



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
September 26, 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 June 29, 2023 Board Meeting
- II. Remarks from Iowa Department of Revenue Director Mary Mosiman
 - A. Update on State of Iowa Boards and Commissions Review Process
- III. CEO Report
- IV. Quarterly Reports
 - A. Sales and Marketing
 - 1. FY 2023 Sales Overview
 - 2. FY 2024 Product Category Update
 - B. External Relations
 - C. Security
 - D. Finance
- V. FY24 Budget Update
- VI. Powerball Double Play Update
- VII. Pick 3 and Pick 4 Game Rules Update - Board Action Required
- VIII. Iowa Department of Revenue Consolidated Administrative Rules Update
- IX. 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

June 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; Mary Junge; Josh Cook; Dana Wingert.

Board Members Present on Teleconference:

Hon. Roby Smith.

Board Members Absent:

Katie New.

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:

Mary Mosiman, IDR Director; Darina Petrova, IDR; Matt Bender, IDR; Abigail Sills, IDR; Zach Waldmeier, IDR; John Schreurs, Strategic America; Sarah Dekock, Flynn Wright; Dave Berger, Scientific Games; Tom Grady, Bucket Agency; Dar Danielson, Radio Iowa

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.

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

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Junge moved to approve the March 29, 2023 Board meeting minutes. Cook seconded. Motion carried unanimously.

CEO REPORT

Strawn began the meeting by introducing Mary Mosiman, the Director of Iowa's Department of Revenue. Mosiman provided background on the State's Alignment effort and how the Iowa Lottery will become a Division of the Iowa Department of Revenue on July 1, 2023. Director Mosiman provided comments on synergies and benefits to be obtained by combining the revenue generating entities (the Department of Revenue, the Alcoholic Beverages Division and the Iowa Lottery) into one Department under Revenue. Director Mosiman further commented on the strong track record that the three entities bring through working jointly on such efforts as GovConnectIOWA to streamline taxes, licensing, and business registration.

Strawn stated that the Lottery's performance for Fiscal Year 2023 will be the strongest year of Lottery financial performance in the 38-year history of the Iowa Lottery – setting records for gross sales that will approach \$480 million and net proceeds that, for the first time in history, exceeded \$100 million by the month of May. Gross sales of \$443.4 million through May represent an 11.2% increase from last year. Net proceeds of \$101.0 million represent a 12.6% year-over-year increase.

He further commented on how this growth is the result of strategic business decision-making, thorough research and analysis, strong retailer and supplier relationships, an unwavering commitment to integrity of operations, hard work, and never forgetting the "Iowa" part of the Iowa Lottery when developing and responsibly marketing prizes and promotions.

Regarding strategic business decisions, Strawn noted that includes both those made in coordination with multi-jurisdiction game groups and those made independently by the management team. This includes game improvements in recent years related to draw frequency made to the Powerball, Lucky for Life, and Lotto America games. The resulting sales lift the Iowa Lottery is seeing in the lotto category is evidence of the positive effect of those game enhancements.

Strawn shared that he anticipates nearly every lottery game and product will see year-over-year sales growth by the end of FY 2023. Among strategic factors influencing this performance over the past year included the deployment of more self-service vending kiosks in high-traffic retail locations, developing new price points and prize structure value propositions for scratch tickets, and more efficient management of the Lottery's pull-tab ticket inventory.

Strawn concluded by expressing his appreciation for the most important ingredient in the Lottery's success – its people. He said that you don't have integrity of operations, or financial controls, or compliance, or sales and marketing successes without great people. Specifically, the public-minded Iowans at the Lottery who take tremendous pride in the unique manner by which they serve our State. Strawn thanked the members of the management team assembled at the meeting, specifically acknowledging the substantial contributions of Megan Tooker, the Lottery's Executive Vice President, who is departing from the Lottery on June 30, 2023.

Junge thanked Strawn for his report, noting that as the longest-serving board member in Iowa Lottery history that the financial performance for the most recent year was remarkable and a testament to how the management team's business-focused approach is producing record returns for the State of Iowa. Junge concluded by sharing her concerns that the state's alignment initiative may impact the Lottery's ability to continue to drive such positive returns for the State.

QUARTERLY REPORTS

Legal and Operations:

Tooker provided an overview of the Alignment legislation and reported on the operational changes that will take place effective July 1, 2023 as the Iowa Lottery Authority ceases to exist and becomes a Division of the Iowa Department of Revenue.

Sales and Marketing:

Roth provided an overview of sales to date by game category and noted that year-end projections indicate that all product categories will experience strong performance with year over year growth. He further noted that Retailer commissions are expected to finish the year at record levels.

Roth also provided an overview of recent and upcoming marketing promotions, and provided updates to the board on product portfolio analysis and retailer commission research efforts.

External Relations and Social Responsibility:

Neubauer provided an update to the Board regarding how the Iowa Lottery's database of winners will be required to be included as part of identity authentication that the Iowa Department of Health and Human Services will conduct before SNAP benefits can be awarded to an individual. Effective June 1, 2023, this legislation requires HHA to have the asset-verification process in place no later than July 1, 2025.

Following the Board's December, 2023 vote, Neubauer noted that in late April, 2023, the prize-claim period was changed for tickets purchased in Iowa in the Powerball, Mega Millions, Lotto America, and Lucky for Life games from 365 days (the longest in the United States and outside the norm for the Lottery industry) to 180 days. Neubauer further commented that the change has no monetary benefit to the Iowa Lottery and that under state law, the money from prizes that expire in Iowa without being claimed go back to players through the Lottery's prize pools for future games and promotions.

Neubauer concluded her report with details about a \$1 million Mega Millions prize that is still unclaimed, and ongoing efforts to inform Iowans and those that play in Iowa that the ticket was purchased at the Filling Station/Gateway Express in Ames on September 5, 2022. Neubauer further noted the fiscal year end flurry of four prizes totaling \$3,425,00 won by players over a 5 day period.

Finance:

Knight gave the financial report. Through May, YTD sales are \$443.4 million. The YTD sales are ahead of budget by \$101.8 million, or 30%. YTD sales are also ahead of sales for FY 2022 by \$11.3 million, or 13%. Through May, YTD proceeds are just over \$101 million, and ahead of budget by \$33 million of 49%. YTD proceeds are also ahead of proceeds for FY 2022 by \$11.3 million, or 13%. Through May, YTD prize expenses were \$280.3 million. The YTD prize expense is ahead of budget by \$68.9 million, or 33%. YTD operating expenses through May remain under budget at \$12.5 million and are comparable to the 5-year average.

FY24 BUDGET REVISIONS

Knight provided an update to the Board regarding the increase to the FY 2024 budget to \$15,815,149. Changes here reflect an increase in projected grow sales due to the addition of new product offerings, additional self-serve kiosk machines and the change in the interest rate environment. Knight also noted those variable expenses that would also increase that are directly related to sales increases.

Wingert moved to approve the FY24 budget revisions. Cook seconded. Motion carried unanimously.

CONTRACTS

Roth recommended to the board the purchase of additional state of the art self-serve kiosk machines through the gaming system contract with Scientific Games. The life span of these machines is anticipated to be 13 years. Using a conservative 11 year life span, these machines are projected to produce proceeds for the state in the range of \$60 million to \$66 million.

Junge moved to approve the contract amendment with Scientific Games for the self-service kiosk machines. Wingert seconded. Motion carried unanimously.

Tooker recommended the board approve the final 1-year contract extensions with IGT Global Solutions, Pollard Banknote Limited, and Scientific Games, LLC for the purchase of instant tickets and related services through December 31, 2024.

Cook moved to approve the contract extensions with IGT, Pollard, and Scientific Games for scratch tickets. Junge seconded. Motion carried unanimously.

MEDIA PLANNING AND BUYING

Roth updated the board regarding the RFP process followed to obtain responses and proposals for Media Planning & Buying services. Eight vendors participated in the mandatory vendor session, five vendors provided proposals, and three vendors were selected as finalists. From this process, Flynn Wright received the most evaluation points overall.

Wingert moved to approve issuing a notice of intent to award the Media Planning and Buying Services to Flynn Wright, and to enter into a contract consistent with the RFP, contingent upon successful completion of any required background check. Junge seconded. Motion carried unanimously.

POWERBALL GAME RULES UPDATE

Tooker provided the board with an overview of the proposed Revised Powerball Game Rules in order to add the Double Play option to the Powerball game to be effective once Lottery system programming and testing is completed.

Junge moved to approve the updated Powerball game rules. Wingert seconded. Motion carried unanimously.

ELECTION OF OFFICERS

Junge moved to approve Katie New as Board Chair and Dana Wingert as Board Vice-Chair for FY24. Cook seconded. Motion carried unanimously.

TENTATIVE FY24 BOARD MEETINGS

The chair advised that the board meeting dates for FY24 are noted on the agenda. Those dates are: September 26, 2023; December 14, 2023; March 26, 2024; and, June 25, 2024.

ADJOURNMENT

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

Meeting adjourned at 11:50 a.m.



