



April 20, 2018  
COMMISSION  
REPORT

## Table of Contents

<b>Notice of Public Meeting</b> .....	3
<b>Commission Minutes March 23, 2017</b> .....	5
<b>Agency Reports</b> .....	7
<b>Retailer of the Quarter</b> .....	7
<b>Director’s Presentation</b> .....	7
<b>Marketing Presentation</b> .....	7
<b>3<sup>rd</sup> Quarter Product &amp; Sales Review – No Presentation</b> .....	7
<b>New Games Introduction</b> .....	7
<b>New Business Item #1</b> .....	10
Instant Scratch Game Profiles .....	10
<b>New Business Item #2</b> .....	11
Promotion Profiles .....	11
<b>New Business Item #3</b> .....	12
Fast Play Game Profiles .....	12
<b>New Business Item #4</b> .....	13
Instant Tab Game Profiles .....	13

## **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 April 20, 2018, at 10:00 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 March 23, 2018, Public Meeting

### **Agency Reports**

1. Retailer of the Quarter
2. Director's Presentation
3. Marketing Presentation
4. 3<sup>rd</sup> Quarter Product & Sales Review – No Presentation

### **New Business**

1. Discussion and Action on instant scratch game profiles: *Casino Gold* #1164, *Lucky Deal* #1168 and *Bingo* #1170.
2. Discussion and Action on new promotion profile *Billion Dollar Challenge™ 2<sup>nd</sup> Chance Promotion* #87, and amended promotion profiles *Cash Adventure 2<sup>nd</sup> Chance Promotion* #83 and *Million Dollar Giveaway 2<sup>nd</sup> Chance Promotion* #86.
3. Discussion and Action on Fast Play game profiles: *Comic Cash* #106 and *Treasure Chase* #107.
4. Discussion and Action on instant tab game profiles: *Forever Free* #091, *Fight For The Flag* #092, *American Heroes* #093, *Liberty Bucks* #094, *Defending Freedom* #095, *Show Your Pride* #096, *American Forever* #097, *Tee Off* #098, *Got Luck?* #099, *Deuces Wild* #100, *Burn'n Cherries* #101, *Crazy Aces* #102, *Bars & 7's* #103, and *Moolah Baby* #104.

### **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 May 18, 2018, 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 13<sup>th</sup> day of April, 2018

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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.

**PUBLIC MEETING OF THE ARIZONA LOTTERY**  
COMMISSION MINUTES March 23, 2017

**PRESIDING** Chair Jeff Weintraub

**COMMISSIONERS** Andy Anderson, and Debra Roth

**LOTTERY** Gregg Edgar, Executive Director; Chris Rogers, Director of Products & Marketing; and Biju Kamaleswaran, Chief Financial Officer

Kimberly Siddall, Luanne Mansanares, David Nunn, Mary Cimaglio, Karla Henriksen, Ivy Gilio, Lynda Sellers and Stacey Henderson

**GUESTS** IGT Representatives: Russ Harben and Serena Arlotta  
Owen's Harkey Representative: Dawn Kemmer  
Scientific Games Representatives: Topper Wilson and Julio Dieppa  
Attorney General Representative: Grant Pearson

**Call to Order** - Pursuant to the Public Notice dated February 23, 2018, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:01 a.m. by Chair Weintraub. A quorum was present.

Chair Weintraub entertained a motion to approve the minutes of the February 23, 2018, public meeting; Commissioner Debra Roth moved; Commissioner Andy Anderson seconded. All members voting aye, the motion carried.

**Directors Report** – Director Edgar presented the beneficiary of the month. The beneficiary focus was on the Storytellers Project. The Storytellers Project started in Phoenix in 2011 with one Arizona Republic journalist's idea to get everyday people and public figures alike to share true, first-person stories in front of an audience of strangers. Since then, the series of live events has expanded to more than 20 cities across the country. Thirteen storytelling shows have been booked in metro Phoenix in 2018. Chair Jeff Weintraub inquired about the number of stories per event. Director of Products and Marketing, Chris Rogers advised four to five stories are shared on any given event. Each story teller speaks for approximately 20 minutes.

**Financial Report** - Mr. Biju Kamaleswaran presented financial information for the past 12 months. He advised that spring break may have had an effect on sales. Fast Play sales are above the predicted forecast for the month of February. Mr. Kamaleswaran also provided fiscal year-to-date financial information for instant games, draw games, and price points. The presentation is attached for the official minutes.

**Marketing Report** - Mr. Chris Rogers presented information on the new instant-style draw games, Fast Play. He advised of terminal and vending machine launch dates. Mr. Rogers also presented the daily sales and total sales as of March 23, 2018.

**New Business** - Chair Weintraub asked if any members of the public wanted to address the Commission regarding instant scratch game profiles: Arizona Gold #1174 and Jumbo Bucks #1175. No response from the public.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding the new instant scratch game profiles: #1174 and #1175. Commissioner Anderson moved; Commissioner Roth seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding Second Chance Promotion Profile Million Dollar Giveaway #86.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding Second Chance Promotion Profile #86. Commissioner Roth moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding Fast Play Games Profiles: Piggy Bank Bucks #104 and Jackpot Party Progressive #105.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding Fast Play Profiles #104 and #105. Commissioner Anderson moved; Commissioner Roth seconded. All members voting aye, the motion carried.

**Call to the Public** Chair Weintraub invited members of the public to speak before the Commission. There were no responses from the public.

**Announcements** The next Commission meeting will be held April 20, 2018, at 10:00 a.m.

**Adjournment** Chair Weintraub entertained a motion to adjourn: Commissioner Roth moved; Commissioner Anderson seconded. All members voting aye, the motion carried. Meeting adjourned at 10:36 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  
April 20, 2018

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**Retailer of the Quarter**

**Director's Presentation**

**Marketing Presentation**

**3<sup>rd</sup> Quarter Product & Sales Review – No Presentation**

**New Games Introduction**

The following games were introduced since the last commission meeting: *\$250,000 Crossword #1154, Bingo Plus #1156, The Voice<sup>®</sup> #1157, Loteria<sup>™</sup> Grande #1161, and Twisted #1163.*

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

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

<b>Date Ended</b>	<b>Price Point</b>	<b>Game No.</b>	<b>Game Name</b>	<b>Beginning Inventory</b>	<b>% Sold through 3/31/18</b>
04/06/18	\$5	1120	Cherry Tripler	1,474,800	99.8%

# **ATTACHMENT A**



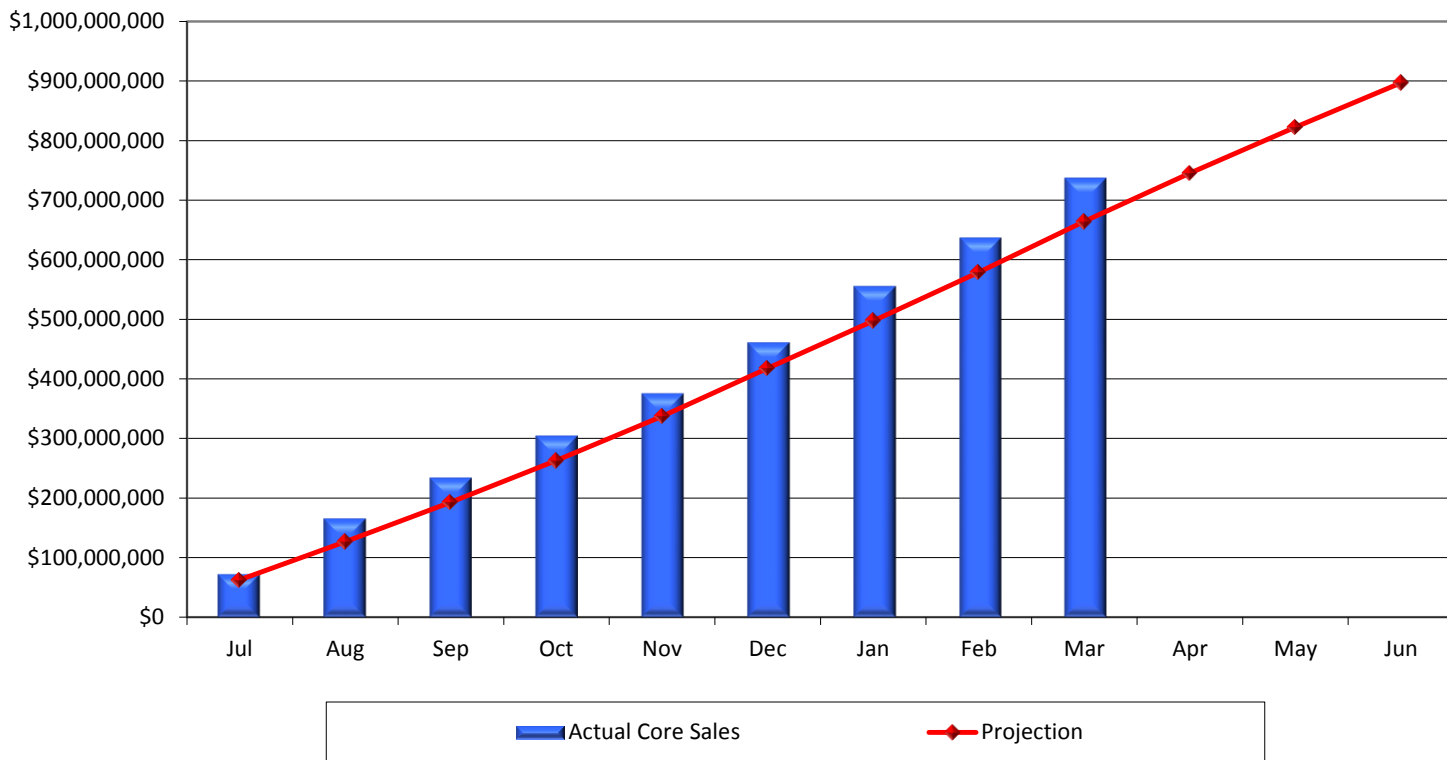


**Arizona Lottery  
Dashboard  
March 2018**

**Fiscal Year 2018**

**Arizona Lottery  
FY 2018 Sales versus Projections**

**Total Sales**



Projection:	664,583,000
Actual Core:	736,291,815
Total Actual:	736,291,815
Difference:	71,708,815
% Difference:	10.8%

\* Total sales are currently 10.8% ahead of projections.

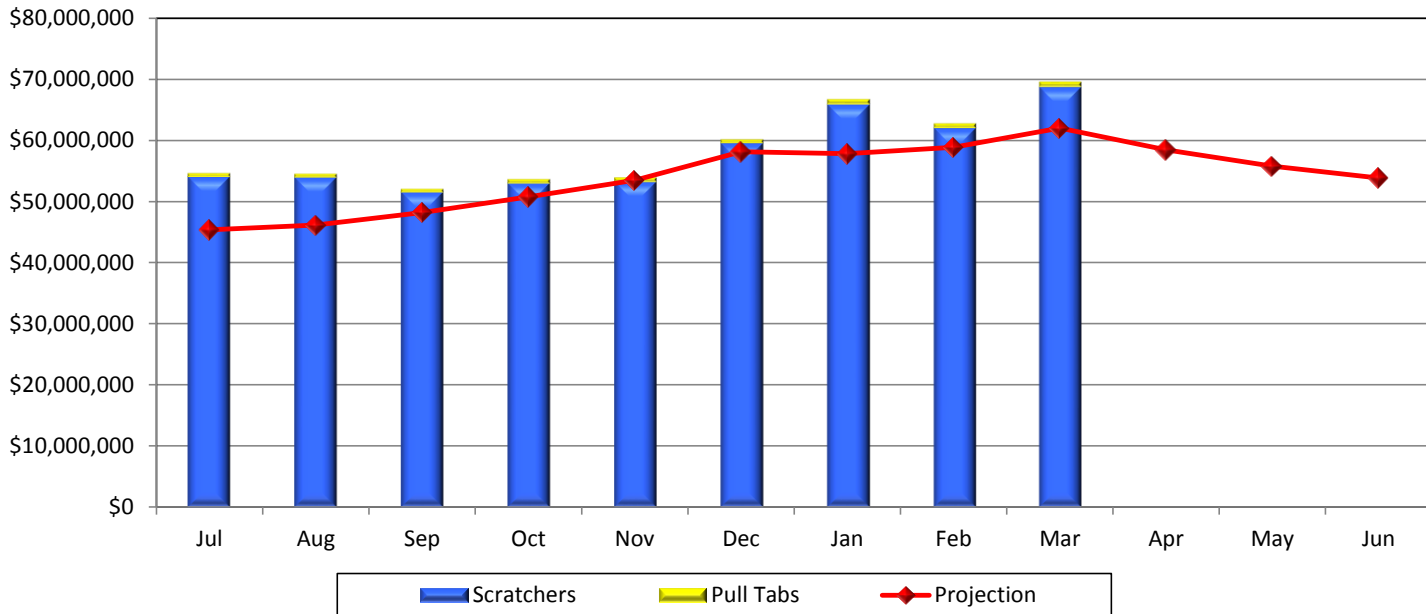
\* The Instant product line (Scratchers & Pull-tabs) at \$528,887,094 are currently 10.0% ahead of projections.

\* Total draw game sales of \$207,404,721 are currently 12.9% ahead of projections.

\* The Multi-State draw games are currently 18.5% ahead of projections; in-state games are 1.0% above projections.

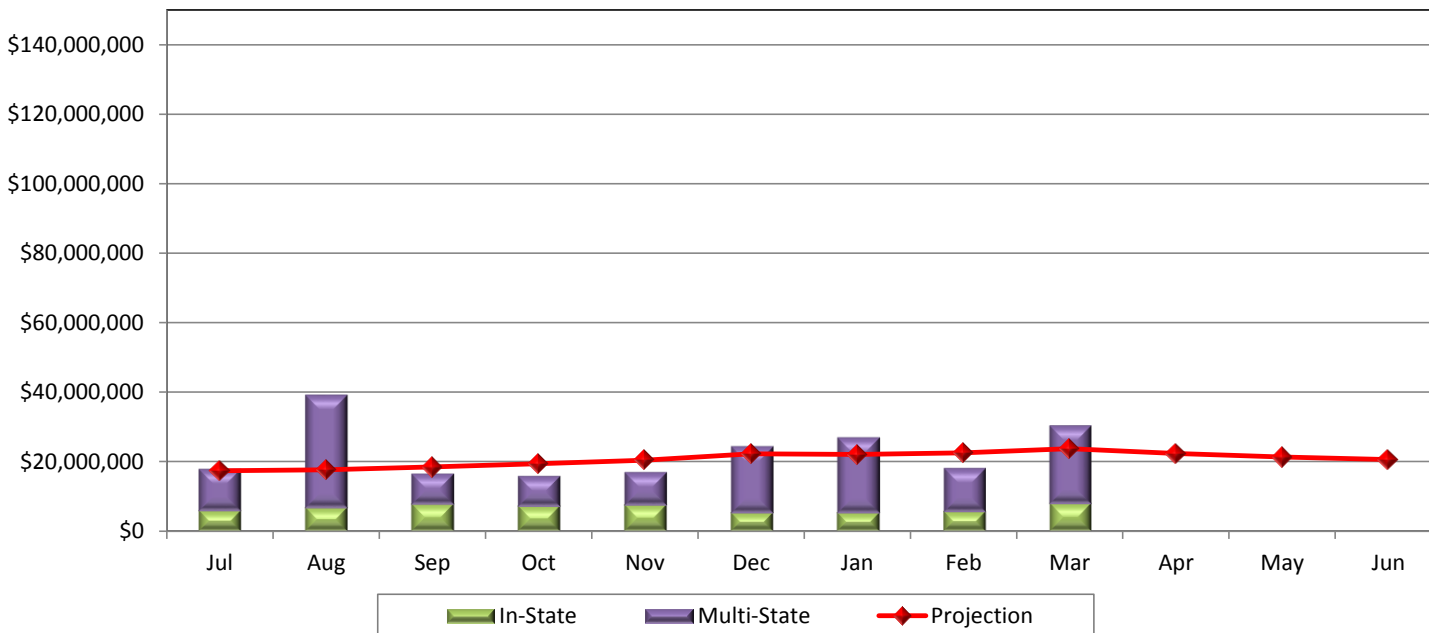
**Arizona Lottery  
FY 2018 Sales versus Projections**

**Instant Sales**



Projection: 480,840,000  
 Actual: 528,887,094  
 Difference: 48,047,094  
 % Difference: 10.0%

