



MARCH 18, 2016  
COMMISSION  
REPORT

## Table of Contents

Notice of Public Meeting .....	3
Commission Minutes February 19, 2016.....	5
Agency Reports .....	9
Director's Presentation .....	9
Keep 'Em Full Presentation .....	9
New Games Introduction.....	9
Events/Sponsorships .....	9
New Business Item #1 .....	12
Instant Scratch Game Profiles .....	12
New Business Item #2.....	13
Amended Promotion Profiles #54 & #56 .....	13
New Business Item #3.....	14
Amended Promotion Profile #78.....	14

## **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 March 18, 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
3. Approval of Minutes for February 19, 2016, Public Meeting

### **Agency Reports**

1. Director's Presentation
2. Keep 'Em Full Presentation

### **New Business**

1. Discussion and Action on Instant Scratch Game Profiles: *GHOSTBUSTERS*<sup>TM1</sup> #1055, *Happy Camper* #1059, *Bingo* #1060, and *Black Pearls* #1072.
2. Discussion and Action on Amended Promotion Profile #54 - Player Program and Amended Promotion Profile # 56 – Retailer Program.
3. Discussion and Action on Amended Promotion Profile #78 – Player Rewards 2<sup>nd</sup> Chance Drawings.

### **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.

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<sup>1</sup> ©2016 Columbia Pictures Industries, Inc. All Rights Reserved.

## **Announcements**

The next Commission meeting will be held April 22, 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 14<sup>th</sup> day of March, 2016

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Kevin Donnellan  
Interim 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.

**PUBLIC MEETING OF THE ARIZONA LOTTERY  
COMMISSION MINUTES FEBRUARY 19, 2016**

**PRESIDING** Chair Frank Conley, Telephonic

**COMMISSIONERS** Telephonic Vice-Chair Michael Love  
In Person Jeff Weintraub, Andy Anderson, and Kristine Burnett

**LOTTERY** Kevin Donnellan, Interim Director; Michael Schiefelbein, Director of Products; Raynie Hosto, Director of Sales, Steve O’Ney, Director of IT, LaTrina Rosemond, Director of Audit and Accounting; and Brian Townsend, Deputy Director, Telephonic  
Barbara Anderson, Shannon Nelson, Ivy Gilio, Brett Moulton, Pam DiNunzio, Roland Tang, Mark Strickling, Shelby Alessi, Joe Liethem, Karen Flatt, George Celaya, Joel Arseo, Monica Godek, Kimberly Siddall, and Jacqui Ayala

**GUESTS** GTECH Representatives: Russ Harben, Maryanne Manning, and Serena Arlotta  
Scientific Games Representatives: Topper Wilson, Genva MacCaffery, Cory Bonogofsk, Dan Grace, Amy Hill, and Heather Cusnitz  
LaneTerralever: Todd Bresnahan, Amy Ramer, Andy Purnell, Bill Woodward  
Moss Adams: Lupita Martinez, David Nguyen, and Mark Weber  
Attorney General Representative: Deanie Reh

**PUBLIC** Brent Stephens and Matt Silverman

**Call to Order** Pursuant to the Public Notice dated February 17, 2016, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Conley. A quorum was present.

Chair Conley entertained a motion to approve the minutes of the January 27, 2016, Public meeting; Commissioner Weintraub moved, Commissioner Burnett seconded. All members voting aye, motion carried.

**Retailer of the Quarter** – Karen Flatt, Territory Manager, recognized Fry’s 51 as Retailer of the Quarter. Ms. Flatt stated that the store has done exceptionally well with increasing sales and maintaining low out-of-stocks.

Commissioner Weintraub asked what the store did to increase sales, as this is an established store. Ms. Flatt stated that the bookkeeper tapes packs together to keep the machine full.

Chair Conley opened a discussion regarding ticket pack size. Barbara Anderson stated that the testing is complete, and we will now move forward on increasing the pack size of \$5 tickets to a 400-pack size, and the \$10 and \$20 tickets will be a 600-pack size. Raynie Hosto stated that the taping of packs works well in the vending machine because of the depth of the ticket holders; however, taping is not ideal for the in-counter and on-counter dispensers because they do not fit very well. Ms. Hosto also stated that we are unable to provide two different pack sizes for just vending machines. There are 850 vending machines versus more than 2,900 retailers; therefore, we must make decisions that benefit our vending machine retailers while at the same time not having an opposite effect on our other retailers.

Director's Report – Assistant Director Raynie Hosto presented a PowerPoint overview of the Director's Report. The Director's Report is attached for the official minutes.

Commissioner Weintraub wanted to know at what dollar point does the jackpot lift kick-in. Barbara Anderson stated that annual sales projections are divided to create a monthly target. When jackpots are rolling, sales that exceed that monthly target are attributed to jackpot lift.

Commissioner Weintraub wanted to know what we are seeing with Powerball sales since the jackpot was hit. Did the sales go off a cliff or are they below average. Assistant Director Hosto stated that they are holding their own.

Chair Conley wanted to know how the out-of-stock incentive and the retailer incentive went. Ms. Hosto stated that she will share some of the winners and give an overview of that incentive at the March meeting.

Chair Conley commended Ms. Hosto on the out-of-stock percentage. The goal was 4.4%, and every month they have been at that or below.

**Audit Report** Lupita Martinez of Moss Adams delivered the results of the FY15 Financial Audit. The Commission was provided copies of Moss Adams Communications with the Commissioners, the Report of Independent Auditors, and Financial Statements for the Arizona Lottery.

Ms. Martinez stated that the Lottery did adopt the GASB 68, which is the new standard that all government has had to adopt, and it is the pension standard. That standard had an impact of \$7 million dollars pension liability that was accrued.

There were two significant deficiencies. First was to establish a policy regarding the prize fund, which has a liability of \$20 million; second was to obtain a third-party service report from GTECH. Internal controls need to be audited, as they have not provided an audit report since 2011.

**Player Rewards Targeted Loyalty Program** Scientific Games provided an overview of the loyalty program.

Chair Conley asked when they are planning to launch the loyalty program. Michael Schiefelbein stated that it may be launched the first part of March.

Commissioner Weintraub stated that he understands the push for the \$1, \$2, and \$3 tickets because the margin is higher; however, we are not distributing margin, we are distributing dollars. Therefore, we want to maximize the dollars we bring into the Lottery. Barbara Anderson stated that the \$1, \$2, and \$3 tickets tend to be the trial entry point for new players, and it is not heavy core players' that play at that level. This is a pilot program for Arizona, and we want to gauge our players' interest in this type of program. Therefore, it seemed logical to start with the \$1, \$2, and \$3 tickets and, if the program works, we would expand to a full program.

**New Scratchers Games** Michael Schiefelbein provided an overview of the new Scratchers games.

**New Business** Chair Conley asked if any members of the public would like to address the Commission regarding Article 2, Retailer Rule Changes. No response from the public.

In accordance with A.R.S. §5-554 (B), Chair Conley entertained a motion to authorize the director to adopt the rule changes. Commissioner Weintraub moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

Chair Conley asked if any members of the public would like to address the Commission regarding new instant scratch game profiles: *35<sup>th</sup> Anniversary (\$1) #1051, 35<sup>th</sup> Anniversary (\$2) #1052, 35<sup>th</sup> Anniversary (\$5) #1053, 35<sup>th</sup> Anniversary (\$10) #1054, Red Hot 7s #1067, Triple Red 7's #1068, and Jumbo Bucks #1069*. No response from the public.

In accordance with A.R.S. §5-554 (C), Chair Conley entertained a motion to approve the order and authorize the Director to issue the order regarding new instant scratch games Profiles: #1051, #1052, #1053, #1054, #1067, #1068, and #1069. Commissioner Weintraub moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

Chair Conley asked if any members of the public would like to address the Commission regarding promotion profile #78, Player Rewards Promotion Profile. No response from the public.

In accordance with A.R.S. §5-554 (C), Chair Conley entertained a motion to approve the order and authorize the Director to issue the order regarding promotion profile #78, Player Rewards Promotion Profile. Commissioner Weintraub moved; Commissioner Burnett seconded. All members voting aye, the motion carried.

**Call to the Public** Chair Conley invited members of the public to speak before the Commission. No one from the public requested to speak.

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

**Adjournment** Chair Conley entertained a motion to adjourn, Commissioner Weintraub moved; Commissioner Anderson seconded. All members voting aye, motion carried. Meeting adjourned at 10:53 a.m.

