



August 21, 2020
COMMISSION
REPORT

Table of Contents

Notice of Telephonic Public Meeting and Executive Session 3

Commission Minutes of June 19, 2020, Meeting..... 5

Agency Reports 10

 Retailer of the Year 10

 State Service Recognition Awards 10

 Director’s Presentation 10

 Financial Report Presentation 10

 Marketing Presentation..... 10

 New Games Introduction – No Presentation 10

 4th Quarter Product & Sales Review – No Presentation..... 10

New Business Item #1 13

 Vote for Commission Chair and Vice-Chair 13

New Business Item #2 14

 New Instant Scratch Game Profiles..... 14

New Business Item #3 16

 Holiday Bonus Second Chance Promotion Profile #105 16

New Business Item #4 17

 Instant Tab Game Profiles..... 17

**NOTICE OF TELEPHONIC 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 telephonic ONLY meeting on **August 21, 2020, at 10:00 a.m.** The public is welcomed to join the meeting via telephone or internet through **Google Hangouts Meet**. The following are instructions on joining the meeting via the Google Hangouts Meet:

Join the meeting online by entering the following link into your URL

meet.google.com/ktj-xvyr-yve

OR

Join the meeting US Toll Free by phone at 620-712-2349 when prompted enter Access Code 507 270 781 **followed by the pound key (#)**

If you are having problems with connecting, please contact 480-921-4493.

Pursuant to A.R.S. § 38-431.02(B), further 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. The Commission may also vote on any item listed on the agenda. All members of the Commission will be participating by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for June 19, 2020, Public Meeting

Agency Reports

1. Retailer of the Year
2. State Service Recognition Awards
3. Director's Presentation
4. Financial Report Presentation
5. Marketing Presentation
6. New Games Introduction – No Presentation
7. 4th Quarter Product & Sales Review – No Presentation

New Business

1. Election of Commission Chair and Vice Chair.

2. Discussion and possible action on new instant scratch game profiles: *Mystery Key Crossword* #1296, *Twisted* #1297, *Win Big* #1299, *Ultimate Millions* #1300, *Triple Bonus Crossword* #1301, *\$40 Million Mega Bucks* #1302, *Double Your Money* #1303, *\$50 Loaded* #1304, *\$100 Loaded* #1305, *\$500 Loaded* #1306, *\$1,000 Loaded* #1307, *Money Maker* #1308, and *Bingo Blockbuster* #1310.
3. Discussion and possible action on second chance promotion profile: *Holiday Bonus 2nd Chance Promotion* #105.
4. Discussion and action on new instant tab game profiles: *Bet Your Bucks* #1048, and *What's on Tap* #1049.

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

1. The next Commission meeting will be held September 18, 2020, 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 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 13th day of August, 2020

Gregory R. Edgar
Executive Director

Persons with a disability may request a reasonable accommodation 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 of June 19, 2020, Meeting

Telephonic Meeting

- PRESIDING** Chair Jeff Weintraub (Teleconference)
- COMMISSIONERS** Chad Wilson (Teleconference), Debra Roth (Teleconference), Julie Katsel (Teleconference), and Trent Crump (Teleconference)
- LOTTERY** Gregg Edgar, Executive Director; Chris Rogers, Deputy Director of Products & Marketing; Sherri Zendri Deputy, Director of Legal Services, Russ Harben, Deputy Director of Operations
- Kimberly Siddall, Luanne Mansanares, Ivy Gilio, Shelby Alessi, Mary Cimaglio, Susan Kalember, Holly Gordon, Karla Henriksen, Serena Arlotta, and Lynda Sellers
- GUESTS** Attorney General Representative: Pamela (Linnins) Peiser
Scientific Games Representatives: Julio Dieppa, and Rachelle Shackelford
Pollard Banknote Limited Representatives: Wes Brown and Brad Thompson
Owens Harkey Representatives: Chelsea Smeland, Ken Phox and Noelle Hobaica
- PUBLIC** (user name) Phoenix Sun - no response when asked to identify themselves

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated May 14, 2020, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:03 a.m. by Chair Jeff Weintraub.

A quorum was present, with Chair Weintraub, Vice Chair Wilson, Commissioner Roth, Commissioner Katsel, and Commissioner Crump appearing via teleconference.

2. **Notice:** Notice was posted by Kimberly Siddall on June 15, 2020, at 12:05 p.m., at the Arizona State Lottery, located at 4740 E. University Dr., Phoenix, Arizona.
3. **Approval of Minutes:** Chair Weintraub entertained a motion to approve the minutes of the May 22, 2020, Public Meeting. Commissioner Katsel verbally moved; Commissioner Crump verbally seconded. The vote was unanimous with Chair Weintraub verbally voting yea, Commissioner Roth verbally voting yea, Commissioner Katsel verbally voting yea, and Commissioner Crump verbally voting yea.

Agency Reports

1. **Director's Presentation:** Director Edgar presented information on Arizona's first Mega Million's® Jackpot winner. The drawing was June 9, 2020 and the prize was \$410

million dollars. The couple claimed the prize the week of June 19, 2020, chose to stay anonymous, and claimed the cash prize option. The couple will receive \$319 million with \$76 million deducted for federal tax and \$15.3 million deducted for state tax. The Arizona Lottery is in the process of disbursing the \$15.3 million. Making the funds available to the state before the end of (FY20).

The director provided an update on COVID-19 as it pertains to Arizona Lottery. We remain in Phase I and the Lottery offices in Tucson and Phoenix remain open with modified operations. The offices process customers by appointment and continue to utilize the pass through walk-up window for walk up customers. The airport location remains closed until the lottery attains better guidance and traffic increases. In addition, the Arizona Lottery worked with the City of Phoenix to extend the lease at the airport. The Kingman office located in the Walmart is fully functioning, is open to the public, and no appointments are required. Arizona Lottery has taken over the vending machines that are located in that Walmart and has decreased the out of stocks for this location from double digits to approximately 2%. The Kingman office continues to have a positive impact. As far as the remaining employees, a majority of them remains telecommuting. Territory Managers have resumed operation in limited periods working four hours in the field and four hours on the phone. In addition, Territory Managers are limiting overnight stays when they visit retailers that are located out of their jurisdiction. Investigators have continued to do investigations, but have not started compliance checks at this time. The Arizona Lottery will remain in Phase I pending the Governor's guidance and continue to follow the Centers for Disease Control guidelines. Employees will continue to wear masks in the field and in the offices.

Director Edgar informed the Commission that they will be reviewing the amended Dia de los Muertos® due to IGT trade marking it. The team has changed the name from "Dia de los Muertos®" to Celebrando Dia de los Muertos. Director Edgar asked if there was any question regarding the name change on the ticket.

Chair Weintraub stated that this was unacceptable and problematic of IGT especially since the Lottery has used this ticket in the past. He inquired if this is the same artist that designed this ticket in the past.

Director Edgar informed the Commission, that a different artist was utilized for a different look and feel. Arizona Lottery Artist-in-resident Emily Costello was in support of the change and the artist. Lalo Cota is well-known local artist who is also doing similar artwork for the Arizona Diamondbacks.

Director Edgar ended the presentation by informing the Commission the Arizona Lottery hit the \$1,050,998,302 in sales as of close of business on June 18, 2020 and the closing projected sales for FY20. The presentation is attached for the official minutes.

2. **Financial Report:** Mr. Russ Harben presented a financial overview of actual sales, projected sales from all product lines for the past 12 months and sales from the Mega Million's® jackpot. Mr. Harben started presenting budget information for FY20 and FY21.

Director Edgar informed the Commission that COVID-19 financially affected numbers. It is hard to predict the numbers due to the different variables.

Mr. Harben continued his budget presentation with the predicted ending numbers for FY20 and the predicted numbers for FY21. He concluded his presentation with the budgeting information for FY21. Mr. Harben asked if there were any other questions.

Chair Weintraub stated he appreciated the information and phenomenal efforts for the items that were in our control. The scratchers® sales are knocking it out of the park.

Director Edgar stated our team has been working very hard to keep up with the demand.

- 3. Marketing Presentation:** Mr. Chris Rogers gave a brief overview of the FY20 success during COVID-19. His presentation included information on players club, second chance prizes, record engagement levels, increased media value, promoting the Lottery's purpose as a state agency and concentration on the "Gives Back" initiative via paid and earned media. Informing the Commission that the Lottery helps many nonprofit programs and shared its media space. He concluded his presentation on FY21 marketing planning in the pandemic era. This information included key objectives and campaign launches for FY21.

Commissioner Crump stated he appreciated the beneficiary awareness and inquired about the shared media credit, asking if the Arizona Lottery receives recognition or advertised for the shared media.

Mr. Rogers informed the Commission, Arizona Lottery does attain credit or recognition only for the time or period in which the Lottery pays for the media.

Commissioner Crump stated the Arizona Lottery does a great job.

Director Edgar informed the Commission that the Arizona Lottery does receive recognition internally from Governor's office for our willingness to jump and help where needed.

Chair Weintraub inquired about Quickcard.

Director Edgar informed the Commission that Arizona Lottery Quickcard ticket is a ticket that will be available at Dollar General. It is an in lane purchase that allows customer to purchase a Mega Million's® or Powerball® ticket while checking out. It will eventually be available in most of our grocery store locations. The launch will be at Dollar General in July.

Chair Weintraub inquired about the Lottery's budget compared from last year to this year.

Director Edgar informed the Commission that as it stands today we are the same it is dollar for dollar the same. There is a possibility as things continue with the economy we may be asked to make some cuts.

Commissioner Wilson inquired with regards to optimizing the media on the player data, is the Lottery leveraging any resource like Live Ramp to help with anonymizing the data in order to project and create different segmentation.

Mr. Rogers confirmed if he was talking about paid media and informed the Commission that OH Marketing utilizes tools but his is unaware of the specific tools they use. Mr. Rogers stated that the Lottery is considering an audit regarding that matter. Mr. Rogers informed the Commission he can attain more information regarding the tools that are utilized.

Mr. Rogers informed the Commission that the Lottery is researching digital jackpot signs stating that some platforms are going to more valuable than others.

Director Edgar informed the Commission digital will give more flexibility. With the fixed boards, they were breaking quite frequently and the digital boards will give more flexibility. The presentation is attached for the official minutes.

Director Edgar informed the Commission that Commissioner Wilson had to leave the Commission meeting.

4. **Sales Presentation** – Ms. Cassandra Bierworth presented information on the new Arizona Lottery claims office located in Kingman, Arizona. Informing the Commission that Arizona is the first lottery organization to open a redemption office in a Walmart Supercenter. The presentation is attached for the official minutes.
5. **New Games Introduction** – No Presentation

New Business

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding on amended instant scratch game profile: *Celebrando Dia de los Muertos* #1289 and on new instant scratch game profiles: *One Million Now* #1275, *Holiday Cheer* #1282, *Gnome For the Holidays* #1283, *Christmas Crossword* #1284, *Santa's Gift Bag* #1285, *25 Days of Winning* #1286, *Red Line Bingo* #1287, *Rock Paper Scissors® Slingo® Trio* #1288, *\$215 Million Cash Explosion®* #1290, *Triple Red 7's* #1291, *Blackjack Attack* #1292, *Scratch & Match* #1293, *Crossword Corner Cash* #1294, *Red Hot 7s* #1295, and *\$100,000 Crossword* #1298. There were no responses from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Director to issue the orders regarding amended instant scratch profile: #1289 and on new instant scratch game profiles: #1275, #1282, #1283, #1284, #1285, #1286, #1287, #1288, #1290, #1291, #1292, #1293, #1294, #1295, and #1298. Commissioner Crump verbally moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted yay, Commissioner Roth verbally voted yay, Commissioner Katsel verbally voted yay and Commissioner Crump verbally voted yay. The vote was unanimous with all members voting aye and the motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding second chance promotion profile: *NASCAR® Championship Second Chance Promotion #104*. There were no responses 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 second chance promotion profile: *NASCAR® Championship Second Chance Promotion #104*. Commissioner Katsel verbally moved; Commissioner Roth verbally seconded. Chair Weintraub verbally voted yay, Commissioner Roth verbally voted yay, Commissioner Katsel verbally voted yay and Commissioner Crump verbally voted yay. The vote was unanimous with all members voting yay and 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

1. There will be no Commission meeting in July.
2. The next Commission meeting will be held August 21, 2020, at 10:00 a.m.

Adjournment

Chair Weintraub entertained a motion to adjourn. Commissioner Roth verbally moved; Commissioner Crump verbally seconded. Chair Weintraub verbally voted yay, Commissioner Roth verbally voted yay, Commissioner Katsel verbally voted yay and Commissioner Crump verbally voted yay. The vote was unanimous with all members voting yay and the motion carried.

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.

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Agency Reports
 Report to Arizona Lottery Commission
 August 21, 2020

Retailer of the Year

State Service Recognition Awards

Director’s Presentation

Financial Report Presentation

Marketing Presentation

New Games Introduction – No Presentation

4th Quarter Product & Sales Review – No Presentation

The following games were introduced since the last commission meeting: *Wild \$10 #1262, \$100,000 Loteria #1269, Red Hot Double Doubler #1271, Fiery 5’s #1272, \$50,000 Inferno #1273, One Million Now #1275, Block-O #1276, Celebrando #1289 and Crossword Corner Cash #1294.*

More information on these games is available by visiting the Scratchers section at ArizonaLottery.com

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

Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold through 7/25/20
6/16/20	\$20	1230	Quarter Million Crossword	1,762,710	98.7%
6/24/20	\$3	1218	Arizona Treasure Hunt	2,412,600	99.3%
6/30/20	\$5	1226	Mystery Crossword	5,539,980	99.4%
7/21/20	\$10	1250	Hit the Jackpot	1,689,900	99.3%
7/21/20	\$5	1215	Big Money Bingo	4,477,200	98.7%

ATTACHMENT A

Dashboard Report August 2020

Serving Arizona
For 39 Years



Dashboard

10.3%

vs. Proj (FYTD)

Total Sales (FYTD)

\$1,078,203,434

1.4%

vs. PYTD

3.5%

vs. Proj (FYTD)

Draw Sales

\$238,183,908 ^{22.1%}
%Total Sales

-24.1%

vs. PYTD

12.4%

vs. Proj (FYTD)

Instant Sales

\$840,019,526 ^{77.9%}
%Total Sales

12.0%

vs. PYTD

2.9%

vs. Proj (FYTD)

Multi-State

\$128,278,959 ^{53.9%}
%Draw Sales

-39.6%

vs. PYTD

12.3%

vs. Proj (FYTD)

Scratchers Sales

\$832,068,368 ^{89.1%}
%Instant Sales

12.4%

vs. PYTD

1.4%

vs. Proj (FYTD)

In-State

\$81,874,126 ^{34.4%}
%Draw Sales

-2.2%

vs. PYTD

7.8%

vs. Proj (FYTD)

Charitable Pulltab Sales

\$5,363,100 ^{0.6%}
%Instant Sales

-26.9%

vs. PYTD

13.3%

vs. Proj (FYTD)

Fast Play

\$28,030,823 ^{11.8%}
%Draw Sales

60.4%

vs. PYTD

15.2%

vs. Proj (FYTD)

Age Rest. Pulltab Sales

\$2,025,000 ^{0.2%}
%Instant Sales

-7.4%

vs. PYTD

—

vs. Proj (FYTD)

