	4,802,655.45
Net position end of period	<u>4,049,893.56</u>	<u>4,576,018.30</u>	<u>4,049,893.56</u>	<u>4,576,018.30</u>

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Three Months Ending Wednesday, September 30, 2020

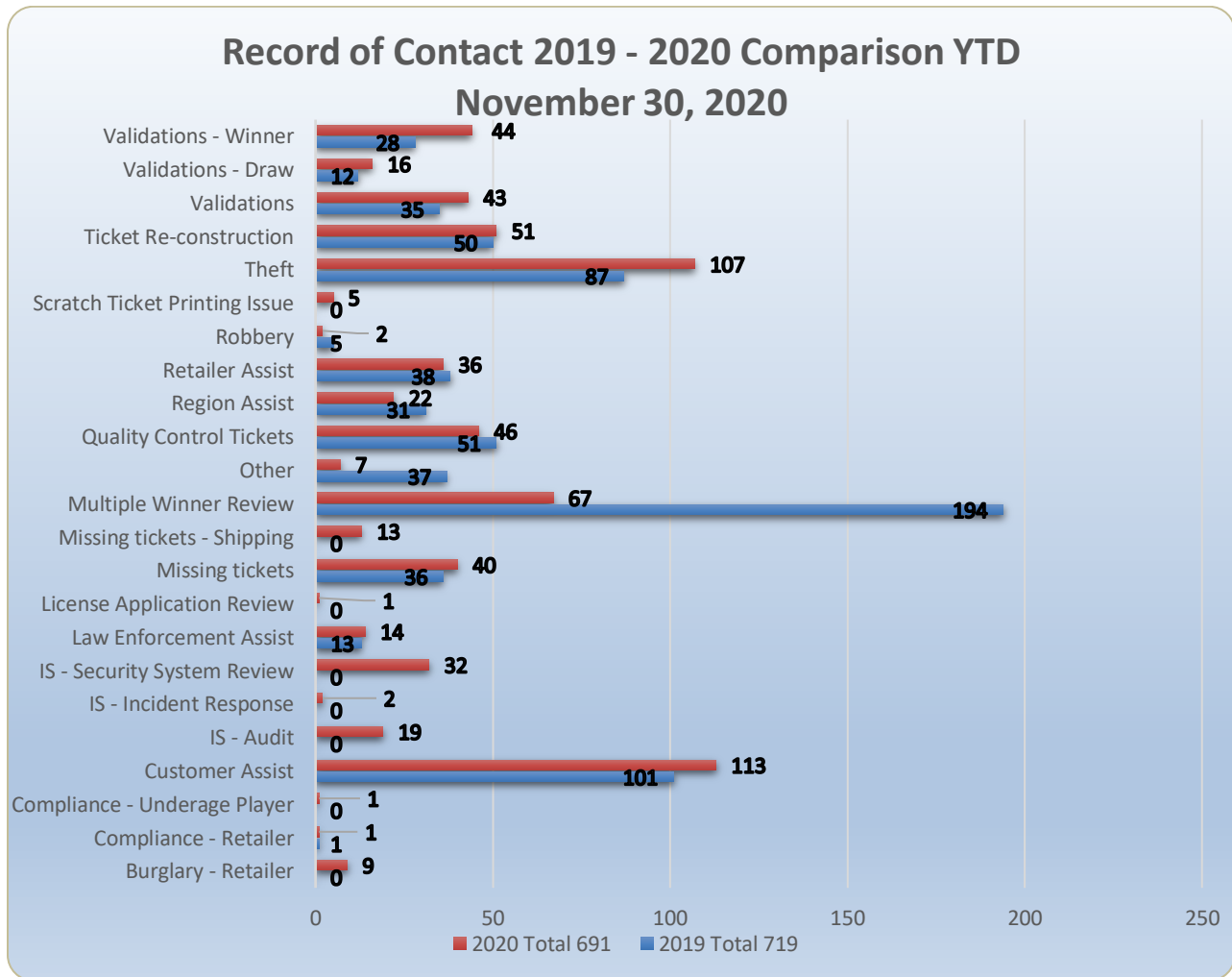
	Month ended 9/30/2020	Month ended 9/30/2019	Year-to-date 9/30/2020	Year-to-date 9/30/2019
Operating revenues:				
Instant-scratch ticket sales	\$ 21,988,540.00	\$ 19,327,974.00	\$ 70,906,291.00	\$ 58,289,791.00
InstaPlay sales	2,478,880.00	882,099.00	7,247,517.00	2,514,499.00
Pick 3 sales	749,039.00	644,080.00	2,322,334.00	1,971,170.50
Powerball sales	2,604,819.00	2,459,646.50	8,330,347.00	8,701,980.00
Mega Millions Sales	1,393,804.00	1,677,114.00	4,027,538.00	4,639,727.00
Pick 4 sales	439,904.00	361,147.00	1,388,769.00	1,137,715.50
Lucky for Life sales	419,016.00	456,884.00	1,370,320.00	1,368,358.00
Lotto America sales	518,233.00	486,013.00	1,622,252.00	1,676,143.00
Pull-tab sales	914,662.48	861,860.80	2,954,068.73	2,797,846.00
Application fees	350.00	425.00	925.00	825.00
Other	360.30	409.03	1,119.66	1,412.12
Total operating revenues	<u>31,507,607.78</u>	<u>27,157,652.33</u>	<u>100,171,481.39</u>	<u>83,099,467.12</u>
Operating expenses:				
Scratch ticket prizes	15,291,117.00	12,462,109.00	46,604,529.50	38,746,759.00
InstaPlay prizes	1,591,420.41	573,234.25	5,198,520.48	1,739,256.86
Pick 3 prizes	449,423.40	386,448.00	1,393,400.40	1,182,702.30
Powerball prizes	1,302,451.00	1,230,968.00	4,165,336.50	4,354,800.50
Mega Millions prizes	696,902.00	838,557.00	2,013,769.00	2,319,863.50
Pick 4 prizes	263,942.40	216,688.20	833,261.40	682,629.30
Lucky for Life prizes	249,034.29	269,152.02	814,428.29	806,965.50
Lotto America prizes	259,116.50	243,006.50	811,126.00	838,071.50
Pull-tab prizes	570,923.32	540,768.94	1,843,487.21	1,750,781.95
Advertising/publicity	507,958.03	771,195.30	1,703,918.15	1,851,481.25
Retailer compensation expense	2,047,693.98	1,783,293.65	6,540,181.38	5,421,956.92
