



FEBRUARY 19, 2010

**COMMISSION
PACKET**

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

Pursuant to Arizona Revised Statute (ARS) § 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 February 19, 2010, at 10 a.m., in the Arizona Lottery Board Room located at 4740 East University Drive, Phoenix, Arizona. Pursuant to ARS § 38-431.02(B), notice is hereby given to the Arizona State Lottery Commission and members of the public that the Arizona State Lottery Commission may vote to go into Executive Session, which will not be open to the public, for the purpose of obtaining legal advice pursuant to ARS § 38-431.03(A)(3) regarding any of the agenda items, as well as for the purposes listed on the agenda under Executive Session. The Commission may also vote on any item listed on the agenda. One or more members of the Commission may participate by means of telephonic communication.

Call to Order

1. Call for Quorum
2. Call for Notice
3. Approval of Minutes for January 15, 2010, Public Meeting

Agency Reports

- Director's Report
- FY10 – Mid-Year Sales Review
- FY09 Financial Statements
- New Game Introductions and Games Ended
- State Service Award
- Announcements and Updates (Oral Presentation)

New Business

1. Discussion and Action on new Scratchers Game Profiles: *Sunny Money #704, 9's in a Line #705, Spicy Cash #706, Blackjack Bonus #719 and Coffee Break Crossword #728.*
2. Marketing Update – Oral Presentation

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 ARS § 38-431.02.

Announcements

The next Commission meeting will be held March 19, at 10 a.m.

Adjournment

Materials

A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at least 24 hours in advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

Notice

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

Dated this 16th day of February, 2010



Jeff Hatch-Miller, Executive Director

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Arizona Lottery's Compliance Coordinator, Carolyn Koll, at (480) 921-4476. Requests should be made as early as possible to allow time to arrange the accommodation.

**PUBLIC MEETING OF THE ARIZONA LOTTERY
COMMISSION MINUTES – JANUARY 15, 2010**

- TIME:** 10:00 a.m.
- PLACE:** Arizona Lottery Board Room
4740 E. University Drive, Phoenix, AZ
- PRESIDING:** Chair Leo Valdez
- COMMISSIONERS:** Vice-Chair Nikki Daly, Commissioner Jeffrey Boehm, Lori Mann, and Veronica Zapata Vaughn
- LOTTERY STAFF:** Jeff Hatch-Miller, Executive Director; Trish Phillips, Deputy Director/Operations; Karen Emery, Deputy Director/Policy; Kim McGlothlen, Sales and Marketing Director; Raynie Hosto, Assistant Sales Director; Bill Kaehler, Audit, Accounting, and Procurement Director; Carolyn Koll, HR Manager; Barbara Anderson, Products Manager; Ivy Gilio, Instant Ticket Specialist; Pam DiNunzio, Budget Manager; Marita Ralston, Advertising Manager; Cindy Esquer, Community Outreach Manager; Tim Matykiewicz, New Retailer Specialist; and Pamela Ulloa, Executive Assistant
- GUESTS:** Mirja Riester and Stephanie Pentelute - Riester; Sergio Carlos, Riester Multicultural; Jay Rivara, Serena Stapp, and Matt Hayes - GTECH; and LaDonna Ockinga, Attorney General's Office.

Call to Order. Pursuant to the Public Notice dated January 12, 2010, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:00 a.m. by Chair Valdez. A quorum was present.

Upon request by Chair Valdez, Vice-chair Daly made a motion to approve the minutes of December 18, 2009; Commissioner Mann seconded. All members voting aye, motion carried.

Director's Report. Mr. Jeff Hatch-Miller, Executive Director, presented an overview of the Director's report; a copy of the December 2009 Dashboard is attached for the official minutes.

New Business

Chair Valdez asked if any members of the public would like to address the Commission regarding the new Scratchers Game Profiles: *Smokin' Hot 9's* #684 and *Wild Cherry Crossword* #702. No response from the public.

In accordance with A.R.S. §5-504 (C), Chair Valdez entertained a motion to approve the order and authorize the Director to issue the order regarding new Scratchers Game Profiles: *Smokin' Hot 9's* #684 and *Wild Cherry Crossword* #702. Commissioner Boehm moved; Commissioner Mann seconded.

All members voting aye, the motion carried.

Chair Valdez asked if any members of the public would like to address the Commission regarding the Mega Millions[®] Profile and Megaplier[®] Promotion Profile. No response from the public.

In accordance with A.R.S. §5-504 (C), Chair Valdez entertained a motion to approve the order and authorize the Director to issue the order regarding the Mega Millions Profile and Megaplier Promotion Profile; Vice-Chair Daly moved; Commissioner Mann seconded.

Ms. Barbara Anderson presented an overview on the Mega Millions profile and Megaplier promotion profile. There was discussion between the Lottery staff and the Commissioners about details of the game.

All members voting aye, the motion carried.

Ms. McGlothlen presented the TV spots for Arizona's newest millionaire from the Holiday Edition Millionaire Raffle. She also presented the TV spots for the promotions with the Phoenix Suns and the Holiday Edition Millionaire Raffle.

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

Announcements. The next meeting will be February 19 at 10 a.m.

Adjournment. Upon request by Chair Valdez, Commissioner Zapata Vaughn moved; Commissioner Boehm seconded. All members voting aye, motion carried.

Meeting adjourned at 10:50 a.m.

Agency Reports
Report to Arizona Lottery Commission
February 19, 2010

Director's Report

Each month, the Lottery provides the Governor's Office with a status report for the previous month. This is a succinct look at agency activities and success statistics, containing information we believe the Commission might find interesting as well. Detailed sales information is available in the Dashboard Update, Attachment A.

Transfers to Beneficiaries made in January 2010

Economic Development Fund: \$484,500
State General Fund: \$3,480,800
Mass Transit: \$926,200
Local Transportation Assistance Fund: \$2,320,600
County Assistance Fund: \$770,200
Heritage Fund: \$2,252,400
Court Appointed Special Advocate (CASA) Fund: \$70,187

Total January Transfers \$10,304,887

Transfers to beneficiaries FY10 YTD: \$68,348,319
Transfers to beneficiaries FY09 YTD: \$72,498,604

Special Events

The Lottery sponsored events in January for the following organizations:

Arizona Commission of Indian Affairs: Indian Nations/Tribes Legislative Day
Casa Grande: Main Street Fair/Car and Bike Show
Yuma: Heritage Festival's Yuma Lettuce Days
Tucson: Hotel Congress' Dillinger Days
Willcox: Rex Allen Cowboy Museum Exhibit Support
Santa Cruz Valley: Car Nuts' Tubac Collector Car Show

The Lottery is sponsoring events in February for the following organizations:

Friends of Animal Care & Control's HOPE for the Animals Luncheon
Xico Inc.'s Celebrity Waiters Dinner and Art Auction
Dominican Sisters of Mary, Mother of the Eucharist's A Pledge of Future Glory
Hydrocephalus Association's Hydrocephalus Walk

Bill Pickett Invitational Rodeo
 Valley of the Sun Jewish Community Center's Heroes for Children Awards Gala
 South Mountain/Laveen Chamber of Commerce's Community Awards Dinner
 Asian Chamber of Commerce's Lunar New Year Banquet

FY10 Mid-Year Sales Review. The target sales goal for FY 2010 is \$510 million, and with sales midway through the fiscal year complete, we are at 50.3% of the annual sales goal.

Instant sales at \$151,525,835 outperformed the on-line games at \$105,058,876. More specific sales detail is provided in Attachment B.

FY09 Financial Statements. The Lottery's financial statements for the year ended June 30, 2009, as compiled by the Lottery Accounting Department and audited by Deloitte & Touche LLP, have been completed and distributed to the Commission. The Lottery is pleased to report that the results of the compliance tests by Deloitte & Touche disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. Deloitte & Touche also advised that it noted no matters considered to be material weaknesses involving the internal control over financial reporting and its operation.

The financial report was conducted in compliance with statutory requirements, and the financial statements have been posted on the Lottery's website. Copies of the report have been provided to the Commission.

The Lottery complies with statutory requirements related to the distribution of the report or notification of the report's availability on the website (www.arizonalottery.com). The report is located in the "About Us" section.

New Game Introductions and Games Ended. The following games were introduced since the last commission meeting: *Match & Win #649*, *7-11 #650*, and *Betty Boop® (Valentine) #681*.

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

The following games were approved to end consistent with the Scratchers 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
1/25/10	\$2	664	Super Jackpot	1,258,200	85.1%
2/08/10	\$10	619	Vegas VIP	1,133,220	62.6%

Date Ended	Price Point	Game No.	Game Name	Beginning Inventory	% Sold
2/08/10	\$1	623	21	1,506,900	93.0%
2/08/10	\$1	628	Money Jar	1,764,000	63.0%
2/08/10	\$2	629	Flying Aces	1,510,200	78.4%
2/08/10	\$1	639	Wild \$\$ Doubler	1,764,000	75.2%
2/08/10	\$2	641	Cactus Cash	1,510,050	36.0%
2/08/10	\$5	651	Trump Card	1,258,500	68.9%
2/08/10	\$1	663	Jackpot	1,505,700	77.8%
2/08/10	\$1	675	Snow Dough	1,472,400	72.3%
2/08/10	\$2	676	Betty Boop® (Christmas)	1,258,050	55.3%
2/08/10	\$2	677	Holiday Crossword	1,265,400	78.1%
2/08/10	\$5	678	Merry Money	1,129,440	61.0%
2/08/10	\$10	679	Holiday Riches	522,000	81.9%
2/09/10	\$2	634	Red Hot 7's	5,074,950	94.9%

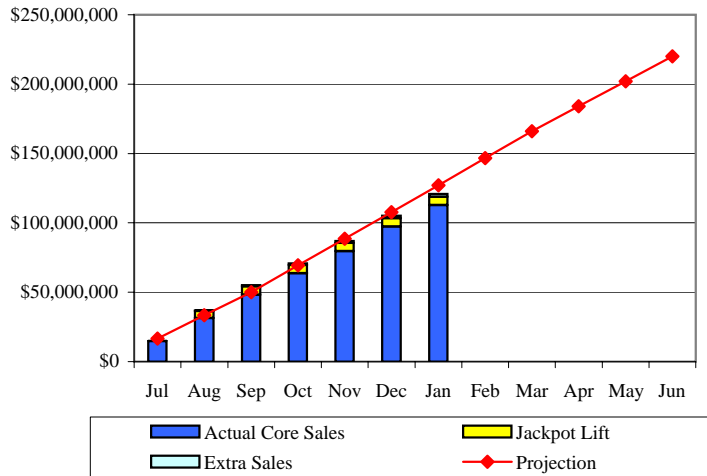
State Service Award. We are pleased to recognize Maria Lugo for her five years of service to the State of Arizona. We are proud of her as she contributes to the success of the Arizona Lottery.

ATTACHMENT A

**Arizona Lottery
Dashboard Update
January 2010**

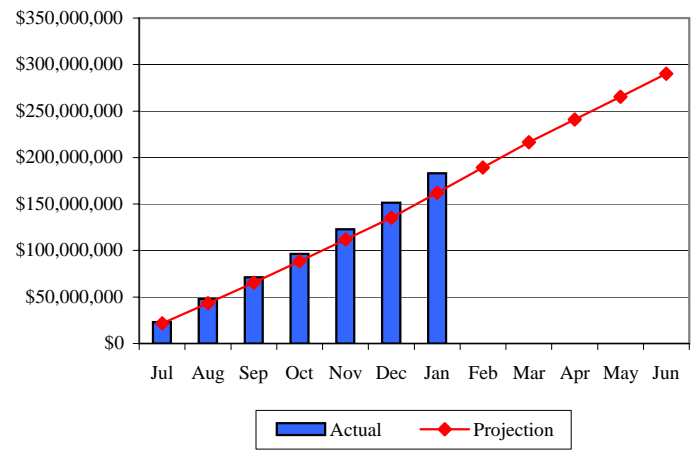
**Arizona Lottery
FY 2010 Sales versus Projections**

Drawing Games



Projection: 127,108,065
 Actual: 120,740,489
 Difference: -6,367,576
 % Difference: -5.0%

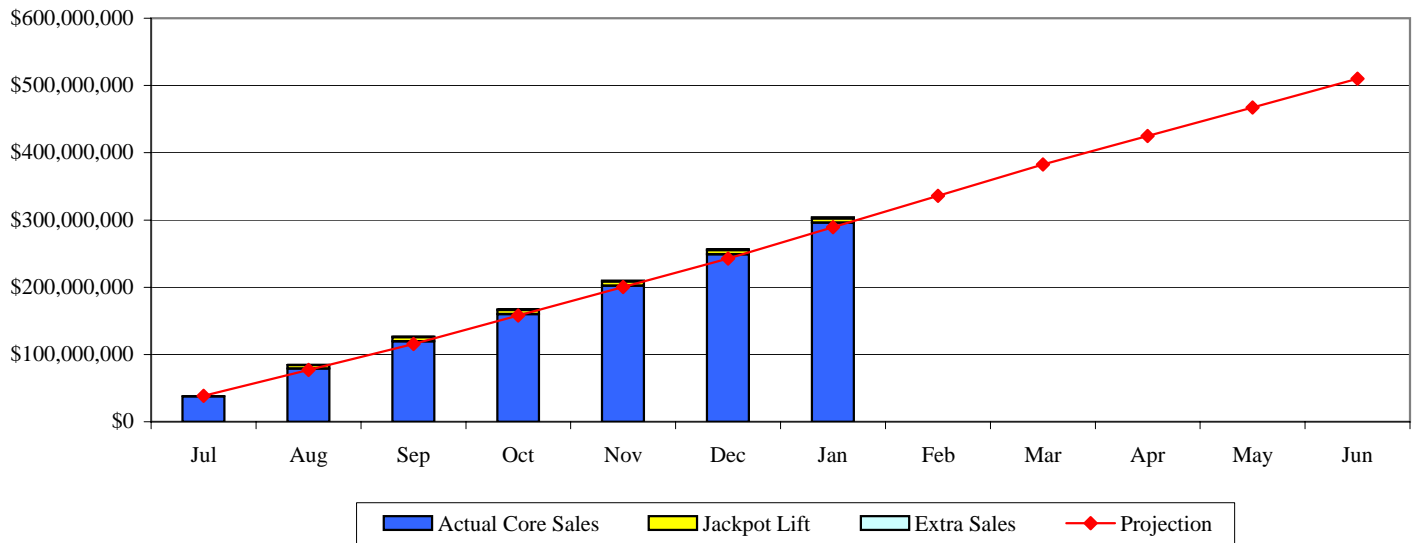
Scratchers



Projection: 162,206,666
 Actual: 183,224,005
 Difference: 21,017,339
 % Difference: 13.0%