Other Pulltab Sales

\$552,960 ^{0.1%}
%Instant Sales

90.3%

vs. PYTD

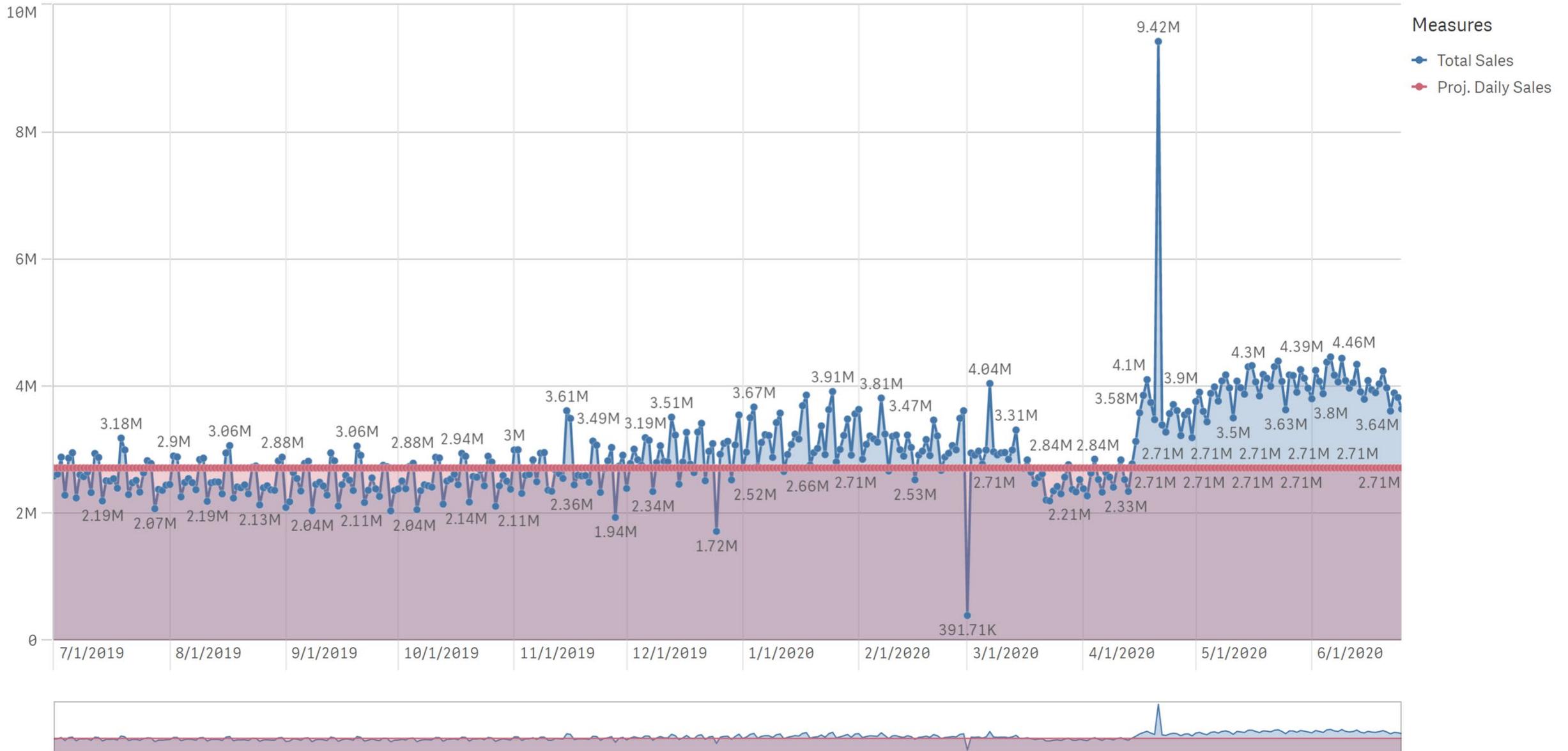
Draw Sales : From 7/1/2014 - To 6/25/2020

Fast Play Sales : From 2/11/2018 - To 6/25/2020

Scratcher Sales : From 7/1/2014 - To 6/25/2020

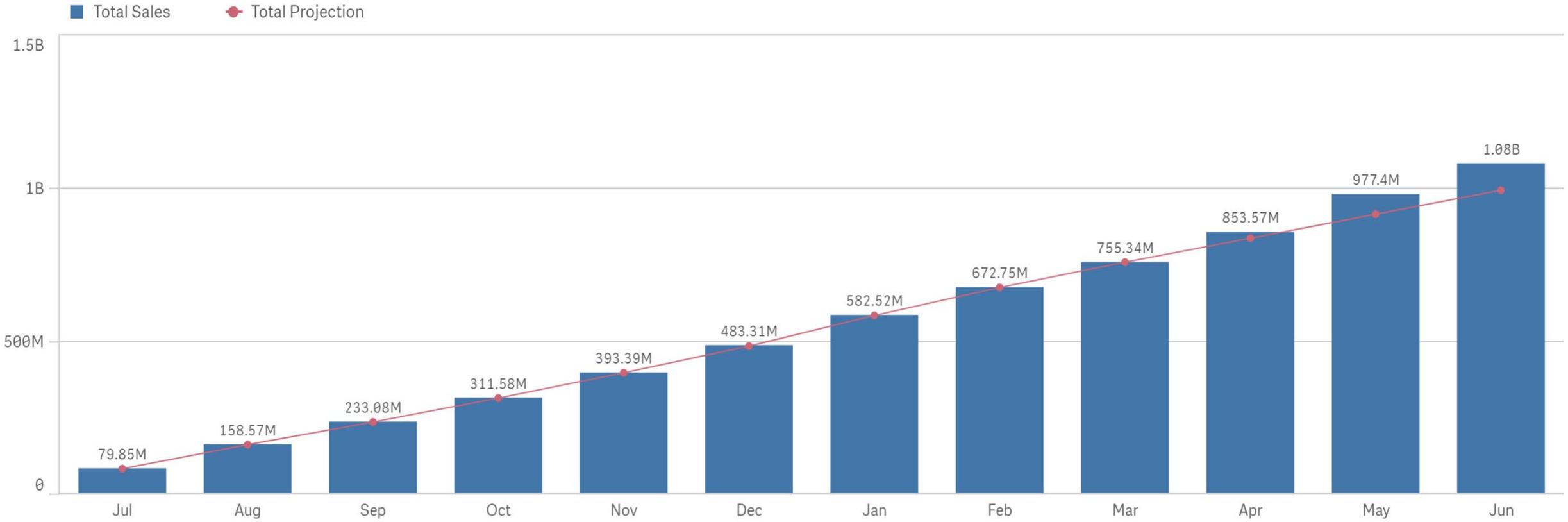
Pulltab Sales : From 7/1/2014 - To 6/25/2020

