

# August 20, 2021 COMMISSION REPORT

#### **Table of Contents**

Notice of Public Meeting and Executive Session  Agency Reports  Retailer of the Quarter  Retailer Of The Year  Director's Presentation  Financial Report Presentation  Sales Presentation(S)  a. Quickcard Sales Update  b. Route Sales Service Update: Walmart And CVS  4 <sup>th</sup> Quarter Product & Sales Review – No Presentation  New Game Introduction – No Presentation  New Business Item #1  Instant Scratch Game Profiles				
Agency Reports	9			
Director's Presentation	9			
Financial Report Presentation	9			
New Game Introduction – No Presentation	9			
New Business Item #1	12			
New Business Item #2	13			
Merry Money Second Chance Promotion Profile #111				
New Business Item #3	14			
Retailer Contest, Generic - Promotion Profile #57				

### 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 **August 20, 2021, at 10:00 a.m.**, in the Arizona Lottery Board Room located at 4740 East University Drive, Phoenix, Arizona. The public is welcome to join the meeting in person, 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/tei-spwe-stm

#### <u>OR</u>

Join the meeting US Toll Free by phone at 601-844-2921 when prompted enter Access Code 765 034 022 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 18, 2021, Public Meeting

#### **Agency Reports**

- 1. Retailer of the Quarter
- 2. Retailer of the Year
- 3. Director's Presentation
- 4. Financial Report Presentation
- 5. Sales Presentation(s)
  - a. Quickcard Sales Update
  - b. Route Sales Service Update: Walmart and CVS
- 6. 4<sup>th</sup> Ouarter Product & Sales Review No Presentation
- 7. New Game Introduction No Presentation

#### **New Business**

- 1. Discussion and possible action on new instant scratch game profiles: \$5 Grand #1347, \$10 Grand #1348, \$50 Grand #1349, \$100 Grand #1350, Power Shot Multiplier #1351, Triple Red 7's #1352 and Full of Money #1353.
- 2. Discussion and possible action on new promotion profile: Merry Money Second Chance Promotion Profile #111.
- 3. Discussion and possible action on retailer promotional profile: *Retailer Contest, Generic Promotion Profile* #57.
- 4. Discussion and possible action on new instant scratch game profiles: \$5 Grand #1347, \$10 Grand #1348, \$50 Grand #1349, \$100 Grand #1350, Power Shot Multiplier #1351, Triple Red 7's #1352 and Full of Money #1353.

#### 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 September 17, 2021, 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 12th day of August, 2021

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 18, 2021, Meeting Telephonic Meeting

**PRESIDING** Chair Jeff Weintraub (Teleconference)

**COMMISSIONERS** Vice Chair Chad Wilson (Teleconference) Debra Roth (Teleconference) and Trent Crump (Teleconference)

#### **LOTTERY**

Executive Director Gregory Edgar, Russ Harben, Deputy Director of Operations, Chris Rogers, Deputy Director of Products and Marketing, Sherri Zendri, Deputy Director of Legal Services, Raynie Hosto, Deputy Director of Customer Service and Sales, Todd Terrell, Deputy Director of Security and Regulatory Division

Shelby Alessi, Serena Arlotta, Cassandra Bierworth, Julie Bojorquez, Mary Cimaglio, Carole Clingan, Anjali Dang, Anthony Demas, Pamela Dinunzio, Michael Dooley, Marisol Duran, Ivy Gilio, John Gilliland, Penny Gutierrez, Stacey Henderson, Karla Henriksen, Holly Hichens, Susan Kalember, Joe Leitheim, Luanne Mansanares, Melissa Renteria-Zamora, Allyson Saltford, Lisa Schartz, Lynda Sellers, Tom Seow, Devin Slayton, Bob Smith, Elizabeth Stanley, Orion Steen, Kathleen Syms, Roland Tang, Trinety Trammell, Patricia Trujillo, Art Uthaisri, and Grace Wang,

#### **GUESTS**

Attorney General Representative: Pamela (Linnins) Peiser

Scientific Games Representatives: Topper Wilson, Julio Dieppa, and Rachelle Shackelford

Pollard Banknote Limited Representatives: Wes Brown, Brad Thompson and Jennifer Wankling

Owens Harkey Representatives: Ashley Esquivel, Noelle Hobaica, and Angie Vollmers,

#### **PUBLIC**

#### Call to Order

1. Call for Quorum: Pursuant to the Public Notice dated June 14, 2021, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Jeff Weintraub.

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

- 2. **Notice:** Notice was posted by Cassandra Bierworth on June 14, 2021, at 3:40 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 21, 2021, Public Meeting. Commissioner Roth verbally moved; Vice Chair

Wilson verbally seconded. The vote was unanimous with Chair Weintraub verbally voting aye, Vice Chair Wilson verbally voting aye, Commissioner Roth verbally voting aye, and Commissioner Crump verbally voting aye.

#### **Agency Reports**

- 1. **State Service Recognition Awards:** Twenty-two employees were recognized. The presentation is attached for the official minutes.
- 2. **Director's Presentation**: Director Edgar gave administrative updates as it pertains to the Lottery; COVID protocols, FY21 budget, legislative action, CPM Certifications and informing the Commission that the August Commission meeting will be held in person. The presentation is attached for the official minutes.
- 3. **Financial Report**: Mr. Russ Harben presented financial information for FY21, overall sales with the new projections and financial status. The presentation is attached for the official minutes.

#### 4. Sales Update Presentations:

- a. Ms. Holly Hichens gave a Costco sales update. The presentation is attached for the official minutes.
- b. Ms. Raynie Hosto gave a vending machine update. The presentation is attached for the official minutes.

#### 5. Marketing & Products Update Presentations:

- a. Ms. Shelby Alessi gave a FY2022 marketing plan presentation. The presentation is attached for the official minutes.
- b. Ms. Karla Henriksen gave a presentation on the upcoming game Quick Draw. The presentation is attached for the official minutes.
- 6. **New Games Introduction** No Presentation

#### **New Business**

1. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant scratch game profiles: *Christmas Crossword #1336, Peppermint Payout #1337, 25 Days of Winning #1338, Bee Lucky Bingo #1341, 9s in a Line #1342, Deluxe Crossword #1343, Extra Crossword #1344, \$100,000 Money Match #1345, and Wild Cash #1346.* 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 new instant scratch game profiles: #1336, #1337, #1338, #1341, #1342, #1343, #1344, #1345, and #1346. Vice Chair Wilson verbally moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new promotion profile: 2021 NASCAR® Championship Second Chance Promotion Profile #110. 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 new promotion profile: #110. Commissioner Roth moved, Commissioner Crump verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

3. Chair Weintraub asked if any members of the public wanted to address the Commission regarding amended promotion profile: 2021 "Powerball First Millionaire of the Year®" Amended Promotion Profile #109. 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 amended promotion profile: #109. Commissioner Crump moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

4. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Quick Draw<sup>TM</sup> profiles: *One to Win* #16 and 5/10/45 #17. 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 Quick Draw<sup>TM</sup> profiles: #16 and #17. Commissioner Roth moved, Vice Chair Wilson verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

5. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new instant tab game profiles: *Cherries and Berries* #151, *Freedom Rocks* #152, *Amazing 8's* #153, *Let Freedom Ring* #154, *All for the Money* #155, *Blaze of Glory* #156, *Fab 4's* #1059, *Dynamite Dollars* #1060, *Poker Craze* #1061, and *Big Winnings* #1062. 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 new instant tab game profiles: #151, #152, #153, #154, #155, #156, #1059, #1060, #1061, and #1062. Vice Chair moved, Commissioner Crump verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous and the motion carried.

6. Chair Weintraub asked if any members of the public wanted to address the Commission regarding amended draw game profile: *Powerball® Amendment #6*. 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 amended draw game profile: #6. Commissioner Crump verbally moved, Vice Chair Wilson Verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous 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. There were no responses from the public.

#### **Announcements**

The next Commission meeting will be held August 20, 2021, at 10:00 a.m.

#### Adjournment

Chair Weintraub entertained a motion to adjourn. Vice Chair Wilson verbally moved, Commissioner Roth verbally seconded. Chair Weintraub verbally voted aye, Vice Chair Wilson verbally voted aye, Commissioner Roth verbally voted aye, and Commissioner Crump verbally voted aye. The vote was unanimous 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.

#### **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 August 20, 2021

**Retailer of the Quarter** 

Retailer of the Year

**Director's Presentation** 

**Financial Report Presentation** 

#### **Sales Presentation(s)**

- a. Quickcard Sales Update
- b. Route Sales Service Update: Walmart and CVS

#### 4th Quarter Product & Sales Review - No Presentation

#### **New Game Introduction - No Presentation**

The following games were introduced since the last commission meeting: Fast Cash #1311, Lady Luck #1312, Win it All #1315, Money Roll #1318, Triple Red 7's #1319, Triple Bonus Crossword #1326 and Celebrando<sup>TM</sup> Dia de los Muertos #1328.

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 8/5/21
7/28/21	\$25	1301	Triple Bonus Crossword	1,762,680	87%
8/7/21	\$10	1307	\$1,000 Loaded	2,397,780	83%

## **ATTACHMENT A**

# Dashboard Report August 2021

SERVING ARIZONA FOR 40 YEARS





va Droj (EVTD)

6/28/2021

Fast Play Sales: From 2/11/2018 -

To 6/28/2021

2.66%

Total Sales (FYTD)

\$1,432,559,457

2.64%

vs. Proj (FYTD)

2.64%

vs. Proj (FYTD)

1.56%

31.38%

vs. PYTD

Instant Sales

Scratchers Sales \$1,104,576,843

Charitable Pulltab Sales

\$7,898,964\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

vs. Proj (FYTD)		
2.71%	Draw Sales	31.58%
vs. Proj (FYTD)	\$316,109,250 STOTAL Sales	vs. PYTD
3.12%	Multi-State	45.69%
vs. Proj (FYTD)	\$188,316,808\text{NDrawSales}	vs. PYTD
0.78%	In-State	0.37%
vs. Proj (FYTD)	\$82,921,264 <sup>28.28</sup> <sub>XZraw Salas</sub>	vs. PYTD
4.65%	Fast Play	58.21%
vs. Proj (FYTD)	\$44,871,178 Toron Salas	vs. PYTD
Draw Sales : From 7/1/2015 - To	Scratcher Sales : From 7/1/20	

vs. Proj (FYTD) -25.12% Age Rest. Pulltab Sales \$2,858,760 xtratert Sales vs. Proj (FYTD)

vs. PYTD

vs. PYTD

6/28/2021

Pulltab Sales: From 7/1/2015 - To

6/28/2021

Other Pulltab Sales

\$1,123,200 stratest Sales

102.73%

31.33%

vs. PYTD

vs. PYTD

vs. PYTD

31.16%

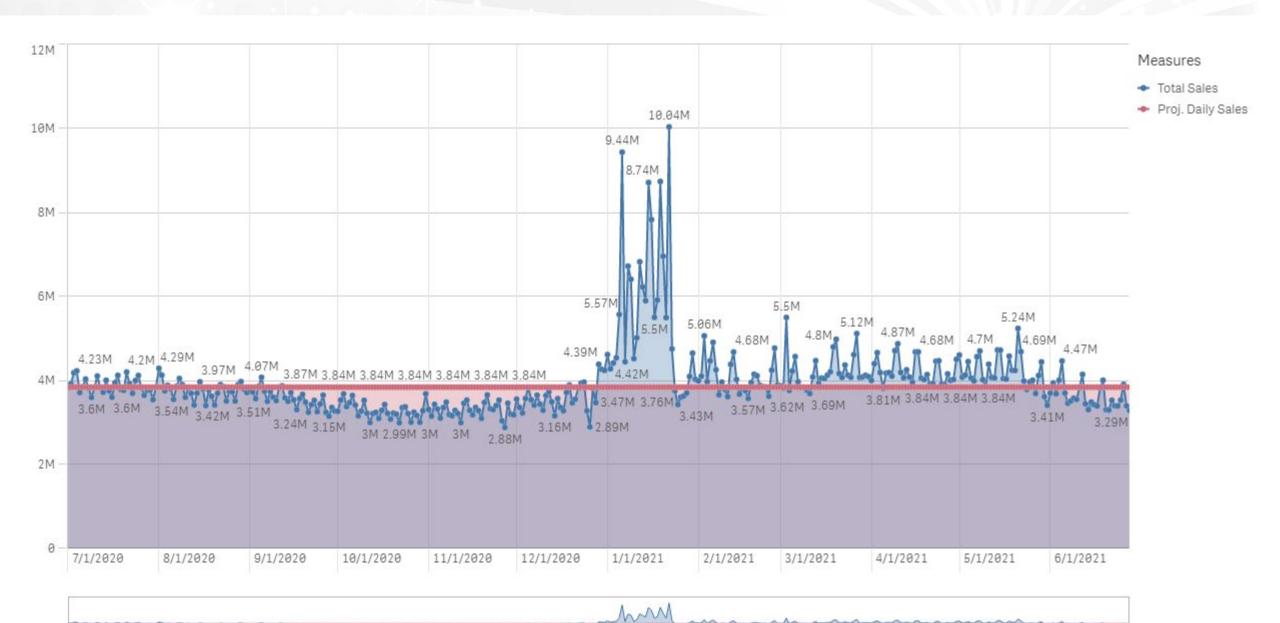
47.02%

41.25%

vs. Proj (FYTD)

