



OCTOBER 27, 2016
COMMISSION
REPORT

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NOTICE OF PUBLIC MEETING AND EXECUTIVE SESSION OF THE ARIZONA STATE LOTTERY COMMISSION

Pursuant to Arizona Revised Statute (A.R.S.) § 38-431.02, notice is hereby given to the members of the Arizona State Lottery Commission and to the general public that the Arizona State Lottery Commission will hold a meeting open to the public on October 27, 2016, at 10 a.m., in the Arizona Lottery Board Room located at 4740 East University Drive, Phoenix, Arizona. Pursuant to A.R.S. § 38-431.02(B), notice is hereby given to the Arizona State Lottery Commission and members of the public that the Arizona State Lottery Commission may vote to go into Executive Session, which will not be open to the public, for the purpose of obtaining legal advice pursuant to A.R.S. § 38-431.03(A)(3) regarding any of the agenda items, as well as for the purposes listed on the agenda under Executive Session. The Commission may also vote on any item listed on the agenda. One or more members of the Commission may participate by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice

New Business

1. Discussion and Action on amended and new instant scratch game profiles: *5X the Cash #1090, 10X the Cash #1091, 20X the Cash #1092, and 50X the Cash #1093.*

Call to the Public

Consideration and discussion of comments from the public. Those members of the public wishing to address the Commission need not request permission in advance and will be given approximately five minutes for their comments and requests. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration at a later date to comply with A.R.S. § 38-431.02.

Announcements

The next Commission meeting will be held November 18, 2016, at 10:00 a.m.

Adjournment

Materials

A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at

least 24 hours in advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

Notice

Any amendments or additions to the agenda will be made available at least 24 hours prior to the meeting.

Dated this 20th day of October, 2016

Gregory R. Edgar
Executive Director

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by calling (480) 921-4486. Requests should be made as early as possible to allow time to arrange the accommodation.

Agency Reports
Report to Arizona Lottery Commission
October 27, 2016

September Dashboard – (Attachment A)

Quarterly Products & Sales Report – (Attachment B)

1st Quarter Product and Sales Report

The first section of this report focuses on individual product performance and is provided by the Products team. In the second section, Raynie Hosto, Director of Sales, has provided information on retailer sales and rankings in several different categories.

Sales through the 1st quarter of the fiscal year were \$188,778,586, an increase of 3.5% over the same period last year.

Sales breakdown by product line are:

<u>Product</u>	<u>Sales</u>	<u>Market Share</u>
Scratchers®	\$129,792,983	68.8%
Draw Games	\$57,337,787	30.4%
Charitable Pull-Tabs	\$1,377,906	0.7%
Age Restricted Pull-Tabs	\$269,910	0.1%

Chain and independent convenience stores account for 68.4% of total sales, with the grocery store category accounting for 27.0% of sales.

More detail is provided in the attached report, and staff is available to answer any questions the Commission may have. These reports are detailed in Attachment B.

New Games Introduction

The following games were introduced since the last commission meeting: *Classic Blackout Bingo #1057, \$250,000 Crossword #1074, Letter to Santa #1075, Dear Santa #1076, Frosty Crossword #1077, Money Tree #1078, and Holiday Riches #1079.*

More information on these games is available by visiting the [Scratchers](#) section at ArizonaLottery.com

The following games were approved to end consistent with the Instant Scratch Game Ending Policy. Players have 180 days from the game-ending date to claim prizes.

Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold
09/15/16	\$10	1024	Wild \$10	1,692,240	92.9%
09/29/16	\$2	1034	2X the Money	1,510,200	91.2%
10/17/16	\$2	979	Red Hot 7s	5,243,850	97.6%
10/17/16	\$2	980	Bingo	10,264,350	96.9%
10/17/16	\$3	983	Lucky Line Crossword	4,265,300	77.5%
10/17/16	\$1	1028	Good as Gold	1,760,400	88.2%
10/17/16	\$1	1030	Black Cherry Doubler	1,747,800	64.7%
10/17/16	\$1	1031	Electric 8's	1,688,100	90.4%
10/17/16	\$10	1036	X	1,704,360	64.7%
10/17/16	\$5	1037	Trucks & Bucks®	1,510,260	94.6%
10/17/16	\$5	1047	Scorchin' Hot 5's	1,510,800	98.5%
10/17/16	\$1	1051	35th Anniversary	1,602,900	81.0%
10/17/16	\$2	1052	35th Anniversary	1,440,600	76.2%
10/17/16	\$2	1055	Ghostbusters™	1,180,200	83.1%

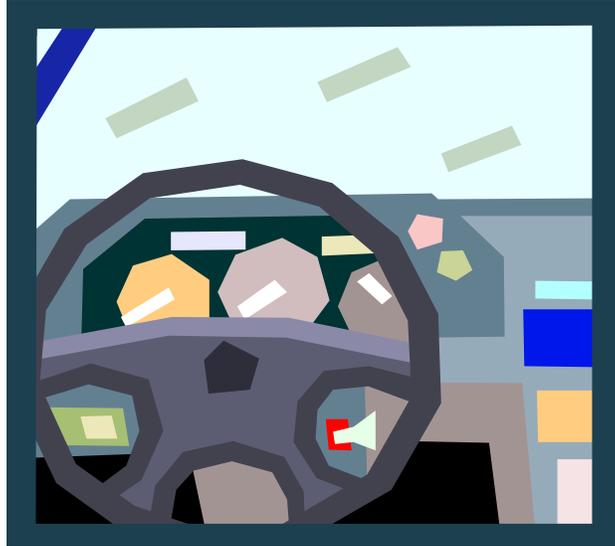
Events/Sponsorships

ORGANIZATION	EVENT / PROGRAM NAME	AMOUNT AWARDED	DATE(S)
VALLEYLIFE	Legacy of Love Gala	\$2,250.00	10/1/2016
Coconino County Sustainable Economic Development Initiative	Dollars for Dreams Revolving Business Micro-Loan Program	\$3,000.00	10/1/2016
Smiles Beyond the Bars	2016 SmileMaker's Gala - A Golden Smile Affair	\$1,500.00	10/1/2016
Alzheimer's Association Desert Southwest Chapter	Walk to End Alzheimer's	\$500.00	10/1/2016
YWCA of Southern Arizona	Purses on Purpose	\$2,500.00	10/2/2016
Boys & Girls of Tucson	Steak & Burger Dinner	\$500.00	10/2/2016
Hozhoni Foundation, Inc.	2nd Annual Puttin' in the Pine Golf Fundraiser	\$2,500.00	10/3/2016
Boys & Girls Club of Santa Cruz County	8th Annual International Wine Festival	\$500.00	10/7/2016
Phoenix Zoo	Rendezoo	\$4,500.00	10/8/2016

ORGANIZATION	EVENT / PROGRAM NAME	AMOUNT AWARDED	DATE(S)
Camp Soaring Eagle	Annual Affair - An Evening with Jackson Brown	\$2,500.00	10/8/2016
The Southern Arizona AIDS Foundation	AIDS Walk Tucson	\$1,000.00	10/9/2016
The Phoenix Symphony	B-Sharp Music Wellness	\$4,500.00	10/10/2016
AZ American Indian Veterans Town Hall/Governor's Office	Town Hall and Benefits Presentation	\$2,000.00	10/13/2016
Reid Park Zoo	ZOOscon	\$500.00	10/14/2016
Muscular Dystrophy Association	Taste of the Town	\$2,500.00	10/14/2016
Arab American Festival	Arab American Festival	\$1,000.00	10/15/2016
Big Brothers Big Sisters of Central Arizona	Multiple events (see app)	\$2,500.00	10/17/2016
Chicanos Por La Causa	Esperanza Teacher Awards	\$3,500.00	10/20/2016
Arizona Black Bar Association	2016 Hayzel B. Daniel Scholarship Award Dinner	\$1,500.00	10/20/2016
DSNetwork	BuddyWalk... Together for Down Syndrome	\$2,500.00	10/22/2016
Make Way for Books	Volunteer Appreciation Event	\$500.00	10/22/2016
Boys & Girls Club of the East Valley	Night of Champions	\$500.00	10/22/2016
Mothers Against Drunk Driving	Walk Like MADD Phoenix	\$1,000.00	10/22/2016
Handi-Dogs, Inc.	Dogtoberfest for Handi-Dogs	\$1,000.00	10/23/2016
Boys & Girls Club Metropolitan Phoenix	Dish It Out	\$500.00	10/23/2016
Aunt Rita's Foundation	AIDS Walk Arizona & 5K Run	\$1,000.00	10/23/2016
Arizona Food Marketing Alliance	Excellence in Leadership Awards	\$11,900.00	10/28/2016
ONE Community Foundation	Spotlight on Success Local Heroes Award	\$1,000.00	10/28/2016
Aviva Children's Services	Fall Breakfast Fundraiser	\$500.00	10/28/2016
University South Foundation, Inc.	Dine Under the Stars	\$1,500.00	10/29/2016

ORGANIZATION	EVENT / PROGRAM NAME	AMOUNT AWARDED	DATE(S)
Camelot Therapeutic Horsemanship	Starry Nights in Black and White	\$500.00	10/29/2016
Honor and Remember Arizona Chapter	AZ Run for the Fallen	\$1,000.00	10/15/2016 - 10/17/2016
Phoenix Boys Choir	Songs for Our Heroes	\$4,500.00	10/2016 - 4/2017
County Supervisors Association of Arizona	2016 CSA Legislative Policy Summit	\$10,000.00	10/25/2016 - 10/27/2016
ASU Gammage	ASU Gammage Military Salute	\$5,000.00	10/2016 – 06/2017
Free Arts for Abused Children of Arizona	2016 Every Child Matters Luncheon	\$2,500.00	11/1/2016
Chrysalis	Driving Out Domestic Violence Golf & Gala	\$2,500.00	11/4/2016
Keogh Health Center	Annual Autumn Gala	\$4,000.00	11/4/2016
City of El Mirage	El Mirage Salute to Veterans	\$4,000.00	11/5/2016
Community Alliance Against Family Abuse	Giddy Up Gala	\$500.00	11/5/2016
National Multiple Sclerosis Society, Arizona Chapter	2016 Walk MS: Phoenix	\$2,000.00	11/5/2016
Pueblo Grande Museum Auxiliary	Veteran's Day Gourd & Community Potluck	\$750.00	11/11/2016
YMCA of Southern Arizona	YMCA Community Military Ball	\$2,500.00	11/11/2016
Veteran's Medical Leadership Council	2016 Heroes Patriotic Luncheon	\$2,500.00	11/16/2016
Arizona Education Foundation	Arizona Teacher of the Year	\$2,500.00	11/17/2016
Yavapai Big Brothers Big Sisters	Grand Gala Dinner & Auction	\$2,500.00	11/19/2016
Downtown Chandler Community Foundation	7th Annual Rock the Block!	\$2,500.00	11/19/2016
Arizona Town Hall	Arizona Town Hall 2016/2017 Events	\$2,500.00	11/13/2016 - 11/16/2016

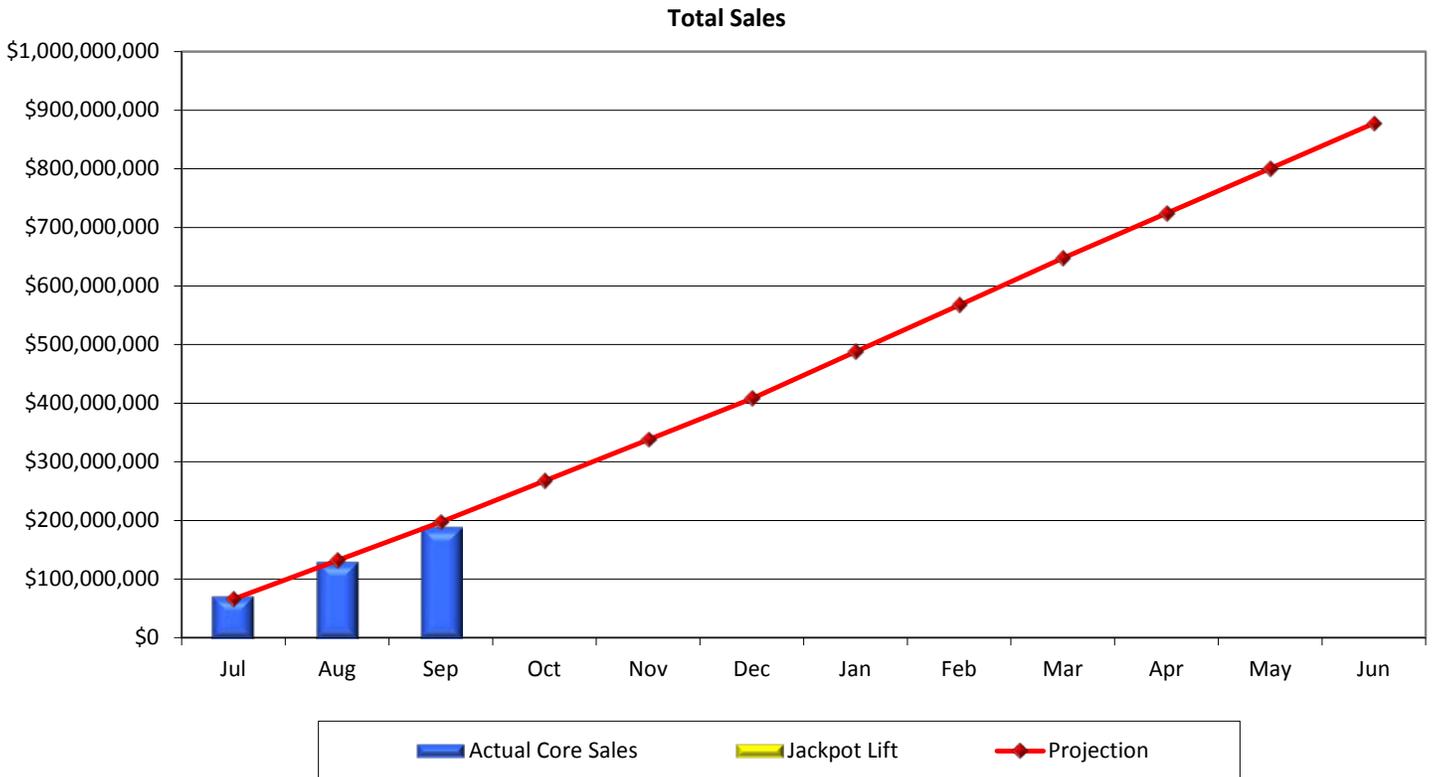
ATTACHMENT A



**Arizona Lottery
Dashboard
September 2016**

Fiscal Year 2017

**Arizona Lottery
FY 2017 Sales versus Projections**



Projection:	197,334,600
Actual Core:	188,778,586
Jackpot Lift:	0
Total Actual:	188,778,586
Difference:	-8,556,014
% Difference:	-4.3%

* Total sales are currently 4.3% below projections.

