



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

June 29, 2023

10:30 am

Dial In: 515-206-9299

(No PIN # is required to join the call)

- I. Call to Order
 - a. Approval of Agenda
 - b. Approval of Minutes from March 29, 2023 Board Meeting
- II. CEO Update
 - a. Introduction of, and welcoming remarks by, Iowa Department of Revenue Director Mary Mosiman
 - b. Reflections on a record-setting FY 2023
- III. Quarterly Reports
 - a. Legal and Operations
 - b. Sales and Marketing
 - c. External Relations
 - d. Security
 - e. Finance
- IV. FY24 Budget Revisions
- V. Contracts
 - a. Amendment to contract with Scientific Games for gaming system
 - b. Scratch Ticket extensions
 - i. IGT
 - ii. Pollard Banknote
 - iii. Scientific Games
- VI. Media Planning and Buying
 - a. Staff recommendation
 - b. Notice of Intent to Award
- VII. Powerball Game Rules Update
- VIII. Election of Officers
- IX. Tentative FY 2024 Board of Directors Meetings
 - a. Tuesday, September 26, 2023
 - b. Thursday, December 14, 2023
 - c. Tuesday, March 26, 2024
 - d. Tuesday, June 25, 2024
- X. 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

March 29, 2023

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. at Lottery Headquarters in Clive; Board Chairperson Mary Rathje presiding.

Board Members Present:

Mary Rathje; Dana Wingert; Katie New; Hon. Roby Smith.

Board Members Present on Teleconference:

Mary Junge; Josh Cook.

Board Members Absent:

None.

Lottery Staff Participating:

Matt Strawn, CEO; Megan Tooker, EVP, Chief Administrative Officer and General Counsel; Jon Roth, Chief Revenue Officer; Mary Neubauer, VP, External Relations and Social Responsibility; Hale Strasser, VP, Lottery Systems; Kim Knight, VP, Finance and CFO; Steve Waymire, VP, Security; David Ranscht, AAG; Deb Bassett, Board Secretary.

Others Present:

Dave Berger, Scientific Games; Tom Grady, Bucket Agency; Karlyn Nosbusch, Bucket Agency; John Schreurs, Strategic America; Shelly Kopriva, Strategic America; Russ Trimble, Treasurer's Office; Molly Widen, Treasurer's Office.

Others Present on Teleconference:

Anthony Arellano, Legislative Services Agency; Bucket Agency.

CALL TO ORDER

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

Wingert moved to conduct the meeting via teleconference. Cook seconded. Motion carried unanimously.

APPROVAL OF AGENDA

New moved to approve the agenda for the meeting. Wingert seconded. Motion carried unanimously.

APPROVAL OF MINUTES

New moved to approve the December 6, 2022 Board meeting minutes. Wingert seconded. Motion carried unanimously.

CEO REPORT

Strawn stated that the Lottery's financial performance for FY23 is unprecedented in delivering record sales and proceeds to the state. Total lottery sales of \$328.2 million through February represent a 12.6% increase from last year and exceeds the actual five-year average for sales by 24.3%. Net proceeds also set a record through February. Total proceeds of \$76.5 million represent a 16% increase from last year and exceeds the actual five year average of proceeds by 25.3%.

Iowa retailers earned \$21.3 million in commissions through February, a record amount paid by this point in a fiscal year.

The Lotto product category has been a significant driver of sales growth in FY 2023. Lotto sales of \$111.3 Million represent a 56.5% percent increase from last year. The scratch ticket category lags in sales compared to the last two fiscal years, but is showing signs of a rebound. Scratch ticket sales since November are up a modest 0.2 percent.

Strawn concluded his remarks with an update on the Lottery's integration with the Department of Revenue which will take effect on July 1, 2023.

QUARTERLY REPORTS

Sales and Marketing:

Roth provided an update on 2 key initiatives: the product portfolio analysis and the retailer commission research project. Roth also talked about upcoming promotions and the Powerball Double Play

External Relations and Social Responsibility:

Neubauer provided an overview of the Lottery's messaging in coordination with National Problem Gambling Awareness Month.

Neubauer also reported on the upcoming prize claim period changes for lotto games and the stepdown process related to the changes.

Neubauer concluded her report with details about an unclaimed \$100,000 Powerball prize that was in the news recently and stated the Lottery continues to send reminders out about a \$1 million Mega Millions prize that is still unclaimed. The winning ticket was purchased in Ames.

Finance:

Knight gave a financial report. Through February, YTD sales are \$328.2 million. The YTD sales are ahead of budget by \$87.1 million, or 36%. YTD sales are also ahead of sales for FY22 by \$36.8 million, or 13%. Through February, YTD proceeds are \$76.5 million. The YTD proceeds are ahead of budget by \$27.8 million, or 57%. YTD proceeds are also ahead of proceeds for FY22 by \$10.5 million, or 16%. Through February, YTD prize expense is \$205.2 million. The YTD prize expense is ahead of budget by \$56.5 million, or 38%. YTD prize expense is also ahead of prizes for FY22 by \$20.2 million, or 11%. YTD operating expenses through February remain under budget at \$9.1 million and are comparable to the 5-year average.