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Memorandum

To: Iowa Lottery Board of Directors
From: Stephen Waymire
Date: September 26, 2023
Re: Activity Summary for Security Division 6/21/2023-9/19/2023

Incident Type	Incident Report	65
	Case Report	19
<hr/>		
Contact Reasons	Burglary	2
	Employee Theft	6
	Fraud/Forgery	2
	Missing Packs/Tickets	6
	Missing Tickets - Shipping	3
	Multiple Winner Review	1
	Other	1
	Player Assist	6
	Promotional Draw	7
	Quality Control Tickets	13
	Retailer Assist	2
	Robbery	1
	Scratch Ticket Printing Issue	1
	Theft	8
	Ticket Re-construction	11
	Validations	13
Winner File Audit	1	
<hr/>		
Retailer Inspections		56

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2023
June 30, 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	38,112,394
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	24,924,491
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	1,196,388	1,151,290	1,184,160	1,121,173	1,199,194	1,145,077	1,195,753	1,074,336	1,244,370	412,524
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	7,397,814
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	481,533,143
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	305,254,190
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	3,491,027	4,642,317	5,826,477	6,947,650	8,146,844	9,291,921	10,487,674	11,562,010	12,806,380	13,218,904
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	108,418,373

Current Month Year to Date

Prize Payout - Budget	62.31%	61.91%
Prize Payout - Actual	65.40%	63.39%
Sales - Actual increase (decrease) vs. Budget		29.34%
Proceeds - Actual increase (decrease) vs. Budget		46.79%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2023

June 30, 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	38,112,394
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	24,924,491
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	1,318,789
	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	1,196,388	1,151,290	1,184,160	1,121,173	1,199,194	1,145,077	1,195,753	1,074,336	1,244,370	412,524
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	7,397,814

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	481,533,143
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	305,254,190
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	13,398,884
	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	3,491,027	4,642,317	5,826,477	6,947,650	8,146,844	9,291,921	10,487,674	11,562,010	12,806,380	13,218,904
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	108,418,373

	Current Month	Year to Date
Prize Payout - Budget	62.31%	61.91%
Prize Payout - 5-Year Average	63.47%	62.84%
Prize Payout - Actual	65.40%	63.39%
Sales - Actual increase (decrease) vs. 5-Year Average		19.25%
Proceeds - Actual increase (decrease) vs. 5-Year Average		17.54%
Sales - Actual increase (decrease) vs. Budget		29.34%
Proceeds - Actual increase (decrease) vs. Budget		46.79%

IOWA LOTTERY AUTHORITY

Statement of Net Position

Friday, June 30, 2023

FINAL

	Year-to-date 6/30/2023	Year-to-date 6/30/2022
Assets		
Current assets:		
Cash	\$ 27,826,765.87	\$ 25,779,354.67
Cash on hand	600.00	600.00
Restricted assets - cash	756,136.83	706,134.42
Prepaid expense	184,318.67	237,096.50
Interest receivable	56,907.62	32,929.79
Accounts receivable, net	4,591,424.13	7,053,799.97
Ticket inventories	3,908,531.95	3,282,142.39
Investment in prize annuities	58,057.65	58,607.93
Total current assets	37,382,742.72	37,150,665.67
Noncurrent assets:		
Prize reserve	4,975,966.27	4,771,772.20
Investment in prize annuities	774,252.89	834,622.57
Capital assets, net	7,036,592.67	7,120,640.31
Lease assets, net	2,537,144.18	2,386,290.76
Total noncurrent assets	15,323,956.01	15,113,325.84
Total assets	52,706,698.73	52,263,991.51
Deferred Outflows of Resources	1,200,817.00	1,287,088.00
Liabilities		
Current liabilities:		
Multi-State Prize Payable	275,825.44	1,368,634.89
Mega Millions Prize Payable	2,225,116.50	452,262.50
Pick 4 Prize Payable	502,533.10	198,759.90
Pick 3 Prize Payable	198,682.90	259,462.00
Lucky for Life Prize Payable	213,375.15	211,386.60
Lucky for Life Prize Reserve	222,607.31	538,605.23
Lotto America Prize Payable	256,015.00	198,814.00
Unclaimed Prize Liability	560,962.71	826,406.29
InstaPlay Prize Payable	561,859.00	107,330.00
Retailer/Other Deposits	20,000.00	7,500.00
Annuity Prizes Payable	58,057.65	58,607.93
Accounts payable and accruals	1,647,586.96	2,141,522.51
Lease liability	549,901.73	473,045.94
Unearned revenue	469,225.44	404,053.44
Salary and benefits payable	313,748.64	177,782.67
Compensated absences and OPEB	859,723.14	1,086,564.90
State withholding payable	209,550.67	99,376.26
Federal withholding payable	17,497.47	91,651.26
Proceeds due to state causes	23,116,894.48	24,007,488.95
Total current liabilities	32,279,163.29	32,709,255.27
Long-term liabilities:		
Accounts payable and accruals	94,965.00	67,273.00
Lease liability	1,992,562.62	1,912,075.84
Net pension liability	3,526,018.00	131,134.00
Prize reserve	4,975,966.27	4,771,772.20
Compensated absences and OPEB	2,062,527.21	2,079,575.51
Annuity prizes payable	774,252.89	834,622.57
Total long-term liabilities	13,426,291.99	9,796,453.12
Total liabilities	45,705,455.28	42,505,708.39
Deferred Inflows of Resources	1,293,226.00	5,477,029.00
Net Position		
Net investment in capital assets	7,031,272.50	7,120,640.31
Unrestricted	(122,438.05)	(1,552,298.19)
Total net position	6,908,834.45	5,568,342.12

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Twelve Months Ending Friday, June 30, 2023

FINAL

	Month ended 6/30/2023	Month ended 6/30/2022	Year-to-date 6/30/2023	Year-to-date 6/30/2022
Operating revenues:				
Instant-scratch ticket sales	\$25,274,877.04	\$22,262,304.00	\$293,580,116.04	\$293,126,549.45
InstaPlay sales	3,427,494.00	2,063,305.00	31,817,614.00	23,436,815.00
Pick 3 sales	777,693.50	723,240.00	9,128,651.50	9,265,786.00
Powerball sales	3,860,430.50	4,023,802.00	65,632,084.50	53,076,000.00
Mega Millions Sales	2,037,648.00	1,773,725.00	43,758,227.00	20,375,167.00
Pick 4 sales	464,044.50	461,209.50	5,798,109.50	5,602,823.50
Lucky for Life sales	695,078.00	670,656.00	8,419,258.00	8,071,004.00
Lotto America sales	533,247.00	718,938.00	10,387,460.00	7,011,217.00
Pull-tab sales	1,041,881.51	1,061,793.08	13,011,622.70	12,698,407.91
Application fees	225.00	250.00	5,750.00	5,300.00
Other	1,881.76	8,801.60	23,299.39	21,083.41
Total operating revenues	38,114,500.81	33,768,024.18	481,562,192.63	432,690,153.27
Operating expenses:				
Scratch ticket prizes	16,962,177.00	14,528,840.00	199,208,531.69	195,258,147.20
InstaPlay prizes	2,936,493.99	1,429,076.30	23,769,640.76	17,081,835.96
Pick 3 prizes	466,616.10	433,944.00	5,477,190.90	5,559,471.60
Powerball prizes	1,930,749.50	2,012,329.50	32,734,985.25	26,546,085.00
Mega Millions prizes	1,018,824.00	886,862.50	21,963,856.70	10,185,738.80
Pick 4 prizes	278,426.70	276,725.70	3,769,003.20	3,361,694.10
Lucky for Life prizes	413,109.16	398,594.34	5,003,859.69	4,793,209.53
Lotto America prizes	266,623.50	359,469.00	5,193,730.00	3,505,608.50
Pull-tab prizes	651,471.33	662,171.25	8,133,393.52	7,922,316.59
Advertising/publicity	815,327.03	638,602.09	9,235,256.08	8,393,217.31
Retailer compensation expense	2,500,821.88	2,191,985.69	31,307,795.39	28,255,266.12
Ticket expense	223,373.71	220,903.45	3,471,082.99	3,276,221.30
Vendor compensation expense	746,882.53	(838,941.93)	7,801,337.24	5,271,948.28
Salary and benefits	90,112.17	(155,745.56)	9,764,280.52	9,518,539.45
Travel	21,639.14	23,586.31	323,184.46	278,981.78
Supplies	55,091.49	9,669.06	180,748.89	118,521.13
Printing	1,397.00	-	3,172.92	4,571.17
Postage	203.01	191.36	7,582.12	10,129.61
Communications	26,773.42	21,118.90	193,849.24	187,447.37
Rentals	8,569.29	(89,037.39)	112,216.08	106,830.92
Utilities	5,777.17	11,278.34	106,350.38	94,375.93
Professional fees	24,669.34	7,138.36	258,285.62	99,832.14
Vending machine maintenance	25,200.00	22,848.00	295,376.64	271,152.00
Outside services and repairs	184,949.95	208,196.54	1,572,327.04	1,397,712.21
Data processing	12,769.97	10,975.09	153,057.80	129,246.45
Equipment	44,400.39	106,610.22	525,333.34	481,480.17
Reimbursement to other state agencies	61,192.94	64,281.36	504,190.72	514,972.94
Depreciation	40,567.57	49,903.88	482,769.91	527,832.62
Amortization	45,884.57	429,365.72	548,185.43	429,365.72
MUSL/Lotto administrative expense	18,265.51	2,615.20	196,779.94	31,581.16
Debit card fees	15,458.59	5,503.52	161,459.34	17,177.05
Other	(15,222.29)	5,240.73	63,347.10	56,362.23
Total operating expenses	29,878,595.66	23,934,301.53	372,522,160.90	333,686,872.34
Operating income	8,235,905.15	9,833,722.65	109,040,031.73	99,003,280.93
Non-operating revenue (expenses):				
Proceeds to state causes	(7,397,813.91)	(8,235,883.99)	(108,418,373.26)	(97,951,422.01)
Interest income	140,858.80	39,997.65	757,311.99	87,823.09
Interest expense	(2,630.49)	(19,546.44)	(33,724.36)	(19,546.44)
Gain (Loss) on disposal of capital assets	(10,575.88)	7,985.00	(4,753.77)	46,657.00
Net non-operating revenues (expenses)	(7,270,161.48)	(8,207,447.78)	(107,699,539.40)	(97,836,488.36)
Change in net position	965,743.67	1,626,274.87	1,340,492.33	1,166,792.57
Net position beginning of period	5,943,090.78	3,942,067.25	5,568,342.12	4,401,549.55
Net position end of period	6,908,834.45	5,568,342.12	6,908,834.45	5,568,342.12