**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.

**Agency Reports**  
 Report to Arizona Lottery Commission  
 March 18, 2016

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**Director's Presentation**

**Keep 'Em Full Presentation**

**New Games Introduction**

New Games Introduction. The following games were introduced since the last commission meeting: *Diamond 7 #975, Good as Gold #1028, 2X the Money #1034, X #1036, and Trucks & Bucks® #1037.*

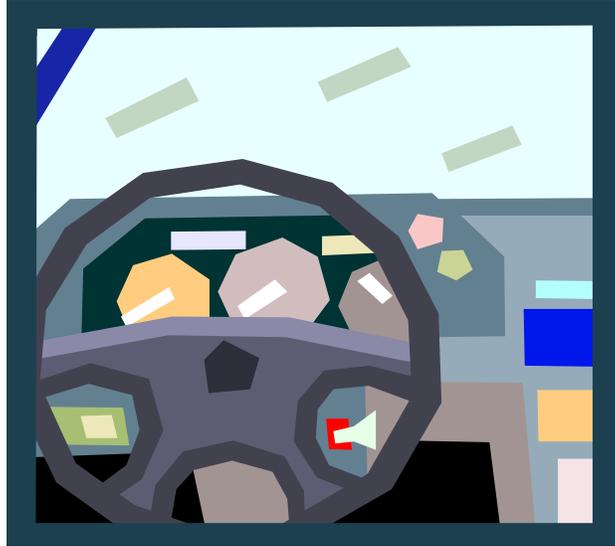
More information on these games is available by visiting the [Scratchers](#) section at ArizonaLottery.com

**Events/Sponsorships**

March & April		
Event Date	Event Organization	Event Name
3/1/2016	Arizona Citizens for the Arts	Governor's Arts Awards
3/1/2016	Florence Crittenton Services of Arizona	Teaming Up for Girls Luncheon
3/4/2016	Friends of Navajo County	NE AZ Regional Substance Abuse Prevention Conference
3/4/2016	Tucson Urban League, Inc.	Equal Opportunity Awards Day Dinner
3/5/2016	Arizona State Historic Preservation Office	2016 Arizona Archaeology Expo
3/5/2016	Fountain Hills Theater	Broadway in the Hills
3/5/2016	Tres Rios Outdoor Nature Festival	Tres Rios Outdoor Nature Festival
3/5/2016	St Joseph the Worker	Hike for the Homeless
3/5/2016	Arizona Informant Foundation	Arizona Black Rodeo
3/19/2016	Phoenix Center for the Arts	Phoenix Festival De Espana
3/22/2016	Make Way for Books	Volunteer Recognition Event
4/2/2016	National Alliance on Mental Illness	2016 NAMI Walks Southern AZ
4/3/2016	Arizona Humane Society	Paws in Paradise
4/7/2016	Phoenix Film Foundations	Phoenix Film Festival
4/8/2016	Down Syndrom Network of Arizona	Lights, Camera, Auction

<b>March &amp; April</b>		
<b>Event Date</b>	<b>Event Organization</b>	<b>Event Name</b>
4/9/2016	American Liver Foundation	Liver Life Walk
4/9/2016	STARS	Fiesta Stars & Fashion Show
4/22/2016	Southwest Autism Research & Resource Center	Community Breakfast
4/24/2016	Cystic Fibrosis Foundation	Great Strides
4/28/2016	The State of Black Arizona	Community Luminary Ceremony
4/30/2016	NAMI Southeastern Arizona	March for Mental Health
4/30/2016	Fresh Start for Women's Foundation	Wake, Shake, & Mingle: A Fitness Fundraiser

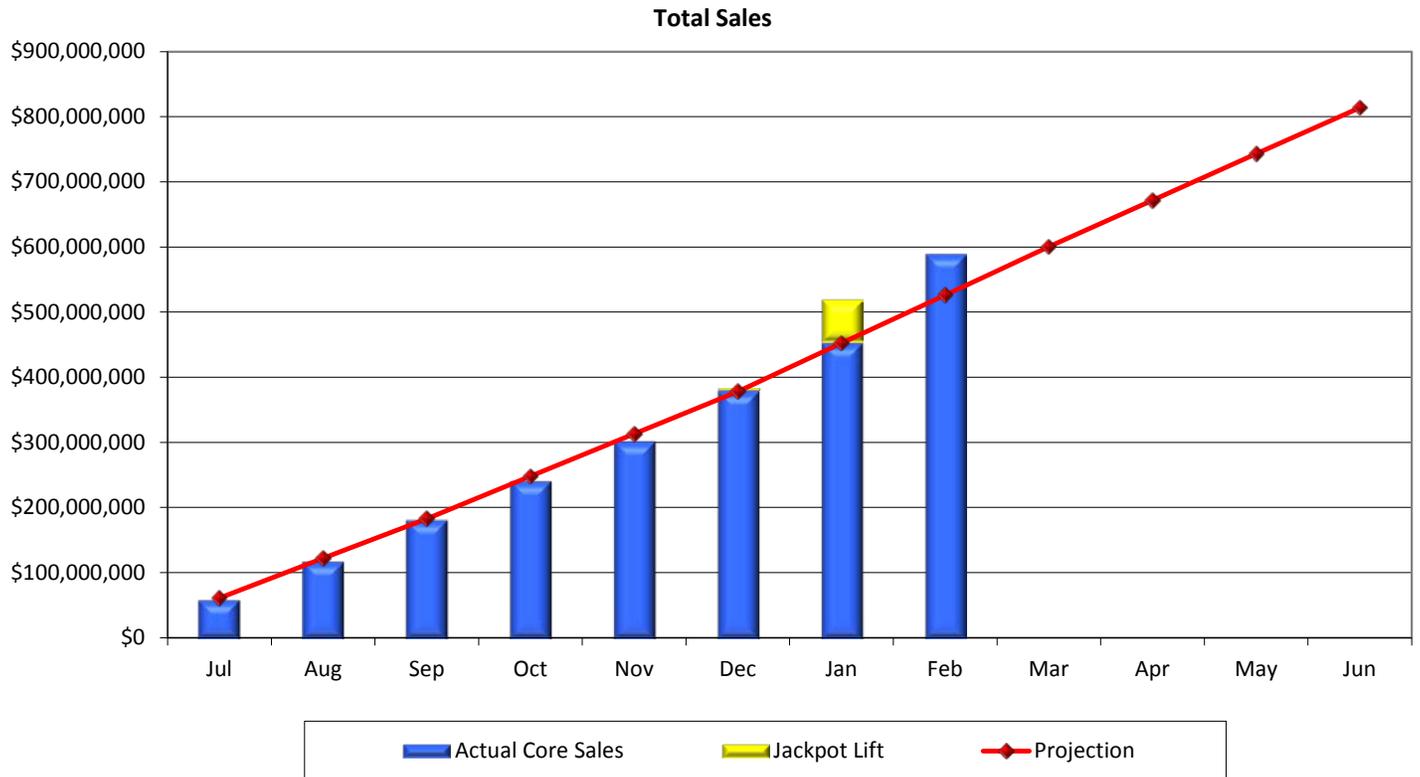
# **ATTACHMENT A**



**Arizona Lottery  
Dashboard  
February 2016**

**Fiscal Year 2016**

**Arizona Lottery  
FY 2016 Sales versus Projections**



Projection:	526,212,500
Actual Core:	518,990,559
Jackpot Lift:	70,000,000
Total Actual:	588,990,559
Difference:	62,778,059
% Difference:	11.9%

\* Total sales are currently 11.9% above projections

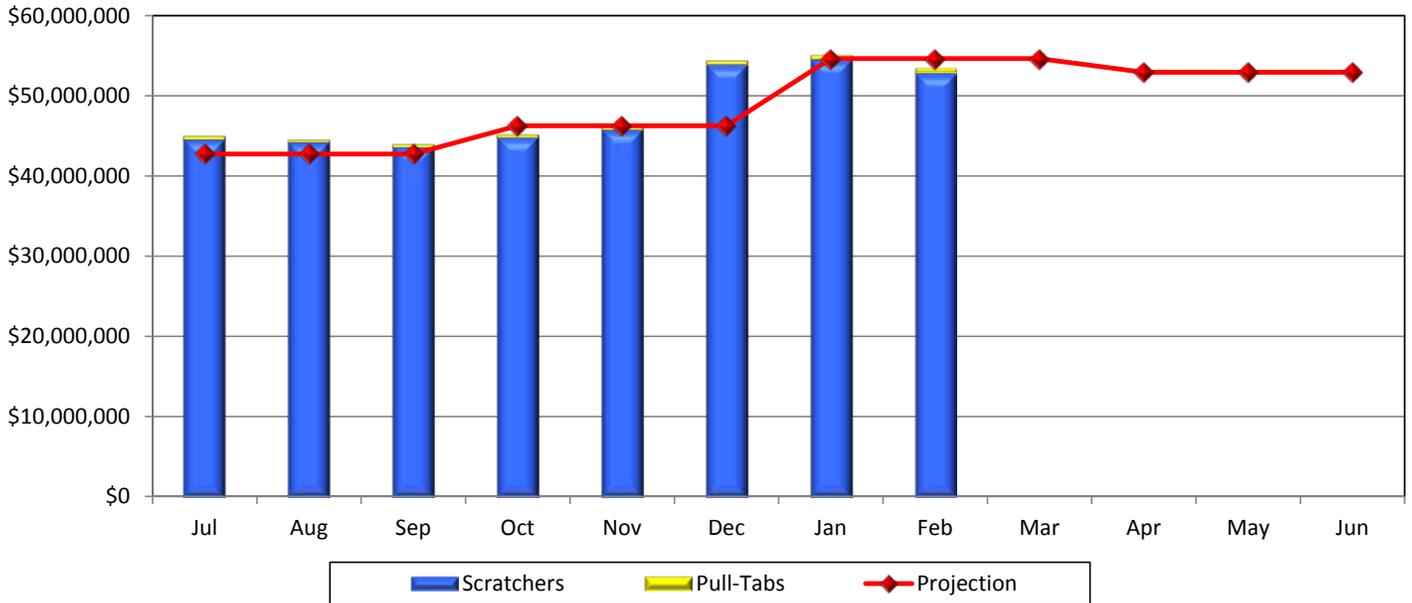
\* The Instant product line (Scratchers & Pull-tabs) at \$389,227,568, currently 3.4% above projections.