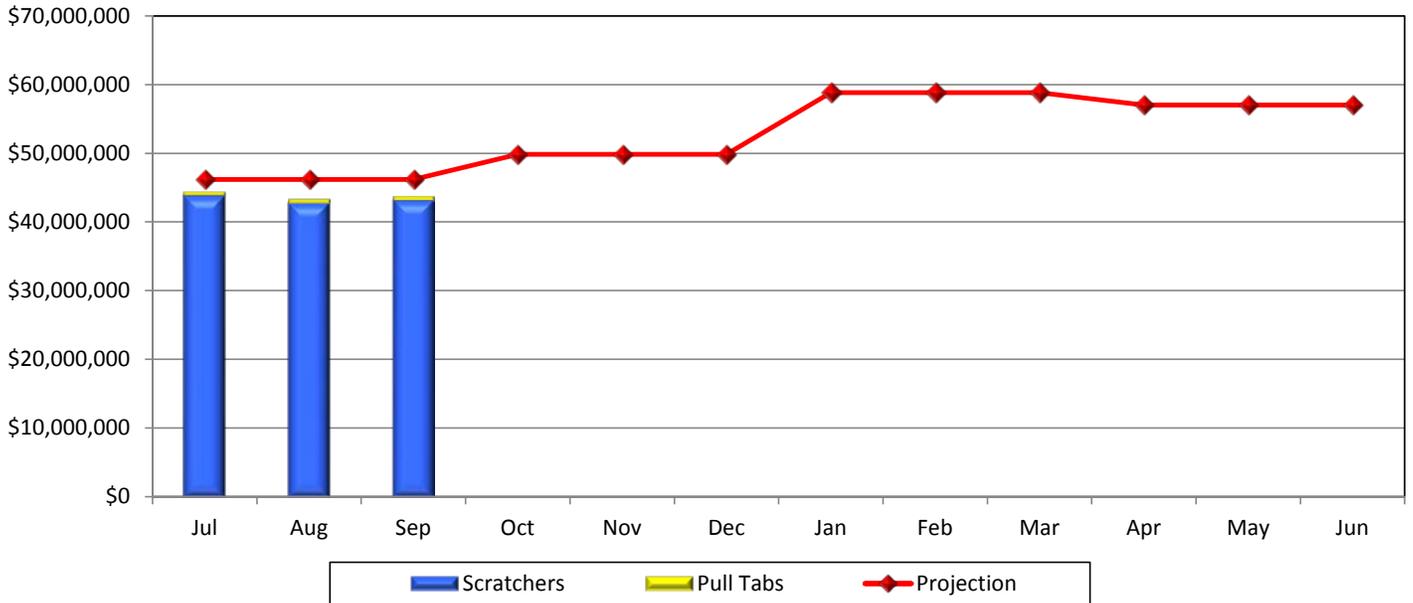
* The Instant product line (Scratchers & Pull-tabs) at \$131,440,799 are currently 5.1% below projections.

* Total draw game sales of \$57,337,787 are currently 2.4% below projections.

* The Multi-State draw games are currently 4.2% below projections; in-state games are 2.5% above projections.

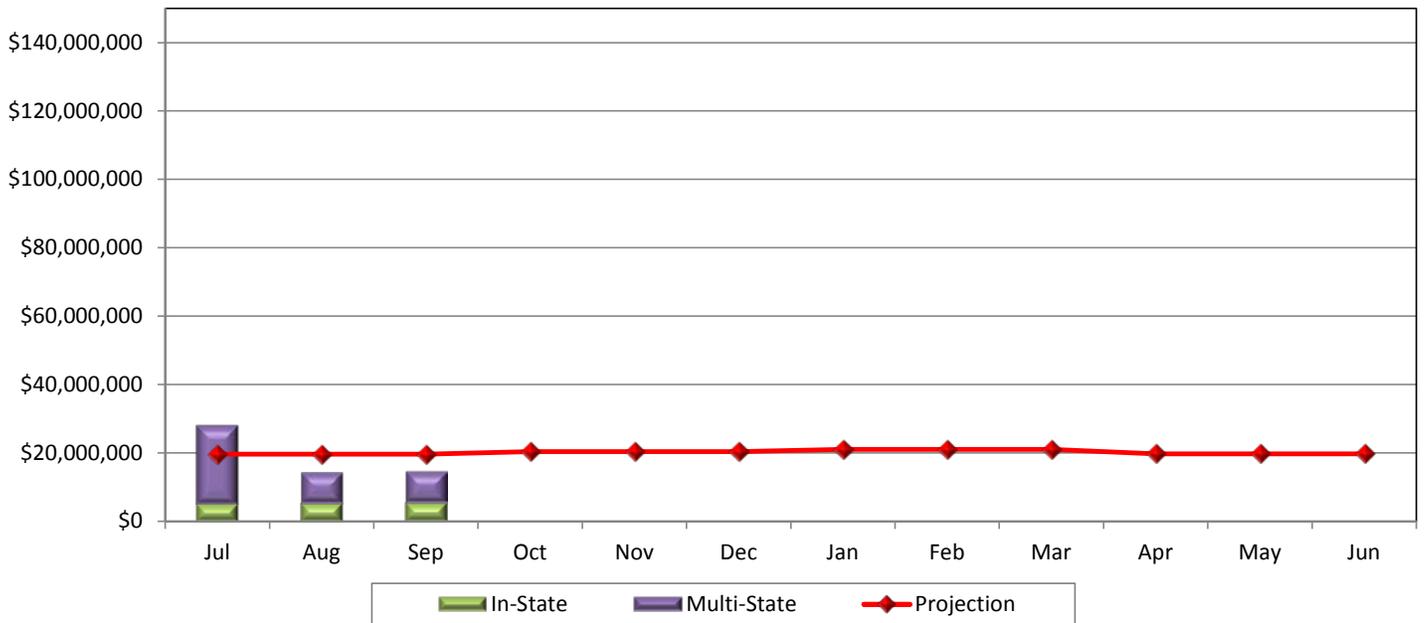
**Arizona Lottery
FY 2017 Sales versus Projections**

Instant Sales



Projection: 138,559,600
 Actual: 131,440,799
 Difference: -7,118,801
 % Difference: -5.1%

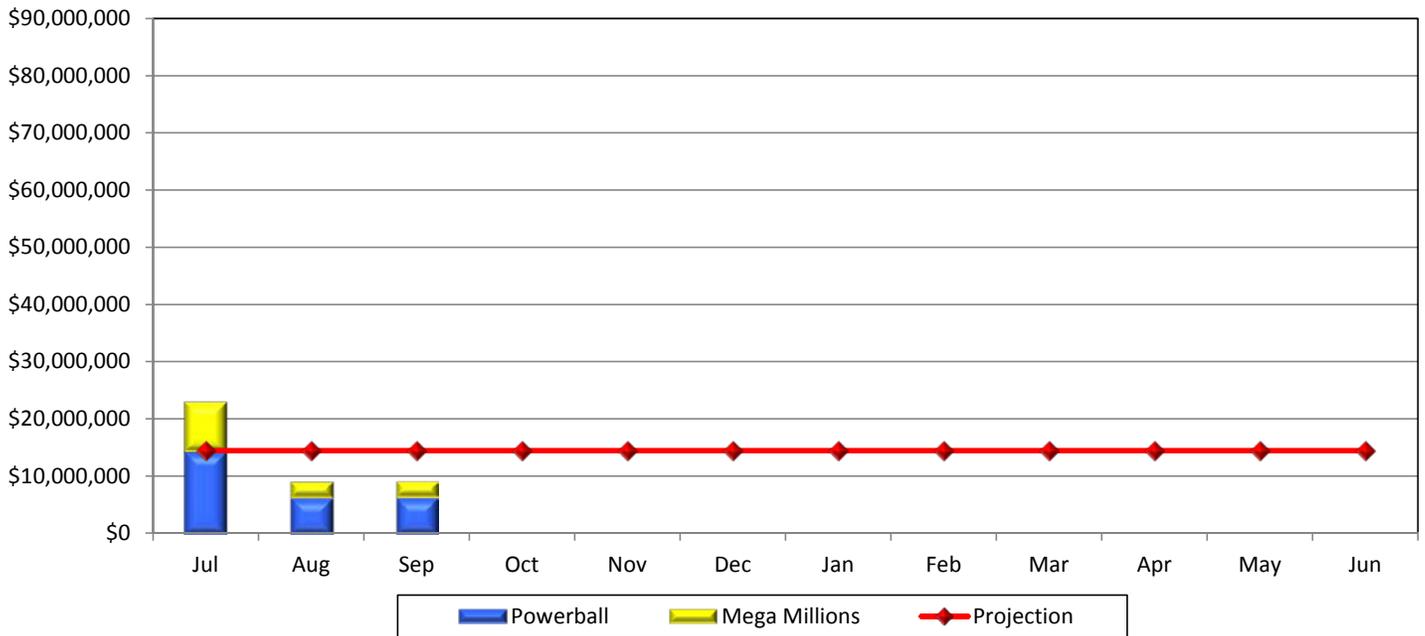
Total Draw Games



Projection: 58,775,000
 Actual: 57,337,787
 Difference: -1,437,213
 % Difference: -2.4%

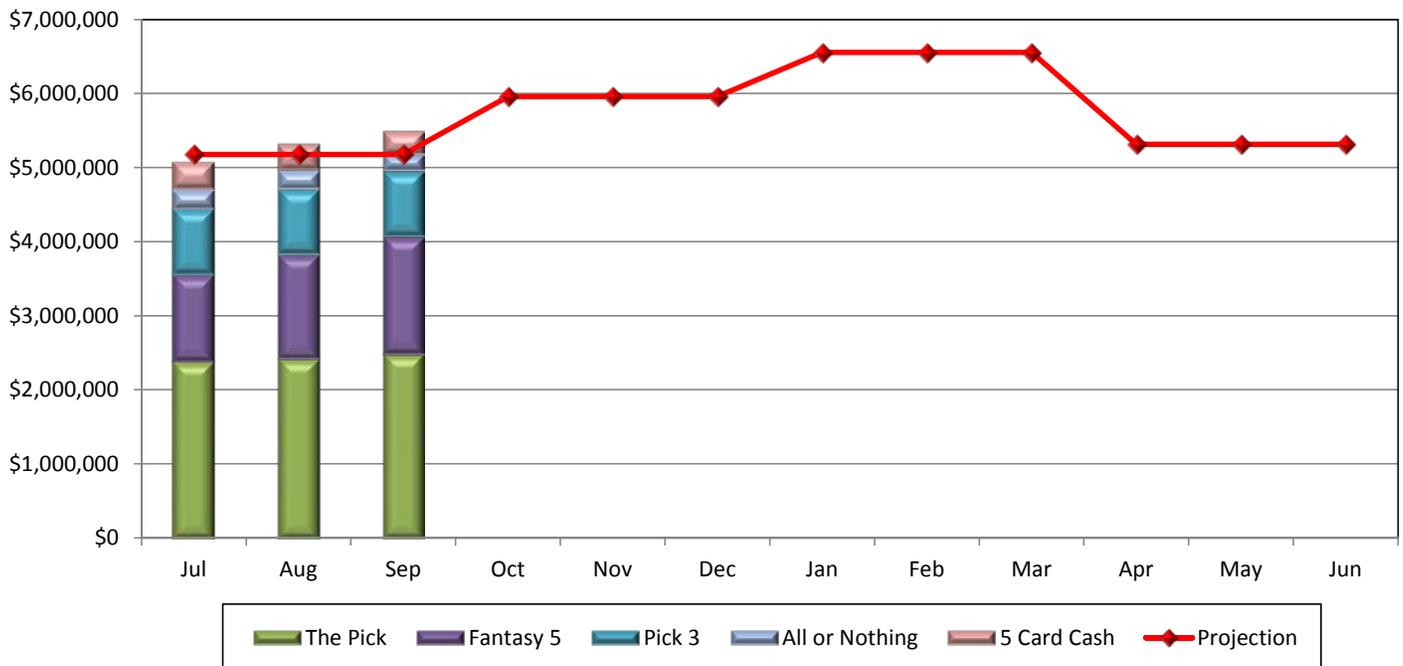
**Arizona Lottery
FY 2017 Sales versus Projections**

Multi-State Games



Projection: 43,250,000
 Actual: 41,424,910
 Difference: -1,825,090
 % Difference: -4.2%