All monthly numbers are shown as Year-to-Date sales figures

Total Sales

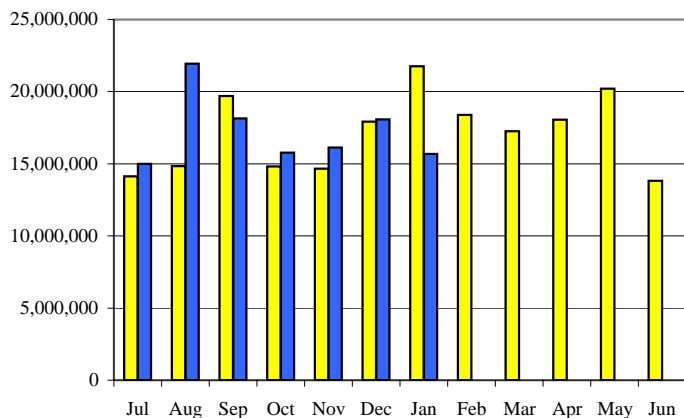


Projection: 289,314,731
 Actual Core: 296,033,234
 Jackpot Lift: 6,000,000
 Extra Lift: 1,931,260
 Total Actual: 303,964,494
 Difference: 14,649,763
 % Difference: 5.1%

Jackpot Lift: Powerball sales estimated at an average \$9.8 million per month based on annual goal of \$118.0 million. Lift calculated when jackpot exceeds \$150 million and reflects the increase in sales above the projected monthly estimate.
 The Pick sales estimated at \$4.0 million monthly average based on annual goal of \$53.1 million. Lift calculated when jackpot exceeds \$5 million and reflects the increase in sales above the projected monthly estimate.

**Arizona Lottery
FY 2010 versus FY 2009**

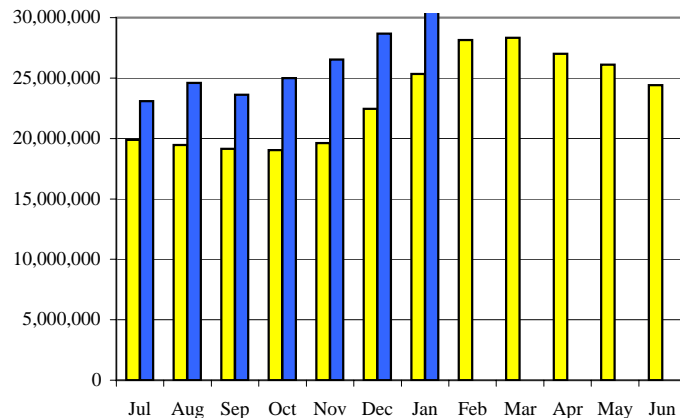
Drawing Games



■ FY 2009 ■ FY 2010

FY 2010	120,740,489
FY 2009	117,822,856
% Change	2.5%

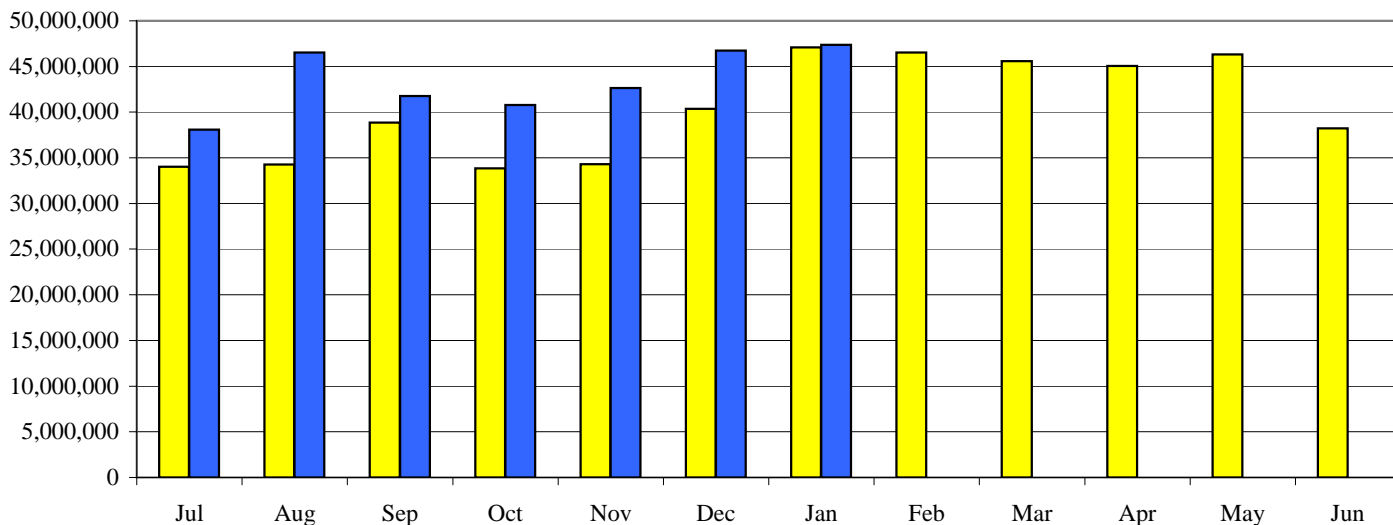
Scratchers



■ FY 2009 ■ FY 2010

FY 2010	183,224,005
FY 2009	144,922,279
% Change	26.4%

Total Sales

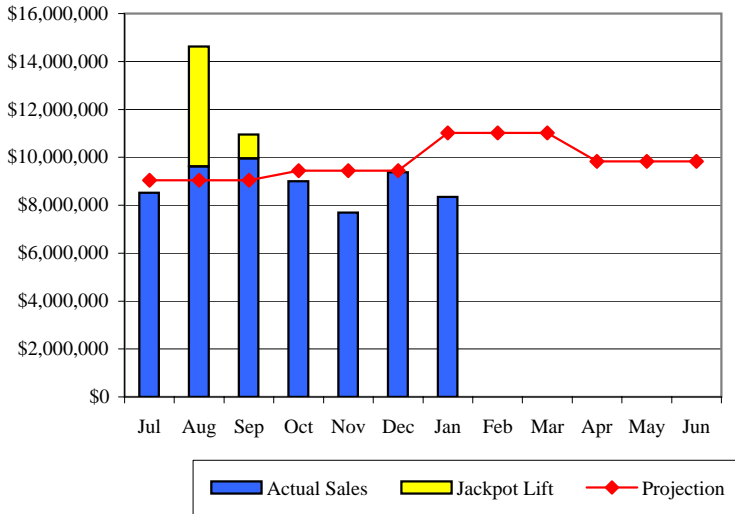


■ FY 2009 ■ FY 2010

FY 2010	303,964,494
FY 2009	258,897,768
% Change	17.4%

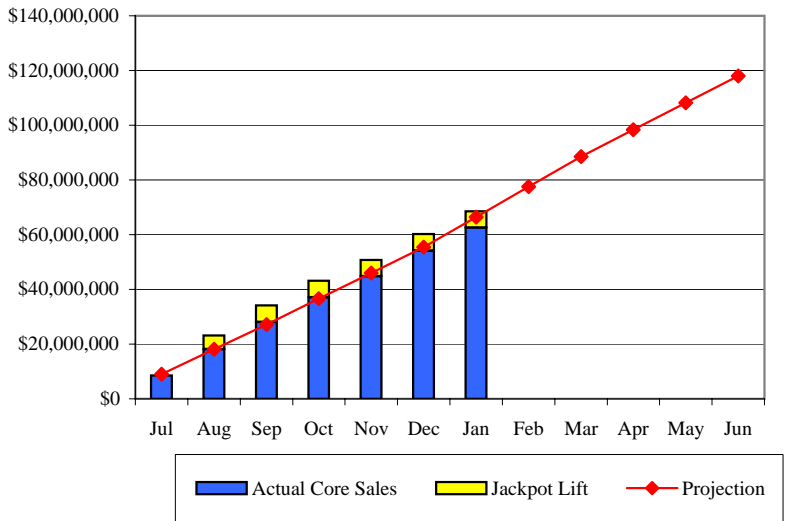
**Arizona Lottery
FY 2010 - Powerball
Actual Sales versus Projections**

Powerball - Monthly



Jan Projection: 11,013,333
 Jan Actual: 8,347,213
 Difference: -2,666,120
 % Difference: -24.2%

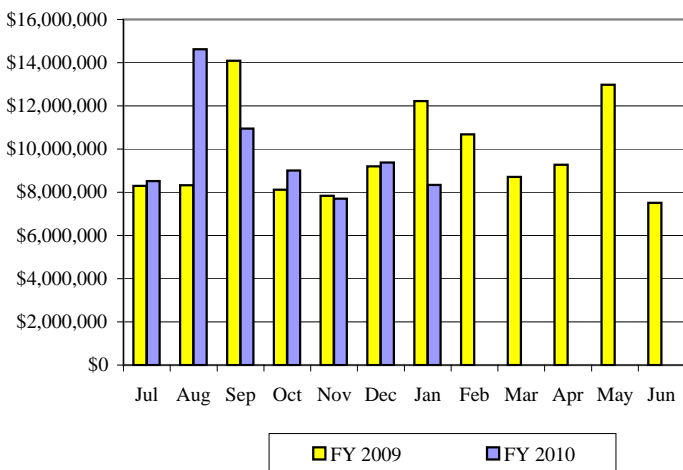
Powerball - Year-To-Date



Projection: 66,473,333
 Actual Core: 62,531,360
 Jackpot Lift: 6,000,000
 Total Actual: 68,531,360
 Difference: 2,058,027
 % Difference: 3.1%

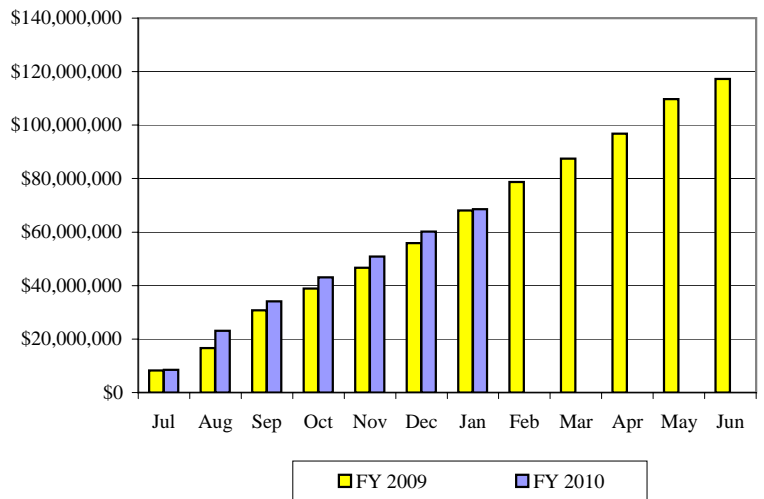
FY 2010 versus FY 2009

Powerball - Monthly



FY 10 - Jan: 8,347,213
 FY 09 - Jan: 12,217,383
 % Change: -31.7%

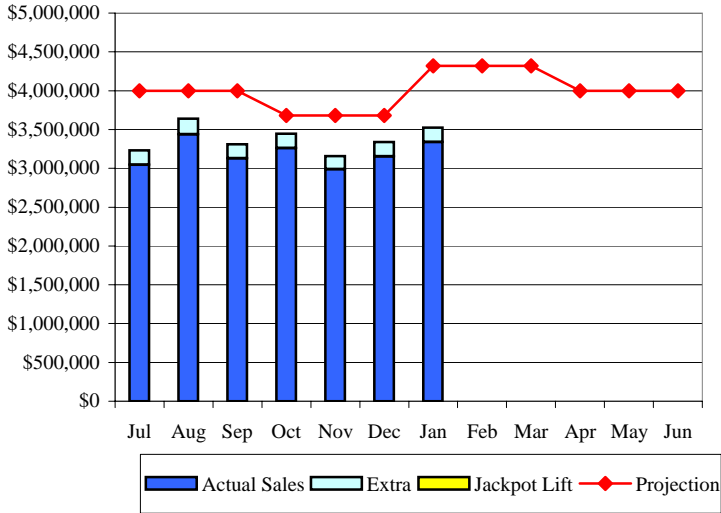
Powerball - Year-To-Date



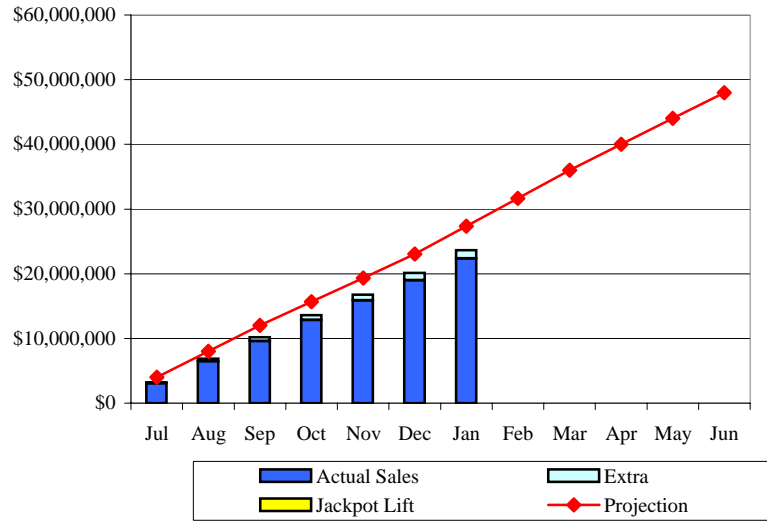
FY 2010: 68,531,360
 FY 2009: 68,095,271
 % Change: 0.6%