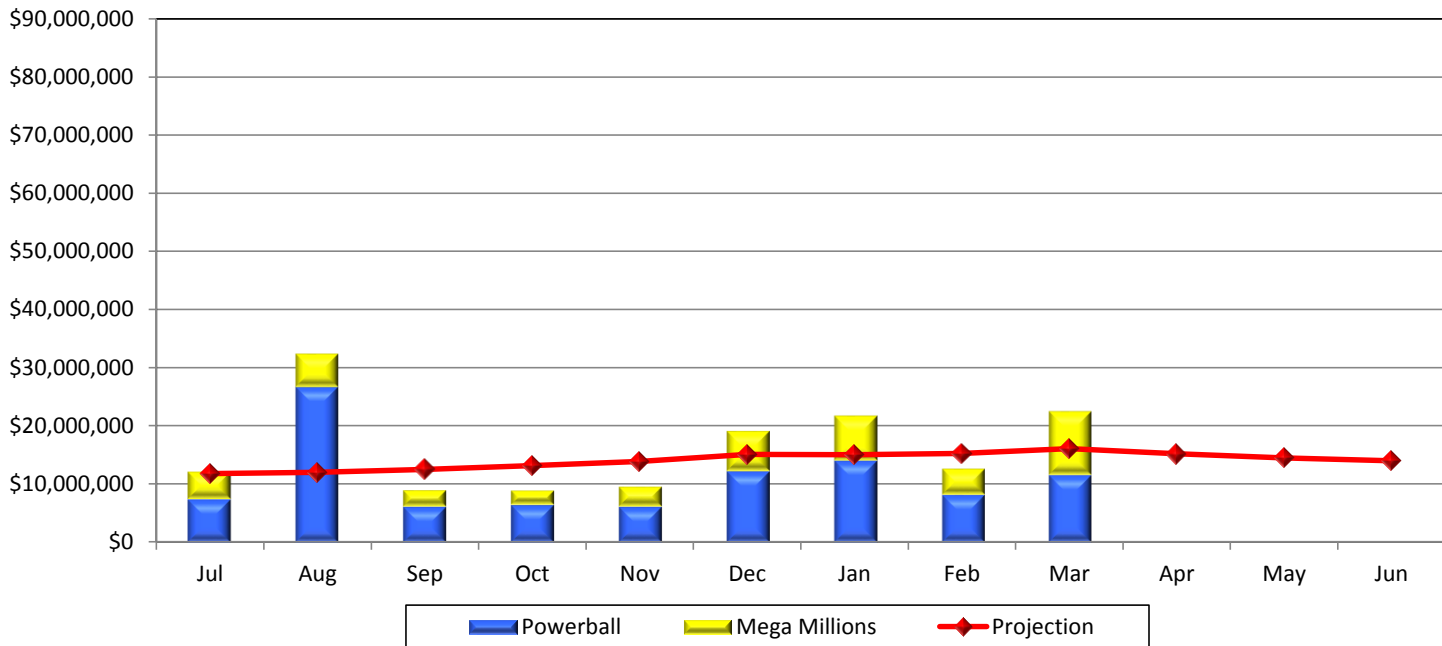
**Total Draw Games**



Projection: 183,743,000  
 Actual: 207,404,721  
 Difference: 23,661,721  
 % Difference: 12.9%

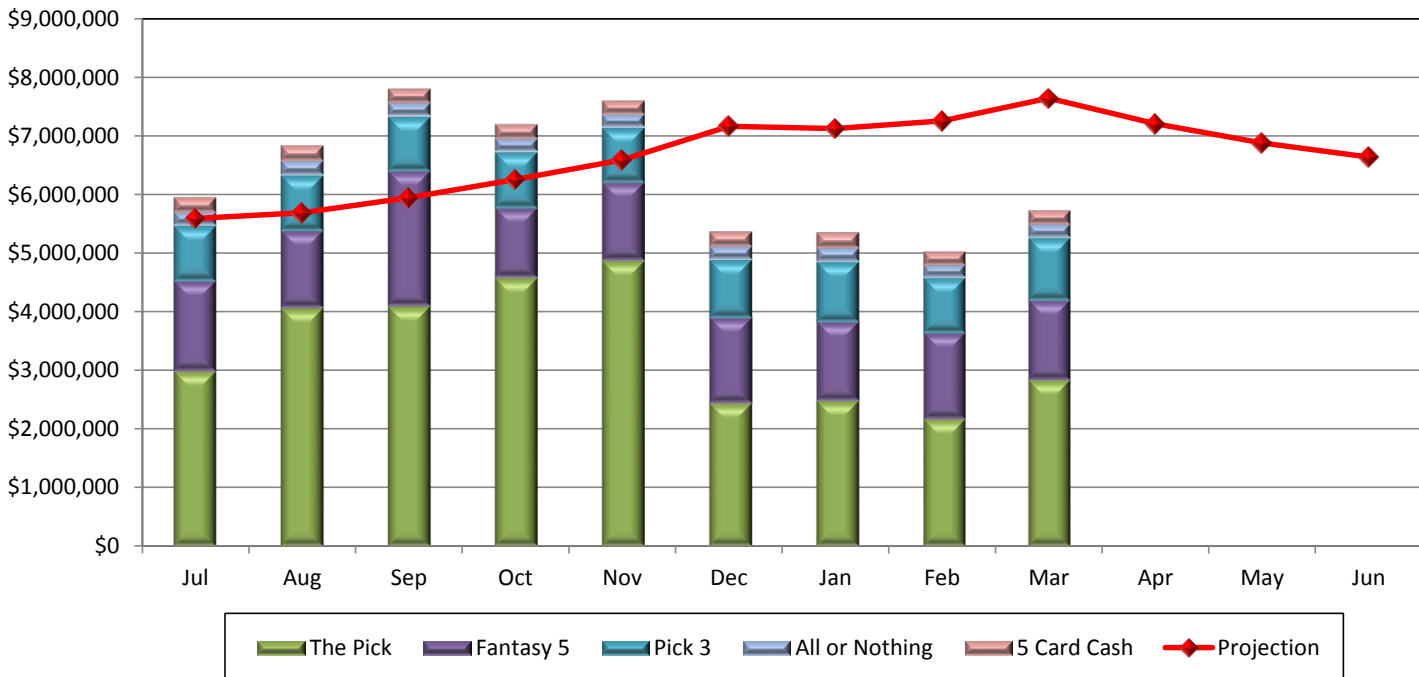
**Arizona Lottery  
FY 2018 Sales versus Projections**

**Multi-State Games**



Projection: 124,471,000  
 Actual: 147,534,268  
 Difference: 23,063,268  
 % Difference: 18.5%

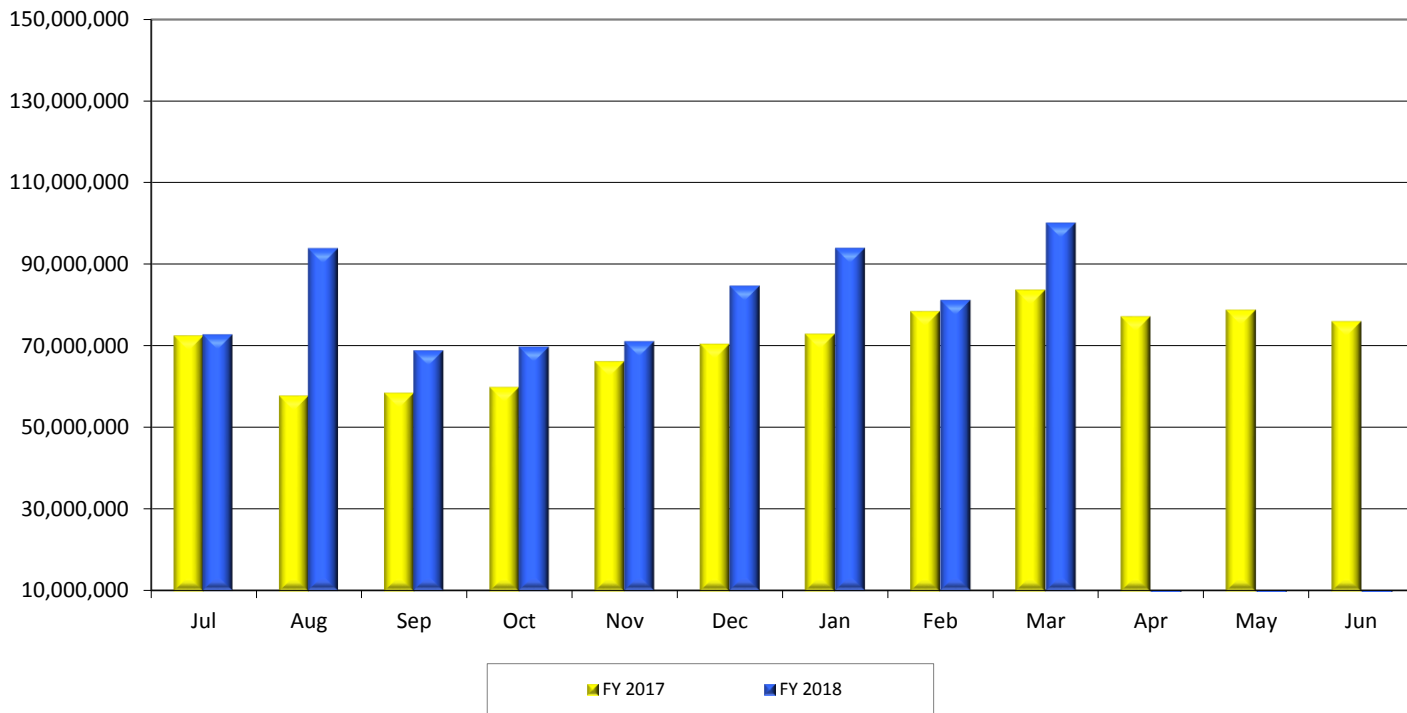
**In-State Games**



Projection: 59,272,000  
 Actual: 59,870,453  
 Difference: 598,453  
 % Difference: 1.0%

**Arizona Lottery  
FY 2018 versus FY 2017**

**Total Sales**

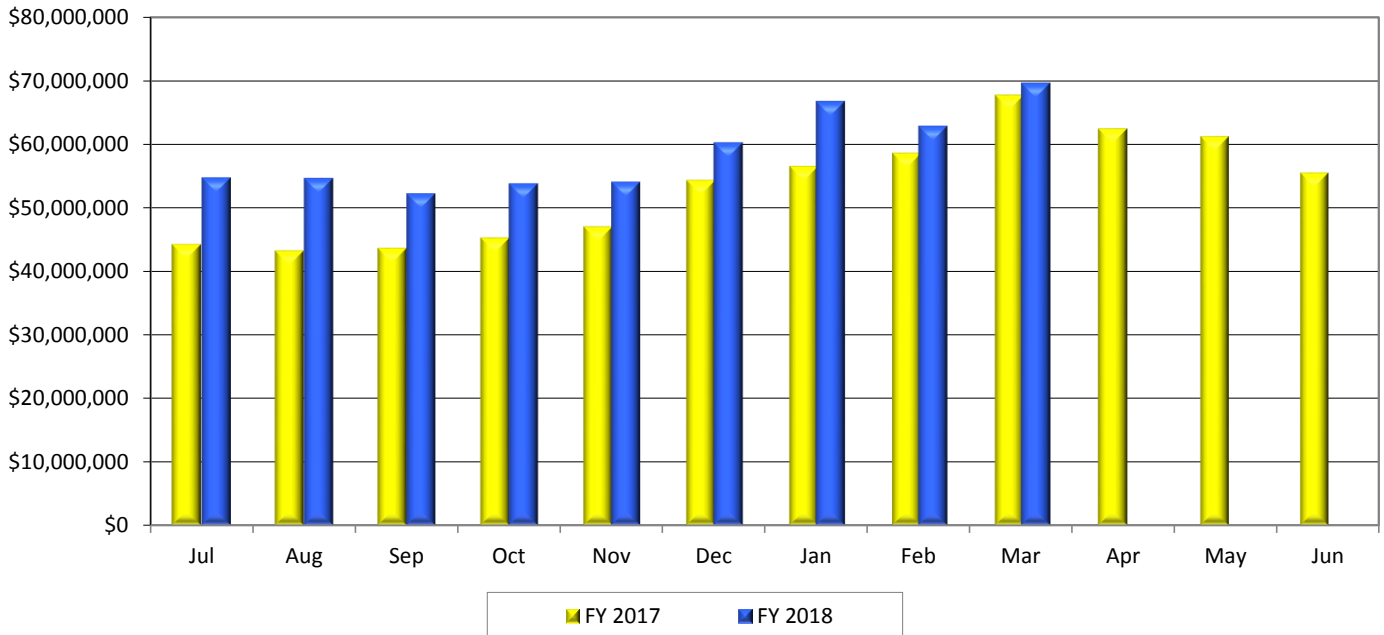


FY 2018	736,291,815
FY 2017	620,158,862
% Change	18.7%

- \* Total sales are currently 18.7% ahead of last year.
- \* The Instant product line (Scratchers & Pull-tabs) are currently 14.7% ahead of last year.
- \* Total draw game sales are currently 30.5% ahead of last year.
- \* Sales of the multi-state games (Powerball and Mega Millions) are currently 35.9% ahead of last year.
- \* Sales of the in-state games are currently 18.9% ahead of last year.

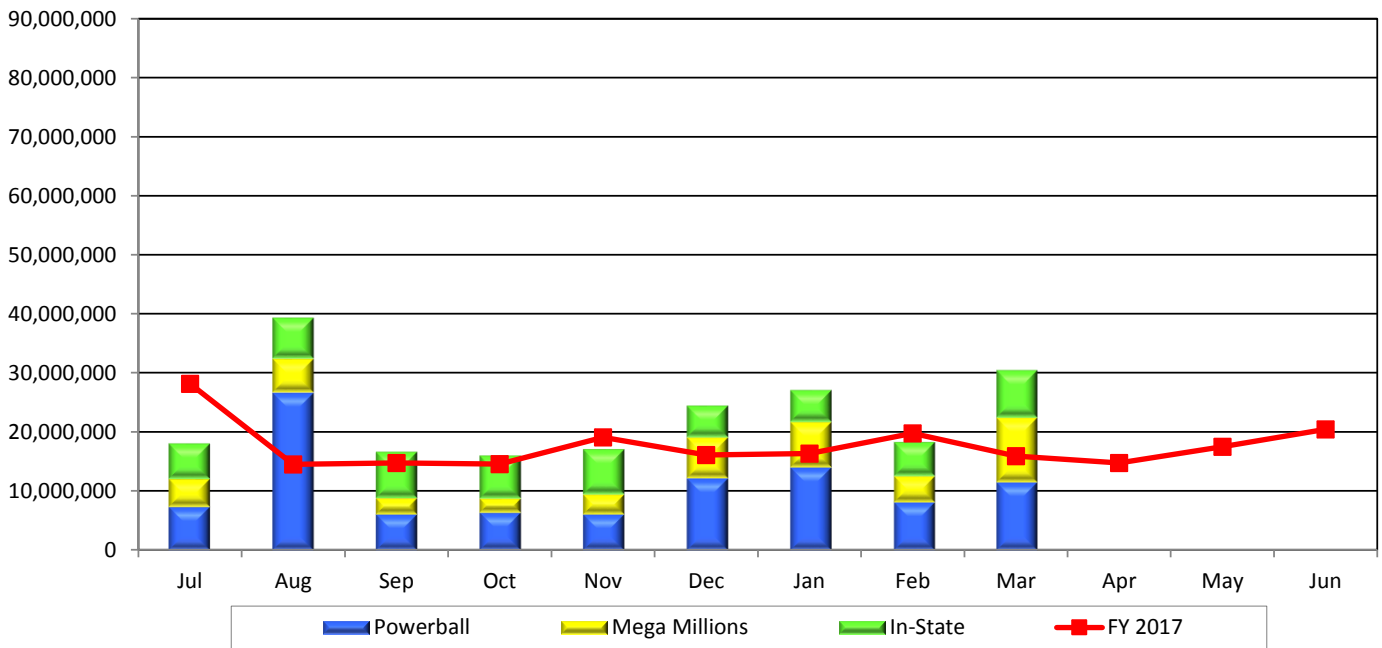
**Arizona Lottery  
FY 2018 versus FY 2017**