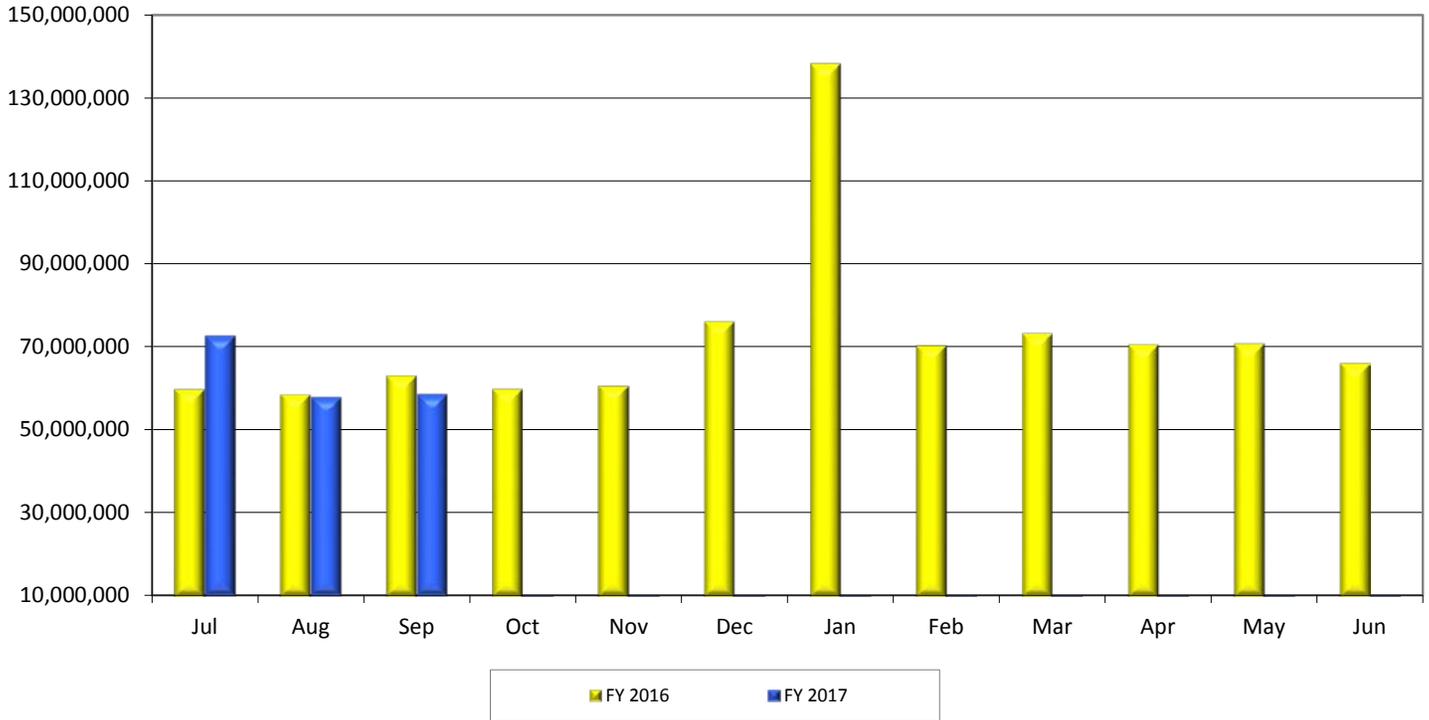
In-State Games



Projection: 15,525,000
 Actual: 15,912,877
 Difference: 387,877
 % Difference: 2.5%

**Arizona Lottery
FY 2017 versus FY 2016**

Total Sales

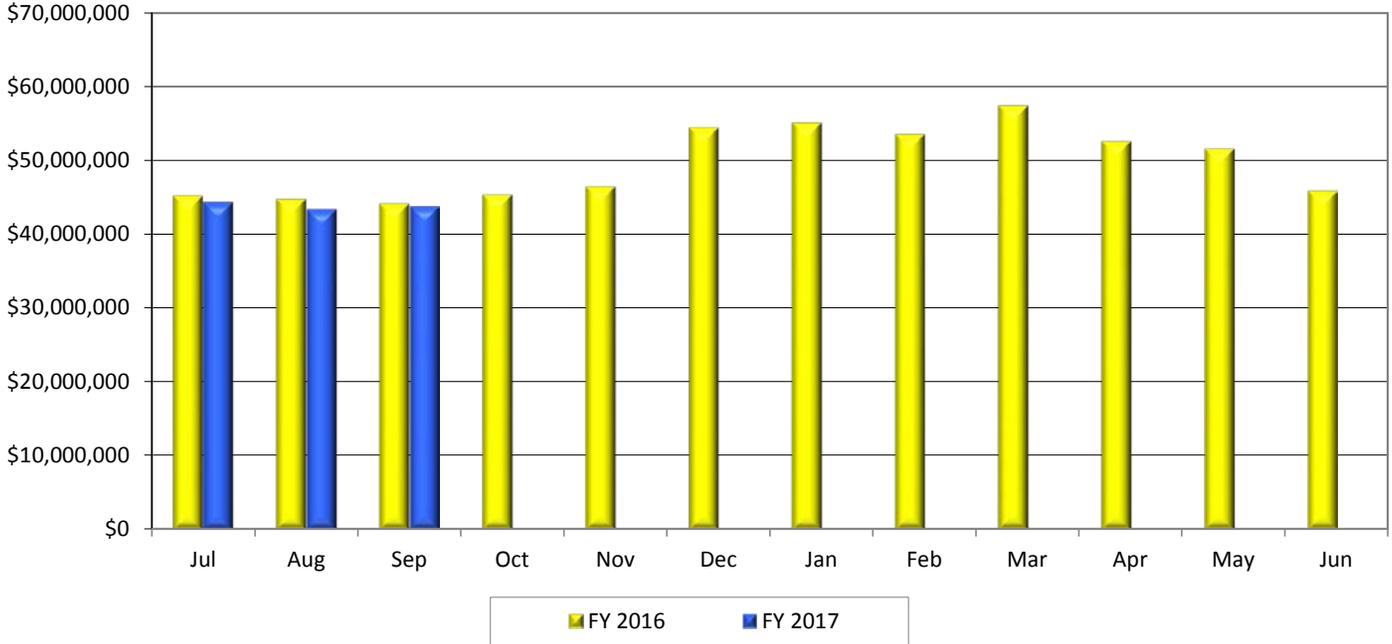


FY 2017	188,778,586
FY 2016	182,387,033
% Change	3.5%

- * Total sales are currently 3.5% ahead of last year.
- * The Instant product line (Scratchers & Pull-tabs) are currently 2.0% below last year.
- * Total draw game sales are currently 19.0% ahead of last year.
- * Sales of the multi-state games, Powerball and Mega Millions are currently 31.9% ahead of last year.
- * Sales of the in-state games are currently 5.3% below last year.

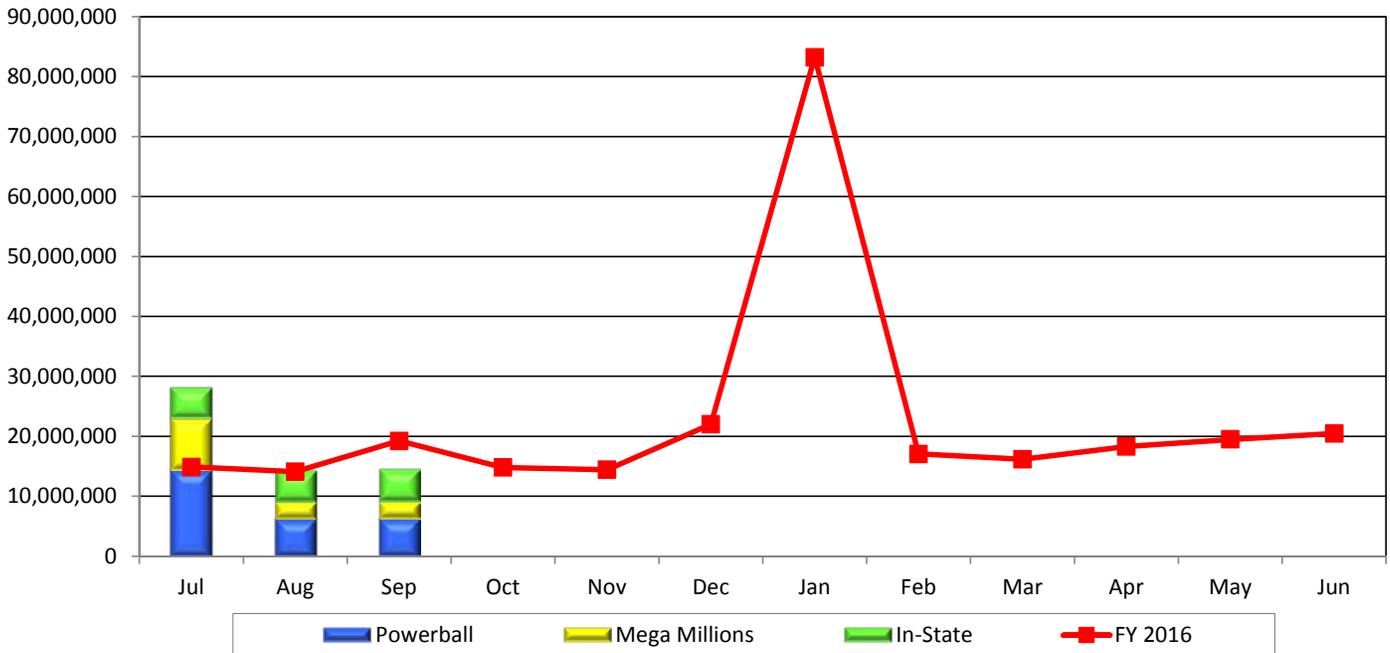
**Arizona Lottery
FY 2017 versus FY 2016**

Total Instant Games



FY 2017	131,440,799
FY 2016	134,188,067
% Change	-2.0%

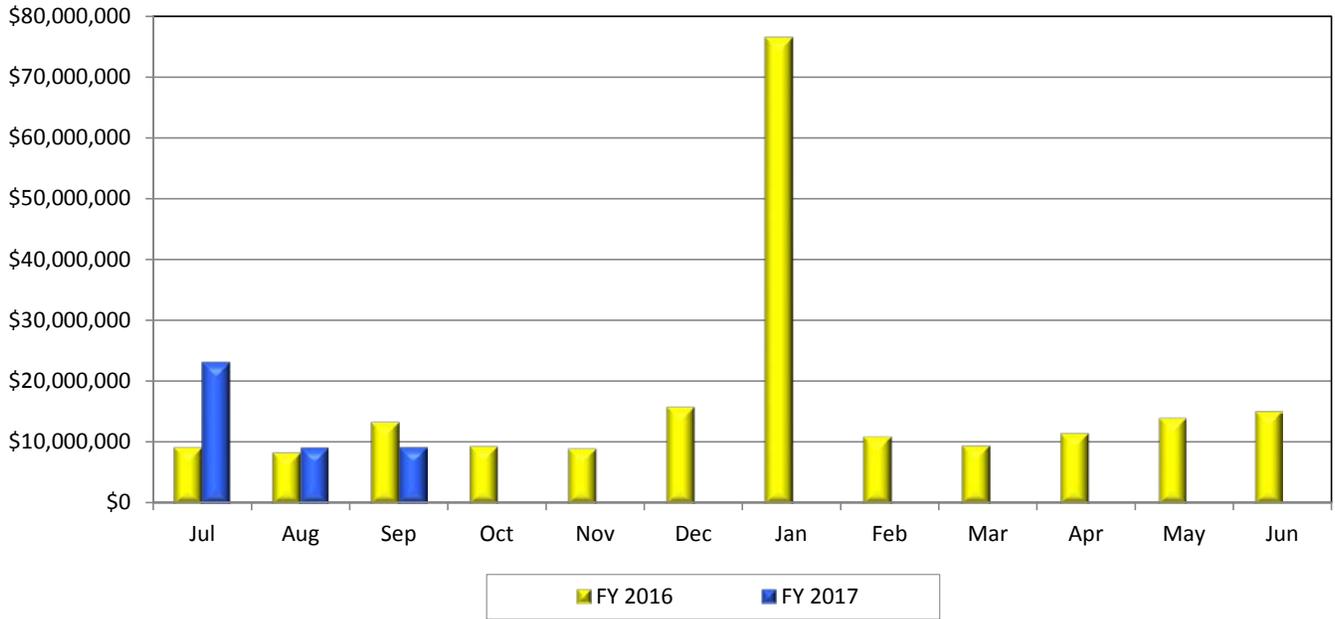
Total Draw Games



FY 2017	57,337,787
FY 2016	48,198,966
% Change	19.0%

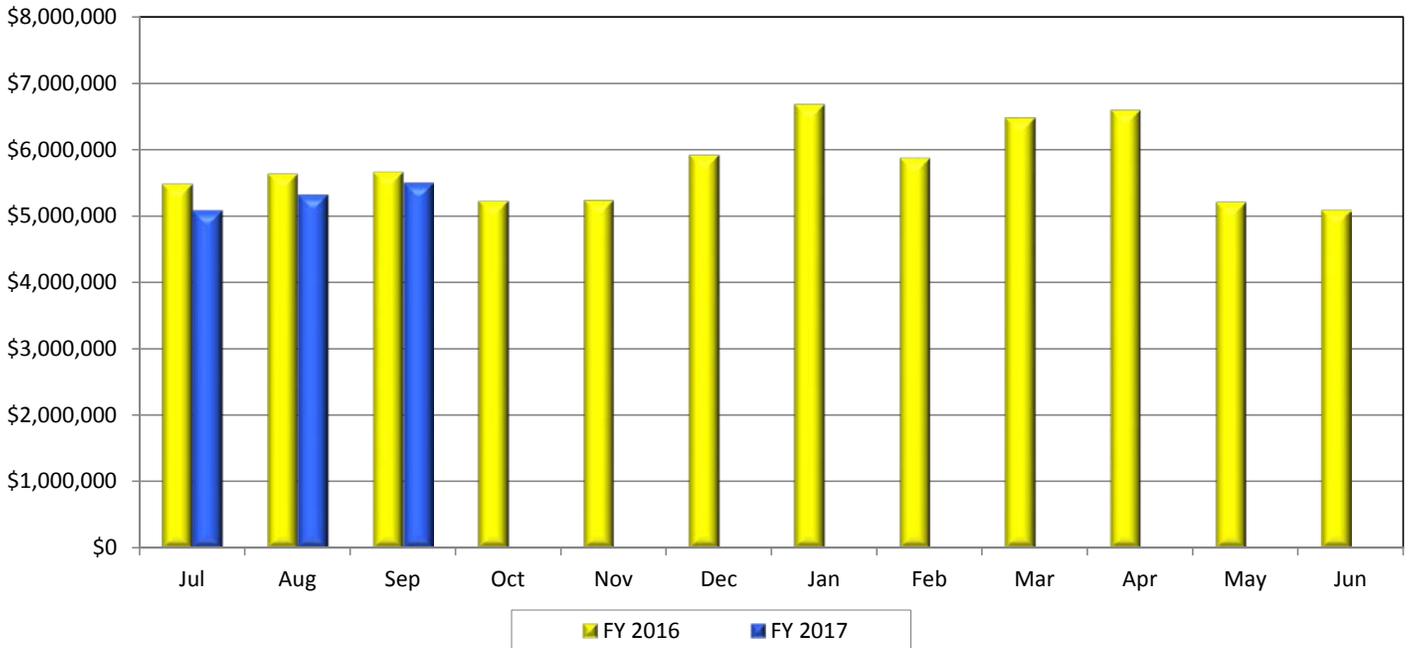
**Arizona Lottery
FY 2017 versus FY 2016**