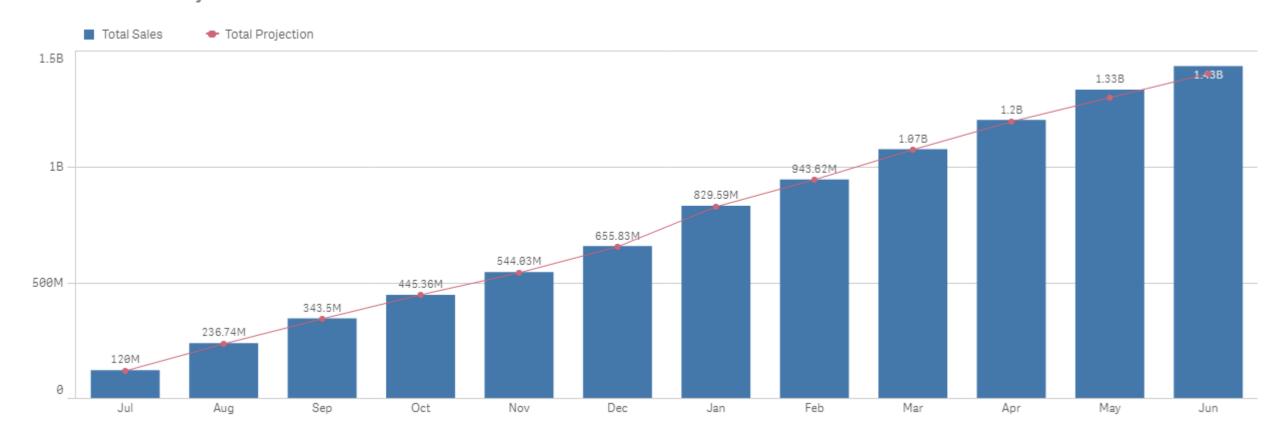


### **Daily Sales vs Goal**



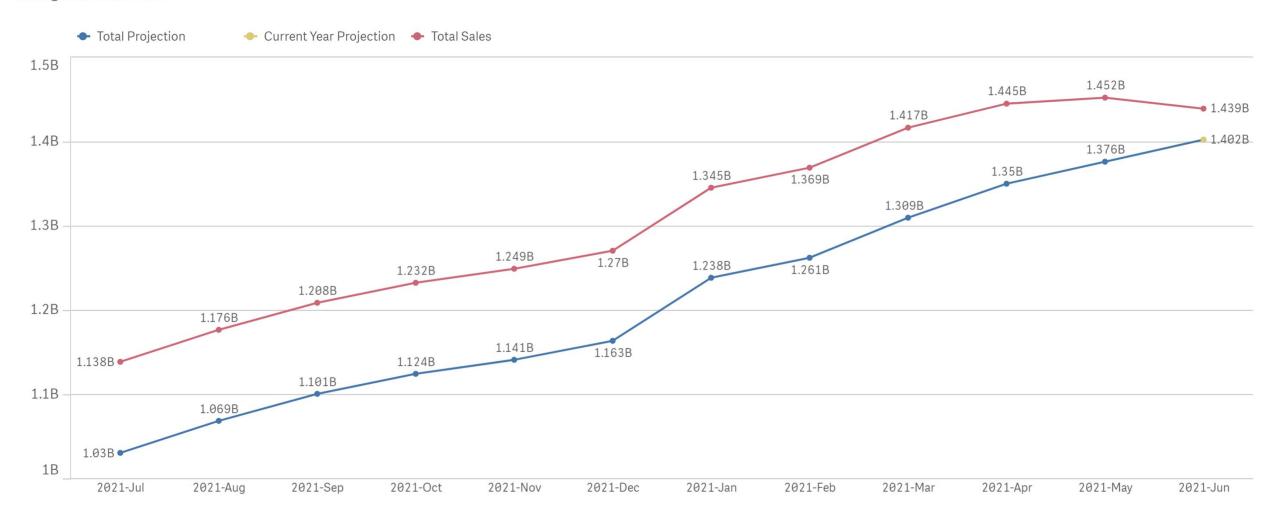
### YTD Sales vs. Projection

#### FY 2021 Total Sales vs. Projection

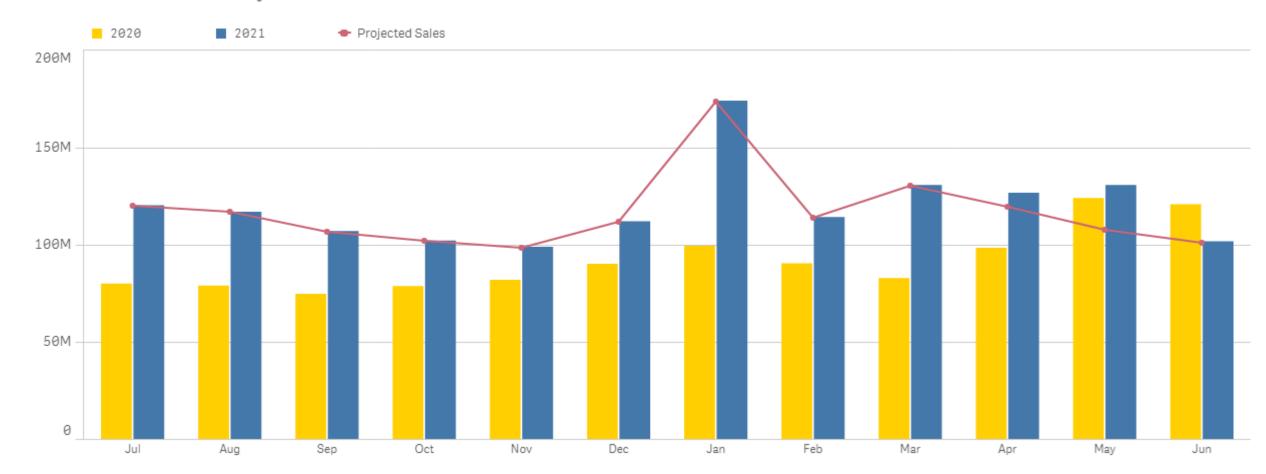


### **Rolling 12 Month Total Sales**

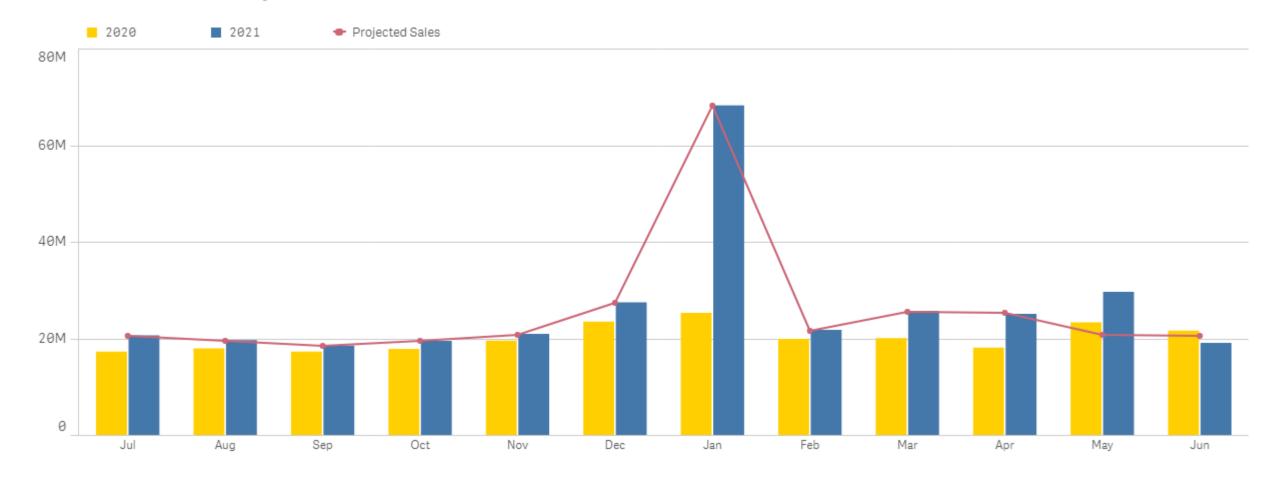
#### **Rolling 12 Month Sales**



#### Total Sales FY 2020 vs. 2021 vs. Projection

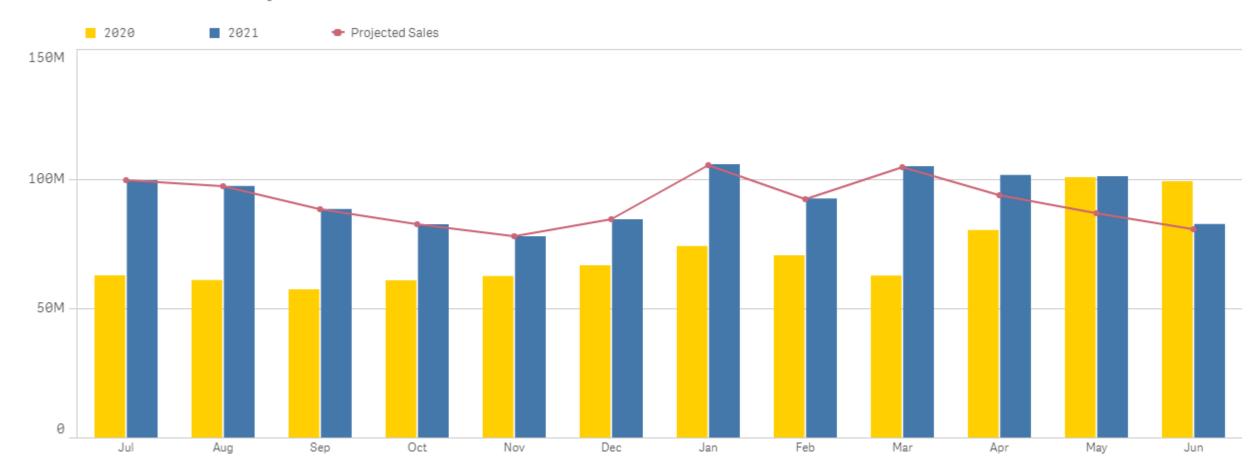


#### Draw Sales FY 2020 vs. 2021 vs. Projection

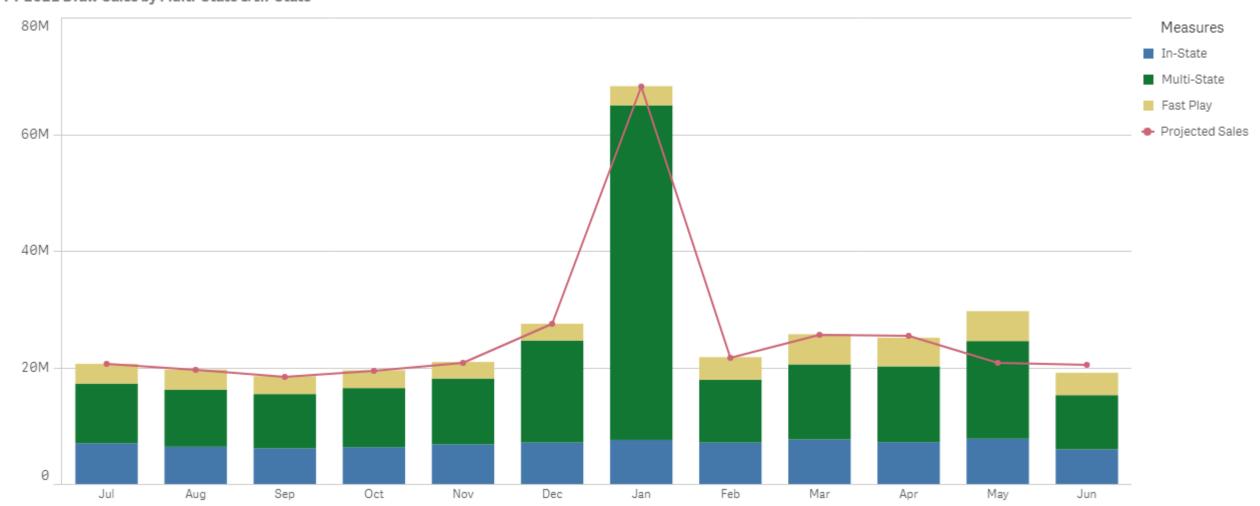


### **Instant Games**

#### Instant Sales FY 2020 vs. 2021 vs. Projection

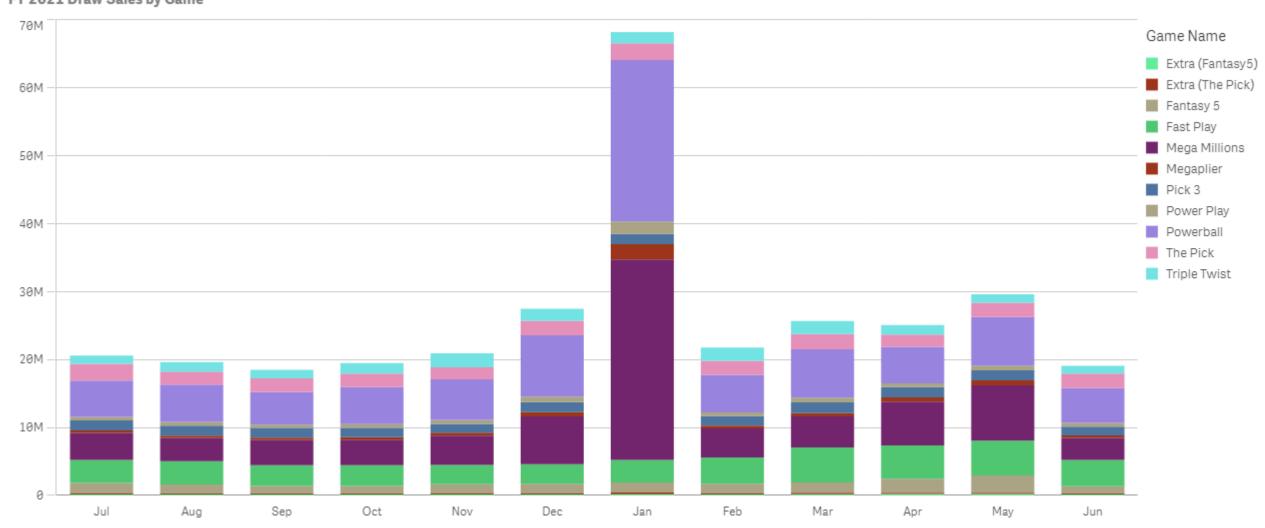


#### FY 2021 Draw Sales by Multi-State & In-State



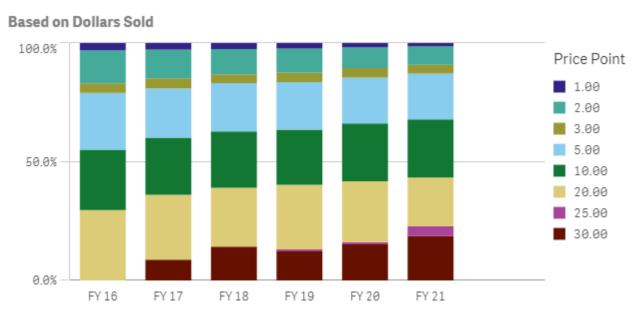
# Arizona Cotteny Draw Sales by Game

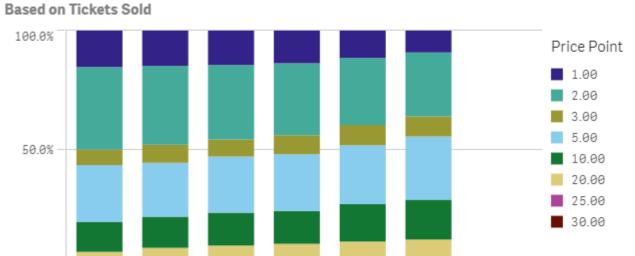
#### FY 2021 Draw Sales by Game





### Arizona Cotteny Scratcher Sales by Price Point





FY 19

FY 20

FY 21

Price Point	FY 17	FY 18	FY 19	FY 20	FY 21	Price Point	FY 17	FY 18	FY 19	FY 20	FY 21
1.00	\$17,230,930	\$17,675,313	\$17,327,856	\$15,243,692	\$14,790,123	1.00	17,230,930	17,675,313	17,327,856	15,243,692	14,790,123
2.00	\$77,080,640	\$76,286,420	\$76,045,580	\$74,204,632	\$86,247,296	2.00	38,540,320	38,143,210	38,022,790	37,102,316	43,123,648
3.00	\$26,348,367	\$26,204,778	\$30,416,967	\$33,795,897	\$40,581,984	3.00	8,782,789	8,734,926	10,138,989	11,265,299	13,527,328