Ticket expense	246,749.48	238,056.96	766,442.42	760,493.49
Vendor compensation expense	436,862.19	446,297.37	1,382,427.30	1,346,999.36
Salary and benefits	922,575.13	830,353.13	2,674,996.40	2,547,208.63
Travel	18,014.42	25,182.40	38,691.34	75,364.98
Supplies	22,760.00	4,351.33	35,940.17	15,671.50
Printing	(81.48)	-	86.52	184.80
Postage	423.61	230.39	1,433.41	738.56
Communications	14,392.44	17,376.28	39,245.50	45,364.42
Rentals	26,615.43	26,571.92	79,834.39	79,585.46
Utilities	8,420.11	10,138.65	25,490.73	27,080.28
Professional fees	9,337.27	12,721.16	26,804.32	35,866.41
Vending machine maintenance	21,504.00	21,168.00	64,512.00	63,504.00
Outside services and repairs	98,199.79	72,695.59	212,529.53	213,842.31
Data processing	11,314.54	10,176.99	32,156.59	33,570.60
Equipment	24,001.14	23,593.65	59,955.87	83,664.07
Reimbursement to other state agencies	28,487.63	32,247.60	90,685.35	94,700.55
Depreciation	38,770.28	44,060.85	112,555.00	130,822.60
Other	4,089.08	8,360.59	13,735.84	18,497.17
MUSL/Lotto administrative expense	10,056.37	2,761.58	30,169.14	8,284.74
Total operating expenses	<u>25,172,473.76</u>	<u>21,141,765.30</u>	<u>77,609,650.13</u>	<u>65,276,712.51</u>
Operating income	<u>6,335,134.02</u>	<u>6,015,887.03</u>	<u>22,561,831.26</u>	<u>17,822,754.61</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(6,550,481.59)	(6,310,989.21)	(22,506,791.99)	(17,814,352.31)
Interest income	30,444.98	110,389.33	30,444.98	110,389.33
Gain (Loss) on disposal of capital assets	-	1,025.00	-	1,750.00
Net non-operating revenues (expenses)	<u>(6,520,036.61)</u>	<u>(6,199,574.88)</u>	<u>(22,476,347.01)</u>	<u>(17,702,212.98)</u>
Change in net position	<u>(184,902.59)</u>	<u>(183,687.85)</u>	<u>85,484.25</u>	<u>120,541.63</u>
Net position beginning of period	<u>4,519,740.95</u>	<u>5,106,884.93</u>	<u>4,249,354.11</u>	<u>4,802,655.45</u>
Net position end of period	<u><u>4,334,838.36</u></u>	<u><u>4,923,197.08</u></u>	<u><u>4,334,838.36</u></u>	<u><u>4,923,197.08</u></u>