Daily Sales vs. Goal



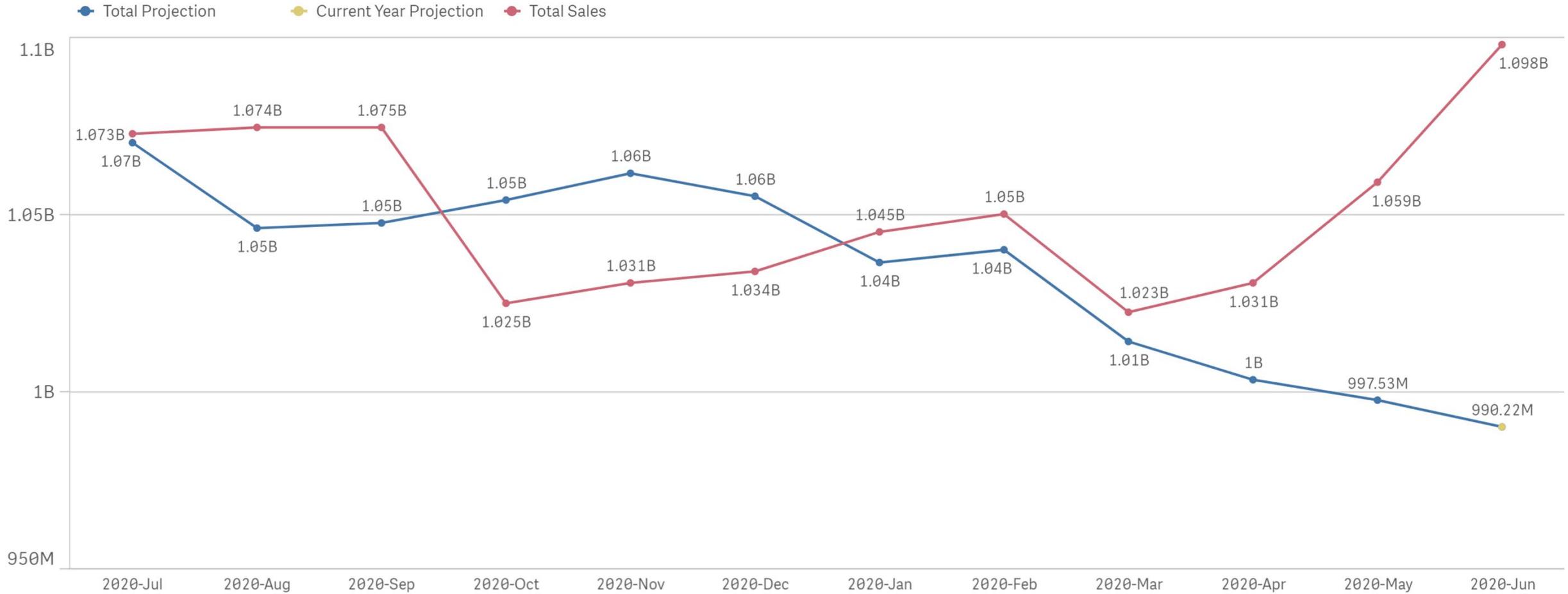
YTD Sales vs. Projection

FY 2020 Total Sales vs. Projection

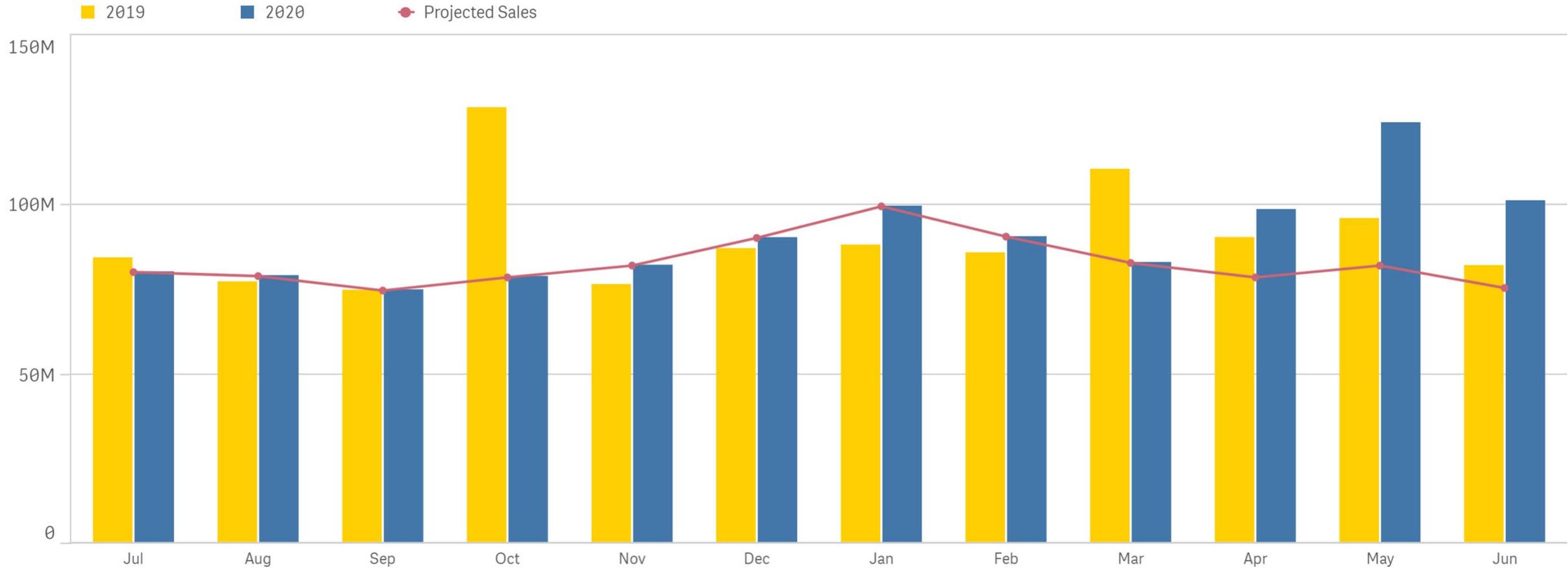


Rolling 12-Month Total Sales

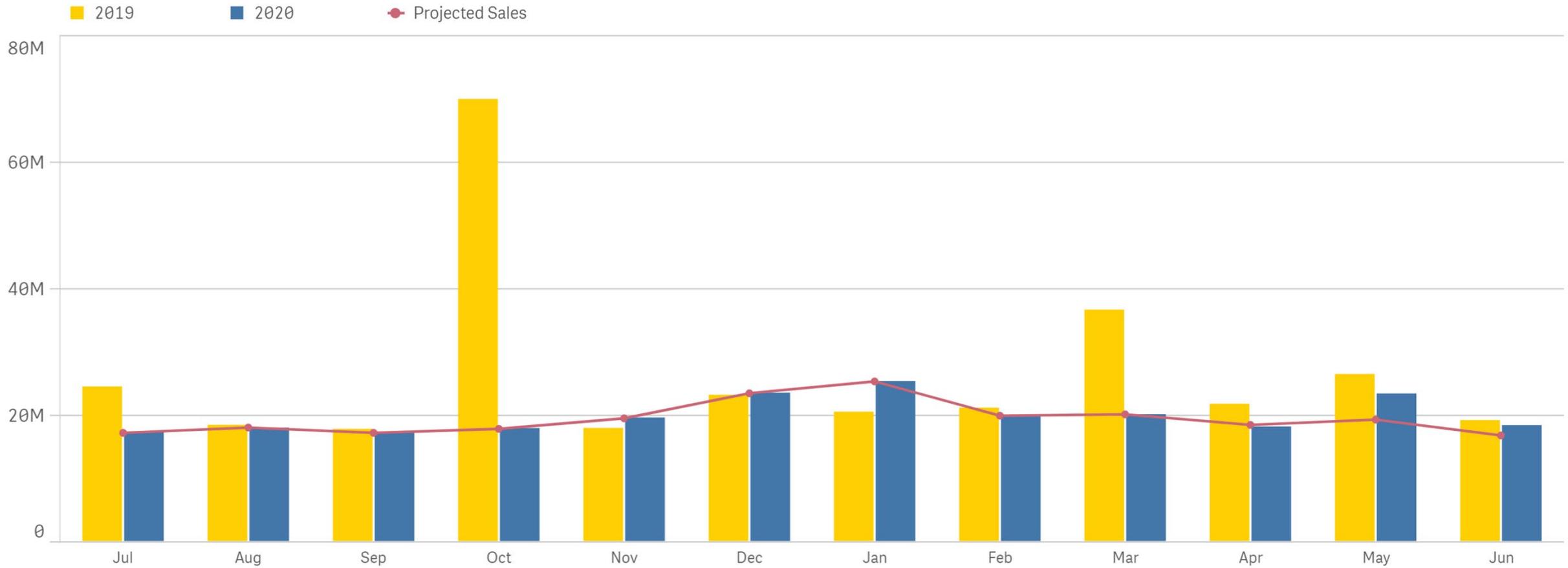
Rolling 12 Month Sales



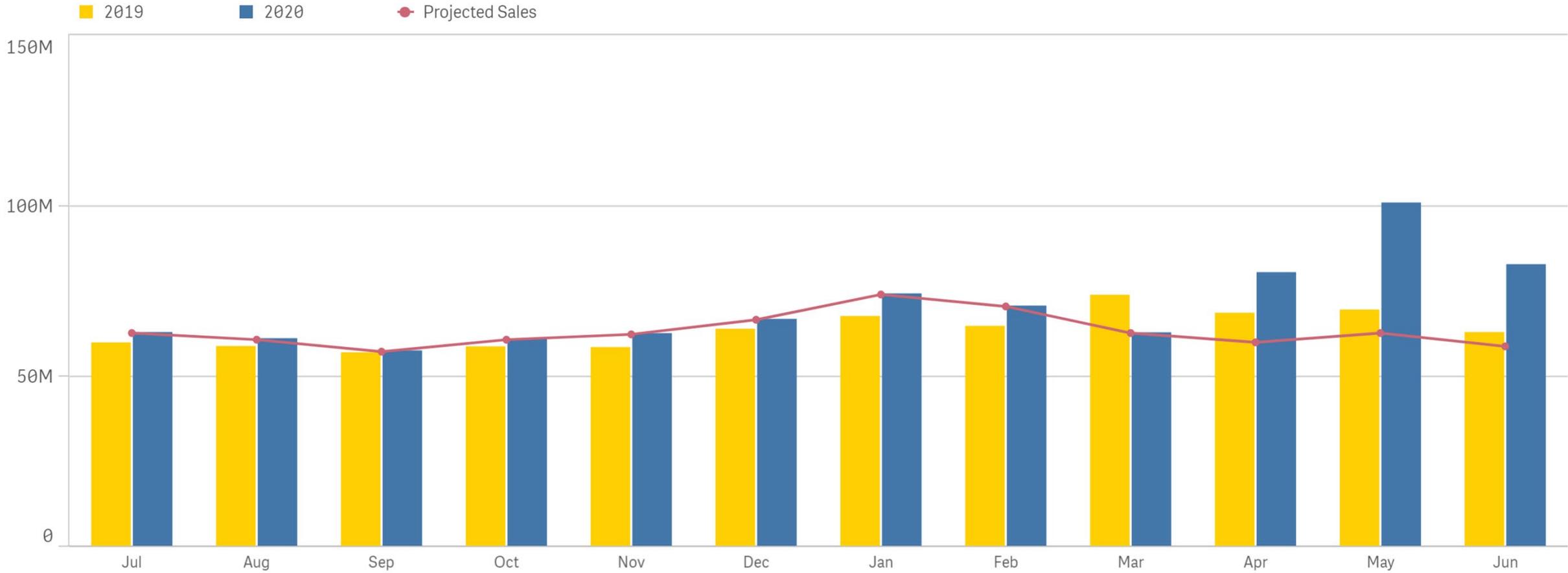
Total Sales FY 2019 vs. 2020 vs. Projection