**Total Instant Games**



FY 2018	528,887,094
FY 2017	461,270,826
% Change	14.7%

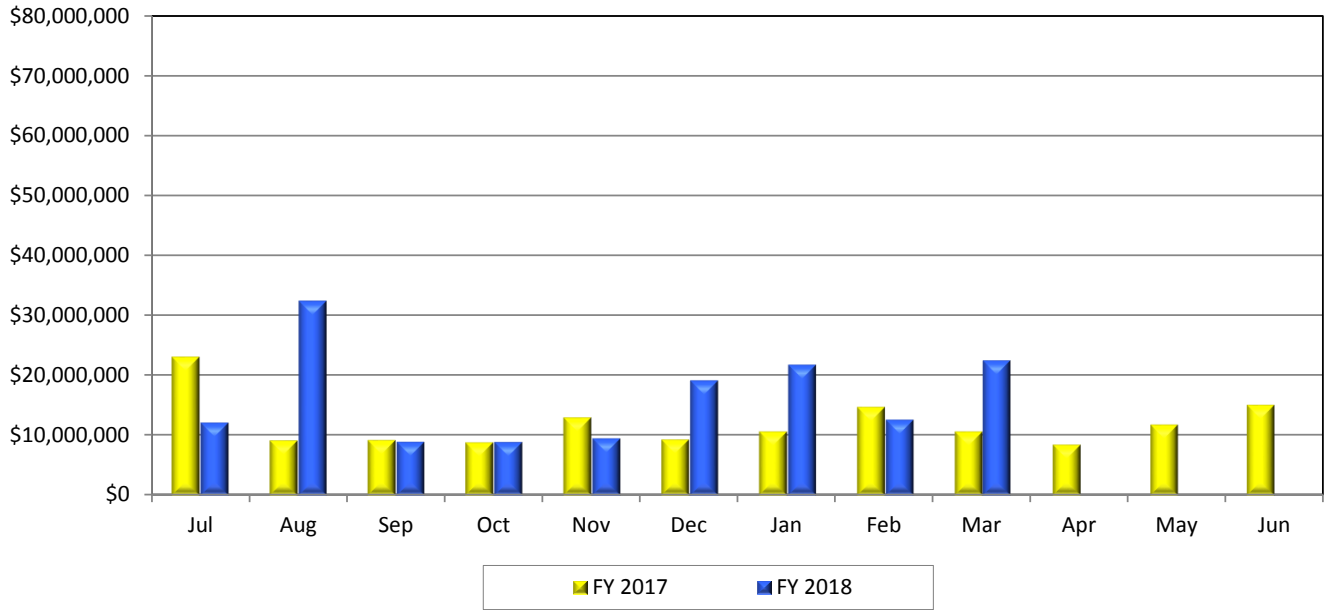
**Total Draw Games**



FY 2018	207,404,721
FY 2017	158,888,036
% Change	30.5%

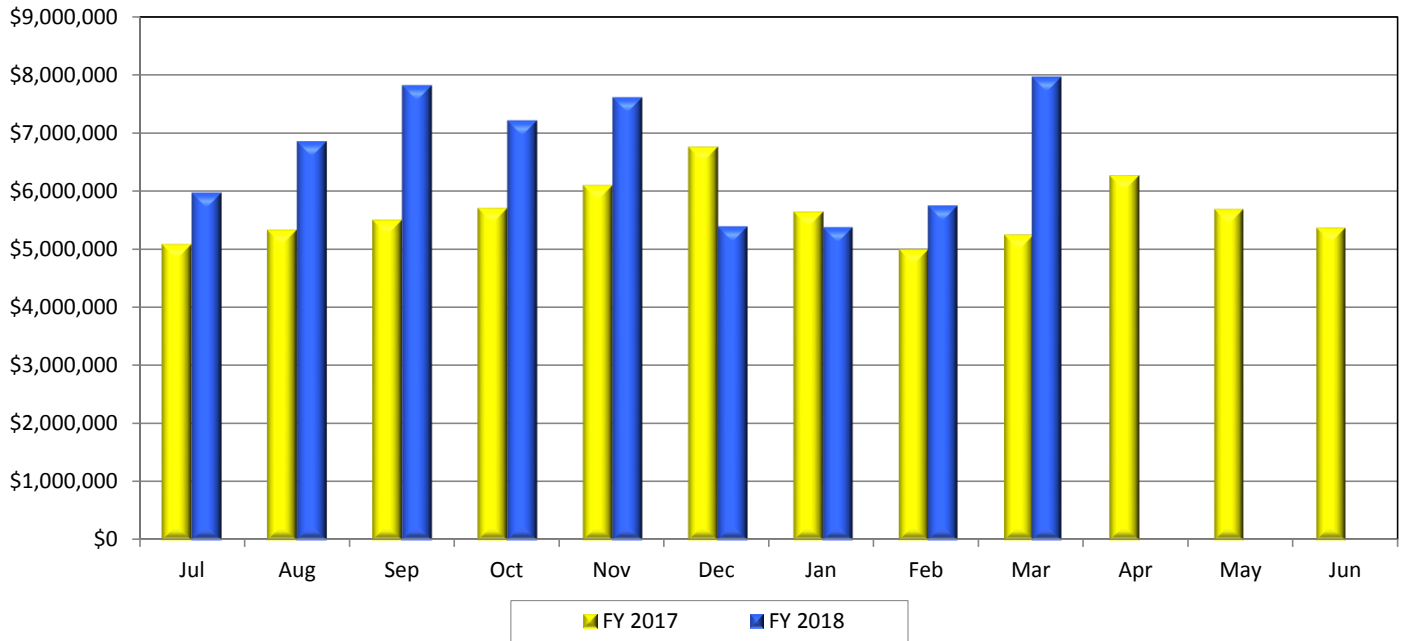
**Arizona Lottery  
FY 2018 versus FY 2017**

**Multi-State Jackpot Games**



FY 2018	147,534,268
FY 2017	108,546,452
% Change	35.9%

**Total In-State Games**



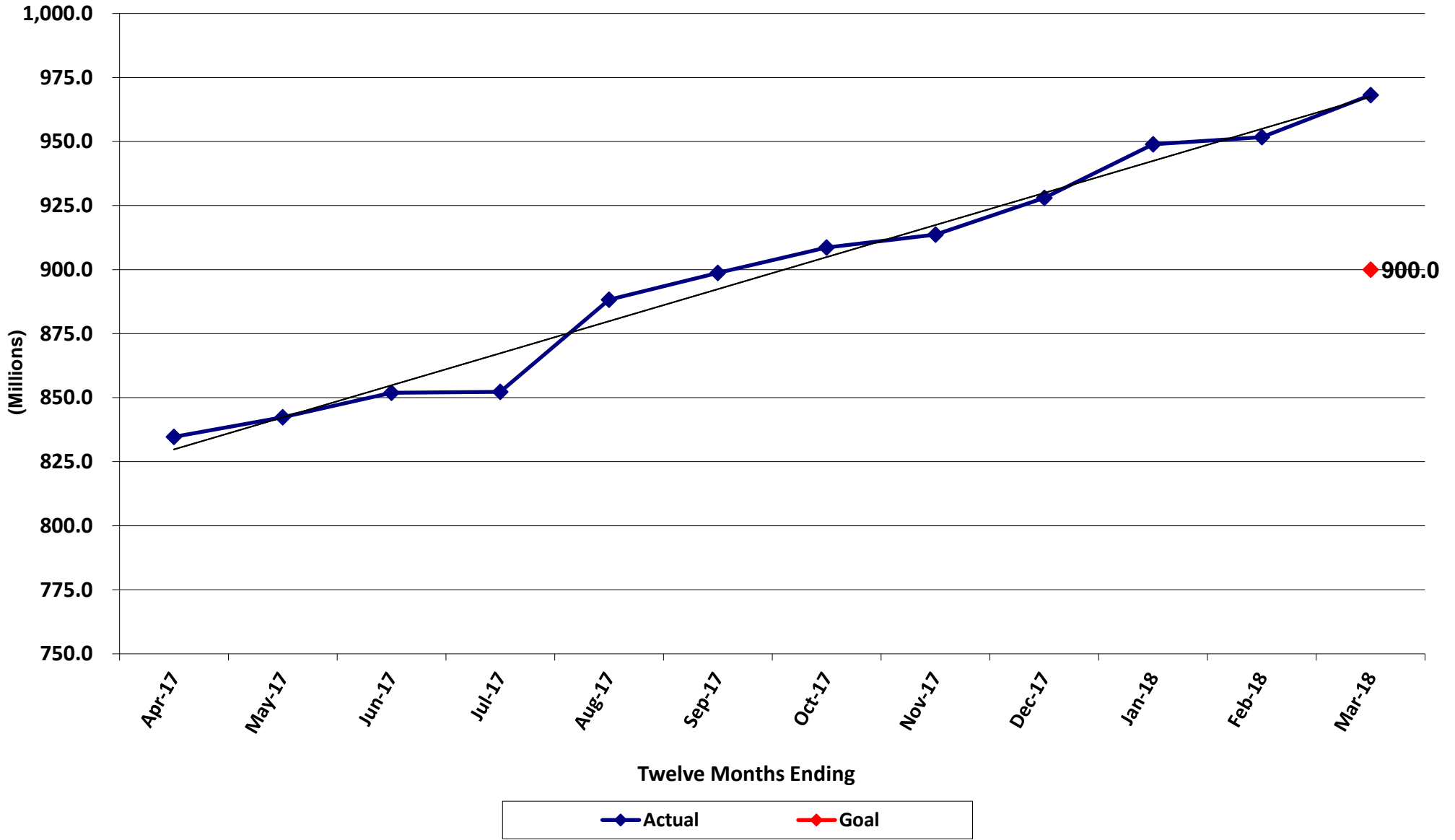
FY 2018	59,870,453
FY 2017	50,341,584
% Change	18.9%

**Arizona Lottery  
Sales by Product - FY 2018**

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	Fast Play	Total Draw Games	Total Sales
July	54,102,309	503,820	114,480	54,720,609	7,373,038	4,742,504	2,979,004	1,548,405	948,219	225,010	260,752		18,076,932	72,797,541
August	54,009,113	559,572	84,240	54,652,925	26,634,663	5,699,453	4,056,539	1,320,770	954,599	243,364	270,110		39,179,498	93,832,423
September	51,598,544	486,792	123,120	52,208,456	6,127,599	2,769,531	4,089,551	2,304,103	935,189	226,506	249,902		16,702,381	68,910,837
October	53,063,247	592,044	123,120	53,778,411	6,410,746	2,439,254	4,567,945	1,197,706	961,392	223,524	251,818		16,052,385	69,830,796
November	53,304,622	618,210	127,440	54,050,272	6,107,524	3,396,703	4,862,679	1,343,292	940,307	212,962	244,116		17,107,583	71,157,855
December	59,609,493	517,980	112,320	60,239,793	12,203,532	6,885,933	2,440,299	1,459,199	998,738	226,622	258,338		24,472,661	84,712,454
January	65,912,015	703,428	167,400	66,782,843	14,026,604	7,685,409	2,476,865	1,355,593	1,027,832	239,778	270,000		27,082,081	93,864,924
February	62,069,128	622,440	145,800	62,837,368	8,140,383	4,438,688	2,166,848	1,479,400	944,909	213,130	236,380	703,154	18,322,892	81,160,260
March	68,746,417	700,440	169,560	69,616,417	11,536,207	10,916,497	2,832,650	1,365,033	1,069,871	235,172	240,602	2,212,276	30,408,308	100,024,725
April														
May														
June														
<b>YTD Sales</b>	<b>522,414,888</b>	<b>5,304,726</b>	<b>1,167,480</b>	<b>528,887,094</b>	<b>98,560,296</b>	<b>48,973,972</b>	<b>30,472,380</b>	<b>13,373,501</b>	<b>8,781,056</b>	<b>2,046,068</b>	<b>2,282,018</b>	<b>2,915,430</b>	<b>207,404,721</b>	<b>736,291,815</b>
YTD Rtlr Commissions	33,956,968	1,060,945	75,886	35,093,799	6,406,419	3,183,308	1,980,705	869,278	570,769	132,994	148,331	189,503	13,481,307	48,575,106
% of Sales	71.0%	0.72%	0.16%	71.8%	13.4%	6.7%	4.1%	1.8%	1.2%	0.3%	0.3%	0.4%	28.2%	100.0%
Avg Mo Sales	43,534,574	589,414	129,720	44,253,708	8,213,358	4,081,164	2,539,365	1,114,458	731,755	170,506	190,168	242,953	17,283,727	61,357,651



### Annual Sales Trailing 12 Month Periods



**Arizona Lottery  
Transfers To Other State Funds  
By Beneficiary - FY 2018**

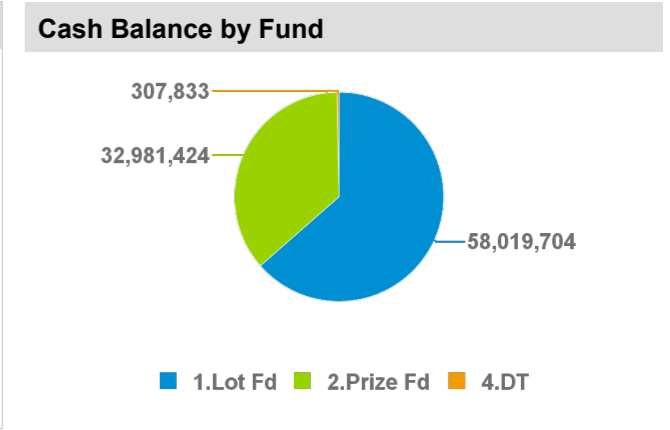
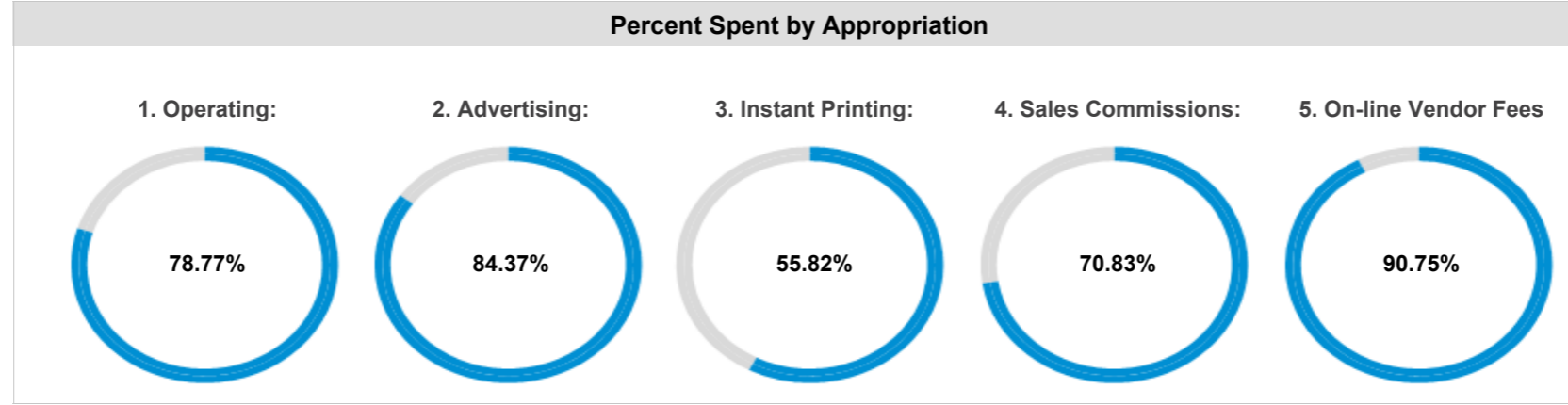
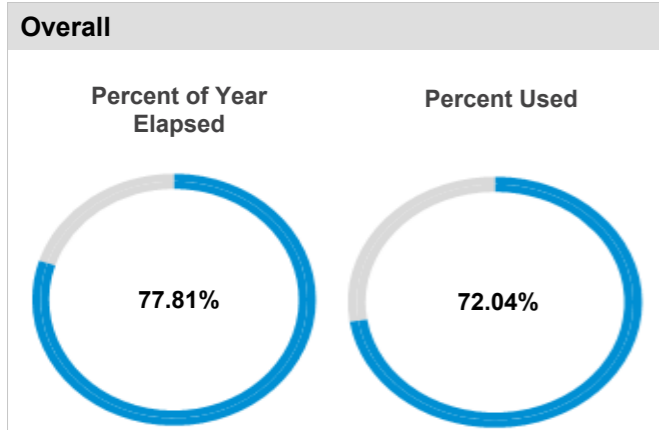
Month	Heritage Game & Fish	Healthy Arizona	State General Fund	Mass Transit LTAIF II *	Homeless Shelters	State General Fund II	Arizona Commerce Authority	Univ Capital Debt Service	Dept of Gaming**	Internet Crimes & Victims' Rights***	Internet Crimes & Victims' Rights***	Tribal College Dual Enrollment	C.A.S.A.	Total Transfers
July			3,750,075									36,161		3,786,236
August			3,750,075									54,624		3,804,699
September	3,801,700	7,865,700	24,529,350	8,017,400							225,000	159,216	669,982	45,268,348
**Approp Transfer									300,000					300,000
October			3,750,075											3,750,075
November			3,750,075											3,750,075
December	3,768,800	7,796,800	24,250,850	3,511,600							225,000		954,028	40,507,078
January			3,750,075											3,750,075
February			3,750,075											3,750,075
March	2,429,500	5,349,700	5,369,200		1,000,000	15,490,000	3,500,000	25,065,500			225,000		582,657	59,011,557
April														
May														
June														
<b>YTD Transfers</b>	<b>10,000,000</b>	<b>21,012,200</b>	<b>76,649,850</b>	<b>11,529,000</b>	<b>1,000,000</b>	<b>15,490,000</b>	<b>3,500,000</b>	<b>25,065,500</b>	<b>300,000</b>		<b>675,000</b>	<b>250,000</b>	<b>2,206,668</b>	<b>167,678,218</b>
<b>YTD FY17 Transfers</b>	<b>10,000,000</b>	<b>20,701,600</b>	<b>84,150,000</b>	<b>11,523,600</b>	<b>1,000,000</b>	<b>7,454,050</b>	<b>-</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>203,700</b>	<b>250,000</b>	<b>3,027,359</b>	<b>138,610,309</b>
<b>FY17 Transfers</b>	<b>10,000,000</b>	<b>20,701,600</b>	<b>90,436,112</b>	<b>11,529,000</b>	<b>1,000,000</b>	<b>15,490,000</b>	<b>3,500,000</b>	<b>39,926,998</b>	<b>300,000</b>	<b>100,000</b>	<b>900,000</b>	<b>250,000</b>	<b>3,965,599</b>	<b>198,099,309</b>

cap based on prior year

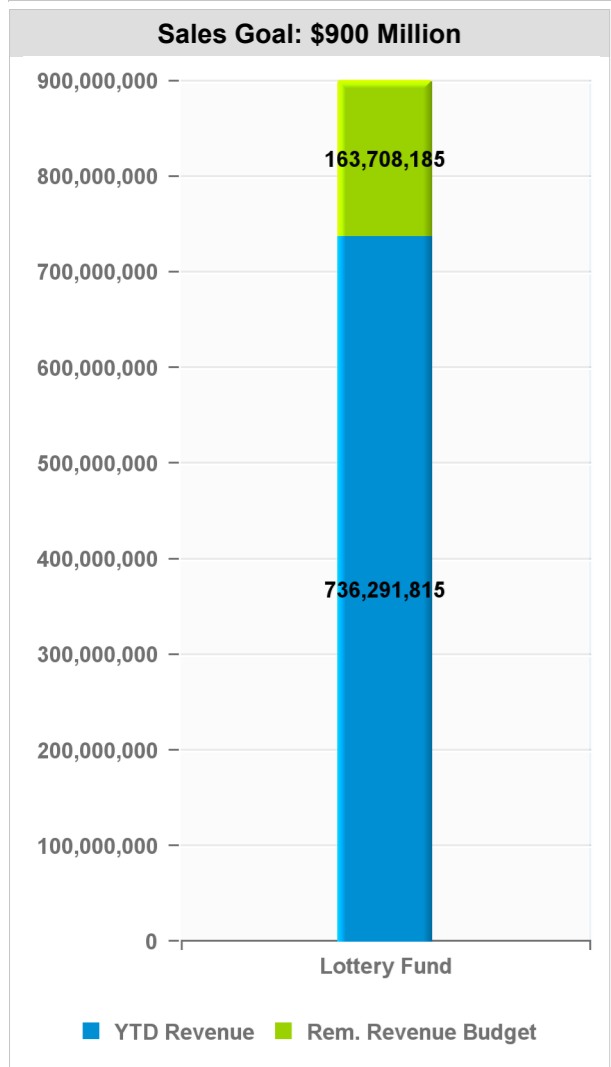
\*\*Pursuant to Proposition 202 (Compulsive Gambling Treatment)