**Iowa Lottery Authority
Conference and Training Out-Of-State Travel
FY2019**

EMPLOYEE	DATE	CONFERENCE/TRAINING EVENT	DESTINATION	COST
Michael Conroy	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	1867.14
Cam Coppess	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	1822.55
Mike Loss	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	1773.46
Mary Neubauer	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	2032.56
Rob Porter	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	2464.72
Hale Strasser	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	1860.74
Matt Strawn	Jul 2019	NASPL 2019 (Beyond The Horizon)	Phoenix, AZ	1248.22
Mike Loss	Aug 2019	Mississippi Lottery RFP Review	Jackson, MS	0
Larry Loss	Sep 2019	NASPL 2019	Little Rock, AR	1606.4
Matt Strawn	Sep 2019	NASPL 2020	Little Rock, AR	0
Teri TeBockhorst	Sep 2019	NASPL 2021	Little Rock, AR	2181.1
Martha Scanlan	Oct 2019	MGIR Fall Conference & Roundtable	New Buffalo, MI	987.22
Larry Loss	Oct 2019	Lottery Expo 2019	New York, NY	1365.23
Pam Brocker	Nov 2019	2019 Midwest Symposium	St. Louis, MO	513.04
Cam Coppess	Nov 2019	2019 Midwest Symposium	St. Louis, MO	529.82
Mike Loss	Nov 2019	2019 Midwest Symposium	St. Louis, MO	505.07
Matt Strawn	Nov 2019	2019 Midwest Symposium	St. Louis, MO	502.47
Hale Strasser	Jan 2020	CGS RFP site visits	Providence, RI	887.94
Hale Strasser	Jan 2020	CGS RFP site visits	OH & GA	1394.33
Cam Coppess	Jan 2020	CGS RFP site visits	Providence, RI	1304
Cam Coppess	Jan 2020	CGS RFP site visits	OH & GA	1961.23
Charles Crivaro	Jan 2020	CGS RFP site visits	Providence, RI	1043.92
Charles Crivaro	Jan 2020	CGS RFP site visits	OH & GA	1478.41
Michael Conroy	Jan 2020	CGS RFP site visits	Providence, RI	1004.84
Michael Conroy	Jan 2020	CGS RFP site visits	OH & GA	1459.04
Megan Tooker	Jan 2020	CGS RFP site visits	Providence, RI	1074.61
Megan Tooker	Jan 2020	CGS RFP site visits	OH & GA	1348.75
Larry Loss	Feb 2020	GlobalXChange	Phoenix, AZ	187.55
Matt Strawn	Feb 2020	WLA/EL Marketing Seminar	London, England	0
Mike Loss	Mar 2020	InComm Partner Alliance	Denver, CO	433.8
Teri TeBockhorst	Mar 2020	InComm Partner Alliance	Denver, CO	433.8



Board Report Security Division December 15, 2020



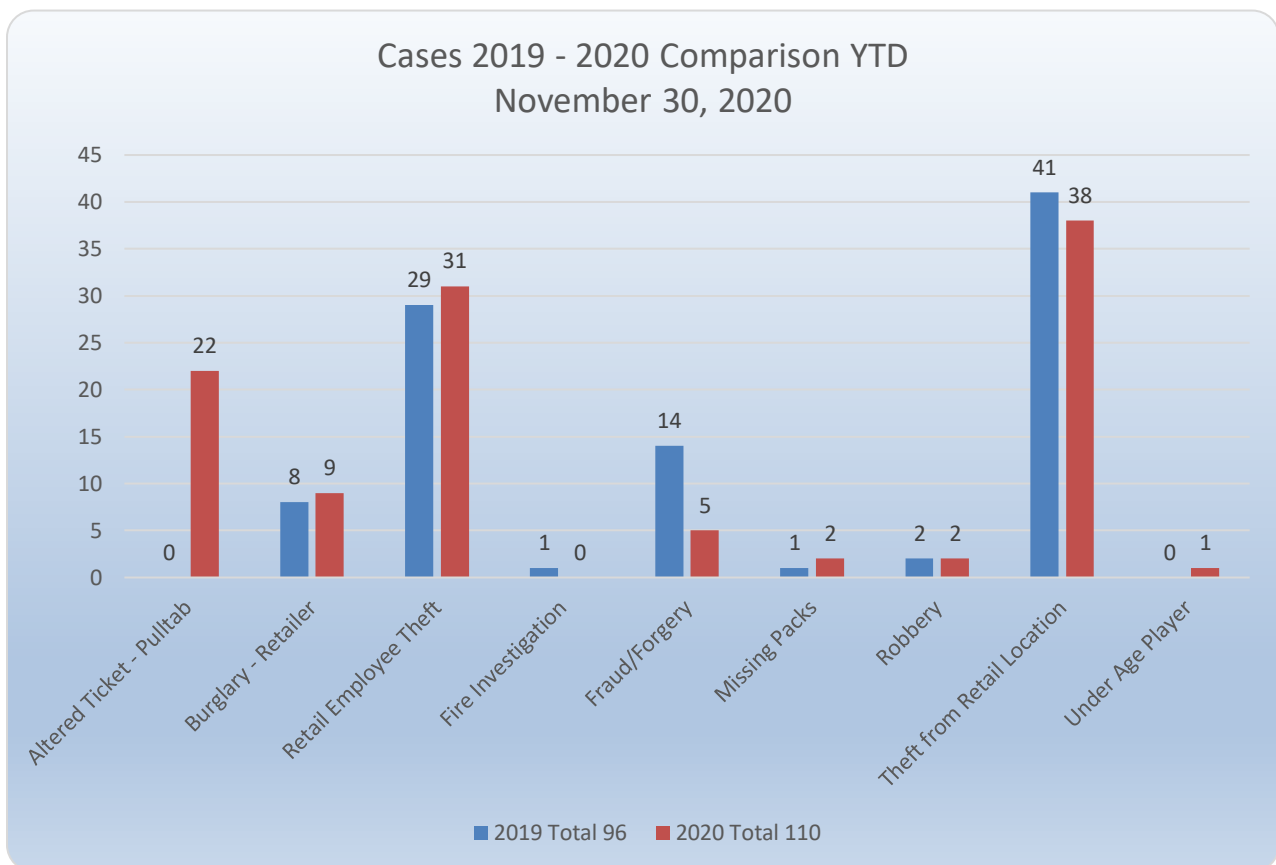
Customer Assist describes instances in which Lottery Security Investigators respond to customer inquiries. The topics are varied, and generally player questions for which they are seeking explanations.