Draw Sales FY 2019 vs. 2020 vs. Projection

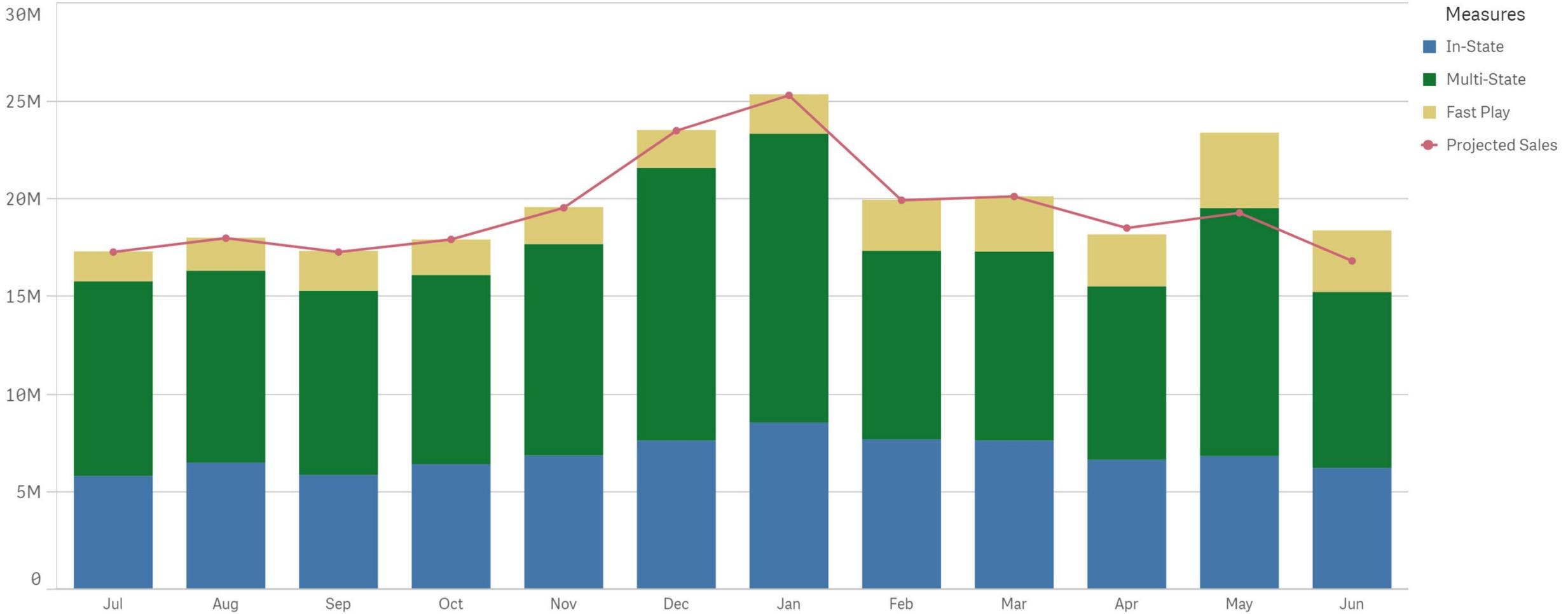


Instant Sales FY 2019 vs. 2020 vs. Projection



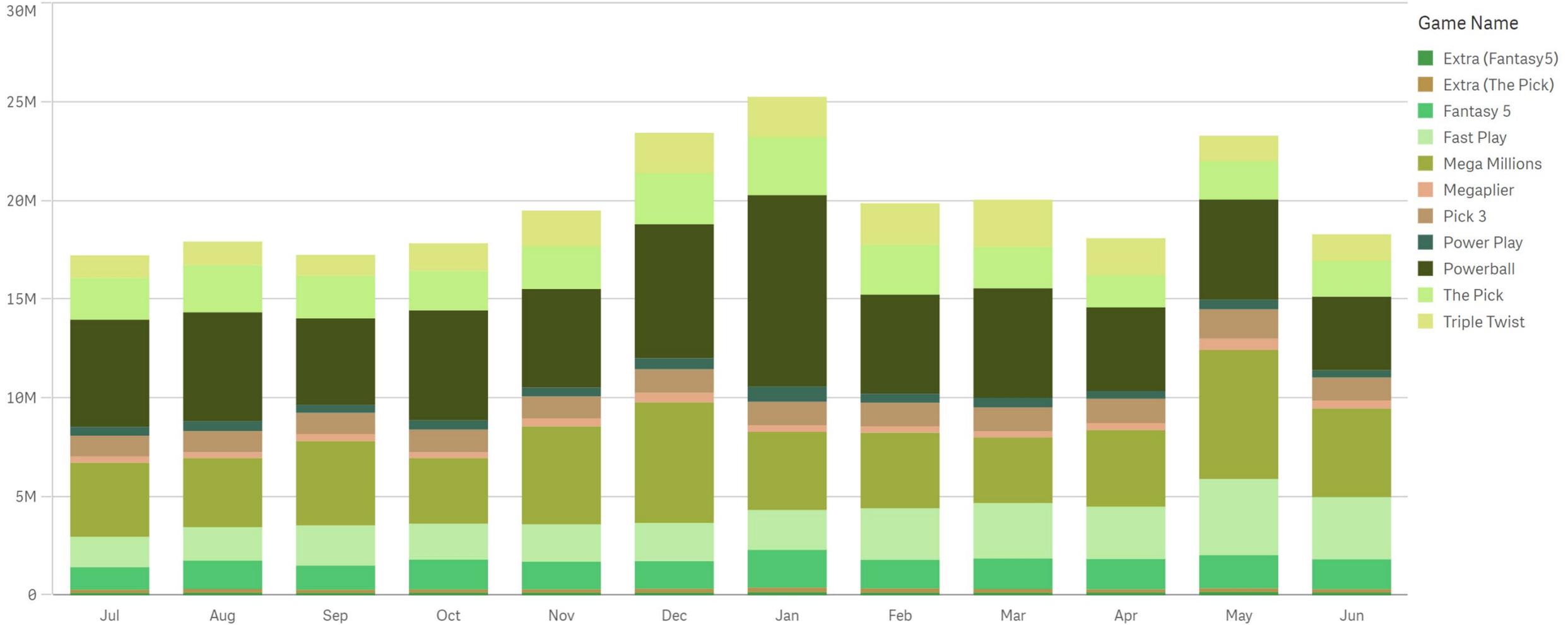
Draw Sales by Month

FY 2020 Draw Sales by Multi-State & In-State



Draw Sales by Game

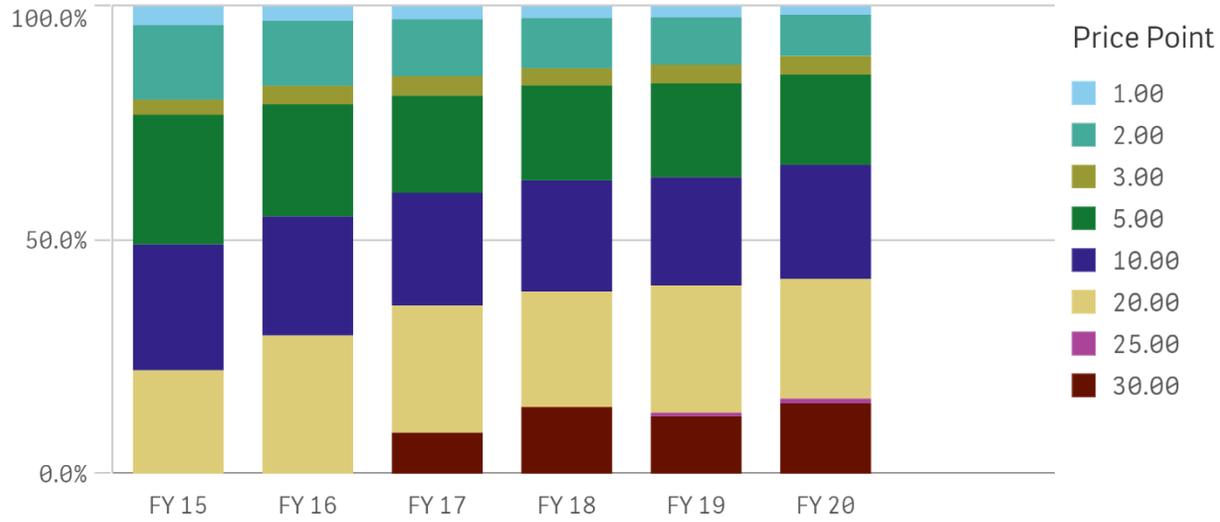
FY 2020 Draw Sales by Game



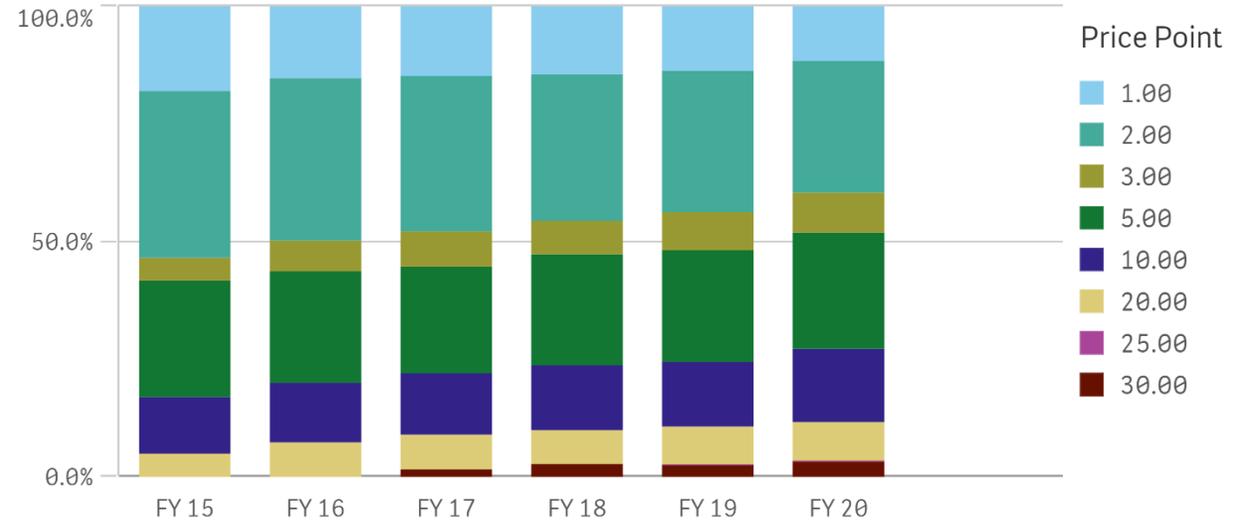


Scratcher Sales by Price Point

Based on Dollars Sold

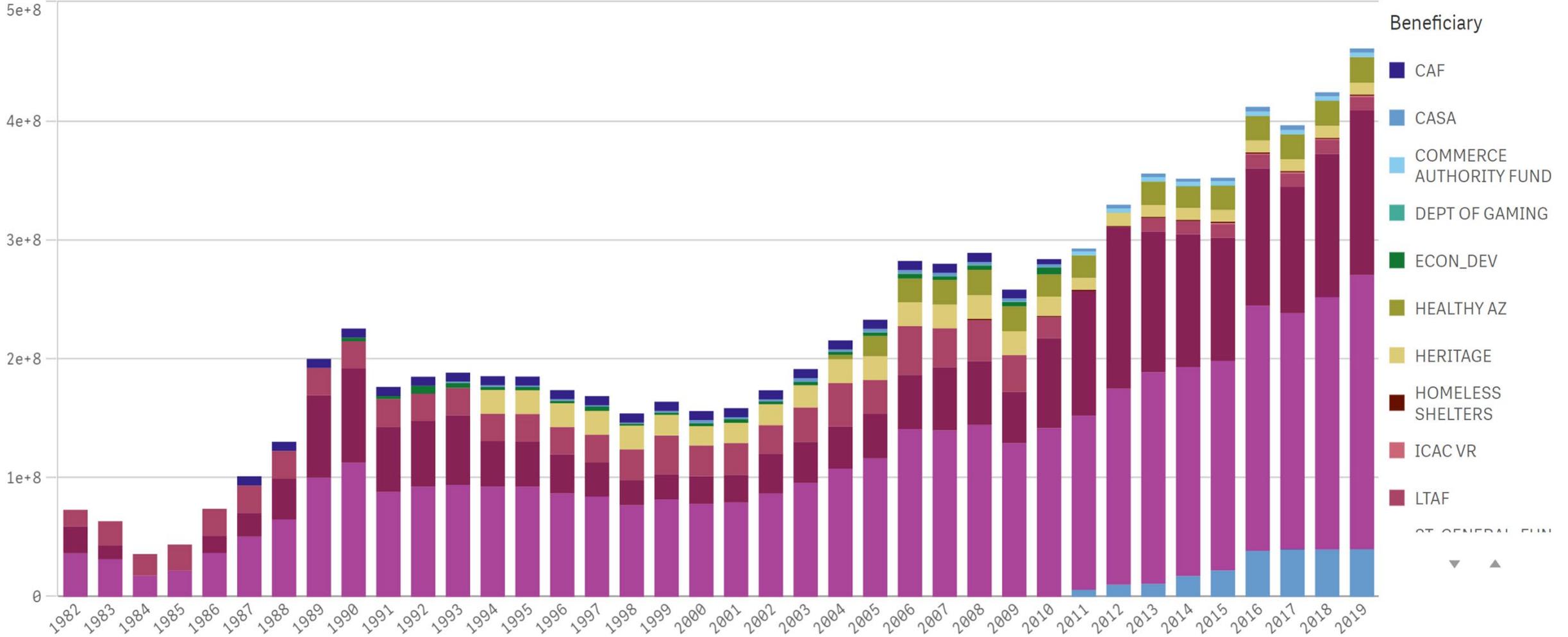


Based on Tickets Sold



Price Point	FY 16	FY 17	FY 18	FY 19	FY 20	Price Point	FY 16	FY 17	FY 18	FY 19	FY 20
1.00	\$18,183,806	\$17,230,930	\$17,675,313	\$17,327,856	\$15,072,613	1.00	18,183,806	17,230,930	17,675,313	17,327,856	15,072,613
2.00	\$82,257,128	\$77,080,640	\$76,286,420	\$76,045,580	\$72,915,614	2.00	41,128,564	38,540,320	38,143,210	38,022,790	36,457,807
3.00	\$23,323,455	\$26,348,367	\$26,204,778	\$30,416,967	\$33,208,836	3.00	7,774,485	8,782,789	8,734,926	10,138,989	11,069,612
5.00	\$141,578,675	\$131,823,090	\$144,423,905	\$150,294,810	\$160,679,035	5.00	28,315,735	26,364,618	28,884,781	30,058,962	32,135,807
10.00	\$150,398,690	\$152,231,750	\$168,662,410	\$173,763,390	\$203,088,840	10.00	15,039,869	15,223,175	16,866,241	17,376,339	20,308,884
20.00	\$174,963,960	\$172,393,320	\$176,364,760	\$204,007,420	\$213,000,280	20.00	8,748,198	8,619,666	8,818,238	10,200,371	10,650,014
25.00	\$0	\$0	\$0	\$6,504,400	\$8,445,750	25.00	0	0	0	260,176	337,830
30.00	\$0	\$55,673,280	\$101,269,350	\$91,917,900	\$125,657,400	30.00	0	1,855,776	3,375,645	3,063,930	4,188,580

Transfer Amount by Beneficiary





Draw Game Monthly Sales

Month	POWERBALL	MEGA MILLIONS	TOTAL MULTI-STATE DRAW GAMES	THE PICK	FANTASY 5	PICK 3	TRIPLE TWIST	TOTAL IN-STATE DRAW GAMES	TOTAL DRAW GAMES	
Jul	\$5,880,490	\$4,071,414	\$9,951,904	\$2,297,107	\$1,268,159	\$1,059,345	\$1,125,716	\$5,750,327	\$17,236,890	
Aug	\$6,018,001	\$3,793,607	\$9,811,608	\$2,569,584	\$1,589,385	\$1,080,828	\$1,193,350	\$6,433,147	\$17,938,895	
Sep	\$4,790,702	\$4,631,885	\$9,422,587	\$2,330,908	\$1,348,422	\$1,076,695	\$1,050,346	\$5,806,371	\$17,261,903	
Oct	\$6,046,699	\$3,623,612	\$9,670,311	\$2,159,099	\$1,653,066	\$1,145,235	\$1,399,574	\$6,356,974	\$17,847,425	
Nov	\$5,436,359	\$5,371,878	\$10,808,237	\$2,333,182	\$1,530,384	\$1,117,450	\$1,818,390	\$6,799,406	\$19,508,789	
Dec	\$7,354,457	\$6,598,378	\$13,952,835	\$2,763,999	\$1,542,283	\$1,195,803	\$2,058,220	\$7,560,305	\$23,450,967	
Jan	\$10,478,893	\$4,306,863	\$14,785,756	\$3,157,607	\$2,085,773	\$1,186,734	\$2,044,766	\$8,474,880	\$25,274,485	
Feb	\$5,480,430	\$4,164,882	\$9,645,312	\$2,735,231	\$1,599,257	\$1,189,471	\$2,101,154	\$7,625,113	\$19,879,813	
Mar	\$6,043,316	\$3,630,751	\$9,674,067	\$2,270,818	\$1,687,911	\$1,214,023	\$2,389,314	\$7,562,066	\$20,058,408	
Apr	\$4,633,496	\$4,238,586	\$8,872,082	\$1,776,112	\$1,693,958	\$1,227,359	\$1,880,592	\$6,578,021	\$18,106,501	
May	\$5,571,991	\$7,112,717	\$12,684,708	\$2,109,650	\$1,863,655	\$1,490,990	\$1,303,308	\$6,767,603	\$23,308,410	
Jun	\$4,095,179	\$4,904,373	\$8,999,552	\$1,962,112	\$1,665,916	\$1,166,059	\$1,365,826	\$6,159,913	\$18,311,422	

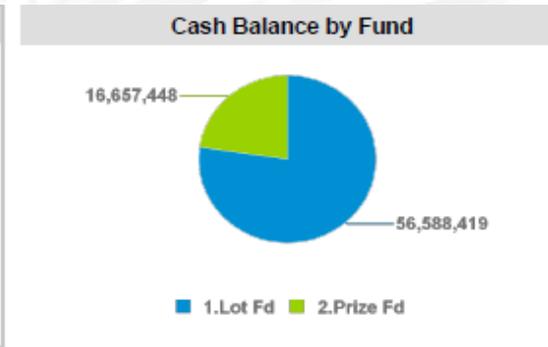
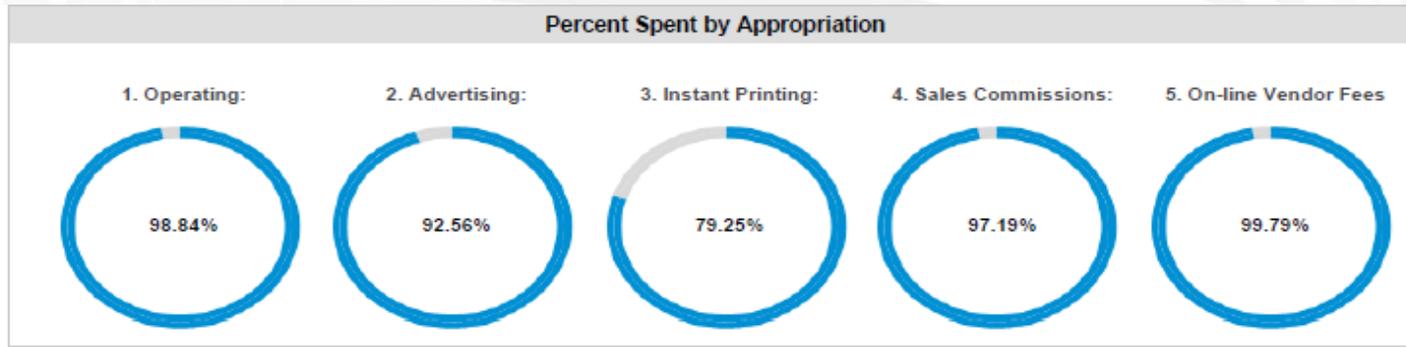
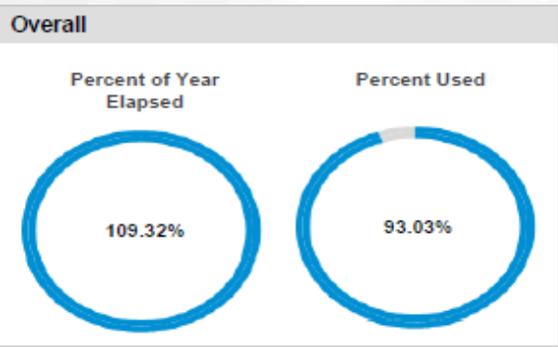


Instant Game Monthly Sales

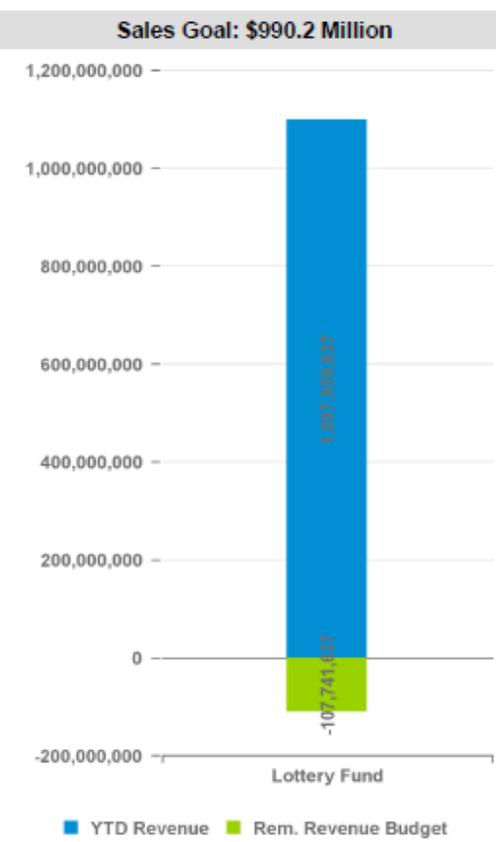
Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE-RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$61,828,525	\$548,022	\$195,480	\$62,608,747	\$59,536,899	5.2%
Aug	\$60,112,466	\$457,806	\$176,040	\$60,789,512	\$58,513,385	3.9%
Sep	\$56,616,634	\$415,722	\$192,240	\$57,244,036	\$56,685,728	1.0%
Oct	\$59,720,917	\$673,416	\$173,880	\$60,650,293	\$58,403,424	3.8%
Nov	\$61,681,325	\$436,362	\$157,680	\$62,303,447	\$58,202,770	7.0%
Dec	\$65,688,113	\$535,482	\$213,840	\$66,464,435	\$63,575,488	4.5%
Jan	\$72,984,311	\$685,932	\$233,280	\$73,941,323	\$67,318,971	9.8%
Feb	\$69,573,282	\$567,810	\$159,840	\$70,350,474	\$64,393,312	9.3%
Mar	\$61,900,498	\$415,134	\$170,640	\$62,530,552	\$73,524,672	-15.0%
Apr	\$80,038,441	\$0	\$18,360	\$80,128,081	\$68,280,835	17.4%
May	\$100,189,342	\$165,246	\$98,280	\$100,519,264	\$69,167,313	45.3%
Jun	\$81,734,514	\$462,168	\$235,440	\$82,489,362	\$62,589,230	31.8%



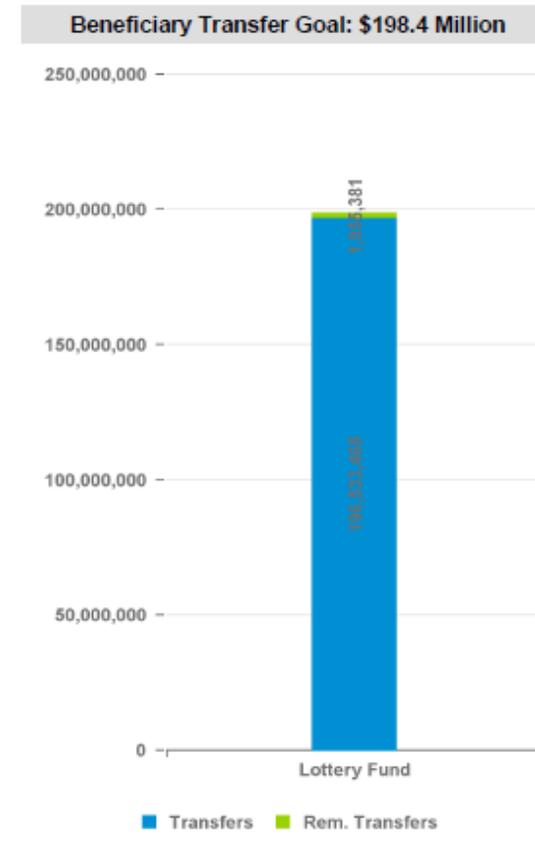
FY20 Year-to-Date Financial Status



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	6000 - Personal Services	4,571,000	4,426,461	-	144,539	96.84%
	6100 - Employee Related Expenditures	2,016,300	1,812,313	-	203,987	89.88%
	6200 - Professional And Outside Services	386,800	778,424	15,577	-407,201	205.27%
	6500 - Travel - In-State	271,800	190,188	20,487	60,925	77.57%
	6600 - Travel - Out-Of-State	16,800	-7,546	-	24,346	-44.91%
	7000 - Other Operating Expenditures	1,653,900	1,580,436	33,791	39,673	97.60%
	8100 - Capital Outlay	-	-	-	-	100.00%
	8400 - Capital Equipment	-	40,086	-	-40,086	100.00%
	8500 - Non-Capital Equipment	75,000	33,762	954	40,284	46.29%
	9100 - Transfers Out	230,000	189,460	-	40,540	82.37%
	- NOT ENTERED	-	-	-	-	100.00%
	Total:	9,221,400	9,043,585	70,809	107,006	98.84%
2. Advertising:	7000 - Other Operating Expenditures	15,500,000	14,318,637	27,914	1,153,448	92.56%
	- NOT ENTERED	-	-	-	-	100.00%
	Total:	15,500,000	14,318,637	27,914	1,153,448	92.56%
3. Instant Printing:	7000 - Other Operating Expenditures	22,093,400	14,940,713	754,991	6,397,696	71.04%
	8400 - Capital Equipment	8,739,175	8,739,175	-	0	100.00%
	- NOT ENTERED	-	-	-	-	100.00%
	Total:	30,832,575	23,679,887	754,991	6,397,697	79.25%
4. Sales Commissions:	7000 - Other Operating Expenditures	74,285,200	72,197,401	-	2,087,799	97.19%
	- NOT ENTERED	-	-	-	-	100.00%
	Total:	74,285,200	72,197,401	-	2,087,799	97.19%
5. On-line Vendor Fees:	6200 - Professional And Outside Services	10,278,200	10,256,961	-	21,239	99.79%
	- NOT ENTERED	-	-	-	-	100.00%
	Total:	10,278,200	10,256,961	-	21,239	99.79%
	Total:	140,117,375	129,496,472	853,715	9,767,189	



ATTACHMENT B

FY20 4th 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, Deputy Director of Customer Service & Sales, has provided information on retailer sales and rankings in several different categories. Staff is available to answer any questions the Commission may have.