5.00	\$131,823,090	\$144,423,905	\$150,294,810	\$163,624,105	\$213,818,570	5.00	26,364,618	28,884,781	30,058,962	32,724,821	42,763,714
10.00	\$152,231,750	\$168,662,410	\$173,763,390	\$207,204,520	\$269,717,650	10.00	15,223,175	16,866,241	17,376,339	20,720,452	26,971,765
20.00	\$172,393,320	\$176,364,760	\$204,007,420	\$217,273,740	\$228,034,400	20.00	8,619,666	8,818,238	10,200,371	10,863,687	11,401,720
25.00	\$0	\$0	\$6,504,400	\$8,628,650	\$45,623,150	25.00	0	0	260,176	345,146	1,824,926
30.00	\$55,673,280	\$101,269,350	\$91,917,900	\$128,434,380	\$205,763,670	30.00	1,855,776	3,375,645	3,063,930	4,281,146	6,858,789

0.0%

FY 16

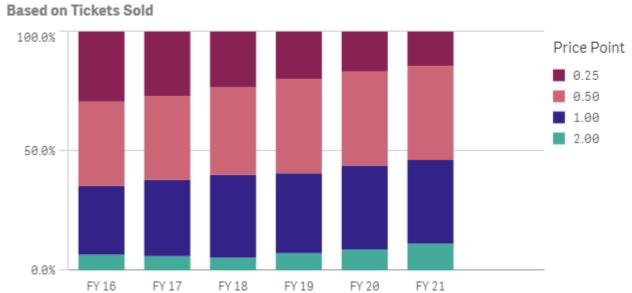
FY 17

FY 18



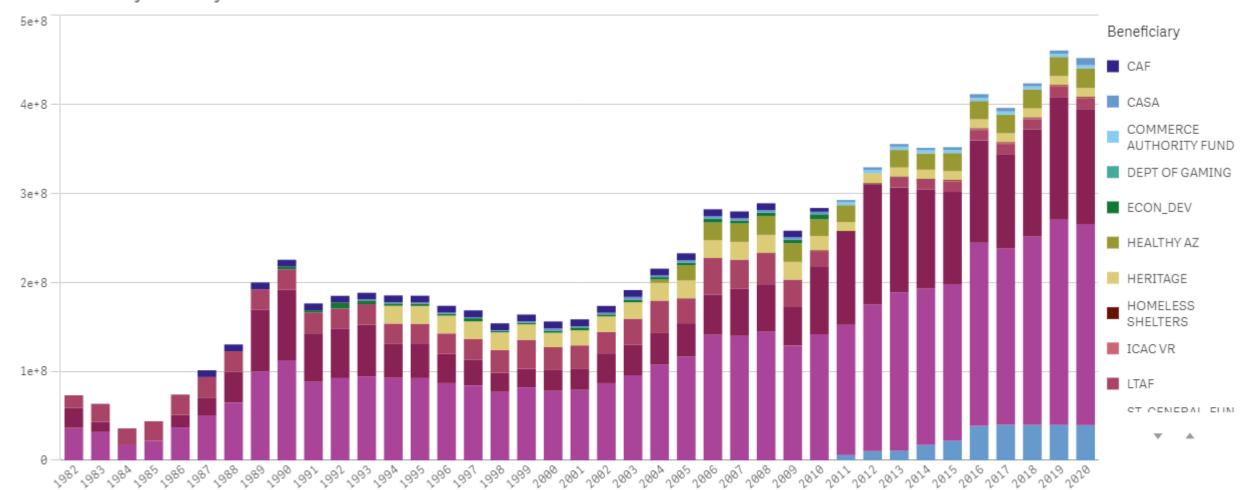
### Arizona Cotteny Pull Tab Sales by Price Point





Price Point	FY 17	FY 18	FY 19	FY 20	FY 21	Price Point	FY 17	FY 18	FY 19	FY 20	FY 21
0.25	\$762,762	\$732,186	\$673,764	\$438,438	\$528,504	0.25	3,051,048	2,928,744	2,695,056	1,753,752	2,114,016
0.50	\$2,004,420	\$2,291,940	\$2,699,880	\$2,069,850	\$2,894,160	0.50	4,008,840	4,583,880	5,399,760	4,139,700	5,788,320
1.00	\$3,621,360	\$4,350,480	\$4,556,220	\$3,691,860	\$5,152,380	1.00	3,621,360	4,350,480	4,556,220	3,691,860	5,152,380
2.00	\$1,363,440	\$1,338,600	\$1,983,840	\$1,851,960	\$3,298,320	2.00	681,720	669,300	991,920	925,980	1,649,160