\* Total draw game sales of \$199,762,991, currently 33.3% below projections.

\* The Multi-State draw games are currently 43.4% above projections; in-state games are 7.8% above projections.

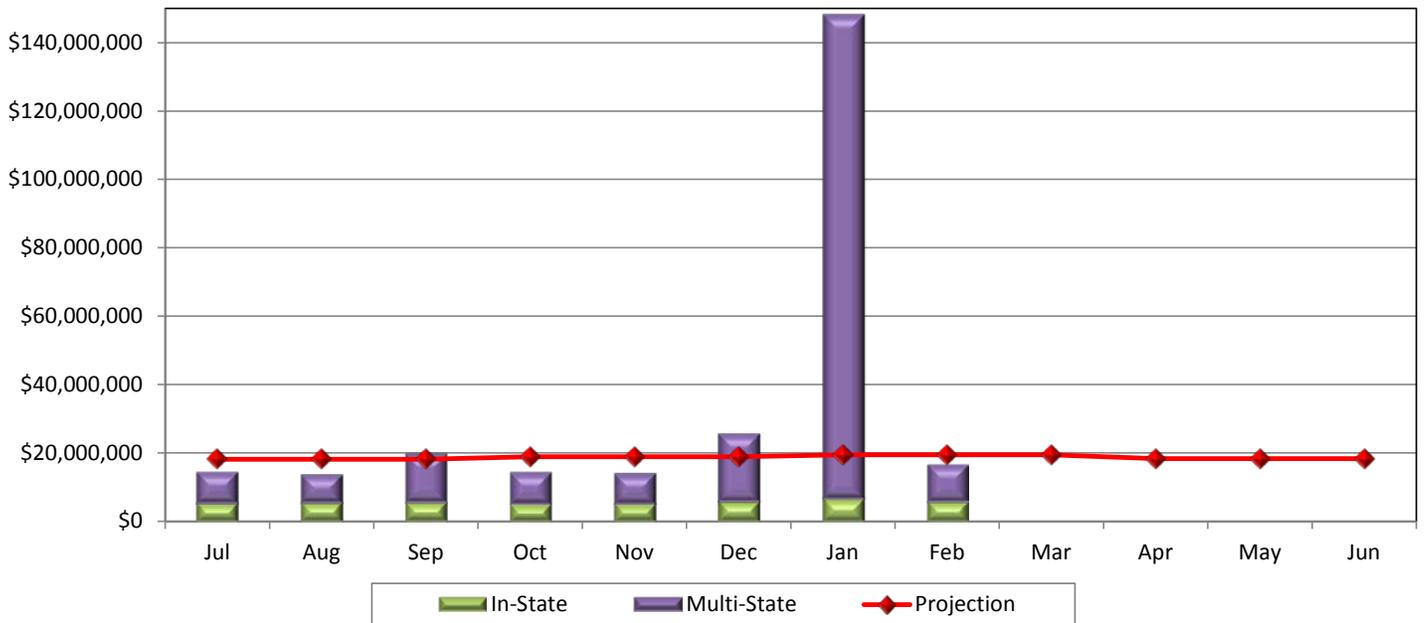
**Arizona Lottery  
FY 2016 Sales versus Projections**

**Instant Sales**



Projection: 376,350,500  
 Actual: 389,227,568  
 Difference: 12,877,068  
 % Difference: 3.4%

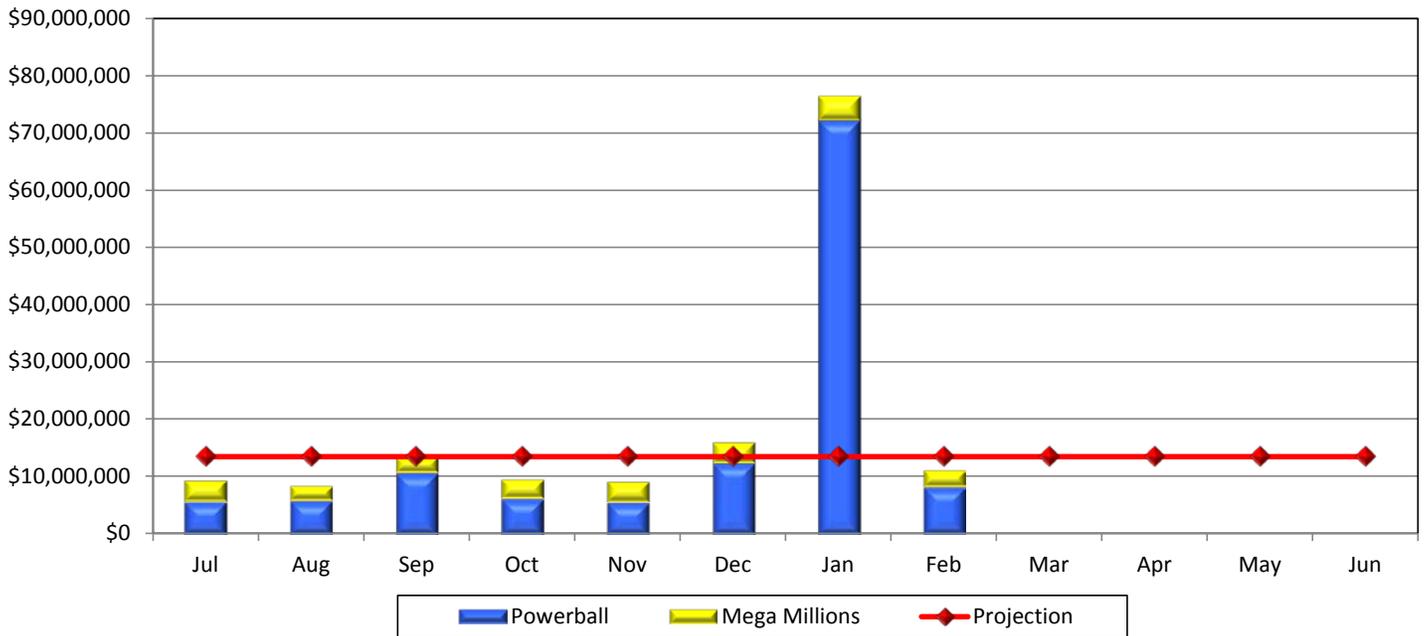
**Total Draw Games**



Projection: 149,862,000  
 Actual: 199,762,991  
 Difference: 49,900,991  
 % Difference: 33.3%

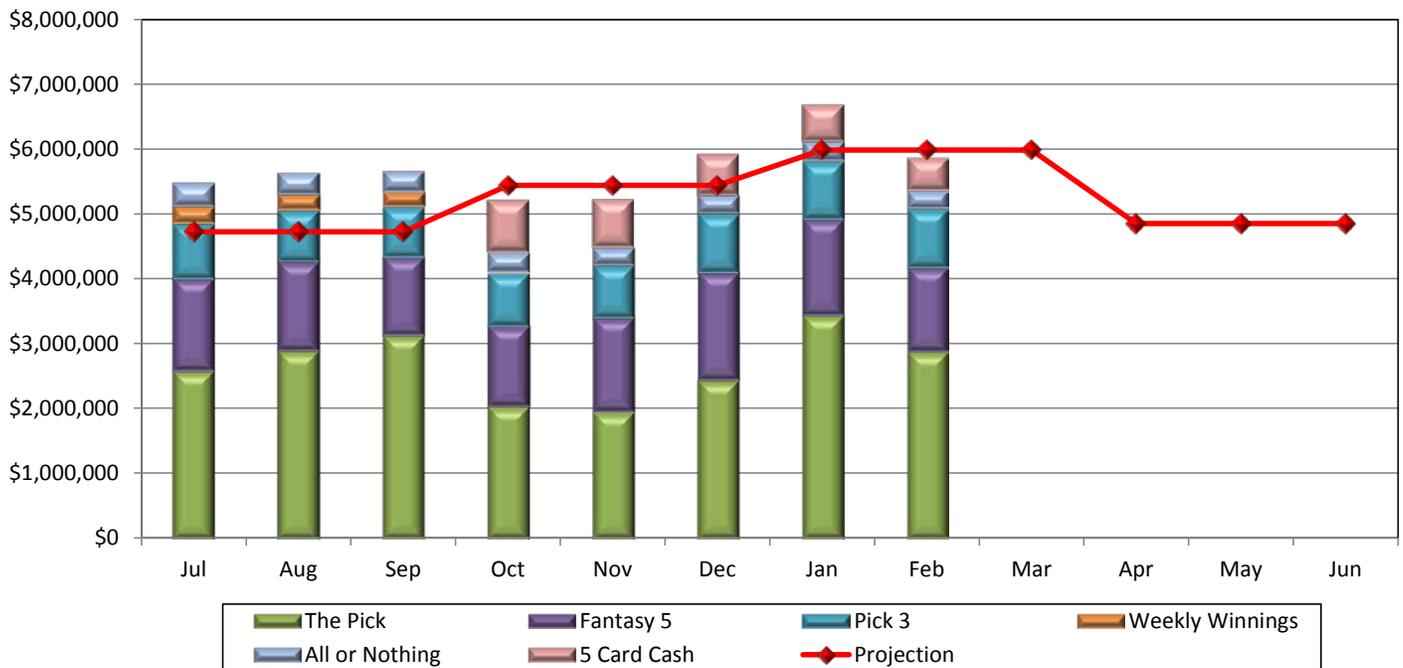
**Arizona Lottery  
FY 2016 Sales versus Projections**