Douglas A. Ducey
Governor

Gregory R. Edgar
Executive Director

**Arizona Lottery
FY2020 Year-End– Product Review**

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:

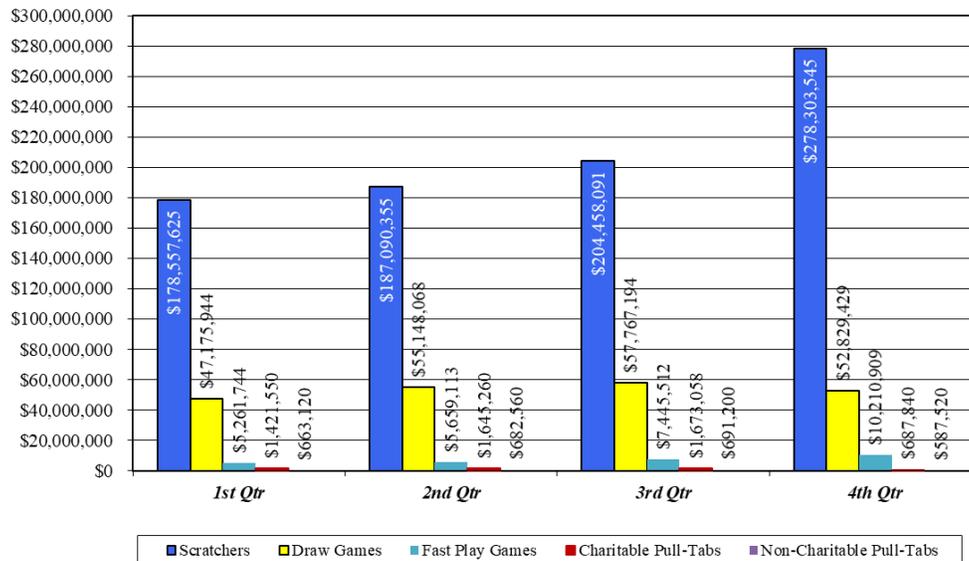
- General overview of the fiscal year
- A top line review of sales performance of each product
- A summary review by price point for the instant games
- A top down look at the top performing instant games by revenue and tickets
- A review of new game introductions and game endings

General Overview

Sales for FY20 reached \$1,097,959,637, an increase of 2% over the previous fiscal year. The breakdown by product is as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>	<u>Mkt Share</u>
Scratchers^{®1}	\$178,557,625	\$187,090,355	\$204,458,091	\$278,303,545	\$848,409,616	77.27%
Draw Games	\$47,175,944	\$55,148,068	\$57,767,194	\$52,829,429	\$212,920,635	19.39%
Fast Play Games	\$5,261,744	\$5,659,113	\$7,445,512	\$10,210,909	\$28,577,278	2.60%
Charitable Pull-Tabs	\$1,421,550	\$1,645,260	\$1,673,058	\$687,840	\$5,427,708	0.49%
Non-Charitable Pull-Tabs	\$663,120	\$682,560	\$691,200	\$587,520	\$2,624,400	0.24%
Total	\$233,079,983	\$250,225,356	\$272,035,055	\$342,619,243	\$1,097,959,637	

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



As indicated in the above chart, the Scratchers contribution to total sales exceeded the draw games in each quarter of the year and represented 77.27% of total sales. The market share for draw games is 19.39% of total sales, a decrease from the last fiscal year. Fast Play games represent 2.6% of total sales and pull-tabs represent 0.73% of total sales. Sales detail by product is provided in Attachments A and B.

Charitable Pull-Tabs

The charitable games program continues to be strong with 150 organizations currently licensed and selling tickets. Sales for this fiscal year reached \$5,427,708, a decrease of 26.5% over the previous year.

Non-Charitable Pull-Tabs

The non-charitable games program continues to grow with 120 retailers licensed and selling tickets. Sales for this fiscal year reached \$2,624,400, an increase of 3.9% over the previous year.

Scratchers Games

Sales for Scratchers this fiscal year reached an all-time high of \$848,409,616, an increase of 13.1% over the last fiscal year.

Based on validations, players have earned more than \$619.6 million in prizes. The prizes paid calculated against the sales revenues equate to an average payout of 73%.

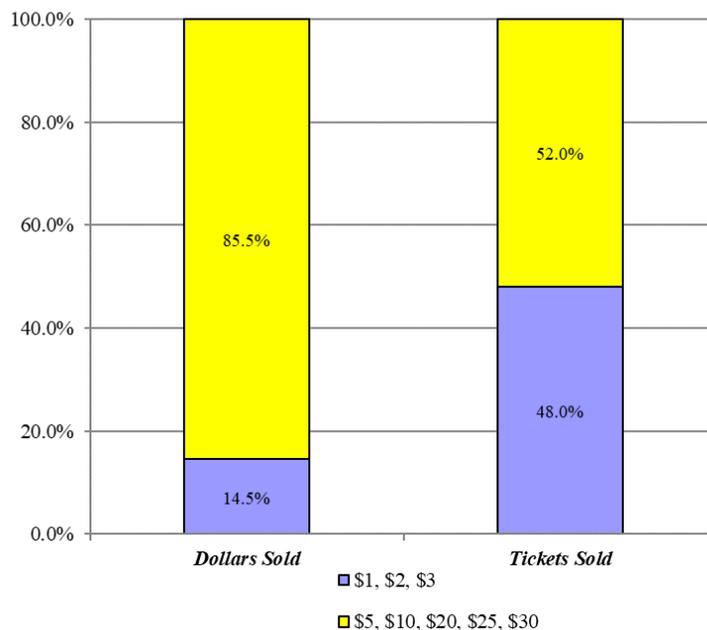
A total of 51 new games were introduced this fiscal year. Combined with the games carried forward, a total of 122 games contributed to the sales revenue for the year.

Price Point	\$1	\$2	\$3	\$5	\$10	\$20	\$25	\$30	Total
# New Games	6	10	5	13	11	5	0	1	51
Carried Forward	9	15	5	16	16	7	1	2	71

During this same period, 48 games were ended. 23 games were ended because the last top prize had been redeemed. The remaining games were ended as part of the standard 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 no longer represent the largest volume of tickets sold. These price points accounted for 48% of the tickets sold, and represent 14.5% of the Scratchers revenue. The \$5, \$10, \$20, \$25, and \$30 games accounted for 52% of the tickets sold and 85.5% of the Scratchers revenue. The chart below shows the breakdown of tickets and dollars for FY20. 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 with more than \$218.96 million in sales, representing 25.97% of total Scratchers sales. In terms of dollars sold, four of the top ten games are Crossword and Bingo style games; they also represent seven of the top ten games in terms of tickets sold. The \$20 spotlight game, \$215 Million Cash Explosion (#1190) represented 13.4% of total Scratchers sales for the year.

The table below identifies the top ten games in terms of sales revenue generated and total tickets sold through the end of the fiscal year.

Top 10 games in sales revenue			Top 10 games in tickets sold		
	Game	Sales Revenue		Game	Tickets Sold
\$20	1190 \$215 Million Cash Explosion	\$113,468,580	\$2	1231 Crossword	9,460,676
\$30	1217 Arizona Millionaire's Club	\$61,256,370	\$20	1190 \$215 Million Cash Explosion	5,673,429
\$30	1261 100X	\$39,759,030	\$5	1226 Mystery Crossword	5,169,736
\$10	1216 Sizzling Crossword	\$36,663,620	\$2	1193 Bonus Ball Bingo	4,702,342
\$20	1230 Quarter Million Crossword	\$31,572,160	\$2	1219 Red Hot 7s	4,393,693
\$30	1134 Royal Millions	\$27,418,980	\$5	1215 Big Money Bingo	4,038,268
\$20	1221 \$20 Million Blowout	\$26,548,140	\$10	1216 Sizzling Crossword	3,666,362
\$5	1226 Mystery Crossword	\$25,848,680	\$3	1249 One Word Crossword	3,098,807
\$10	1254 50X the Cash	\$20,300,050	\$1	1251 5X the Cash	2,886,944
\$5	1215 Big Money Bingo	\$20,191,340	\$2	1171 Crossword	2,752,328

Draw Games

Total draw games sales for the year reached \$212,920,635, a decrease of 28.8% from the previous year.

Draw Games – Multi-State Games

Powerball – Sales for the year totaled \$72,674,827, a decrease of 34.6% from the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$190,000,000 on April 8, 2020. The highest jackpot for the fiscal year was \$394,000,000 on January 29, 2020.

Mega Millions – Sales for the year totaled \$57,185,604, a 44.5% decrease from the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$410,000,000 on June 9, 2020. This was the highest jackpot for the fiscal year.

Draw Games – In-State Games

Triple Twist™ – Sales for the year totaled \$20,067,658, an increase of 132.5% over the previous year. The game had its highest jackpot winner of \$3.7 million on April 18, 2020.

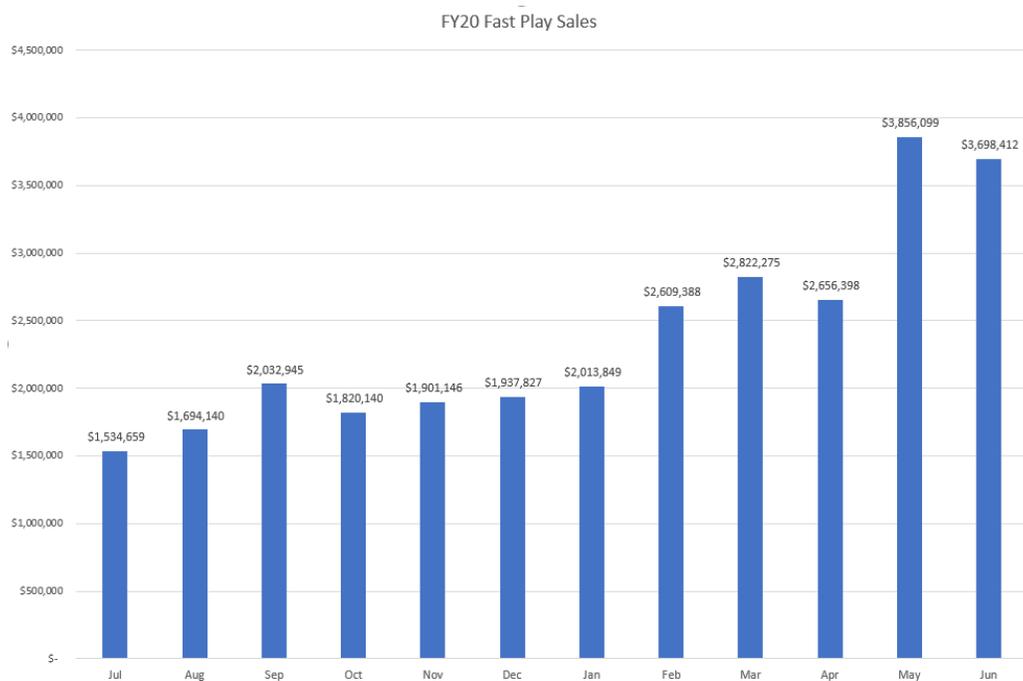
The Pick™ – Sales for the year totaled \$28,877,182, a decrease of 34.5% from the previous year. A jackpot for this game was not hit during the fourth quarter of the fiscal year. The highest jackpot reached in the fiscal year was \$4.8 million on February 8, 2020.

Fantasy 5™ – Sales for the year totaled \$19,734,776, remaining steady with no change from the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$515,000 on May 7, 2020. The highest jackpot for the fiscal year was \$561,000 in January 20, 2020.

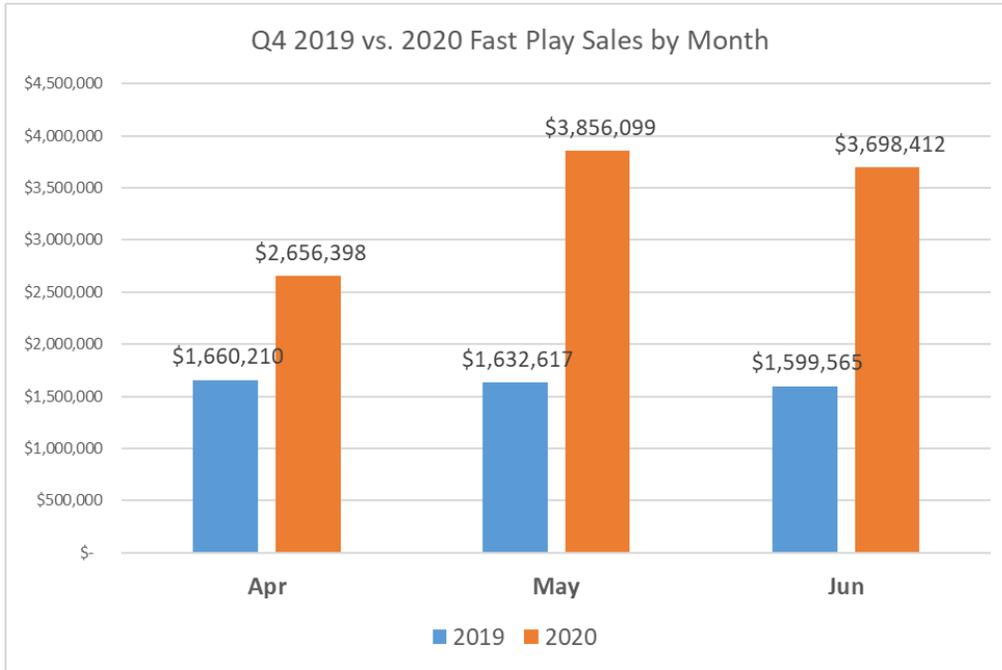
Pick 3™ – Sales for the year totaled \$14,380,588, an increase of 17.1% over the previous year.

Fast Play Games

Six new Fast Play games were launched in FY20, including the first holiday ticket and the first \$20 ticket, expanding the portfolio to 18; five of which are progressive jackpots. FY20 Fast Play sales totaled \$28,577,278, outpacing FY19 by a weekly average of 59%. Q4 held the two highest-generating months since the launch of Fast Play – May with \$3,856,099 and June with \$3,698,412.

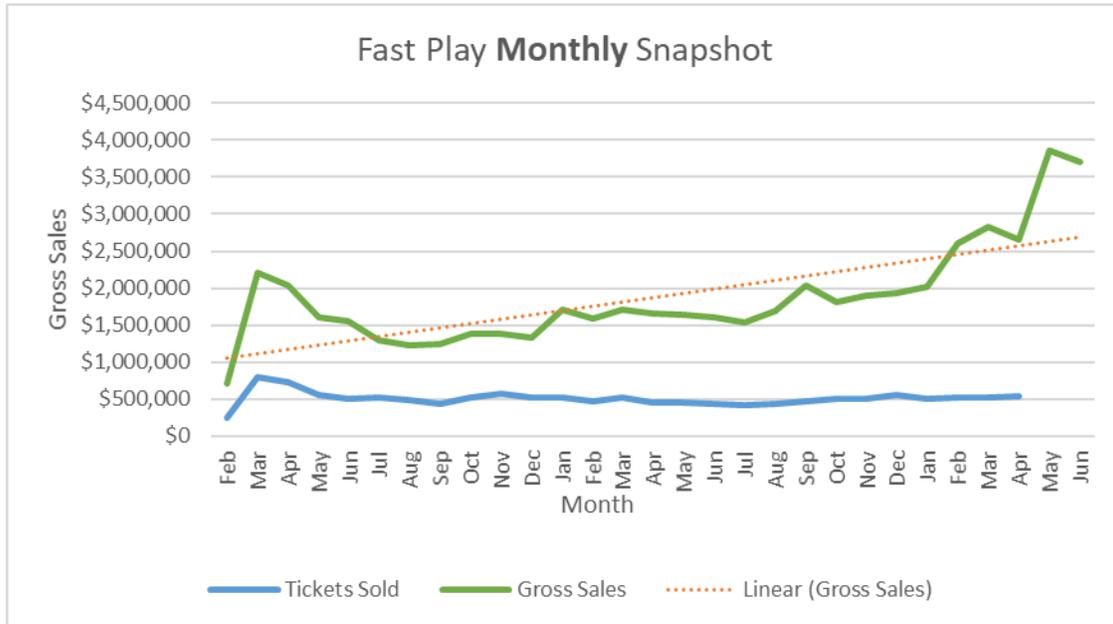


Q4 2020 sales surpassed Q4 2019 sales at an average rate of 106%.



Since the introduction of Fast Play to the Arizona market, over 15 million Fast Play tickets have been sold, generating more than \$54 million in total gross sales through June 30, 2020. Xtreme Multiplier Progressive had the highest jackpot in the fourth quarter of FY20, reaching \$55,202 on June 5, 2020.