Legal and Operations:

Tooker reported that an executive order signed in January places a moratorium on rulemaking and also requires all agencies to do a review of current rules.

LOTTO AMERICA

Tooker stated that Lotto America is updating its draw time so the Lottery needs to make that change in the game rules. Tooker requested the Board approve the revised game rules.

Wingert moved to approve the revised Lotto America game rules. New seconded. Motion carried unanimously.

CONTRACT EXTENSION – STRATEGIC AMERICA

Tooker requested the Board approve the last one-year contract extension for creative advertising and marketing services with Strategic America.

Cook moved to approve the contract extension. New seconded. Motion carried unanimously.

ADJOURNMENT

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

Meeting adjourned at 11:30 a.m.



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Memorandum

To: Iowa Lottery Board of Directors
From: Stephen Waymire
Date: June 29, 2023
Re: Quarterly Activity Summary for Security Division 3/18/2023-6/20/2023

Incident Type	Incident Report	88
	Case Report	16
Contact Reasons	Burglary	1
	Employee Theft	3
	Fraud/Forgery	6
	Missing Packs/Tickets	12
	Missing Tickets - Shipping	7
	Other	5
	Player Assist	11
	Promotional Draw	3
	Quality Control Tickets	14
	Retailer Assist	5
	Scratch Ticket Printing Issue	2
	Theft	6
	Ticket Re-construction	14
	Underage/Juvenile	1
	Validations	14
Retailer Inspections		57



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Memorandum

To: Iowa Lottery Board of Directors

From: Stephen Waymire

Date: June 29, 2023

Re: Annual Activity Summary for Security Division 7/1/2023-6/20/2023

Incident Type	Incident Report	318
	Case Report	91
	Record of Contact	86
	Refer to Lottery Security	24
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Contact Reasons	Burglary	5
	Criminal Mischief	1
	Damaged Tickets - Shipping	9
	Employee Theft	21
	Fire Investigation	1
	Fraud/Forgery	32
	Law Enforcement Assist	6
	Missing Packs/Tickets	30
	Missing Tickets - Shipping	21
	Multiple Winner Review	2
	Other	15
	Player Assist	58
	Promotional Draw	9
	Quality Control Tickets	57
	Region Assist	5
	Retailer Assist	21
	Scratch Ticket Printing Issue	2
	Theft	57
	Ticket Re-construction	67
	Underage/Juvenile	1
	Validations	58
	Burglary - Retailer	1
	Customer Assist	15
	Missing tickets	4
	Other (use comments)	9
	Validations - Draw	2
	Validations - Winner	9
VIP Club Account	1	
<hr/>		
Retailer Inspections		512

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2023
May 31, 2023

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2023	29,659,327	29,421,354	26,322,781	31,367,288	28,330,955	30,927,309	35,785,444	29,338,046	34,267,550	31,898,250	34,321,951	30,659,745
	Actual '23	44,238,093	33,672,563	32,852,383	41,842,932	51,431,952	38,825,335	48,866,615	36,473,073	38,310,222	38,122,584	38,784,997	-
Prize Expense	Budget FY 2023	18,298,547	18,087,439	16,412,408	19,123,060	17,633,220	19,140,462	21,819,012	18,273,367	21,168,253	20,059,348	21,380,541	19,105,343
	Actual '23	26,916,442	22,393,790	20,901,296	26,033,469	30,638,674	26,052,121	29,653,328	22,648,421	24,481,549	25,532,109	25,078,500	-
Operating Expenses	Budget FY 2023	1,207,471	1,313,053	1,259,696	1,214,149	1,293,618	1,279,525	1,278,394	1,199,071	1,338,928	1,159,838	1,367,324	1,352,183
	Actual '23	1,039,787	1,254,852	1,110,597	1,121,883	1,154,753	1,091,765	1,169,786	1,115,669	1,166,346	1,044,929	1,214,963	-
Total Proceeds	Budget FY 2023	6,746,765	5,474,794	5,134,204	6,562,580	5,659,164	4,962,972	7,693,629	6,455,068	5,753,212	6,480,676	7,054,565	5,879,443
	Actual '23	11,122,326	5,376,525	7,103,656	10,283,720	14,041,170	7,426,090	12,906,031	8,276,147	8,765,814	7,410,123	8,308,957	-
YEAR TO DATE													
Gross Sales	Budget FY 2023	29,659,327	59,080,681	85,403,462	116,770,750	145,101,705	176,029,014	211,814,458	241,152,504	275,420,054	307,318,304	341,640,255	372,300,000
	Actual '23	44,238,093	77,910,656	110,763,039	152,605,971	204,037,923	242,863,258	291,729,873	328,202,946	366,513,168	404,635,752	443,420,749	-
Prize Expense	Budget FY 2023	18,298,547	36,385,986	52,798,394	71,921,454	89,554,674	108,695,136	130,514,148	148,787,515	169,955,768	190,015,116	211,395,657	230,501,000
	Actual '23	26,916,442	49,310,232	70,211,528	96,244,997	126,883,671	152,935,792	182,589,120	205,237,541	229,719,090	255,251,199	280,329,699	-
Operating Expenses	Budget FY 2023	1,207,471	2,520,524	3,780,220	4,994,369	6,287,987	7,567,512	8,845,906	10,044,977	11,383,905	12,543,743	13,911,067	15,263,250
	Actual '23	1,039,787	2,294,639	3,405,236	4,527,119	5,681,872	6,773,637	7,943,423	9,059,092	10,225,438	11,270,367	12,485,330	-
Total Proceeds	Budget FY 2023	6,746,765	12,221,559	17,355,763	23,918,343	29,577,507	34,540,479	42,234,108	48,689,176	54,442,388	60,923,064	67,977,629	73,857,072
	Actual '23	11,122,326	16,498,851	23,602,507	33,886,227	47,927,397	55,353,487	68,259,518	76,535,665	85,301,479	92,711,602	101,020,559	-