#### Transfer Amount by Beneficiary





# Arizona Cottony Draw Game Monthly Sales

Mont h	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	\$5,859,106	\$4,368,172	\$10,227,278	\$2,674,014	\$1,610,133	\$1,458,266	\$1,245,168	\$6,987,581	\$20,613,139	
Aug	\$6,027,648	\$3,759,991	\$9,787,639	\$2,117,227	\$1,418,925	\$1,476,634	\$1,373,766	\$6,386,552	\$19,625,945	
Sep	\$5,250,538	\$4,055,716	\$9,306,254	\$2,233,245	\$1,217,259	\$1,418,728	\$1,246,880	\$6,116,112	\$18,488,701	
Oct	\$6,000,464	\$4,141,320	\$10,141,784	\$2,157,655	\$1,221,747	\$1,360,607	\$1,568,752	\$6,308,761	\$19,494,460	
Nov	\$6,537,543	\$4,747,308	\$11,284,851	\$1,918,863	\$1,480,665	\$1,321,965	\$2,082,906	\$6,804,399	\$20,928,140	
Dec	\$9,837,374	\$7,666,071	\$17,503,445	\$2,346,827	\$1,535,562	\$1,462,711	\$1,768,338	\$7,113,438	\$27,481,035	
Jan	\$25,616,311	\$31,765,324	\$57,381,635	\$2,708,151	\$1,681,006	\$1,512,946	\$1,662,906	\$7,565,009	\$68,233,173	
Feb	\$6,079,025	\$4,693,117	\$10,772,142	\$2,246,263	\$1,529,002	\$1,376,875	\$1,950,022	\$7,102,162	\$21,756,987	
Mar	\$7,811,999	\$5,061,809	\$12,873,808	\$2,467,351	\$1,691,531	\$1,567,395	\$1,916,596	\$7,642,873	\$25,684,251	
Apr	\$5,933,739	\$7,066,882	\$13,000,621	\$1,967,174	\$2,270,717	\$1,535,973	\$1,401,510	\$7,175,374	\$25,088,740	
May	\$7,864,321	\$8,883,347	\$16,747,668	\$2,302,397	\$2,746,868	\$1,461,940	\$1,258,618	\$7,769,823	\$29,638,341	
Jun	\$5,669,169	\$3,620,514	\$9,289,683	\$2,325,778	\$1,188,304	\$1,313,934	\$1,121,164	\$5,949,180	\$19,076,338	

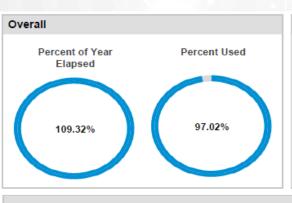


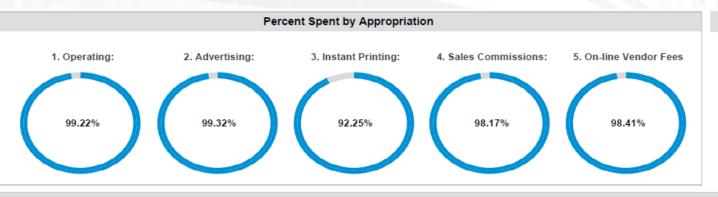
# Arizona Cottony Instant Game Monthly Sales

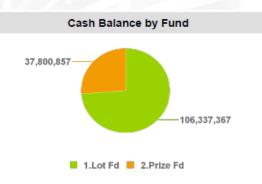
Month	SCRATCHERS	CHARITABLE PULL-TABS	AGE- RESTRICTED PULL-TABS	TOTAL INSTANT SALES CURRENT FY	TOTAL INSTANT SALES PREVIOUS FY	% of Change
Jul	\$98,740,727	\$533,346	\$47,520	\$99,384,233	\$62,608,747	58.7%
Aug	\$96,491,125	\$547,278	\$30,240	\$97,119,403	\$60,789,512	59.8%
Sep	\$87,437,996	\$612,918	\$172,800	\$88,263,674	\$57,244,036	54.2%
Oct	\$81,550,881	\$586,422	\$159,840	\$82,373,823	\$60,650,293	35.8%
Nov	\$76,880,845	\$564,744	\$223,560	\$77,737,189	\$62,303,447	24.8%
Dec	\$83,440,409	\$552,222	\$247,320	\$84,322,031	\$66,464,435	26.9%
Jan	\$104,383,889	\$708,402	\$300,240	\$105,529,691	\$73,941,323	42.7%
Feb	\$91,121,918	\$736,830	\$289,440	\$92,265,908	\$70,350,474	31.2%
Mar	\$103,332,038	\$897,726	\$393,120	\$104,752,484	\$62,530,552	67.5%
Apr	\$100,051,899	\$850,116	\$379,080	\$101,407,455	\$80,128,081	26.6%
May	\$99,756,815	\$670,830	\$327,240	\$100,871,525	\$100,519,264	0.4%
Jun	\$81,388,301	\$638,130	\$288,360	\$82,422,791	\$98,931,560	-16.7%



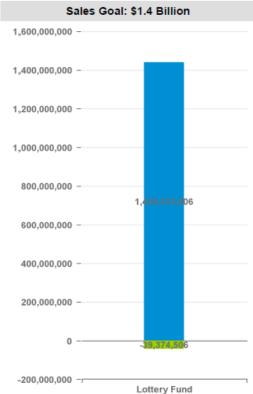
### Arizona Cotteny FY21 Year-to-date Financial Status



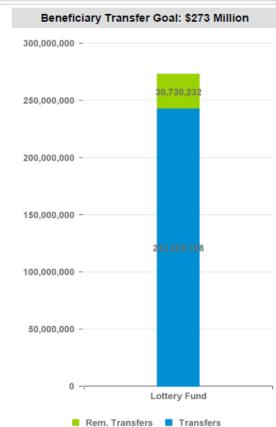




#### **Budget by Appropriation Type and Object Class**



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	0000 - Appropriation Budget	9,498,700	-	-	9,498,700	
	6000 - Personal Services	-	4,845,020	-	-4,845,020	
	6100 - Employee Related Expenditures	-	1,943,702	-	-1,943,702	
	6200 - Professional And Outside Services	-	595,216	68,513	-663,728	
	6500 - Travel - In-State	-	139,257	18,439	-157,696	
	6600 - Travel - Out-Of-State	-	-4,298	-	4,298	
	7000 - Other Operating Expenditures	-	1,328,880	244,002	-1,572,882	
	8100 - Capital Outlay	-	-	-	-	
	8400 - Capital Equipment	-	-	-	-	
	8500 - Non-Capital Equipment	-	30,244	6,721	-36,965	
	9100 - Transfers Out	-	209,015	-	-209,015	
	Total:	9,498,700	9,087,036	337,676	73,988	99.22%
2. Advertising:	0000 - Appropriation Budget	15,500,000	-	-	15,500,000	
	7000 - Other Operating Expenditures	-	13,838,287	1,555,652	-15,393,939	
	Total:	15,500,000	13,838,287	1,555,652	106,061	99.32%
3. Instant Printing:	0000 - Appropriation Budget	40,866,400	-	-	40,866,400	
	7000 - Other Operating Expenditures	-	21,297,649	1,754,903	-23,052,552	
	8400 - Capital Equipment	-	14,645,486	-	-14,645,486	
	Total:	40,866,400	35,943,136	1,754,903	3,168,361	92.25%
4. Sales Commissions:	0000 - Appropriation Budget	103,174,500	-	-	103,174,500	
	7000 - Other Operating Expenditures	-	89,648,806	11,641,237	-101,290,042	
	Total:	103,174,500	89,648,806	11,641,237	1,884,458	98.17%
5. On-line Vendor Fees:	0000 - Appropriation Budget	13,756,800	-	-	13,756,800	
	6200 - Professional And Outside Services	-	13,212,605	324,932	-13,537,537	
	Total:	13,756,800	13,212,605	324,932	219,263	98.41%
	Grand Total:	182,796,400	161,729,870	15,614,400	5,452,130	



# **ATTACHMENT B**

#### **FY21 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.



Gregory R. Edgar

Executive Director

### Arizona Lottery FY2021 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

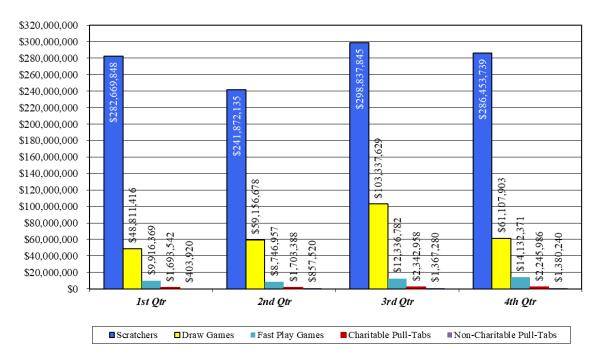
#### **General Overview**

Sales for FY21 reached \$1,439,374,506, an increase of 31.1% over the previous fiscal year. The breakdown by product is as follows:

Scratchers <sup>®1</sup>	<u>1<sup>st</sup> Quarter</u> \$282,669,848	<u>2<sup>nd</sup> Quarter</u> \$241,872,135	<u>3<sup>rd</sup> Quarter</u> \$298,837,845	<u>4<sup>th</sup> Quarter</u> \$286,453,739	<u><b>Total</b></u> \$1,109,833,567	<b>M kt</b> <u><b>Share</b></u> 77.11%
Draw Games	\$48,811,416	\$59,156,678	\$103,337,629	\$61,107,903	\$272,413,626	18.93%
Fast Play Games	\$9,916,369	\$8,746,957	\$12,336,782	\$14,132,371	\$45,132,479	3.14%
Charitable Pull-Tabs	\$1,693,542	\$1,703,388	\$2,342,958	\$2,245,986	\$7,985,874	0.55%
Regular Pull-Tabs	\$403,920	\$857,520	\$1,367,280	\$1,380,240	\$4,008,960	0.28%
Total	\$343,495,095	\$312,336,678	\$418,222,494	\$365,320,239	\$1,439,374,506	

٠

<sup>&</sup>lt;sup>1</sup> 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 77.11% of total sales. The market share for draw games is 18.93% of total sales, a decrease from the last fiscal year. Fast Play games represent 3.14% of total sales and pull-tabs represent 0.83% of total sales. Sales detail by product is provided in Attachments A and B.

#### **Charitable Pull-Tabs**

The charitable pull-tab games program has 145 organizations currently licensed and selling tickets. Sales for this fiscal year reached \$7,985,874, an increase of 47.1% over the previous year.

#### Regular Pull-Tabs

In the regular pull-tab games program, there are currently 111 retailers licensed and selling tickets. Sales for this fiscal year reached \$4,008,960, an increase of 52.8% over the previous year.

#### **Scratchers Games**

Sales for Scratchers this fiscal year reached an all-time high of \$1,109,833,567, an increase of 30.8% over the last fiscal year.

Based on validations, players have earned more than \$778 million in prizes. The prizes paid calculated against the sales revenues equate to an average payout of 70%.

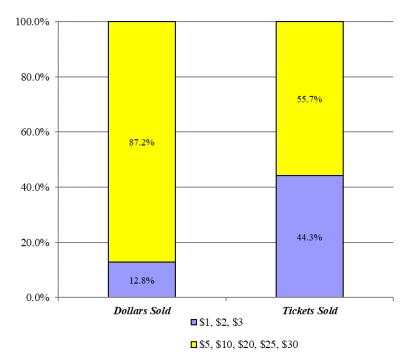
A total of 52 new games were introduced this fiscal year. Combined with the games carried forward, a total of 123 games contributed to the sales revenue for the year.