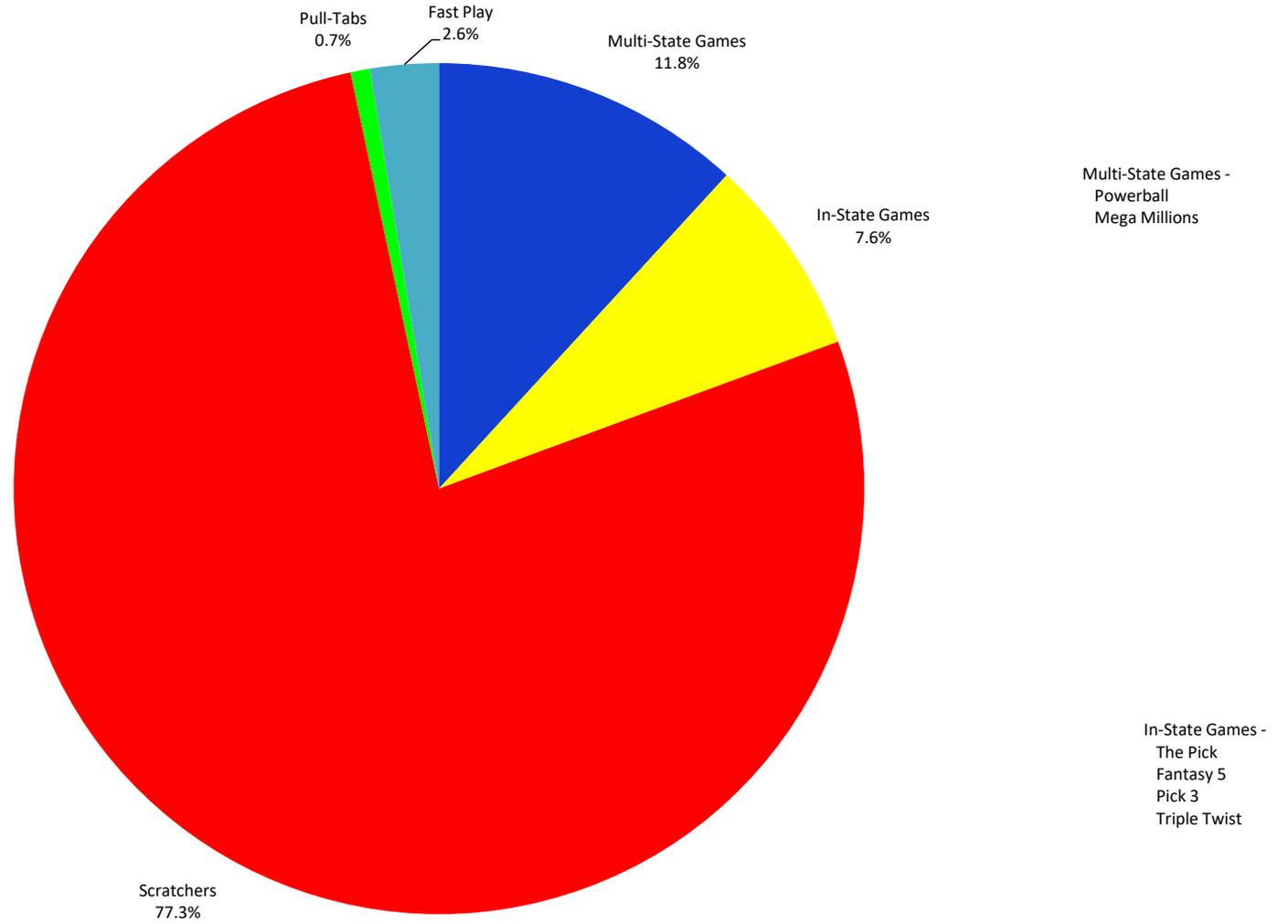
The graph below illustrates Fast Play monthly gross sales since its February 2018 launch through the fourth quarter of FY20.



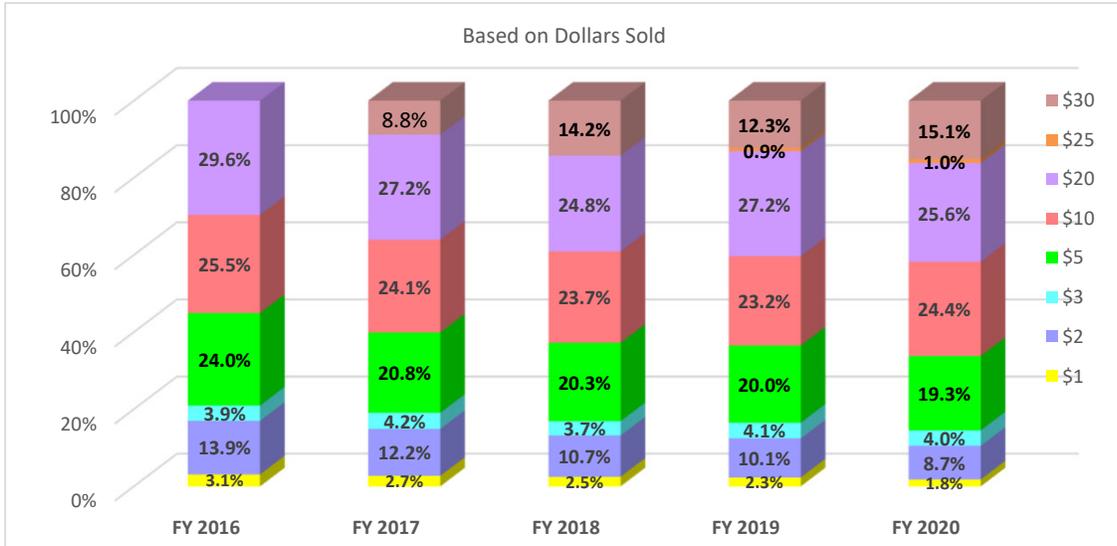
ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT
Fiscal Year 2020 - July 2019 through June 2020

<i>Month</i>	<i>Powerball</i>	<i>Mega Millions</i>	<i>The Pick</i>	<i>Fantasy 5</i>	<i>Pick 3</i>	<i>Triple Twist</i>	<i>Total Draw Games</i>	<i>Fast Play</i>	<i>Scratchers</i>	<i>Charitable Pull-Tabs</i>	<i>Non-Charitable Pull-Tabs</i>	<i>Total Instant Games</i>	<i>Total</i>	<i>Market Share</i>
<i>July</i>	\$5,880,490	\$4,071,414	\$2,297,107	\$1,268,159	\$1,059,345	\$1,125,716	\$15,702,231	\$1,534,659	\$61,828,525	\$548,022	\$232,200	\$62,608,747	\$79,845,637	7.3%
<i>August</i>	\$6,018,001	\$3,793,607	\$2,569,584	\$1,589,385	\$1,080,828	\$1,193,350	\$16,244,755	\$1,694,140	\$60,112,466	\$457,806	\$219,240	\$60,789,512	\$78,728,407	7.2%
<i>September</i>	\$4,790,702	\$4,631,885	\$2,330,908	\$1,348,422	\$1,076,695	\$1,050,346	\$15,228,958	\$2,032,945	\$56,616,634	\$415,722	\$211,680	\$57,244,036	\$74,505,939	6.8%
<i>1st Quarter</i>	\$16,689,193	\$12,496,906	\$7,197,599	\$4,205,966	\$3,216,868	\$3,369,412	\$47,175,944	\$5,261,744	\$178,557,625	\$1,421,550	\$663,120	\$180,642,295	\$233,079,983	21.2%
<i>October</i>	\$6,046,699	\$3,623,612	\$2,159,099	\$1,653,066	\$1,145,235	\$1,399,574	\$16,027,285	\$1,820,140	\$59,720,917	\$673,416	\$255,960	\$60,650,293	\$76,677,578	7.0%
<i>November</i>	\$5,436,359	\$5,371,878	\$2,333,182	\$1,530,384	\$1,117,450	\$1,818,390	\$17,607,643	\$1,901,146	\$61,681,325	\$436,362	\$185,760	\$62,303,447	\$79,911,090	7.3%
<i>December</i>	\$7,354,457	\$6,598,378	\$2,763,999	\$1,542,283	\$1,195,803	\$2,058,220	\$21,513,140	\$1,937,827	\$65,688,113	\$535,482	\$240,840	\$66,464,435	\$87,977,575	8.0%
<i>2nd Quarter</i>	\$18,837,515	\$15,593,868	\$7,256,280	\$4,725,733	\$3,458,488	\$5,276,184	\$55,148,068	\$5,659,113	\$187,090,355	\$1,645,260	\$682,560	\$189,418,175	\$250,225,356	22.8%
<i>January</i>	\$10,478,893	\$4,306,863	\$3,157,607	\$2,085,773	\$1,186,734	\$2,044,766	\$23,260,636	\$2,013,849	\$72,984,311	\$685,932	\$271,080	\$73,941,323	\$97,201,959	8.9%
<i>February</i>	\$5,480,430	\$4,164,882	\$2,735,231	\$1,599,257	\$1,189,471	\$2,101,154	\$17,270,425	\$2,609,388	\$69,573,282	\$571,992	\$205,200	\$70,350,474	\$90,230,287	8.2%
<i>March</i>	\$6,043,316	\$3,630,751	\$2,270,818	\$1,687,911	\$1,214,023	\$2,389,314	\$17,236,133	\$2,822,275	\$61,900,498	\$415,134	\$214,920	\$62,530,552	\$82,588,960	7.5%
<i>3rd Quarter</i>	\$22,002,639	\$12,102,496	\$8,163,656	\$5,372,941	\$3,590,228	\$6,535,234	\$57,767,194	\$7,445,512	\$204,458,091	\$1,673,058	\$691,200	\$206,822,349	\$272,035,055	24.8%
<i>April</i>	\$4,633,496	\$4,238,586	\$1,776,112	\$1,693,958	\$1,227,359	\$1,880,592	\$15,450,103	\$2,656,398	\$80,038,441		\$89,640	\$80,128,081	\$98,234,582	8.9%
<i>May</i>	\$5,571,991	\$7,112,717	\$2,109,650	\$1,863,655	\$1,490,990	\$1,303,308	\$19,452,311	\$3,856,099	\$100,189,342	\$170,082	\$159,840	\$100,519,264	\$123,827,674	11.3%
<i>June</i>	\$4,939,993	\$5,641,031	\$2,373,885	\$1,872,523	\$1,396,655	\$1,702,928	\$17,927,015	\$3,698,412	\$98,075,762	\$517,758	\$338,040	\$98,931,560	\$120,556,987	11.0%
<i>4th Quarter</i>	\$15,145,480	\$16,992,334	\$6,259,647	\$5,430,136	\$4,115,004	\$4,886,828	\$52,829,429	\$10,210,909	\$278,303,545	\$687,840	\$587,520	\$279,578,905	\$342,619,243	31.2%
2020	\$72,674,827	\$57,185,604	\$28,877,182	\$19,734,776	\$14,380,588	\$20,067,658	\$212,920,635	\$28,577,278	\$848,409,616	\$5,427,708	\$2,624,400	\$856,461,724	\$1,097,959,637	
<i>Mkt Share</i>	6.6%	5.2%	2.6%	1.8%	1.3%	1.8%	19.39%	2.60%	77.27%	0.49%	0.24%	78.00%		
<i>2019</i>	\$111,184,626	\$102,951,884	\$44,058,583	\$19,743,211	\$12,276,022	\$8,630,254	\$298,844,580	\$17,753,412	\$750,278,323	\$7,387,974	\$2,525,730	\$760,192,027	\$1,076,790,019	
<i>% of Change</i>	-34.6%	-44.5%	-34.5%	0.0%	17.1%	132.5%	-28.8%	61.0%	13.1%	-26.5%	3.9%	12.7%	2.0%	

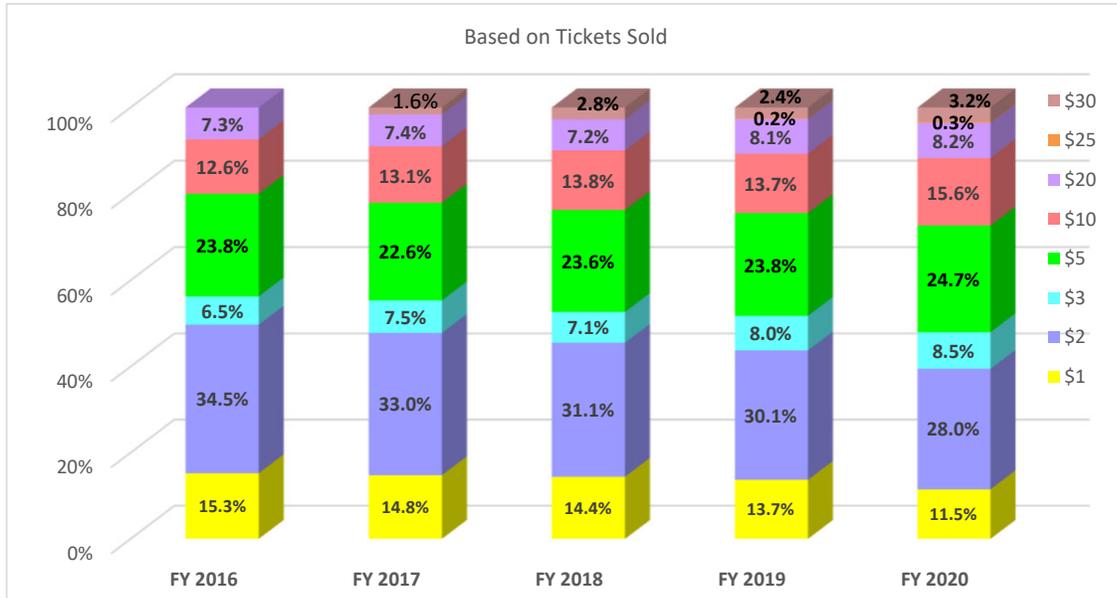
ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT
Fiscal Year 2020 - July 2019 through June 2020



Arizona Lottery 5-Year Review by Price Point



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
\$1	\$18,183,806	\$17,230,930	\$17,675,313	\$17,327,856	\$15,243,692
\$2	\$82,257,128	\$77,080,640	\$76,286,420	\$76,045,580	\$74,204,632
\$3	\$23,323,455	\$26,348,367	\$26,204,778	\$30,416,967	\$33,795,897
\$5	\$141,578,675	\$131,823,090	\$144,423,905	\$150,294,810	\$163,624,105
\$10	\$150,398,690	\$152,231,750	\$168,662,410	\$173,763,390	\$207,204,520
\$20	\$174,963,960	\$172,393,320	\$176,364,760	\$204,007,420	\$217,273,740
\$25				\$6,504,400	\$8,628,650
\$30		\$55,673,280	\$101,269,350	\$91,917,900	\$128,434,380
Total	\$590,705,714	\$632,781,377	\$710,886,936	\$750,278,323	\$848,409,616



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
\$1	18,183,806	17,230,930	17,675,313	17,327,856	15,243,692
\$2	41,128,564	38,540,320	38,143,210	38,022,790	37,102,316
\$3	7,774,485	8,782,789	8,734,926	10,138,989	11,265,299
\$5	28,315,735	26,364,618	28,884,781	30,058,962	32,724,821
\$10	15,039,869	15,223,175	16,866,241	17,376,339	20,720,452
\$20	8,748,198	8,619,666	8,818,238	10,200,371	10,863,687
\$25				260,176	345,146
\$30		1,855,776	3,375,645	3,063,930	4,281,146
Total	119,190,657	116,617,274	122,498,354	126,449,413	132,546,559

Interoffice Memorandum

Date: August 6, 2020
To: Gregg Edgar, Executive Director
From: Raynie Hosto, Deputy Director Customer Service and Sales
Subject: FY 2020 – Sales Review

Vending Machine Sales (Chart E)

The Arizona Lottery achieved record-breaking vending machine sales of \$448,304,003, a 31.2% increase over FY19. At the end of FY20, vending machines deployed throughout the state totaled 1,367, which is an increase of 157 machines from the previous year. FY20 sales from vending machines represented 41.1% of total sales, an increase from 31.8% in FY19.