Current Month Year to Date

Prize Payout - Budget	62.29%	61.88%
Prize Payout - Actual	64.66%	63.22%
Sales - Actual increase (decrease) vs. Budget		29.79%
Proceeds - Actual increase (decrease) vs. Budget		48.61%

IOWA LOTTERY
 PERFORMANCE MEASURES
 FY 2023

		May 31, 2023											
		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2023	29,659,327	29,421,354	26,322,781	31,367,288	28,330,955	30,927,309	35,785,444	29,338,046	34,267,550	31,898,250	34,321,951	30,659,745
	5-year av.	31,271,788	32,666,612	30,104,677	34,632,627	30,436,261	34,195,547	39,648,290	30,980,341	36,422,159	34,715,288	36,029,043	32,709,710
	Actual '22	34,805,463	35,848,683	38,190,315	35,863,981	33,793,692	39,055,540	41,561,778	32,289,982	36,665,395	36,660,496	34,169,472	33,758,973
	Actual '23	44,238,093	33,672,563	32,852,383	41,842,932	51,431,952	38,825,335	48,866,615	36,473,073	38,310,222	38,122,584	38,784,997	-
Prize Expense	Budget FY 2023	18,298,547	18,087,439	16,412,408	19,123,060	17,633,220	19,140,462	21,819,012	18,273,367	21,168,253	20,059,348	21,380,541	19,105,343
	5-year av.	19,511,123	20,551,910	18,873,244	21,460,967	18,747,257	22,793,372	23,986,123	18,979,664	23,791,611	21,753,528	22,557,975	20,761,240
	Actual '22	22,212,471	23,030,405	23,405,501	22,622,122	20,920,915	25,873,345	25,533,663	21,427,554	23,447,700	23,213,448	21,538,971	20,988,013
	Actual '23	26,916,442	22,393,790	20,901,296	26,033,469	30,638,674	26,052,121	29,653,328	22,648,421	24,481,549	25,532,109	25,078,500	-
Operating Expenses	Budget FY 2023	1,207,471	1,313,053	1,259,696	1,214,149	1,293,618	1,279,525	1,278,394	1,199,071	1,338,928	1,159,838	1,367,324	1,352,183
	5-year av.	1,082,107	1,093,682	1,077,106	1,148,073	1,117,414	1,077,297	1,126,386	1,019,809	1,103,090	1,098,846	1,136,285	1,255,499
	Actual '22	1,042,718	1,128,836	1,128,282	1,155,532	1,126,856	1,075,696	1,109,407	1,033,788	1,172,700	1,093,795	1,098,442	501,953
	Actual '23	1,039,787	1,254,852	1,110,597	1,121,883	1,154,753	1,091,765	1,169,786	1,115,669	1,166,346	1,044,929	1,214,963	-
Total Proceeds	Budget FY 2023	6,746,765	5,474,794	5,134,204	6,562,580	5,659,164	4,962,972	7,693,629	6,455,068	5,753,212	6,480,676	7,054,565	5,879,443
	5-year av.	7,333,080	7,045,063	6,912,017	8,493,290	6,986,392	6,614,802	10,120,743	7,578,408	7,309,389	8,169,593	8,386,794	7,288,311
	Actual '22	7,924,582	7,352,489	9,614,890	8,364,150	7,867,371	8,011,186	10,483,802	6,376,567	7,948,894	8,261,301	7,510,304	8,235,884
	Actual '23	11,122,326	5,376,525	7,103,656	10,283,720	14,041,170	7,426,090	12,906,031	8,276,147	8,765,814	7,410,123	8,308,957	-