**Arizona Lottery
FY 2010 - The Pick
Actual Sales versus Projections**

The Pick - Monthly



The Pick - Year-To-Date

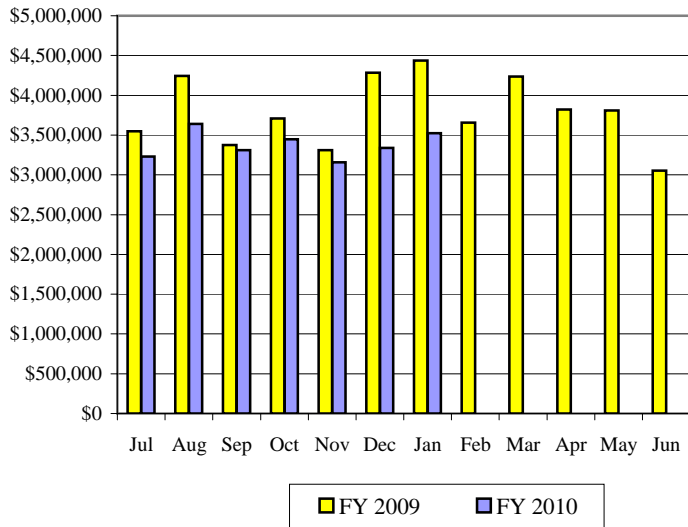


Jan Projection: 4,320,000
 Jan Actual: 3,524,686
 Difference: -795,314
 % Difference: -18.4%

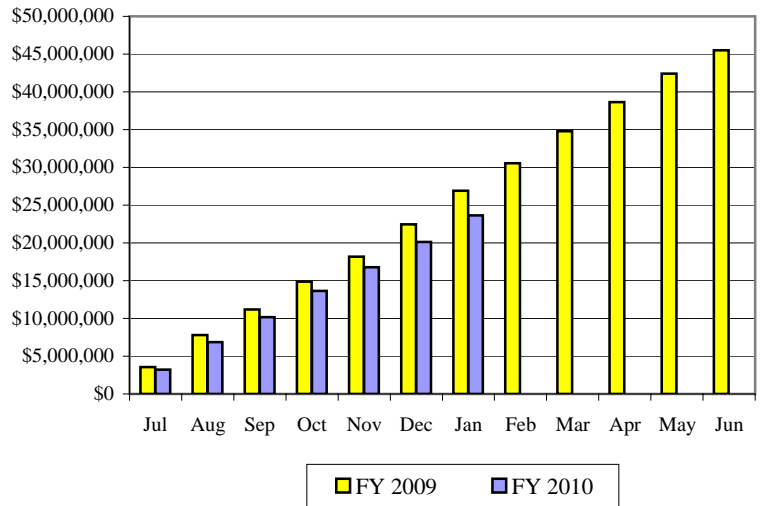
Projection: 27,360,000
 Actual: 22,354,969
 Jackpot Lift: 0
 Extra Lift: 1,292,197
 Total Actual: 23,647,166
 Difference: -3,712,834
 % Difference: -13.6%

FY 2010 versus FY 2009

The Pick - Monthly



The Pick - Year-To-Date

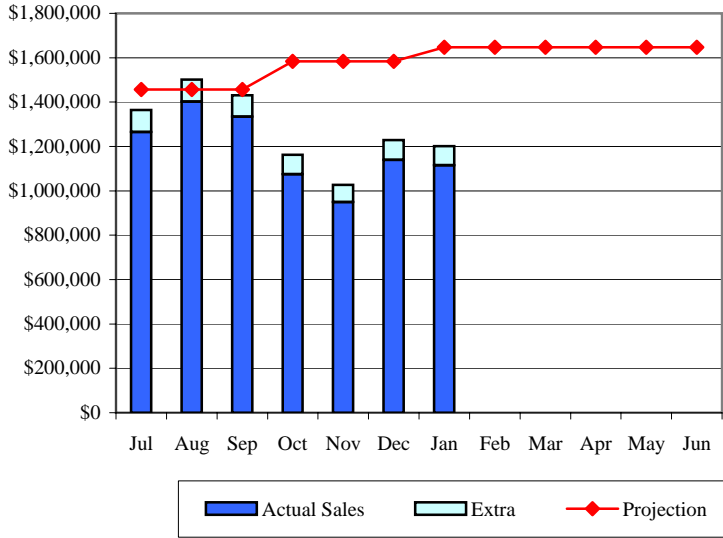


FY 10 - Jan: 3,524,686
 FY 09 - Jan: 4,435,219
 % Change: -20.5%

FY 2010: 23,647,166
 FY 2009: 26,911,127
 % Change: -12.1%

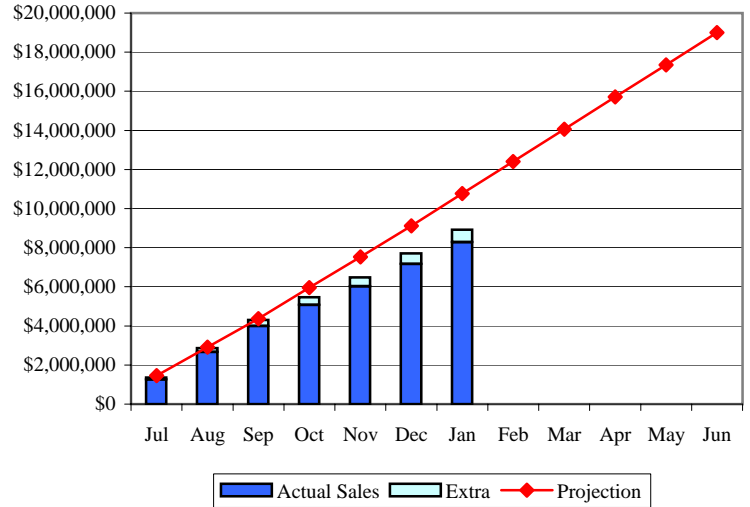
**Arizona Lottery
FY 2010 - Pick 5
Actual Sales versus Projections**

Pick 5 - Monthly



Jan Projection: 1,646,666
 Jan Actual: 1,201,712
 Difference: -444,954
 % Difference: -27.0%

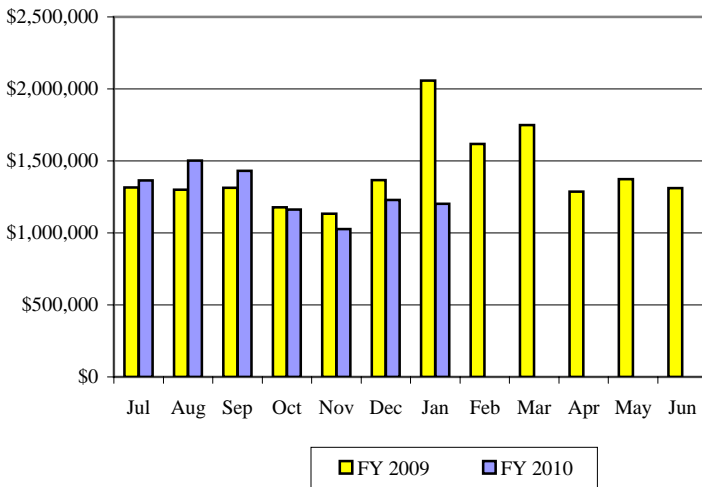
Pick 5 - Year-To-Date



Projection: 10,766,666
 Actual: 8,279,045
 Extra Lift: 639,063
 Total Actual: 8,918,108
 Difference: -1,848,558
 % Difference: -17.2%

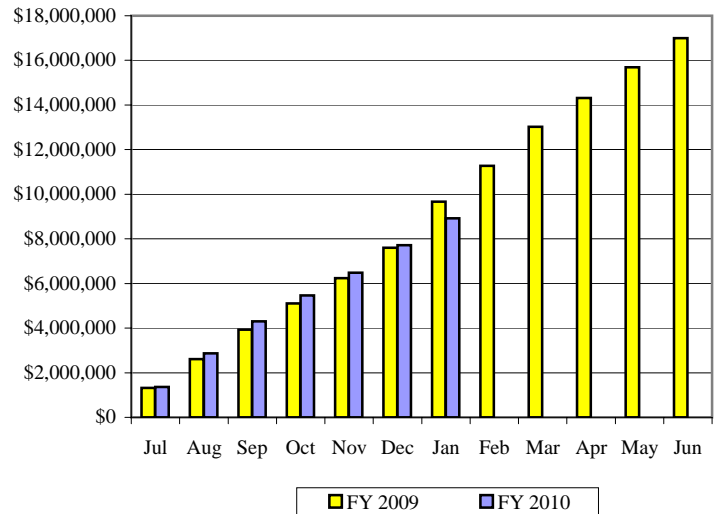
FY 2010 versus FY 2009

Pick 5 - Monthly



FY 10 - Jan: 1,201,712
 FY 09 - Jan: 2,057,793
 % Change: -41.6%

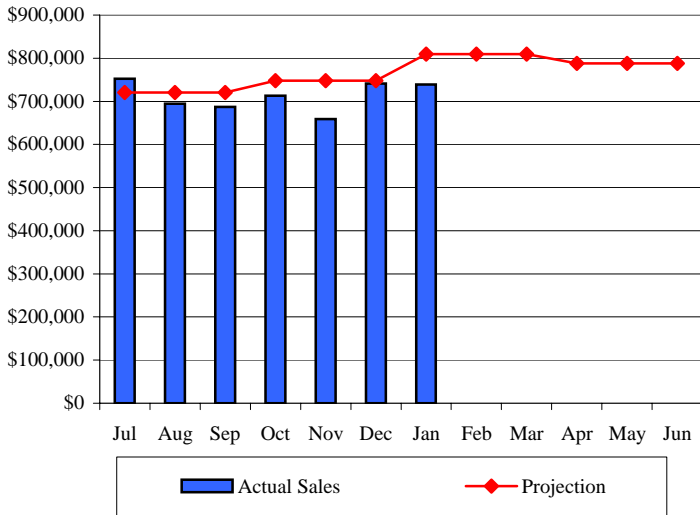
Pick 5 - Year-To-Date



FY 2010: 8,918,108
 FY 2009: 9,662,070
 % Change: -7.7%

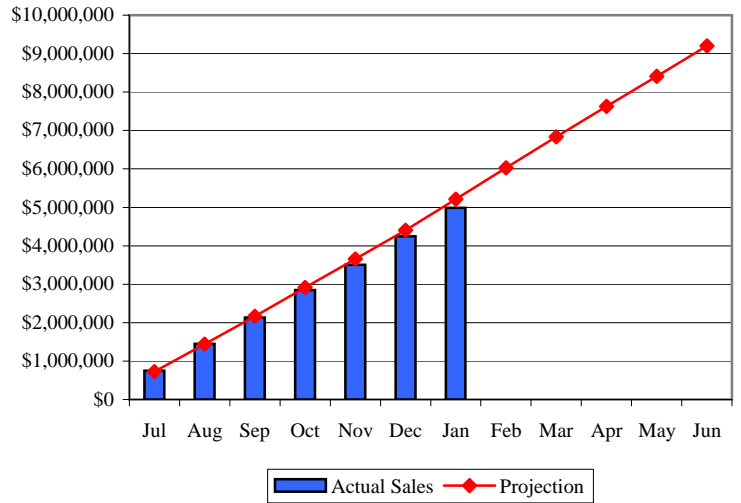
**Arizona Lottery
FY 2010 - Pick 3
Actual Sales versus Projections**

Pick 3 - Monthly



Jan Projection: 809,600
 Jan Actual: 739,167
 Difference: -70,433
 % Difference: -8.7%

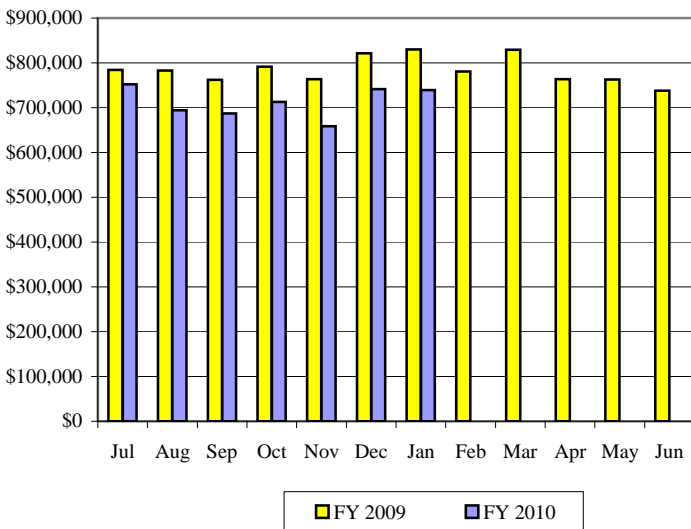
Pick 3 - Year-To-Date



Projection: 5,216,400
 Actual: 4,985,355
 Difference: -231,045
 % Difference: -4.4%