Out of stocks in FY20 increased to 5.08% compared to 4.55% FY19. During the fourth quarter of FY 20, vending machine sales increased by nearly 60%. Due to the sales spike, some retailers struggled to shift priorities while navigating the pandemic. The sales team is focused on working with corporate partners to increase awareness of out of stocks and the associated lost sales. At the Territory Manager level, there is a focus on three chains with the highest out of stocks and lost sales. The TMs are working closely with the retailers contributing to the out-of-stock increase and helping the retailers increase their sales by reducing out of stocks.

Corporate Account Review (Chart F)

- Major retail chains represent 53.7% of all Draw and Scratchers lottery accounts. Convenience stores represent 38.6% of total accounts, while chain food stores represent 15.2%.
- Major retail chains comprise 75.0% of the total market share with convenience stores and food stores, accounting for 49.0% and 26.0%, respectively.
- Fry's food stores continue with a second record-breaking year, posting a per store sales average of \$1,024,083. QuikTrip, Albertsons, and Safeway follow with per average store sales of \$957,045, \$701,139, and \$689,978, respectively.
- Circle K accounts for the most substantial portion of the market share at 24.2%, with 619 stores followed by Fry's at 11.5% with 122 stores and QuikTrip at 10.1% with 115 stores.

Business Classification Review (Charts G and H)

Chain and independent convenience stores account for 64.2% of total Lottery accounts and 67.4% of the market share in sales. Chain and independent grocery stores account for 16.9% of

total Lottery accounts and 28.0% of the market share, which is an increase from 26.6% in FY19. A new addition to the report is Instant Tab retailers, which account for 6.9% of total lottery accounts and 0.7% of the sales market share.

County Review (Charts I and J)

- The overall estimated per capita weekly sales for FY20 was \$2.94, down slightly from FY19 when the per capita weekly sales were \$3.00.
- Maricopa and Pima counties held a market share of 76.2% of total sales. The remaining counties represent 23.8% of sales.
- Greenlee County posted the highest weekly per capita sales at \$5.37, followed closely by La Paz at \$5.27, and Mohave at \$5.22.

Arizona Lottery Vending Machine							
FY 2020							
	# of Units (Qtly Avg)	Vending Type	Instant Sales	Draw Sales	Total Sales	Per Unit Average	Average Out-of-Stock Percentage
1st Quarter Total % of Lottery Sales	1303		\$ 77,425,246	\$ 10,022,817	\$ 87,448,063	\$ 67,112.86	3.91%
			43.4%	19.1%	37.9%		
2nd Quarter Total % of Lottery Sales	1266		\$ 88,313,402	\$ 13,002,602	\$ 101,316,004	\$ 80,028.44	4.49%
			47.2%	21.4%	40.9%		
3rd Quarter Total % of Lottery Sales	1327	HD/LP	\$ 94,699,693	\$ 15,631,959	\$ 110,331,652	\$ 83,143.67	4.98%
		EX	46.3%	24.0%	40.9%		
4th Quarter Total % of Lottery Sales	1367		\$ 131,647,796	\$ 17,560,488	\$ 149,208,284	\$ 109,150.17	6.93%
			47.3%	27.9%	43.7%		
Total Vending			\$ 392,086,137	\$ 56,217,866	\$ 448,304,003		
Total Fiscal Year % of Total Sales			\$ 392,086,137	\$ 56,217,866	\$ 448,304,003		5.08%
			46.2%	23.3%	41.1%		

Chart E

**ARIZONA LOTTERY
CORPORATE ACCOUNT REVIEW
Fiscal Year 2020
July 2019 through June 2020**

	Chain #	# of Accts	% of Accts	Total Draw Games			Scratchers			All Products Combined			Commission Earned To Date
				Market		Per Store	Market		Per Store	Market		Per Store	
				Sales	Share	Average	Sales	Share	Average	Sales	Share	Average	
4 Sons	9290/9814	21	0.6%	\$ 2,300,765	1.0%	\$ 109,560	\$ 6,829,688	0.8%	\$ 325,223	\$ 9,130,453	0.8%	\$ 434,783	\$ 593,479
7-Eleven	8706	56	1.7%	\$ 3,270,761	1.4%	\$ 58,406	\$ 18,840,677	2.2%	\$ 336,441	\$ 22,111,438	2.0%	\$ 394,847	\$ 1,437,243
Carioca	8821	37	1.1%	\$ 2,817,666	1.2%	\$ 76,153	\$ 8,182,699	1.0%	\$ 221,154	\$ 11,000,365	1.0%	\$ 297,307	\$ 715,024
Circle K	8037	619	19.1%	\$ 46,253,938	19.2%	\$ 74,724	\$ 217,519,442	25.6%	\$ 351,405	\$ 263,773,380	24.2%	\$ 426,128	\$ 17,145,270
Cobblestone		12	0.4%	\$ 1,049,480	0.4%	\$ 87,457	\$ 2,054,651	0.2%	\$ 171,221	\$ 3,104,131	0.3%	\$ 258,678	\$ 201,769
Fry's Gas	8052	93	2.9%	\$ 3,343,291	1.4%	\$ 35,949	\$ 15,064,031	1.8%	\$ 161,979	\$ 18,407,322	1.7%	\$ 197,928	\$ 1,196,476
Good 2 Go	8024	17	0.5%	\$ 749,178	0.3%	\$ 44,069	\$ 2,945,517	0.3%	\$ 173,266	\$ 3,694,695	0.3%	\$ 217,335	\$ 240,155
Jackson's Food Stores	8021	11	0.3%	\$ 1,675,317	0.7%	\$ 152,302	\$ 3,580,066	0.4%	\$ 325,461	\$ 5,255,383	0.5%	\$ 477,762	\$ 341,600
Loves	9800	12	0.4%	\$ 696,548	0.3%	\$ 58,046	\$ 2,287,368	0.3%	\$ 190,614	\$ 2,983,916	0.3%	\$ 248,660	\$ 193,955
Maverik	9905	22	0.7%	\$ 2,218,135	0.9%	\$ 100,824	\$ 6,869,668	0.8%	\$ 312,258	\$ 9,087,803	0.8%	\$ 413,082	\$ 590,707
Pilot Travel Centers	9926	18	0.6%	\$ 946,098	0.4%	\$ 52,561	\$ 2,972,759	0.4%	\$ 165,153	\$ 3,918,857	0.4%	\$ 217,714	\$ 254,726
Quik Mart	8375	23	0.7%	\$ 1,789,802	0.7%	\$ 77,817	\$ 8,450,167	1.0%	\$ 367,399	\$ 10,239,969	0.9%	\$ 445,216	\$ 665,598
QuikTrip	9849	115	3.6%	\$ 24,595,783	10.2%	\$ 213,876	\$ 85,464,361	10.1%	\$ 743,168	\$ 110,060,144	10.1%	\$ 957,045	\$ 7,153,909
Quik-Way Retail	8028	24	0.7%	\$ 2,877,351	1.2%	\$ 119,890	\$ 10,976,046	1.3%	\$ 457,335	\$ 13,853,397	1.3%	\$ 577,225	\$ 900,471
Safeway Gas	8128	32	1.0%	\$ 1,761,462	0.7%	\$ 55,046	\$ 5,401,233	0.6%	\$ 168,789	\$ 7,162,695	0.7%	\$ 223,834	\$ 465,575
Shay's	8938	21	0.6%	\$ 1,330,068	0.6%	\$ 63,337	\$ 5,787,648	0.7%	\$ 275,602	\$ 7,117,716	0.7%	\$ 338,939	\$ 462,652
Superpumper	8025	13	0.4%	\$ 1,658,247	0.7%	\$ 127,557	\$ 4,453,808	0.5%	\$ 342,601	\$ 6,112,055	0.6%	\$ 470,158	\$ 397,284
Terribles	8004	9	0.3%	\$ 1,767,128	0.7%	\$ 196,348	\$ 2,087,188	0.2%	\$ 231,910	\$ 3,854,316	0.4%	\$ 428,257	\$ 250,531
Woody's	8607	15	0.5%	\$ 265,544	0.1%	\$ 17,703	\$ 1,195,976	0.1%	\$ 79,732	\$ 1,461,520	0.1%	\$ 97,435	\$ 94,999
Speedway	9956	77	2.4%	\$ 3,932,819	1.6%	\$ 51,076	\$ 17,640,018	2.1%	\$ 229,091	\$ 21,572,837	2.0%	\$ 280,167	\$ 1,402,234
Convenience Total		1,247	38.6%	\$105,299,381	43.6%	\$84,442	\$428,603,011	50.5%	\$343,707	\$533,902,392	49.0%	\$428,149	\$34,703,655
Albertson's	8027	30	0.9%	\$ 6,326,462	2.6%	\$210,882.07	\$ 14,707,696	1.7%	\$490,257	\$21,034,158	1.9%	\$701,139	\$1,367,220
Bashas'	8011	47	1.5%	\$ 7,258,348	3.0%	\$154,433	\$ 16,914,947	2.0%	\$359,892	\$24,173,295	2.2%	\$514,325	\$1,571,264
El Super	8030	6	0.2%	\$ 105,585	0.0%	\$17,598	\$ 1,055,279	0.1%	\$175,879.83	\$1,160,864	0.1%	\$193,477	\$75,456
Food City		46	1.4%	\$ 1,396,241	0.6%	\$30,353	\$ 9,196,823	1.1%	\$199,930.93	\$10,593,064	1.0%	\$230,284	\$688,549
Fry's	8052	122	3.8%	\$ 37,252,034	15.4%	\$305,345	\$ 87,686,144	10.3%	\$718,739	\$124,938,178	11.5%	\$1,024,083	\$8,120,982
Los Altos Ranch Market	8026	7	0.2%	\$ 261,303	0.1%	\$37,329	\$ 1,931,149	0.2%	\$275,878	\$2,192,452	0.2%	\$313,207	\$142,509
Safeway	8128	106	3.3%	\$ 24,059,463	10.0%	\$226,976	\$ 49,078,163	5.8%	\$463,002	\$73,137,626	6.7%	\$689,978	\$4,753,946
Walmart	8022	109	3.4%	\$ 5,273,225	2.2%	\$48,378	\$ 18,664,470	2.2%	\$171,234	\$23,937,695	2.2%	\$219,612	\$1,555,950
Costco		17	0.5%	\$ -	0.0%	\$0	\$ 2,289,140	0.3%	\$134,655	\$2,289,140	0.2%	\$134,655	\$148,794
Food Store Total		490	15.2%	\$81,932,661	33.9%	\$167,210	\$201,523,811	23.8%	\$411,273	\$283,456,472	26.0%	\$578,483	\$18,424,671
Major Chains		1,737	53.7%	\$187,232,042	77.5%	\$107,790	\$630,126,822	74.3%	\$362,767	\$817,358,864	75.0%	\$470,558	\$53,128,326
All Stores*		3233		\$241,497,913		\$74,698	\$848,409,616		\$262,422	\$1,089,907,529		\$337,120	\$70,843,989

*Does not include Instant 1 ads

**ARIZONA LOTTERY
BUSINESS CODE REVIEW
Fiscal Year 2020
July 2019 through June 2020**

Business Classification	Business Code	# of Accts	% of Accts	Draw Games			Scratchers			Instant Tab			Combined Total Sales					Commission Earned To Date
				Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	FY2020 Sales	FY2019 Sales	% of change	Market Share	Per Store Average	
Full Product																		
Shopping Malls	01	4	0.1%	57,296	0.0%	14,324	58,536	0.0%	14,634	0	0.0%	0	115,832	282,284	-59.0%	0.0%	28,958	\$ 7,529
Smoke/Gift Shops	02	109	3.1%	1,633,200	0.7%	14,983	7,695,181	0.9%	70,598	0	0.0%	0	9,328,381	8,627,864	8.1%	0.8%	85,581	\$ 606,345
Chain Supermarkets	03	493	14.2%	82,751,589	34.3%	167,853	203,176,127	23.9%	412,122	0	0.0%	0	285,927,716	276,320,292	3.5%	26.0%	579,975	\$ 18,585,302
Independent Supermarkets	04	47	1.4%	1,904,014	0.8%	40,511	7,027,366	0.8%	149,518	0	0.0%	0	8,931,380	8,848,823	0.9%	0.8%	190,029	\$ 580,540
Chain Convenience Stores	05	1167	33.6%	98,354,741	40.7%	84,280	404,078,736	47.6%	346,254	0	0.0%	0	502,433,477	501,153,546	0.3%	45.8%	430,534	\$ 32,658,176
Independent Convenience	06	914	26.3%	39,375,987	16.3%	43,081	166,969,735	19.7%	182,680	0	0.0%	0	206,345,722	195,327,579	5.6%	18.8%	225,761	\$ 13,412,472
Liquor Stores	07	99	2.9%	1,697,878	0.7%	17,150	12,629,659	1.5%	127,572	0	0.0%	0	14,327,537	12,897,353	11.1%	1.3%	144,723	\$ 931,290
Drug Stores	08	3	0.1%	15,976	0.0%	5,325	102,176	0.0%	34,059	0	0.0%	0	118,152	116,944	1.0%	0.0%	39,384	\$ 7,680
Chain Fuel/Indp Gas	09	149	4.3%	6,176,436	2.6%	41,453	24,929,692	2.9%	167,313	0	0.0%	0	31,106,128	29,566,254	5.2%	2.8%	208,766	\$ 2,021,898
Truck Service Centers	10	49	1.4%	2,528,413	1.0%	51,600	7,680,186	0.9%	156,738	0	0.0%	0	10,208,599	10,618,978	-3.9%	0.9%	208,339	\$ 663,559
Bars/Restaurants	11	80	2.3%	3,086,106	1.3%	38,576	4,796,593	0.6%	59,957	0	0.0%	0	7,882,699	8,908,490	-11.5%	0.7%	98,534	\$ 512,375
Spec Non-Grocery	12	108	3.1%	2,905,778	1.2%	26,905	5,560,863	0.7%	51,489	0	0.0%	0	8,466,641	9,233,548	-8.3%	0.8%	78,395	\$ 550,332
Bowling Centers	14	3	0.1%	42,060	0.0%	14,020	151,991	0.0%	50,664	0	0.0%	0	194,051	358,161	-45.8%	0.0%	64,684	\$ 12,613
Mass Merchandise	16	1	0.0%	2,979	0.0%	2,979	28,030	0.0%	28,030	0	0.0%	0	31,009	176,176	-82.4%	0.0%	31,009	\$ 2,016
Lottery Customer Service	99	9	0.3%	965,460	0.4%	107,273	3,524,745	0.4%	391,638	19,440	0.2%	2,160	4,509,645	4,497,953	0.3%	0.4%	501,072	\$ 293,127
Full Product Sub Total		3235		241,497,913			848,409,616			19,440			1,089,926,969	1,066,934,245				
Instant Tab																		
Age-Controlled Instant Tab	15	59	1.7%	0	0.0%	0	0	0.0%	0	2,059,560	25.6%	34,908	2,059,560	2,192,400	-6.1%	0.2%	34,908	\$ 133,871
Charitable Instant Tab	17	142	4.1%	0	0.0%	0	0	0.0%	0	5,427,708	67.4%	38,223	5,427,708	7,387,974	-26.5%	0.5%	38,223	\$ 1,083,738
General Instant Tab	18	37	1.1%	0	0.0%	0	0	0.0%	0	545,400	6.8%	14,741	545,400	275,400	98.0%	0.0%	14,741	\$ 35,451
Instant Tab Sub Total		238		0			0			8,032,668			8,032,668	9,855,774	-18.5%	0.7%	32,600	\$ 1,253,060
Total		3473	100%	241,497,913	100%	74,652	848,409,616	100%	262,260	8,052,108	100%	32,600	1,097,959,637	1,076,790,019	2.0%	100%	316,142	\$ 73,351,374