YEAR TO DATE

Gross Sales	Budget FY 2023	29,659,327	59,080,681	85,403,462	116,770,750	145,101,705	176,029,014	211,814,458	241,152,504	275,420,054	307,318,304	341,640,255	372,300,000
	5-year av.	31,271,788	63,938,400	94,043,077	128,675,704	159,111,965	193,307,512	232,955,802	263,936,143	300,358,302	335,073,590	371,102,633	403,812,343
	Actual '22	34,805,463	70,654,146	108,844,461	144,708,442	178,502,134	217,557,674	259,119,452	291,409,434	328,074,829	364,735,325	398,904,797	432,663,770
	Actual '23	44,238,093	77,910,656	110,763,039	152,605,971	204,037,923	242,863,258	291,729,873	328,202,946	366,513,168	404,635,752	443,420,749	-
Prize Expense	Budget FY 2023	18,298,547	36,385,986	52,798,394	71,921,454	89,554,674	108,695,136	130,514,148	148,787,515	169,955,768	190,015,116	211,395,657	230,501,000
	5-year av.	19,511,123	40,063,033	58,936,277	80,397,244	99,144,501	121,937,873	145,923,996	164,903,660	188,695,271	210,448,799	233,006,774	253,768,014
	Actual '22	22,212,471	45,242,876	68,648,377	91,270,499	112,191,414	138,064,759	163,598,422	185,025,976	208,473,676	231,687,124	253,226,095	274,214,108
	Actual '23	26,916,442	49,310,232	70,211,528	96,244,997	126,883,671	152,935,792	182,589,120	205,237,541	229,719,090	255,251,199	280,329,699	-
Operating Expenses	Budget FY 2023	1,207,471	2,520,524	3,780,220	4,994,369	6,287,987	7,567,512	8,845,906	10,044,977	11,383,905	12,543,743	13,911,067	15,263,250
	5-year av.	1,082,107	2,175,789	3,252,895	4,400,968	5,518,382	6,595,679	7,722,065	8,741,874	9,844,964	10,943,810	12,080,095	13,335,594
	Actual '22	1,042,718	2,171,554	3,299,836	4,455,368	5,582,224	6,657,920	7,767,327	8,801,115	9,973,815	11,067,610	12,166,052	12,668,005
	Actual '23	1,039,787	2,294,639	3,405,236	4,527,119	5,681,872	6,773,637	7,943,423	9,059,092	10,225,438	11,270,367	12,485,330	-
Total Proceeds	Budget FY 2023	6,746,765	12,221,559	17,355,763	23,918,343	29,577,507	34,540,479	42,234,108	48,689,176	54,442,388	60,923,064	67,977,629	73,857,072
	5-year av.	7,333,080	14,378,143	21,290,160	29,783,450	36,769,842	43,384,644	53,505,387	61,083,795	68,393,184	76,562,777	84,949,571	92,237,882
	Actual '22	7,924,582	15,277,071	24,891,961	33,256,111	41,123,482	49,134,668	59,618,470	65,995,037	73,943,931	82,205,232	89,715,536	97,951,420
	Actual '23	11,122,326	16,498,851	23,602,507	33,886,227	47,927,397	55,353,487	68,259,518	76,535,665	85,301,479	92,711,602	101,020,559	-

	Current Month	Year to Date
Prize Payout - Budget	62.29%	61.88%
Prize Payout - 5-Year Average	62.61%	62.79%
Prize Payout - Actual	64.66%	63.22%
Sales - Actual increase (decrease) vs. 5-Year Average		19.49%
Proceeds - Actual increase (decrease) vs. 5-Year Average		18.92%
Sales - Actual increase (decrease) vs. Budget		29.79%
Proceeds - Actual increase (decrease) vs. Budget		48.61%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ending Friday, March 31, 2023