**Multi-State Games**



Projection: 107,400,000  
 Actual: 153,983,556  
 Difference: 46,583,556  
 % Difference: 43.4%

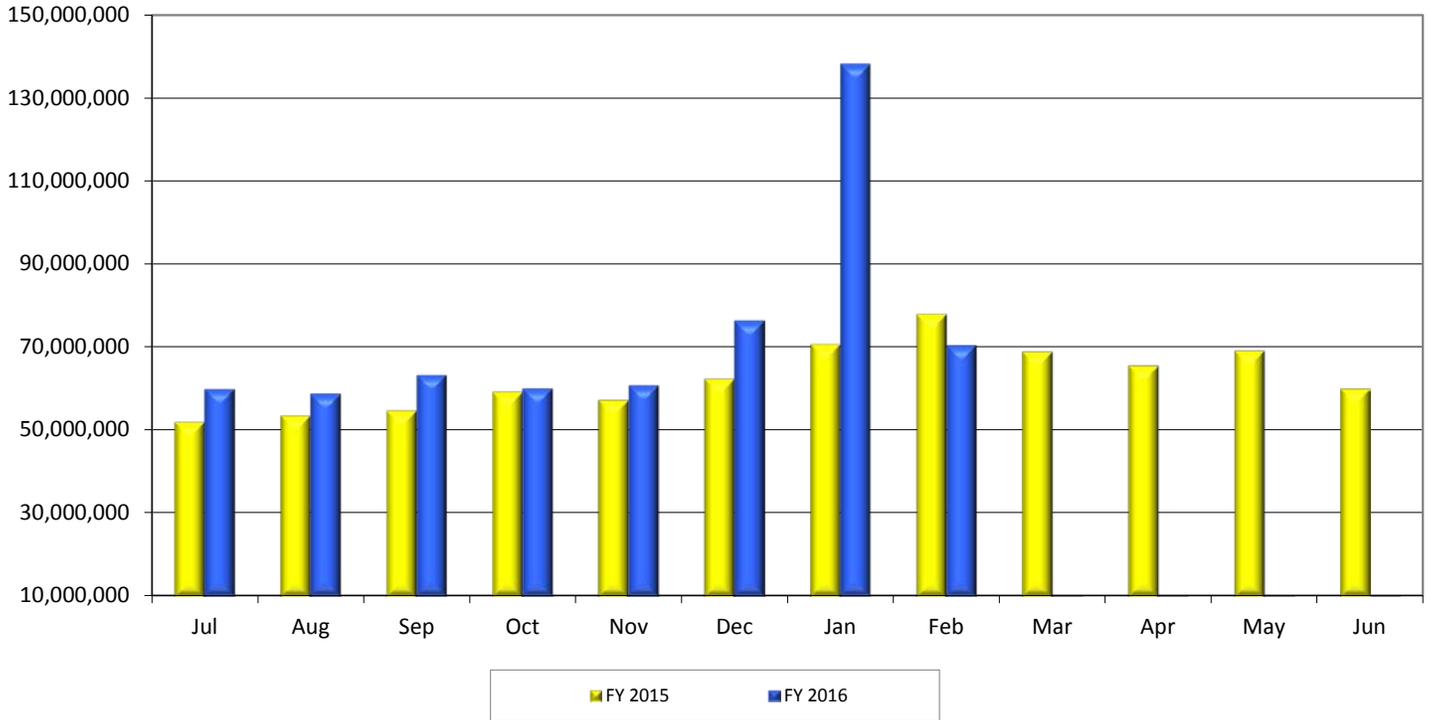
**In-State Games**



Projection: 42,462,000  
 Actual: 45,779,435  
 Difference: 3,317,435  
 % Difference: 7.8%

**Arizona Lottery  
FY 2016 versus FY 2015**

**Total Sales**

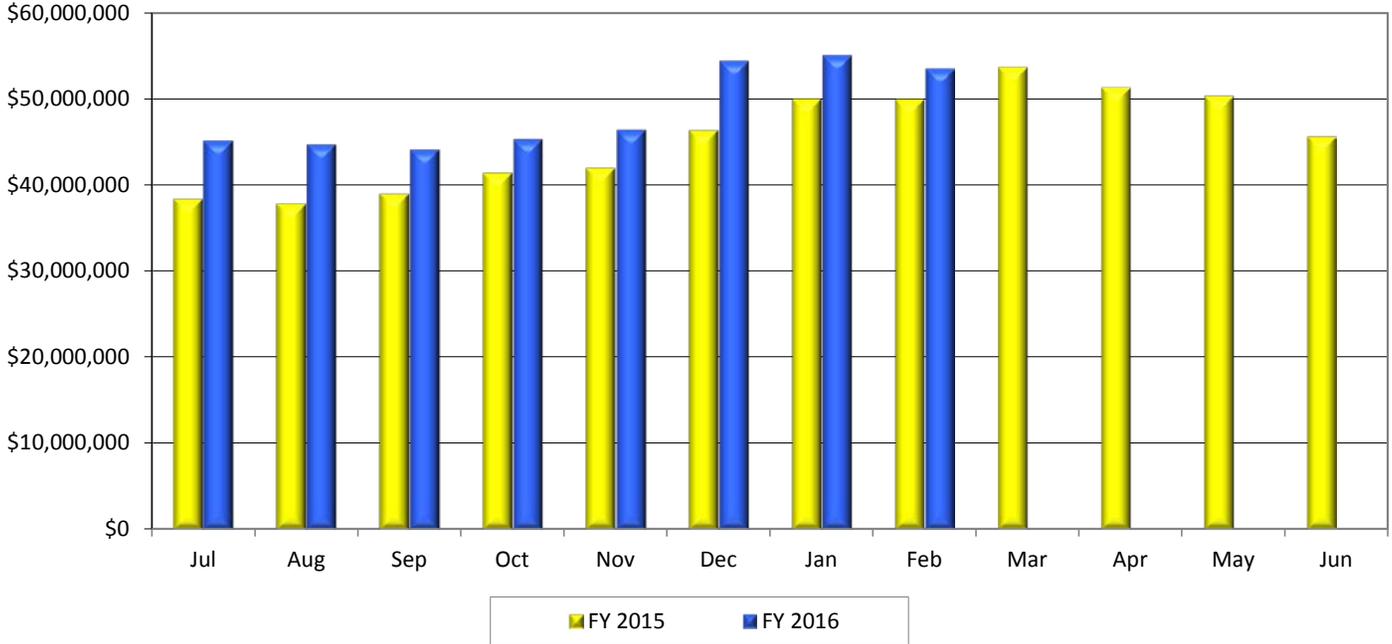


FY 2016	588,990,559
FY 2015	486,975,480
% Change	20.9%

- \* Total sales are currently 20.9% ahead of last year.
- \* The Instant product line (Scratchers & Pull-tabs) are 12.6% ahead of last year.
- \* Total draw game sales are 41.5% ahead of last year.
- \* Sales of the multi-state games, Powerball and Mega Millions are currently 54.9% ahead of last year.
- \* Sales of the in-state games are currently 11.5 % ahead of last year.

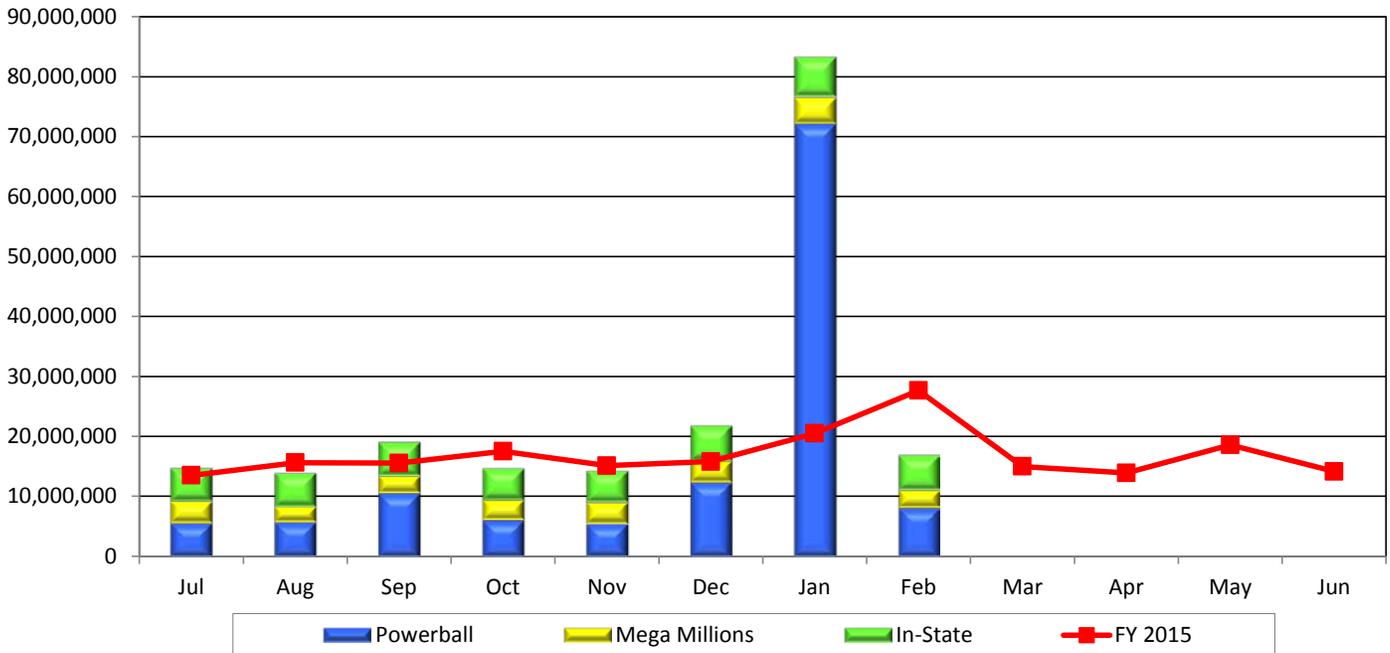
**Arizona Lottery  
FY 2016 versus FY 2015**