Summary Recap

Chain/Indpt Supermarkets	540	15.5%	84,655,603	35.1%	156,770	210,203,493	24.8%	389,266	0	0.0%	0	294,859,096	285,169,115	3.4%	26.9%	546,035	\$ 19,165,841
Total Convenience Stores	2,230	64.2%	143,907,164	59.6%	64,532	595,978,163	70.2%	267,255	0	0.0%	0	739,885,327	726,047,379	1.9%	67.4%	331,787	\$ 48,092,546
Total Instant Tabs	238	6.9%	0		0	0		0	8,032,668	99.8%	32,600	8,032,668	9,855,774	-18.5%	0.7%	32,600	\$ 1,253,060
Other Classifications	465	13.4%	12,935,146	5.4%	27,818	42,227,960	5.0%	90,813	19,440	0.2%	2,160	55,182,546	65,573,525	-15.8%	5.0%	118,672	\$ 4,839,926
Total All Classifications	3,473	100%	241,497,913	100%	74,652	848,409,616	100%	262,260	8,052,108	100%	32,600	1,097,959,637	1,076,790,019	2.0%	100%	316,142	\$ 73,351,374

ARIZONA LOTTERY
BUSINESS CODE REVIEW
Fiscal Year 2020
July 2019 through June 2020

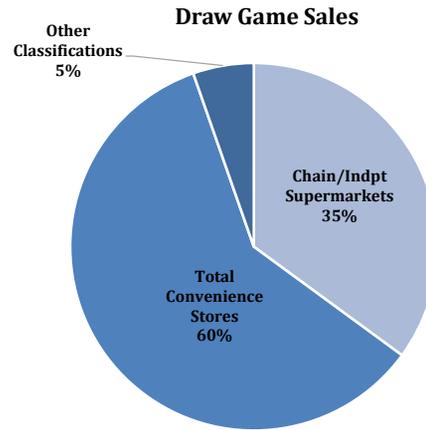
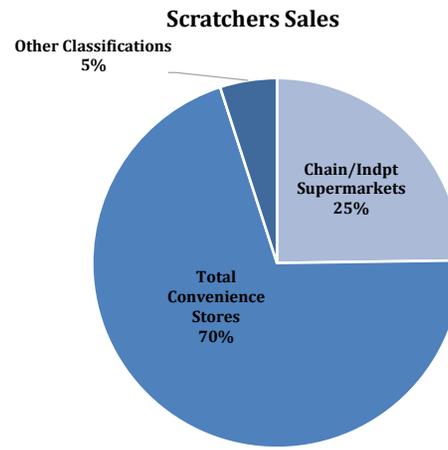
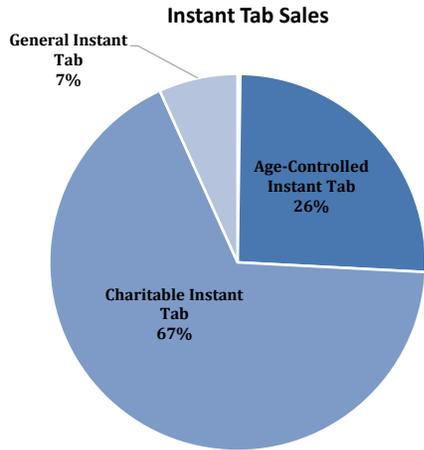


Chart H

**ARIZONA LOTTERY
COUNTY SALES REVIEW
Fiscal Year 2020**

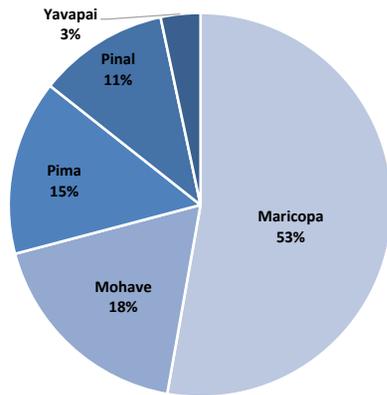
July 2019 through June 2020

County	Code	# of Accts	% of Accts	Draw Games			Scratchers			Instant Tabs			FY2020 Sales	All Products Combined			2020 Estimated Per Capita Wkly Sales	
				Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average		FY2019 Sales	% of Market Change	Market Share		Per Store Average
Apache	1	19	0.5%	388,612	0.2%	20,453	1,628,916	0.2%	85,732	44,430	0.6%	27,610,450	2,061,958	2,034,245	1.36%	0.2%	108,524	\$0.55
Cochise	2	97	2.8%	4,888,561	2.0%	50,398	20,556,893	2.4%	211,927	148,770	1.8%	7,349,329	25,594,224	24,631,811	3.91%	2.3%	263,858	\$3.88
Coconino	3	109	3.1%	4,499,309	1.9%	41,278	13,616,638	1.6%	124,923	25,074	0.3%	1,345,833	18,141,021	19,368,949	-6.34%	1.7%	166,431	\$2.44
Gila	4	52	1.5%	1,956,046	0.8%	37,616	8,351,261	1.0%	160,601	21,930	0.3%	2,707,528	10,329,237	9,783,423	5.58%	0.9%	198,639	\$3.69
Graham	5	33	1.0%	801,162	0.3%	24,278	6,216,599	0.7%	188,382	23,844	0.3%	7,187,406	7,041,605	6,246,785	12.72%	0.6%	213,382	\$3.56
Greenlee	6	8	0.2%	294,639	0.1%	36,830	2,348,697	0.3%	293,587	2,760	0.0%	2,262,206	2,646,096	2,564,453	3.18%	0.2%	330,762	\$5.37
La Paz	15	45	1.3%	1,258,812	0.5%	27,974	4,337,492	0.5%	96,389	181,524	2.3%	34,824,634	5,777,828	5,790,809	-0.22%	0.5%	128,396	\$5.27
Maricopa	7	1894	54.5%	148,881,951	61.6%	78,607	546,165,746	64.4%	288,366	3,730,500	46.3%	6,051,156	698,778,197	684,413,095	2.10%	63.6%	368,943	\$3.05
Mohave	8	194	5.6%	19,144,202	7.9%	98,681	36,484,010	4.3%	188,062	1,280,292	15.9%	16,150,469	56,908,504	58,164,766	-2.16%	5.2%	293,343	\$5.22
Navajo	9	77	2.2%	2,329,340	1.0%	30,251	10,311,897	1.2%	133,921	240,192	3.0%	24,902,276	12,881,429	12,250,325	5.15%	1.2%	167,291	\$2.24
Pima	10	477	13.7%	31,545,219	13.1%	66,133	105,114,156	12.4%	220,365	1,042,542	12.9%	7,981,296	137,701,917	134,370,231	2.48%	12.5%	288,683	\$2.55
Pinal	11	167	4.8%	11,059,419	4.6%	66,224	43,928,386	5.2%	263,044	777,792	9.7%	16,984,178	55,765,597	53,802,102	3.65%	5.1%	333,926	\$2.40
Santa Cruz	12	21	0.6%	1,775,295	0.7%	84,538	4,105,110	0.5%	195,481	0	0.0%	0	5,880,405	5,894,736	-0.24%	0.5%	280,019	\$2.43
Yavapai	13	151	4.3%	8,293,561	3.4%	54,924	27,484,860	3.2%	182,019	236,358	2.9%	6,882,443	36,014,779	35,781,312	0.65%	3.3%	238,508	\$2.99
Yuma	14	129	3.7%	4,381,785	1.8%	33,967	17,758,955	2.1%	137,666	296,100	3.7%	16,319,270	22,436,840	21,692,977	3.43%	2.0%	173,929	\$2.03
Total		3473	100%	241,497,913	100%	69,536	848,409,616	100%	244,287	8,052,108	100%	8,052,108	1,097,959,637	1,076,790,019	1.97%	100%	316,142	\$2.94
Summary Recap																		
Maricopa and Pima Counties		2371	68.3%	180,427,170	74.7%	76,097	651,279,902	76.8%	274,686	4,773,042	59.3%	6,388,615	836,480,114			76.2%	352,796	\$0.62
All Other Counties		1102	31.7%	61,070,743	25.3%	55,418	197,129,714	23.2%	178,884	3,279,066	40.7%	12,966,726	261,479,523			23.8%	237,277	\$0.61

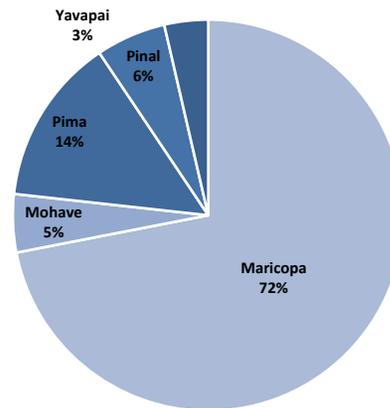
Chart I

**ARIZONA LOTTERY
COUNTY SALES REVIEW
Fiscal Year 2020
July 2019 through June 2020**

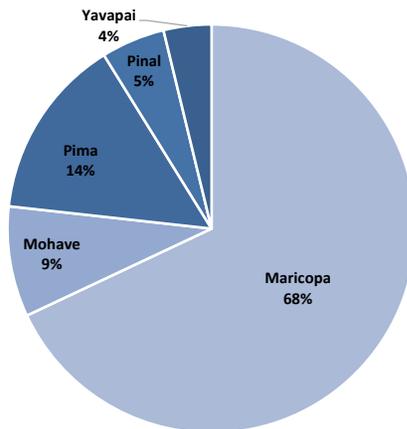
Instant Tab Sales



Scratchers Sales



Draw Game Sales



Combined Sales

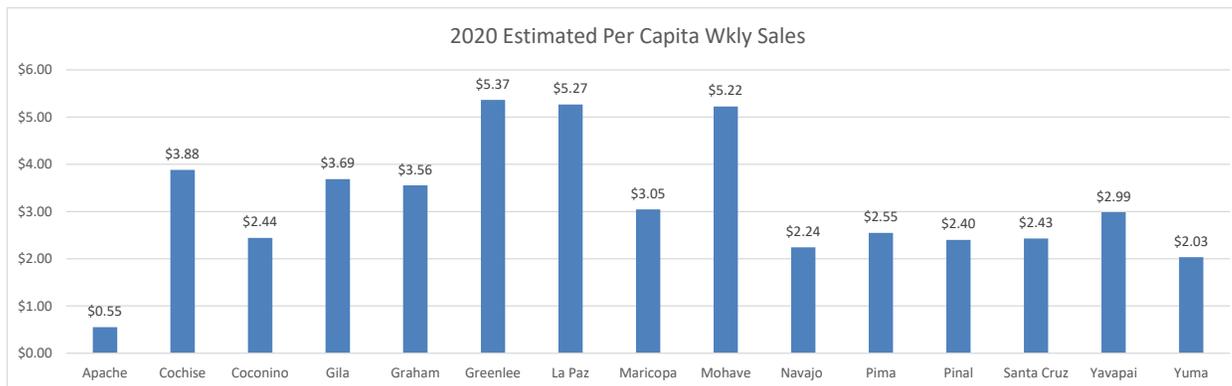
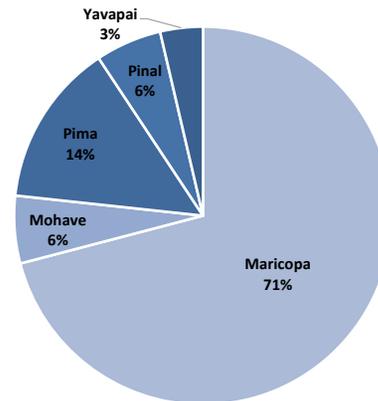


Chart J

New Business Item #1
Vote for Commission Chair and Vice-Chair
Report to Arizona Lottery Commission
August 21, 2020

Pursuant to Arizona Revised Statute §5-552(A) the commission members are required to elect a new Commission Chair. In addition, the commission members may elect a Vice-Chair. The Chair and/or Vice-Chair may serve more than one term. The term of office will be Fiscal Year 21 (July 1, 2020 through June 30, 2021).

The Commission is requested to take this action at the meeting.

New Business Item #2
New Instant Scratch Game Profiles
Report to Arizona Lottery Commission
August 21, 2020

This report has been provided to the Lottery Commission regarding 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: *Mystery Key Crossword #1296*, *Twisted #1297*, *Win Big #1299*, *Ultimate Millions #1300*, *Triple Bonus Crossword #1301*, *\$40 Million Mega Bucks #1302*, *Double Your Money #1303*, *\$50 Loaded #1304*, *\$100 Loaded #1305*, *\$500 Loaded #1306*, *\$1,000 Loaded #1307*, *Money Maker #1308*, and *Bingo Blockbuster #1310*.

Mystery Key Crossword #1296. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 9.3 million tickets.

Twisted #1297. This \$3 game has a top prize of \$20,000 and will be printed at a quantity of approximately 3.1 million tickets.

Win Big #1299. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 1.8 million tickets.

Ultimate Millions #1300. This \$30 game has a top prize of \$3,500,000 (30-year annuity) or a one-time cash payment of \$1,750,000 and will be printed at a quantity of approximately 4.6 million tickets.

Triple Bonus Crossword #1301. This \$25 game has a top prize of \$500,000 and will be printed at a quantity of approximately 1.6 million tickets.

\$40 Million Mega Bucks #1302. This \$20 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.3 million tickets.

Double Your Money #1303. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.2 million tickets.

\$50 Loaded #1304. This \$1 game has a top prize of \$1,000 and will be printed at a quantity of approximately 3.6 million tickets.

\$100 Loaded #1305. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 2.8 million tickets.

\$500 Loaded #1306. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.2 million tickets.

\$1,000 Loaded #1307. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 2.4 million tickets.

Money Maker #1308. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.2 million tickets.

Bingo Blockbuster #1310. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 5.4 million tickets.

Attachments (Commissioners only)

New Business Item #3
Holiday Bonus Second Chance Promotion Profile #105
Report to Arizona Lottery Commission
August 21, 2020

This report has been provided to the Lottery Commission regarding the Holiday Bonus Second Chance Promotion Profile. The Commission is requested to approve this Promotion Profile.

NEW PROMOTION PROFILE

Attached for the Lottery Commission's action is new Promotion Profile: *Holiday Bonus Promotion Profile #105*.

Holiday Bonus Promotion Profile #105

Starting October 6, 2020, players will be able to enter winning and non-winning tickets from designated holiday instant scratch tickets and Fast Play games for a chance to win cash prizes.

Attachments (Commissioners only)

New Business Item #4
Instant Tab Game Profiles
Report to Arizona Lottery Commission
August 21, 2020

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery 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: *Bet Your Bucks #1048*, and *What's on Tap #1049*.

Bet Your Bucks #1048. This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 128 deals (276,480 tickets).

What's on Tap #1049. This 50¢ game has a top prize of \$150 and will be printed at a quantity of approximately 128 deals (276,480 tickets).

Attachments (Commissioners only)