	Month ended 3/31/2023	Month ended 3/31/2022	Year-to-date 3/31/2023	Year-to-date 3/31/2022
Operating revenues:				
Instant-scratch ticket sales	\$25,716,625.00	\$26,053,699.00	\$214,207,328.00	\$222,256,204.45
InstaPlay sales	3,049,509.00	1,912,192.00	22,821,857.00	17,706,792.00
Pick 3 sales	809,982.50	875,512.50	6,765,943.00	6,970,551.50
Powerball sales	2,828,380.00	3,285,938.00	55,310,054.50	40,706,648.50
Mega Millions Sales	2,386,282.00	1,333,064.00	38,179,237.00	15,810,339.00
Pick 4 sales	509,806.50	529,085.00	4,360,342.50	4,181,738.00
Lucky for Life sales	725,696.00	721,284.00	6,305,532.00	5,999,860.00
Lotto America sales	1,035,465.00	719,924.00	8,663,747.00	4,896,103.00
Pull-tab sales	1,248,476.29	1,234,696.77	9,899,127.49	9,546,592.83
Application fees	450.00	300.00	4,900.00	4,400.00
Other	2,369.70	518.82	8,332.50	11,451.50
Total operating revenues	<u>38,313,041.99</u>	<u>36,666,214.09</u>	<u>366,526,400.99</u>	<u>328,090,680.78</u>
Operating expenses:				
Scratch ticket prizes	17,180,787.00	17,255,534.00	144,922,958.69	148,618,599.20
InstaPlay prizes	2,177,190.07	1,482,814.15	16,797,737.71	12,944,585.71
Pick 3 prizes	485,989.50	525,307.50	4,059,565.80	4,182,330.90
Powerball prizes	1,415,076.50	1,643,159.50	27,600,441.39	20,359,737.00
Mega Millions prizes	1,193,141.00	666,532.00	19,162,232.65	7,889,385.16
Pick 4 prizes	305,883.90	317,451.00	2,906,343.00	2,509,042.80
Lucky for Life prizes	431,306.52	428,684.33	3,747,598.35	3,562,256.14
Lotto America prizes	517,732.50	359,962.00	4,331,873.50	2,448,051.50
Pull-tab prizes	774,442.15	768,255.77	6,190,340.33	5,959,687.21
Advertising/publicity	608,007.43	718,894.64	7,005,861.07	6,221,995.20
Retailer compensation expense	2,489,931.73	2,400,339.86	23,770,193.15	21,437,658.56
Ticket expense	233,566.57	250,056.29	2,684,686.84	2,569,955.28
Vendor compensation expense	613,359.74	569,831.16	5,833,302.23	5,039,924.58
Salary and benefits	938,365.00	952,921.34	7,915,636.50	7,966,649.88
Travel	22,980.81	28,204.73	246,084.40	195,725.03
Supplies	8,085.27	5,993.34	94,866.70	93,150.10
Printing	152.50	-	1,658.37	4,193.67
Postage	360.77	515.09	6,881.41	9,246.59
Communications	14,898.09	14,948.34	135,670.79	132,376.42
Rentals	10,576.36	20,857.15	86,496.22	160,629.62
Utilities	8,600.21	7,218.39	86,685.14	71,830.42
Professional fees	18,563.25	6,417.34	188,277.08	76,180.68
Vending machine maintenance	25,200.00	22,848.00	219,776.64	202,608.00
Outside services and repairs	174,236.30	100,278.84	1,161,217.13	895,896.11
Data processing	14,547.35	10,703.64	114,753.75	96,835.44
Equipment	18,538.10	59,374.34	370,307.96	298,132.43
Reimbursement to other state agencies	34,494.98	36,418.37	373,660.45	375,873.84
Depreciation	34,930.53	46,539.71	370,437.98	384,286.48
Amortization	45,884.70	-	410,531.46	-
MUSL/Lotto administrative expense	18,208.55	2,580.09	143,156.73	23,849.55
Debit card fees	14,611.91	1,345.03	113,906.90	1,345.03
Other	4,882.95	4,675.54	68,160.57	41,897.70
Total operating expenses	<u>29,834,532.24</u>	<u>28,708,661.48</u>	<u>281,121,300.89</u>	<u>254,773,916.23</u>
Operating income	<u>8,478,509.75</u>	<u>7,957,552.61</u>	<u>85,405,100.10</u>	<u>73,316,764.55</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(8,765,813.58)	(7,948,894.26)	(85,301,478.78)	(73,943,933.06)
Interest income	107,807.13	4,341.53	455,749.08	33,058.93
Interest expense	(2,754.38)	-	(25,708.92)	-
Gain (Loss) on disposal of capital assets	-	950.00	7,477.11	34,997.00
Net non-operating revenues (expenses)	<u>(8,660,760.83)</u>	<u>(7,943,602.73)</u>	<u>(84,863,961.51)</u>	<u>(73,875,877.13)</u>
Change in net position	<u>(182,251.08)</u>	<u>13,949.88</u>	<u>541,138.59</u>	<u>(559,112.58)</u>
Net position beginning of period	6,291,731.79	3,828,487.09	5,568,342.12	4,401,549.55
Net position end of period	<u>6,109,480.71</u>	<u>3,842,436.97</u>	<u>6,109,480.71</u>	<u>3,842,436.97</u>

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Ten Months Ending Sunday, April 30, 2023