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

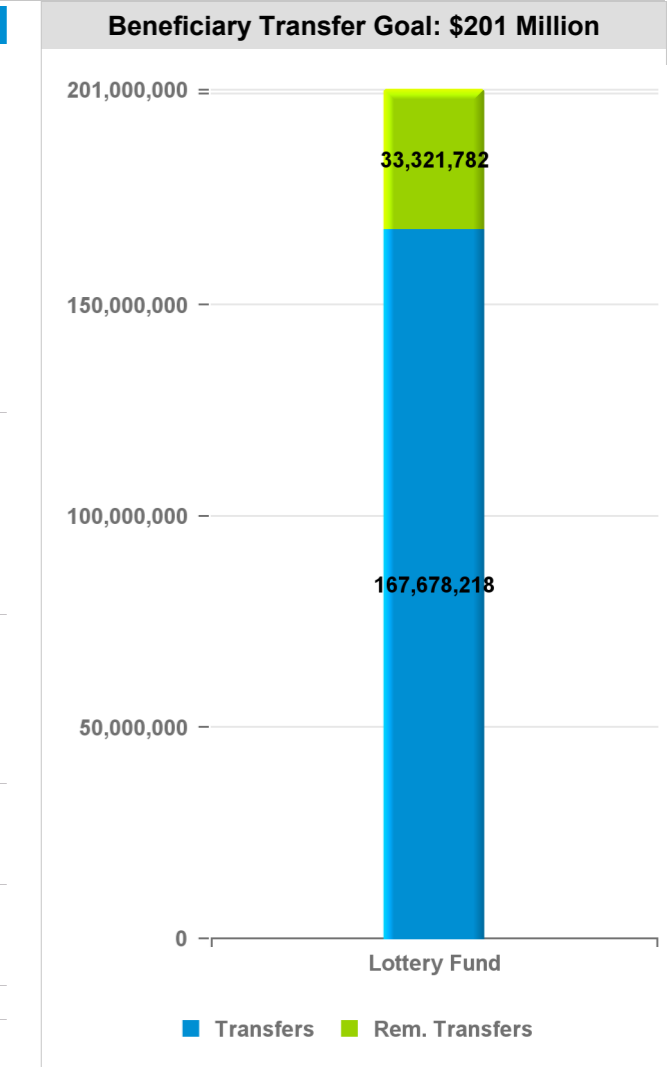
## Arizona Lottery Financial Dashboard



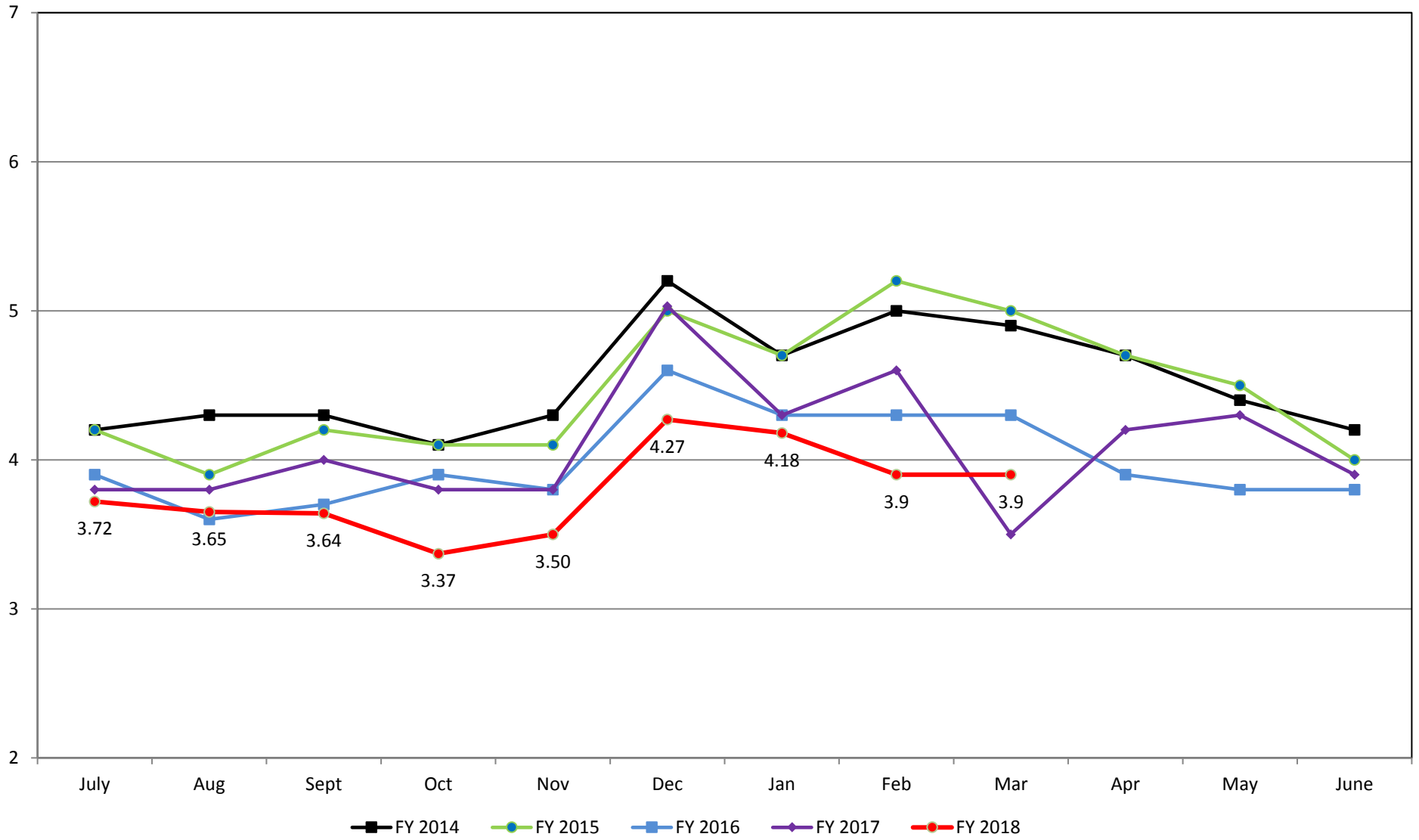
### Budget by Appropriation Type and Object Class



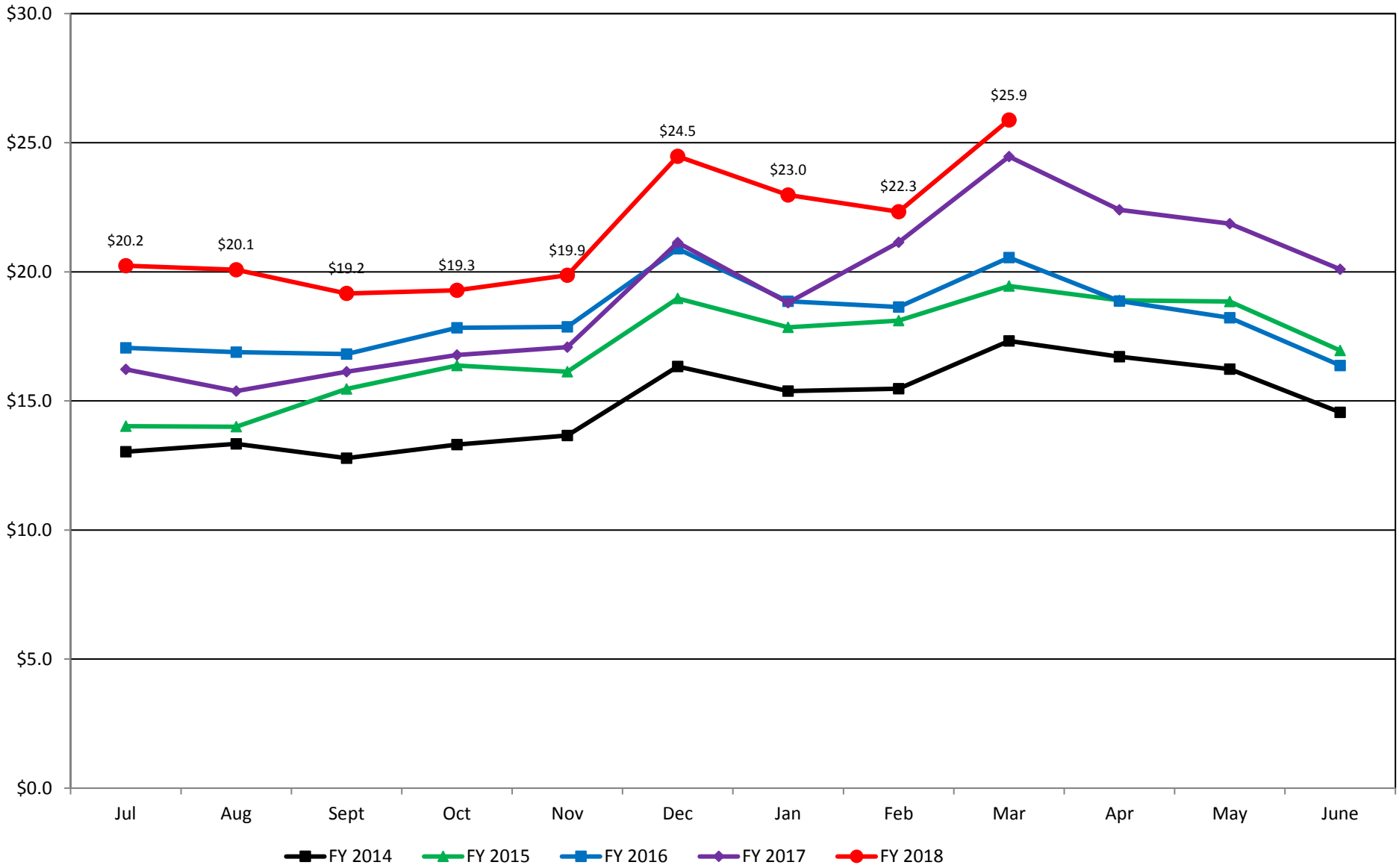
Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	6000 - Personal Services	4,533,300	3,219,731	-	1,313,569	71.02%
	6100 - Employee Related Expenditures	2,076,800	1,371,648	-	705,152	66.05%
	6200 - Professional And Outside Services	386,800	381,808	235,072	-230,079	159.48%
	6500 - Travel - In-State	271,600	131,264	0	140,336	48.33%
	6600 - Travel - Out-Of-State	16,800	27,106	-	-10,306	161.34%
	7000 - Other Operating Expenditures	903,200	806,098	280,080	-182,978	120.26%
	8100 - Capital Outlay	-	3,348	-	-3,348	100.00%
	8400 - Capital Equipment	-	24,176	0	-24,176	100.00%
	8500 - Non-Capital Equipment	50,000	33,194	1,005	15,801	68.40%
	9100 - Transfers Out	220,000	114,947	33,650	71,403	67.54%
	- NOT ENTERED	-	-	-	-	100.00%
<b>Total:</b>		<b>8,458,500</b>	<b>6,113,318</b>	<b>549,806</b>	<b>1,795,376</b>	<b>78.77%</b>
2. Advertising:	6200 - Professional And Outside Services	-	-	-	-	100.00%
	7000 - Other Operating Expenditures	15,450,000	8,273,071	4,804,520	2,372,409	84.64%
	8400 - Capital Equipment	-	-	-	-	100.00%
	8500 - Non-Capital Equipment	50,000	-	-	50,000	-
	- NOT ENTERED	-	-	-	-	100.00%
<b>Total:</b>		<b>15,500,000</b>	<b>8,273,071</b>	<b>4,804,520</b>	<b>2,422,409</b>	<b>84.37%</b>
3. Instant Printing:	6200 - Professional And Outside Services	3,000,000	-	-	3,000,000	-
	6600 - Travel - Out-Of-State	-	-	-	-	100.00%
	7000 - Other Operating Expenditures	20,481,900	9,940,066	3,166,548	7,375,285	63.99%
	- NOT ENTERED	-	-	-	-	100.00%
<b>Total:</b>		<b>23,481,900</b>	<b>9,940,066</b>	<b>3,166,548</b>	<b>10,375,285</b>	<b>55.82%</b>
4. Sales Commissions:	7000 - Other Operating Expenditures	60,549,000	42,884,646	0	17,664,354	70.83%
	- NOT ENTERED	-	-	-	-	100.00%
<b>Total:</b>		<b>60,549,000</b>	<b>42,884,646</b>	<b>0</b>	<b>17,664,354</b>	<b>70.83%</b>
5. On-line Vendor Fees:	6200 - Professional And Outside Services	11,038,500	7,948,107	2,068,902	1,021,491	90.75%
	- NOT ENTERED	-	-	-	-	100.00%
	<b>Total:</b>	<b>11,038,500</b>	<b>7,948,107</b>	<b>2,068,902</b>	<b>1,021,491</b>	<b>90.75%</b>
<b>Grand Total:</b>		<b>119,027,900</b>	<b>75,159,209</b>	<b>10,589,777</b>	<b>33,278,914</b>	<b>72.04%</b>



Ticket Vending Machine - Monthly Out-of-Stock Averages



**Arizona Lottery  
Vending Machine Sales - Instant Tickets**



**Draw Games - Advertised Jackpot Comparisons  
Mar FY2018 vs FY2017**

Powerball	FY2018 Jackpot			FY2017 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
03/03/18	\$293.0	\$321.0	\$2.53	\$53.0	\$68.0	\$1.39
03/10/18	\$348.0	\$385.0	\$3.03	\$85.0	\$104.0	\$1.52
03/17/18	\$420.0	\$455.0	\$4.14	\$123.0	\$141.0	\$1.65
03/24/18	\$40.0	\$54.0	\$1.45	\$155.0	\$40.0	\$1.49
03/31/18	\$40.0	\$50.0	\$1.55			
Total Monthly Sales	\$11,536,207			\$6,677,156		

Mega Millions	FY2018 Jackpot			FY2017 Jackpot		
	Tue	Fri	Wkly Sales	Tue	Fri	Wkly Sales
03/03/18	\$222.0	\$243.0	\$1.35	\$73.0	\$83.0	\$0.75
03/10/18	\$265.0	\$290.0	\$1.56	\$94.0	\$106.0	\$0.82
03/17/18	\$318.0	\$345.0	\$1.96	\$119.0	\$131.0	\$0.86
03/24/18	\$377.0	\$421.0	\$2.32	\$140.0	\$151.0	\$0.91
03/31/18	\$458.0	\$521.0	\$4.28			
Total Monthly Sales	\$10,916,497			\$3,976,010		