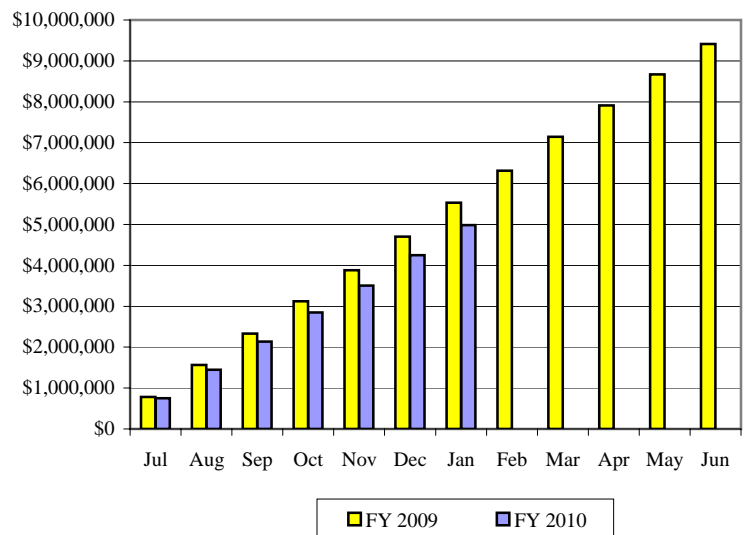
FY 2010 versus FY 2009

Pick 3 - Monthly



FY 10 - Jan: 739,167
 FY 09 - Jan: 829,709
 % Change: -10.9%

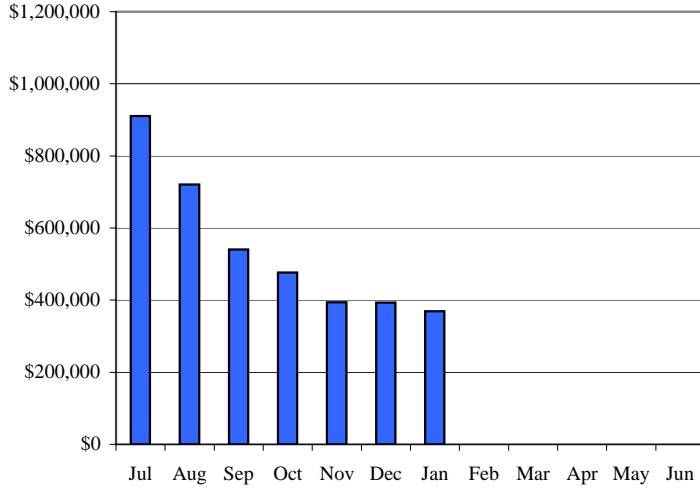
Pick 3 - Year-To-Date



FY 2010: 4,985,355
 FY 2009: 5,535,481
 % Change: -9.9%

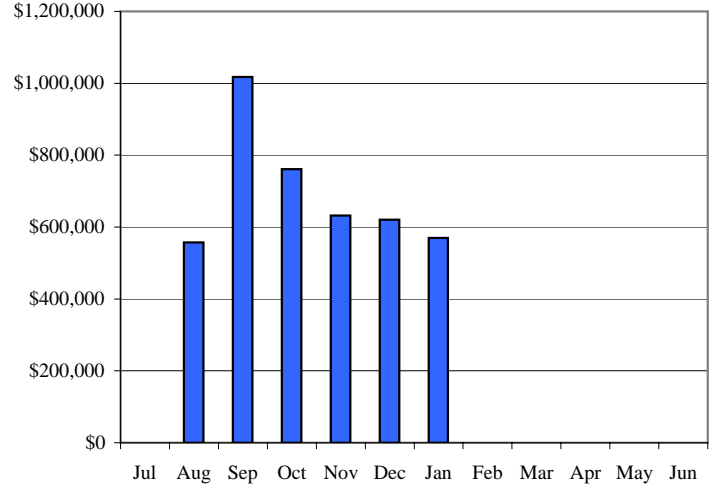
**Arizona Lottery
FY 2010 - CASH4 and 2by2**

CASH4 - Monthly



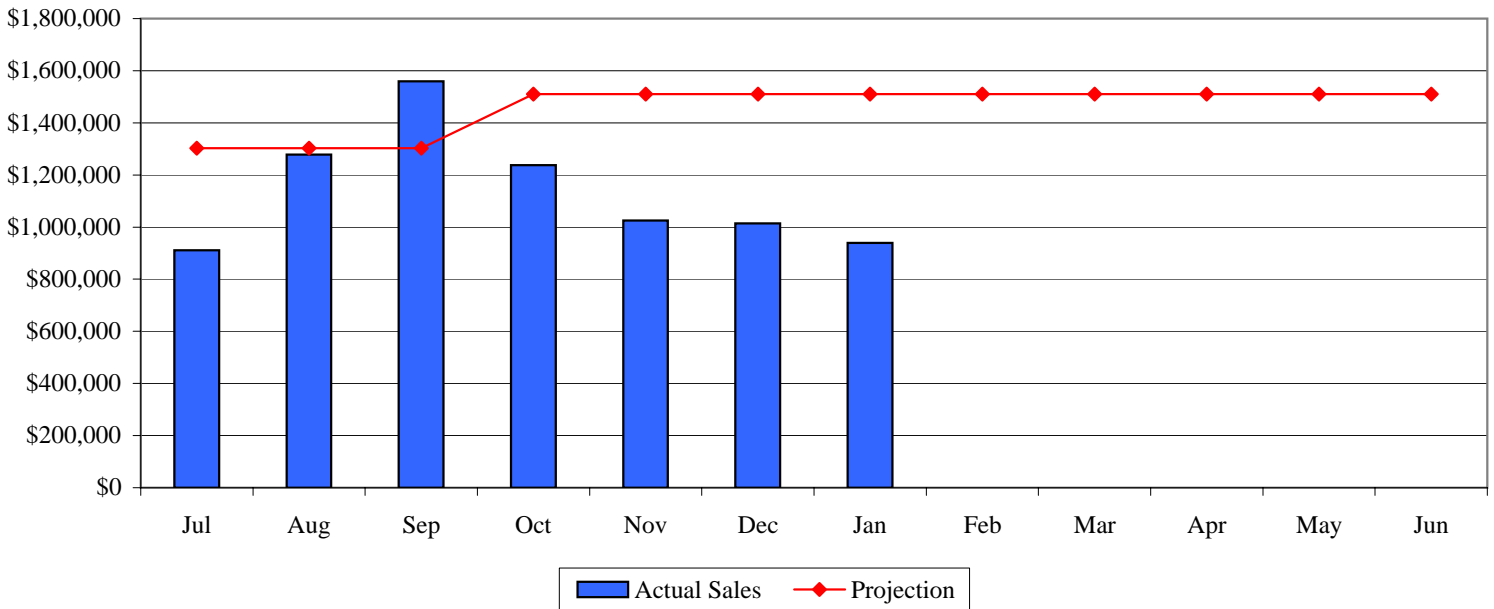
Jan Actual: 368,818

2by2 - Monthly



Jan Actual: 570,102

Actual Sales versus Projections

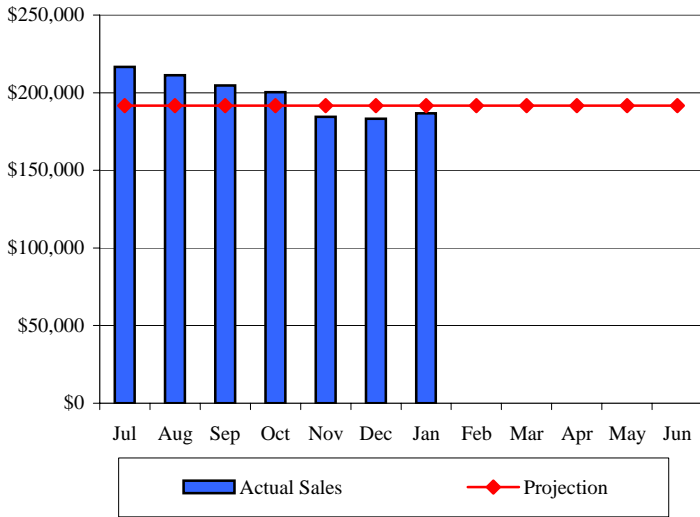


Jan Projection: 1,510,000
 Jan Actual: 1,013,772
 Difference: -496,228
 % Difference: -32.9%

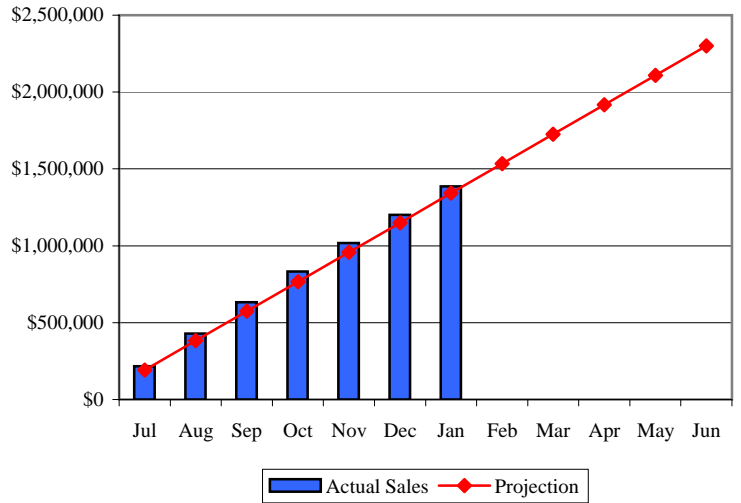
Projection: 8,440,000
 Actual: 7,025,174
 Difference: -1,414,826
 % Difference: -16.8%

**Arizona Lottery
FY 2010 - Fast Play
Actual Sales versus Projections**

Fast Play - Monthly



Fast Play - Year-To-Date

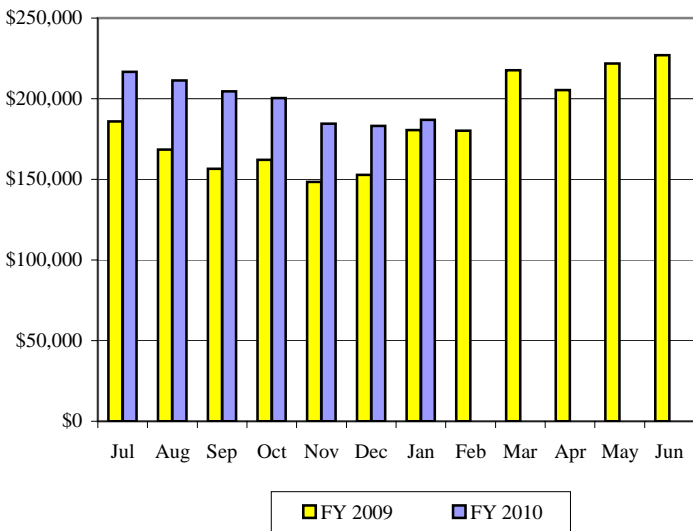


Jan Projection: 191,666
 Jan Actual: 186,815
 Difference: -4,851
 % Difference: -2.5%

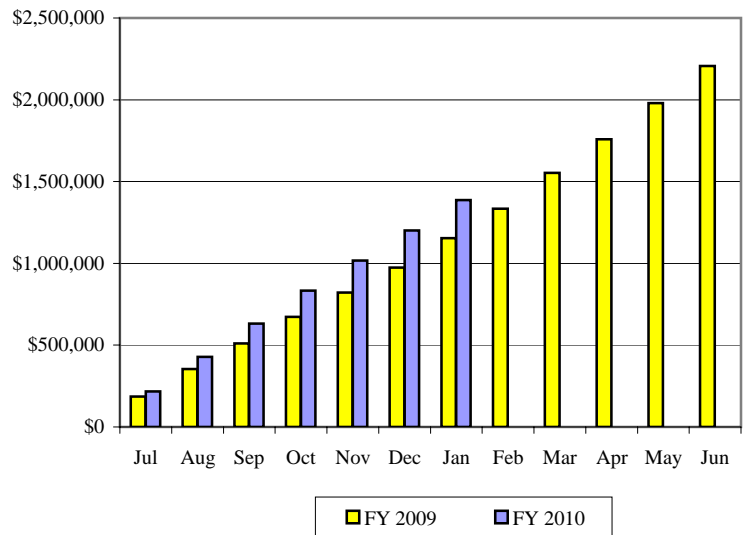
Projection: 1,341,666
 Actual: 1,387,346
 Difference: 45,680
 % Difference: 3.4%

FY 2010 versus FY 2009

Fast Play - Monthly



Fast Play - Year-To-Date

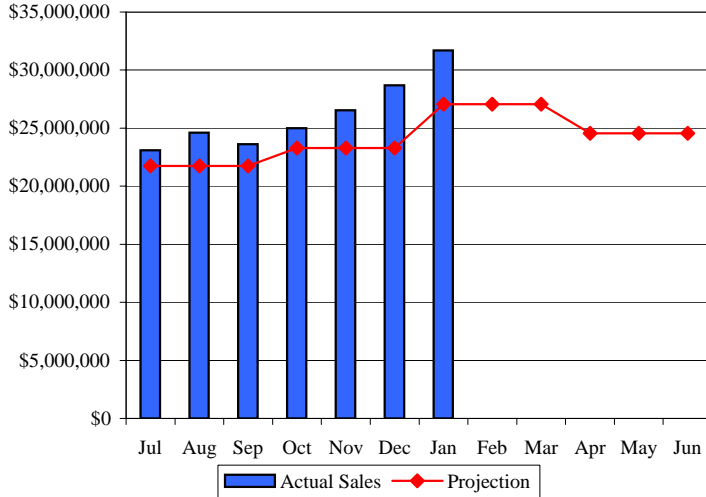


FY 10 - Jan: 186,815
 FY 09 - Jan: 180,647
 % Change: 3.4%

FY 2010: 1,387,346
 FY 2009: 1,154,907
 % Change: 20.1%

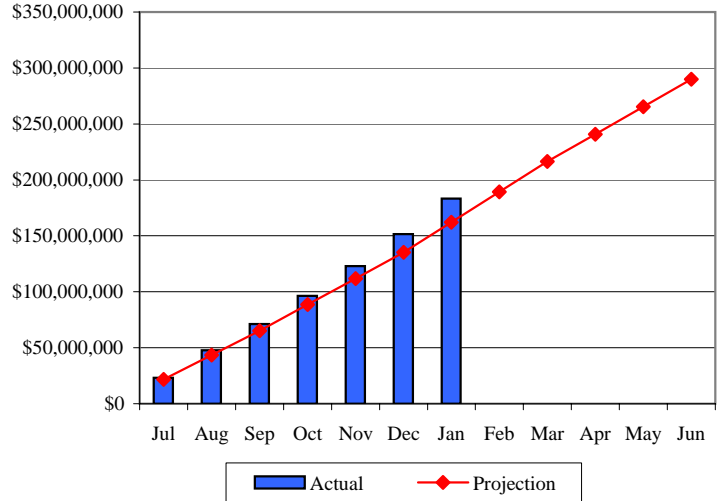
**Arizona Lottery
FY 2010 - Scratchers
Actual Sales versus Projections**

