



December 15, 2023
COMMISSION
REPORT

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**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 **December 15, 2023, at 10:00 a.m.**, in the **Arizona Lottery Board Room, located at 4740 East University Drive, Phoenix, Arizona.** The Public may join the meeting in person and will have physical access to the Arizona Lottery Board Room fifteen (15) minutes before the start of the meeting. The Public may also join by telephone or Internet through **Google Hangouts Meet**.

The following are instructions for joining the meeting via Google Hangouts Meet:

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

meet.google.com/guc-uece-uyy

OR

Join the meeting US Toll-Free by phone at 406-686-2820 when prompted, enter Access Code 846 044 593 **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 November 17, 2023, Public Meeting

Agency Reports

1. Executive Report – Presentation
2. Products & Marketing – Presentation
3. Financial Report – Presentation
4. New Games Introduction – No Presentation

New Business

1. Discussion and possible action on new instant scratch game profiles: *CATAN*® #1447, and *It's All Cash* #1449.
2. Discussion and possible action on new instant tab game profiles: *Patriot Payday* #194, *Freedom Reign* #195, *Arizona Nights* #196, *Cash to Win* #197, *Aerial Cash* #198, *Lucky Shot* #199, *Double Scoop Dollars* #1101, *Chalice Cash* #1102, *Coffee Beans* #1103, *Captain Cocktail* #1104, *Brilliant Bars* #1105, and *Dragon's Stash* #1106.

3. Discussion and possible action on new promotion game profile: *Arizona Adventure 2024 #132*.

Call to the Public

Consideration and discussion of comments from the public. Members of the Public wishing to address the Commission need not request permission in advance and will be given approximately five minutes for their comments and requests. Action taken as a result of public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration at a later date to comply with A.R.S. § 38-431.02.

Announcements

1. The next Commission meeting will be held on **January 19, 2024, at 10:00 a.m.**

Adjournment

Materials

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

Notice

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

Dated this 6th day of December 2023

Alec Esteban Thomson
CEO & EDD

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.

The Commission reserves the right to change the order of items on the agenda.

PUBLIC MEETING OF THE ARIZONA LOTTERY

Commission Minutes of November 17, 2023, Meeting

- PRESIDING** Chair Jeff Weintraub (In-Person)
- COMMISSIONERS** Tereza Fritz (In-Person), Tim Baumgarten, and Julie Katsel (Teleconference)
- LOTTERY** Alec Thomson; Executive Deputy Director, Russ Harben; Deputy Director of Operations & Chief Financial Officer, Mia Lemke, Human Resources, Kome Akpolo; General Counsel, and Todd Terrell; Deputy Director of Security & Regulatory (In-Person)
- Luanne Mansanares, Orion Steen, Imani Keith, Adam Tollefson Holly Hichensen, Ashley Lovett, Imani Keith, and Shelby Alessi (In Person); Alexandra Adukeh, Valerie Aguilar, Cassandra Bierworth, Mary Cimaglio, Michael Donovan, Susan Kalember, Jenny Lewis, Mia Marquez, Vicki, Nelson, Ray Ortega, Robin Peters, Jacob Rusywick, Lynda Sellers, Kathleen Syms, Art Uthairi, and Seven Wood (Teleconference)
- GUESTS** Attorney General Representative: Pam Peiser (In Person)
- Scientific Games Representatives: Topper Wilson, Hanna Balamut, and Steve Smith (Teleconference)
- Pollard Banknote Limited Representatives: Brad Thomson (In-Person); Wes Brown, Jessica Velardi, Travis Priest, and John Papile (Teleconference)
- Owens Harkey Representatives: Jessica Guffey, and Anna Garza (Teleconference)
- PUBLIC** Todd Baughman (In-Person), and Brian Hemmerle (Teleconference)

Call to Order

1. **Call for Quorum:** Pursuant to the Public Notice dated November 08, 2023, 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, and Commissioner Fritz (appearing in person), Commissioner Katsel, and Baumgarten (Teleconference)
2. **Notice:** Notice was posted by Luanne Mansanares on November 08, 2023, at 4:30 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 October 20, 2023, Public Meeting minutes. Commissioner Fritz moved; Commissioner Katsel seconded. The vote was unanimous, with Chair Weintraub, Commissioner Fritz, Commissioner Katsel, and Commissioner Baumgarten voting aye. The motion carried.