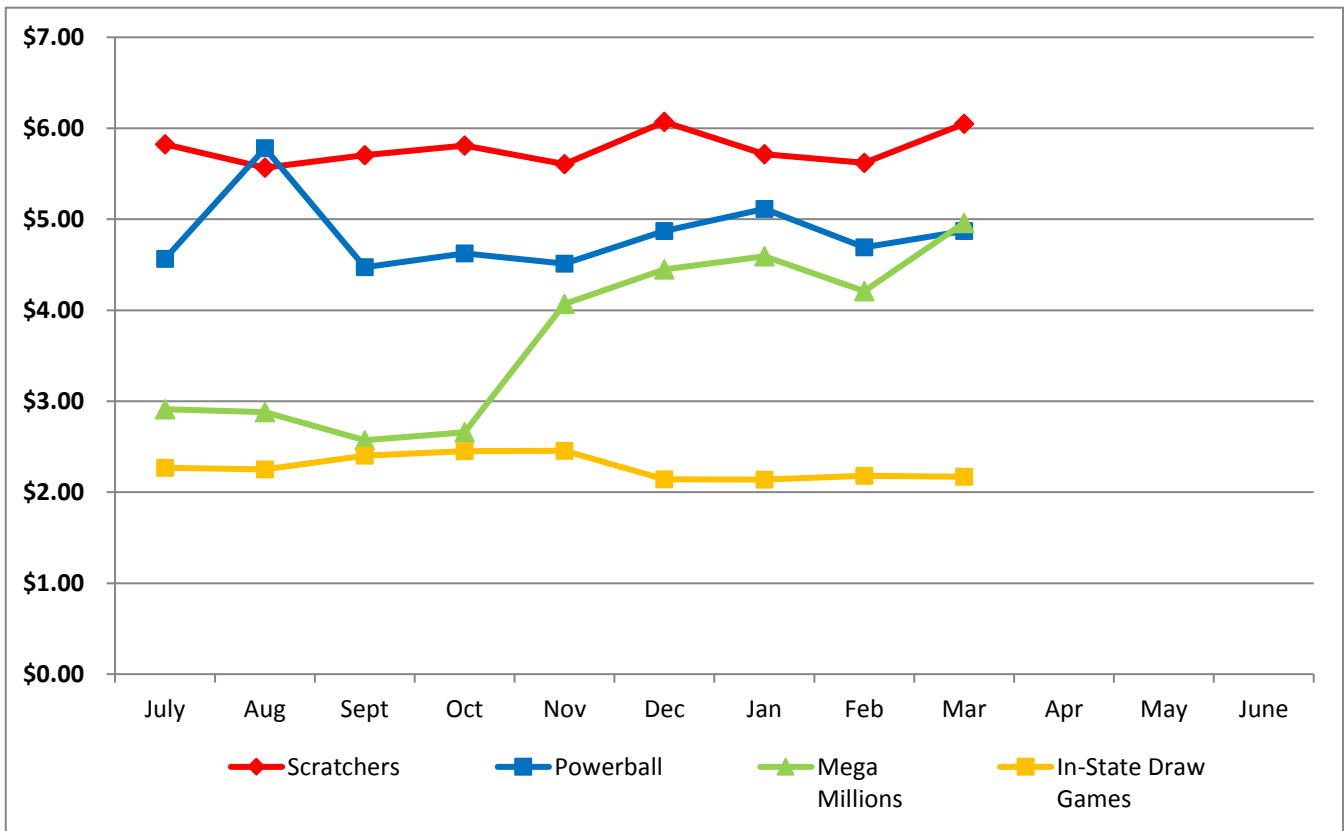
The Pick	FY2018 Jackpot			FY2017 Jackpot		
	Wed	Sat	Wkly Sales	Wed	Sat	Wkly Sales
03/03/18	\$1.6	\$1.7	\$0.54	\$2.3	\$2.3	\$0.58
03/10/18	\$1.8	\$1.9	\$0.56	\$2.5	\$1.0	\$0.53
03/17/18	\$1.1	\$2.2	\$0.60	\$1.0	\$1.0	\$0.47
03/24/18	\$2.3	\$2.5	\$0.57	\$1.0	\$1.0	\$0.46
03/31/18	\$2.6	\$2.7	\$0.62			
Total Monthly Sales	\$2,832,650			\$2,269,395		

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	\$5.82	\$4.56	\$2.91	\$2.27
Aug	\$5.57	\$5.78	\$2.88	\$2.25
Sept	\$5.70	\$4.47	\$2.57	\$2.40
Oct	\$5.81	\$4.62	\$2.66	\$2.45
Nov	\$5.61	\$4.51	\$4.07	\$2.46
Dec	\$6.07	\$4.87	\$4.45	\$2.14
Jan	\$5.72	\$5.12	\$4.59	\$2.14
Feb	\$5.62	\$4.69	\$4.21	\$2.18
Mar	\$6.05	\$4.87	\$4.96	\$2.17
Apr				
May				
June				
Average				



# **ATTACHMENT B**



## **FY18 3rd 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. Staff is available to answer any questions the Commission may have.

**Arizona Lottery**  
**FY2018 – Product Review**  
**Third Quarter Review – July 2017 through March 2018**

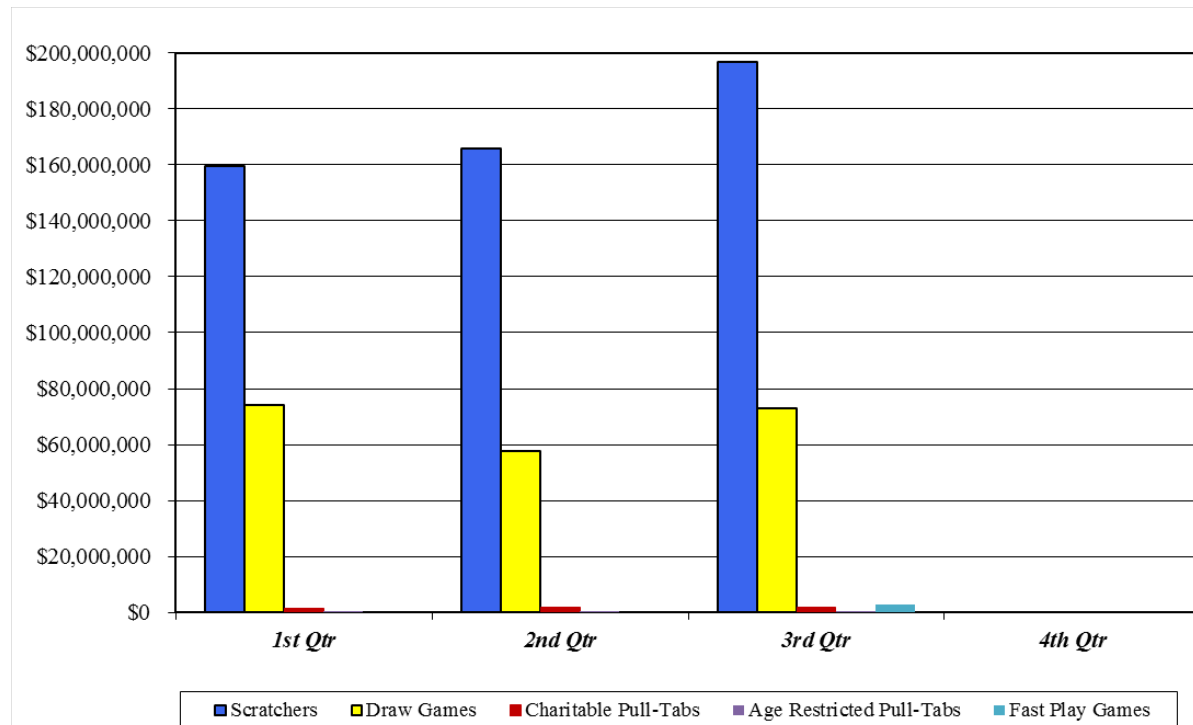
As part of a quarterly review process, we report to the agency on the performance of the individual Lottery products including draw, instant and Fast Play games. The information contained in this report includes the following:

- General overview through the third quarter of the fiscal year
- 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 instant games by revenue and tickets
- A review of new game introductions and game endings

**General Overview**

Sales through the third quarter of FY18 reached \$736,291,815, an increase of 18.7% over the same period last fiscal year. The breakdown by product is as follows:

	<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>Total</u>	<u>Mkt Share</u>
<b>Scratchers<sup>®1</sup></b>	\$159,709,966	\$165,977,362	\$196,727,560	\$522,414,888	70.95%
<b>Draw Games</b>	\$73,958,811	\$57,632,629	\$72,897,851	\$204,489,291	27.77%
<b>Fast Play Games</b>	N/A	N/A	\$2,915,430	\$2,915,430	0.40%
<b>Charitable Pull-Tabs</b>	\$1,550,184	\$1,728,234	\$2,026,308	\$5,304,726	0.72%
<b>Age Restricted Pull-Tabs</b>	\$321,840	\$362,880	\$482,760	\$1,167,480	0.16%
<b>Total</b>	\$235,540,801	\$225,701,105	\$275,049,909	\$736,291,815	



As indicated in the chart above, the Scratchers contribution to total sales through the third quarter of the year represents 70.95%, a slight decrease from third quarter, fiscal year 2017. The market share for draw games within this time period is at 27.77% of sales, a slight increase from third quarter, fiscal year 2017. Pull-tabs, currently represent 0.88% of total sales. Sales detail by product is provided in Attachments A and B.

<sup>1</sup> Scratchers<sup>®</sup> is a registered service mark of the California Lottery.

**Charitable Pull-Tabs**

The charitable games program continues to be strong with 137 organizations currently licensed and selling tickets. Sales remain strong so far this fiscal year having already surpassed the \$5 million mark, 12.4% 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 46 retailers licensed and selling tickets. Sales through the third quarter totaled \$1,167,480, 35.0% ahead of the same period last fiscal year.

**Scratchers Games**

Sales for Scratchers at \$522.4 million are up 14.6% from the same period last fiscal year.

Based on validations, players have earned more than \$370.9 million in prizes. The prizes paid calculated against the sales revenues equate to an average payout of 71.0%.

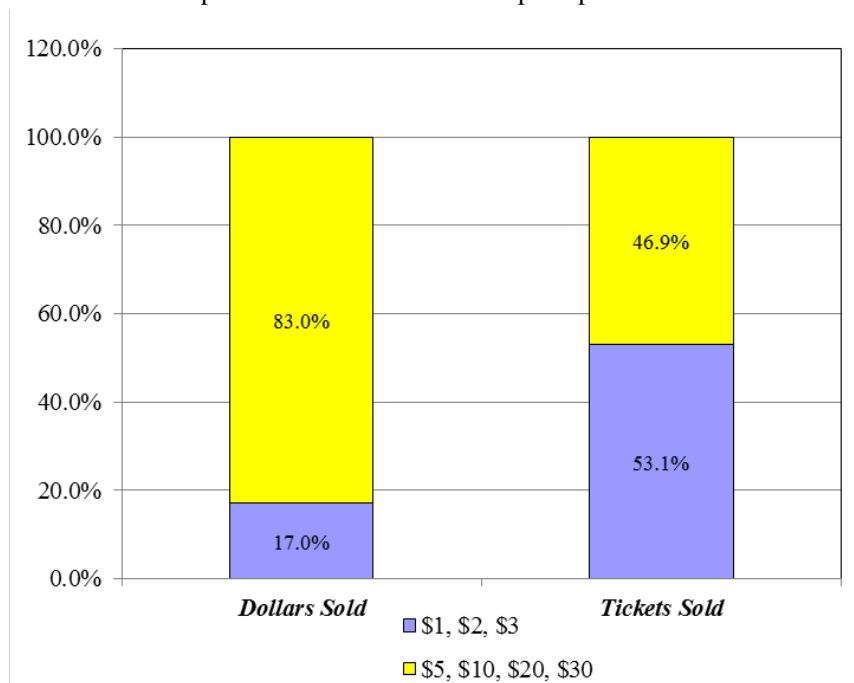
A total of 44 new games were introduced through the third quarter of the year. Combined with the games carried forward, a total of 101 games contributed to the sales revenues.

<b>Price Point</b>	<b>\$1</b>	<b>\$2</b>	<b>\$3</b>	<b>\$5</b>	<b>\$10</b>	<b>\$20</b>	<b>\$30</b>
# New Games	7	7	4	12	9	4	1
Carried Forward	9	13	5	15	12	2	1

During this same period, 45 games were ended. Ten 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 ended.

**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 53.1% but represent only 17.0% of the revenues. The \$5, \$10, \$20 and \$30 games accounted for 46.9% of the tickets sold and 83.0% of the revenues. With the introduction of the second \$30 game, the higher price point games continue to increase in market share. The chart below shows the breakdown of tickets and dollars for FY18. The charts on Attachment C show a comparable breakdown across all price points for the most recent five years.



Top 10 games

The Crossword and Bingo style games continue to be strong in the market with more than \$139.1 million in sales, representing 26.6% of total Scratchers sales. In terms of both dollars and tickets sold, five of the top ten games are Crossword or Bingo style games. The top performer through three quarters of the fiscal year with more than \$82.9 million in sales was the \$20 spotlight game, *\$200 Million Cash Explosion* (#1080). This game represents 15.9% of total Scratchers sales. It has been in market since August 2016 and to date has sold more than \$198 million.

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

Top 10 games in sales revenue			Top 10 games in tickets sold		
	<u>Game</u>	<u>Sales Revenue</u>		<u>Game</u>	<u>Tickets Sold</u>
\$20	1080 \$200 Million Cash Explosion	\$82,930,800	\$2	1111 Crossword	10,584,027
\$30	1098 Ultimate Millions	\$49,153,470	\$2	1060 Bingo	4,589,387
\$30	1134 Royal Millions	\$27,947,940	\$20	1080 200 Million Cash Explosion	4,146,540
\$20	1113 \$250,000 Crossword	\$21,611,240	\$5	1132 I Love Crossword	3,064,981
\$2	1111 Crossword	\$21,168,054	\$2	1119 Red Hot 7s	2,801,640
\$10	1109 \$100 Grand Crossword	\$16,509,870	\$5	1112 Round Robin Bingo	2,674,607
\$5	1132 I Love Crossword	\$15,324,905	\$1	1137 Match 3 Tripler	2,365,460
\$10	1117 Money Clip	\$15,140,810	\$5	1088 Café Crossword	2,167,274
\$10	1141 Spicy Hot Crossword	\$13,769,780	\$1	1125 White Elephant	2,118,173
\$10	1103 Willy Wonka Golden Ticket	\$13,606,790	\$1	1139 Cool 7's	1,996,200

Draw Games

Total draw games sales through the third quarter of the fiscal year reached \$204,489,291, an increase of 28.7% over the same period last year.

Draw Games – Multi-state

**Powerball** – Sales through third quarter FY18 totaled \$98,560,296, an increase of 29.8% over the previous year. The highest jackpot reached during the third quarter FY18 was \$570 million in the first week of January.

**Mega Millions** – Sales through third quarter FY18 totaled \$48,973,972, an increase of 50% over the previous year. The highest jackpot reached during the third quarter FY18 was \$521 million at the end of March.

Combined sales for multi-state draw games are 35.9% over the previous year.

Draw Games – In-state

**The Pick™** – Sales through third quarter FY18 totaled \$30,472,380, an increase of 25.4% over the previous year. The highest jackpot reached during the third quarter FY18 was \$1.6 million in early January.

**Fantasy 5™** – Sales through third quarter FY18 totaled \$13,373,501, an increase of 5.8% over the previous year. The highest jackpot reached during the third quarter FY18 was \$256,000 in mid-February.

**Pick 3™** – Sales through third quarter FY18 totaled \$8,781,056, an increase of 5.5% over the previous year. Sales for this game remain consistent with a slight increase year over year.

**5 Card Cash™** – Sales through third quarter FY18 totaled \$2,282,018, a decrease of 21.0% from the previous year.

**All Or Nothing™** – Sales through third quarter FY18 totaled \$2,046,068, a decrease of 6.7% from the previous year.

Combined sales for in-state draw games are 13.1% over the previous year.

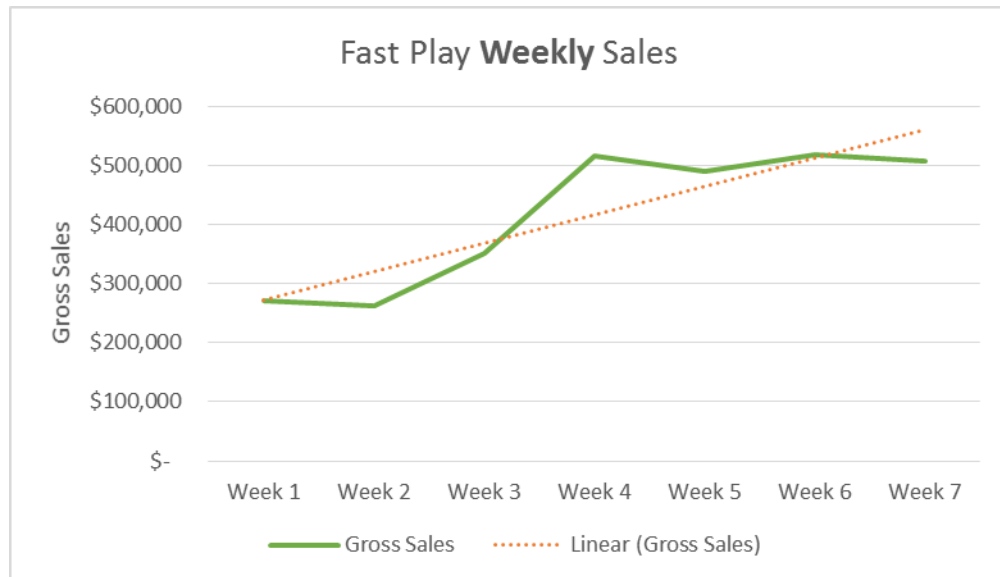
**Fast Play Games**

On February 11, 2018, the Arizona Lottery introduced Fast Play, a new category of games that gives players a chance to win a cash prize instantly, independent of any drawing. These instant-style games can be played through Arizona Lottery terminals or vending machines. The Fast Play portfolio currently includes four games of varying play styles and price points; two of which offer progressive jackpots.

Since the February 11 launch, more than one million Fast Play tickets have been sold, generating nearly \$3 million (\$2,915,430) in total gross sales through March 31. See the snapshot below for a per-game breakdown of Fast Play’s first 49 days in market.