	Month ended 4/30/2023	Month ended 4/30/2022	Year-to-date 4/30/2023	Year-to-date 4/30/2022
Operating revenues:				
Instant-scratch ticket sales	\$ 26,244,360.00	\$ 24,432,092.00	\$ 240,451,688.00	\$ 246,688,296.45
InstaPlay sales	3,183,962.00	1,811,892.00	26,005,819.00	19,518,684.00
Pick 3 sales	768,827.50	791,020.00	7,534,770.50	7,761,571.50
Powerball sales	3,166,912.00	5,405,818.00	58,476,966.50	46,112,466.50
Mega Millions Sales	2,002,761.00	1,271,076.00	40,181,998.00	17,081,415.00
Pick 4 sales	485,300.00	474,324.00	4,845,642.50	4,656,062.00
Lucky for Life sales	697,232.00	696,830.00	7,002,764.00	6,696,690.00
Lotto America sales	609,668.00	746,044.00	9,273,415.00	5,642,147.00
Pull-tab sales	963,561.44	1,031,400.00	10,862,688.93	10,577,992.83
Application fees	350.00	275.00	5,250.00	4,675.00
Other	389.02	536.45	8,721.52	11,987.95
Total operating revenues	<u>38,123,322.96</u>	<u>36,661,307.45</u>	<u>404,649,723.95</u>	<u>364,751,988.23</u>
Operating expenses:				
Scratch ticket prizes	18,468,038.00	16,310,856.00	163,390,996.69	164,929,455.20
InstaPlay prizes	2,421,216.92	1,367,695.27	19,218,954.63	14,312,280.98
Pick 3 prizes	461,296.50	474,612.00	4,520,862.30	4,656,942.90
Powerball prizes	1,556,094.86	2,703,230.50	29,156,536.25	23,062,967.50
Mega Millions prizes	1,013,509.55	643,527.68	20,175,742.20	8,532,912.84
Pick 4 prizes	291,180.00	284,594.40	3,197,523.00	2,793,637.20
Lucky for Life prizes	414,389.39	414,150.48	4,161,987.74	3,976,406.62
Lotto America prizes	304,834.00	373,022.00	4,636,707.50	2,821,073.50
Pull-tab prizes	601,549.34	641,760.00	6,791,889.67	6,601,447.21
Advertising/publicity	536,404.63	756,059.29	7,542,265.70	6,978,054.49
Retailer compensation expense	2,502,328.03	2,386,097.53	26,272,521.18	23,823,756.09
Ticket expense	322,966.70	347,620.42	3,007,653.54	2,917,575.70
Vendor compensation expense	597,009.86	544,126.28	6,430,312.09	5,584,050.86
Salary and benefits	830,275.04	844,772.90	8,745,911.54	8,811,422.78
Travel	26,673.89	33,983.25	272,758.29	229,708.28
Supplies	3,687.42	4,160.85	98,554.12	97,310.95
Printing	27.50	-	1,685.87	4,193.67
Postage	314.97	392.11	7,196.38	9,638.70
Communications	16,535.45	19,522.24	152,206.24	151,898.66
Rentals	8,567.42	17,442.69	95,063.64	178,072.31
Utilities	7,925.19	5,597.47	94,610.33	77,427.89
Professional fees	7,294.00	8,272.10	195,571.08	84,452.78
Vending machine maintenance	25,200.00	22,848.00	244,976.64	225,456.00
Outside services and repairs	86,150.81	203,557.19	1,247,367.94	1,099,453.30
Data processing	12,770.04	10,720.93	127,523.79	107,556.37
Equipment	41,514.82	40,238.92	411,822.78	338,371.35
Reimbursement to other state agencies	35,174.94	38,980.96	408,835.39	414,854.80
Depreciation	35,361.25	46,821.13	405,799.23	431,107.61
Amortization	45,884.70	-	456,416.16	-
MUSL/Lotto administrative expense	17,361.03	2,580.09	160,517.76	26,429.64
Debit card fees	16,866.98	5,230.34	130,773.88	6,575.37
Other	4,744.93	4,699.89	72,905.50	46,597.59
Total operating expenses	<u>30,713,148.16</u>	<u>28,557,172.91</u>	<u>311,834,449.05</u>	<u>283,331,089.14</u>
Operating income	<u>7,410,174.80</u>	<u>8,104,134.54</u>	<u>92,815,274.90</u>	<u>81,420,899.09</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(7,410,123.40)	(8,261,301.37)	(92,711,602.18)	(82,205,234.43)
Interest income	61,710.75	7,664.99	517,459.83	40,723.92
Interest expense	(2,713.11)	-	(28,422.03)	-
Gain (Loss) on disposal of capital assets	-	3,675.00	7,477.11	38,672.00
Net non-operating revenues (expenses)	<u>(7,351,125.76)</u>	<u>(8,249,961.38)</u>	<u>(92,215,087.27)</u>	<u>(82,125,838.51)</u>
Change in net position	59,049.04	(145,826.84)	600,187.63	(704,939.42)
Net position beginning of period	6,109,480.71	3,842,436.97	5,568,342.12	4,401,549.55
Net position end of period	<u>6,168,529.75</u>	<u>3,696,610.13</u>	<u>6,168,529.75</u>	<u>3,696,610.13</u>

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Eleven Months Ending Wednesday, May 31, 2023