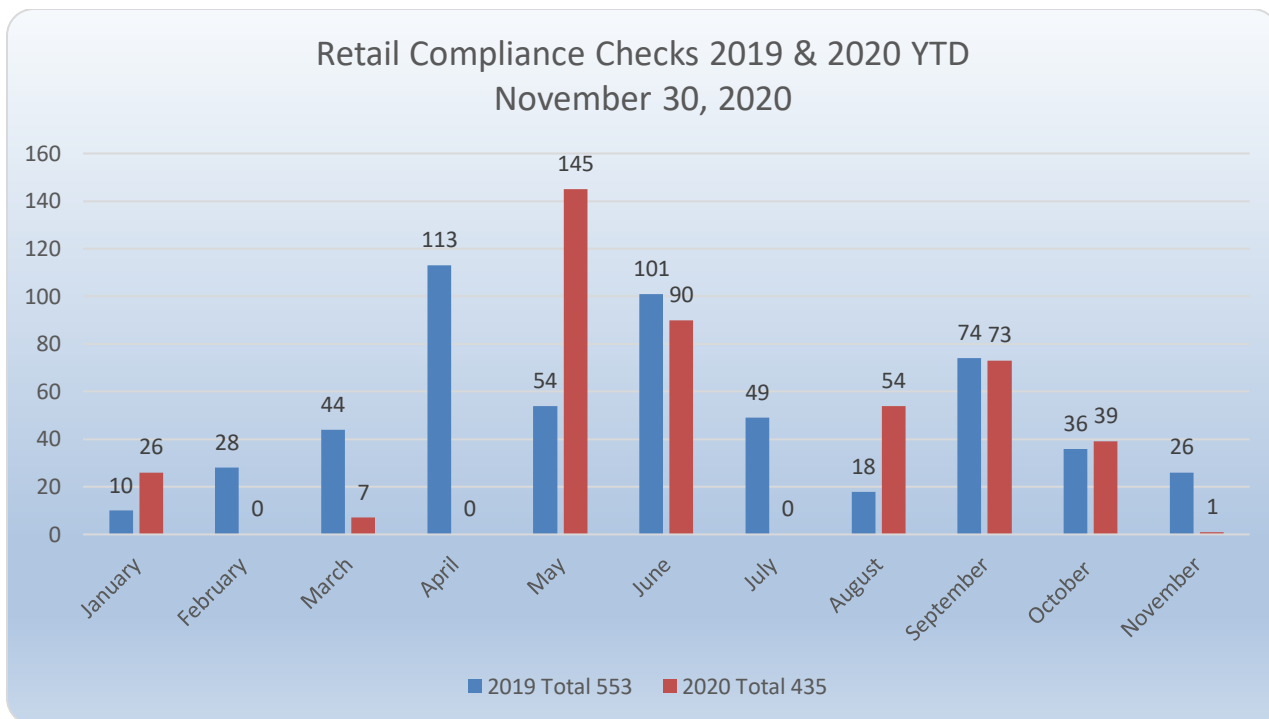
Multiple Winner Review is a report run by Security to evaluate if there is the possibility that a repeat winner may be accumulating their winnings in some other manner than legitimate lottery play. In 2020 we changed the process and reduced the number of reviews assigned to investigators.

Theft includes any allegation of a theft of Lottery product. Many incidents are unfounded once the issue is investigated and the facts and circumstances are learned. Allegations that have supporting information transition to a case.