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEARS 2019 THROUGH 2023
FINAL

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
OPERATING REVENUES					
Scratch ticket sales	293,580,116	293,126,549	316,934,651	262,447,704	250,642,094
Instaplay sales	31,817,614	23,436,815	23,478,424	16,279,705	11,876,560
Pick 3 sales	9,128,652	9,265,786	9,540,165	8,502,502	7,871,469
Powerball sales	65,632,085	53,076,000	43,419,695	36,428,043	54,833,068
Mega Millions sales	43,758,227	20,375,167	28,980,779	20,433,854	36,322,749
Hot Lotto sales	-	-	-	-	-
Pick 4 sales	5,798,109	5,602,823	5,470,758	4,950,001	4,292,190
Lucky for Life sales	8,419,258	8,071,004	5,555,026	5,335,530	5,427,678
Lotto America sales	10,387,460	7,011,217	6,441,090	6,751,811	8,753,137
Pull-tab sales	13,011,623	12,698,408	12,771,423	10,824,344	10,876,605
Application fees	5,750	5,300	4,700	3,750	3,775
Other revenue	23,299	21,083	6,317	7,436	55,516
Total operating revenues	481,562,193	432,690,152	452,603,028	371,964,680	390,954,841
OPERATING EXPENSES					
Scratch ticket prize expense	199,208,532	195,258,147	211,664,732	174,595,972	166,890,489
Instaplay prize expense	23,769,641	17,081,836	17,225,460	11,659,100	8,255,638
Pick 3 prize expense	5,477,191	5,559,472	5,766,802	5,101,502	4,670,681
Powerball prize expense	32,734,985	26,546,085	21,710,608	18,219,035	25,500,971
Mega Millions prize expense	21,963,857	10,185,739	14,490,389	10,216,927	18,473,201
Hot Lotto prize expense	-	-	-	-	(46,872)
Pick 4 prize expense	3,769,003	3,361,694	3,282,455	3,237,775	2,553,524
All or Nothing prize expense	-	-	-	-	(89)
Lucky for Life prize expense	5,003,860	4,793,210	3,535,075	3,147,141	3,111,848
Lotto America prize expense	5,193,730	3,505,608	3,220,545	3,375,906	4,300,353
Pull-tab prize expense	8,133,393	7,922,317	7,981,163	6,763,647	6,805,266
VIP Club prize expense	-	-	-	-	1,315,880
Promotional prize expense	-	-	-	-	109,753
Advertising/Publicity	9,235,256	8,393,217	7,421,985	6,780,551	7,276,923
Retailer compensation expense	31,307,795	28,255,266	29,694,891	24,314,334	25,447,739
Ticket expense	3,471,083	3,276,221	3,564,730	3,242,459	3,284,663
Vendor compensation expense	7,801,337	5,271,948	6,237,018	6,058,063	6,356,385
Salary and benefits	9,764,281	9,518,539	11,190,015	10,861,223	10,459,454
Travel	323,184	278,982	196,657	231,957	261,529
Supplies	180,749	118,521	103,778	94,247	106,009
Printing	3,173	4,571	3,076	1,402	3,767
Postage	7,582	10,130	7,380	7,097	5,458
Communications	193,849	187,447	173,362	188,930	202,355
Rentals	112,216	106,831	304,104	318,204	310,280
Utilities	106,350	94,376	91,331	92,719	95,043
Professional fees	258,286	99,832	119,268	169,265	162,023
Vending machine maintenance	295,377	271,152	261,166	257,040	253,416
Outside services & repairs	1,572,327	1,397,712	918,261	870,282	828,180
Data processing	153,058	129,246	128,506	125,918	109,069
Equipment	525,333	481,480	509,009	392,535	512,247
Reimbursement to other state agencies	504,191	514,973	460,093	479,618	457,598
Depreciation	482,770	527,833	457,136	481,223	541,020
Amortization	548,185	429,366	-	-	-
MUSL administrative expense	196,780	31,581	9,116	33,596	71,544
Debit card fees***	161,459	-	-	-	-
Other***	63,350	73,539	53,094	56,126	63,061
Total operating expenses	372,522,163	333,686,871	350,781,205	291,373,794	298,748,406
Operating income (loss)	109,040,030	99,003,281	101,821,823	80,590,886	92,206,435

IOWA LOTTERY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEARS 2019 THROUGH 2023
FINAL

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Non-operating revenues (expenses)					
Proceeds to state causes**	(108,418,373)	(97,951,422)	(101,747,494)	(81,529,332)	-
State General Fund	-	-	-	-	(90,364,965)
Veterans Trust Fund	-	-	-	-	(2,500,000)
Interest income	757,312	87,823	59,467	383,498	495,974
Interest expense	(33,724)	(19,546)	-	-	-
Gain (Loss) on disposal of capital assets	(4,754)	46,657	18,400	1,647	15,017
Net non-operating revenues(expenses)	(107,699,539)	(97,836,488)	(101,669,627)	(81,144,187)	(92,353,974)
Change in net position	1,340,491	1,166,793	152,196	(553,301)	(147,539)
Net position, beginning of period	5,568,343	4,401,550	4,249,354	4,802,655	4,950,194
Net position, end of period	6,908,834	5,568,343	4,401,550	4,249,354	4,802,655

** beginning in FY20, proceeds are reported as one total

*** beginning in FY23, debit card fees are shown individually. Previously reported as "Other".

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2024
August 31, 2023

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2024	30,805,612	32,254,825	29,662,368	34,235,499	29,815,250	33,747,250	39,247,779	30,367,165	36,024,531	34,061,624	35,357,766	32,105,331
	Actual '24	49,622,689	45,383,189	-	-	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	19,925,094	18,485,080	20,946,784	18,717,266	20,951,463	24,036,531	19,101,157	22,369,845	21,455,399	22,173,695	20,137,394
	Actual '24	31,264,114	27,582,044	-	-	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	1,356,045	1,253,388	1,319,781	1,327,199	1,264,230	1,385,479	1,299,306	1,317,229	1,315,860	1,435,422	1,287,657
	Actual '24	1,108,707	1,176,130	-	-	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	5,671,274	5,564,173	6,837,098	5,624,045	5,324,915	8,147,197	6,100,617	5,884,057	6,576,522	6,751,368	5,850,990
	Actual '24	11,582,796	11,022,157	-	-	-	-	-	-	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2024	30,805,612	63,060,437	92,722,805	126,958,304	156,773,554	190,520,804	229,768,583	260,135,748	296,160,279	330,221,903	365,579,669	397,685,000
	Actual '24	49,622,689	95,005,878	-	-	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	39,222,386	57,707,466	78,654,250	97,371,516	118,322,979	142,359,510	161,460,667	183,830,512	205,285,911	227,459,606	247,597,000
	Actual '24	31,264,114	58,846,158	-	-	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	2,609,598	3,862,986	5,182,767	6,509,966	7,774,196	9,159,675	10,458,981	11,776,210	13,092,070	14,527,492	15,815,149
	Actual '24	1,108,707	2,284,837	-	-	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	12,197,502	17,761,675	24,598,773	30,222,818	35,547,733	43,694,930	49,795,547	55,679,604	62,256,126	69,007,494	74,858,484
	Actual '24	11,582,796	22,604,953	-	-	-	-	-	-	-	-	-	-