**Total Instant Games**



FY 2016	389,227,568
FY 2015	345,765,921
% Change	12.6%

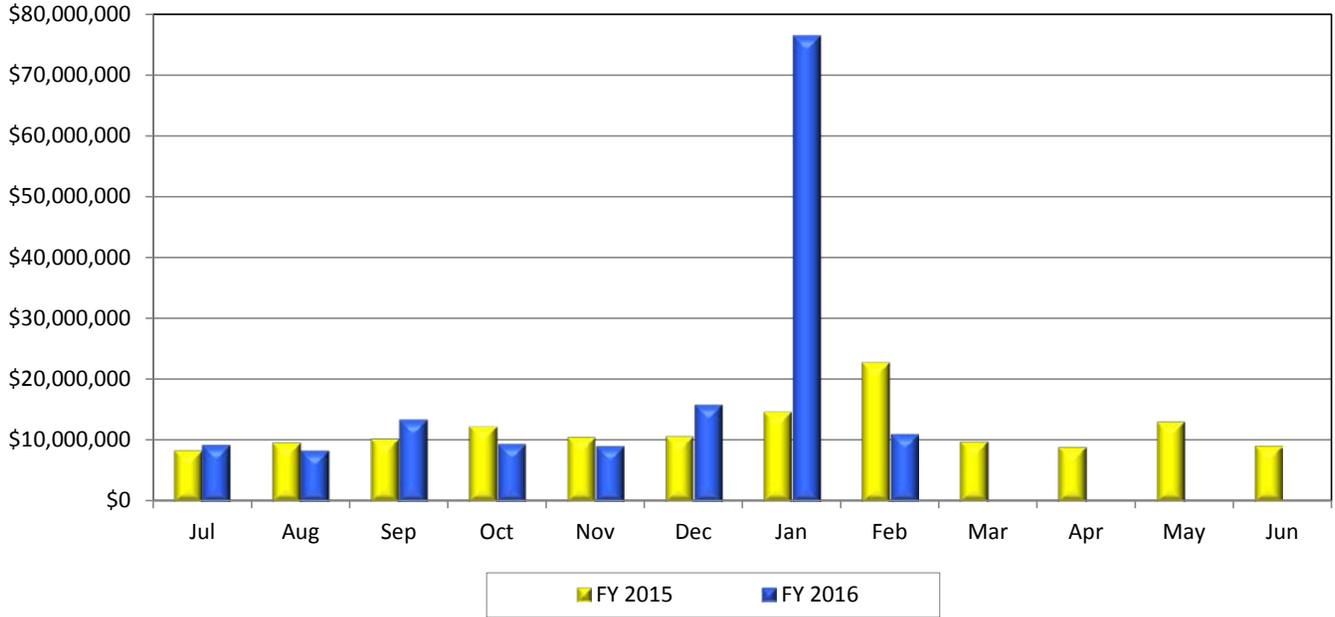
**Total Draw Games**



FY 2016	199,762,991
FY 2015	141,209,559
% Change	41.5%

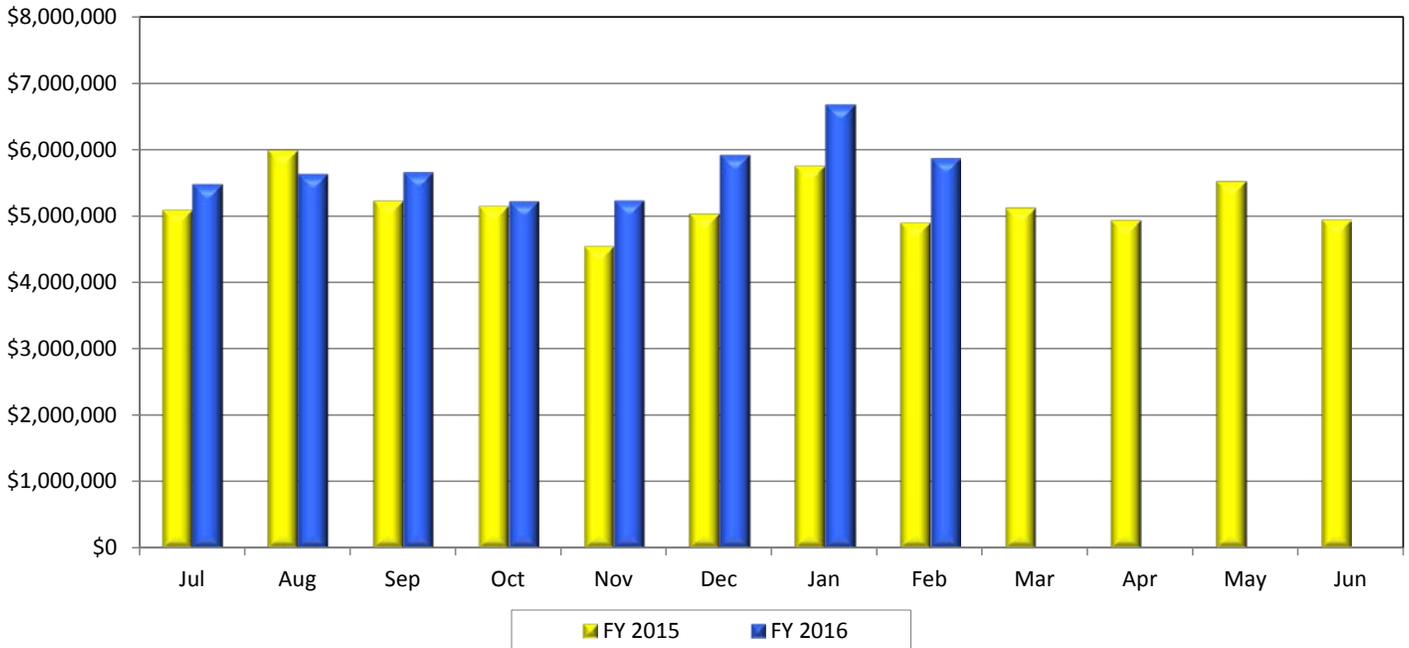
**Arizona Lottery  
FY 2016 versus FY 2015**