Changes in reporting. Over the course of the past 5 years, the Security Division has been evaluating the Record of Contact category types. In 2020, Lottery staff updated the Lottery Security Database that allowed us to change our reporting categories. In the comparison between 2019 and 2020 records, you will note in 2019 records there no Burglary incidents. This is not because there were no Burglaries, but prior to the 2020 change, we did not have a category type for Burglary.

We will continue to evaluate the types of incidents we follow up on, and use data driven decisions to identify how best to use our resources to ensure a fair playing field for our Lottery players.





Other Duties and Activities;

- 2020 - Three Virtual Print Plant visits and audits of scratch ticket printing – Innovation because of pandemic restrictions. The Iowa Lottery was the first Lottery to reach out to the ticket vendors and helped to develop this integrity step in the ticket printing process
- Drawing and Winner Validation for promotional drawings, increased in 2020 because of marketing plan
- Conducted **553** compliance/inspection checks on retail outlets in 2019 and **435** in 2020. We send follow up letters to all retailers to provide results of the compliance check at their store, implementing a feedback loop for quality improvement
- Assist with ticket validation and the claim process to ensure players received their winnings, (mail in and curbside claims process enacted in 2020 because of pandemic)
- Peace Officer instruction about Lottery Code 99G and Lottery Security Processes at all entry-level Iowa Law Enforcement Academies, **263** officers trained in 2019 and **304** in 2020.

To: Members of the Iowa Lottery Board
From: Mary Neubauer
External Relations Report
Iowa Lottery Board meeting
Dec. 15, 2020

During the past several months, we've been providing you as Board members with updates about projects the Iowa Lottery has undertaken as we've put fresh eyes on our efforts regarding responsibility, integrity and security. While this is clearly not a new focus for our lottery – integrity has always been a cornerstone of our organization – our approach this year has been to see how we could tweak our efforts to best convey these messages in today's world.

Our efforts will continue during the upcoming 2021 legislative session, and I'll highlight those details with you here, but first, let's recap some of our earlier projects this year.

National Problem Gambling Awareness Month

It may seem like ages ago now, but you'll recall that back in March, we highlighted National Problem Gambling Awareness Month (NPGAM) with public-service messages that concluded just before the COVID-19 pandemic really took hold in Iowa.

Here is a link to the blog entry we posted about NPGAM as March 2020 began:
<https://www.ialotteryblog.com/2020/02/this-month-all-year-remember-help-is-available-247-in-iowa.html>

We will work with the Iowa Department of Public Health to highlight the national awareness month again this coming March, understanding that our efforts may be curtailed somewhat by more pressing messages to help keep us all safe during the pandemic.

New Tools To Play Smart, Be Informed



Then in October of this year, we debuted two significant new tools designed to help our customers play smart and be informed.

One of the tools is the “Play Responsibly” icon that we have added to the screens on all lottery terminals and self-service kiosks in the 2,400 retail locations in Iowa where our products are sold.



We recognize that it can be hard to have a conversation about problem gambling. So, by touching the icon on a lottery self-service kiosk, a customer or retail employee can print out a message that describes the help available in Iowa. The message states:

“If you worry that you're playing beyond your means or just have questions about problem gambling, help is available 24/7 here in Iowa through live chat, text, email or phone. Visit yourlifeiowa.org or call 1-

800-BETS OFF. At the Iowa Lottery, we mean it: Playing smart is a lot more fun.”

Knowing that some people might worry whether use of the new icon is being monitored, we specifically programmed it so it can't be tracked. We will not know how many times the icon is utilized, or from which locations that occurs. We hope the decision can help clear the way for the information to make it at the right time to someone who needs it.



The other tool that debuted in October is a new section on the Iowa Lottery website. The eight-page section called “Play Smart, Be Informed” is a player’s guide to help everyone better understand lottery games, the odds of winning, how to play within your means, and what to expect if you win a large prize.

There also is an interactive quiz that anyone can take to see how they’re doing in understanding lottery details. We designed the quiz so that after taking it, the person receives a score like

those from the classroom: 100 percent, 80 percent, etc. They can translate their numerical score into a corresponding school grade (A-F), and decide if they need to keep studying.

The section concludes with a page that focuses on what players can do if they think their lottery play has gotten beyond their control. The page includes this central statement: “If you’re worried that you’re spending too much on lottery tickets, or feel like playing the lottery is causing you stress or making you unhappy, don’t do it.”

A direct link to the new section is in the grey footer area at the bottom of all pages on the Iowa Lottery website. I also am including it here:

https://ialottery.com/Pages/PlaySmartBeInformed/PlaySmartBeInformed_main.aspx

Appropriate Gifting

This month, the Iowa Lottery is conducting its annual campaign about appropriate gifting. While our images and materials certainly focus on lottery tickets, the message applies to other types of gifts that people may give at the holidays.