Current Month Year to Date

Prize Payout - Budget	61.77%	62.20%
Prize Payout - Actual	60.78%	61.94%
Sales - Actual increase (decrease) vs. Budget		50.66%
Proceeds - Actual increase (decrease) vs. Budget		85.32%

IOWA LOTTERY
PERFORMANCE MEASURES
FY 2024

August 31, 2023		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
MONTH													
Gross Sales	Budget FY 2024	30,805,612	32,254,825	29,662,368	34,235,499	29,815,250	33,747,250	39,247,779	30,367,165	36,024,531	34,061,624	35,357,666	32,105,331
	5-year av.	34,478,110	31,707,549	31,348,986	37,608,289	35,189,488	35,444,862	42,534,974	32,553,218	36,699,073	36,074,266	37,548,725	34,740,053
	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	38,112,394
	Actual '24	49,622,689	45,383,189	-	-	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	19,925,094	18,485,080	20,946,784	18,717,266	20,951,463	24,036,531	19,101,157	22,369,845	21,455,399	22,173,695	20,137,394
	5-year av.	21,465,762	20,442,425	19,759,085	23,297,414	21,558,920	23,973,507	25,721,798	20,024,591	23,963,967	22,919,840	23,851,068	22,342,258
	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	24,924,491
	Actual '24	31,264,114	27,582,044	-	-	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	1,356,045	1,253,388	1,319,781	1,327,199	1,264,230	1,385,479	1,299,306	1,317,229	1,315,860	1,435,422	1,287,657
	5-year av.	1,068,851	1,104,636	1,109,536	1,140,162	1,122,757	1,084,799	1,140,306	1,044,808	1,135,785	1,093,075	1,143,678	1,104,703
	Actual '23	1,039,787	1,254,852	1,196,388	1,151,290	1,184,160	1,121,173	1,199,194	1,145,077	1,195,753	1,074,336	1,244,370	412,524
	Actual '24	1,108,707	1,176,130	-	-	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	5,671,274	5,564,173	6,837,098	5,624,045	5,324,915	8,147,197	6,100,617	5,884,057	6,576,522	6,751,368	5,850,990
	5-year av.	8,252,705	6,121,261	7,113,346	9,358,544	8,515,236	6,584,106	11,095,842	7,856,942	7,432,627	8,294,713	8,517,010	7,359,985
	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	7,397,814
	Actual '24	11,582,796	11,022,157	-	-	-	-	-	-	-	-	-	-

YEAR TO DATE

Gross Sales	Budget FY 2024	30,805,612	63,060,437	92,722,805	126,958,304	156,773,554	190,520,804	229,768,583	260,135,748	296,160,279	330,221,903	365,579,669	397,685,000
	5-year av.	34,478,110	66,185,659	97,534,645	135,142,934	170,332,422	205,777,284	248,312,258	280,865,476	317,564,549	353,638,815	391,187,540	425,927,593
	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	481,533,143
	Actual '24	49,622,689	95,005,878	-	-	-	-	-	-	-	-	-	-
Prize Expense	Budget FY 2024	19,297,292	39,222,386	57,707,466	78,654,250	97,371,516	118,322,979	142,359,510	161,460,667	183,830,512	205,285,911	227,459,606	247,597,000
	5-year av.	21,465,762	41,908,187	61,667,272	84,964,686	106,523,606	130,497,113	156,218,911	176,243,502	200,207,469	223,127,309	246,978,377	269,320,635
	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	305,254,190
	Actual '24	31,264,114	58,846,158	-	-	-	-	-	-	-	-	-	-
Operating Expenses	Budget FY 2024	1,253,553	2,609,598	3,862,986	5,182,767	6,509,966	7,774,196	9,159,675	10,458,981	11,776,210	13,092,070	14,527,492	15,815,149
	5-year av.	1,068,851	2,173,487	3,283,023	4,423,185	5,545,942	6,630,741	7,771,047	8,815,855	9,951,640	11,044,715	12,188,393	13,293,096
	Actual '23	1,039,787	2,294,639	3,491,027	4,642,317	5,826,477	6,947,650	8,146,844	9,291,921	10,487,674	11,562,010	12,806,380	13,218,904
	Actual '24	1,108,707	2,284,837	-	-	-	-	-	-	-	-	-	-
Total Proceeds	Budget FY 2024	6,526,228	12,197,502	17,761,675	24,598,773	30,222,818	35,547,733	43,694,930	49,795,547	55,679,604	62,256,126	69,007,494	74,858,484
	5-year av.	8,252,705	14,373,966	21,487,312	30,845,856	39,361,092	45,945,198	57,041,040	64,897,982	72,330,609	80,625,322	89,142,332	96,502,317
	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	108,418,373
	Actual '24	11,582,796	22,604,953	-	-	-	-	-	-	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	61.77%	62.20%
Prize Payout - 5-Year Average	64.47%	63.32%
Prize Payout - Actual	60.78%	61.94%
Sales - Actual increase (decrease) vs. 5-Year Average		43.54%
Proceeds - Actual increase (decrease) vs. 5-Year Average		57.26%
Sales - Actual increase (decrease) vs. Budget		50.66%
Proceeds - Actual increase (decrease) vs. Budget		85.32%

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the One Month Ending Monday, July 31, 2023

	Month ended 7/31/2023	Month ended 7/31/2022	Year-to-date 7/31/2023	Year-to-date 7/31/2022
Operating revenues:				
Instant-scratch ticket sales	\$25,196,999.00	\$21,887,384.00	\$25,196,999.00	\$21,887,384.00
InstaPlay sales	1,898,041.00	2,219,150.00	1,898,041.00	2,219,150.00
Pick 3 sales	755,942.00	803,569.00	755,942.00	803,569.00
Powerball sales	12,028,715.00	3,651,551.50	12,028,715.00	3,651,551.50
Mega Millions Sales	6,860,013.00	12,673,730.00	6,860,013.00	12,673,730.00
Pick 4 sales	481,632.00	500,982.00	481,632.00	500,982.00
Lucky for Life sales	776,288.00	721,802.00	776,288.00	721,802.00
Lotto America sales	734,573.00	800,229.00	734,573.00	800,229.00
Pull-tab sales	890,486.47	979,695.00	890,486.47	979,695.00
Application fees	400.00	450.00	400.00	450.00
Other	386.39	608.18	386.39	608.18
Total operating revenues	<u>49,623,475.86</u>	<u>44,239,150.68</u>	<u>49,623,475.86</u>	<u>44,239,150.68</u>
Operating expenses:				
Scratch ticket prizes	18,439,712.00	14,762,745.00	18,439,712.00	14,762,745.00
InstaPlay prizes	1,275,701.82	1,728,400.26	1,275,701.82	1,728,400.26
Pick 3 prizes	453,565.20	482,141.40	453,565.20	482,141.40
Powerball prizes	5,996,781.65	1,829,772.50	5,996,781.65	1,829,772.50
Mega Millions prizes	3,430,006.50	6,336,865.00	3,430,006.50	6,336,865.00
Pick 4 prizes	288,979.20	324,360.10	288,979.20	324,360.10
Lucky for Life prizes	461,375.16	428,992.23	461,375.16	428,992.23
Lotto America prizes	367,286.50	400,114.50	367,286.50	400,114.50
Pull-tab prizes	550,705.47	623,051.50	550,705.47	623,051.50
Advertising/publicity	1,308,031.93	965,575.30	1,308,031.93	965,575.30
Retailer compensation expense	3,294,868.14	2,860,691.15	3,294,868.14	2,860,691.15
Ticket expense	229,737.75	243,638.59	229,737.75	243,638.59
Vendor compensation expense	816,965.60	670,087.49	816,965.60	670,087.49
Salary and benefits	878,444.88	822,665.81	878,444.88	822,665.81
Travel	23,564.70	37,291.01	23,564.70	37,291.01
Supplies	5,933.82	4,695.01	5,933.82	4,695.01
Printing	-	40.00	-	40.00
Postage	393.87	426.22	393.87	426.22
Communications	19,694.20	13,605.21	19,694.20	13,605.21
Rentals	8,568.74	25,498.45	8,568.74	25,498.45
Utilities	8,822.47	9,452.76	8,822.47	9,452.76
Professional fees	7,319.00	7,577.00	7,319.00	7,577.00
Vending machine maintenance	25,232.43	22,848.00	25,232.43	22,848.00
Outside services and repairs	101,332.70	107,998.16	101,332.70	107,998.16
Data processing	11,408.50	12,512.01	11,408.50	12,512.01
Equipment	44,143.80	91.96	44,143.80	91.96
Reimbursement to other state agencies	26,510.97	35,121.56	26,510.97	35,121.56
Depreciation	41,609.10	49,308.92	41,609.10	49,308.92
Amortization	45,884.70	-	45,884.70	-
MUSL/Lotto administrative expense	9,998.30	8,777.45	9,998.30	8,777.45
Debit card fees	24,942.00	9,349.97	24,942.00	9,349.97
Other	4,774.25	4,554.55	4,774.25	4,554.55
Total operating expenses	<u>38,202,295.35</u>	<u>32,828,249.07</u>	<u>38,202,295.35</u>	<u>32,828,249.07</u>
Operating income	<u>11,421,180.51</u>	<u>11,410,901.61</u>	<u>11,421,180.51</u>	<u>11,410,901.61</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(11,582,795.92)	(11,122,326.09)	(11,582,795.92)	(11,122,326.09)
Interest income	8,595.03	-	8,595.03	-
Interest expense	(2,589.11)	-	(2,589.11)	-
Gain (Loss) on disposal of capital assets	23,155.00	-	23,155.00	-
Net non-operating revenues (expenses)	<u>(11,553,635.00)</u>	<u>(11,122,326.09)</u>	<u>(11,553,635.00)</u>	<u>(11,122,326.09)</u>
Change in net position	(132,454.49)	288,575.52	(132,454.49)	288,575.52
Net position beginning of period	6,996,834.45	5,568,342.12	6,996,834.45	5,568,342.12
Net position end of period	<u>6,864,379.96</u>	<u>5,856,917.64</u>	<u>6,864,379.96</u>	<u>5,856,917.64</u>