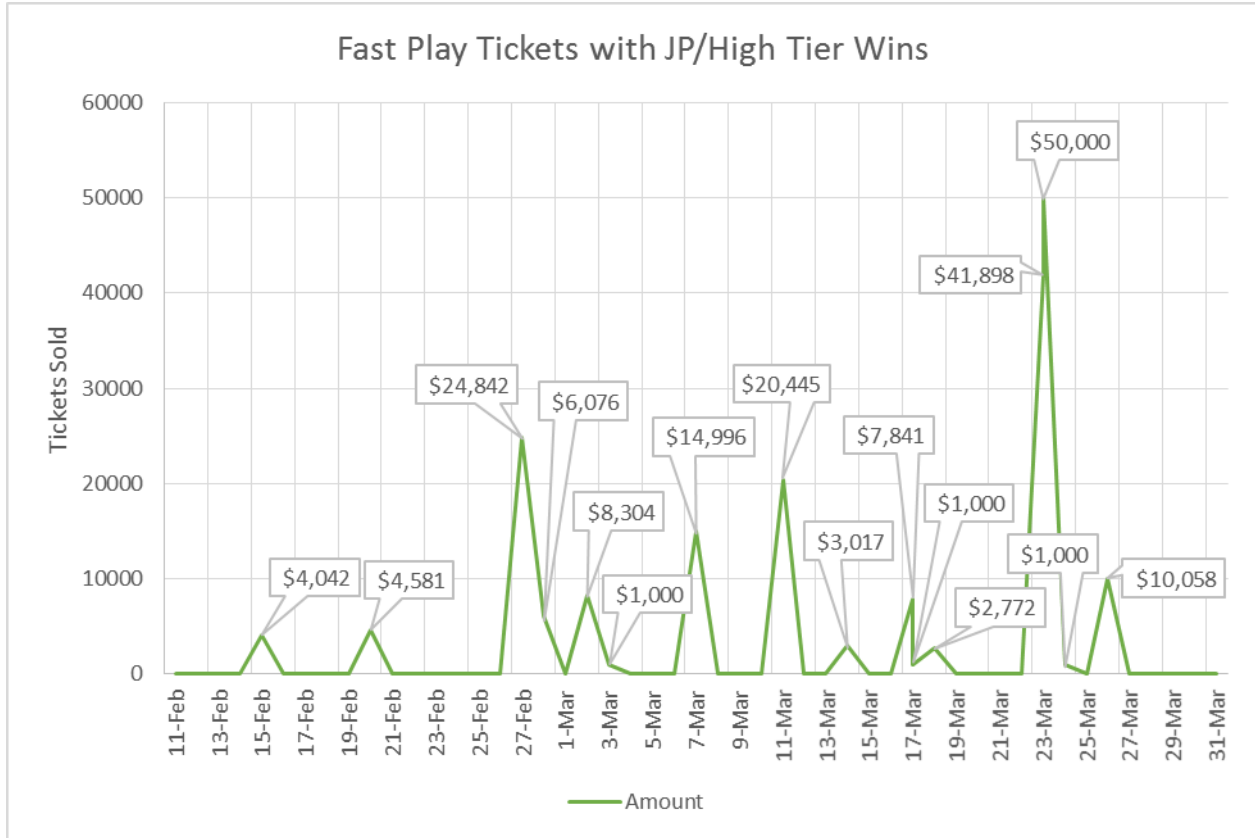
Game	Price	Name	Tickets Sold	Gross Sales
100	\$1.00	PIGGY BANK BUCKS	350,558	\$350,558.00
101	\$2.00	JACKPOT PARTY PROGRESSIVE	299,461	\$598,922.00
102	\$5.00	CRAZY 8S	165,925	\$829,625.00
103	\$5.00	Cherry Twist PROGRESSIVE	227,265	\$1,136,325.00
<b>Grand Total</b>			<b>1,043,209</b>	<b>\$2,915,430.00</b>

The graph below illustrates Fast Play weekly gross sales over the course of its first seven weeks. We saw a significant lift in sales following the marketing campaign launch three weeks in. Sales peaked at more than \$500,000 immediately following the launch of Fast Play games on stand-alone terminals (Geminis), and have remained relatively steady to date.



Since the February 11 launch, 14 Fast Play progressive jackpots have been won, totaling \$189,604 in prizes. A total of \$54,000 in high tier prizes has also been awarded. The Cherry Twist Progressive game has issued the highest jackpot to date, reaching \$41,898 on March 23, 2018. Based on validations, players have earned more than \$915,000 in prizes, supporting one of the games’ benefits of offering more frequent wins.

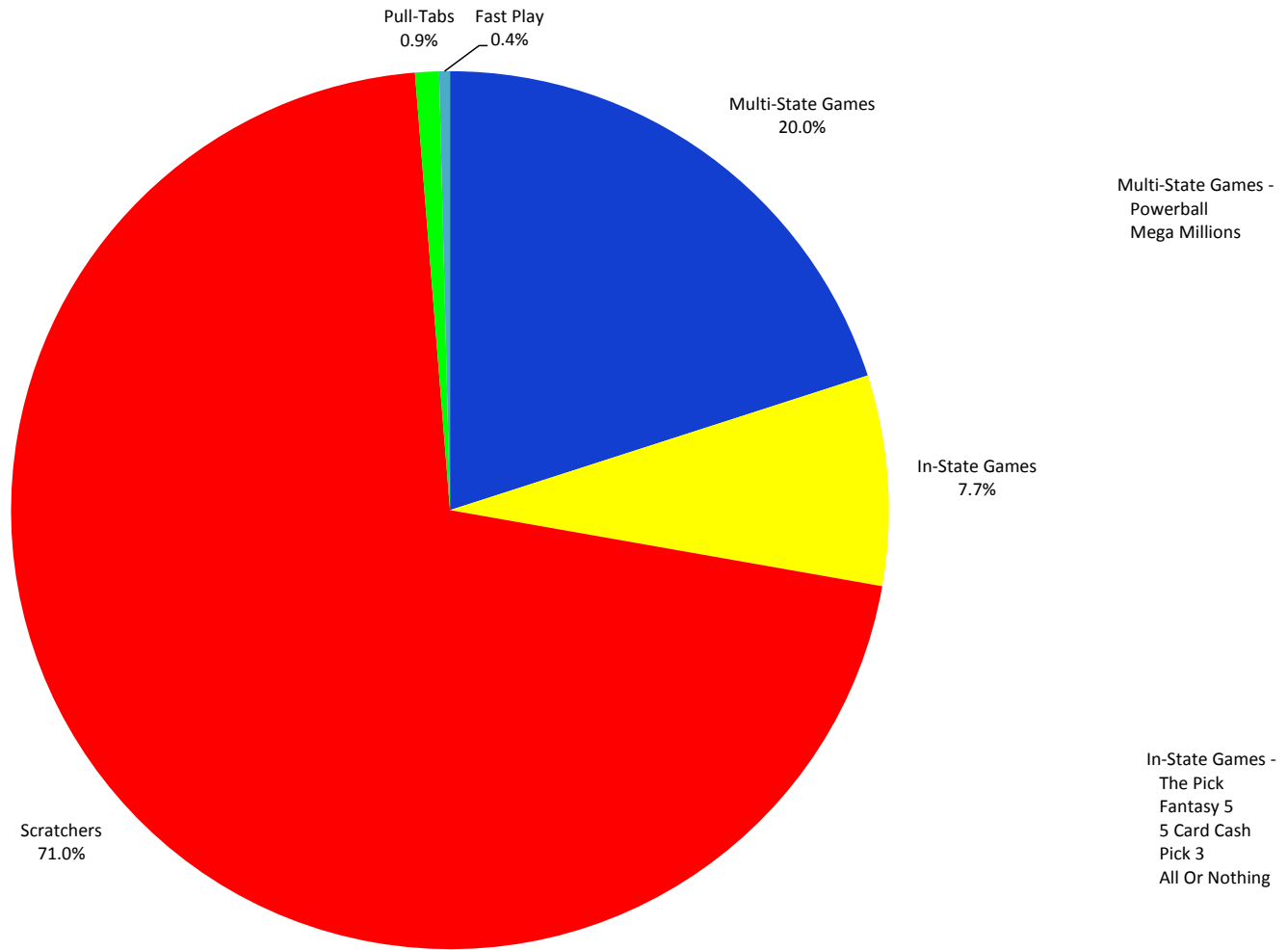
The illustration below charts Fast Play tickets issuing jackpots and/or high tier wins between February 11 and March 31, 2018.



**ARIZONA LOTTERY**  
**QUARTERLY SALES BY PRODUCT**  
*Fiscal Year 2018 - July 2017 through March 2018*

<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>Fast Play</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>	\$7,373,038	\$4,742,504	\$2,979,004	\$1,548,405	\$948,219	\$225,010	\$260,752	\$18,076,932		\$54,102,309	\$503,820	\$114,480	\$54,720,609	\$72,797,541	9.9%
<i>August</i>	\$26,634,663	\$5,699,453	\$4,056,539	\$1,320,770	\$954,599	\$243,364	\$270,110	\$39,179,498		\$54,009,113	\$559,572	\$84,240	\$54,652,925	\$93,832,423	12.7%
<i>September</i>	\$6,127,599	\$2,769,531	\$4,089,551	\$2,304,103	\$935,189	\$226,506	\$249,902	\$16,702,381		\$51,598,544	\$486,792	\$123,120	\$52,208,456	\$68,910,837	9.4%
<b><i>1st Quarter</i></b>	<b>\$40,135,300</b>	<b>\$13,211,488</b>	<b>\$11,125,094</b>	<b>\$5,173,278</b>	<b>\$2,838,007</b>	<b>\$694,880</b>	<b>\$780,764</b>	<b>\$73,958,811</b>		<b>\$159,709,966</b>	<b>\$1,550,184</b>	<b>\$321,840</b>	<b>\$161,581,990</b>	<b>\$235,540,801</b>	<b>32.0%</b>
<i>October</i>	\$6,410,746	\$2,439,254	\$4,567,945	\$1,197,706	\$961,392	\$223,524	\$251,818	\$16,052,385		\$53,063,247	\$592,044	\$123,120	\$53,778,411	\$69,830,796	9.5%
<i>November</i>	\$6,107,524	\$3,396,703	\$4,862,679	\$1,343,292	\$940,307	\$212,962	\$244,116	\$17,107,583		\$53,304,622	\$618,210	\$127,440	\$54,050,272	\$71,157,855	9.7%
<i>December</i>	\$12,203,532	\$6,885,933	\$2,440,299	\$1,459,199	\$998,738	\$226,622	\$258,338	\$24,472,661		\$59,609,493	\$517,980	\$112,320	\$60,239,793	\$84,712,454	11.5%
<b><i>2nd Quarter</i></b>	<b>\$24,721,802</b>	<b>\$12,721,890</b>	<b>\$11,870,923</b>	<b>\$4,000,197</b>	<b>\$2,900,437</b>	<b>\$663,108</b>	<b>\$754,272</b>	<b>\$57,632,629</b>		<b>\$165,977,362</b>	<b>\$1,728,234</b>	<b>\$362,880</b>	<b>\$168,068,476</b>	<b>\$225,701,105</b>	<b>30.7%</b>
<i>January</i>	\$14,026,604	\$7,685,409	\$2,476,865	\$1,355,593	\$1,027,832	\$239,778	\$270,000	\$27,082,081		\$65,912,015	\$703,428	\$167,400	\$66,782,843	\$93,864,924	12.7%
<i>February</i>	\$8,140,383	\$4,438,688	\$2,166,848	\$1,479,400	\$944,909	\$213,130	\$236,380	\$17,619,738	\$703,154	\$62,069,128	\$622,440	\$145,800	\$62,837,368	\$81,160,260	11.0%
<i>March</i>	\$11,536,207	\$10,916,497	\$2,832,650	\$1,365,033	\$1,069,871	\$235,172	\$240,602	\$28,196,032	\$2,212,276	\$68,746,417	\$700,440	\$169,560	\$69,616,417	\$100,024,725	13.6%
<b><i>3rd Quarter</i></b>	<b>\$33,703,194</b>	<b>\$23,040,594</b>	<b>\$7,476,363</b>	<b>\$4,200,026</b>	<b>\$3,042,612</b>	<b>\$688,080</b>	<b>\$746,982</b>	<b>\$72,897,851</b>	<b>\$2,915,430</b>	<b>\$196,727,560</b>	<b>\$2,026,308</b>	<b>\$482,760</b>	<b>\$199,236,628</b>	<b>\$275,049,909</b>	<b>37.4%</b>
<i>April</i>															
<i>May</i>															
<i>June</i>															
<b><i>4th Quarter</i></b>															
<b>2018</b>	<b>\$98,560,296</b>	<b>\$48,973,972</b>	<b>\$30,472,380</b>	<b>\$13,373,501</b>	<b>\$8,781,056</b>	<b>\$2,046,068</b>	<b>\$2,282,018</b>	<b>\$204,489,291</b>	<b>\$2,915,430</b>	<b>\$522,414,888</b>	<b>\$5,304,726</b>	<b>\$1,167,480</b>	<b>\$528,887,094</b>	<b>\$736,291,815</b>	
<i>Mkt Share</i>	13.4%	6.7%	4.1%	1.8%	1.2%	0.3%	0.3%	27.77%	0.40%	70.95%	0.72%	0.16%	71.83%		
<b>2017</b>	<b>\$75,907,470</b>	<b>\$32,638,982</b>	<b>\$24,292,987</b>	<b>\$12,643,582</b>	<b>\$8,322,567</b>	<b>\$2,192,514</b>	<b>\$2,889,934</b>	<b>\$158,888,036</b>		<b>\$455,685,342</b>	<b>\$4,720,974</b>	<b>\$864,510</b>	<b>\$461,270,826</b>	<b>\$620,158,862</b>	
<i>% of Change</i>	29.8%	50.0%	25.4%	5.8%	5.5%	-6.7%	-21.0%	28.7%		14.6%	12.4%	35.0%	14.7%	18.7%	

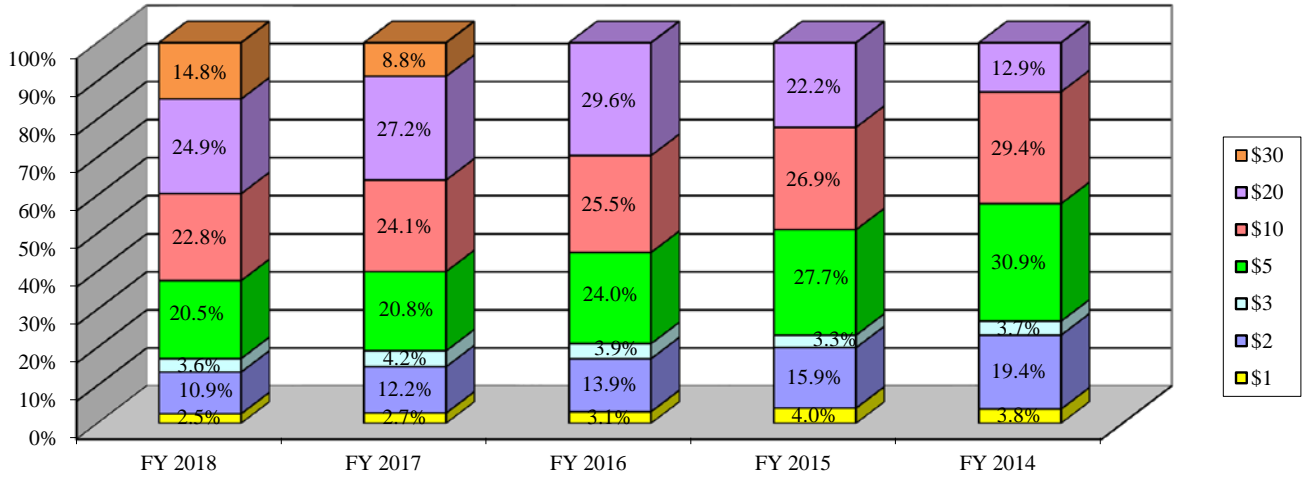
**ARIZONA LOTTERY**  
**QUARTERLY SALES BY PRODUCT**  
*Fiscal Year 2018 - July 2017 through March 2018*





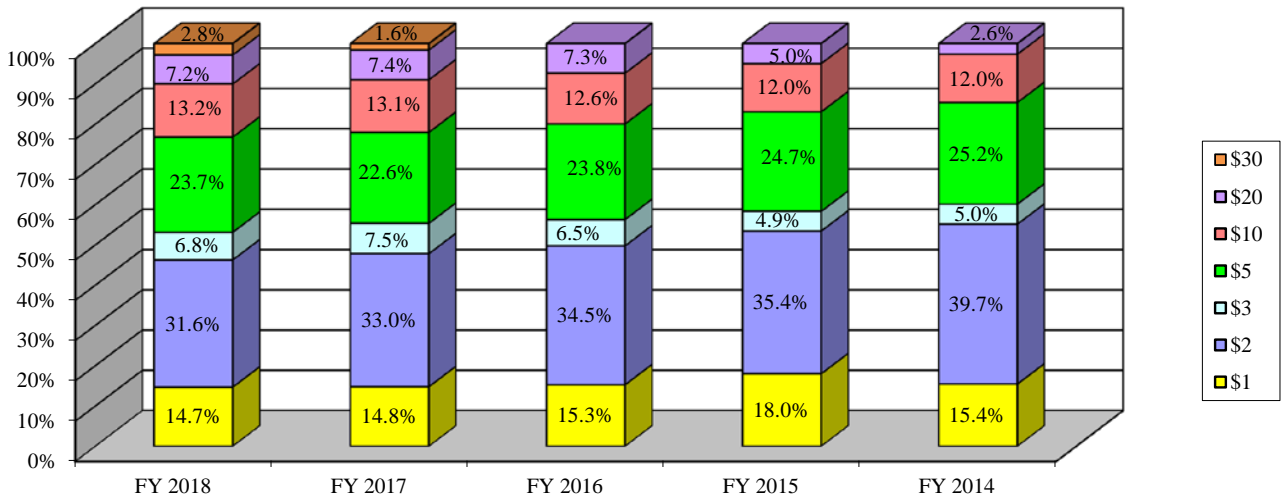
## Arizona Lottery 5-Year Review by Price Point