	Month ended 5/31/2023	Month ended 5/31/2022	Year-to-date 5/31/2023	Year-to-date 5/31/2022
Operating revenues:				
Instant-scratch ticket sales	\$27,853,551.00	\$24,175,949.00	\$268,305,239.00	\$270,864,245.45
InstaPlay sales	2,384,301.00	1,854,826.00	28,390,120.00	21,373,510.00
Pick 3 sales	816,187.50	780,974.50	8,350,958.00	8,542,546.00
Powerball sales	3,294,687.50	2,939,731.50	61,771,654.00	49,052,198.00
Mega Millions Sales	1,538,581.00	1,520,027.00	41,720,579.00	18,601,442.00
Pick 4 sales	488,422.50	485,552.00	5,334,065.00	5,141,614.00
Lucky for Life sales	721,416.00	703,658.00	7,724,180.00	7,400,348.00
Lotto America sales	580,798.00	650,132.00	9,854,213.00	6,292,279.00
Pull-tab sales	1,107,052.26	1,058,622.00	11,969,741.19	11,636,614.83
Application fees	275.00	375.00	5,525.00	5,050.00
Other	12,696.11	293.86	21,417.63	12,281.81
Total operating revenues	<u>38,797,967.87</u>	<u>34,170,140.86</u>	<u>443,447,691.82</u>	<u>398,922,129.09</u>
Operating expenses:				
Scratch ticket prizes	18,855,358.00	15,799,852.00	182,246,354.69	180,729,307.20
InstaPlay prizes	1,614,192.14	1,340,478.68	20,833,146.77	15,652,759.66
Pick 3 prizes	489,712.50	468,584.70	5,010,574.80	5,125,527.60
Powerball prizes	1,647,699.50	1,470,788.00	30,804,235.75	24,533,755.50
Mega Millions prizes	769,290.50	765,963.46	20,945,032.70	9,298,876.30
Pick 4 prizes	293,053.50	291,331.20	3,490,576.50	3,084,968.40
Lucky for Life prizes	428,762.79	418,208.57	4,590,750.53	4,394,615.19
Lotto America prizes	290,399.00	325,066.00	4,927,106.50	3,146,139.50
Pull-tab prizes	690,032.52	658,698.13	7,481,922.19	7,260,145.34
Advertising/publicity	877,663.35	776,560.73	8,419,929.05	7,754,615.22
Retailer compensation expense	2,534,452.33	2,239,524.34	28,806,973.51	26,063,280.43
Ticket expense	240,055.74	137,742.15	3,247,709.28	3,055,317.85
Vendor compensation expense	624,142.62	526,839.35	7,054,454.71	6,110,890.21
Salary and benefits	928,256.81	862,862.23	9,674,168.35	9,674,285.01
Travel	28,787.03	25,687.19	301,545.32	255,395.47
Supplies	27,103.28	11,541.12	125,657.40	108,852.07
Printing	90.05	377.50	1,775.92	4,571.17
Postage	182.73	299.55	7,379.11	9,938.25
Communications	14,869.58	14,429.81	167,075.82	166,328.47
Rentals	8,583.15	17,796.00	103,646.79	195,868.31
Utilities	5,962.88	5,669.70	100,573.21	83,097.59
Professional fees	38,045.20	8,241.00	233,616.28	92,693.78
Vending machine maintenance	25,200.00	22,848.00	270,176.64	248,304.00
Outside services and repairs	140,009.15	90,062.37	1,387,377.09	1,189,515.67
Data processing	12,764.04	10,714.99	140,287.83	118,271.36
Equipment	69,110.17	36,498.60	480,932.95	374,869.95
Reimbursement to other state agencies	34,162.39	35,836.78	442,997.78	450,691.58
Depreciation	36,403.11	46,821.13	442,202.34	477,928.74
Amortization	45,884.70	-	502,300.86	-
MUSL/Lotto administrative expense	17,996.67	2,536.32	178,514.43	28,965.96
Debit card fees	15,226.87	5,098.16	146,000.75	11,673.53
Other	5,663.89	4,523.91	78,569.39	51,121.50
Total operating expenses	<u>30,809,116.19</u>	<u>26,421,481.67</u>	<u>342,643,565.24</u>	<u>309,752,570.81</u>
Operating income	<u>7,988,851.68</u>	<u>7,748,659.19</u>	<u>100,804,126.58</u>	<u>89,169,558.28</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(8,308,957.17)	(7,510,303.59)	(101,020,559.35)	(89,715,538.02)
Interest income	98,993.36	7,101.52	616,453.19	47,825.44
Interest expense	(2,671.84)	-	(31,093.87)	-
Gain (Loss) on disposal of capital assets	(1,655.00)	-	5,822.11	38,672.00
Net non-operating revenues (expenses)	<u>(8,214,290.65)</u>	<u>(7,503,202.07)</u>	<u>(100,429,377.92)</u>	<u>(89,629,040.58)</u>
Change in net position	<u>(225,438.97)</u>	<u>245,457.12</u>	<u>374,748.66</u>	<u>(459,482.30)</u>
Net position beginning of period	<u>6,168,529.75</u>	<u>3,696,610.13</u>	<u>5,568,342.12</u>	<u>4,401,549.55</u>
Net position end of period	<u>5,943,090.78</u>	<u>3,942,067.25</u>	<u>5,943,090.78</u>	<u>3,942,067.25</u>