IOWA LOTTERY AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Two Months Ending Thursday, August 31, 2023

	Month ended 8/31/2023	Month ended 8/31/2022	Year-to-date 8/31/2023	Year-to-date 8/31/2022
Operating revenues:				
Instant-scratch ticket sales	\$ 25,889,927.00	\$ 22,867,610.00	\$ 51,086,926.00	\$ 44,754,994.00
InstaPlay sales	2,217,362.00	1,831,974.00	4,115,403.00	4,051,124.00
Pick 3 sales	767,042.00	779,178.00	1,522,984.00	1,582,747.00
Powerball sales	4,526,494.50	3,073,600.00	16,555,209.50	6,725,151.50
Mega Millions Sales	8,883,019.00	1,815,337.00	15,743,032.00	14,489,067.00
Pick 4 sales	494,710.00	492,256.50	976,342.00	993,238.50
Lucky for Life sales	745,738.00	723,464.00	1,522,026.00	1,445,266.00
Lotto America sales	681,698.00	938,775.00	1,416,271.00	1,739,004.00
Pull-tab sales	1,177,198.52	1,150,368.70	2,067,684.99	2,130,063.70
Application fees	450.00	250.00	850.00	700.00
Other	815.42	594.40	1,201.81	1,202.58
Total operating revenues	<u>45,384,454.44</u>	<u>33,673,407.60</u>	<u>95,007,930.30</u>	<u>77,912,558.28</u>
Operating expenses:				
Scratch ticket prizes	17,057,616.00	16,141,026.00	35,497,328.00	30,903,771.00
InstaPlay prizes	1,537,330.67	1,347,759.18	2,813,032.49	3,076,159.44
Pick 3 prizes	460,225.20	467,506.80	913,790.40	949,648.20
Powerball prizes	2,265,911.00	1,537,657.50	8,262,692.65	3,367,430.00
Mega Millions prizes	4,441,509.50	907,668.50	7,871,516.00	7,244,533.50
Pick 4 prizes	296,826.00	371,433.00	585,805.20	695,793.10
Lucky for Life prizes	443,218.23	429,979.97	904,593.39	858,972.20
Lotto America prizes	340,849.00	469,387.50	708,135.50	869,502.00
Pull-tab prizes	738,558.08	721,371.47	1,289,263.55	1,344,422.97
Advertising/publicity	1,190,095.49	943,505.56	2,498,127.42	1,909,080.86
Retailer compensation expense	2,879,135.56	2,173,775.20	6,174,003.70	5,034,466.35
Ticket expense	217,572.95	337,104.42	447,310.70	580,743.01
Vendor compensation expense	722,635.28	532,847.57	1,539,600.88	1,202,935.06
Salary and benefits	937,616.61	1,010,577.18	1,816,061.49	1,833,242.99
Travel	24,192.31	27,363.11	47,757.01	64,654.12
Supplies	3,801.77	10,777.93	9,735.59	15,472.94
Printing	-	27.50	-	67.50
Postage	319.05	421.97	712.92	848.19
Communications	17,045.18	15,444.19	36,739.38	29,049.40
Rentals	8,628.36	26,103.35	17,197.10	51,601.80
Utilities	8,514.29	9,395.91	17,336.76	18,848.67
Professional fees	7,659.25	7,169.00	14,978.25	14,746.00
Vending machine maintenance	25,167.57	22,848.00	50,400.00	45,696.00
Outside services and repairs	94,747.11	134,604.37	196,079.81	242,602.53
Data processing	11,671.57	12,511.90	23,080.07	25,023.91
Equipment	13,310.95	38,676.37	57,454.75	38,768.33
Reimbursement to other state agencies	43,283.96	35,345.28	69,794.93	70,466.84
Depreciation	40,470.12	48,054.96	82,079.22	97,363.88
Amortization	45,884.70	-	91,769.40	-
MUSL/Lotto administrative expense	9,998.29	8,777.45	19,996.59	17,554.90
Debit card fees	20,581.01	7,296.73	45,523.01	16,646.70
Other	5,034.65	6,389.25	9,808.90	10,943.80
Total operating expenses	<u>33,909,409.71</u>	<u>27,802,807.12</u>	<u>72,111,705.06</u>	<u>60,631,056.19</u>
Operating income	<u>11,475,044.73</u>	<u>5,870,600.48</u>	<u>22,896,225.24</u>	<u>17,281,502.09</u>
Non-operating revenue (expenses):				
Proceeds to state causes	(11,022,156.61)	(5,376,524.93)	(22,604,952.53)	(16,498,851.02)
Interest income	87,099.28	-	95,694.31	-
Interest expense	(3,189.44)	-	(5,778.55)	-
Gain (Loss) on disposal of capital assets	-	-	23,155.00	-
Net non-operating revenues (expenses)	<u>(10,938,246.77)</u>	<u>(5,376,524.93)</u>	<u>(22,491,881.77)</u>	<u>(16,498,851.02)</u>
Change in net position	536,797.96	494,075.55	404,343.47	782,651.07
Net position beginning of period	<u>6,776,379.96</u>	<u>5,856,917.64</u>	<u>6,908,834.45</u>	<u>5,568,342.12</u>
Net position end of period	<u><u>7,313,177.92</u></u>	<u><u>6,350,993.19</u></u>	<u><u>7,313,177.92</u></u>	<u><u>6,350,993.19</u></u>

Budget For Lottery Fund

	FY 2023 Actual	FY 2023 Board Approved Budget	FY 2024 Board Approved Budget
Resources			
Lottery sales	\$ 481,533,143	\$ 372,300,000	\$ 397,685,000
Interest income	757,312	60,000	500,000
Application fees	5,750	5,000	5,000
Other	23,299	5,000	5,000
Total Resources	482,319,504	372,370,000	398,195,000
Expenses and Change in Net Assets			
Prizes	305,254,192	230,501,000	247,597,000
Retailer compensation	31,307,795	24,945,100	26,645,900
Advertising production and media purchases	9,235,256	14,892,000	15,907,400
Retailer Lottery system/Terminal Communications	8,191,176	7,163,530	8,334,867
Instant/Pull-tab ticket expense	3,496,322	4,546,400	4,734,400
Vending machines & maintenance/Ticket dispensers	497,403	539,248	571,120
Courier delivery of instant tickets	1,321,114	1,135,000	1,335,000
Lottery operating expense	13,218,903	15,263,250	15,815,149
Interest Expense	33,724	-	35,000
Increase (decrease) in net assets	1,345,246	(472,600)	2,360,680
Total Expenses and Change in Net Assets	373,901,131	298,512,928	323,336,516
Proceeds			
Proceeds Transfer to Veterans Trust Fund	2,500,000	2,500,000	2,500,000
Proceeds Transfer to Public Safety Survivor Benefit Fund	100,000	100,000	100,000
Proceeds Transfer to Department of Corrections Survivor Benefits Fund	100,000	100,000	100,000
Proceeds Transfer to General Fund	105,718,373	71,157,072	72,158,484
Total Proceeds Transfers	108,418,373	73,857,072	74,858,484
Total Expenses and Proceeds	482,319,504	372,370,000	398,195,000

Lottery Operations - Budget Detail

	FY 2023 Actual	FY 2023 Board Approved Budget	FY 2024 Board Approved Budget
Administrative payroll	\$ 9,764,281	\$ 11,699,545	\$ 11,532,905
Travel & Transportation	322,051	407,500	407,500
Supplies	125,172	103,000	103,000
Printing	3,173	10,500	10,500
Postage	7,582	7,000	10,000
Communications	193,849	192,400	192,400
Rentals	112,216	299,179	179,617
Utilities	106,350	108,800	120,500
Professional fees	258,286	204,000	204,000
Outside services and repair	268,178	262,957	262,957
Data processing	153,058	150,000	150,000
Equipment	306,259	492,869	651,184
Reimbursement to state agencies	504,191	531,900	531,900
Depreciation	482,770	707,600	723,320
Amortization	548,185	-	489,366
Other expenses	63,302	86,000	246,000
Total operating expenses	13,218,903	15,263,250	15,815,149



13001 University Avenue
Clive Iowa 50325-8225
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515.725.7900

Kim Reynolds · Governor
Adam Gregg · Lt. Governor

Matthew N. Strawn · Chief Executive Officer

Memorandum

To: Iowa Lottery Board of Directors

From: David Ranscht, Assistant AG

Date: September 26, 2023

Re: Revised Pick 3 and Pick 4 Rules

The Iowa Lottery previously had an agreement with the Indiana Lottery to conduct Pick 3 and Pick 4 drawings for Iowa. Reflecting that agreement, the game specific rules for Iowa's Pick 3 and Pick 4 currently state that drawings will be conducted by the Indiana Lottery or the Iowa Lottery.