In our campaign, we remind customers that while lottery tickets are popular as presents and stocking stuffers, they may not be something to give to those underage. The same holds true for a wider range of products, too. Some video games and movies may not be appropriate for all ages due to their content. Alcohol and tobacco-related products have their own age restrictions. Even toys have age-recommendation guidelines.



We conclude with these details:

- In Iowa, you have to be at least 21 years old to buy lottery tickets, and we’ve always considered that our products are for adults. Remember, you are gambling when you play the lottery.
- Be sure to give youngsters age-appropriate gifts.

- When you give lottery tickets as presents, please keep the person's age in mind.

The lottery's Gift Responsibly messages are featured this month on outdoor billboards across Iowa, on the Iowa Lottery's website and social media channels, and on the display screens we have at the point of sale inside retail locations across Iowa.

Iowa Lottery Legislative Proposal for 2021 Session

The Iowa Lottery's focus on security and integrity will continue during the 2021 legislative session here in Iowa, as we have filed a proposal for security-related legislation. Some of the details in the departmental bill are designed to state lottery security provisions in plain language, and come in part at the suggestion of local prosecutors and law enforcement who believe that greater clarity in Iowa Code could assist their work. Other changes in the bill are in prudent reaction to Iowa Lottery experiences and lottery industry trends.

The lottery's proposal for legislation is included for your review. In addition, here is a section-by-section analysis of the proposal:

Section 1 of the bill clarifies outdated language in Iowa Code section 99G.3 defining a lottery retailer to make it clear that retail locations selling Iowa Lottery tickets receive a license from the lottery.

Section 2 of the bill adds a new subsection in Code section 99G.31 to state in plain language the security requirements for the cashing of a winning lottery ticket in Iowa. The new subsection states that the Iowa Lottery will pay prizes only for tickets that have been legally purchased, legally possessed, and legally presented. This is not a new requirement; the lottery has used this threshold since its start in 1985. However, the language involved in achieving that threshold is currently spread across several different sections within the lottery Code chapter (including sections 99G.3, 99G.30, 99G.31, 99G.36). Some prosecutors and local law enforcement who have worked on criminal cases involving lottery tickets have said it would be helpful if the Code language were more clear and concise, and the Iowa Lottery believes this new subsection achieves that.

Section 3 of the bill adds new definitions to Code section 99G.36, which addresses forgery and fraud related to lottery tickets in Iowa and provides penalties. These new definitions, which put emphasis on the intent of those in crimes involving lottery tickets, were developed after study of lottery-industry trends and the Iowa Lottery's own experiences with those who have attempted to circumvent the law, particularly as it applies to the state's Income Offset program for those who owe debts to government entities. The definitions would apply both to those who passed a ticket to someone else to circumvent the state's income-offset and prohibited player provisions, as well as those who accepted a ticket and claimed a prize under those circumstances.

Section 4 of the bill amends Code section 99G.36, which as we have previously discussed, addresses forgery and fraud related to lottery tickets in Iowa and provides penalties. The new language provides clarity that it is illegal for someone to lie in the process of claiming a lottery prize. This is in addition to the existing language in Iowa Code that it is illegal to lie in the process of applying for a lottery license. The existing language, which remains unchanged, also puts emphasis on the intent of those in crimes involving lottery tickets.

SENATE/HOUSE FILE _____

BY (PROPOSED IOWA LOTTERY AUTHORITY BILL)

A BILL FOR

An Act relating to matters under the purview of the Iowa lottery authority,
including providing criminal penalties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Sec. 1. Section 99G.3, subsections 14, Code 2019, is amended to read as follows:

14. "Retailer" means a person, ~~licensed by the authority,~~ who sells lottery tickets or shares on behalf of the authority pursuant to a ~~contract~~ license issued by the authority.

Sec. 2. Section 99G.31, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The authority shall only pay prizes for lottery tickets or shares that the authority determines were legally purchased, legally possessed, and legally presented.

Sec. 3. Section 99G.36, Code 2019, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. A person who knowingly or intentionally passes a lottery ticket or share in order to avoid the application of an offset under section 99G.41 shall be guilty of a class "D" felony.

NEW SUBSECTION. 2B. A person who knowingly or intentionally passes a lottery ticket or share in order to circumvent prohibited player provisions found in section 99G.31, subsection 2, paragraphs "g" or "h" or applicable game specific rules shall be guilty of a class "D" felony.

NEW SUBSECTION. 2C. A person who knowingly or intentionally claims a lottery prize on a ticket or share received from an individual subject to an offset under section 99G.41 shall be guilty of a class "D" felony.

NEW SUBSECTION. 2D. A person who knowingly or intentionally claims a lottery prize on a ticket or share received from a player prohibited from playing the lottery under section 99G.31, subsection 2, paragraphs "g" or "h" or applicable game specific rules shall be guilty of a class "D" felony.