Multi-State Jackpot Games



FY 2017	41,424,910
FY 2016	31,396,785
% Change	31.9%

Total In-State Games

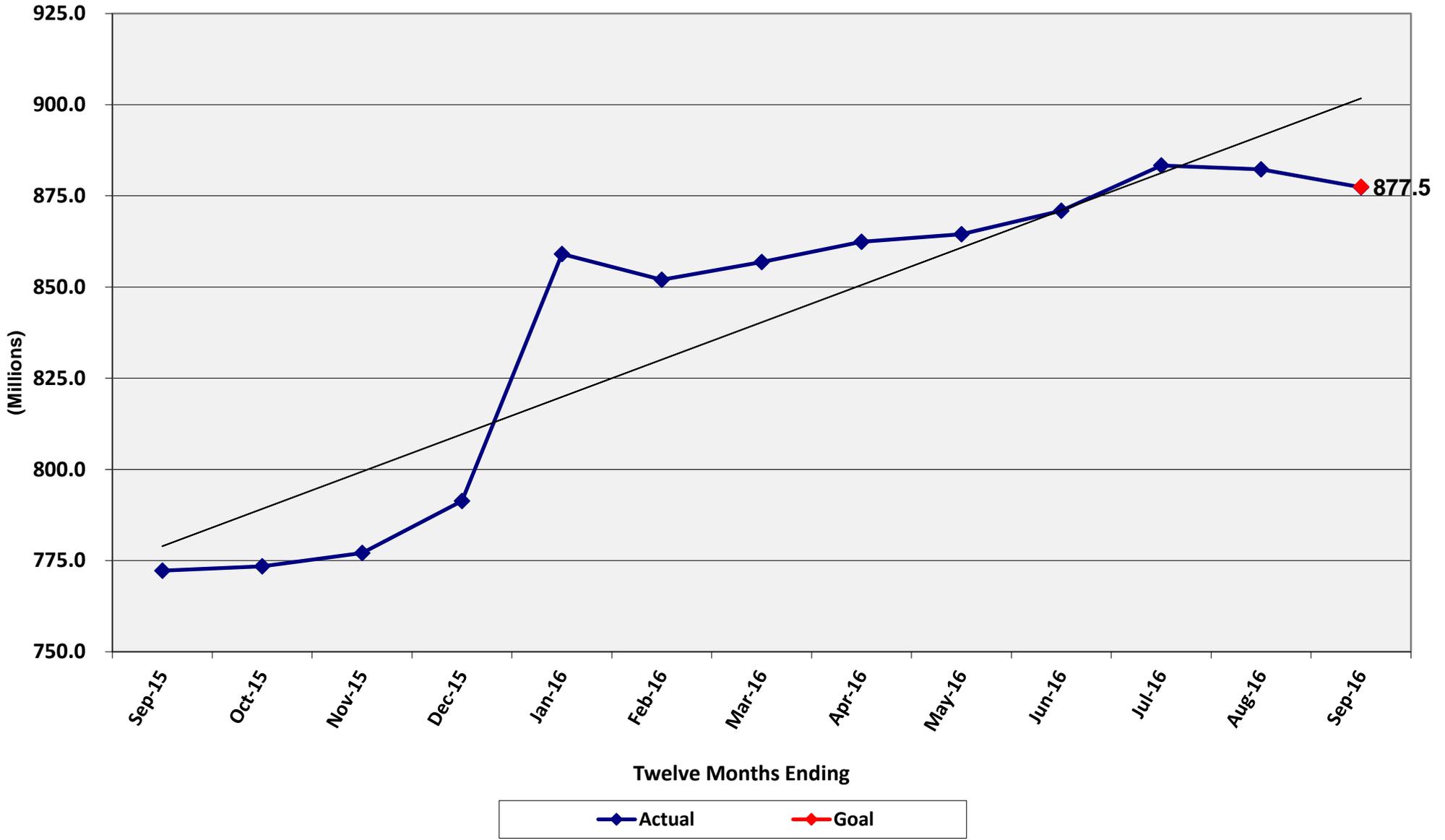


FY 2017	15,912,877
FY 2016	16,802,181
% Change	-5.3%

**Arizona Lottery
Sales by Product - FY 2017**

Month	Scratchers	Instant Tabs - Charitable	Instant Tabs - Age Restricted	Total Instants	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	5 Card Cash	Total Draw Games	Total Sales
July	43,832,068	418,026	88,560	44,338,654	14,362,658	8,689,584	2,377,390	1,185,217	886,760	262,492	373,816	28,137,917	72,476,571
August	42,761,031	500,850	82,080	43,343,961	6,341,897	2,811,227	2,416,011	1,414,536	883,347	254,434	359,114	14,480,566	57,824,527
September	43,199,884	459,030	99,270	43,758,184	6,379,839	2,839,705	2,479,920	1,589,942	879,854	228,194	321,850	14,719,304	58,477,488
October				0								0	0
November				0								0	0
December				0								0	0
January				0								0	0
February				0								0	0
March				0								0	0
April				0								0	0
May				0								0	0
June				0								0	0
YTD Sales	129,792,983	1,377,906	269,910	131,440,799	27,084,394	14,340,516	7,273,321	4,189,695	2,649,961	745,120	1,054,780	57,337,787	188,778,586
YTD Rtlr Commissions	8,436,544	275,581	17,544	8,729,669	1,760,486	932,134	472,766	272,330	172,247	48,433	68,561	3,726,956	12,456,625
% of Sales	68.8%	0.73%	0.14%	69.6%	14.3%	7.6%	3.9%	2.2%	1.4%	0.4%	0.6%	30.4%	100.0%
Avg Mo Sales	43,264,328	459,302	89,970	43,813,600	9,028,131	4,780,172	2,424,440	1,396,565	883,320	248,373	351,593	18,761,002	62,926,195

Annual Sales Trailing 12 Month Periods



**Arizona Lottery
Transfers To Other State Funds**

Month	Heritage Game & Fish	Healthy Arizona	State General Fund	Mass Transit LTAF II*	Homeless Shelters	State General Fund II	Arizona Commerce Authority	Univ Capital Debt Service	Dept of Gaming**	Internet Crimes & Victims' Rights***	Tribal College Dual Enrollment	C.A.S.A.	Total Transfers
July			3,750,150								250,000		4,000,150
August			3,750,150										3,750,150
September	2,990,600	6,186,200	17,692,400	5,412,700						63,600		1,081,417	33,426,917
**Approp Transfer									300,000				300,000
October													0
November													0
December													0
January													0
February													0
March													0
April													0
May													0
June													0
<hr/>													
YTD Transfers	2,990,600	6,186,200	25,192,700	5,412,700	0	0	0	0	300,000	63,600	250,000	1,081,417	41,477,217
FY16 Transfers	3,094,200	6,356,000	24,182,000	4,528,600	0	0	0	0	300,000	0	160,000	739,776	39,360,576

Estimated cap based

**Pursuant to Proposition 202 (Compulsive Gambling Treatment)

***Pursuant to HB2517 (Victims' Rights & Internet Crimes Against Children)

**Arizona Lottery
Transfers To Other State Funds
By Product - FY 2017**

10/19/2016

	Scratchers	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	5 Card Cash	Instant Tabs Charitable	Instant Tabs Age Restricted	Unclaimed Age Restricted	Unclaimed Prizes Tribal	Unclaimed Prizes C.A.S.A.	Total Transfers
July	2,714,750	468,200	229,700	129,100	85,300	48,700	31,000	17,700	25,700	0	0	250,000		4,000,150
August	2,714,750	468,200	229,700	129,100	85,300	48,700	31,000	17,700	25,700	0	0	0	0	3,750,150
September	14,948,100	8,164,100	4,359,200	2,185,800	1,237,300	793,200	188,400	319,200	86,600	63,600			1,081,417	33,426,917
Gaming Department	203,500	55,200	15,400	11,400	5,600	3,600	1,200	2,000	2,100					300,000
October														0
November														0
December														0
January														0
February														0
March														0
April														0
May														0
June														0
Final Profit Distribution														0
YTD Transfers	20,581,100	9,155,700	4,834,000	2,455,400	1,413,500	894,200	251,600	356,600	140,100	63,600	0	250,000	1,081,417	41,477,217
Transfer % of Total Sales	10.9%	4.8%	2.6%	1.3%	0.7%	0.5%	0.1%	0.2%	0.1%	0.034%	0.0%	0.13%	0.6%	22.0%
YTD Sales	129,792,983	27,084,394	14,340,516	7,273,321	4,189,695	2,649,961	745,120	1,054,780	1,377,906	269,910				188,778,586
% of Sales by Product	68.75%	14.35%	7.60%	3.85%	2.22%	1.40%	0.39%	0.56%	0.73%	0.14%				100.00%
% of Transfer by Product	15.86%	33.80%	33.71%	33.76%	33.74%	33.74%	33.77%	33.81%	10.17%	23.56%				21.40%

FY17 Year-to-Date Budget Status SEPTEMBER



Date: **9/30/2016**
 Elapsed: **25%**

	<u>Budget</u>	<u>Expenditures thru Aug.</u>	<u>Percent Expended</u>	<u>Balance</u>	<u>Comments</u>
Personal Services	4,533,300	950,100	21%	3,583,200	
ERE	1,972,000	370,000	19%	1,602,000	
Prof. & Outside Services	386,800	76,900	20%	309,900	
Travel - In State	271,600	21,800	8%	249,800	
Travel - Out of State	16,800	11,400	68%	5,400	July NASPL conference - to be reimbursed
Other Operating / Equip.	1,173,200	248,400	21%	924,800	
Operating Subtotal:	\$ 8,353,700	\$ 1,678,600	20%	\$ 6,675,100	
Advertising 1/	15,500,000	944,400	6%	14,555,600	
% of sales { Instant Tickets	23,671,800	2,989,200	13%	20,682,600	
{ On-Line Vendor Fees	8,062,600	1,980,800	25%	6,081,800	
{ Charitable Commissions	1,215,800	275,600	23%	940,200	
{ Retailer Commissions	56,633,900	12,207,500	22%	44,426,400	
Total Budget:	\$ 113,437,800	\$ 20,076,100	18%	\$ 93,361,700	

1/ Advertising agency expenses are typically one month behind.

Notes on Sales-Related Line Items:

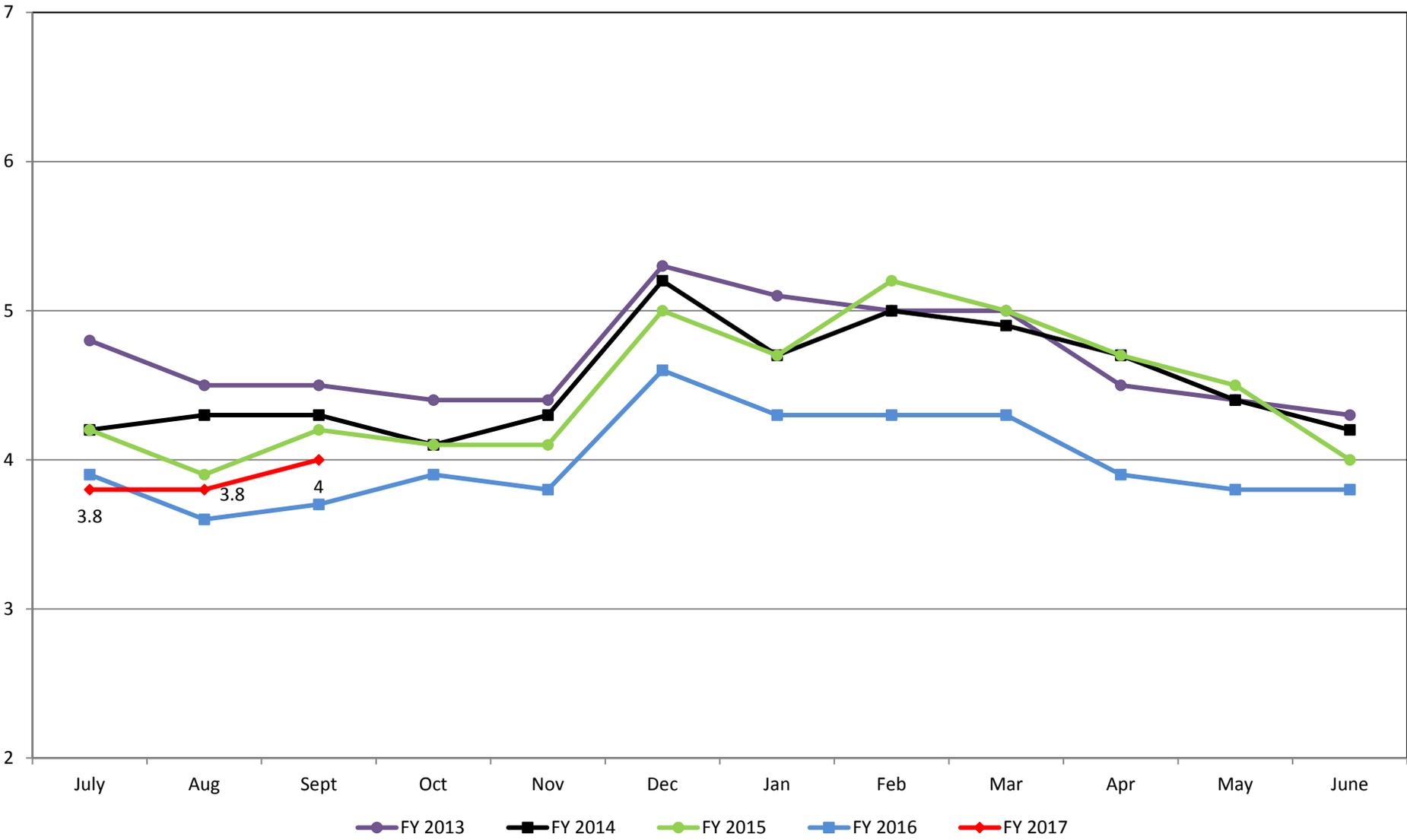
Instant Tickets: Appropriated based on 3.6% of sales. The budget corresponds to the JLBC instant sales estimate of \$657.6 million.