Monthly



Jan Projection: 27,066,666
 Jan Actual: 31,698,170
 Difference: 4,631,504
 % Difference: 17.1%

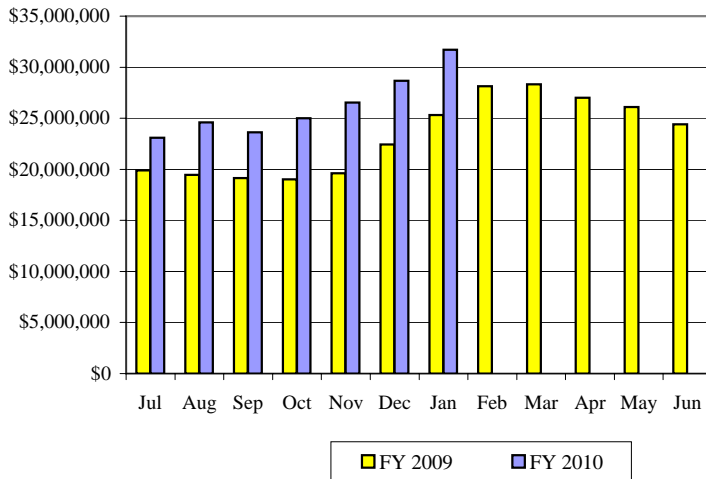
Year-To-Date



Projection: 162,206,666
 Actual: 183,224,005
 Difference: 21,017,339
 % Difference: 13.0%

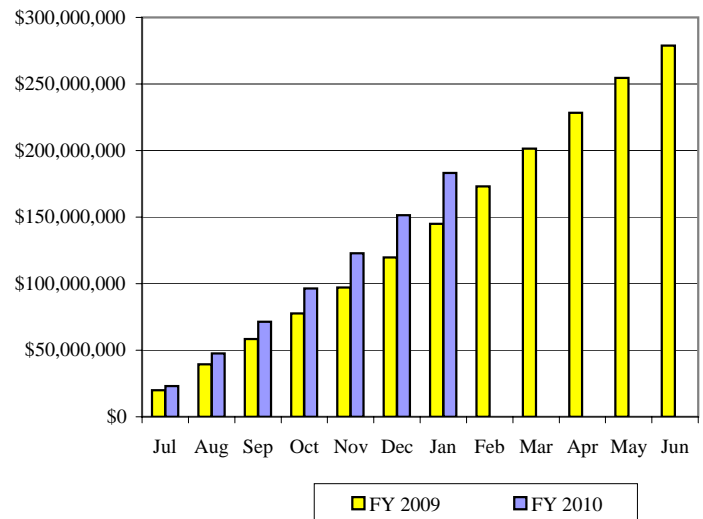
FY 2010 versus FY 2009

Monthly



FY 10 - Jan: 31,698,170
 FY 09 - Jan: 25,329,182
 % Change: 25.1%

Year-To-Date



FY 2010: 183,224,005
 FY 2009: 144,922,279
 % Change: 26.4%

FY10 Year-to-Date Budget Status JANUARY



Date: **1/31/2010**
 Elapsed: **59%**

	<u>Budget</u>	<u>Expenditures thru Jan.</u>	<u>Percent Expended</u>	<u>Balance</u>	<u>Comments</u>
Personal Services	4,825,100	2,616,800	54%	2,208,300	
ERE	1,920,400	1,057,700	55%	862,700	
Professional & Outside	383,400	218,300	57%	165,100	
Travel In-State	269,800	113,100	42%	156,700	
Travel Out-of-State	16,700	-	0%	16,700	
Other Operating / Equip.	630,200	329,300	52%	300,900	
Salary Reduction	(200,300)			(200,300)	mandated transfer to General Fund
Operating Subtotal:	\$ 7,845,300	\$ 4,335,200	55%	\$ 3,510,100	
Telecommunications	629,400	217,800	35%	411,600	
Sales Incentive	50,000	10,800	22%	39,200	reflects 1st quarter incentive
Advertising 1/	16,000,000	4,141,500	26%	11,858,500	
% of sales { Instant Tickets	9,209,800	5,544,000	60%	3,665,800	
{ On-Line Vendor Fees	9,129,300	4,374,600	48%	4,754,700	savings from revised contract rate
{ Retailer Commissions	32,310,100	19,824,700	61%	12,485,400	sales tracking higher than JLBC estimate
Total Budget:	\$ 75,173,900	\$ 38,448,600	51%	\$ 36,725,300	

1/ Advertising agency expenses are typically one month behind.

Notes on Sales-Related Line Items:

Instant Tickets: Appropriated based on 3.6% of sales. The budget reflects the JLBC sales estimate of \$255.8 million for FY10.

On-Line Vendor Fees: Appropriation based on percentage of on-line sales as determined by contract. The budget reflects the JLBC on-line sales estimate of \$226.4 million for FY10.

Retailer Commissions: The compensation rate is at least 5.5% but not more than 8% (1/2% based on performance criteria). The budget reflects the JLBC estimated compensation rate of 6.7% based on total sales of \$482.2 million.

Arizona Lottery
Sales by Product - FY 2010

Month	Scratchers	Econ Dev	Total Scratchers	Powerball	The Pick / EXTRA	Pick 5 / EXTRA	Pick 3	CA\$H4	2by2	Fast Play	Raffle	Total Online	Total Sales
July	21,690,324	1,399,870	23,090,194	8,524,760	3,230,124	1,364,261	752,047	910,770		216,572		14,998,534	38,088,728
August	22,550,581	2,051,490	24,602,071	14,621,507	3,638,673	1,502,104	694,378	720,954	557,598	211,264		21,946,478	46,548,549
September	21,616,410	2,002,910	23,619,320	10,951,764	3,309,272	1,431,208	686,889	540,944	1,017,790	204,573		18,142,440	41,761,760
October	23,114,020	1,890,080	25,004,100	9,005,771	3,447,239	1,162,498	712,669	476,794	760,886	200,428		15,766,285	40,770,385
November	25,142,457	1,385,220	26,527,677	7,699,452	3,157,680	1,026,778	658,798	393,862	631,804	184,487	2,376,000	16,128,861	42,656,538
December	27,081,828	1,600,645	28,682,473	9,380,893	3,339,492	1,229,547	741,407	393,168	620,604	183,207	2,187,960	18,076,278	46,758,751
January	29,444,970	2,253,200	31,698,170	8,347,213	3,524,686	1,201,712	739,167	368,818	570,102	186,815	743,100	15,681,613	47,379,783
February													
March													
April													
May													
June													
YTD Sales	170,640,590	12,583,415	183,224,005	68,531,360	23,647,166	8,918,108	4,985,355	3,805,310	4,158,784	1,387,346	5,307,060	120,740,489	303,964,494
YTD Rtlr Commissions	11,091,638	817,922	11,909,560	4,454,538	1,537,066	579,677	324,048	247,345	270,321	90,177	344,959	7,848,132	19,757,692
% of Sales	56.1%	4.1%	60.3%	22.5%	7.8%	2.9%	1.6%	1.3%	1.4%	0.5%	1.7%	39.7%	100.0%
Avg Mo Sales	24,377,227	1,797,631	26,174,858	9,790,194	3,378,167	1,274,015	712,194	543,616	693,131	198,192	2,281,980	17,248,641	43,423,499

**Arizona Lottery
Transfers To Other State Funds**

Month	Economic Develop	State General Fund	Mass Transit	LTAF	CAF	Heritage Fund	Healthy Arizona	Homeless Shelters	State General Fund II	Dept of Gaming	C.A.S.A.	Total Transfers
July	301,000	2,759,200	742,000	1,839,500	610,700	1,777,600	0	0	0	0	122,276	8,152,276
August	441,100	3,447,000	927,000	2,298,000	762,800	2,220,800	0	0	0	0	159,976	10,256,676
*Approp Transfer	266,700											266,700
*** Approp Transfer										300,000		300,000
September	430,700	3,040,700	817,600	2,027,100	672,900	1,959,000	0	0	0	0	745,926	9,693,926
October	406,400	3,059,400	822,700	2,039,600	677,000	1,971,100	0	0	0	0	115,077	9,091,277
November	297,900	3,231,300	859,900	2,163,300	715,100	2,081,800	0	0	0	0	107,419	9,456,719
December	344,200	3,547,100	943,900	2,364,700	794,900	2,285,200	0	0	0	0	545,856	10,825,856
January	484,500	3,480,800	926,200	2,320,600	770,200	2,252,400	0	0	0	0	70,187	10,304,887
February												0
March												0
April												0
May												0
June												0
Profit Distribution												0
YTD Transfers	2,972,500	22,565,500	6,039,300	15,052,800	5,003,600	14,547,900	0	0	0	300,000	1,866,718	68,348,318
FY09 Transfers	2,145,400	31,562,900	4,681,400	15,616,900	5,200,200	11,200,600	0	0	0	300,000	1,791,204	72,498,604

*Mandated transfer from Lottery to Dept of Commerce
 ***Pursuant to Proposition 202 (Compulsive Gambling Treatment)

Arizona Lottery
Transfers To Other State Funds
By Product - FY 2010

	Scratchers	Econ Dev	Powerball	The Pick / EXTRA	Pick 5 / EXTRA	Pick 3	CASH4	2by2	Fast Play	Raffle	Unclaimed Prizes	Total Transfers
July	3,904,300	301,000	2,173,800	823,700	347,900	191,800	232,300		55,200		122,276	8,152,276
August	4,059,100	441,100	3,728,500	927,900	383,100	177,100	183,800	142,200	53,900		159,976	10,256,676
CEDC Commission		266,700										266,700
Compulsive Gambling	162,700	10,000	72,600	28,200	10,500	5,800	1,900		1,400	6,900		300,000
September	3,890,900	430,700	2,792,700	843,900	365,000	175,200	138,000	259,500	52,100		745,926	9,693,926
October	4,391,700	406,400	2,386,500	913,500	308,100	188,800	126,400	201,700	53,100		115,077	9,091,277
November	4,777,100	297,900	2,040,400	836,800	272,100	174,600	104,400	167,400	48,900	629,700	107,419	9,456,719
December	5,145,500	344,200	2,486,000	885,000	325,800	196,500	104,200	164,400	48,600	579,800	545,856	10,825,856
January	5,594,600	484,500	2,212,000	934,000	318,500	195,900	97,700	151,100	49,500	196,900	70,187	10,304,887
February												0
March												0
April												0
May												0
June												0
Profit Distribution												0
YTD Transfers	31,925,900	2,982,500	17,892,500	6,193,000	2,331,000	1,305,700	988,700	1,086,300	362,700	1,413,300	1,866,718	68,348,318
Transfer % of Total Sales	10.5%	1.0%	5.9%	2.0%	0.8%	0.4%	0.3%		0.1%	0.5%	0.6%	22.5%
YTD Sales	170,640,590	12,583,415	68,531,360	23,647,166	8,918,108	4,985,355	3,805,310	4,158,784	1,387,346	5,307,060		303,964,494
% of Sales by Product	56.1%	4.1%	22.5%	7.8%	2.9%	1.6%	1.3%	1.4%	0.5%	1.7%		100.0%
% of Transfer by Product	18.7%	23.7%	26.1%	26.2%	26.1%	26.2%	26.0%	26.1%	26.1%			21.9%

ATTACHMENT B

Interoffice Memorandum



Date: February 19, 2010
To: Jeff Hatch-Miller, Executive Director
Karen Emery, Director of Budget, Planning & Products
From: Barbara Anderson, Products Manager
Subject: FY 2010 – Mid-Year Sales Review

The Lottery monitors sales activity over a variety of time periods including monthly, quarterly, calendar and fiscal year. This report reflects the sales performance for July through December 2009, halfway through Fiscal Year 2010. This review includes a top line overview of the following:

- Sales forecast tracking through the first six months.
- FY 2010 compared to last year.
- Instant Ticket Vending Machine (ITVM) sales.
- FY 2010 sales by corporate account.
- FY 2010 sales based on business classifications.
- FY 2010 sales based on county.
- Instant ticket sales by price point.

Sales Forecast Tracking (Chart A)

The target sales goal for FY 2010 is \$510 million, with \$220 million in online and \$290 million in Scratchers sales. These goals represent an approximate 5.3% increase for FY2009 final sales. With sales midway through the fiscal year complete, we are at 50.3% of the annual sales goal. The breakdown by products follows:

- With sales of \$151.5 million, Scratchers are at 52.3% of the annual sales goal.
- Online sales to date are \$105 million or 47.8% of the annual sales goal.

Agency Top Line Overview (Charts B and C)

- Sales halfway through the fiscal year are \$256,584,711 or 19% ahead of the same period last year.
- Scratchers continue to lead the product mix with 59.1% of total sales, while the combined on-line games make the remaining 40.9%.
- Scratchers sales are currently 26.7% ahead of the same period last year. This is a trend we began to see in the second half of last year and continues through this year.
- The Powerball jackpots of \$250 million in August, \$193 million in October and \$122 million in December have contributed to the 7.7% growth Powerball is showing over last year.
- Sales for The Pick are down 10.5% from last fiscal year and 12.7% down from projections. A \$3.1 million jackpot in November helped to offset some of the decline this game has seen this fiscal year.
- Pick 5 sales remain 1.5% ahead of the same period last year, but continue to fall below the projections for the fiscal year. With sales currently at 15.4% below projections, it is unlikely this game will meet the sales goals for FY10.
- Sales for Pick 3 are currently 3.6% below projections and 9.8% below last year. The average weekly sales have leveled off and the decline seems to have slowed.
- Sales for both CA\$H4 and 2by2 have begun to level off. Once new game promotional introductions and advertising ended, players settled into the normal buying patterns. Both games continue to sell at an acceptable level, an indication that the \$2 price point is not a deterrent to purchase.
- The sales for FastPlay continue to grow and are 23.2% ahead of last year and 4.4% ahead of projections. The popularity of *Crossword* and the \$2 *Bingo* game have boosted the overall sales for FastPlay.