Sec. 4. Section 99G.36, subsection 3, Code 2019, is amended to read as follows:

3. No person shall knowingly or intentionally make a material false statement in any lottery prize claim, make a material false statement in any application for a license or proposal to conduct lottery activities, or make a material false entry in any book or record which is compiled or maintained or submitted to the authority or the board pursuant to the provisions of this chapter. Any person who violates the provisions of this section shall be guilty of a class "D" felony.



13001 University Avenue
Clive Iowa 50325-8225
www.ialottery.com
515.725.7900

Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

Date: December 15, 2020

To: Iowa Lottery Board
From: Larry L. Loss
Re: Instant ticket printing contract extensions

The Iowa Lottery issued RFP IL 18-04, Request for Proposal (RFP), Instant Ticket Printing and Related Services on February 7, 2018.

The purpose of the RFP was to solicit proposals from qualified firms or vendors interested in printing instant tickets and providing related services for the Iowa Lottery Authority (Lottery), pursuant to the authority of Iowa Code, Chapter 99G. The Lottery did not intend to grant any vendor exclusive rights to print all or a majority of Lottery instant games. It was the intention of the Lottery to award game orders to more than one vendor, each of whom would be issued orders to produce games based upon the Lottery's determination of which vendor could best serve the Lottery's interests for a particular game.

On June 20, 2018, the Iowa Lottery Board (Board) approved the Lottery to issue a Notice of Intent to Award to the following vendors:

- IGT Global Solutions Corporation, based in Providence, Rhode Island (IGT)
- Pollard Banknote Limited, based in Winnipeg, MB (PBN)
- Scientific Games International, Inc. based in Alpharetta, Georgia (SGI)

Additionally, the Board authorized the Lottery to enter into agreements with all three vendors contingent upon the vendors' successful completion of any required background checks.

Subsequently, background investigations were completed and contracts negotiated with all three vendors. The initial term of the contracts was for two years and the contracts provided for four one-year extensions.

Each contract had an initial term from January 1, 2019 through December 31, 2020.

Background Information

The Lottery operates on a multiple game strategy and multiple price point strategy and plans to have at least 24 games available for sale at all times. New instant games will be introduced every month. As part of the monthly game introductions, the Lottery utilizes games with different ticket sizes, price points and prize structures.

One of the goals of the RFP was to contract with multiple instant ticket printing vendors so the Lottery had access to as many licensed products, proprietary games and printing techniques as possible. All three vendors possess unique offerings that aid the Lottery in growing instant ticket sales. When choosing games, the Lottery evaluates several factors when deciding which vendor to use to print a game, including, but not limited to, price, proprietary printing techniques, design and licensed properties. Ultimately, the Lottery determines which vendor can best serve the Lottery's interests for a particular game.

Since the inception of the current contracts, the Iowa Lottery has grown sales from \$251 million in FY 2019 to 262.5 million in FY 2020.

The Iowa Lottery printed 48 games in FY 2020:

<u>Vendor</u>	<u># of Games</u>	<u>Contract Value (Approx.)</u>
IGT	8	\$ 308,905
PBN	17	\$1,701,859
<u>SGI</u>	<u>19</u>	<u>\$ 706,893</u>
Total	44	\$2,716,893

Recommendation

All three vendors have been meeting our expectations, deliverables and timelines and are in good standing with the Iowa Lottery.

Iowa Lottery staff is asking for Board approval to exercise the first extension of the Instant Ticket Printing and Related Services contracts with IGT, PBN and SGI, thus extending the contracts through December 31, 2021.

**EXTENSION AND AMENDMENT OF
AGREEMENT FOR THE PURCHASE OF
INSTANT TICKETS AND RELATED SERVICES**

This Extension of Agreement for the Purchase of Instant Tickets and Related Services (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **IGT Global Solutions Corporation** (IGT or Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 13001 University Avenue, Clive, Iowa 50325.

1.2 IGT is a corporation, incorporated under the laws of Delaware, and engaged in the business of printing lottery scratch tickets and other services. The address for Contractor is 10 Memorial Boulevard, Providence, RI 02903.

SECTION 2. EXTENSION OF TERM.

On or about January 1, 2019, the Lottery and Contractor entered into an Agreement for the Purchase of Instant Tickets and Related Services ("Agreement"). The term of the Agreement was for two years beginning January 1, 2019 through December 31, 2020, plus up to four (4) additional one-year option periods exercisable at the option of the Lottery. Pursuant to Section 5 of the Agreement, the first option period is hereby exercised by the Lottery extending the term of the Agreement through December 31, 2021.

SECTION 3. AMENDMENTS.

None

SECTION 4. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of this Agreement shall remain in full force and effect.

SECTION 5. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Larry Loss
Title: Executive Vice President

Date: _____

IGT Global Solutions Corporation

By: _____
Name: Joseph S. Gendron
Title: Chief Operating Officer, Lottery

Date: _____

**EXTENSION AND AMENDMENT OF
AGREEMENT FOR THE PURCHASE OF
INSTANT TICKETS AND RELATED SERVICES**

This Extension of Agreement for the Purchase of Instant Tickets and Related Services (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **Pollard Banknote Limited** (Pollard or Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 13001 University Avenue, Clive, Iowa 50325.