On-Line Vendor Fees: Appropriation based on percentage of on-line sales as determined by contract. The budget corresponds to the JLBC on-line sales estimate of \$193.8 million.

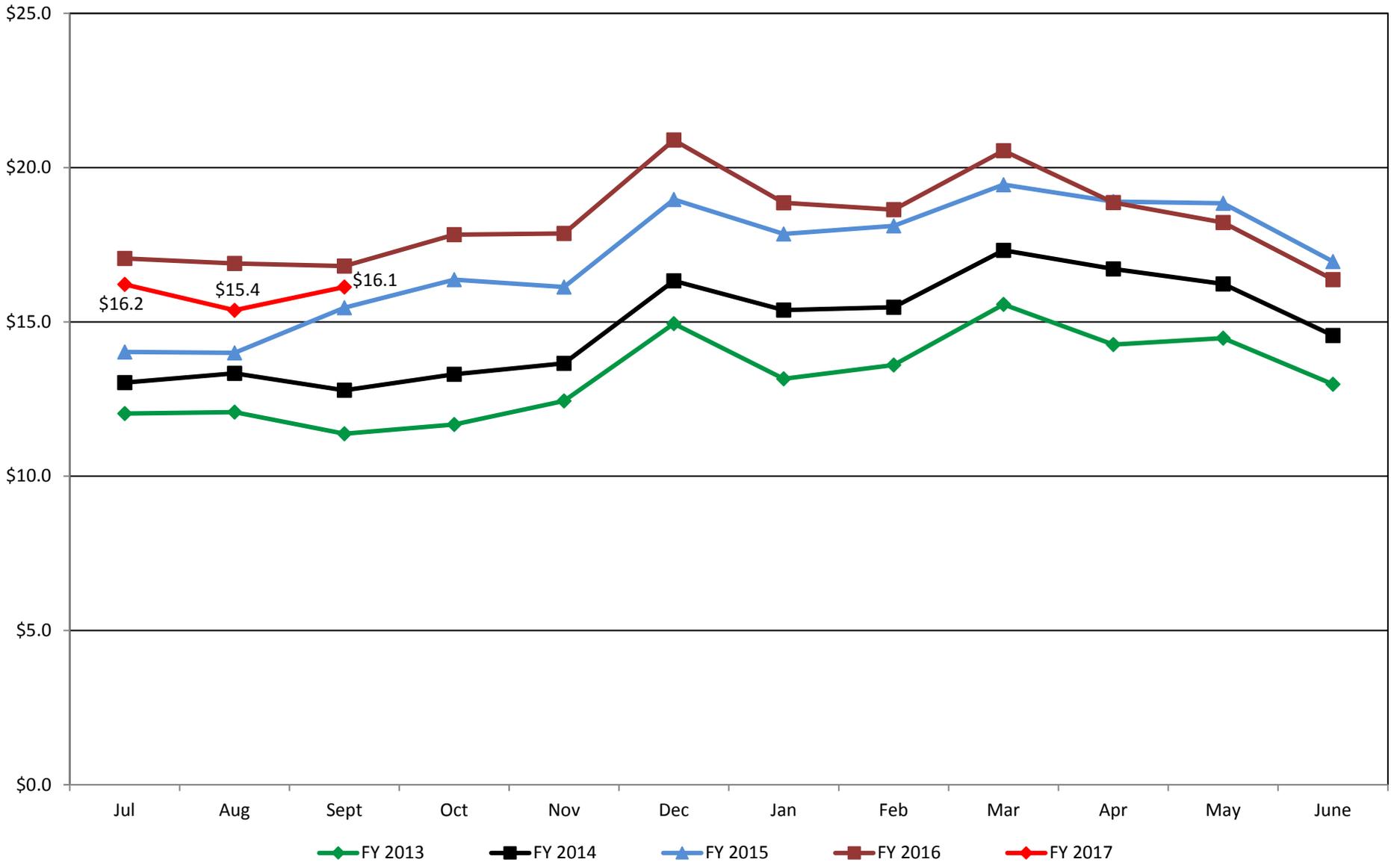
Charitable Commissions: The compensation rate is 20% of instant tab ticket sales. The budget corresponds to the JLBC sales estimate of \$6.08 million.

Retailer Commissions: The compensation rate is 6.5% plus up to an additional .5% based on performance criteria. The budget corresponds to the JLBC estimated compensation rate of 6.7% based on total sales of \$851.4 million.

**Arizona Lottery
Ticket Vending Machine - Monthly Out-of-Stock Averages**



Arizona Lottery
Vending Machine Sales - Instant Tickets



**Draw Games - Advertised Jackpot Comparisons
Sep FY2017 vs FY2016**

Powerball	FY2017 Jackpot			FY2016 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
09/03/16	\$154.0	\$170.0	\$1.81	\$120.0	\$133.0	\$1.63
09/10/16	\$186.0	\$205.0	\$1.65	\$149.0	\$167.0	\$1.73
09/17/16	\$222.0	\$244.0	\$1.83	\$185.0	\$208.0	\$2.06
09/24/16	\$40.0	\$50.0	\$1.14	\$235.0	\$267.0	\$2.91
Total Monthly Sales	\$6,379,839			\$10,744,756		

Mega Millions	FY2017 Jackpot			FY2016 Jackpot		
	Tue	Fri	Wkly Sales	Tue	Fri	Wkly Sales
09/03/16	\$84.0	\$92.0	\$0.77	\$74.0	\$85.0	\$0.70
09/10/16	\$101.0	\$111.0	\$0.71	\$95.0	\$106.0	\$0.74
09/17/16	\$122.0	\$133.0	\$0.75	\$15.0	\$20.0	\$0.55
09/24/16	\$15.0	\$20.0	\$0.51	\$25.0	\$31.0	\$0.59
Total Monthly Sales	\$2,839,705			\$2,810,199		

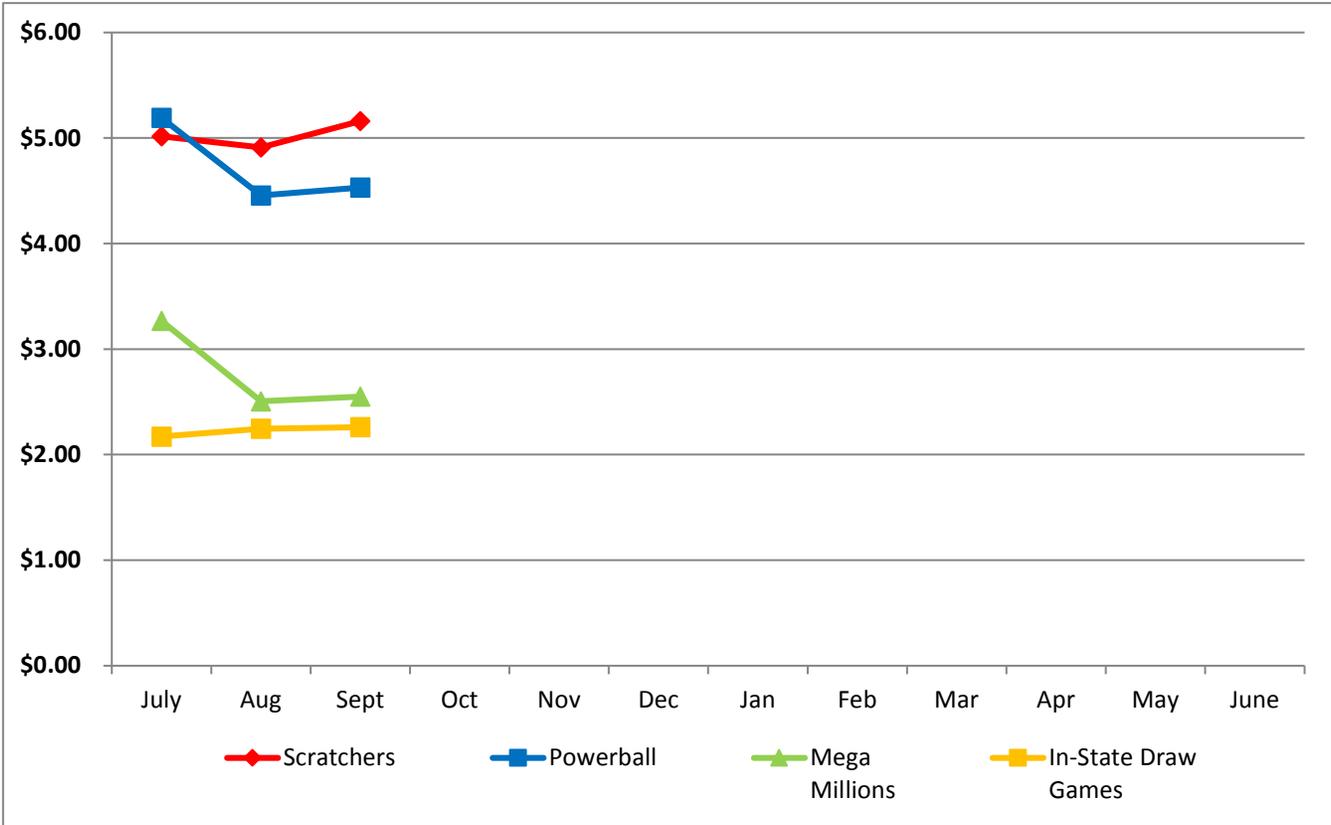
The Pick	FY2017 Jackpot			FY2016 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
09/03/16	\$3.2	\$3.3	\$0.66	\$5.1	\$5.3	\$0.73
09/10/16	\$3.4	\$3.5	\$0.56	\$5.4	\$5.6	\$0.72
09/17/16	\$3.7	\$3.8	\$0.58	\$5.7	\$5.9	\$0.74
09/24/16	\$4.0	\$4.1	\$0.59	\$6.1	\$6.2	\$0.79
Total Monthly Sales	\$2,479,920			\$3,129,067		

Jackpot and weekly sales amounts are in millions

High jackpot for the period

**Arizona Lottery
Average Wager Transactions - By Game**

	Scratchers	Powerball	Mega Millions	In-State Draw Games
July	\$5.02	\$5.19	\$3.27	\$2.17
Aug	\$4.91	\$4.46	\$2.51	\$2.25
Sept	\$5.16	\$4.53	\$2.55	\$2.26
Oct				
Nov				
Dec				
Jan				
Feb				
Mar				
Apr				
May				
June				
Average	\$5.03	\$4.73	\$2.77	\$2.23



ATTACHMENT B

Arizona Lottery
FY2017 – Product Review
1ST Quarter Review – July 2016 through September 2016

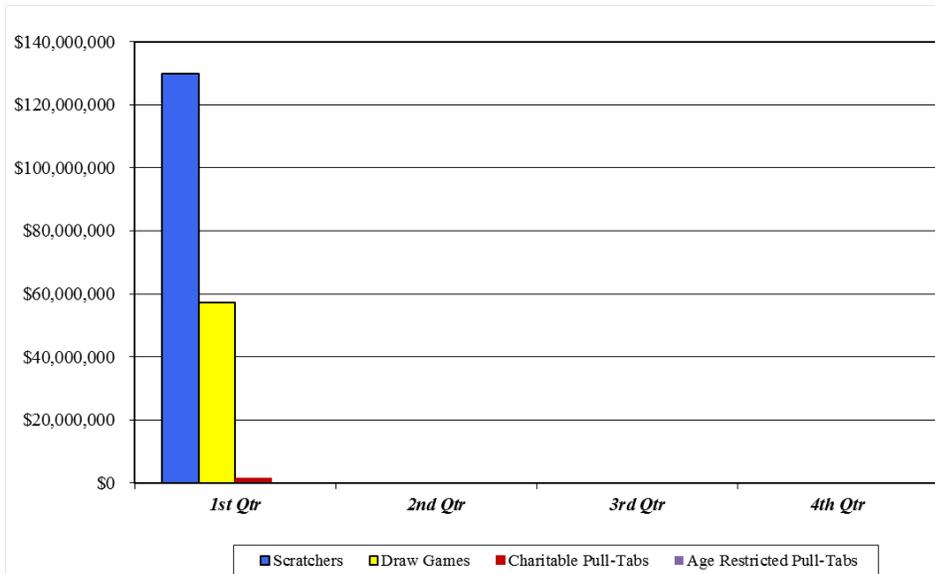
As part of a quarterly review process, we will report to the agency on the performance of the individual lottery products including both draw and instant games. The information contained in this report includes the following:

- General overview of the first quarter
- A top line review of sales performance of each product
- A summary review by price point for the instant games
- A top down look at the top performing games by revenue and tickets
- A review of new game introductions and game endings

General Overview

Sales for the first quarter of FY17 reached \$188,778,586, an increase of 3.5% over the same period last fiscal year. The breakdown by product is as follows:

	<u><i>1st Quarter</i></u>	<u><i>Mkt Share</i></u>
<i>Scratchers^{®1}</i>	\$129,792,983	68.75%
<i>Draw Games</i>	\$57,337,787	30.37%
<i>Charitable Pull-Tabs</i>	\$1,377,906	0.73%
<i>Age Restricted Pull-Tabs</i>	\$269,910	0.14%
<i>Total</i>	188,778,586	



As indicated in the chart above, the Scratchers contribution to total sales in the first quarter of the year represented 68.75%. The market share for draw games started the fiscal year at 30.37% of sales, an increase over the same quarter last fiscal year. Pull-tabs, representing 0.87% of total sales, have had a slight increase so far this fiscal year due to the addition of age-restricted locations. Sales detail by game is provided in Attachments A and B.

¹ Scratchers[®] is a registered service mark of the California Lottery.

Charitable Pull-Tabs

The charitable games program, first introduced in January 2011, continues to be strong with 129 organizations currently licensed and selling tickets. Sales remain strong so far this fiscal year having already surpassed the \$1.37 million mark, 13.4% ahead of the same period last fiscal year.

Age Restricted Pull-Tabs

The age restricted games program began licensing retailers in February 2016. Currently there are 33 retailers licensed and selling tickets. Sales for the quarter reached \$269,910.

Scratchers Games

Sales for Scratchers at \$129.8 million are slightly down 2.4% over last the same period last fiscal year.

Based on validations, players have earned more than \$90.9 million in prizes. The prizes paid calculated against the sales revenues equate to an average payout of 70.0%.