In September 2022, the Lottery Board approved a contract with the Multi-State Lottery Association (MUSL) for MUSL to provide draw services in Iowa's Pick 3 and Pick 4 games. The Board has also previously approved a budget that incorporates an increase in expenses due to MUSL conducting the drawings in these two games.

Since approving the MUSL contract and the budget, the agreement with the Indiana Lottery has ended and MUSL has begun conducting the drawings in Pick 3 and Pick 4. Our game rules remain accurate; they state the drawings will be conducted by Indiana or Iowa, and Iowa has both assumed the drawings and further contracted with MUSL to provide draw services.

Nevertheless, the language about the Indiana Lottery in the rules is now extraneous. Consequently, I have drafted proposed amended rules for your review, to remove reference to Indiana and align the rules more precisely with the MUSL agreement and the already-approved budget incorporating additional expenses for MUSL draw services.

On page 1 of both the Pick 3 and Pick 4 rules, I updated the version of the Iowa Code we reference from 2014 to 2023 and expanded the reference for game-specific rules to include multiple subsections of the statute providing for it (Section 99G.31).

On page 2 of both the Pick 3 and Pick 4 rules, I changed a reference to "Chapter" 531 of the Iowa Administrative Code to refer instead to "Title" 531. "Title 531" is correct because 531 refers to the Lottery as an organization, and then there are multiple "chapters" applicable to the Lottery, such as Chapter 20 dealing with lotto games.

On page 2 of both the Pick 3 and Pick 4 rules, I updated the third paragraph of Section 4 – Drawings to read as follows:

The drawing will be held in accordance with the schedule posted to the Lottery's website (www.ialottery.com). The drawings will be conducted by the Iowa Lottery or the Multi-State Lottery Association, under the supervision of a drawing officer, an independent auditor and lottery security. All drawings are video recorded. All drawings of the Lottery are public events.

On page 3 of both the Pick 3 and Pick 4 rules, I updated the fourth paragraph of Section 4 – Drawings. The updated language removes reference to the Iowa Lottery Authority, as the Lottery is now a Division of the Department of Revenue. The updated language also removes language referring to the Indiana Lottery. The updated section will read as follows:

Persons interested in attending drawings are invited to receive detailed information by contacting Iowa Lottery Security in Des Moines at (515) 725-7900, TTY Relay Iowa (800) 735-2942, by writing Iowa Lottery Security Division, Iowa Lottery, 13001 University Avenue, Clive, Iowa 50325, or by email directed to Wmaster@ialottery.com. Persons who attend drawings must show a valid photo ID and be supervised by a member of Lottery staff during the drawing. A request to attend a drawing must be received by the Lottery no later than 48 hours prior to the drawing. Drawings will be held at the location designated by the Iowa Lottery. Persons are responsible for their own transportation to attend the drawings.

On page 4 of both the Pick 3 and Pick 4 rules, I updated Section 8 – Prohibited Players. First, I removed reference to the Iowa Lottery Authority because the Lottery is now a Division of the Department of Revenue. Second, I again changed “Chapter 531” to refer correctly to “Title 531.”

I also updated the footer of both games' rules to indicate this change takes effect on September 27, 2023, the day after the Board meeting.

Redline drafts of these changes are also included for your review.

IOWA LOTTERY
GAME SPECIFIC RULES
PICK 3

The following are the game specific rules for the Iowa Lottery's implementation of the Pick 3 Iowa state game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (20~~23~~14) and Iowa Code § 99G.31(2)(~~b~~)-(3) (20~~14~~23). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the Iowa Pick 3 lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, and these Iowa-specific game rules.

SECTION 1 – GAME DESCRIPTION AND PLAY

A. General Play. The Iowa Pick 3 lottery game is an online game where the player makes elections both on the numbers to play and the amount of money to wager.

For Pick 3, players must select three (3) numbers from a matrix of 10 numbers (0 through 9) for each play. Tickets can be purchased from a terminal operated by a retailer. The player may select numbers by marking the numbered squares in any one (1) game panel on an Iowa Lottery approved play slip and submitting the play slip to a licensed retailer, by requesting an "easy pick" from a licensed retailer, or by entering the numbers or an easy pick request into an Iowa Lottery self-service kiosk.

B. Types of Play. There are multiple ways to play Pick 3. For each play, players must choose the method or methods in which they seek to win. Players can select and attempt to win using the following methods:

- (i) straight, or three (3) matching numbers drawn by the Lottery in the exact order picked by the player;
- (ii) box, or matching the three (3) numbers drawn by the Lottery in any order;
- (iii) straight/box, or a combination play where the player wins the box prize if the numbers picked match those drawn by the Lottery in any order, and the player wins both the designated straight and box prizes if the numbers picked by the player match those drawn by the Lottery in exact order;
- (iv) front pair, where the player's selected number matches the first two (2) digits drawn by the Lottery in the exact order; or
- (v) back pair, where the player's selected number matches the last two (2) digits drawn by the Lottery in the exact order.

C. Easy Pick Elections. If a player elects to use an "easy pick" for Pick 3, the player will receive a straight/box play with numbers selected by the retailer's terminal.

D. Sell-out. At the Lottery's sole discretion, the Lottery may impose a liability limit or "sell-out" for combinations of Pick 3 numbers at a given draw. When the liability limit established by the Lottery is met for a given draw, the play combination for which the liability limit has been reached will be deemed "sold-out" and unavailable for player purchase until the next available draw.

SECTION 2 – GAME TICKETS AND COST. For self-selected numbers, players may choose to wager fifty cents (\$0.50), one dollar (\$1), two dollars (\$2), three dollars (\$3), four dollars (\$4), or five dollars (\$5). If the player fails to select an amount to wager at the time of purchase, the retailer terminal or self-service kiosk will default to a one-dollar (\$1) wager. For an "easy pick" play, the player will pay the one dollar (\$1) cost of the automatically selected straight/box play.

Game tickets shall be printed on ticket stock that meets all specifications and requirements of the Iowa Lottery, including but not limited to confidential specifications. Valid game ticket shall include, but not be limited to, the following content: the player's number selections, the game logo or name, the ticket cost, the applicable terminal number, a barcode, a drawing date, and designations for quick picks (if selected) and advance draws (if selected).

The following tickets are considered invalid and do not in any way entitle the bearer thereof to any prize:

- (i) Tickets that do not contain the content or comply with the specifications set forth in these rules.
- (ii) Tickets purchased from non-licensed Iowa Lottery retailers; or
- (iii) Tickets purchased, possessed, or presented in violation of any provision of Iowa Code Chapter 99G or ~~Chapter Title~~ 531 of the Iowa Administrative Code.

SECTION 3 – CANCELLATIONS LIMITED. A ticket purchased from a retailer may be canceled by returning the ticket to the selling retailer. The ticket must be returned to the selling retailer on the same day it was purchased. The ticket must also be canceled prior to the time for that respective drawing. In the event that a ticket is canceled, the player will be entitled to a refund equal to the purchase price of the ticket. A cancelled ticket is not eligible for any prize.

SECTION 4– DRAWINGS. Fourteen drawings will be held each week. Drawings will be held daily, with midday ("day") drawings occurring at approximately 12:20 PM, Central Time, and evening drawings occurring at approximately 10:00 PM, Central Time.

For each manual play purchase, the player must select the number of draws the player chooses to play and whether the purchase will be for day draws, evening draws, or both. When permitted by the Lottery, players may purchase numbers for up to eight (8) manual play day or evening draws, or up to sixteen (16) manual play day and evening draws. Tickets are only valid for only the draws of the selected day(s) and/or evening(s) as reflected in the Lottery's central computer system.

The drawing will be held in accordance with the schedule posted to the Lottery's website (www.ialottery.com). The drawings will be conducted by the ~~Indiana Lottery or the~~ Iowa Lottery or the Multi-State Lottery Association, under the supervision of a drawing officer, an independent auditor and lottery security. All drawings are video recorded. All drawings of the Lottery are public events.

Persons interested in attending drawings are invited to receive detailed information by contacting Iowa Lottery Security in Des Moines at (515) 725-7900, TTY Relay Iowa (800) 735-2942, by writing

Iowa Lottery Security Division, Iowa Lottery ~~Authority~~, 13001 University Avenue, Clive, Iowa 50325, or by email directed to Wmaster@ialottery.com. Persons who attend drawings must show a valid photo ID and be supervised by a member of Lottery staff during the drawing. A request to attend a drawing must be received by the Lottery no later than 48 hours prior to the drawing. Drawings will be held at the location designated by the Iowa Lottery ~~in conjunction with the Indiana Lottery~~. Persons are responsible for their own transportation to attend the drawings.