Based on Dollars Sold



	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
\$1	\$13,267,513	\$17,230,930	\$18,183,806	\$21,852,857	\$20,900,842
\$2	\$57,168,978	\$77,080,640	\$82,257,128	\$86,110,390	\$92,970,362
\$3	\$18,572,907	\$26,348,367	\$23,323,455	\$17,793,777	\$15,624,093
\$5	\$106,981,040	\$131,823,090	\$141,578,675	\$150,203,925	\$153,051,335
\$10	\$119,353,740	\$152,231,750	\$150,398,690	\$145,784,060	\$140,218,320
\$20	\$129,969,300	\$172,393,320	\$174,963,960	\$120,285,280	\$61,130,860
\$30	\$77,101,410	\$55,673,280			
<b>Total</b>	<b>\$522,414,888</b>	<b>\$632,781,377</b>	<b>\$590,705,714</b>	<b>\$542,030,289</b>	<b>\$483,895,812</b>

Based on Tickets Sold



	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
\$1	13,267,513	17,230,930	18,183,806	21,852,857	20,900,842
\$2	28,584,489	38,540,320	41,128,564	43,055,195	46,485,181
\$3	6,190,969	8,782,789	7,774,485	5,931,259	5,208,031
\$5	21,396,208	26,364,618	28,315,735	30,040,785	30,610,267
\$10	11,935,374	15,223,175	15,039,869	14,578,406	14,021,832
\$20	6,498,465	8,619,666	8,748,198	6,014,264	3,056,543
\$30	2,570,047	1,855,776			
<b>Total</b>	<b>90,443,065</b>	<b>116,617,274</b>	<b>119,190,657</b>	<b>121,472,766</b>	<b>120,282,696</b>

# Interoffice Memorandum

**Date:** April 9, 2018  
**To:** Gregg Edgar, Executive Director  
**From:** Raynie Hosto, Deputy Director Customer Service and Sales  
**Subject:** FY 2018 – Third Quarter Sales Review

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## **Vending Machine Sales**

Total vending sales through the third quarter of FY18 were \$208,709,195 an increase of \$38.7 million or 22.8% compared to the same period of FY17. Draw game sales through the vending machines represent 7.0% of total sales while Scratchers accounted for 37.2% of total sales. While Scratchers sales remained consistent with the same period in the previous fiscal year, draw game sales through the vending machines increased from \$2,664,653 or 2.5% of total sales in FY17 to \$14,434,542 or 7.0% in total sales in FY18. This increase can be attributed in part to the successful launch of Fast Play games, the consistent availability of draw games at the vending machines since the draw game conversion and a slight increase in the number of machines at retail.

Out-of-stocks in vending machines declined to 3.99% compared to 4.17% in FY17.

## **Corporate Account Review**

- Major retail chains represent 56.6% of all lottery accounts. Convenience stores represent 43.2% of total accounts while chain food stores represent 13.4%. These numbers remain consistent with the prior fiscal year.
- Major retail chains comprise 76.1% of the total market share at the Lottery with convenience stores and food stores accounting for 50.4% and 25.7% respectively. These results remain consistent from the previous fiscal year.
- Fry's food stores continue to lead with the highest per store average of \$702,879. QuikTrip, Safeway, and Albertsons follow with per store average sales of \$595,356, \$480,278 and \$435,333 respectively.
- The per store average sales for all retail stores increased over 18% from \$208,330 in FY17 to \$246,145 in FY18.
- Commission earned by retailers increased over 18% from \$39,947,270 in FY17 to \$47,438,275 in FY18.

## **Business Classification Review (Charts G and H)**

Collectively, chain and independent convenience stores account for 72.5% of total Lottery accounts and 68.1% of the market share in sales. Chain and independent grocery stores account for 15.7% of total Lottery accounts and 26.9% total sales. These figures remain consistent with the previous fiscal year.

### **County Review (Charts I and J)**

- The overall estimated per capita weekly sales through the third quarter of FY18 were \$2.74, which represents a roughly 11% increase from the same period in FY17 when the per capita was \$2.47.
- Maricopa and Pima counties held a market share of 76.0% of total sales. The remaining counties represent 24.0% of sales. These figures remain consistent with the previous fiscal year.
- La Paz County posted the highest weekly per capita sales at \$4.84, an impressive increase from the per capita sales of \$3.98 posted in FY 17. Mohave and Greenlee counties follow La Paz closely at \$4.66 and \$4.26 respectively.
- All counties posted an increase in estimated per caps compared to the previous fiscal year.

<i>Arizona Lottery Gemini</i>							
<i>FY 2018</i>							
	<i># of Units (Qtly Avg)</i>	<i>Per Unit Game Capacity</i>	<i>Instant Sales</i>	<i>Draw Sales</i>	<i>Total Sales</i>	<i>Per Unit Average</i>	<i>Average Out-of-Stock Percentage</i>
<i>1st Quarter Total % of Lottery Sales</i>	867		\$ 59,471,496	\$ 4,725,942	\$ 64,197,438	\$ 74,045.49	3.67%
			37.2%	6.4%	27.5%		
<i>Gemini 2nd Quarter Total % of Lottery Sales</i>	872	24	\$ 63,620,699	\$ 3,992,829	\$ 67,613,528	\$ 77,538.45	3.71%
			38.3%	6.9%	30.2%		
<i>Gemini 3rd Quarter Total % of Lottery Sales</i>	889	24	\$ 71,182,458	\$ 5,715,771	\$ 76,898,229	\$ 86,499.70	3.99%
			36.2%	7.5%	28.2%		
<i>Gemini 4th Quarter Total % of Lottery Sales</i>		24	\$ -	\$ -	\$ -	#DIV/0!	
			#DIV/0!	#DIV/0!	#DIV/0!		
<i>Total Gemini Total Fiscal Year % of Total Sales</i>			\$ 194,274,653	\$ 14,434,542	\$ 208,709,195		
			\$ 194,274,653	\$ 14,434,542	\$ 208,709,195		
			37.2%	7.0%	28.6%		

Chart E

**ARIZONA LOTTERY**  
**CORPORATE ACCOUNT REVIEW**  
 Fiscal Year 2018  
 July 2017 through March 2018

	<i>Total Draw Games</i>						<i>Scratchers</i>			<i>All Products Combined</i>			<i>Commission</i>
	<i># of Accts</i>	<i>% of Accts</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>	<i>Earned To Date</i>	
<i>4 Sons</i>	9290/9814	21	0.7%	\$2,393,503	1.2%	\$113,976	\$4,631,083	0.9%	\$220,527.76	\$7,024,586	1.0%	\$334,504	\$456,598
<i>7-Eleven</i>	8706	63	2.1%	\$3,345,832	1.6%	\$53,108	\$11,820,251	2.3%	\$187,623	\$15,166,083	2.1%	\$240,731	\$985,795
<i>Carioca</i>	8821	35	1.2%	\$1,738,129	0.8%	\$49,661	\$4,105,035	0.8%	\$117,287	\$5,843,164	0.8%	\$166,948	\$379,806
<i>Circle K</i>	8037	583	19.7%	\$45,096,753	21.7%	\$77,353	\$134,410,228	25.7%	\$230,549	\$179,506,981	24.6%	\$307,902	\$11,667,954
<i>Cobblestone</i>		12	0.4%	\$777,121	0.4%	\$64,760	\$1,326,851	0.3%	\$110,571	\$2,103,972	0.3%	\$175,331	\$136,758
<i>CST Brands</i>	9662	63	2.1%	\$4,775,765	2.3%	\$75,805.79	\$12,096,065	2.3%	\$192,001	\$16,871,830	2.3%	\$267,807	\$1,096,669
<i>Quik-Way Retail</i>	8028	24	0.8%	\$1,783,999	0.9%	\$74,333.29	\$4,836,614	0.9%	\$201,526	\$6,620,613	0.9%	\$275,859	\$430,340
<i>Giant</i>	8243	87	2.9%	\$4,594,092	2.2%	\$52,806	\$13,440,238	2.6%	\$154,485	\$18,034,330	2.5%	\$207,291	\$1,172,231
<i>Jackson's Food Stores</i>	8021	12	0.4%	\$1,442,447	0.7%	\$120,204	\$2,225,197	0.4%	\$185,433	\$3,667,644	0.5%	\$305,637	\$238,397
<i>Loves</i>	9800	12	0.4%	\$624,133	0.3%	\$52,011	\$1,348,955	0.3%	\$112,412.92	\$1,973,088	0.3%	\$164,424	\$128,251
<i>Maverik</i>	9905	21	0.7%	\$1,937,324	0.9%	\$92,254	\$3,937,268	0.8%	\$187,489	\$5,874,592	0.8%	\$279,742	\$381,848
<i>Pilot Travel Centers</i>	9926	12	0.4%	\$611,235	0.3%	\$50,936	\$1,619,349	0.3%	\$134,946	\$2,230,584	0.3%	\$185,882	\$144,988
<i>Quik Mart</i>	8375	25	0.8%	\$1,531,443	0.7%	\$61,258	\$4,217,692	0.8%	\$168,708	\$5,749,135	0.8%	\$229,965	\$373,694
<i>QuikTrip</i>	9849	112	3.8%	\$17,686,151	8.5%	\$157,912.06	\$48,993,745	9.4%	\$437,444	\$66,679,896	9.1%	\$595,356	\$4,334,193
<i>Shay's</i>	8938	20	0.7%	\$1,191,462	0.6%	\$59,573	\$3,367,131	0.6%	\$168,357	\$4,558,593	0.6%	\$227,930	\$296,309
<i>Superpumper</i>	8025	13	0.4%	\$1,532,115	0.7%	\$117,855	\$3,135,525	0.6%	\$241,194	\$4,667,640	0.6%	\$359,049	\$303,397
<i>Terribles</i>	8004	8	0.3%	\$347,960	0.2%	\$43,495.00	\$929,975	0.2%	\$116,247	\$1,277,935	0.2%	\$159,742	\$83,066
<i>Woody's</i>	8607	16	0.5%	\$504,775	0.2%	\$31,548	\$1,314,895	0.3%	\$82,181	\$1,819,670	0.2%	\$113,729	\$118,279
<i>Good 2 Go</i>	8024	17	0.6%	\$710,308	0.3%	\$41,783	\$1,742,067	0.3%	\$102,475	\$2,452,375	0.3%	\$144,257	\$159,404
<i>Safeway Gas</i>	8128	31	1.0%	\$1,485,466	0.7%	\$47,918.26	\$3,304,145	0.6%	\$106,585	\$4,789,611	0.7%	\$154,504	\$311,325
<i>Fry's Gas</i>	8052	94	3.2%	\$2,857,457	1.4%	\$30,398	\$8,130,536	0.6%	\$35,150	\$10,987,993	1.5%	\$116,894	\$714,220
<b><i>Convenience Total</i></b>		<b>1281</b>	<b>43.2%</b>	<b>\$96,967,470</b>	<b>46.8%</b>	<b>\$75,697</b>	<b>\$270,932,845</b>	<b>51.9%</b>	<b>\$211,501</b>	<b>\$367,900,315</b>	<b>50.4%</b>	<b>\$287,198</b>	<b>\$23,913,520</b>
<i>Albertson's</i>	8027	34	1.1%	\$5,333,792	2.6%	\$156,876.24	\$9,467,534	1.8%	\$278,457	\$14,801,326	2.0%	\$435,333	\$962,086
<i>Bashas'</i>	8011	48	1.6%	\$6,488,012	3.1%	\$135,167	\$11,809,065	2.3%	\$246,022	\$18,297,077	2.5%	\$381,189	\$1,189,310
<i>Bashas' Food City</i>		46	1.6%	\$861,899	0.4%	\$18,737	\$5,986,901	1.1%	\$130,150.02	\$6,848,800	0.9%	\$148,887	\$445,172
<i>Fry's</i>	8052	124	4.2%	\$30,435,969	14.7%	\$245,451	\$56,720,994	10.9%	\$457,427	\$87,156,963	11.9%	\$702,879	\$5,665,203
<i>Los Altos Ranch Market</i>	8026	7	0.2%	\$166,174	0.1%	\$23,739	\$1,450,986	0.3%	\$207,284	\$1,617,160	0.2%	\$231,023	\$105,115
<i>Safeway</i>	8128	108	3.6%	\$19,317,989	9.3%	\$178,870	\$32,552,036	6.2%	\$301,408	\$51,870,025	7.1%	\$480,278	\$3,371,552
<i>Walmart</i>	8022	30	1.0%	\$1,722,138	0.8%	\$57,405	\$5,453,021	1.0%	\$181,767	\$7,175,159	1.0%	\$239,172	\$466,385
<b><i>Food Store Total</i></b>		<b>397</b>	<b>13.4%</b>	<b>\$64,325,973</b>	<b>31.0%</b>	<b>\$162,030</b>	<b>\$123,440,537</b>	<b>23.6%</b>	<b>\$310,933</b>	<b>\$187,766,510</b>	<b>25.7%</b>	<b>\$472,964</b>	<b>\$12,204,823</b>
<b><i>Major Chains</i></b>		<b>1678</b>	<b>56.6%</b>	<b>\$161,293,443</b>	<b>77.8%</b>	<b>\$96,122</b>	<b>\$394,373,382</b>	<b>75.5%</b>	<b>\$235,026</b>	<b>\$555,666,825</b>	<b>76.1%</b>	<b>\$331,148</b>	<b>\$36,118,344</b>
<b><i>All Stores</i></b>		<b>2965</b>		<b>\$207,404,721</b>		<b>\$69,951</b>	<b>\$522,414,888</b>		<b>\$176,194</b>	<b>\$729,819,609</b>		<b>\$246,145</b>	<b>\$47,438,275</b>

Do not print below:

**ARIZONA LOTTERY**  
**BUSINESS CODE REVIEW**  
*Fiscal Year 2018*  
*July 2017 through March 2018*

<i>Business Classification</i>	<i>Business Code</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	01	3	0.1%	\$97,575	0.0%	\$32,525	\$116,534	0.0%	\$38,845	\$214,109	0.0%	\$71,370	\$13,917
Smoke/Gift Shops - Newstands	02	83	2.8%	\$1,315,037	0.6%	\$15,844	\$5,044,327	1.0%	\$60,775	\$6,359,364	0.9%	\$76,619	\$413,359
Chain Supermarkets	03	411	13.9%	\$65,080,627	31.4%	\$158,347	\$124,815,210	23.9%	\$303,687	\$189,895,837	26.0%	\$462,034	\$12,343,229
Independent Supermarkets	04	54	1.8%	\$1,666,527	0.8%	\$30,862	\$4,953,138	0.9%	\$91,725	\$6,619,665	0.9%	\$122,586	\$430,278
Chain Convenience Stores	05	1128	38.0%	\$91,046,196	43.9%	\$80,715	\$255,993,646	49.0%	\$226,945	\$347,039,842	47.6%	\$307,659	\$22,557,590
Independent Convenience	06	868	29.3%	\$33,578,669	16.2%	\$38,685	\$96,044,221	18.4%	\$110,650	\$129,622,890	17.8%	\$149,335	\$8,425,488
Liquor Stores	07	96	3.2%	\$1,375,201	0.7%	\$14,325	\$7,315,359	1.4%	\$76,202	\$8,690,560	1.2%	\$90,527	\$564,886
Drug Stores	08	3	0.1%	\$18,453	0.0%	\$6,151	\$49,168	0.0%	\$16,389	\$67,621	0.0%	\$22,540	\$4,395
Auto/Gas Stations	09	153	5.2%	\$5,526,748	2.7%	\$36,123	\$14,679,890	2.8%	\$95,947	\$20,206,638	2.8%	\$132,070	\$1,313,431
Truck Service Centers	10	42	1.4%	\$2,124,035	1.0%	\$50,572	\$4,828,137	0.9%	\$114,956	\$6,952,172	1.0%	\$165,528	\$451,891
Bars/Restaurants	11	44	1.5%	\$2,151,703	1.0%	\$48,902	\$3,202,027	0.6%	\$72,773	\$5,353,730	0.7%	\$121,676	\$347,992
Spec Non-Grocery	12	63	2.1%	\$2,334,530	1.1%	\$37,056	\$3,079,572	0.6%	\$48,882	\$5,414,102	0.7%	\$85,938	\$351,917
Check Cashing Centers	13	0	0.0%	\$0	0.0%	#DIV/0!	\$0	0.0%	#DIV/0!	\$0	0.0%	#DIV/0!	\$0
Bowling Centers	14	4	0.1%	\$46,523	0.0%	\$11,631	\$225,060	0.0%	\$56,265	\$271,583	0.0%	\$67,896	\$17,653
Mass Merchandise	16	7	0.2%	\$39,299	0.0%	\$5,614	\$181,253	0.0%	\$25,893	\$220,552	0.0%	\$31,507	\$14,336
In-House & Promotional	99	6	0.2%	\$1,003,598	0.5%	\$167,266	\$1,887,346	0.4%	\$314,558	\$2,890,944	0.4%	\$481,824	\$187,911
<b>Total</b>		<b>2965</b>	<b>100%</b>	<b>\$207,404,721</b>	<b>100%</b>	<b>\$69,951</b>	<b>\$522,414,888</b>	<b>100%</b>	<b>\$176,194</b>	<b>\$729,819,609</b>	<b>100%</b>	<b>\$246,145</b>	<b>\$47,438,275</b>