**Multi-State Jackpot Games**



FY 2016	153,983,556
FY 2015	99,429,392
% Change	54.9%

**Total In-State Games**

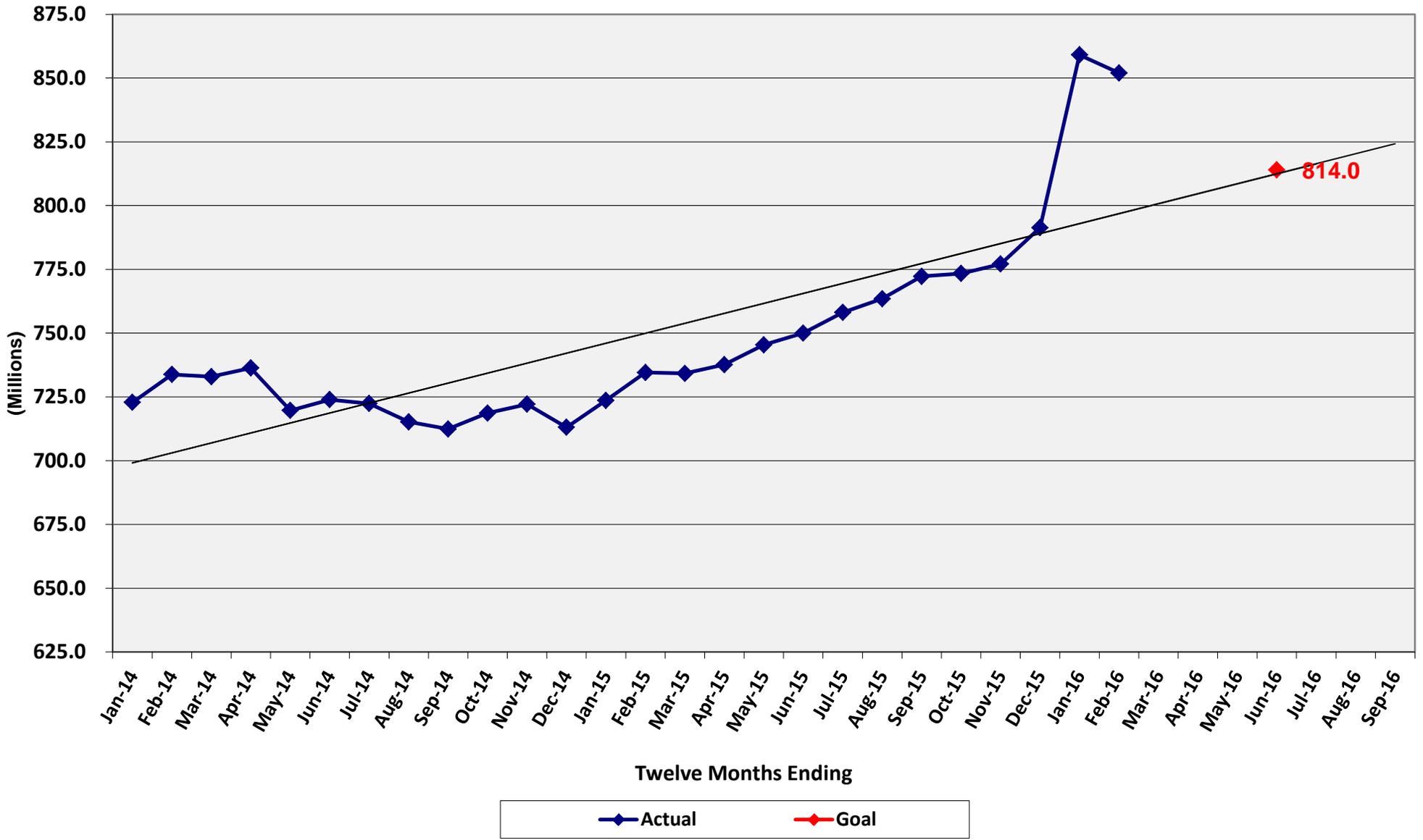


FY 2016	45,779,435
FY 2015	41,059,357
% Change	11.5%

**Arizona Lottery**  
**Sales by Product - FY 2016**

Month	Scratchers	Instant Tabs	Total Instants	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	Weekly Winnings	5 Card Cash	Total Draw Games	Total Sales
July	44,762,330	450,366	45,212,696	5,763,799	3,627,153	2,582,698	1,425,781	852,825	363,932	262,250		14,878,438	60,091,134
August	44,414,146	379,050	44,793,196	5,902,069	2,548,809	2,893,009	1,378,843	796,506	340,102	237,118		14,096,456	58,889,652
September	43,796,339	385,836	44,182,175	10,744,756	2,810,199	3,129,067	1,212,089	777,945	324,994	225,022		19,224,072	63,406,247
October	44,978,294	416,928	45,395,222	6,243,435	3,330,685	2,040,103	1,241,266	824,639	304,364	20,098	804,064	14,808,654	60,203,876
November	45,957,929	513,420	46,471,349	5,623,792	3,574,033	1,952,954	1,456,703	817,537	274,874		743,752	14,443,645	60,914,994
December	54,036,756	440,220	54,476,976	12,514,149	3,553,725	2,439,498	1,664,069	913,539	281,512		631,664	21,998,156	76,475,132
January	54,693,763	439,398	55,133,161	72,229,844	4,329,119	3,432,991	1,488,743	897,617	297,262		569,502	83,245,078	138,378,239
February	52,931,953	630,840	53,562,793	8,262,537	2,925,452	2,876,887	1,299,425	914,863	275,110		514,218	17,068,492	70,631,285
March			0									0	0
April			0									0	0
May			0									0	0
June			0									0	0
<b>YTD Sales</b>	<b>385,571,510</b>	<b>3,656,058</b>	<b>389,227,568</b>	<b>127,284,381</b>	<b>26,699,175</b>	<b>21,347,207</b>	<b>11,166,919</b>	<b>6,795,471</b>	<b>2,462,150</b>	<b>744,488</b>	<b>3,263,200</b>	199,762,991	<b>588,990,559</b>
YTD Rtlr Commissions	25,062,148	731,212	25,793,360	8,273,485	1,735,446	1,387,568	725,850	441,706	160,040	48,392	212,108	12,984,594	38,777,954
% of Sales	65.5%	0.62%	66.1%	21.6%	4.5%	3.6%	1.9%	1.2%	0.4%	0.1%	0.6%	33.9%	100.0%
Avg Mo Sales	48,196,439	457,007	48,653,446	15,910,548	3,337,397	2,668,401	1,395,865	849,434	307,769	186,122	652,640	24,655,535	73,308,981

### 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			3,750,175								41,150		3,791,325
August			3,750,175								81,722		3,831,897
September	3,094,200	6,356,000	16,681,650	4,528,600							37,128	739,776	31,437,354
**Approp Transfer									300,000				300,000
October			3,750,175										3,750,175
November			3,750,175										3,750,175
December	3,417,600	7,003,100	18,363,150	4,982,100								682,966	34,448,916
January			3,750,175										3,750,175
February			3,750,175										3,750,175
March													0
April													0
May													0
June													0
Profit Distribution													0
<b>YTD Transfers</b>	<b>6,511,800</b>	<b>13,359,100</b>	<b>57,545,850</b>	<b>9,510,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>160,000</b>	<b>1,422,743</b>	<b>88,810,193</b>
FY15 Transfers	8,146,700	14,764,300	68,433,200	11,444,400	0	0	0	0	300,000	0	0	1,609,523	104,698,123

\*Clean Air Act  
 \*\*Pursuant to Proposition 202 (Compulsive Gambling Treatment)  
 \*\*\*Pursuant to HB2001, FY14 for BREAZ  
 \*\*\*\*Pursuant to HB2517 (Victims' Rights)

**Arizona Lottery**  
**Transfers To Other State Funds**  
**By Product - FY 2016**

3/3/2016

	Scratchers	Instant Tabs	Powerball	Mega Millions	The Pick / EXTRA	Fantasy 5 / EXTRA	Pick 3	All Or Nothing	Weekly Winnings	5 Card Cash	Unclaimed Prizes Tribal	Unclaimed Prizes C.A.S.A.	Total Transfers
July	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000	17,700		41,150		3,791,325
August	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000	17,700		81,722		3,831,897
Gaming Department	217,100	2,100	37,500	18,400	10,300	6,800	3,900	2,500	1,400				300,000
September	19,835,450	70,300	5,002,800	1,922,100	2,022,300	894,000	545,900	210,900	156,700		37,128	739,776	31,437,354
October	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000	17,700				3,750,175
November	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000	17,700				3,750,175
December	22,115,550	86,000	5,525,200	2,312,500	1,446,700	985,600	580,100	166,300		548,000		682,966	34,448,916
January	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000	17,700				3,750,175
February	2,714,775	25,700	468,200	229,700	129,100	85,300	48,700	31,000		17,700			3,750,175
March													0
April													0
May													0
June													0
Profit Distribution													0
Final Profit Distribution													0
<b>YTD Transfers</b>	<b>58,456,750</b>	<b>312,600</b>	<b>13,374,700</b>	<b>5,631,200</b>	<b>4,253,900</b>	<b>2,398,200</b>	<b>1,422,100</b>	<b>565,700</b>	<b>246,600</b>	<b>565,700</b>	<b>160,000</b>	<b>1,422,743</b>	<b>88,810,193</b>
Transfer % of Total Sales	9.9%	0.1%	2.3%	1.0%	0.7%	0.4%	0.2%	0.1%	0.0%	0.1%	0.0%	0.2%	15.1%
YTD Sales	385,571,510	3,656,058	127,284,381	26,699,175	21,347,207	11,166,919	6,795,471	2,462,150	744,488	3,263,200			588,990,559
% of Sales by Product	65.5%	0.6%	21.6%	4.5%	3.6%	1.9%	1.2%	0.4%	0.1%	0.6%			99.4%
% of Transfer by Product	15.2%	8.6%	10.5%	21.1%	19.9%	21.5%	20.9%	23.0%	33.1%	17.3%			14.8%

## FY16 Year-to-Date Budget Status FEBRUARY



Date: 2/29/2016  
Elapsed: 67%

	<u>Budget</u>	<u>Expenditures thru Feb.</u>	<u>Percent Expended</u>	<u>Balance</u>	<u>Comments</u>
Personal Services	4,467,400	2,524,000	56%	1,943,400	
ERE	2,077,300	1,103,200	53%	974,100	
Professional & Outside	386,800	298,100	77%	88,700	invoice timing; contracted IT/audit services
Travel In-State	271,600	155,300	57%	116,300	
Travel Out-of-State	16,800	5,100	30%	11,700	
Other Operating / Equip.	1,169,500	601,300	51%	568,200	
<b>Operating Subtotal:</b>	<b>\$ 8,389,400</b>	<b>\$ 4,687,000</b>	<b>56%</b>	<b>\$ 3,702,400</b>	
Advertising 1/	15,500,000	5,532,500	36%	9,967,500	
% of sales { Instant Tickets	20,118,800	8,366,300	42%	11,752,500	
{ On-Line Vendor Fees	9,519,900	7,049,400	74%	2,470,500	PB jackpot - sales tracking above JLBC forecast
{ Charitable Commissions	969,000	731,200	75%	237,800	sales tracking above JLBC forecast
{ Retailer Commissions	54,357,500	38,784,400	71%	15,573,100	sales tracking above JLBC forecast
<b>Total Budget:</b>	<b>\$ 108,854,600</b>	<b>\$ 65,150,800</b>	<b>60%</b>	<b>\$ 43,703,800</b>	

1/ Advertising agency expenses are typically one month behind.