SECTION 5- PRIZES

A. Prizes & Odds of Winning. The prizes and odds are determined by the amount of money the player wagers and the type of play selected. The play amounts and payouts are:

<u>TYPE</u>	<u>Odds</u>	<u>\$.50</u>	<u>\$1.00</u>	<u>\$2.00</u>	<u>\$3.00</u>	<u>\$4.00</u>	<u>\$5.00</u>
Straight	1:1000	\$300	\$600	\$1,200	\$1,800	\$2,400	\$3,000
Box (6-way)	1:167	\$50	\$100	\$200	\$300	\$400	\$500
Box (3-way)	1:333	\$100	\$200	\$400	\$600	\$800	\$1,000
Straight/Box (6-way exact)	1:1000	N/A	\$350	\$700	\$1,050	\$1,400	\$1,750
Straight/Box (6-way any)	1:167	N/A	\$50	\$100	\$150	\$200	\$250
Straight/Box (3-way exact)	1:1000	N/A	\$400	\$800	\$1,200	\$1,600	\$2,000
Straight/Box (3-way any)	1:333	N/A	\$100	\$200	\$300	\$400	\$500
Front Pair	1:100	\$30	\$60	\$120	\$180	\$240	\$300
Back Pair	1:100	\$30	\$60	\$120	\$180	\$240	\$300

B. Prize Pools and Distribution. If all of the prize fund is not distributed on the last draw of Pick 3, the prize fund will be transferred to a new game. In the absence of a new game, the distribution of the prize fund will be determined by the lottery. The lottery may at its discretion transfer a percentage of sales less awarded prizes to a prize insurance fund, which may be used to pay prizes if the amount available to fund any Pick 3 prize is insufficient, for special promotions related to any lottery game, for prizes in any lottery game if the amount available in that game is not sufficient to pay a minimum or guaranteed prize. The prize insurance fund may also be transferred to a new online game. The prize insurance funds may be transferred as proceeds provided that the overall lottery prize payout is in excess of 50 percent of sales.

SECTION 6- CLAIMS. A valid Game Ticket shall be the only proof of a game play. A play slip has no pecuniary or prize value and shall not constitute evidence of ticket purchase or of numbers selected. A terminal-produced paper receipt has no pecuniary or prize value and shall not constitute evidence of a ticket purchase or of numbers selected. In order to receive a Pick 3 prize, any winning play must pass all Iowa Lottery security and validation requirements, and a successful claimant must provide all information required by Lottery security.

The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within ninety (90) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

SECTION 7- PAYMENT

The Iowa Lottery may pay prizes pursuant to this game by cash, check, warrant, or electronic transfer, following the Iowa Lottery's validation of the winning ticket and receipt of any necessary information from the player.

The Lottery may delay payment of any prize pending a final determination by the CEO, and without accrual or payment of any interest or penalty, under any of the following circumstances:

- (i) If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;
- (ii) If there are questions regarding the identity or eligibility of the claimant;
- (iii) If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- (iv) If there are concerns regarding the validity of the ticket or share presented;
- (v) If the claim is subject to offset for debts owed by the claimant under Iowa law;
- (vi) For any reason permitted in these rules; or
- (vii) For any reason permitted in the Iowa Lottery's Code, administrative rules, or policies.

SECTION 8- PROHIBITED PLAYERS. A ticket or share for this game shall not be purchased by, and a prize won by any such ticket or share shall not be paid to, any of the following:

- (i) A contractor, consultant, or other party under agreement with the Iowa Lottery to perform draw, audit and security functions for Pick 3, and any officers, employees, or agents of those contractors, consultants or other parties;
- (ii) An employee of the Iowa Lottery's on-line gaming system vendor;
- (iii) Members of the Iowa Lottery ~~Authority~~ Board of Directors, and Iowa Lottery ~~Authority~~ officers, employees, or agents;
- (iv) Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery ~~Authority~~, if the CEO of the Iowa Lottery determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Lottery;
- (v) Players that sign up for the Iowa Lottery's self-exclusion program, including but not limited to players who may have lawfully requested removal from the self-exclusion program who have not yet received confirmation of their reinstated ability to play from the Lottery;
- (vi) Any person under the age of 21. However, the recipient of a lawfully purchased and transferred ticket permitted by ~~Chapter-Title~~ 531 of the Iowa Administrative Code may receive a Pick 3 prize.
- (vii) An employee of the independent certified public accounting firm under contract to oversee drawings for the Pick 3 game.

SECTION 9- DISPUTES AND APPLICABLE LAW

A. Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the game ticket. Players make game play selections and play Pick 3 at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Iowa Lottery is not responsible for lost, altered, or stolen tickets.

B. Compliance with Law. By purchasing a ticket or making a claim relating to the Pick 3 game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.

C. Disputes. Any claims or litigation relating to game tickets and/or prizes for a Pick 3 ticket sold in Iowa shall apply Iowa law and shall solely be brought against the Iowa Lottery in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.

D. Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Pick 3 game.

E. Exclusive Remedy. In the event a dispute between a Iowa Lottery and any game ticket player, bearer, or claimant occurs relating to the game ticket, game play, or prize claim, the Iowa Lottery may solely at its own discretion reimburse the purchase price of the game ticket. This shall be the sole and exclusive remedy.

IOWA LOTTERY
GAME SPECIFIC RULES
PICK 4

The following are the game specific rules for the Iowa Lottery's implementation of the Pick 4 Iowa state game. These game-specific rules are generated consistent with the authority in Iowa Code § 99G.9(4) (201423) and Iowa Code § 99G.31(2)(b)-(3) (201423). The game-specific rules are generated in compliance with the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20, and incorporate the rules in Chapter 20. In the event of inconsistencies, these game-specific rules control any contrary provisions of the Computerized Lottery Games General Rules in 531 Iowa Administrative Code Chapter 20. In purchasing a ticket for or otherwise participating in the Iowa Pick 4 lottery game, the player agrees to comply with and abide by the Iowa Lottery's statutes, administrative rules, and these Iowa-specific game rules.

SECTION 1 – GAME DESCRIPTION AND PLAY

A. General Play. The Iowa Pick 4 lottery game is an online game where the player makes elections both on the numbers to play and the amount of money to wager.

For Pick 4, players must select four (4) numbers from a matrix of 10 numbers (0 through 9) for each play. Tickets can be purchased from a terminal operated by a retailer. The player may select numbers by marking the numbered squares in any one (1) game panel on an Iowa Lottery approved play slip and submitting the play slip to a licensed retailer, by requesting an "easy pick" from a licensed retailer, or by entering the numbers or an easy pick request into an Iowa Lottery self-service kiosk.

B. Types of Play. There are multiple ways to play Pick 4. For each play, players must choose the method or methods in which they seek to win. Players can select and attempt to win using the following methods:

- (i) straight, or four (4) matching numbers drawn by the Lottery in the exact order picked by the player;
- (ii) box, or matching the four (4) numbers drawn by the Lottery in any order;
- (iii) straight/box, or a combination play where the player wins the box prize if the numbers picked match those drawn by the Lottery in any order, and the player wins both the designated straight and box prizes if the numbers picked by the player match those drawn by the Lottery in exact order;
- (iv) front pair, where the player's selected number matches the first two (2) digits drawn by the Lottery in the exact order; or
- (v) back pair, where the player's selected number matches the last two (2) digits drawn by the Lottery in the exact order.

C. Easy Pick Elections. If a player elects to use an "easy pick" for Pick 4, the player will receive a straight/box play with numbers selected by the retailer's terminal.

D. Sell-out. At the Lottery's sole discretion, the Lottery may impose a liability limit or "sell-out" for combinations of Pick 4 numbers at a given draw. When the liability limit established by the Lottery is met for a given draw, the play combination for which the liability limit has been reached will be deemed "sold-out" and unavailable for player purchase until the next available draw.

SECTION 2 – GAME TICKETS AND COST. For self-selected numbers, players may choose to wager fifty cents (\$0.50), one dollar (\$1), two dollars (\$2), three dollars (\$3), four dollars (\$4), or five dollars (\$5). If the player fails to select an amount to wager at the time of purchase, the retailer terminal or self-service kiosk will default to a one-dollar (\$1) wager. For an "easy pick" play, the player will pay the one dollar (\$1) cost of the automatically selected straight/box play.

Game tickets shall be printed on ticket stock that meets all specifications and requirements of the Iowa Lottery, including but not limited to confidential specifications. Valid game ticket shall include, but not be limited to, the following content: the player's number selections, the game logo or name, the ticket cost, the applicable terminal number, a barcode, a drawing date, and designations for quick picks (if selected) and advance draws (if selected).