Summary Recap

Chain/Indpt Supermarkets	465	15.7%	\$66,747,154	32.2%	\$143,542	\$129,768,348	24.8%	\$279,072	\$196,515,502	26.9%	\$422,614	\$12,773,508
Total Convenience Stores*	2,149	72.5%	\$130,151,613	62.8%	\$60,564	\$366,717,757	70.2%	\$170,646	\$496,869,370	68.1%	\$231,210	\$32,296,509
Other Classifications	351	11.8%	\$10,505,954	5.1%	\$29,931	\$25,928,783	5.0%	\$73,871	\$36,434,737	5.0%	\$103,803	\$2,368,258
<b>Total All Classifications</b>	<b>2,965</b>	<b>100%</b>	<b>\$207,404,721</b>	<b>100%</b>	<b>\$69,951</b>	<b>\$522,414,888</b>	<b>100%</b>	<b>\$176,194</b>	<b>\$729,819,609</b>	<b>100%</b>	<b>\$246,145</b>	<b>\$47,438,275</b>

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

**ARIZONA LOTTERY**  
**BUSINESS CODE REVIEW**  
**Fiscal Year 2018**  
**July 2017 through March 2018**

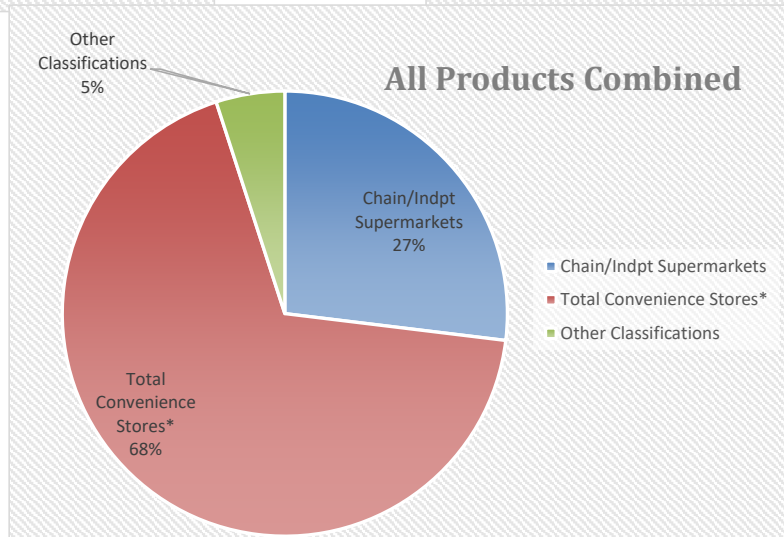
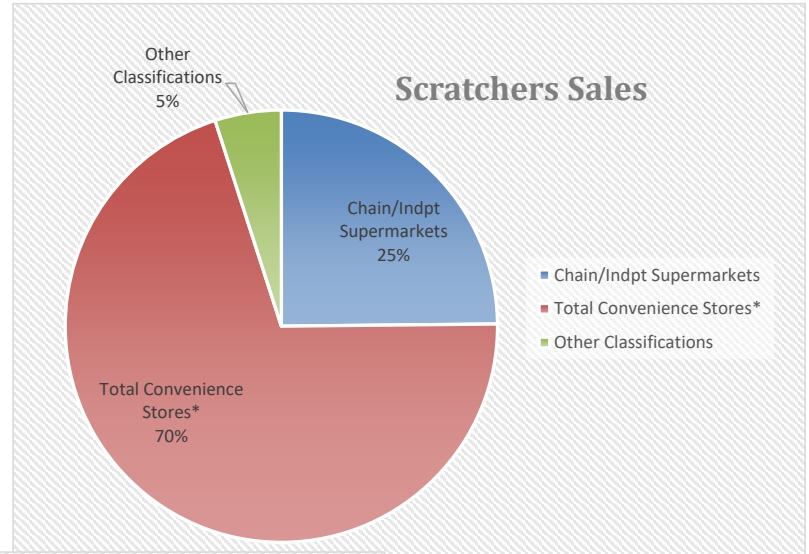
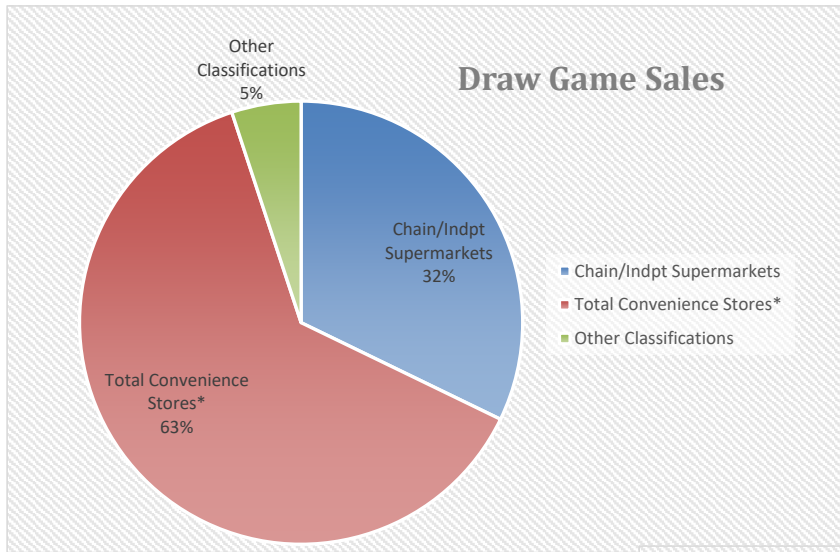


Chart H

**ARIZONA LOTTERY**  
**COUNTY SALES REVIEW**  
**Fiscal Year 2018**  
**July 2017 through March 2018**

County	Code	# of Accts	% of Accts	Total Draw Games			Scratchers			All Products Combined			x Estimate Population	Estimated Per Capita Wkly Sales
				Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average		
Apache	1	12	0.4%	\$339,689	0.2%	\$28,307	\$954,469	0.2%	\$79,539	\$1,294,158	0.2%	\$107,847	72,131	\$0.46
Cochise	2	77	2.6%	\$3,864,202	1.9%	\$50,184	\$13,168,607	2.5%	\$171,021	\$17,032,809	2.3%	\$221,205	128,343	\$3.40
Coconino	3	100	3.4%	\$4,063,898	2.0%	\$40,639	\$10,111,543	1.9%	\$101,115	\$14,175,441	1.9%	\$141,754	142,560	\$2.55
Gila	4	41	1.4%	\$1,653,230	0.8%	\$40,323	\$5,277,996	1.0%	\$128,732	\$6,931,226	0.9%	\$169,054	54,333	\$3.27
Graham	5	19	0.6%	\$618,444	0.3%	\$32,550	\$3,511,544	0.7%	\$184,818	\$4,129,988	0.6%	\$217,368	38,303	\$2.76
Greenlee	6	7	0.2%	\$245,173	0.1%	\$35,025	\$1,486,380	0.3%	\$212,340	\$1,731,553	0.2%	\$247,365	10,433	\$4.26
La Paz	15	33	1.1%	\$1,184,534	0.6%	\$35,895	\$2,829,237	0.5%	\$85,734	\$4,013,771	0.5%	\$121,629	21,247	\$4.84
Maricopa	7	1683	56.8%	\$128,600,042	62.0%	\$76,411	\$335,681,307	64.3%	\$199,454.13	\$464,281,349	63.6%	\$275,865	4,137,076	\$2.88
Mohave	8	143	4.8%	\$16,757,522	8.1%	\$117,185	\$20,598,397	3.9%	\$144,045	\$37,355,919	5.1%	\$261,230	205,764	\$4.66
Navajo	9	53	1.8%	\$2,169,762	1.0%	\$40,939	\$6,558,981	1.3%	\$123,754	\$8,728,743	1.2%	\$164,693	110,413	\$2.03
Pima	10	411	13.9%	\$25,551,037	12.3%	\$62,168	\$64,756,310	12.4%	\$157,558	\$90,307,347	12.4%	\$219,726	1,013,103	\$2.29
Pinal	11	141	4.8%	\$9,498,805	4.6%	\$67,367	\$26,540,077	5.1%	\$188,227	\$36,038,882	4.9%	\$255,595	413,312	\$2.24
Santa Cruz	12	20	0.7%	\$1,566,104	0.8%	\$78,305	\$2,638,546	0.5%	\$131,927	\$4,204,650	0.6%	\$210,233	50,581	\$2.13
Yavapai	13	119	4.0%	\$7,222,930	3.5%	\$60,697	\$17,101,137	3.3%	\$143,707	\$24,324,067	3.3%	\$204,404	220,189	\$2.83
Yuma	14	106	3.6%	\$4,069,349	2.0%	\$38,390	\$11,200,357	2.1%	\$105,664	\$15,269,706	2.1%	\$144,054	217,730	\$1.80
<b>Total</b>		<b>2965</b>	<b>100%</b>	<b>\$207,404,721</b>	<b>100%</b>	<b>\$69,951</b>	<b>\$522,414,888</b>	<b>100%</b>	<b>\$176,194</b>	<b>\$729,819,609</b>	<b>100%</b>	<b>\$246,145</b>	<b>6,835,518</b>	<b>\$2.74</b>

Summary Recap

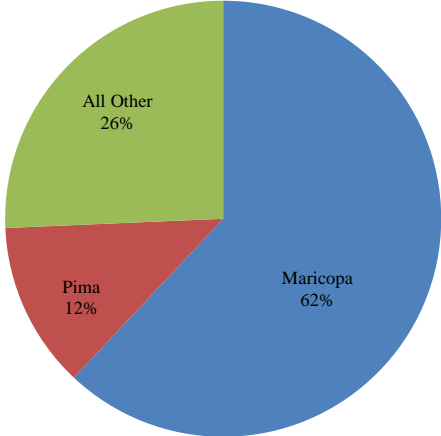
Maricopa and Pima Counties	2094	70.6%	\$154,151,079	74.3%	\$73,616	\$400,437,617	76.7%	\$191,231	\$554,588,696	76.0%	\$264,847	\$5,150,179	\$4.14
All Other Counties	871	29.4%	\$53,253,642	25.7%	\$61,141	\$121,977,271	23.3%	\$140,043	\$175,230,913	24.0%	\$201,184	\$1,685,339	\$4.00



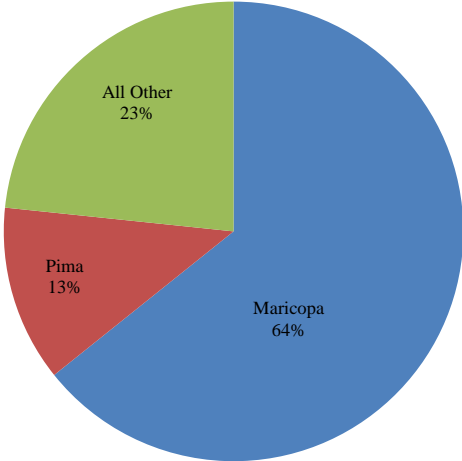
**ARIZONA LOTTERY  
COUNTY SALES REVIEW**

*Fiscal Year 2018  
July 2017 through March 2018*

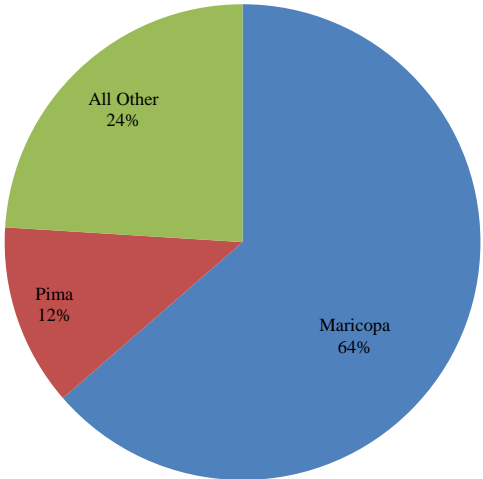
**Draw Game Sales**



**Scratchers Sales**



**All Products Combined**



**New Business Item #1**  
Instant Scratch Game Profiles  
Report to Arizona Lottery Commission  
April 20, 2018

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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: *Casino Gold* #1164, *Lucky Deal* #1168 and *Bingo* #1170.

**Casino Gold #1164.** This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 2.1 million tickets.

**Lucky Deal #1168.** This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.9 million tickets.

**Bingo #1170.** This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 5.6 million tickets.

Attachments (Commissioners only)

**New Business Item #2**  
Promotion Profiles  
Report to Arizona Lottery Commission  
April 20, 2018

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This report has been provided to the Lottery Commission regarding Promotion Profiles for Arizona Lottery promotions. The Commission is requested to approve these Promotion Profiles.

**NEW PROMOTION PROFILE**

Attached for the Lottery Commission's action is new Promotion Profile: *BILLION DOLLAR CHALLENGE™ 2<sup>nd</sup> Chance Promotion #87*.

**BILLION DOLLAR CHALLENGE™ 2<sup>nd</sup> Chance Promotion #87**

Starting June 5, 2018, players may enter non-winning tickets from instant ticket game #1152 WILLY WONKA GOLDEN TICKET™ for a chance to win a 4-day/3-night trip to Las Vegas, Nevada, \$1,000 in spending money, and a chance to play the BILLION DOLLAR CHALLENGE™. In the BILLION DOLLAR CHALLENGE™, winners will have a chance to win from \$1,000 to \$1,000,000,000.

**AMENDED PROMOTION PROFILES**

Attached for the Lottery Commission's action are amended Promotion Profiles: *Cash Adventure 2<sup>nd</sup> Chance Promotion #83* and *Million Dollar Giveaway 2<sup>nd</sup> Chance Promotion #86*.

**Cash Adventure 2<sup>nd</sup> Chance Promotion #83**

The profile was revised to include the option of drawing additional alternates.

**Million Dollar Giveaway 2<sup>nd</sup> Chance Promotion #86**

The profile was revised to include additional eligibility requirements and the option of drawing additional alternates. A Procedure for Claiming Prizes and the Claim Period section was also added.

Attachments (Commissioners only)

**New Business Item #3**  
Fast Play Game Profiles  
Report to Arizona Lottery Commission  
April 20, 2018

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This report has been provided to the Lottery Commission regarding Fast Play game profiles planned for Arizona Lottery Fast Play games. The Commission is requested to approve the two attached game profiles. After Commission approval, staff will commence with plans for game development, launch and subsequent sales of the games listed below.

**NEW GAME PROFILES**

Attached for the Lottery Commission's action are the following Fast Play game profiles: *Comic Cash #106* and *Treasure Chase #107*.

**Comic Cash #106.** This \$1 Fast Play game includes a progressive jackpot starting at \$1,000. A total of six play symbols are generated and used to identify whether a particular ticket is a winner of one or more instant prizes. A player may win up to five times on a single ticket. When the progressive jackpot is won, the jackpot for the next ticket is reset to \$1,000 and resumes increasing under the same rule.

**Treasure Chase #107.** This \$2 Fast Play game has a top prize of \$10,000. A total of 24 play symbols are generated and used to identify whether a particular ticket is a winner of an instant prize. A player may match up to 12 coins on a single ticket.

Attachments (Commissioners only)

**New Business Item #4**  
Instant Tab Game Profiles  
Report to Arizona Lottery Commission  
April 20, 2018

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

**NEW GAME PROFILES**

Attached for the Lottery Commission's action are new Instant Tab Game Profiles: *Forever Free #091, Fight For The Flag #092, American Heroes #093, Liberty Bucks #094, Defending Freedom #095, Show Your Pride #096, American Forever #097, Tee Off #098, Got Luck? #099, Deuces Wild #100, Burn'n Cherries #101, Crazy Aces #102, Bars & 7's #103, and Moolah Baby #104.*

**Forever Free #091.** This 25¢ game has a top prize of \$50 and will be printed at a quantity of approximately 502,320 tickets.

**Fight For The Flag #092.** This 25¢ game has a top prize of \$75 and will be printed at a quantity of approximately 502,320 tickets.

**American Heroes #093.** This 50¢ game has a top prize of \$125 and will be printed at a quantity of approximately 289,800 tickets.

**Liberty Bucks #094.** This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 504,000 tickets.

**Defending Freedom #095.** This \$1.00 game has a top prize of \$200 and will be printed at a quantity of approximately 289,800 tickets.

**Show Your Pride #096.** This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 504,000 tickets.

**American Forever #097.** This \$2.00 game has a top prize of \$400 and will be printed at a quantity of approximately 289,800 tickets.

**Tee Off #098.** This 25¢ game has a top prize of \$60 and will be printed at a quantity of approximately 502,320 tickets.

**Got Luck? #099.** This 25¢ game has a top prize of \$75 and will be printed at a quantity of approximately 502,320 tickets.

**Deuces Wild #100.** This 50¢ game has a top prize of \$175 and will be printed at a quantity of approximately 289,800 tickets.

**Burn'n Cherries #101.** This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 504,000 tickets.

**Crazy Aces #102.** This \$1.00 game has a top prize of \$225 and will be printed at a quantity of approximately 289,800 tickets.

**Bars & 7's #103.** This \$1.00 game has a top prize of \$250 and will be printed at a quantity of approximately 504,000 tickets.

**Moolah Baby #104.** This \$2.00 game has a top prize of \$500 and will be printed at a quantity of approximately 289,800 tickets.

Attachments (Commissioners only)