Budget For Lottery Fund

	FY 2022 Actual	FY 2023 Board Approved Budget	FY 2024 Board Approved Budget - Fall	FY 2024 Proposed Budget - Final
Resources				
Lottery sales	\$ 432,663,770	\$ 372,300,000	\$ 374,200,000	\$ 397,685,000
Interest income	87,823	60,000	60,000	500,000
Application fees	5,300	5,000	5,000	5,000
Other	21,083	5,000	5,000	5,000
Total Resources	432,777,976	372,370,000	374,270,000	398,195,000
Expenses and Change in Net Assets				
Prizes	274,214,107	230,501,000	231,698,000	247,597,000
Retailer compensation	28,255,266	24,945,100	25,072,400	26,645,900
Advertising production and media purchases	8,393,217	14,892,000	14,675,815	15,907,400
Retailer Lottery system/Terminal Communications	5,335,129	7,163,530	7,160,657	8,334,867
Instant/Pull-tab ticket expense	3,288,224	4,546,400	4,546,400	4,734,400
Vending machines & maintenance/Ticket dispensers	487,152	539,248	571,120	571,120
Courier delivery of instant tickets	1,045,771	1,135,000	1,135,000	1,335,000
Lottery operating expense	12,668,005	15,263,250	15,457,919	15,815,149
Interest Expense	19,546	-	19,546	35,000
Increase (decrease) in net assets	1,120,136	(472,600)	(308,200)	2,360,680
Total Expenses and Change in Net Assets	334,826,553	298,512,928	300,028,657	323,336,516
Proceeds				
Proceeds Transfer to Veterans Trust Fund	2,500,000	2,500,000	2,500,000	2,500,000
Proceeds Transfer to Public Safety Survivor Benefit Fund	100,000	100,000	100,000	100,000
Proceeds Transfer to Department of Corrections Survivor Benefits Fund	100,000	100,000	100,000	100,000
Proceeds Transfer to General Fund	95,251,422	71,157,072	71,541,343	72,158,484
Total Proceeds Transfers	97,951,422	73,857,072	74,241,343	74,858,484
Total Expenses and Proceeds	432,777,975	372,370,000	374,270,000	398,195,000

Lottery Operations - Budget Detail

	FY 2022 Actual	FY 2023 Board Approved Budget	FY 2024 Board Approved Budget - Fall	FY 2024 Proposed Budget - Final
Administrative payroll	\$ 9,518,539	\$ 11,699,545	\$ 11,699,545	\$ 11,532,905
Travel & Transportation	278,982	407,500	407,500	407,500
Supplies	79,320	103,000	103,000	103,000
Printing	4,571	10,500	10,500	10,500
Postage	10,130	7,000	10,000	10,000
Communications	187,447	192,400	192,400	192,400
Rentals	106,831	299,179	179,617	179,617
Utilities	94,376	108,800	120,500	120,500
Professional fees	99,832	204,000	204,000	204,000
Outside services and repair	374,532	262,957	262,957	262,957
Data processing	129,246	150,000	150,000	150,000
Equipment	238,502	492,869	527,434	651,184
Reimbursement to state agencies	514,973	531,900	531,900	531,900
Depreciation	527,833	707,600	543,200	723,320
Amortization	429,366	-	429,366	489,366
Other expenses	73,525	86,000	86,000	246,000
Total operating expenses	12,668,005	15,263,250	15,457,919	15,815,149

FY 2024 Proposed Budget for "Administrative payroll" includes salary and benefit cost adjustments per DOM projections

**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** (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 a division of the Iowa Department of Revenue (IDR) 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 fourth option period is hereby exercised by the Lottery extending the term through December 31, 2024.

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

By: _____
Name: Matt Bender
Title: COO and Deputy Director, IDR

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** (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 a division of the Iowa Department of Revenue (IDR) 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 fourth option period is hereby exercised extending the term through December 31, 2024.

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: Matt Bender
Title: COO and Deputy Director, IDR

Date: _____

Pollard Banknote Limited

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

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** (Lottery) and **Scientific Games, LLC.** (SG 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 a division of the Iowa Department of Revenue (IDR) 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 limited liability company, 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 fourth option period is hereby exercised extending the term through December 31, 2024.

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: Matt Bender
Title: COO and Deputy Director, IDR

Date: _____

Scientific Games, LLC.

By: _____
Name: John Schulz
Title: Senior Vice President

Date: _____