The following tickets are considered invalid and do not in any way entitle the bearer thereof to any prize:

- (i) Tickets that do not contain the content or comply with the specifications set forth in these rules.
- (ii) Tickets purchased from non-licensed Iowa Lottery retailers; or
- (iii) Tickets purchased, possessed, or presented in violation of any provision of Iowa Code Chapter 99G or ~~Chapter Title~~ 531 of the Iowa Administrative Code.

SECTION 3 – CANCELLATIONS LIMITED. A ticket purchased from a retailer may be canceled by returning the ticket to the selling retailer. The ticket must be returned to the selling retailer on the same day it was purchased. The ticket must also be canceled prior to the time for that respective drawing. In the event that a ticket is canceled, the player will be entitled to a refund equal to the purchase price of the ticket. A cancelled ticket is not eligible for any prize.

SECTION 4- DRAWINGS. Fourteen drawings will be held each week. Drawings will be held daily, with midday ("day") drawings occurring at approximately 12:20 PM, Central Time, and evening drawings occurring at approximately 10:00 PM, Central Time.

For each manual play purchase, the player must select the number of draws the player chooses to play and whether the purchase will be for day draws, evening draws, or both. When permitted by the Lottery, players may purchase numbers for up to eight (8) manual play day or evening draws, or up to sixteen (16) manual play day and evening draws. Tickets are only valid for only the draws of the selected day(s) and/or evening(s) as reflected in the Lottery's central computer system.

The drawing will be held in accordance with the schedule posted to the Lottery's website (www.ialottery.com). The drawings will be conducted by the ~~Indiana Lottery or the~~ Iowa Lottery or the Multi-State Lottery Association, under the supervision of a drawing officer, an independent auditor and lottery security. All drawings are video recorded. All drawings of the Lottery are public events.

Persons interested in attending drawings are invited to receive detailed information by contacting Iowa Lottery Security in Des Moines at (515) 725-7900, TTY Relay Iowa (800) 735-2942, by writing Iowa Lottery Security Division, Iowa Lottery ~~Authority~~, 13001 University Avenue, Clive, Iowa 50325,

or by email directed to Wmaster@ialottery.com. Persons who attend drawings must show a valid photo ID and be supervised by a member of Lottery staff during the drawing. A request to attend a drawing must be received by the Lottery no later than 48 hours prior to the drawing. Drawings will be held at the location designated by the Iowa Lottery ~~in conjunction with the Indiana Lottery~~. Persons are responsible for their own transportation to attend the drawings.

SECTION 5- PRIZES

A. Prizes & Odds of Winning. The prizes and odds are determined by the amount of money the player wagers and the type of play selected. The play amounts and payouts are:

TYPE	Odds	\$.50	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00
Straight	1:10,000	\$3,000	\$6,000	\$12,000	\$18,000	\$24,000	30,000
Box 24 way (4 unique number)	1:417	\$125	\$250	\$500	\$750	\$1,000	\$1,250
Box 12 way (2 identical numbers)	1:833	\$250	\$500	\$1,000	\$1,500	\$2,000	\$2,500
Box 6-way (2 pairs identical numbers)	1:1667	\$500	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000
Box 4-way (3 identical numbers)	1:2,500	\$750	\$1,500	\$3,000	\$4,500	\$6,000	\$7,500
Straight/Box 4-way (match 4-3 same) exact	1:10,000	N/A	\$3,750	\$7,500	\$11,250	\$15,000	\$18,750
Straight/Box 4-way any	1:2,500	N/A	\$750	\$1,500	\$2,250	\$3,000	\$3,750
Straight/Box 6-way exact (match 4-2 paid identical)	1:10,000	N/A	\$3,500	\$7,000	\$10,500	\$14,000	\$17,500
Straight/Box 6-way (any)	1:1,667	N/A	\$500	\$1,000	\$1,500	\$2,000	\$2,500
Straight/Box 12-way (match 4-2 same) exact	1:10,000	N/A	\$3,250	\$6,500	\$9,750	\$13,000	\$16,250
Straight/Box 12-way (any)	1:833	N/A	\$250	\$500	\$750	\$1,000	\$1,250
Straight/Box 24-way (match 4) exact	1:10,000	N/A	\$3,125	\$6,250	\$9,375	\$12,500	\$15,625
Straight/Box 24-way (any)	1:417	N/A	\$125	\$250	\$375	\$500	\$625
Front Pair	1:100	\$30	\$60	\$120	\$180	\$240	\$300
Back Pair	1:100	\$30	\$60	\$120	\$180	\$240	\$300

B. Prize Pools and Distribution. If all of the prize fund is not distributed on the last draw of Pick 4, the prize fund will be transferred to a new game. In the absence of a new game, the distribution of the prize fund will be determined by the lottery. The lottery may at its discretion transfer a percentage of sales less awarded prizes to a prize insurance fund, which may be used to pay prizes if the amount available to fund any Pick 4 prize is insufficient, for special promotions related to any lottery game, for prizes in any lottery game if the amount available in that game is not sufficient to pay a minimum or guaranteed prize. The prize insurance fund may also be transferred to a new online game. The prize insurance funds may be transferred as proceeds provided that the overall lottery prize payout is in excess of 50 percent of sales.

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The submission of a valid winning Game Ticket to the Lottery or its authorized agent shall be the sole method of claiming a prize or prizes. All prize claims shall be made within ninety (90) calendar days of the drawing date in which the prize is won. For purposes of determining the claim period, the first (draw) day shall be excluded, and the last day included. In the event the last day falls on a Saturday, a Sunday, or a legal holiday, the time to claim shall be extended to close of business on the next day thereafter when Lottery offices are open for business. Any prize not claimed within the specified period shall be forfeited.

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The Lottery may delay payment of any prize pending a final determination by the CEO, and without accrual or payment of any interest or penalty, under any of the following circumstances:

- (i) If a dispute occurs or appears to the Iowa Lottery to be likely to occur regarding the prize;
- (ii) If there are questions regarding the identity or eligibility of the claimant;
- (iii) If there are any questions or concerns about whether the ticket was legally purchased, legally possessed, or legally presented;
- (iv) If there are concerns regarding the validity of the ticket or share presented;
- (v) If the claim is subject to offset for debts owed by the claimant under Iowa law;
- (vi) For any reason permitted in these rules; or
- (vii) For any reason permitted in the Iowa Lottery's Code, administrative rules, or policies.

SECTION 8- PROHIBITED PLAYERS. A ticket or share for this game shall not be purchased by, and a prize won by any such ticket or share shall not be paid to, any of the following:

- (i) A contractor, consultant, or other party under agreement with the Iowa Lottery to perform draw, audit and security functions for Pick 4, and any officers, employees, or agents of those contractors, consultants or other parties;
- (ii) An employee of the Iowa Lottery's on-line gaming system vendor;
- (iii) Members of the Iowa Lottery ~~Authority~~ Board of Directors, and Iowa Lottery ~~Authority~~ officers, employees, or agents;
- (iv) Officers, employees, and agents of the subcontractors and vendors of the Iowa Lottery ~~Authority~~, if the CEO of the Iowa Lottery determines in his sole discretion that the officer, employee, or agent of the subcontractor or vendor has access to confidential information which may compromise the integrity of the Lottery;
- (v) Players that sign up for the Iowa Lottery's self-exclusion program, including but not limited to players who may have lawfully requested removal from the self-exclusion program who have not yet received confirmation of their reinstated ability to play from the Lottery;
- (vi) Any person under the age of 21. However, the recipient of a lawfully purchased and transferred ticket permitted by ~~Chapter-Title~~ 531 of the Iowa Administrative Code may receive a Pick 4 prize.
- (vii) An employee of the independent certified public accounting firm under contract to oversee drawings for the Pick 4 game.

SECTION 9- DISPUTES AND APPLICABLE LAW

- A. Player Responsibility. The Player has sole responsibility for ensuring the accuracy of the game play and the other data on the game ticket. Players make game play selections and play Pick 4 at their own risk. Retailers and other Lottery-approved distributors act solely on behalf of the player in entering the game plays. The Iowa Lottery is not responsible for lost, altered, or stolen tickets.
- B. Compliance with Law. By purchasing a ticket or making a claim relating to the Pick 4 game, each purchaser and/or claimant agrees to abide by all applicable statutes, rules, and regulations of the Iowa Lottery.
- C. Disputes. Any claims or litigation relating to game tickets and/or prizes for a Pick 4 ticket sold in Iowa shall apply Iowa law and shall solely be brought against the Iowa Lottery in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa, Central Division, wherever jurisdiction is appropriate.
- D. Final Determinations. Consistent with Iowa Code Chapter 99G, decisions made by the CEO of the Iowa Lottery, including but not limited to those relating to the declaration of prizes, the payment or transfer of prizes, the eligibility of players, and/or the interpretation of these rules, shall be final and binding on all purchasers and any person making a claim relating in any way to this Pick 4 game.
- E. Exclusive Remedy. In the event a dispute between a Iowa Lottery and any game ticket player, bearer, or claimant occurs relating to the game ticket, game play, or prize claim, the Iowa Lottery may solely at its own discretion reimburse the purchase price of the game ticket. This shall be the sole and exclusive remedy.