Price Point	\$1	\$2	\$3	\$5	\$10	\$20	\$25	\$30	Total
# New Games	6	11	4	14	11	2	1	3	52
Carried Forward	8	13	7	15	16	8	1	3	71

During this same period, 50 games were ended. 19 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

Through the end of the fiscal year, the total number of tickets at the \$5, \$10, \$20, \$25, and \$30 price points represent the largest volume of tickets sold. These price points account for 55.7% of the tickets sold, and represent 87.2% of the Scratchers revenue. The \$1, \$2, and \$3, games account for 44.3% of the tickets sold and 12.8% of the Scratchers revenue. The chart below shows the breakdown of tickets and dollars for FY21. 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 \$292 million in sales, representing 26.36% of total Scratchers sales. In terms of dollars sold, two 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 & #1290) represented 10.8% 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						
		Sales					
	<u>Game</u>	<u>Revenue</u>					
\$30	1261 100X	\$74,621,250					
\$20	1290 \$215 Million Cash	\$67,742,780					
	Explosion						
\$30	1275 One Million Now	\$53,925,000					
\$20	1190 \$215 Million Cash	\$52,479,980					
	Explosion						
\$30	1300 Ultimate Millions	\$48,889,440					
\$20	1268 Arizona Gold	\$39,862,340					
\$10	1298 \$100,000 Crossword	\$35,830,370					
\$20	1302 \$40 Million Mega Bucks	\$35,039,660					
\$25	1301 Triple Bonus Crossword	\$34,925,500					
\$10	1291 Triple Red 7's	\$32,258,400					

	Top 10 games in tickets sok	<u> </u>
	<u>Game</u>	Tickets <u>Sold</u>
\$2	1281 Crossword	9,840,947
\$5	1296 Mystery Key Crossword	5,413,995
\$2	1287 Red Line Bingo	5,025,091
\$5	1267 Joker's Wild Crossword	4,397,329
\$3	1294 Crossword Corner Cash	4,230,340
\$2	1258 Red Hot 7s	4,052,908
\$2	1231 Crossword	3,721,079
\$10	1298 \$100,000 Crossword	3,583,037
\$20	1290 \$215 Million Cash Explosion	3,387,130
\$10	1291 Triple Red 7's	3,225,840

#### **Draw Games**

Total draw games sales for the year reached \$272,413,626, an increase of 27.9% over the previous year.

#### **Draw Games – Multi-State Games**

**Powerball –** Sales for the year totaled \$98,917,963, an increase of 36.1% over the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$286,000,000 on June 5, 2021. The highest jackpot for the fiscal year was \$730,000,000 on January 20, 2021.

**Mega Millions** – Sales for the year totaled \$90,114,543, an increase of 57.6% over the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$515,000,000 on May 21, 2021. The highest jackpot for the fiscal year was \$970,000,000 on January 22, 2021.

#### **Draw Games - In-State Games**

**Triple Twist™** – Sales for the year totaled \$18,682,166, a decrease of 6.9% from the previous year. The highest jackpot reached in the third quarter of the fiscal year was \$606,000 on May 7, 2021. The highest jackpot for the fiscal year was \$1,500,000 on December 15, 2020.

The Pick™ – Sales for the year totaled \$27,670,859, a decrease of 4.2% 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 \$1,100,000 million on January 20, 2021.

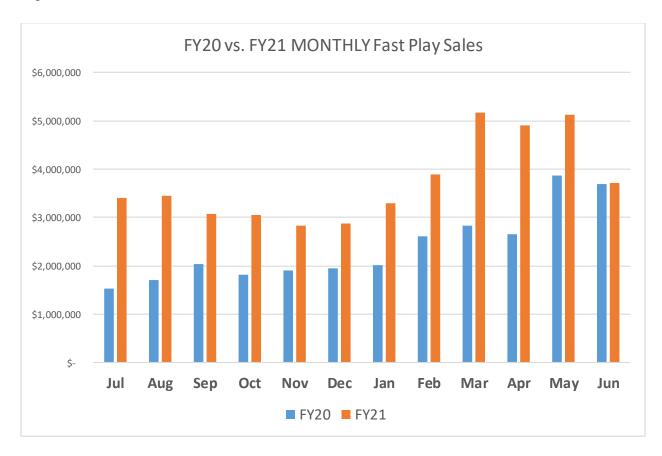
**Fantasy 5™** – Sales for the year totaled \$19,667,292, a decrease of .3% from the previous year. The highest jackpot reached in the fourth quarter of the fiscal year was \$723,000 on May 26, 2021. This was the highest jackpot for the fiscal year.

Pick 3<sup>™</sup> - Sales for the year totaled \$17,360,803, an increase of 20.7% over the previous year.

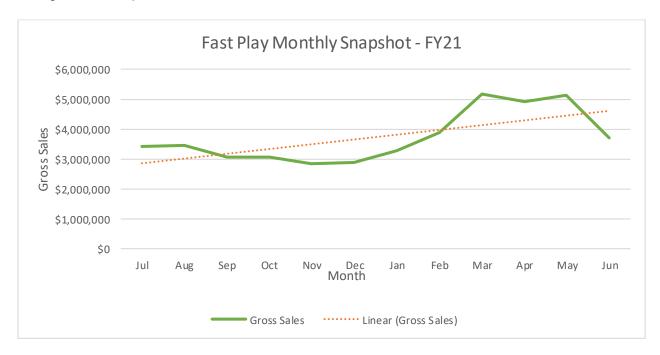
#### **Fast Play Games**

Ten new Fast Play games launched in FY21, including the first \$20 progressive ticket. FY21 Fast Play sales totaled \$45,132,479, outpacing FY20 by a weekly average of 63%.

FY2021 Year-End Product Review Page 5



Since its introduction to the Arizona market, the Fast Play category has generated more than \$100 million in total gross sales through June 30, 2021. The graph below illustrates Fast Play monthly gross sales through the fourth quarter of FY21.



#### ARIZONA LOTTERY

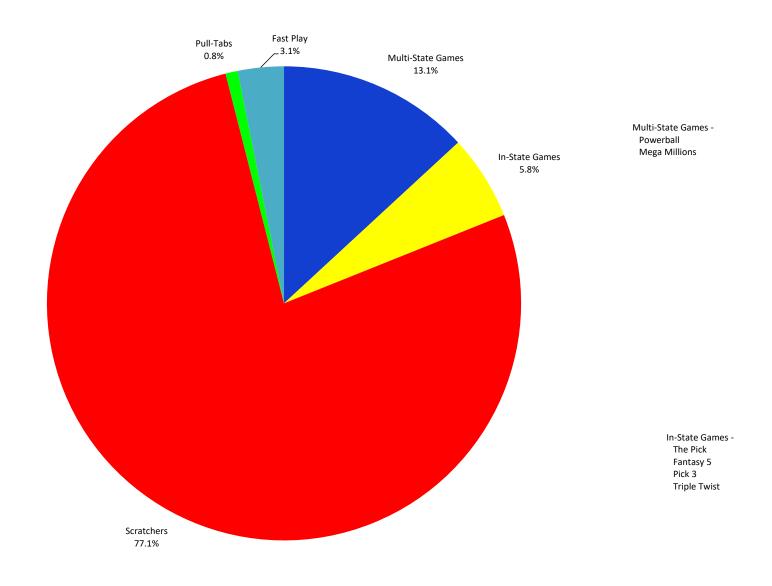
#### QUARTERLY SALES BY PRODUCT

Fiscal Year 2021 - July 2020 through June 2021

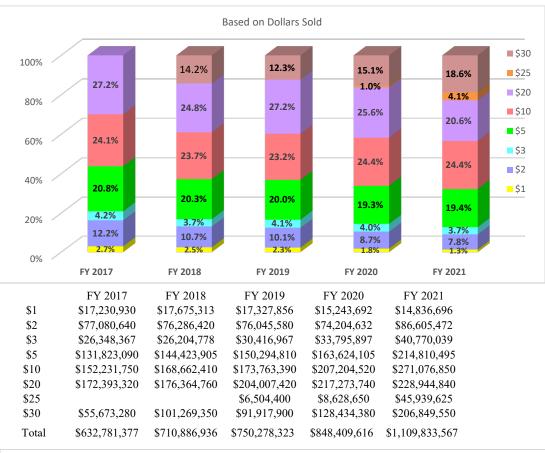
		Mega					Total			Charitable	Non- Charitable	Total Instant		Market
Month	Powerball	Millions	The Pick	Fantasy 5	Pick 3	Triple Twist	Draw Games	Fast Play	Scratchers	Pull-Tabs	Pull-Tabs	Games	Total	Share
July	\$5,859,106	\$4,368,172	\$2,674,014	\$1,610,133	\$1,458,266	\$1,245,168	\$17,214,859	\$3,398,280	\$98,740,727	\$533,346	\$110,160	\$99,384,233	\$119,997,372	8.3%
August	\$6,027,648	\$3,759,991	\$2,117,227	\$1,418,925	\$1,476,634	\$1,373,766	\$16,174,191	\$3,451,754	\$96,491,125	\$547,278	\$81,000	\$97,119,403	\$116,745,348	8.1%
September	\$5,250,538	\$4,055,716	\$2,233,245	\$1,217,259	\$1,418,728	\$1,246,880	\$15,422,366	\$3,066,335	\$87,437,996	\$612,918	\$212,760	\$88,263,674	\$106,752,375	7.4%
1st Quarter	\$17,137,292	\$12,183,879	\$7,024,486	\$4,246,317	\$4,353,628	\$3,865,814	\$48,811,416	\$9,916,369	\$282,669,848	\$1,693,542	\$403,920	\$284,767,310	\$343,495,095	23.9%
October	\$6,000,464	\$4,141,320	\$2,157,655	\$1,221,747	\$1,360,607	\$1,568,752	\$16,450,545	\$3,043,915	\$81,550,881	\$586,422	\$236,520	\$82,373,823	\$98,824,368	6.9%
November	\$6,537,543	\$4,747,308	\$1,918,863	\$1,480,665	\$1,321,965	\$2,082,906	\$18,089,250	\$2,838,890	\$76,880,845	\$564,744	\$291,600	\$77,737,189	\$95,826,439	6.7%
December	\$9,837,374	\$7,666,071	\$2,346,827	\$1,535,562	\$1,462,711	\$1,768,338	\$24,616,883	\$2,864,152	\$83,440,409	\$552,222	\$329,400	\$84,322,031	\$108,938,914	7.6%
2nd Quarter	\$22,375,381	\$16,554,699	\$6,423,345	\$4,237,974	\$4,145,283	\$5,419,996	\$59,156,678	\$8,746,957	\$241,872,135	\$1,703,388	\$857,520	\$244,433,043	\$312,336,678	21.7%
January	\$25,616,311	\$31,765,324	\$2,708,151	\$1,681,006	\$1,512,946	\$1,662,906	\$64,946,644	\$3,286,529	\$104,383,889	\$708,402	\$437,400	\$105,529,691	\$170,476,335	11.8%
February	\$6,079,025	\$4,693,117	\$2,246,263	\$1,529,002	\$1,376,875	\$1,950,022	\$17,874,304	\$3,882,683	\$91,121,918	\$736,830	\$407,160	\$92,265,908	\$114,022,895	7.9%
March	\$7,811,999	\$5,061,809	\$2,467,351	\$1,691,531	\$1,567,395	\$1,916,596	\$20,516,681	\$5,167,570	\$103,332,038	\$897,726	\$522,720	\$104,752,484	\$130,436,735	9.1%
3rd Quarter	\$39,507,335	\$41,520,250	\$7,421,765	\$4,901,539	\$4,457,216	\$5,529,524	\$103,337,629	\$12,336,782	\$298,837,845	\$2,342,958	\$1,367,280	\$302,548,083	\$418,222,494	29.1%
April	\$5,933,739	\$7,066,882	\$1,967,174	\$2,270,717	\$1,535,973	\$1,401,510	\$20,175,995	\$4,912,745	\$100,051,899	\$850,116	\$505,440	\$101,407,455	\$126,496,195	8.8%
May	\$7,864,321	\$8,883,347	\$2,302,397	\$2,746,868	\$1,461,940	\$1,258,618	\$24,517,491	\$5,120,850	\$99,756,815	\$670,830	\$443,880	\$100,871,525	\$130,509,866	9.1%
June	\$6,099,895	\$3,905,486	\$2,531,692	\$1,263,877	\$1,406,763	\$1,206,704	\$16,414,417	\$4,098,776	\$86,645,025	\$725,040	\$430,920	\$87,800,985	\$108,314,178	7.5%
4th Quarter	\$19,897,955	\$19,855,715	\$6,801,263	\$6,281,462	\$4,404,676	\$3,866,832	\$61,107,903	\$14,132,371	\$286,453,739	\$2,245,986	\$1,380,240	\$290,079,965	\$365,320,239	25.4%
2021	\$00.017.0 <i>C</i> 2	¢00.114.542	#27 C70 050	#10 (C7 202	#17.260.002	#10 CO2 1CC	\$272.412.626	¢ 45, 122, 470	Ø1 100 022 577	\$7.005.07.4	#4.000.0C0	Ø1 121 020 401	Ø1 420 274 50¢	
_	\$98,917,963	\$90,114,543	\$27,670,859	\$19,667,292	\$17,360,803	\$18,682,166	\$272,413,626	\$45,132,479	\$1,109,833,567	\$7,985,874	\$4,008,960	\$1,121,828,401	\$1,439,374,506	-
Mkt Share	6.9%	6.3%	1.9%	1.4%	1.2%	1.3%	18.93%	3.14%	77.11%	0.55%	0.28%	77.94%		
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	$\vdash$
% of Change	36.1%	57.6%	-4.2%	-0.3%	20.7%	-6.9%	27.9%	57.9%	30.8%	47.1%	52.8%	31.0%	31.1%	