ITVM Sales (Chart D)

The instant ticket vending machines continue to be popular with the retailer community and players. All of the vending machines are either 24-game units selling instant tickets only or full service machines offering both instant and on-line products.

Halfway through the fiscal year instant sales through the machines were at 34.7 of total instant sales and 3.6% of the total on-line sales. Overall, vending machines represent 22% of lottery sales.

Corporate Account Review (Chart E)

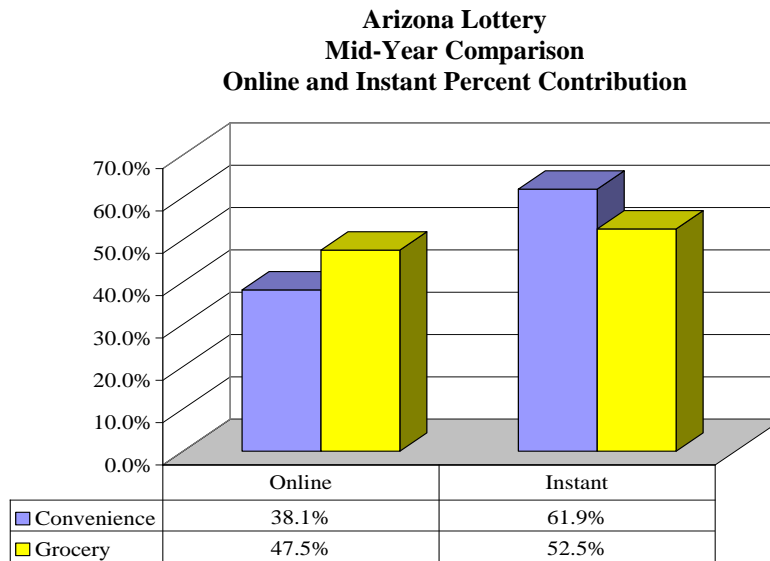
- Circle K with 597 locations, continues to lead in the number of locations and the percent of sales at 25.8%.
- Chain supermarkets continue to play a major role in the Lottery’s overall business and currently represent 28.4% of the total business.

Business Classification Review (Charts F and G)

Convenience stores and gas stations with convenience stores continue to dominate the retailer categories and together were responsible for 65.7% of the Lottery’s total sales. This market share remains consistent with prior years.

Grocery and food outlets are responsible for approximately 29.7% of the Lottery’s total business, a slight increase over last fiscal year.

Online games typically outsell Scratchers in traditional grocery outlets, and sales through the end of the fiscal year continue that trend. The chart below shows the percent of sales for online versus instant in the two major retail categories.



County Review (Charts H and I)

- Maricopa and Pima counties represent the largest share of the market with slightly more than 75.5% of sales, with the remaining 24.5% from all other counties combined.
- La Paz with \$2.66, Greenlee with \$2.43, and Mohave with \$2.34, are out-performing all other counties in weekly per capita sales.

Instant Ticket Sales by Price Point (Chart J)

- For the second consecutive reporting period the \$10 games are the strongest price point in terms of sales. Through this reporting period there were four strong games at the \$10 level including the *\$100 Million Cash Spectacular* and a \$10 holiday game.

Price Point	% Tickets Sold	% Dollars Sold
\$1	18.8%	5.5%
\$2	45.8%	27.0%
\$3	6.2%	5.5%
\$5	17.5%	25.9%
\$10	11.2%	32.9%
\$20	0.5%	3.1%

- The \$1 and \$2 games combined represent 64.69% of the tickets sold however; they represent only 32.5% of the sales dollars. The market share for both of these price points continues to decline this year with the increase in the \$10 and \$20 game share.
- The performance of the single \$3 game remains consistent at 5% of instant sales. This is a reflection of the continued strength of *Crossword* games at any price point.
- The *Crossword* and *Bingo* games continue to be the top performers across multiple price points. Sales for the first half of the fiscal year are \$56.3 million or 37.2% of all Scratchers sales.
- The *\$100 Million Cash Spectacular* game continues to be the number one game in market. Introduced last January, this game has generated more than \$65.8 million in revenue since introduction. To date, four of the ten \$1 million prizes have been claimed.
- Like last year, the Lottery introduced five holiday games this year. This year's games included a \$1 game, two \$2 games, a \$5 and a \$10 game and generated more than \$13 million in revenue, an 18% increase over fiscal year 2009.

Arizona Lottery
Fiscal Year 2010 - July 2009 through December 2009
Forecast Tracking

Scratchers Sales	
<i>1st Quarter</i>	\$ 71,311,585
<i>2nd Quarter</i>	\$ 80,214,250
<i>3rd Quarter</i>	
<i>4th Quarter</i>	
<i>Year-To-Date Total</i>	\$ 151,525,835
<i>FY 2009 Target Forecast</i>	\$ 290,000,000
<i>Scratchers Percent-to-Forecast</i>	52.3%

Online Sales	
<i>1st Quarter</i>	\$ 55,087,452
<i>2nd Quarter</i>	\$ 49,971,424
<i>3rd Quarter</i>	
<i>4th Quarter</i>	
<i>Year-To-Date Total</i>	\$ 105,058,876
<i>FY 2009 Target Forecast</i>	\$ 220,000,000
<i>Online Percent-to-Forecast</i>	47.8%

Total Sales	
<i>1st Quarter</i>	\$ 126,399,037
<i>2nd Quarter</i>	\$ 130,185,674
<i>3rd Quarter</i>	\$ -
<i>4th Quarter</i>	\$ -
<i>Year-To-Date Total</i>	\$ 256,584,711
<i>FY 2009 Target Forecast</i>	\$ 510,000,000
<i>Total Percent-to-Forecast</i>	50.3%

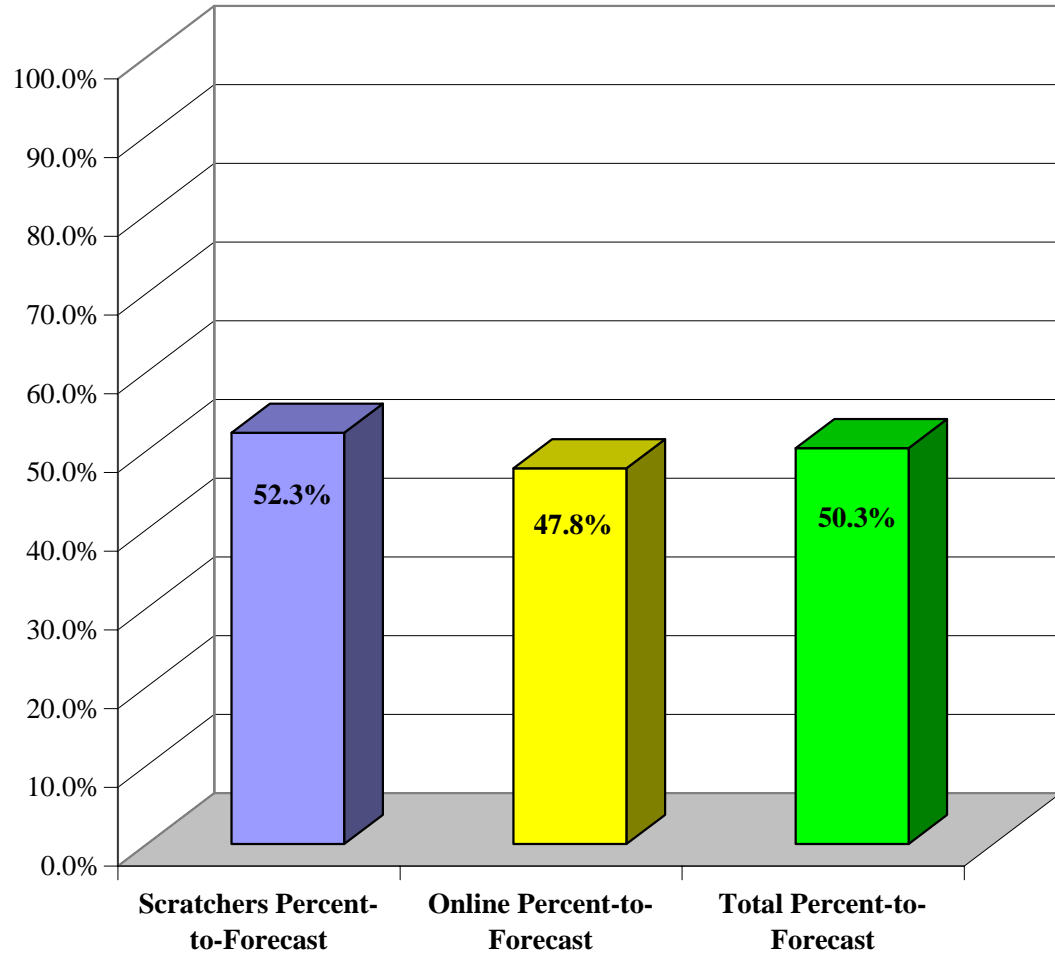


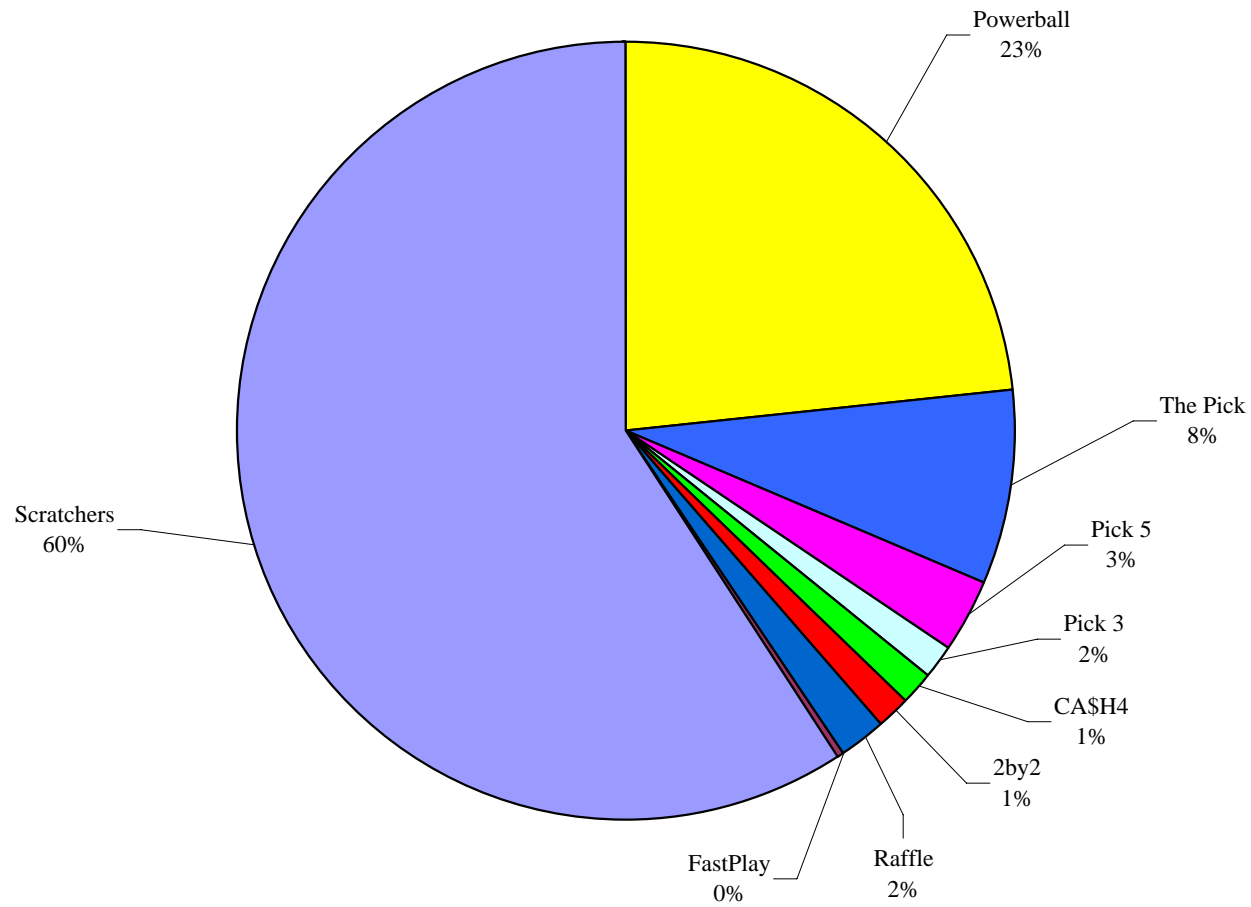
Chart A

ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT

Fiscal Year 2010 - July 2009 through December 2009

<i>Month</i>	<i>Powerball</i>	<i>The Pick</i>	<i>Pick 5</i>	<i>Pick 3</i>	<i>CASH4</i>	<i>2by2</i>	<i>Raffle</i>	<i>FastPlay</i>	<i>Total Online</i>	<i>Scratchers</i>	<i>Total</i>	<i>% of Total Sales</i>
<i>July 2009</i>	\$8,524,760	\$3,230,124	\$1,364,261	\$752,047	\$910,770			\$216,572	\$14,998,534	\$23,090,194	\$38,088,728	15%
<i>August</i>	\$14,621,507	\$3,638,673	\$1,502,104	\$694,378	\$720,954	\$557,598		\$211,264	\$21,946,478	\$24,602,071	\$46,548,549	18%
<i>September</i>	\$10,951,764	\$3,309,272	\$1,431,208	\$686,889	\$540,944	\$1,017,790		\$204,573	\$18,142,440	\$23,619,320	\$41,761,760	16%
<i>1st Quarter</i>	\$34,098,031	\$10,178,069	\$4,297,573	\$2,133,314	\$2,172,668	\$1,575,388		\$632,409	\$55,087,452	\$71,311,585	\$126,399,037	49%
<i>October</i>	\$9,005,771	\$3,447,239	\$1,162,498	\$712,669	\$476,794	\$760,886		\$200,428	\$15,766,285	\$25,004,100	\$40,770,385	16%
<i>November</i>	\$7,699,452	\$3,157,680	\$1,026,778	\$658,798	\$393,862	\$631,804	\$2,376,000	\$184,487	\$16,128,861	\$26,527,677	\$42,656,538	17%
<i>December</i>	\$9,380,893	\$3,339,492	\$1,229,547	\$741,407	\$393,168	\$620,604	\$2,187,960	\$183,207	\$18,076,278	\$28,682,473	\$46,758,751	18%
<i>2nd Quarter</i>	\$26,086,116	\$9,944,411	\$3,418,823	\$2,112,874	\$1,263,824	\$2,013,294	\$4,563,960	\$568,122	\$49,971,424	\$80,214,250	\$130,185,674	51%
<i>January</i>												
<i>February</i>												
<i>March</i>												
<i>3rd Quarter</i>												
<i>April</i>												
<i>May</i>												
<i>June 2010</i>												
<i>4th Quarter</i>												
<i>FY 2010</i>	\$60,184,147	\$20,122,480	\$7,716,396	\$4,246,188	\$3,436,492	\$3,588,682	\$4,563,960	\$1,200,531	\$105,058,876	\$151,525,835	\$256,584,711	
<i>FY 2009</i>	\$55,877,888	\$22,475,908	\$7,604,277	\$4,705,772			\$4,421,500	\$974,260	\$96,059,605	\$119,593,097	\$215,652,702	
<i>% of Change</i>	7.7%	-10.5%	1.5%	-9.8%				23.2%	9.4%	26.7%	19.0%	
<i>Mkt Share</i>	23.5%	7.8%	3.0%	1.7%	1.3%	1.4%	1.8%	0.5%	40.9%	59.1%		