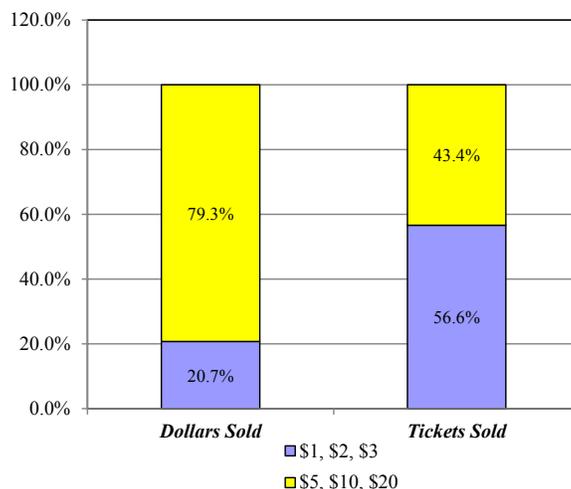
A total of 12 new games were introduced in the first quarter. Combined with the games carried forward, a total of 80 games contributed to the sales revenues.

Price Point	\$1	\$2	\$3	\$5	\$10	\$20
# New Games	3	4		3	1	1
Carried Forward	14	16	5	17	12	4

During this same period 17 games were ended. Five of the games were ended because the last top prize had been redeemed. The remaining games were ended as part of the standard quarterly game ending process, either because the games were out of inventory or the intended sales period had expired.

Sales by price point

The total number of tickets at the \$1, \$2 and \$3 price points continues to represent the largest volume of tickets sold with 56.6% but represent only 20.7% of the revenues. During this same period the \$5, \$10 and \$20 games accounted for 43.4% of the tickets sold and 79.3% of the revenues. The largest increase is at the \$20 price point, from 29.6% of the market at the end of last year to 32.7% in the first quarter of this year. The chart below shows the breakdown of tickets and dollars for FY17. The charts on Attachment C show a comparable breakdown across all price points for the most recent five years.



Although the payout percentage increases as the ticket price increases our efforts continue to optimize the overall prize payout on the Scratchers product line without impacting the sales performance of the games. Pricing strategy can be challenging and complex, but our actions need to be deliberate and based on careful analysis of the facts. For Fiscal Year 2017, we plan to continue to study this to maximize beneficiary transfers.

Top 10 games

The Crossword and Bingo style games continue to be strong in the market with more than \$164.6 million in sales, representing 28% of total instant sales. In terms of both dollars and tickets sold, five of the top ten games are Crossword or Bingo style games. The top performer of the first quarter with more than \$22.2 million in sales was the \$20 spotlight game, *\$185 Million Cash Explosion* (#950). This game represented 17.1% of the total instant sales. The game has been in market since September 2014 and to date has sold more than \$232 million.

The table below identifies the top 10 games in terms of sales revenue generated and total tickets sold through the first quarter.

Top 10 games in sales revenue			Top 10 games in tickets sold		
Game		Sales Revenue	Game		Tickets Sold
\$20	950 \$185 Million Cash Explosion	\$22,228,340	\$2	1061 Crossword	3,236,630
\$10	1046 Superstar Crossword	\$10,318,340	\$5	1050 Money Bag Crossword	1,690,985
\$20	1080 \$200 Million Cash Explosion	\$9,844,620	\$2	980 Bingo	1,488,140
\$5	1050 Money Bag Crossword	\$8,454,925	\$20	950 \$185 Million Cash Explosion	1,111,417
\$20	975 Diamond 7	\$7,571,300	\$10	1046 Superstar Crossword	1,031,834
\$2	1061 Crossword	\$6,473,260	\$1	1030 Black Cherry Doubler	1,024,088
\$10	1035 Hundred Grand Cash	\$4,497,700	\$3	983 Lucky Line Crossword	966,757
\$10	1069 Jumbo Bucks	\$4,048,110	\$1	1059 Happy Camper	867,550
\$10	1054 35th Anniversary	\$4,016,120	\$2	1055 Ghostbusters	850,001
\$5	1021 Bingo Blast	\$3,816,875	\$1	1051 35th Anniversary	773,517

Second Chance Drawing Promotion

Games offering second chance opportunities for players to win cash or merchandise prizes have become very popular. In fiscal year 2016, in celebration of the Lottery's 35th anniversary, a series of second chance drawings were planned: four regular drawings and one Grand Prize drawing. Prize money from ten designated games was consolidated for the promotion, giving players the chance to win from \$500 to \$150,000. To date, 140 players have collectively won over \$250,000 in this promotion. One regular drawing and the final Grand Prize drawing remain and will both be held during the second quarter of this fiscal year.

In September 2016, the Arizona Lottery introduced an Arizona Cardinals instant scratch ticket in conjunction with the Arizona Cardinals football season. In addition to the traditional instant-win cash prizes, this ticket gives players the opportunity to win second chance prizes. These prizes include: an away-game trip for two, season tickets, Arizona Cardinals memorabilia, and tickets to Arizona Cardinals home games. There are three regular drawings and one Grand Prize drawing.

Player's Rewards

The Player Rewards promotion began in late March, and represents the first step in creating a Player Loyalty Club. Players enter non-winning tickets from the \$1, \$2 and \$3 games to earn entries into a monthly drawing to win a cash prize or prize points to spend on merchandise in the online prize store. The promotion includes a mobile app allowing players to scan their tickets into the drawings. The promotion continues through the second quarter of fiscal year 2017. At the end of the promotion a Grand Prize of \$30,000 will be awarded.

Draw Games

Total sales of draw games for the first quarter reached \$57,337,787, an increase of 19.0% over the same period last year.

Powerball – Sales through the first quarter of the year for *Powerball* totaled \$27,084,394, an increase of 20.9% over the prior year.

Mega Millions – Sales through the first quarter of the year for *Mega Millions* totaled \$14,340,516, an increase of 59.6% from the prior year. The highest jackpot reached through the first quarter of the fiscal year was \$540 million in early July.

Combined sales for the multi-state games are 31.9% over the previous year.

Draw Games – In-State Games

The Pick™ – Sales through the first quarter of the year for *The Pick* were \$7,273,321, a decrease of 15.5% over the same period last year. The Pick jackpot began to build in mid-May and continues to grow into the second quarter. The current jackpot is at \$5.0 million.

Fantasy 5™ – Sales through the first quarter of the year for *Fantasy 5* were \$4,189,695, an increase of 4.3% over the same period last year. The highest jackpot through the first quarter of the fiscal year was \$299,000 at the end of September.

Pick 3™ – Sales through the first quarter of the year for *Pick 3* were \$2,649,961, an increase of 9.2% over the same period last year. Sales for this game remain consistent with a slight increase year over year. Currently the game is averaging approximately \$880,000 per month.

5 Card Cash™ – Sales through the first quarter of the year for *5 Card Cash* were \$1,054,780. Because sales for this game began in October 2015, there is no sales comparison available from the previous fiscal year.

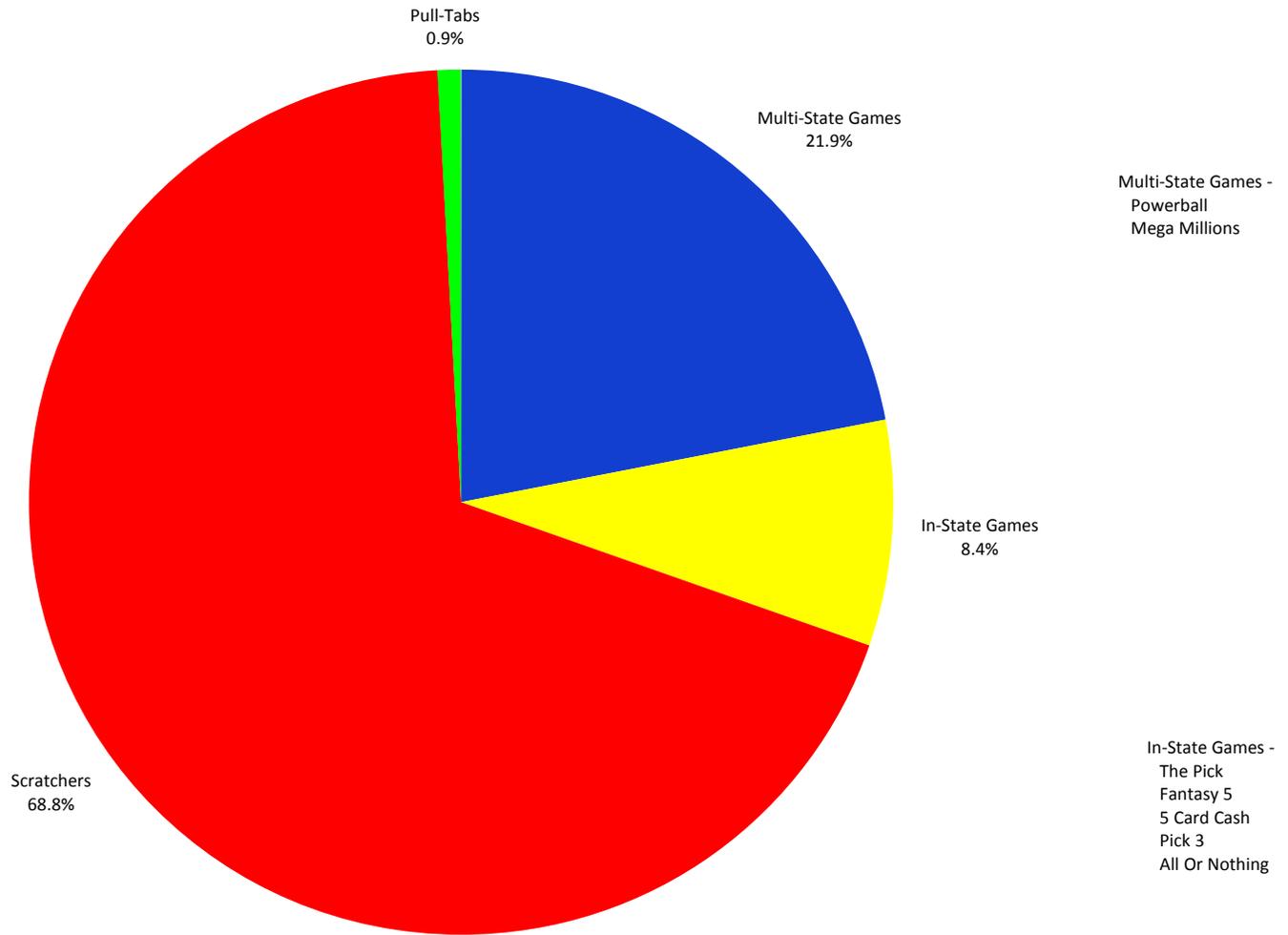
All Or Nothing™ – Sales for *All or Nothing* were \$745,120, a decrease of 27.6% from the same period last year.

Combined sales for the in-state games are 5.3% below the previous year.

ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT
 Fiscal Year 2017 - July 2016 through September 2016

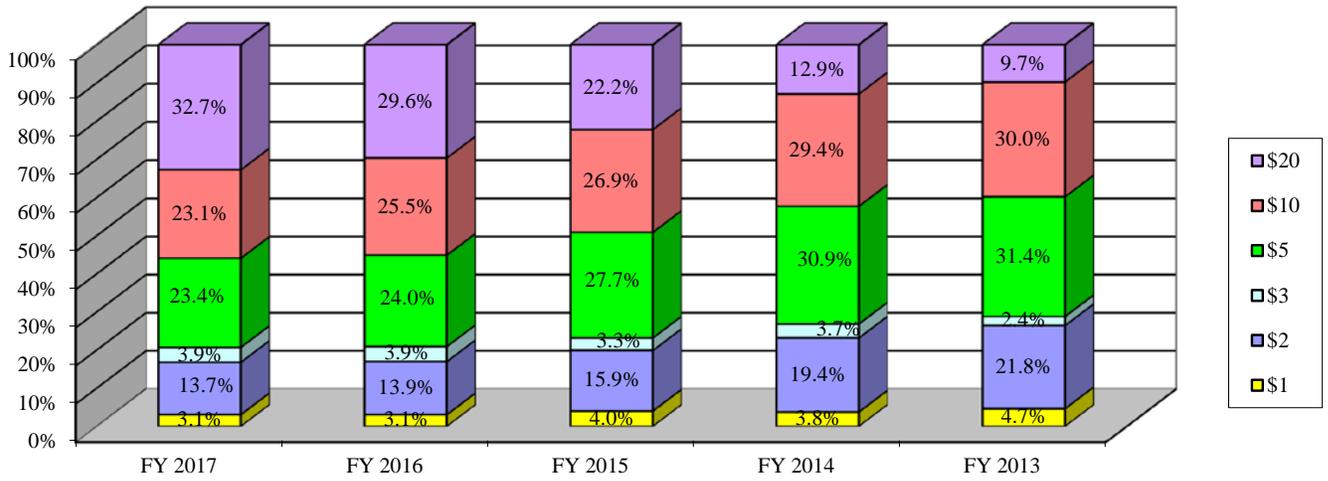
<i>Month</i>	<i>Powerball</i>	<i>Mega Millions</i>	<i>The Pick</i>	<i>Fantasy 5</i>	<i>Pick 3</i>	<i>All Or Nothing</i>	<i>5 Card Cash</i>	<i>Total Draw Games</i>	<i>Scratchers</i>	<i>Charitable Pull-Tabs</i>	<i>Age Restricted Pull-Tabs</i>	<i>Total Instant Games</i>	<i>Total</i>	<i>Market Share</i>
<i>July</i>	\$14,362,658	\$8,689,584	\$2,377,390	\$1,185,217	\$886,760	\$262,492	\$373,816	\$28,137,917	\$43,832,068	\$418,026	\$88,560	\$44,338,654	\$72,476,571	38.4%
<i>August</i>	\$6,341,897	\$2,811,227	\$2,416,011	\$1,414,536	\$883,347	\$254,434	\$359,114	\$14,480,566	\$42,761,031	\$500,850	\$82,080	\$43,343,961	\$57,824,527	30.6%
<i>September</i>	\$6,379,839	\$2,839,705	\$2,479,920	\$1,589,942	\$879,854	\$228,194	\$321,850	\$14,719,304	\$43,199,884	\$459,030	\$99,270	\$43,758,184	\$58,477,488	31.0%
<i>1st Quarter</i>	\$27,084,394	\$14,340,516	\$7,273,321	\$4,189,695	\$2,649,961	\$745,120	\$1,054,780	\$57,337,787	\$129,792,983	\$1,377,906	\$269,910	\$131,440,799	\$188,778,586	100.0%
<i>October</i>														
<i>November</i>														
<i>December</i>														
<i>2nd Quarter</i>														
<i>January</i>														
<i>February</i>														
<i>March</i>														
<i>3rd Quarter</i>														
<i>April</i>														
<i>May</i>														
<i>June</i>														
<i>4th Quarter</i>														
2017	\$27,084,394	\$14,340,516	\$7,273,321	\$4,189,695	\$2,649,961	\$745,120	\$1,054,780	\$57,337,787	\$129,792,983	\$1,377,906	\$269,910	\$131,440,799	\$188,778,586	
<i>Mkt Share</i>	14.3%	7.6%	3.9%	2.2%	1.4%			30.4%	68.8%	0.73%	0.14%	69.63%		
2016	\$22,410,624	\$8,986,161	\$8,604,774	\$4,016,713	\$2,427,276	\$1,029,028		\$48,198,966	\$132,972,815	\$1,215,252		\$134,188,067	\$182,387,033	
<i>% of Change</i>	20.9%	59.6%	-15.5%	4.3%	9.2%	-27.6%		19.0%	-2.4%	13.4%		-2.0%	3.5%	

ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT
Fiscal Year 2017 - July 2016 through September 2016



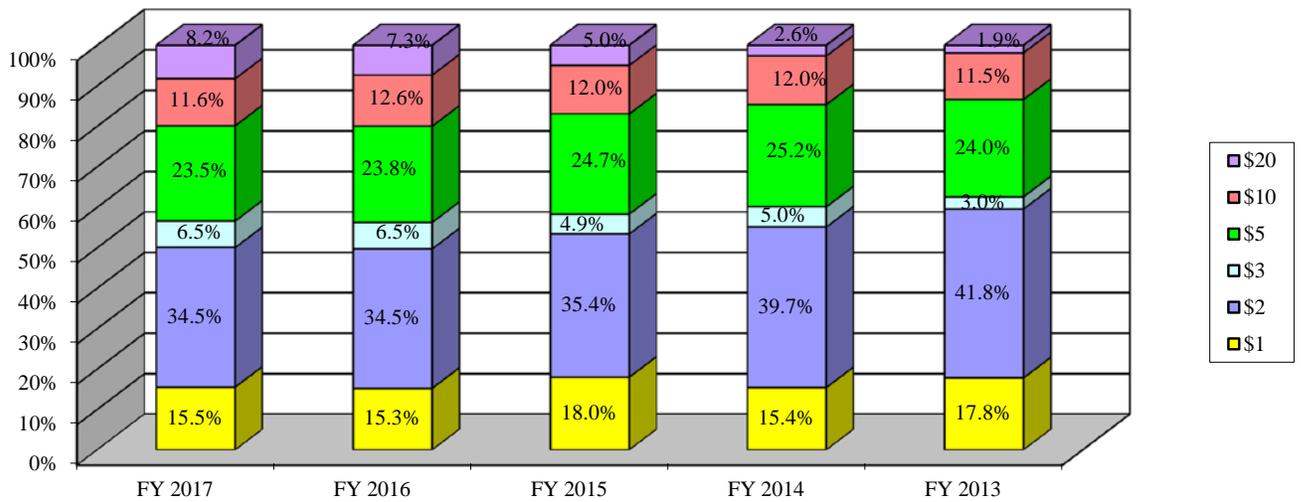
Arizona Lottery 5-Year Review by Price Point

Based on Dollars Sold



	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
\$1	\$4,011,467	\$18,183,806	\$21,852,857	\$20,900,842	\$19,945,234
\$2	\$17,834,956	\$82,257,128	\$86,110,390	\$92,970,362	\$92,194,924
\$3	\$5,067,675	\$23,323,455	\$17,793,777	\$15,624,093	\$13,626,693
\$5	\$30,349,055	\$141,578,675	\$150,203,925	\$153,051,335	\$137,111,780
\$10	\$30,038,730	\$150,398,690	\$145,784,060	\$140,218,320	\$122,702,850
\$20	\$42,491,100	\$174,963,960	\$120,285,280	\$61,130,860	\$51,018,120
Total	\$129,792,983	\$590,705,714	\$542,030,289	\$483,895,812	\$436,599,601

Based on Tickets Sold



	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
\$1	4,011,467	18,183,806	21,852,857	20,900,842	19,945,234
\$2	8,917,478	41,128,564	43,055,195	46,485,181	46,097,462
\$3	1,689,225	7,774,485	5,931,259	5,208,031	4,542,231
\$5	6,069,811	28,315,735	30,040,785	30,610,267	27,422,356
\$10	3,003,873	15,039,869	14,578,406	14,021,832	12,270,285
\$20	2,124,555	8,748,198	6,014,264	3,056,543	2,550,906
Total	25,816,409	119,190,657	121,472,766	120,282,696	112,828,474

Interoffice Memorandum

Date: October 20, 2016
To: Gregg Edgar, Executive Director
From: Raynie Hosto, Sales Director
Subject: FY 2017 – First Quarter Sales Review

LXP/ITVM Sales (Chart E)

Total sales through vending machines during the first quarter of FY17 were \$50,392,583. Vending machine sales accounted for 26.9% of total sales down from 29.1% last year. While Scratchers sales increased 8.9% over the same period last year, draw games sales decreased by 8.3%. These decreases are due in part to the Draw Game System Conversion that took place in August of 2016. Draw games through the vending machines are unavailable until new compatible vending machines are installed beginning in January 2017. We anticipate as draw game sales resume in the vending machines there will be an increase due to the improved visibility of draw games in the new machines. The system conversion does not appear to have affected Scratchers sales in vending machines.

Out-of-stocks in vending machines declined to 3.9% from 4.0% in FY16.

Corporate Account Review (Chart F)

- Major retail chains represent 57.1% of all lottery accounts. Convenience stores represent 43.2% of total accounts while chain food stores represent 13.9%.
- Major retail chains comprise 75.1% of the total market share at the Lottery with convenience stores and food stores accounting for 51.4% and 23.7% respectively.
- Fry's food stores continue to lead with the highest per store average of \$180,595 a 13.8% increase over FY16. QuikTrip, Safeway, and Albertsons follow with per store average sales of \$156,756, \$125,501 and \$125,192 respectively. This ranking remains the same from the previous fiscal year except for changes in the number three and four slots. Albertsons ranked number three last year and this year Safeway pulled ahead to take the number three ranking.

Business Classification Review (Charts G and H)

Collectively, chain and independent convenience stores account for 73.2% of total Lottery accounts and 68.4% of the market share in sales. Chain and independent grocery stores account for 16.0% of total Lottery accounts and 27.0% total sales. These figures remain consistent with the previous fiscal year.

County Review (Charts I and J)

- The overall estimated per capita weekly sales for the first quarter of FY17 were \$2.25, which represents an increase from the same period in FY16 when the per capita was \$1.91.
- Maricopa and Pima counties held a market share of 75.8% of total sales. The remaining counties represent 24.2% of sales.
- Greenlee County posted the highest weekly per capita sales at \$3.73, followed closely by Mohave at \$3.71, and La Paz at \$3.17.

Arizona Lottery							
Lottery Express / ITVM Review							
FY 2017							
	# of Units (Qtly Avg)	Per Unit Game Capacity	Instant Sales	Draw Sales	Total Sales	Per Unit Average	Average Out-of-Stock Percentage
Lottery Express	743	24	\$ 44,920,736	\$ 2,664,653	\$ 47,585,389	\$ 64,044.94	
ITVM	96	24	\$ 2,807,194		\$ 2,807,194	\$ 29,242	
1st Quarter Total	839		\$ 47,727,930	\$ 2,664,653	\$ 50,392,583		3.9%
% of Lottery Sales			36.8%	4.6%	26.9%		
Lottery Express		24			\$ -	#DIV/0!	
ITVM		24			\$ -	#DIV/0!	
2nd Quarter Total			\$ -	\$ -	\$ -		
% of Lottery Sales			#DIV/0!	#DIV/0!	#DIV/0!		
Lottery Express		24			\$ -	#DIV/0!	
ITVM		24			\$ -	#DIV/0!	
3rd Quarter Total			\$ -	\$ -	\$ -		
% of Lottery Sales			#DIV/0!	#DIV/0!	#DIV/0!		
Lottery Express		24			\$ -	#DIV/0!	
ITVM		24			\$ -	#DIV/0!	
4th Quarter Total			\$ -	\$ -	\$ -		3.8%
% of Lottery Sales			#DIV/0!	#DIV/0!	#DIV/0!		
Total Lottery Express			\$ 44,920,736	\$ 2,664,653	\$ 47,585,389		
Total ITVM			\$ 2,807,194	\$ -	\$ 2,807,194		
Total Fiscal Year			\$ 47,727,930	\$ 2,664,653	\$ 50,392,583		
% of Total Sales			36.8%	4.6%	26.9%		

Chart E

ARIZONA LOTTERY
CORPORATE ACCOUNT REVIEW
Fiscal Year 2017
July 2016 through September 2016

	# of Accts	% of Accts	<i>Total Draw Games</i>			<i>Scratchers</i>			<i>All Products Combined</i>			<i>Commission Earned To Date</i>
			<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	
4 Sons	21	0.7%	\$657,025	1.1%	\$31,287	\$1,172,232	0.9%	\$55,820.57	\$1,829,257	1.0%	\$87,107	\$118,902
7-Eleven	63	2.2%	\$972,767	1.7%	\$15,441	\$3,102,646	2.4%	\$49,248	\$4,075,413	2.2%	\$64,689	\$264,902
Carioca	34	1.2%	\$477,553	0.8%	\$14,046	\$984,232	0.8%	\$28,948	\$1,461,785	0.8%	\$42,994	\$95,016
Circle K	579	20.3%	\$12,805,606	22.3%	\$22,117	\$33,552,759	25.9%	\$57,949	\$46,358,365	24.8%	\$80,066	\$3,013,294
Cobblestone	8	0.3%	\$183,451	0.3%	\$22,931	\$298,951	0.2%	\$37,369	\$482,402	0.3%	\$60,300	\$31,356
CST Brands	59	2.1%	\$1,669,634	2.9%	\$28,298.88	\$3,831,551	3.0%	\$64,942	\$5,501,185	2.9%	\$93,240	\$357,577
Express Stop	1	0.0%	\$5,314	0.0%	\$5,314	\$12,770	0.0%	\$12,770	\$18,084	0.0%	\$18,084	\$1,175
Giant	87	3.0%	\$1,387,753	2.4%	\$15,951	\$3,634,662	2.8%	\$41,778	\$5,022,415	2.7%	\$57,729	\$326,457
Jackson's Food Stores	12	0.4%	\$359,232	0.6%	\$29,936	\$556,973	0.4%	\$46,414	\$916,205	0.5%	\$76,350	\$59,553
Loves	12	0.4%	\$151,045	0.3%	\$12,587	\$353,928	0.3%	\$29,494.00	\$504,973	0.3%	\$42,081	\$32,823
Maverik	19	0.7%	\$515,717	0.9%	\$27,143	\$875,001	0.7%	\$46,053	\$1,390,718	0.7%	\$73,196	\$90,397
Pilot Travel Centers	12	0.4%	\$149,108	0.3%	\$12,426	\$405,582	0.3%	\$33,799	\$554,690	0.3%	\$46,224	\$36,055
Quik Mart	26	0.9%	\$429,453	0.7%	\$16,517	\$1,150,912	0.9%	\$44,266	\$1,580,365	0.8%	\$60,783	\$102,724
QuikTrip	109	3.8%	\$5,135,452	9.0%	\$47,114.24	\$11,950,991	9.2%	\$109,642	\$17,086,443	9.1%	\$156,756	\$1,110,619
Shay's	19	0.7%	\$291,311	0.5%	\$15,332	\$798,119	0.6%	\$42,006	\$1,089,430	0.6%	\$57,338	\$70,813
Superpumper	11	0.4%	\$351,558	0.6%	\$31,960	\$784,333	0.6%	\$71,303	\$1,135,891	0.6%	\$103,263	\$73,833
Terribles	8	0.3%	\$88,901	0.2%	\$11,112.63	\$270,708	0.2%	\$33,839	\$359,609	0.2%	\$44,951	\$23,375
Woody's	17	0.6%	\$143,217	0.2%	\$8,425	\$408,950	0.3%	\$24,056	\$552,167	0.3%	\$32,480	\$35,891
Safeway Gas	30	1.1%	\$360,966	0.6%	\$12,032.20	\$736,577	0.6%	\$24,552.57	\$1,097,543	0.6%	\$36,584.77	\$71,340
Fry's Gas	88	3.1%	\$670,536	1.2%	\$7,620	\$1,439,424	1.1%	\$16,357	\$2,109,960	1.1%	\$23,977	\$137,147
Convenience Total	1215	42.6%	\$26,805,599	46.8%	\$22,062	\$66,321,301	51.1%	\$54,585	\$93,126,900	49.8%	\$76,648	\$6,053,249
Albertson's	36	1.3%	\$1,645,485	2.9%	\$45,707.92	\$2,861,435	2.2%	\$79,484	\$4,506,920	2.4%	\$125,192	\$292,950
Bashas'	50	1.8%	\$1,766,355	3.1%	\$35,327	\$2,988,056	2.3%	\$59,761	\$4,754,411	2.5%	\$95,088	\$309,037
Bashas' Food City	45	1.6%	\$178,173	0.3%	\$3,959	\$1,424,950	1.1%	\$31,665.56	\$1,603,123	0.9%	\$35,625	\$104,203
Fry's	122	4.3%	\$8,302,860	14.5%	\$68,056	\$13,729,677	10.6%	\$112,538	\$22,032,537	11.8%	\$180,595	\$1,432,115
Los Altos Ranch Market	7	0.2%	\$40,840	0.1%	\$5,834	\$319,805	0.2%	\$45,686	\$360,645	0.2%	\$51,521	\$23,442
Safeway	109	3.8%	\$5,312,037	9.3%	\$48,734	\$8,367,561	6.4%	\$76,767	\$13,679,598	7.3%	\$125,501	\$889,174
Walmart	28	1.0%	\$329,054	0.6%	\$11,752	\$1,127,022	0.9%	\$40,251	\$1,456,076	0.8%	\$52,003	\$94,645
Food Store Total	397	13.9%	\$17,574,804	30.7%	\$44,269	\$30,818,506	23.7%	\$77,628	\$48,393,310	25.9%	\$121,898	\$3,145,565
Major Chains	1612	56.5%	\$44,380,403	77.4%	\$27,531	\$97,139,807	74.8%	\$60,260	\$141,520,210	75.6%	\$87,792	\$9,198,814
All Stores	2853		\$57,337,787		\$20,097	\$129,792,983		\$45,494	\$187,130,770		\$65,591	\$12,163,500