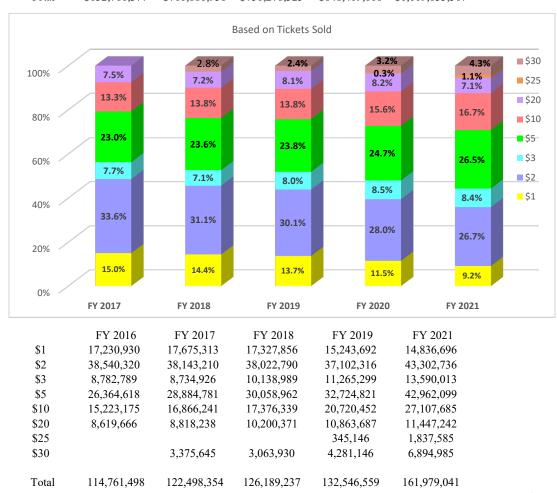
### ARIZONA LOTTERY QUARTERLY SALES BY PRODUCT

#### Fiscal Year 2021 - July 2020 through June 2021



### Arizona Lottery 5-Year Review by Price Point





#### **Interoffice Memorandum**

**Date:** August 4, 2021

**To:** Gregg Edgar, Executive Director

**From:** Raynie Hosto, Deputy Director Customer Service and Sales

**Subject:** FY 2021 – Sales Review

#### **Vending Machine Sales (Chart E)**

The Arizona Lottery achieved record-breaking vending sales in FY21, with total sales of \$618,299,924, a 37.92% increase over FY20. There are currently 1,749 machines installed at retail locations compared to 1,367 at the end of FY20. FY21 sales from vending machines represented 43.5% of total sales, increasing from 41.1% in FY20.

As the territory managers resumed in-person store visits during the fourth quarter of FY21, discussions with store personnel regarding high out of stocks and lost sales were and continue to be a top priority.

We are pleased to report out-of-stock percentages are slowly decreasing in April at 6.96%, May at 5.80% and June at 5.26%. The agency goal for out of stocks in FY22 is 4.9%, which is an increase from last fiscal year. The increase is based on the number of vending machines in retail and the recent challenges many retailers are facing with turnover and hiring.

#### **Corporate Account Review (Chart F)**

- · Major retail chains represent 49.4% of all Draw and Scratchers lottery accounts. Convenience stores represent 35.3% of total accounts, while chain food stores represent 14.2%.
- · Major retail chains comprise 72.8% of the total market share with convenience stores and food stores, accounting for 46.9% and 25.9%, respectively. These numbers remained consistent through FY21.
- · Fry's food stores remains the leader with a per store average sales of \$1,279,936. QuikTrip followed closely at \$1,197,801 average sales per store. Safeway and Albertsons posted strong numbers with \$895,924 and \$891,004, respectively. The per-store average for all major chains was \$599,683, a 27.4% increase over FY20.
- · Circle K accounts for 22.0% of the market share with 611 stores, followed by Fry's at 11.2% with 125 stores and QuikTrip at 10.4% with 124 stores.
- . Our newest corporate account, WinCo, completed FY21 year with total sales in their seven stores at over \$1.3 million.

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

Chain and independent convenience stores account for 58.7% of total Lottery accounts and 64.1% of the market share in sales. Chain and independent grocery stores account for 26.8% of the market share, and the per-store average was \$707,229, a 29.5% over FY20. Instant Tab retailers remain consistent at 6.5% of total lottery accounts and 0.8% of the sales market share.

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

- The sales spike in FY21 resulted in a significant increase in the overall estimated per capita weekly sales of \$3.80 compared to \$2.94 in FY20.
- · Maricopa and Pima counties held a market share of 74.6% of total sales. Mohave, Pinal, and Yavapai counties combined market share was 14.5%, and the remaining counties represented 10.8% of sales.
- · Mohave County took the lead posting the highest weekly per capita sales at \$7.95 followed closely by La Paz County at \$7.93 and Greenlee County at \$7.11 at the end of FY21.
- . Greelee County posted the highest per store average of \$501,682, a 51.6% increase over FY20. Maricopa and Pinal counties followed with per store averages of \$450,209 and \$449,974 respectively.

#### Arizona Lottery Vending Machine - FY 2021

	Venturing Machinie - FT 2021																					
	#	of Uni	ts		0	Draw Sales			Instant Sale	s		Tot	al Sales			Per U	nit Avera	ige	Out	t of Sto	ck Avera	age
1st Quarter	July	Aug	Sept	July		Aug	Sept	July	Aug	Sept	July	Aug	Sept	1st Qtr	July		Aug	Sept	July	Aug	Sept	1st Qtr
PCT-HD	1150	1159	1180	\$ 5,496,9	967	\$ 5,217,366	\$ 4,889,285	\$ 42,332,467	\$ 39,790,446	\$ 36,615,674	\$ 47,829,434	\$ 45,007,812	\$ 45,007,8	12 \$ 137,845,058	\$ 41,	591 \$	38,833	\$ 116,818	6.16%	5.33%	5.33%	5.61%
PCT-LP	146	146	151	\$ 353,5	87	\$ 344,981	\$ 327,703	\$ 1,704,758	\$ 1,641,140	\$ 1,538,319	\$ 2,058,345	\$ 1,986,121	\$ 1,986,1	21 \$ 6,030,587	\$ 14,	98 \$	13,604	\$ 39,938	7.21%	7.18%	6.70%	7.03%
PCT-EX	67	75	80	\$ 121,6	602	\$ 164,375	\$ 155,461	\$ -	\$ -	\$ -	\$ 121,602	\$ 164,375	\$ 164,3	75 \$ 450,352	\$ 1,	315 \$	2,192	\$ 5,629	n/a	n/a	n/a	n/a
Total	1,363	1,380	1,411	\$ 5,972,1	156	\$ 5,726,722	\$ 5,372,449	\$ 44,037,225	\$ 41,431,586	\$ 38,153,993	\$ 50,009,381	\$ 47,158,308	\$ 47,158,3	08 \$ 144,325,997	\$ 36,690	.67 \$	34,173	\$ 102,286	6.28%	5.54%	5.48%	5.77%
% of Lottery Sales	:			29.0%		29.2%	29.1%	44.6%	42.9%	43.6%	41.9%	40.6%	44.5%	42.3%								
2nd Quarter	Oct	Nov		Oct		Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec	2nd Qtr	Oct		Nov	Dec	Oct	Nov	Dec	2nd Qtr
PCT-HD	1,226	1,252	1,286	\$ 5,190,0	006	\$ 5,740,946	\$ 7,372,431	\$ 35,868,787	\$ 34,276,684	\$ 43,963,711	\$ 41,058,793	\$ 40,017,630	\$ 51,336,1	12 \$ 132,412,565	\$ 33,	490 \$	31,963	\$ 102,965	4.81%	4.72%	6.69%	5.41%
PCT-LP	151	151	151	\$ 338,7	719	\$ 355,198	\$ 451,483	\$ 1,460,998	\$ 1,299,751	\$ 1,639,381	\$ 1,799,717	\$ 1,654,949	\$ 2,090,8	54 \$ 5,545,530	\$ 11,	919 \$	10,960	\$ 36,725	6.38%	6.54%	8.63%	7.18%
PCT-EX	86	92	98	\$ 165,1	92	\$ 181,069	\$ 209,773	\$ -	\$ -	\$ -	\$ 165,192	, ,,,,,	+ · · · · · ·		-	921 \$	1,968	\$ 5,674	n/a	n/a	n/a	n/a
Total	1,463	1,495	1,535		917	+ -,,	\$ 8,033,687	\$ 37,329,785			\$ 43,023,702	\$ 41,853,648	\$ 53,636,7	79 \$ 138,514,129	\$ 29,	108 \$	27,996	\$ 34,943	4.98%	4.92%	6.83%	5.58%
% of Lottery Sales				29.2%		30.0%	29.2%	45.8%	46.3%	54.7%	42.6%	42.8%	48.4%	44.7%								
3rd Quarter	Jan			Jan		Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	3rd Qtr	Jan		Feb	Mar	Jan	Feb		3rd Qtr
PCT-HD				\$ 14,671,9	-	\$ 6,469,525	\$ 8,014,927	\$ 45,695,783	\$ 40,081,083			\$ 46,550,608			\$ 45,		35,027	\$ 41,578	7.33%	6.04%	6.91%	6.76%
PCT-LP		151	151	\$ 930,8		\$ 404,485	\$ 485,717	\$ 1,755,427	\$ 1,617,956	\$ 2,074,350					\$ 17,		13,394	\$ 16,954	8.50%	6.96%	7.65%	7.70%
PCT-EX		131	137	\$ 278,9	-	\$ 237,282	\$ 286,297	\$ -	\$ -	\$ -	\$ 278,964	\$ 237,282	-			214 \$	1,811	\$ 2,090	n/a	n/a	n/a	n/a
Total		1611	1660	\$ 15,881,7	780	\$ 7,111,292	\$ 8,786,941	\$ 47,451,210	\$ 41,699,039	<u> </u>	\$ 63,332,990	\$ 48,810,331	, ,.		\$ 66,	)64 \$	50,232	\$ 60,622	7.45%	6.13%	6.99%	6.86%
% of Lottery Sales	·			25.1%		32.7%	34.2%	45.5%	45.8%	49.5%	37.8%	43.2%	46.4%	42.0%								
					_											_						
4th Quarter		May		Apr		May	June	Apr	May	June	Apr	May	June	4th Qtr	Apr		May	June	Apr	May		4th Qtr
PCT-HD	<del></del>	1431	1451	\$ 7,870,5		\$ 9,130,981	\$ 6,399,322	\$ 46,817,675	\$ 45,211,072	<u> </u>		\$ 54,342,053			\$ 38,		37,975	\$ 32,156	6.80%	5.77%	5.26%	5.94%
PCT-LP	_	151	151	\$ 475,8		\$ 536,963	\$ 395,787	\$ 1,977,492	\$ 1,855,640	\$ 1,652,358				, ,-	\$ 16,		15,845	\$ 13,564	8.43%	6.02%	5.27%	6.57%
PCT-EX	136	143	147	\$ 274,8	_	\$ 328,864	\$ 238,426	-	\$ -	\$ -	\$ 274,807	\$ 328,864				021 \$	2,300	\$ 1,622	n/a	n/a	n/a	n/a
Total		1725	1749	\$ 8,621,2	200	\$ 9,996,808	\$ 7,033,535	\$ 48,795,167	\$ 47,066,712	\$ 41,911,418	\$ 57,416,367	\$ 57,063,520	\$ 48,944,9	53   \$ 163,424,840	\$ 57,0	026	33,080	\$ 27,985	6.96%	5.80%	5.26%	6.01%
% of Lottery Sales	1				1	ĺ			I	1		1	1	1		1			1		1 1	
Total Vending	,			\$ 11,666.0	073	\$ 12,003,935	\$ 13,406,136	\$ 81,367,010	\$ 77.008.021	\$ 83,757,085	\$ 93,033,083	\$ 89.011.956	\$ 100.795.0	1 37 \$ 618,299,924								
				,,,,,,		, ,,	, ., .	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,,,,,	, . ,	,,,	,,	1	1							1	
Total Fiscal Year														\$ 1,422,379,672								
% of Total Sales														43.59							ı	
						·	·															