ARIZONA LOTTERY
QUARTERLY SALES BY PRODUCT
Fiscal Year 2010 - July 2009 through December 2009



Arizona Lottery
Lottery Express / ITVM Review

	FY 2010						
	# of Units (Qtr Avg)	Per Unit Game Capacity	Instant Sales	On-Line Sales	Total Sales	Per Unit Average	Average Out-of-Stock Percentage
	Lottery Express	649	24	\$ 22,575,021	\$ 1,933,446	\$ 24,508,467	\$ 37,763
ITVM	74	24	\$ 1,484,669		\$ 1,484,669	\$ 20,063	5.4%
1st Quarter Total	723		\$ 24,059,690	\$ 1,933,446	\$ 25,993,136		
% of Lottery Sales			33.7%	3.5%	20.6%		
Lottery Express	641	24	\$ 26,697,445	\$ 1,869,409	\$ 28,566,854	\$ 44,566	6.7%
ITVM	77	24	\$ 1,788,027		\$ 1,788,027	\$ 23,221	6.7%
2nd Quarter Total	718		\$ 28,485,472	\$ 1,869,409	\$ 30,354,881		
% of Lottery Sales							
Lottery Express		24			\$ -		
ITVM		24			\$ -		
3rd Quarter Total			\$ -	\$ -	\$ -		
% of Lottery Sales							
Lottery Express		24			\$ -		
ITVM		24			\$ -		
4th Quarter Total			\$ -	\$ -	\$ -		
% of Lottery Sales							
Total Lottery Express			\$ 49,272,466	\$ 3,802,855	\$ 53,075,321		
Total ITVM			\$ 3,272,696	\$ -	\$ 3,272,696		
Total Fiscal Year			\$ 52,545,162	\$ 3,802,855	\$ 56,348,017		
% of Scratchers Sales			34.7%	3.6%	22.0%		

ARIZONA LOTTERY
CORPORATE ACCOUNT REVIEW
Fiscal Year 2010
July 2009 through December 2009

	# of Accts	% of Accts	Total Online			Scratchers			All Products Combined			Commission Earned To Date
			Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	Sales	Market Share	Per Store Average	
<i>4 Sons</i>	21	0.8%	\$1,140,320	1.1%	\$54,301	\$1,574,022	1.0%	\$74,953	\$2,714,342	1.1%	\$129,254	\$176,432
<i>7-Eleven</i>	79	2.8%	\$2,508,040	2.4%	\$31,747	\$5,106,457	3.4%	\$64,639	\$7,614,497	3.0%	\$96,386	\$494,942
<i>Carioca</i>	24	0.9%	\$597,467	0.6%	\$24,894	\$696,982	0.5%	\$29,041	\$1,294,449	0.5%	\$53,935	\$84,139
<i>Circle K</i>	597	21.4%	\$24,623,531	23.4%	\$41,245	\$41,487,388	27.4%	\$69,493	\$66,110,919	25.8%	\$110,739	\$4,297,210
<i>Express Stop</i>	18	0.6%	\$360,490	0.3%	\$20,027	\$494,681	0.3%	\$27,482	\$855,171	0.3%	\$47,510	\$55,586
<i>Gordon's / Starmart</i>	42	1.5%	\$1,216,605	1.2%	\$28,967	\$1,985,820	1.3%	\$47,281	\$3,202,425	1.2%	\$76,248	\$208,158
<i>Maverik</i>	14	0.5%	\$561,527	0.5%	\$40,109	\$662,349	0.4%	\$47,311	\$1,223,876	0.5%	\$87,420	\$79,552
<i>Quik Mart</i>	27	1.0%	\$908,999	0.9%	\$33,667	\$1,683,944	1.1%	\$62,368	\$2,592,943	1.0%	\$96,035	\$168,541
<i>QuikTrip</i>	70	2.5%	\$5,669,279	5.4%	\$80,990	\$7,499,003	4.9%	\$107,129	\$13,168,282	5.1%	\$188,118	\$855,938
<i>Shay's</i>	18	0.6%	\$483,170	0.5%	\$26,843	\$1,085,587	0.7%	\$60,310	\$1,568,757	0.6%	\$87,153	\$101,969
<i>Superpumper</i>	11	0.4%	\$486,161	0.5%	\$44,196	\$447,129	0.3%	\$40,648	\$933,290	0.4%	\$84,845	\$60,664
<i>Valero</i>	59	2.1%	\$2,770,785	2.6%	\$46,962	\$3,547,512	2.3%	\$60,127	\$6,318,297	2.5%	\$107,090	\$410,689
<i>Western Refining</i>	28	1.0%	\$705,702	0.7%	\$25,204	\$1,296,402	0.9%	\$46,300	\$2,002,104	0.8%	\$71,504	\$130,137
<i>Woody's</i>	18	0.6%	\$324,019	0.3%	\$18,001	\$630,763	0.4%	\$35,042	\$954,782	0.4%	\$53,043	\$62,061
<i>Safeway Gas</i>	30	1.1%	\$510,362	0.5%	\$17,012	\$517,706	0.3%	\$17,257	\$1,028,068	0.4%	\$34,269	\$66,824
<i>Fry's Gas</i>	35	1.3%	\$401,529	0.4%	\$11,472	\$308,862	0.2%	\$8,825	\$710,391	0.3%	\$20,297	\$46,175
Convenience Total	1091	39.1%	\$43,267,986	41.2%	\$39,659	\$69,024,607	45.6%	\$63,267	\$112,292,593	43.8%	\$102,926	\$7,299,019
<i>Albertson's</i>	43	1.5%	\$3,868,469	3.7%	\$89,964	\$4,080,994	2.7%	\$94,907	\$7,949,463	3.1%	\$184,871	\$516,715
<i>Bashas'</i>	74	2.7%	\$4,331,759	4.1%	\$58,537	\$4,645,755	3.1%	\$62,780	\$8,977,514	3.5%	\$121,318	\$583,538
<i>Bashas' Food City</i>	45	1.6%	\$364,175	0.3%	\$8,093	\$2,063,936	1.4%	\$45,865	\$2,428,111	0.9%	\$53,958	\$157,827
<i>Fry's</i>	121	4.3%	\$15,248,376	14.5%	\$126,020	\$15,527,638	10.2%	\$128,328	\$30,776,014	12.0%	\$254,347	\$2,000,441
<i>Safeway</i>	116	4.2%	\$10,878,190	10.4%	\$93,778	\$11,129,405	7.3%	\$95,943	\$22,007,595	8.6%	\$189,721	\$1,430,494
<i>Smith's</i>	4	0.1%	\$382,843	0.4%	\$95,711	\$433,139	0.3%	\$108,285	\$815,982	0.3%	\$203,996	\$53,039
Food Store Total	403	14.4%	\$35,073,812	33.4%	\$87,032	\$37,880,867	36.1%	\$113,467,031	\$72,954,679	28.4%	\$181,029	\$4,742,054
Major Chains	1494	53.5%	\$78,341,798	74.6%	\$52,438	\$106,905,474	70.6%	\$71,557	\$185,247,272	72.2%	\$123,994	\$12,041,073
All Stores	2791		\$105,058,876		\$37,642	\$151,525,835		\$54,291	\$256,584,711		\$91,933	\$16,678,006

ARIZONA LOTTERY
BUSINESS CODE REVIEW
Fiscal Year 2010

July 2009 through December 2009

<i>Business Classification</i>	<i># of Accts</i>	<i>% of Accts</i>	<i>Total Online</i>			<i>Scratchers</i>			<i>All Products Combined</i>			<i>Commission Earned To Date</i>
			<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	
Shopping Malls	3	0.1%	\$164,089	0.2%	\$54,696	\$242,800	0.2%	\$80,933	\$406,889	0.2%	\$135,630	\$26,448
Smoke/Gift Shops - Newstands	49	1.8%	\$705,093	0.7%	\$14,390	\$1,126,675	0.7%	\$22,993	\$1,831,768	0.7%	\$37,383	\$119,065
Chain Supermarkets	409	14.7%	\$35,142,691	33.5%	\$85,923	\$38,192,653	25.2%	\$93,381	\$73,335,344	28.6%	\$179,304	\$4,766,797
Independent Supermarkets	49	1.8%	\$1,137,624	1.1%	\$23,217	\$1,828,220	1.2%	\$37,311	\$2,965,844	1.2%	\$60,527	\$192,780
Chain Convenience Stores	1087	38.9%	\$43,923,621	41.8%	\$40,408	\$70,194,669	46.3%	\$64,577	\$114,118,290	44.5%	\$104,985	\$7,417,689
Independent Convenience	886	31.7%	\$18,529,525	17.6%	\$20,914	\$31,896,960	21.1%	\$36,001	\$50,426,485	19.7%	\$56,915	\$3,277,722
Liquor Stores	79	2.8%	\$822,986	0.8%	\$10,418	\$1,818,077	1.2%	\$23,014	\$2,641,063	1.0%	\$33,431	\$171,669
Drug Stores	5	0.2%	\$99,200	0.1%	\$19,840	\$68,938	0.0%	\$13,788	\$168,138	0.1%	\$33,628	\$10,929
Auto/Gas Stations	111	4.0%	\$1,747,806	1.7%	\$15,746	\$2,176,239	1.4%	\$19,606	\$3,924,045	1.5%	\$35,352	\$255,063
Truck Service Centers	26	0.9%	\$656,118	0.6%	\$25,235	\$1,138,859	0.8%	\$43,802	\$1,794,977	0.7%	\$69,038	\$116,674
Bars/Restaurants	31	1.1%	\$1,094,352	1.0%	\$35,302	\$772,151	0.5%	\$24,908	\$1,866,503	0.7%	\$60,210	\$121,323
Spec Non-Grocery	34	1.2%	\$458,643	0.4%	\$13,490	\$1,119,053	0.7%	\$32,913	\$1,577,696	0.6%	\$46,403	\$102,550
Bowling Centers	5	0.2%	\$17,529	0.0%	\$3,506	\$55,133	0.0%	\$11,027	\$72,662	0.0%	\$14,532	\$4,723
Mass Merchandise	13	0.5%	\$138,463	0.1%	\$10,651	\$376,438	0.2%	\$28,957	\$514,901	0.2%	\$39,608	\$33,469
In-House & Promotional	4	0.1%	\$421,136	0.4%	\$105,284	\$518,970	0.3%	\$129,743	\$940,106	0.4%	\$235,027	\$61,107
Total	2791	100%	\$105,058,876	100%	\$37,642	\$151,525,835	100%	\$54,291	\$256,584,711	100%	\$91,933	\$16,678,006

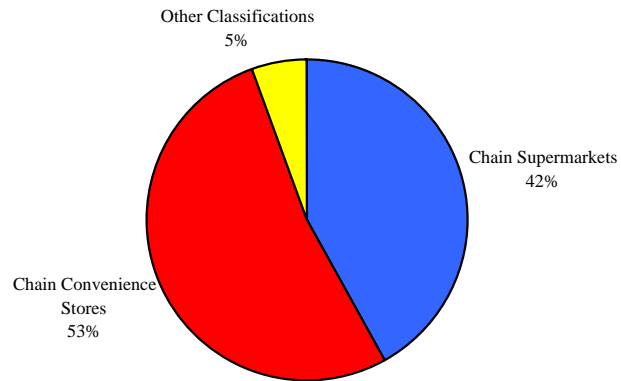
Summary Recap

Chain/Indpt Supermarkets	458	16.4%	\$36,280,315	34.5%	\$79,215	\$40,020,873	26.4%	\$87,381.82	\$76,301,188	29.7%	\$166,596	\$4,959,577
Total Convenience Stores*	2,084	74.7%	\$64,200,952	61.1%	\$30,807	\$104,267,868	68.8%	\$50,032.57	\$168,468,820	65.7%	\$80,839	\$10,950,473
Other Classifications	249	8.9%	\$4,577,609	4.4%	\$18,384	\$7,237,094	4.8%	\$29,064.63	\$11,814,703	4.6%	\$47,449	\$767,956
Total All Classifications	2,791	100%	\$105,058,876	100%	\$37,642	\$151,525,835	100%	\$54,291	\$256,584,711	100%	\$91,933	\$5,727,533