**Notes on Sales-Related Line Items:**

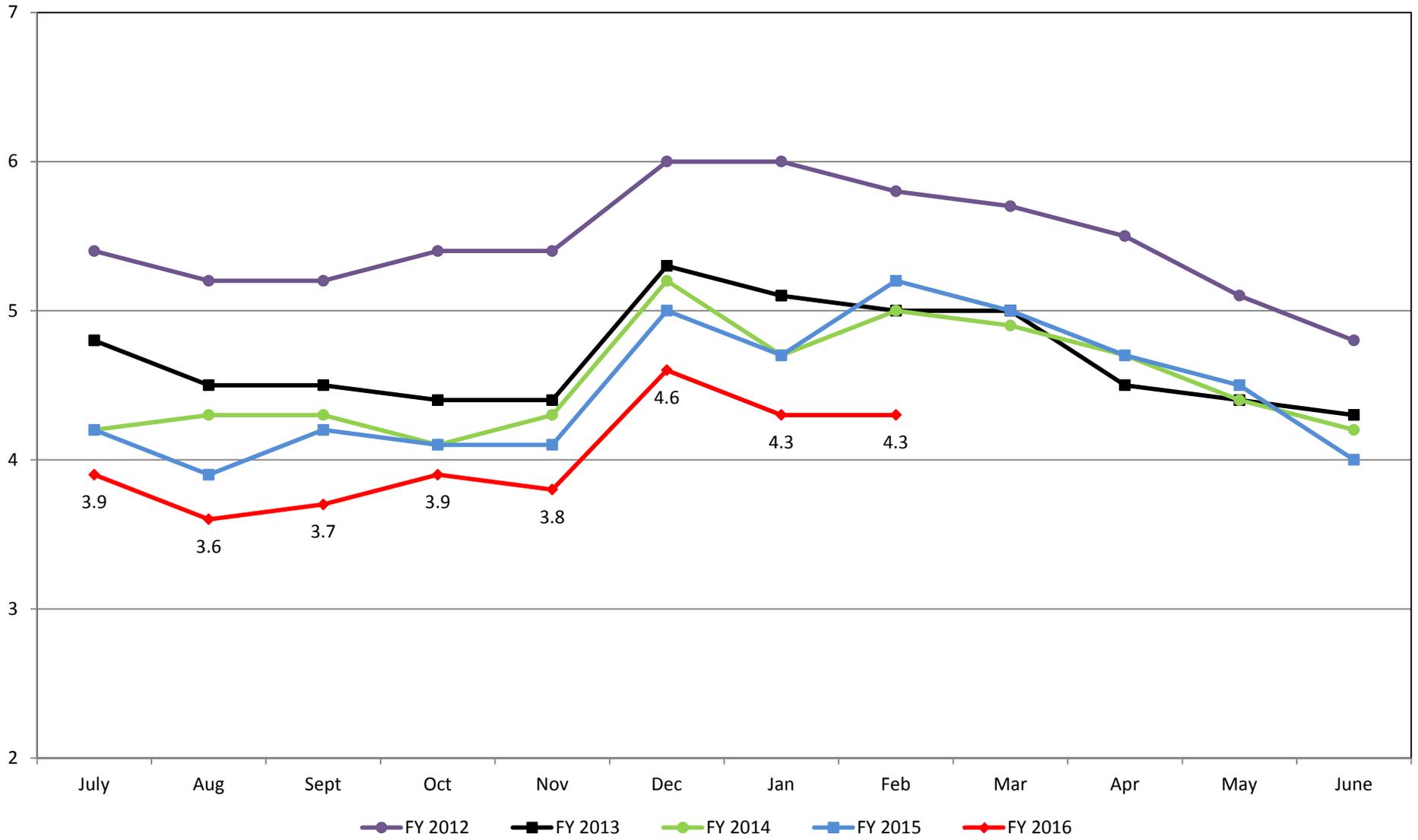
Instant Tickets: Appropriated based on 3.6% of sales. The budget reflects the JLBC instant sales estimate of \$558.9 million for FY16.

On-Line Vendor Fees: Appropriation based on percentage of on-line sales as determined by contract. The budget reflects the JLBC on-line sales estimate of \$257.3 million for FY16.

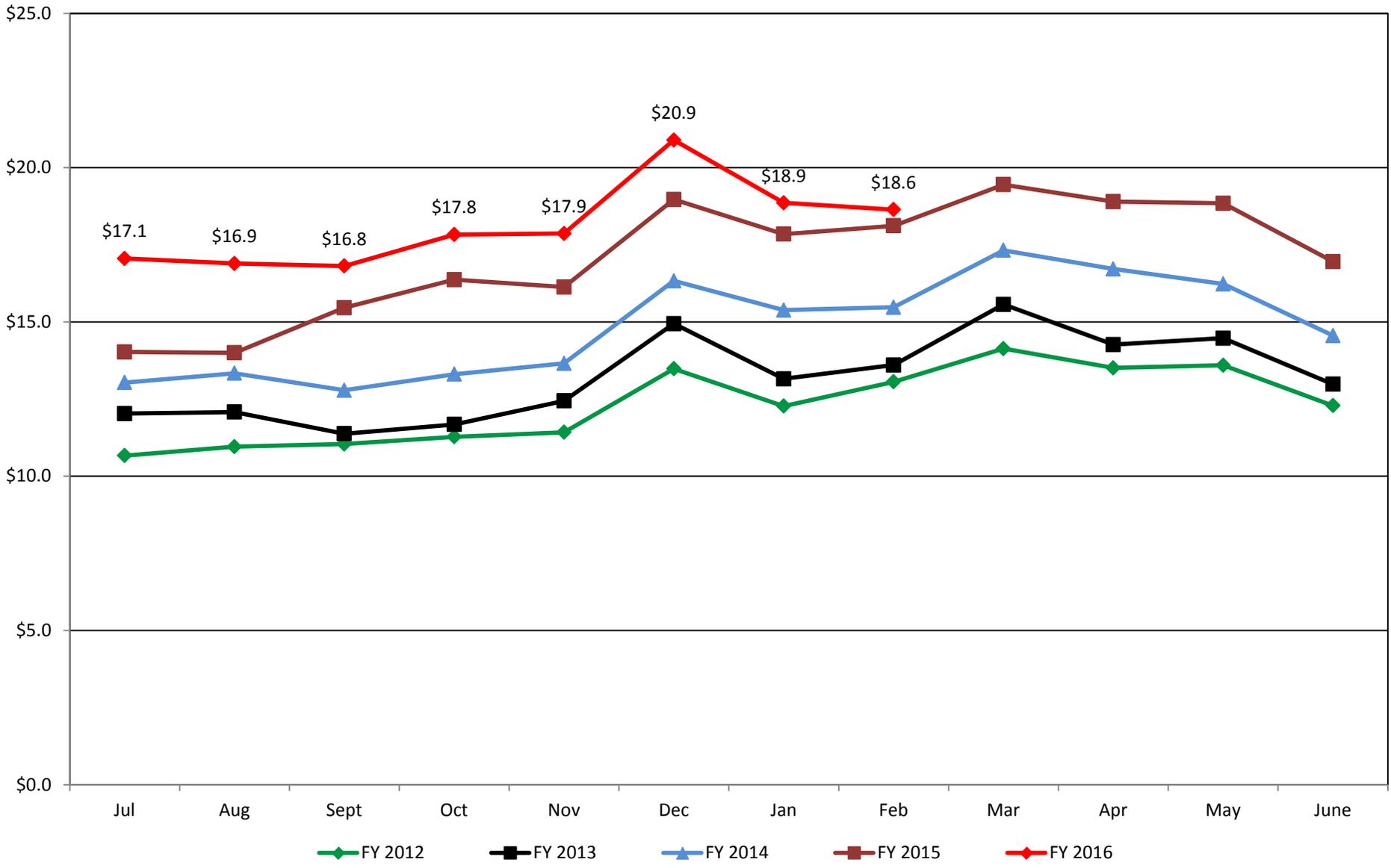
Charitable Commissions: The compensation rate is 20% of instant tab ticket sales. The budget reflects the JLBC sales estimate of \$4.84 million for FY16.

Retailer Commissions: The compensation rate is 6.5% plus up to an additional .5% based on performance criteria. The budget reflects the JLBC estimated compensation rate of 6.7% based on total sales of \$816.2.