Chart E

### ARIZONA LOTTERY CORPORATE ACCOUNT REVIEW

#### Fiscal Year 2021

July 2020 through June 2021

				Total Draw Games						Scratchers		All Pro	Commission		
		# of	% of			Market	Per Store			Market	Per Store		Market	Per Store	Earned
	Chain #	Accts	Accts		Sales	Share	Average		Sales	Share	Average	Sales	Share	Average	To Date
4 Sons	9290/9814	21	0.6%	\$	2,909,282	0.9%	\$138,537	\$	8,072,026	0.7%	\$384,382	\$10,981,308	0.8%	\$522,919	\$713,785
7-Eleven	8706	55	1.6%	\$	3,961,300	1.2%	\$72,024	\$	23,911,744	2.2%	\$434,759	\$27,873,044	2.0%	\$506,783	\$1,811,748
Carioca	8821	38	1.1%	\$	4,091,577	1.3%	\$107,673	\$	11,215,784	1.0%	\$295,152	\$15,307,361	1.1%	\$402,825	\$994,978
Circle K	8037	611	17.4%	\$	55,825,105	17.6%	\$91,367	\$	257,867,188	23.2%	\$422,041	\$313,692,293	22.0%	\$513,408	\$20,389,999
Cobblestone		13	0.4%	\$	1,360,852	0.4%	\$104,681	\$	2,532,102	0.2%	\$194,777	\$3,892,954	0.3%	\$299,458	\$253,042
Fast Market	9958	24	0.7%	\$	2,834,731	0.9%	\$118,114	\$	9,444,224	0.9%	\$393,509	\$12,278,955	0.9%	\$511,623	\$798,132
Fry's Gas	8052	96	2.7%	\$	4,930,482	1.6%	\$51,359	\$	21,120,275	1.9%	\$220,003	\$26,050,757	1.8%	\$271,362	\$1,693,299
Good 2 Go	8024	17	0.5%	\$	948,171	0.3%	\$55,775	\$	4,056,768	0.4%	\$238,633	\$5,004,939	0.4%	\$294,408	\$325,321
Jackson's Food Stores	8021	11	0.3%	\$	2,106,846	0.7%	\$191,531	\$	4,188,460	0.4%	\$380,769	\$6,295,306	0.4%	\$572,301	\$409,195
Loves	9800	13	0.4%	\$	1,019,350	0.3%	\$78,412	\$	3,162,234	0.3%	\$243,249	\$4,181,584	0.3%	\$321,660	\$271,803
Maverik	9905	22	0.6%	\$	3,026,269	1.0%	\$137,558	\$	10,024,214	0.9%	\$455,646	\$13,050,483	0.9%	\$593,204	\$848,281
Pilot Travel Centers	9926	19	0.5%	\$	1,297,067	0.4%	\$68,267	\$	4,150,748	0.4%	\$218,460	\$5,447,815	0.4%	\$286,727	\$354,108
Quik Mart	8375	19	0.5%	\$	2,030,353	0.6%	\$106,861	\$	9,897,978	0.9%	\$520,946	\$11,928,331	0.8%	\$627,807	\$775,342
QuikTrip	9849	124	3.5%	\$	33,362,944	10.5%	\$269,056	\$	115,164,326	10.4%	\$928,745	\$148,527,270	10.4%	\$1,197,801	\$9,654,273
Safeway Gas	8128	32	0.9%	\$	2,438,706	0.8%	\$76,210	\$	7,332,182	0.7%	\$229,131	\$9,770,888	0.7%	\$305,340	\$635,108
Shay's	8938	21	0.6%	\$	1,869,820	0.6%	\$89,039	\$	8,358,435	0.8%	\$398,021	\$10,228,255	0.7%	\$487,060	\$664,837
Superpumper	8025	13	0.4%	\$	2,145,433	0.7%	\$165,033	\$	3,146,512	0.3%	\$242,039	\$5,291,945	0.4%	\$407,073	\$343,976
Terribles	8004	9	0.3%	\$	2,743,692	0.9%	\$304,855	\$	3,146,512	0.3%	\$349,612	\$5,890,204	0.4%	\$654,467	\$382,863
Speedway	9956	78	2.2%	\$	5,545,603	1.7%	\$71,097	\$	27,606,784	2.5%	\$353,933	\$33,152,387	2.3%	\$425,031	\$2,154,905
Convenience Total		1,236	35.3%		\$134,447,583	42.3%	\$108,776		\$534,398,496	48.2%	\$432,361	\$668,846,079	46.9%	\$541,138	\$43,474,995
Albantaana	9027	20	0.00/	,	0.206.702	2.00/	¢270.000	۲	10 222 416	1 70/	¢C11 114	¢26 720 110	1.00/	¢901 004	Ć1 727 4F0
Albertsons	8027 8011	30	0.9%	\$	8,396,702	2.6%	\$279,890			1.7%	\$611,114	\$26,730,118	1.9%	\$891,004	\$1,737,458
Bashas'		45	1.3%	\$	9,438,151	3.0%	\$209,737		20,897,248	1.9%	\$464,383	\$30,335,399	2.1%	\$674,120	\$1,971,801
El Super	8030	6	0.2%		177,058	0.1%	\$29,510		1,564,348	0.1%	\$260,725	\$1,741,406	0.1%	\$290,234	\$113,191
Food City	8052	47 125	1.3%	\$	1,826,838	0.6%	\$38,869 \$361,197		12,380,127	1.1%	\$263,407	\$14,206,965	1.0%	\$302,276	\$923,453
Fry's Los Altos Ranch Market	8026	7	3.6% 0.2%	\$	45,149,648 289,310	14.2% 0.1%	\$41,330		114,842,351 2,354,180	10.3% 0.2%	\$918,739 \$336,311	\$159,991,999 \$2,643,490	11.2% 0.2%	\$1,279,936 \$377,641	\$10,399,480 \$171,827
	8128	104	3.0%	\$	30,700,281	9.7%			62,475,806	5.6%	\$600,729		6.5%	\$895,924	\$6,056,446
Safeway	8022	104		\$	8,202,402	2.6%	\$295,195 \$75,948	۶ \$	27,914,516	2.5%	\$258,468	\$93,176,087	2.5%	\$334,416	\$2,347,600
Walmart	9955	108	3.1% 0.5%	\$	8,202,402	0.0%	\$75,948 \$0		4,114,070	2.5% 0.4%	\$238,468	\$36,116,918	0.3%	\$334,416	\$2,347,600
Costco Winco	9962	7	0.3%	\$	417,165	0.0%	\$59,595		930,674	0.4%	\$132,953	\$4,114,070 \$1,347,839	0.3%	\$192,548	\$267,413
	3302	,	0.270		417,103	0.170	<b>433,333</b>	~	330,074	0.170	Ų132,333	ψ±,547,633	0.170	Ψ132,3·10	\$67,010
Food Store Total		497	14.2%		\$104,597,555	32.9%	\$210,458		\$265,806,736	24.0%	\$534,822	\$370,404,291	25.9%	\$745,280	\$24,076,279
Major Chains		1,733	49.4%		\$239,045,138	75.3%	\$137,937		\$800,205,232	72.1%	\$461,746	\$1,039,250,370	72.8%	\$599,683	\$67,551,274
All Stores*		3506			\$317,546,105		\$90,572	\$	1,109,833,567		\$316,553	\$1,427,379,672		\$407,125	\$92,779,679
*Does not include Instant Tabs															

Chart F

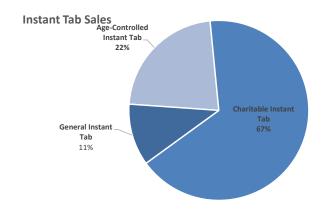
### ARIZONA LOTTERY BUSINESS CODE REVIEW Fiscal Year 2021

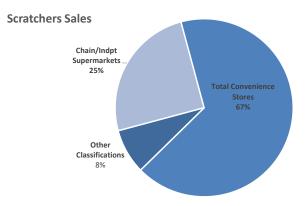
July 2020 through June 2021

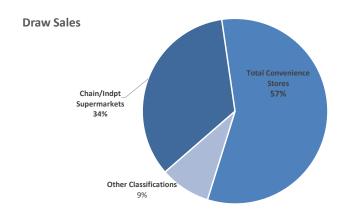
				Dra	ıw Games		Scra		I	nstant Ta	b	Combined Total Sales					Commission	
	Business	# of	% of		Market	Per Store		Market	Per Store		Market	Per Store	FY2021	FY2020	% of	Market	Per Store	Earned
Business Classification	Code	Accts	Accts	Sales	Share	Average	Sales	Share	Average	Sales	Share	Average	Sales	Sales	change	Share	Average	To Date
Full Product																		
Shopping Malls	01	2	0.1%	69,191	0.0%	34,596	38,791	0.0%	19,396	0	0.0%	0	107,982	115,832	-6.8%	0.0%	53,991	\$ 7,019
Smoke/Gift Shops	02	98	2.9%	2,152,424	0.7%	21,964	10,519,900	0.9%	107,346	0	0.0%	0	12,672,324	9,328,381	35.8%	0.9%	129,309	\$ 823,701
Chain Supermarkets	03	499	14.7%	105,674,281	33.3%	211,772	268,113,081	24.2%	537,301	0	0.0%	0	373,787,362	285,927,716	30.7%	26.0%	749,073	\$ 24,296,179
Independent Supermarkets	04	46	1.4%	2,592,307	0.8%	56,355	9,060,292	0.8%	196,963	0	0.0%	0	11,652,599	8,931,380	30.5%	0.8%	253,317	\$ 757,419
Chain Convenience Stores	05	1088	31.9%	124,799,383	39.3%	114,705	503,725,341	45.4%	462,983	0	0.0%	0	628,524,724	502,201,211	25.2%	43.7%	577,688	\$ 40,854,107
Independent Convenience	06	913	26.8%	56,536,489	17.8%	61,924	238,226,334	21.5%	260,927	0	0.0%	0	294,762,823	206,577,988	42.7%	20.5%	322,851	\$ 19,159,583
Liquor Stores	07	100	2.9%	2,063,476	0.6%	20,635	16,695,818	1.5%	166,958	0	0.0%	0	18,759,294	14,327,537	30.9%	1.3%	187,593	\$ 1,219,354
Drug Store/Pharmacies	08	3	0.1%	28,266	0.0%	9,422	175,881	0.0%	58,627	0	0.0%	0	204,147	118,152	72.8%	0.0%	68,049	\$ 13,270
independent Gas	09	20	0.6%	1,265,919	0.4%	63,296	5,376,098	0.5%	268,805	0	0.0%	0	6,642,017	5,092,659	30.4%	0.5%	332,101	\$ 431,731
Truck Service Centers	10	47	1.4%	3,509,184	1.1%	74,663	10,556,252	1.0%	224,601	0	0.0%	0	14,065,436	10,208,599	37.8%	1.0%	299,265	\$ 914,253
Bars/Restaurants	11	97	2.8%	5,315,198	1.7%	54,796	6,648,390	0.6%	68,540	0	0.0%	0	11,963,588	7,882,699	51.8%	0.8%	123,336	\$ 777,633
Spec Non-Grocery/Misc	12	96	2.8%	4,463,718	1.4%	46,497	7,130,538	0.6%	74,276	0	0.0%	0	11,594,256	8,466,641	36.9%	0.8%	120,774	\$ 753,627
Chain Gas	13	129	3.8%	7,455,292	2.3%	57,793	28,790,505	2.6%	223,182	0	0.0%	0	36,245,797	26,013,469	39.3%	2.5%	280,975	\$ 2,355,977
Bowling Centers	14	3	0.1%	62,545	0.0%	20,848	170,673	0.0%	56,891	0	0.0%	0	233,218	194,051	20.2%	0.0%	77,739	\$ 15,159
Mass Merchandise	16	0	0.0%	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	31,009	-100.0%	0.0%	0	\$ -
Route Sales	19	34	1.0%	142,773	0.0%		405,622	0.0%					548,395	0	#DIV/0!	0.0%	0	\$ 35,646
Quick Card	20	2	0.1%	416,206	0.1%	208,103	0	0.0%	0	0	0.0%	0	416,206	0	100.0%	0.0%	208,103	\$ 27,053
ASL & Promotions	99	9	0.3%	999,453	0.3%	111,050	4,200,051	0.4%	466,672	0	0.0%	0	5,199,504	4,509,645	15.3%	0.4%	577,723	\$ 337,968
Full Product Sub Total		3186		317,546,105			1,109,833,567			0			1,427,379,672	1,089,926,969				
Instant Tab																		
Age-Controlled Instant Tab	15	54	1.6%	0	0.0%	0	0	0.0%	0	2,661,120	22.3%	49,280	2,870,640	2,073,600	38.4%	0.2%	53,160	\$ 186,592
Charitable Instant Tab	17	130	3.8%	0	0.0%	0	0	0.0%	0	7,928,820	66.6%	60,991	7,985,874	5,423,016	47.3%	0.6%	61,430	\$ 1,597,175
General Instant Tab	18	36	1.1%	0	0.0%	0	0	0.0%	0	1,323,624	11.1%	36,767	1,138,320	536,052	112.4%	0.1%	31,620	\$ 74,428
Instant Tab Sub Total		220	6.5%	0			0			11,913,564			11,994,834	8,032,668				
Total		3406	100%	317,546,105	100%	99.669	1,109,833,567	100%	348.347	11,913,564	100%	54,153	1,439,374,506	1.097.959.637	31.1%	100%	422.600	\$ 94.637.873
Summary Recap			70	- 1,2-2,200		,	,,,		,			2 -,200	, , , 500	, , , , ,	70		,	
																		,
Chain/Indpt Supermarkets		545	16.0%	108,266,588	34.1%	198,654	277,173,373	25.0%	508,575	0	0.0%	0	385,439,961	294,859,096	30.7%	26.8%	707,229	\$ 25,053,597
Total Convenience Stores		2,001	58.7%	181,335,872	57.1%	90,623	741,951,675	66.9%	370,790	0	0.0%	0	923,287,547	713,871,858	29.3%	64.1%	461,413	\$ 60,013,691
Total Instant Tabs		220	6.5%	0	0.0%	0	0	0.0%	0	11,913,564	100.0%	54,153	11,913,564	2,084,670	471.5%	0.8%	54,153	\$ 1,316,880
Other Classifications		640	18.8%	27,943,645	8.8%	43,662	90,708,519	8.2%	141,732	0	0.0%	0	118,652,164	86,288,674	37.5%	8.2%	185,394	\$ 7,712,391
Total All Classifications		3,406	100%	317,546,105	100%	99,669	1,109,833,567	100%	348,347	11,913,564	100%	54,153	1,439,293,236	1,097,959,637	31.1%	100%	422,600	\$ 94,096,559