1.2 Pollard is a Canadian public corporation, incorporated under the federal laws of Canada, and engaged in the business of printing lottery scratch tickets and other services. The address for Pollard is 140 Otter Street, Winnipeg, Manitoba, Canada R3T 0M8.

SECTION 2. EXTENSION OF TERM.

On or about December 12, 2018, the Lottery and Contractor entered into an Agreement for the Purchase of Instant Tickets and Related Services ("Agreement"). The term of the Agreement was for two years beginning 1/1/2019 through 12/31/2020, plus up to four (4) additional one-year option periods exercisable at the option of the Lottery. Pursuant to Section 5 of the Agreement, the first option period is hereby exercised extending the term through December 31, 2021.

SECTION 3. AMENDMENTS.

None

SECTION 4. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of this Agreement shall remain in full force and effect.

SECTION 5. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Larry Loss
Title: Executive Vice President

Date: _____

Pollard Banknote Limited

By: _____

Date: _____

Name: Douglas E. Pollard
Title: Co. Chief Executive Officer

**EXTENSION AND AMENDMENT OF
AGREEMENT FOR THE PURCHASE OF
INSTANT TICKETS AND RELATED SERVICES**

This Extension of Agreement for the Purchase of Instant Tickets and Related Services (Extension) is effective on the last date set forth below and is made by and between the **Iowa Lottery Authority** (Lottery) and **Scientific Games International, Inc.** (SGI or Contractor).

In consideration of the mutual covenants contained in this Extension, the sufficiency of which is acknowledged, it is agreed as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 The Lottery is an instrumentality of the State of Iowa and is authorized by Iowa Code Chapter 99G to conduct a lottery in the State of Iowa. The Lottery's address is 13001 University Avenue, Clive, Iowa 50325.

1.2 The Contractor is a corporation, incorporated under the laws of Delaware, and engaged in the business of printing lottery scratch tickets and other services. The address for Contractor is 1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004.

SECTION 2. EXTENSION OF TERM.

On or about December 20, 2018, the Lottery and Contractor entered into an Agreement for the Purchase of Instant Tickets and Related Services ("Agreement"). The term of the Agreement was for two years beginning 1/1/2019 through 12/31/2020, plus up to four (4) additional one-year option periods exercisable at the option of the Lottery. Pursuant to Section 5 of the Agreement, the first option period is hereby exercised extending the term through December 31, 2021.

SECTION 3. AMENDMENTS.

None

SECTION 4. AGREEMENT OTHERWISE UNCHANGED

Except as specifically modified hereby, the terms of this Agreement shall remain in full force and effect.

SECTION 5. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Extension and have caused their duly authorized representatives to execute this Extension.

Iowa Lottery Authority

By: _____
Name: Larry Loss
Title: Executive Vice President

Date: _____

Scientific Games International, Inc.

By: _____

Date: _____

Name: John Schulz
Title: Senior Vice President



13001 University Avenue
Clive Iowa 50325-8225
www.ialottery.com
515.725.7900

Kim Reynolds · Governor
Adam Gregg · Lt. Governor
Matthew N. Strawn · Chief Executive Officer

Date: 12-15-2020

To: Iowa Lottery Board
From: Larry L. Loss
Re: 2021 NASPL Membership Dues

All North American lotteries are members of the North American Association of State & Provincial Lotteries (NASPL). NASPL plays a critical role in connecting member lotteries with essential education, information and communication on key trends and issues and acts as a united voice for the lottery industry on critical issues. NASPL is a key participant in building and maintaining relationships with national corporate retailers as well as the standardization or major procurements for member lotteries.

With your approval, the Iowa Lottery would continue its membership in NASPL through December 31, 2021.

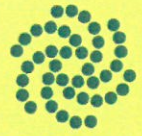
ILA staff recommends approval of the \$20,000 membership dues in NASPL.

Enclosed is the invoice from NASPL for calendar year 2021.

NORTH AMERICAN ASSOCIATION OF STATE & PROVINCIAL LOTTERIES

7757 Auburn Road
 Unit #7
 Concord, OH 44077

p (440) 361-7962
 f (440) 867-2327
www.naspl.org
www.nasplmatrix.org



NASPL
 North American Association
 of State & Provincial Lotteries

Invoice

Bill To
IOWA LOTTERY MATT STRAWN, PRESIDENT & CEO 13001 UNIVERSITY AVE CLIVE, IOWA 50325-8225

Date	Invoice #
11/11/2020	8799

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
1	ANNUAL DUES FOR THE CALENDAR YEAR 2021	20,000.00	20,000.00
		Total	\$20,000.00