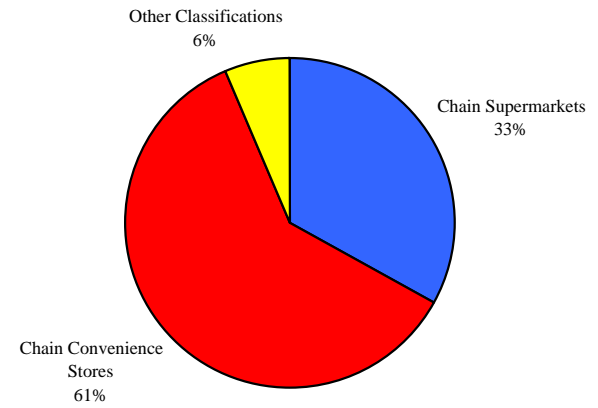
*Includes chain/independent convenience stores and stores whose business is primarily gas with convenience

ARIZONA LOTTERY
BUSINESS CODE REVIEW
Fiscal Year 2010
July 2009 through December 2009

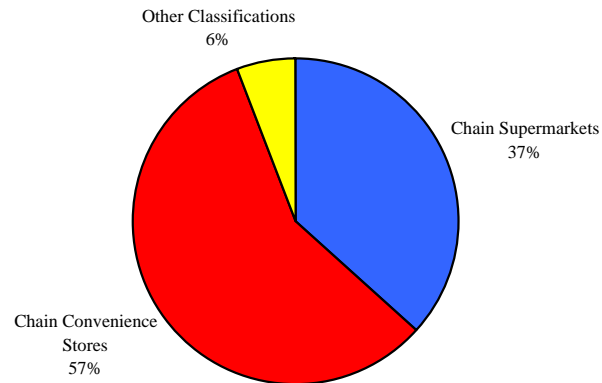
Online Sales



Scratchers Sales



All Products Combined



ARIZONA LOTTERY
COUNTY SALES REVIEW

Fiscal Year 2010

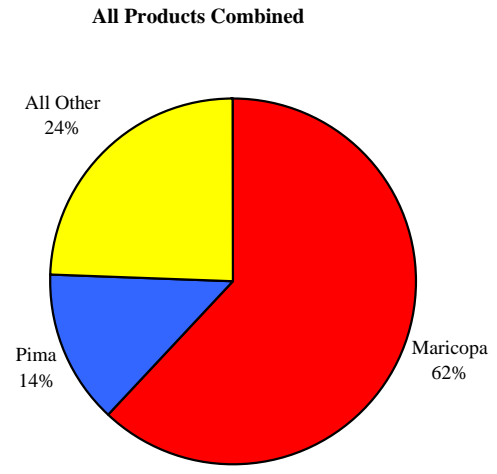
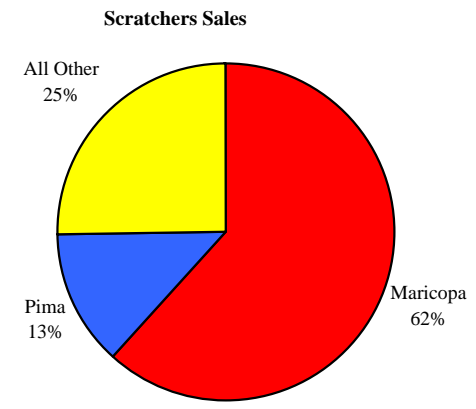
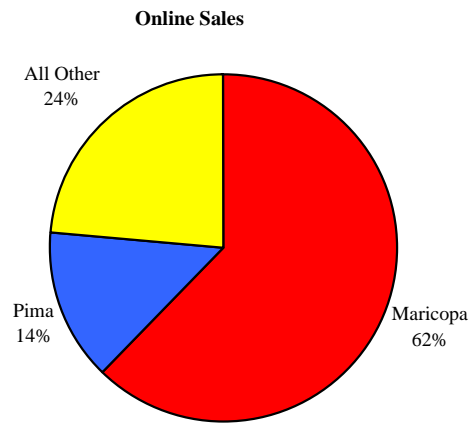
July 2009 through December 2009

<i>County</i>	<i># of Accts</i>	<i>% of Accts</i>	<i>Total Online</i>			<i>Scratchers</i>			<i>All Products Combined</i>			<i>Estimated Per Capita Wkly Sales</i>
			<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	<i>Sales</i>	<i>Market Share</i>	<i>Per Store Average</i>	
Apache	11	0.4%	\$229,727	0.2%	\$20,884	\$418,166	0.3%	\$38,015	\$647,893	0.3%	\$58,899	\$0.33
Cochise	80	2.9%	\$2,286,355	2.2%	\$28,579	\$5,439,376	3.6%	\$67,992	\$7,725,731	3.0%	\$96,572	\$2.17
Coconino	92	3.3%	\$1,993,483	1.9%	\$21,668	\$3,643,856	2.4%	\$39,607	\$5,637,339	2.2%	\$61,275	\$1.61
Gila	39	1.4%	\$966,083	0.9%	\$24,771	\$1,451,527	1.0%	\$37,219	\$2,417,610	0.9%	\$61,990	\$1.63
Graham	23	0.8%	\$329,008	0.3%	\$14,305	\$1,178,359	0.8%	\$51,233	\$1,507,367	0.6%	\$65,538	\$1.55
Greenlee	10	0.4%	\$110,879	0.1%	\$11,088	\$418,952	0.3%	\$41,895	\$529,831	0.2%	\$52,983	\$2.43
La Paz	31	1.1%	\$579,426	0.6%	\$18,691	\$910,101	0.6%	\$29,358	\$1,489,527	0.6%	\$48,049	\$2.66
Maricopa	1547	55.4%	\$65,456,140	62.3%	\$42,312	\$93,467,448	61.7%	\$60,419	\$158,923,588	61.9%	\$102,730	\$1.56
Mohave	133	4.8%	\$6,415,250	6.1%	\$48,235	\$6,026,608	4.0%	\$45,313	\$12,441,858	4.8%	\$93,548	\$2.34
Navajo	48	1.7%	\$1,159,385	1.1%	\$24,154	\$2,004,892	1.3%	\$41,769	\$3,164,277	1.2%	\$65,922	\$1.07
Pima	403	14.4%	\$14,868,426	14.2%	\$36,894	\$19,946,463	13.2%	\$49,495	\$34,814,889	13.6%	\$86,389	\$1.33
Pinal	124	4.4%	\$4,151,415	4.0%	\$33,479	\$7,046,115	4.7%	\$56,824	\$11,197,530	4.4%	\$90,303	\$1.31
Santa Cruz	27	1.0%	\$925,488	0.9%	\$34,277	\$1,179,181	0.8%	\$43,673	\$2,104,669	0.8%	\$77,951	\$1.73
Yavapai	121	4.3%	\$3,732,235	3.6%	\$30,845	\$4,882,635	3.2%	\$40,352	\$8,614,870	3.4%	\$71,197	\$1.48
Yuma	102	3.7%	\$1,855,576	1.8%	\$18,192	\$3,512,156	2.3%	\$34,433	\$5,367,732	2.1%	\$52,625	\$1.03
Total	2791	100%	\$105,058,876	100%	\$37,642	\$151,525,835	100%	\$54,291	\$256,584,711	100%	\$91,933	\$1.52

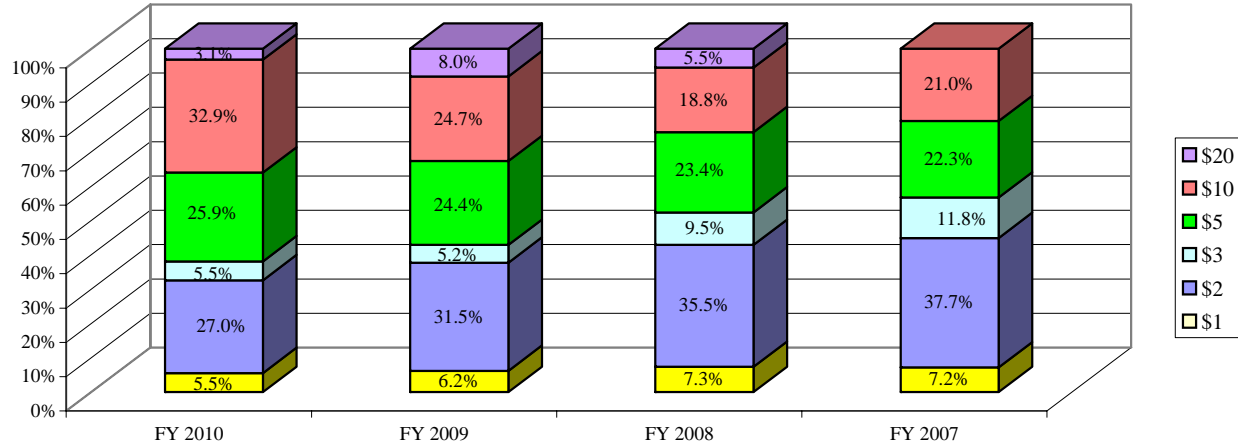
Summary Recap

Maricopa and Pima Counties	1950	69.9%	\$80,324,566	76.5%	\$41,192	\$113,413,911	74.8%	\$58,161	\$193,738,477	75.5%	\$99,353	\$1.52
All Other Counties	841	30.1%	\$24,734,310	23.5%	\$29,411	\$38,111,924	25.2%	\$45,317	\$62,846,234	24.5%	\$74,728	\$1.52

ARIZONA LOTTERY
COUNTY SALES REVIEW
Fiscal Year 2010
July 2009 through December 2009

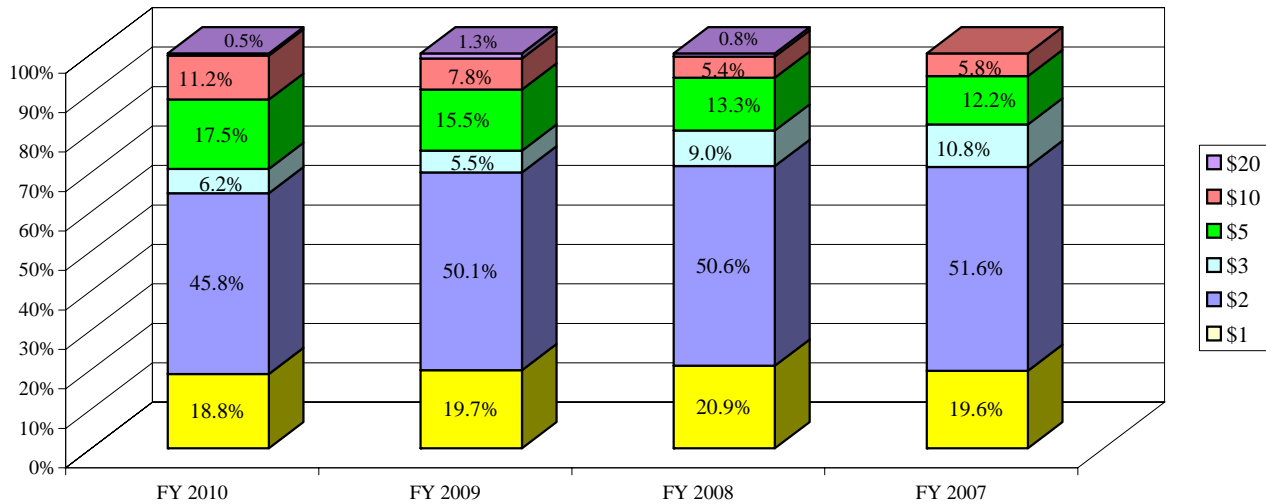


Arizona Lottery 4-Year Review by Price Point Based on Dollars Sold



	FY 2010	FY 2009	FY 2008	FY 2007
\$1	\$8,400,217	\$17,296,394	\$18,478,622	\$24,069,047
\$2	\$40,970,744	\$87,871,012	\$89,671,406	\$105,894,764
\$3	\$8,307,669	\$14,467,926	\$23,946,186	\$28,582,494
\$5	\$39,189,525	\$68,075,315	\$59,071,725	\$45,855,060
\$10	\$49,895,260	\$68,782,270	\$47,493,700	\$45,427,940
\$20	\$4,762,420	\$22,431,440	\$13,786,800	
Total	\$151,525,835	\$278,924,357	\$252,448,439	\$249,829,305

Based on Tickets Sold



	FY 2010	FY 2009	FY 2008	FY 2007
\$1	8,400,217	17,296,394	18,478,622	24,069,047
\$2	20,485,372	43,935,506	44,835,703	52,947,382
\$3	2,769,223	4,822,642	7,982,062	9,527,498
\$5	7,837,905	13,615,063	11,814,345	9,171,012
\$10	4,989,526	6,878,227	4,749,370	4,542,794
\$20	238,121	1,121,572	689,340	
Total	44,720,364	87,669,404	88,549,442	100,257,733

FY2010 numbers reflect data through the 2nd quarter, the comparison years are full fiscal years.

New Business Item #1
ScratchersSM Game Profiles
Report to Arizona Lottery Commission
February 19, 2010

This report has been provided to the Lottery Commission regarding game profiles planned for Arizona Lottery Scratchers 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 Scratchers Game Profiles: *Sunny Money #704*, *9's in a Line #705*, *Spicy Cash #706*, *Blackjack Bonus #719* and *Coffee Break Crossword #728*.

Sunny Money #704. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.4 million tickets.

9's in a Line #705. This \$1 game has a top prize of \$900 and will be printed at a quantity of approximately 1.4 million tickets.

Spicy Cash #706. This \$2 game has a top prize of \$10,000 and will be printed at a quantity of approximately 1.4 million tickets.

Blackjack Bonus #719. This \$1 game has a top prize of \$2,500 and will be printed at a quantity of approximately 1.4 million tickets.

Coffee Break Crossword #728. This \$5 game has a top prize of \$50,000 and will be printed at a quantity of approximately 4.8 million tickets.

Attachments (Commissioners only)