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



**Arizona Lottery  
Ticket Vending Machine Sales**



**Draw Games - Advertised Jackpot Comparisons  
February FY2016 vs FY2015**

Powerball	FY2016 Jackpot			FY2015 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
02/06/16	\$112.0	\$136.0	\$1.85	\$317.0	\$380.0	\$5.63
02/13/16	\$157.0	\$176.0	\$1.89	\$500.0	\$40.0	\$10.37
02/20/16	\$189.0	\$212.0	\$2.01	\$50.0	\$60.0	\$1.47
02/27/16	\$236.0	\$266.0	\$2.27	\$70.0	\$80.0	\$1.57
Total Monthly Sales						

Mega Millions	FY2016 Jackpot			FY2015 Jackpot		
	Tue	Fri	Wkly Sales	Tue	Fri	Wkly Sales
02/06/16	\$63.0	\$71.0	\$0.67	\$40.0	\$49.0	\$0.77
02/13/16	\$80.0	\$87.0	\$0.68	\$61.0	\$74.0	\$0.94
02/20/16	\$94.0	\$104.0	\$0.71	\$88.0	\$100.0	\$0.92
02/27/16	\$114.0	\$125.0	\$0.77	\$112.0	\$127.0	\$1.06
Total Monthly Sales						

The Pick	FY2016 Jackpot			FY2015 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
02/06/16	\$4.1	\$4.2	\$0.70	\$1.1	\$1.2	\$0.52
02/13/16	\$4.4	\$4.5	\$0.70	\$1.2	\$1.0	\$0.56
02/20/16	\$4.7	\$4.9	\$0.69	\$1.0	\$1.1	\$0.47
02/27/16	\$4.9	\$5.0	\$0.71	\$1.1	\$1.2	\$0.49
Total Monthly Sales						

Jackpot and weekly sales amounts are in millions

High jackpot for the period

**Arizona Lottery  
Prizes Paid**

**February 2016**

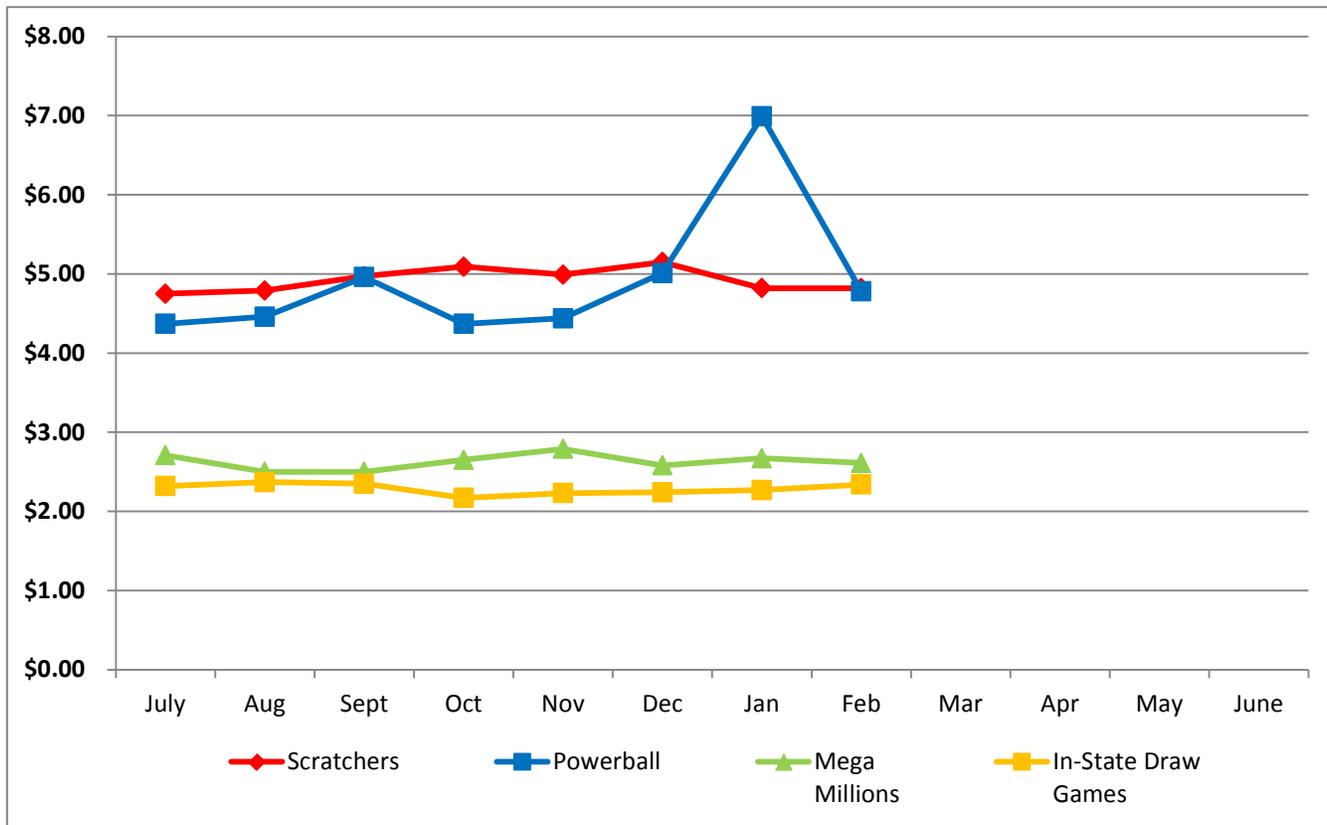
<b>Game Type</b>	<b>Tickets Validated</b>	<b>Prizes Paid</b>	<b>Top Prize Paid</b>	<b>Average Prize Paid</b>
Draw Games	578,216	\$4,824,543	\$1,000,000	\$8.34
Scratchers	2,713,079	\$37,717,195	\$2,500,000	\$13.90
<b>Total</b>	<b>3,291,295</b>	<b>\$42,541,738</b>		<b>\$12.93</b>

**FY16 Year-To-Date**

<b>Game Type</b>	<b>Tickets Validated</b>	<b>Prizes Paid</b>	<b>Top Prize Paid</b>	<b>Average Prize Paid</b>
Draw Games	5,061,516	\$46,085,047	\$6,200,000	\$9.10
Scratchers	20,470,365	\$271,167,507	\$2,500,000	\$13.25
<b>Total</b>	<b>25,531,881</b>	<b>\$317,252,554</b>		<b>\$12.43</b>

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

	Scratchers	Powerball	Mega Millions	In-State Draw Games
July	\$4.75	\$4.37	\$2.71	\$2.32
Aug	\$4.79	\$4.46	\$2.50	\$2.37
Sept	\$4.97	\$4.96	\$2.50	\$2.35
Oct	\$5.09	\$4.37	\$2.65	\$2.17
Nov	\$4.99	\$4.44	\$2.79	\$2.23
Dec	\$5.15	\$5.01	\$2.58	\$2.24
Jan	\$4.82	\$6.99	\$2.67	\$2.27
Feb	\$4.82	\$4.78	\$2.61	\$2.34
Mar				
Apr				
May				
June				
Average	\$4.92	\$4.92	\$2.63	\$2.29



**New Business Item #1**  
Instant Scratch Game Profiles  
Report to Arizona Lottery Commission  
March 18, 2016

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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: *GHOSTBUSTERS™* #1055, *Happy Camper* #1059, *Bingo* #1060, and *Black Pearls* #1072.

**GHOSTBUSTERS™<sup>1</sup> #1055.** This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.2 million tickets.

**Happy Camper #1059.** This \$1 game is one of the Lottery's 35<sup>th</sup> Anniversary 2<sup>nd</sup> Chance Drawing games. It has a top prize of \$1,000 and will be printed at a quantity of approximately 1.6 million tickets.

**Bingo #1060.** This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 10 million tickets.

**Black Pearls #1072.** This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 1.6 million tickets.

Attachments (Commissioners only)

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<sup>1</sup> ©2016 Columbia Pictures Industries, Inc. All Rights Reserved.

**New Business Item #2**  
Amended Promotion Profiles #54 & #56  
Report to Arizona Lottery Commission  
March 18, 2016

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The promotion profiles for players (#54) and retailers (#56) are amended to correct the applicable statutory reference.

Promotions for both players and retailers are designed to increase awareness of the Arizona Lottery, its gaming products, the programs and projects it supports, and prizes paid to players, which will stimulate increased sales and revenue to the state. The Arizona Lottery participates in various promotional events designed to promote initiatives in venues around the state of Arizona.

The Commission is requested to approve these amended profiles. Both profiles will be effective upon the Commission's approval, and will be available until changed by a future order.

Attachments (Commissioners only)

**New Business Item #3**  
Amended Promotion Profile #78  
Report to Arizona Lottery Commission  
March 18, 2016

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This report has been presented to the Commission to amend the promotion profile for the Player Rewards pilot program for the Arizona Lottery to change the start dates of the promotion. In order to completely test the program functions, the Lottery has moved the beginning date out one month.

Players will be able to enter non-winning tickets from any of the designated \$1, \$2, and \$3 games into the Lottery website for a chance to earn points and win cash prizes. Drawings will be held monthly to award one \$7,500 cash prize and 300 merchandise prize points. Winners of the prize points will be able to redeem their points to buy a wide variety of merchandise. The intent of the program is to stimulate sales of the lower price point games by offering players another chance to win.

The Commission is asked to approve this profile.