Chart G

# ARIZONA LOTTERY BUSINESS CODE REVIEW Fiscal Year 2021 July 2020 through June 2021







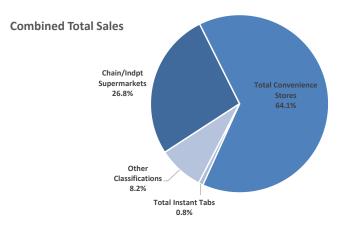


Chart H

#### ARIZONA LOTTERY

#### COUNTY SALES REVIEW

#### Fiscal Year 2021

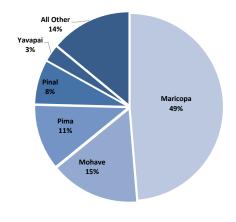
July 2020 through June 2021

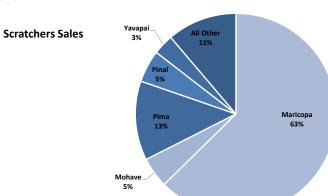
		# of	% of	Dr	aw Games Market	Per Store	Scratchers Market Per S			Instant Tabs Market Per Store			All Products Combined FY2021 FY2020 % of M				Per Store	2021 Estimated Per Capita
County	Code	Accts	Accts	Sales	Share	Average	Sales	Share	Average	Sales	Share	Average	Sales	Sales	Change		Average	Wkly Sales
County	Coue	Attis	Attis	Sales	Silaie	Average	Sales	Silaie	Average	Sales	Silaie	Average	Jaies	Sales	Change	Share	Average	WRIY Sales
Apache	1	18	0.5%	569,438	0.2%	31,635	2,402,903	0.2%	133,495	41,232	0.3%	22,992,953	3,013,573	2,061,958	46.15%	0.2%	167,421	\$0.81
Cochise	2	94	2.7%	6,068,398	1.9%	64,557	26,352,972	2.4%	280,351	263,394	2.2%	13,782,837	32,684,764	25,594,224	27.70%	2.3%	347,710	\$4.99
Coconino	3	108	3.1%	5,833,000	1.8%	54,009	18,889,050	1.7%	174,899	2,670	0.0%	145,354	24,724,720	17,856,398	38.46%	1.7%	228,933	\$3.31
Gila	4	46	1.3%	2,477,079	0.8%	53,850	12,657,555	1.1%	275,164	51,000	0.4%	6,537,882	15,185,634	10,329,237	47.02%	1.1%	330,122	\$5.41
Graham	5	25	0.7%	1,044,030	0.3%	41,761	8,258,704	0.7%	330,348	59,550	0.5%	18,112,382	9,362,284	7,055,645	32.69%	0.7%	374,491	\$4.64
Greenlee	6	7	0.2%	431,105	0.1%	61,586	3,068,578	0.3%	438,368	12,090	0.1%	8,905,330	3,511,773	2,646,096	32.72%	0.2%	501,682	\$7.11
La Paz	15	43	1.2%	1,821,884	0.6%	42,369	6,493,697	0.6%	151,016	385,170	3.2%	67,133,381	8,700,751	5,777,828	50.59%	0.6%	202,343	\$7.93
Maricopa	7	1979	56.4%	189,890,016	59.8%	95,953	695,233,953	62.6%	351,306	5,838,684	48.7%	9,763,817	890,962,653	698,910,320	27.48%	61.9%	450,209	\$3.82
Mohave	8	213	6.1%	31,586,124	9.9%	148,292	54,301,495	4.9%	254,937	1,851,582	15.4%	18,614,587	87,739,201	57,193,127	53.41%	6.1%	411,921	\$7.95
Navajo	9	67	1.9%	3,286,259	1.0%	49,049	16,002,272	1.4%	238,840	402,096	3.4%	38,853,912	19,690,627	12,881,429	52.86%	1.4%	293,890	\$3.41
Pima	10	455	13.0%	40,616,220	12.8%	89,266	141,532,513	12.8%	311,060	1,354,794	11.3%	10,592,063	183,503,527	137,643,968	33.32%	12.7%	403,304	\$3.37
Pinal	11	163	4.6%	14,771,614	4.7%	90,623	57,653,189	5.2%	353,701	920,946	7.7%	19,797,621	73,345,749	55,765,597	31.53%	5.1%	449,974	\$3.05
Santa Cruz	12	22	0.6%	1,883,382	0.6%	85,608	5,767,897	0.5%	262,177	0	0.0%	0	7,651,279	5,880,405	30.11%	0.5%	347,785	\$3.16
Yavapai	13	147	4.2%	10,844,407	3.4%	73,771	36,576,641	3.3%	248,821	347,826	2.9%	10,185,047	47,768,874	35,933,045	32.94%	3.3%	324,958	\$3.91
Yuma	14	121	3.4%	6,006,943	1.9%	49,644	24,642,148	2.2%	203,654	463,800	3.9%	24,517,943	31,112,891	22,430,360	38.71%	2.2%	257,131	\$2.80
Virtual	26	2	0.1%	416,206	0.1%	208,103	0	0.0%	0	0	0.0%	0	416,206	0	#DIV/0!	0.0%	208,103	#DIV/0!
Total		3510	100%	317,546,105	100%	90,469	1,109,833,567	100%	316,192	11,994,834	100%	11,994,834	1,439,374,506	1,097,959,637	31.10%	100%	410,078	\$3.80
Summary Recap	р																	
Maricopa and																		
Pima Counties		2434	69.3%	230,506,236	72.6%	94,703	836,766,466	75.4%	343,782	7,193,478	60.0%	9,909,758	1,074,466,180			74.6%	441,441	
i illa coulices		2434	07.570	230,300,230	72.070	74,703	030,700,400	75.470	343,702	7,173,470	00.070	7,707,730	1,074,400,100			74.070	771,771	
Mohave, Pinal																		
and Yavapai		523	14.9%	57,202,145	18.0%	109,373	148,531,325	13.4%	283,999	3,120,354	26.0%	17,322,012	208,853,824			14.5%	399,338	
All Other																		
Counties		553	15.8%	29,837,724	9.4%	53,956	124,535,776	11.2%	225,200	1,681,002	14.0%	17,889,958	156,054,502			10.8%	282,196	

Chart I

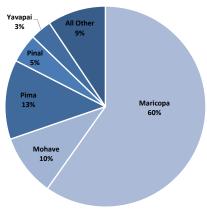
#### ARIZONA LOTTERY COUNTY SALES REVIEW Fiscal Year 2021 July 2020 through June 2021



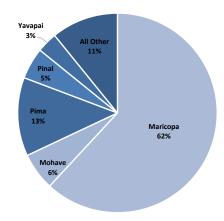




#### **Draw Game Sales**









#### **New Business Item #1**

# Instant Scratch Game Profiles Report to Arizona Lottery Commission August, 20, 2021

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 is new instant scratch game profiles: \$5 Grand #1347, \$10 Grand #1348, \$50 Grand #1349, \$100 Grand #1350, Power Shot Multiplier #1351, Triple Red 7's #1352 and Full of Money #1353.

<u>\$5 Grand #1347.</u> This \$1 game has a top prize of \$5,000 and will be printed at a quantity of approximately 4.0 million tickets.

<u>\$10 Grand #1348.</u> This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 3.0 million tickets.

<u>\$50 Grand #1349.</u> This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.4 million tickets.

**<u>\$100 Grand #1350.</u>** This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 3.0 million tickets.

**Power Shot Multiplier** #1351. This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 2.4 million tickets.

<u>Triple Red 7's #1352.</u> This \$10 game has a top prize of \$100,000 and will be printed at a quantity of approximately 3.7 million tickets.

<u>Full of Money #1353.</u> This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 3.4 million tickets.

Attachments (Commissioners only)

#### **New Business Item #2**

Merry Money Second Chance Promotion Profile #111 Report to Arizona Lottery Commission August 20, 2021

This report has been provided to the Lottery Commission regarding the Merry Money 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: Merry Money Profile #111.

#### Merry Money Promotion Profile #111

Starting October 5, 2021 players will be able to enter winning and non-winning tickets from designated instant scratch games and a Fast Play game for a chance to win cash prizes.

Attachments (Commissioners only)

#### **New Business Item #3**

Retailer Contest, Generic - Promotion Profile #57 Report to Arizona Lottery Commission August 20, 2021

This report has been provided to the Lottery Commission regarding the Retailer Contest, Generic - 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: Retailer Contest, Generic - Profile #57.

#### Retailer Contest, Generic - Promotion Profile #57

Starting August 20, 2021 the customer service and sales team can begin to conduct promotions designed to encourage retailers to reduce out of stocks and the lost sales associated with out-of-stock conditions.

Attachments (Commissioners only)