ARIZONA LOTTERY
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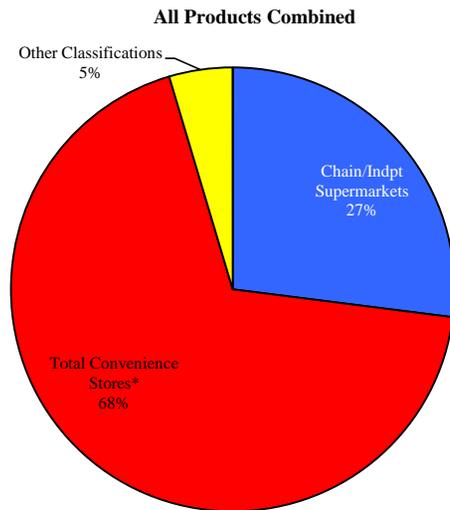
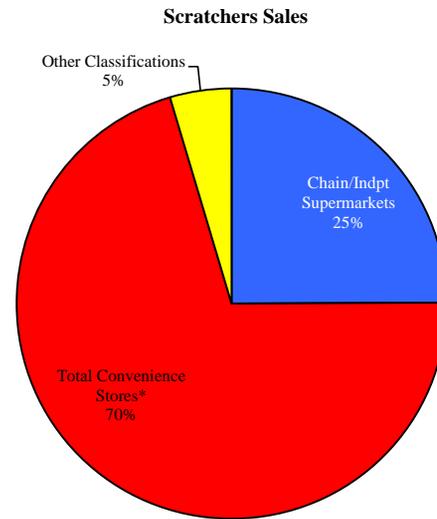
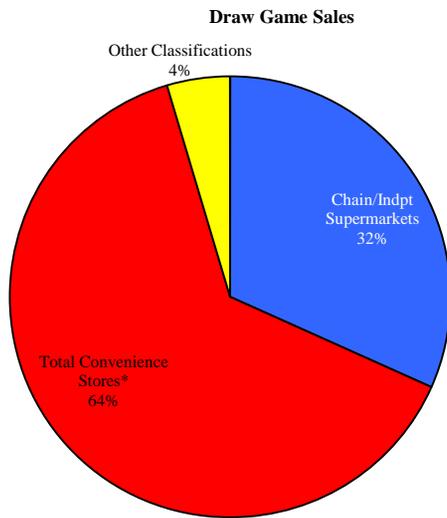
<i>Business Classification</i>		<i># of Accts</i>	<i>% of Accts</i>	<i>Total Draw Games</i>			<i>Scratchers</i>			<i>All Products Combined</i>			<i>Commission Earned To Date</i>
				<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	
Shopping Malls		3	0.1%	\$26,489	0.0%	\$8,830	\$31,079	0.0%	\$10,360	\$57,568	0.0%	\$19,189	\$3,742
Smoke/Gift Shops - Newstands	37	74	2.6%	\$399,952	0.7%	\$5,405	\$1,231,269	0.9%	\$16,639	\$1,631,221	0.9%	\$22,044	\$106,029
Chain Supermarkets	195.5	391	13.7%	\$17,667,129	30.8%	\$45,184	\$30,718,265	23.7%	\$78,563	\$48,385,394	25.9%	\$123,748	\$3,145,051
Independent Supermarkets	32.5	65	2.3%	\$506,399	0.9%	\$7,791	\$1,631,637	1.3%	\$25,102	\$2,138,036	1.1%	\$32,893	\$138,972
Chain Convenience Stores	546.5	1093	38.3%	\$25,696,758	44.8%	\$23,510	\$63,880,509	49.2%	\$58,445	\$89,577,267	47.9%	\$81,955	\$5,822,522
Independent Convenience	423.5	847	29.7%	\$9,500,602	16.6%	\$11,217	\$24,679,142	19.0%	\$29,137	\$34,179,744	18.3%	\$40,354	\$2,221,683
Liquor Stores	43.5	87	3.0%	\$369,688	0.6%	\$4,249	\$1,634,865	1.3%	\$18,792	\$2,004,553	1.1%	\$23,041	\$130,296
Drug Stores	0.5	1	0.0%	\$4,503	0.0%	\$4,503	\$8,620	0.0%	\$8,620	\$13,123	0.0%	\$13,123	\$853
Auto/Gas Stations	74	148	5.2%	\$1,317,418	2.3%	\$8,901	\$2,884,461	2.2%	\$19,490	\$4,201,879	2.2%	\$28,391	\$273,122
Truck Service Centers	19.5	39	1.4%	\$497,250	0.9%	\$12,750	\$1,178,727	0.9%	\$30,224	\$1,675,977	0.9%	\$42,974	\$108,939
Bars/Restaurants	16.5	33	1.2%	\$541,406	0.9%	\$16,406	\$632,124	0.5%	\$19,155	\$1,173,530	0.6%	\$35,562	\$76,279
Spec Non-Grocery	25	50	1.8%	\$568,482	1.0%	\$11,370	\$825,558	0.6%	\$16,511	\$1,394,040	0.7%	\$27,881	\$90,613
Check Cashing Centers	0.5	1	0.0%	\$1,350	0.0%	\$1,350	\$3,860	0.0%	\$3,860	\$5,210	0.0%	\$5,210	\$339
Bowling Centers	2	4	0.1%	\$11,866	0.0%	\$2,967	\$43,682	0.0%	\$10,921	\$55,548	0.0%	\$13,887	\$3,611
Mass Merchandise	5	10	0.4%	\$27,631	0.0%	\$2,763	\$108,049	0.1%	\$10,805	\$135,680	0.1%	\$13,568	\$8,819
In-House & Promotional	1421.5	7	0.2%	\$200,864	0.4%	\$28,695	\$301,136	0.2%	\$43,019	\$502,000	0.3%	\$71,714	\$32,630
	1426.5												
Total		2853	100%	\$57,337,787	100%	\$20,097	\$129,792,983	100%	\$45,494	\$187,130,770	100%	\$65,591	\$12,163,500

Summary Recap

Chain/Indpt Supermarkets	456	16.0%	\$18,173,528	31.7%	\$39,854	\$32,349,902	24.9%	\$70,943	\$50,523,430	27.0%	\$110,797	\$3,284,023
Total Convenience Stores*	2,088	73.2%	\$36,514,778	63.7%	\$17,488	\$91,444,112	70.5%	\$43,795	\$127,958,890	68.4%	\$61,283	\$8,317,328
Other Classifications	309	10.8%	\$2,649,481	4.6%	\$8,574	\$5,998,969	4.6%	\$19,414	\$8,648,450	4.6%	\$27,989	\$562,149
Total All Classifications	2,853	100%	\$57,337,787	100%	\$20,097	\$129,792,983	100%	\$45,494	\$187,130,770	100%	\$65,591	\$12,163,500

*Includes chain/independent convenience stores and stores whose business is primarily gas with convenience

ARIZONA LOTTERY
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**ARIZONA LOTTERY
COUNTY SALES REVIEW**

Fiscal Year 2017

July 2016 through September 2016

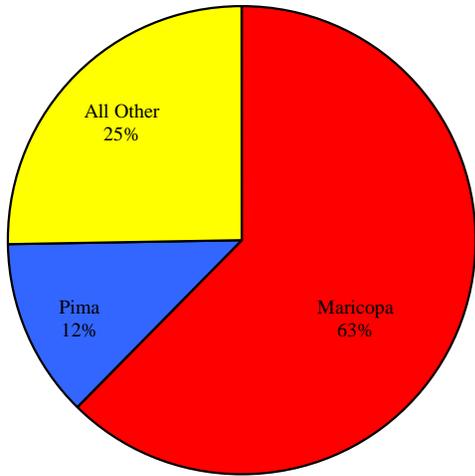
County	# of Accts	% of Accts	Total Draw Games			Scratchers			All Products Combined			Estimated Per Capita Wkly Sales
			Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	
Apache	13	0.5%	\$122,066	0.2%	\$9,390	\$272,742	0.2%	\$20,980	\$394,808	0.2%	\$30,370	\$0.11
Cochise	69	2.4%	\$1,096,804	1.9%	\$15,896	\$3,520,643	2.7%	\$51,024	\$4,617,447	2.5%	\$66,920	\$0.68
Coconino	94	3.3%	\$1,207,597	2.1%	\$12,847	\$2,738,056	2.1%	\$29,128	\$3,945,653	2.1%	\$41,975	\$0.56
Gila	40	1.4%	\$497,389	0.9%	\$12,435	\$1,336,977	1.0%	\$33,424	\$1,834,366	1.0%	\$45,859	\$0.66
Graham	19	0.7%	\$167,780	0.3%	\$8,831	\$966,277	0.7%	\$50,857	\$1,134,057	0.6%	\$59,687	\$0.59
Greenlee	9	0.3%	\$64,622	0.1%	\$7,180	\$345,019	0.3%	\$38,335	\$409,641	0.2%	\$45,516	\$0.93
La Paz	36	1.3%	\$267,396	0.5%	\$7,428	\$577,814	0.4%	\$16,050	\$845,210	0.5%	\$23,478	\$0.79
Maricopa	1608	56.4%	\$35,764,924	62.4%	\$22,242	\$82,859,026	63.8%	\$51,529.25	\$118,623,950	63.4%	\$73,771	\$0.60
Mohave	145	5.1%	\$4,356,481	7.6%	\$30,045	\$5,296,250	4.1%	\$36,526	\$9,652,731	5.2%	\$66,571	\$0.93
Navajo	51	1.8%	\$701,494	1.2%	\$13,755	\$1,858,968	1.4%	\$36,450	\$2,560,462	1.4%	\$50,205	\$0.46
Pima	398	14.0%	\$7,076,513	12.3%	\$17,780	\$16,167,164	12.5%	\$40,621	\$23,243,677	12.4%	\$58,401	\$0.46
Pinal	138	4.8%	\$2,467,506	4.3%	\$17,880	\$6,337,429	4.9%	\$45,923	\$8,804,935	4.7%	\$63,804	\$0.45
Santa Cruz	21	0.7%	\$444,877	0.8%	\$21,185	\$749,123	0.6%	\$35,673	\$1,194,000	0.6%	\$56,857	\$0.48
Yavapai	110	3.9%	\$2,108,746	3.7%	\$19,170	\$4,157,582	3.2%	\$37,796	\$6,266,328	3.3%	\$56,967	\$0.57
Yuma	102	3.6%	\$993,592	1.7%	\$9,741	\$2,609,913	2.0%	\$25,587	\$3,603,505	1.9%	\$35,328	\$0.35
Total	2853	100%	\$57,337,787	100%	\$20,097	\$129,792,983	100%	\$45,494	\$187,130,770	100%	\$65,591	\$0.56

Summary Recap

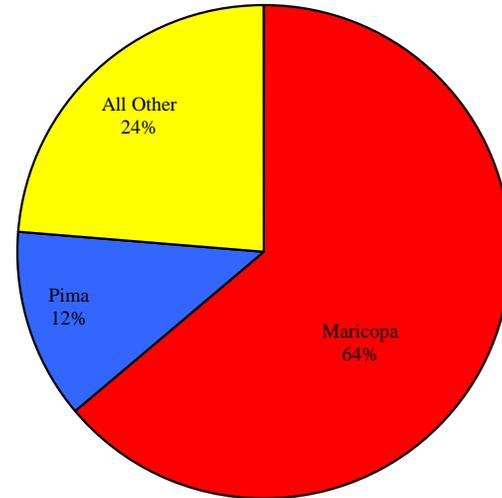
Maricopa and Pima Counties	2006	70.3%	\$42,841,437	74.7%	\$21,357	\$99,026,190	76.3%	\$49,365	\$141,867,627	75.8%	\$70,722	\$0.57
All Other Counties	847	29.7%	\$14,496,350	25.3%	\$17,115	\$30,766,793	23.7%	\$36,324	\$45,263,143	24.2%	\$53,439	\$0.55

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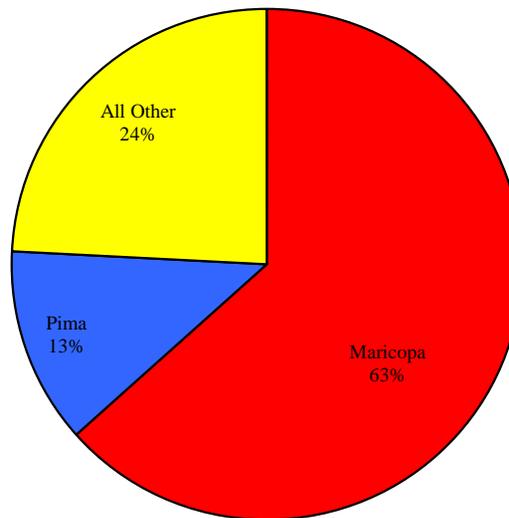
Draw Game Sales



Scratchers Sales



All Products Combined



New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
October 27, 2016

This report has been provided to the Lottery Commission regarding instant scratch game profiles planned for Arizona Lottery instant scratch games. The Commission is requested to approve these game profiles. After Commission approval, staff will commence with plans for printing, distribution, and sales of these games.

NEW GAME PROFILES

Attached for the Lottery Commission's action are new instant scratch game profiles: *5X the Cash #1090*, *10X the Cash #1091*, *20X the Cash #1092*, and *50X the Cash #1093*.

5X the Cash #1090. This \$1 game has a top prize of \$5,000 and will be printed at a quantity of approximately 2.8 million tickets.

10X the Cash #1091. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 2.6 million tickets.

20X the Cash #1092. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2.1 million tickets.

50X the Cash #1093. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 1.6 million tickets.

Attachments (Commissioners only)