Agency Reports

1. **Executive Report** – Executive Deputy Director Alec Thomson presented information on the Gives Back Beneficiary of the Month.
2. **Financial Statement Audit Results** – Presented by Brian Hemmerle
3. **Financial Report** – Presented by Russ Harben
4. **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 profile: *Money Bags* #1448. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the order and authorize the Agency to issue the order regarding new instant scratcher profile: #1448. Commissioner Fritz moved; Commissioner Katsel seconded. The vote was unanimous, with Chair Weintraub, Commissioner Fritz, Commissioner Katsel, and Commissioner Baumgarten voting aye. The motion carried.

2. Chair Weintraub asked if any members of the public wanted to address the Commission regarding new Fast Play™ game profiles: *Triple Red 7's Progressive* #163 and *Home Run Riches* #164. There was no response from the public.

In accordance with A.R.S. §5-554(C), Chair Weintraub entertained a motion to approve the orders and authorize the Agency to issue the orders regarding Fast Play™ game profiles: #163, and #164. Commissioner Baumgarten moved, and Commissioner Katsel seconded. The vote was unanimous, with Chair Weintraub, Commissioner Fritz, Commissioner Katsel, and Commissioner Baumgarten voting aye. The motion carried.

Call to the Public

Chair Weintraub invited members of the public to speak before the Commission. There was no response.

Announcements

The next Commission meeting will be held in person on December 15, 2023, at 10:00 a.m. Chair Weintraub asked if there were any other announcements. There was no response.

Adjournment

Chair Weintraub stated with nothing remaining on the agenda, we are adjourned. The meeting adjourned at 10:36 a.m.

Materials

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

Notice

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Agency Reports
Report to Arizona Lottery Commission
December 15, 2023

Executive Report – Presentation

Products & Marketing– Presentation

Financial Report – Presentation

New Game Introductions – No Presentation

New Game Introductions

The following Scratchers game was introduced since the last commission meeting: *Cash Blast* #1438.

The following Fast Play games were introduced since the last commission meeting: *Year of the Dragon* #161 and *Windfall Willie Doubler* #162.

More information on these games are available by visiting the Scratchers and Fast Play sections at ArizonaLottery.com

No games have ended since the last commission meeting.

ATTACHMENT A

Dashboard Report December 2023

SERVING ARIZONA FOR 42 YEARS





11.70%

vs. Proj (FYTD)

Total Sales (FYTD)
\$650,816,684

1.24%

vs. PYTD

75.67%

vs. Proj (FYTD)

Draw Sales
\$230,631,518^{35.4%}
%Total Sales

8.29%

vs. PYTD

Draw Sales : From
7/1/2018 - To
12/3/2023
Fast Play Sales :
From 7/1/2018 - To
12/3/2023

-6.91%

vs. Proj (FYTD)

Instant Sales
\$420,185,166^{64.6%}
%Total Sales

-2.25%

vs. PYTD

121.30%

vs. Proj (FYTD)

Multi-State
\$166,973,534^{72.4%}
%Draw Sales

5.13%

vs. PYTD

-6.91%

vs. Proj (FYTD)

Scratchers Sales
\$414,165,366^{98.6%}
%Instant Sales

-2.27%

vs. PYTD

12.33%

vs. Proj (FYTD)

In-State
\$41,139,962^{17.8%}
%Draw Sales

17.93%

vs. PYTD

Scratcher Sales :
From 7/1/2018 - To
12/3/2023
Pulltab Sales : From
7/2/2018 - To
12/1/2023

-15.22%

vs. Proj (FYTD)

Charitable Pulltab Sales
\$3,290,640^{0.8%}
%Instant Sales

-10.23%

vs. PYTD

-11.74%

vs. Proj (FYTD)

Quick Draw
\$1,166,381^{0.5%}
%Draw Sales

28.73%

vs. PYTD

6.42%

vs. Proj (FYTD)

Age Rest. Pulltab Sales
\$2,025,000^{0.5%}
%Instant Sales

15.24%

vs. PYTD

19.37%

vs. Proj (FYTD)

Fast Play
\$21,351,641^{9.3%}
%Draw Sales

16.34%

vs. PYTD

1.45%

vs. Proj (FYTD)

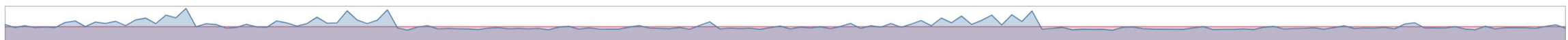
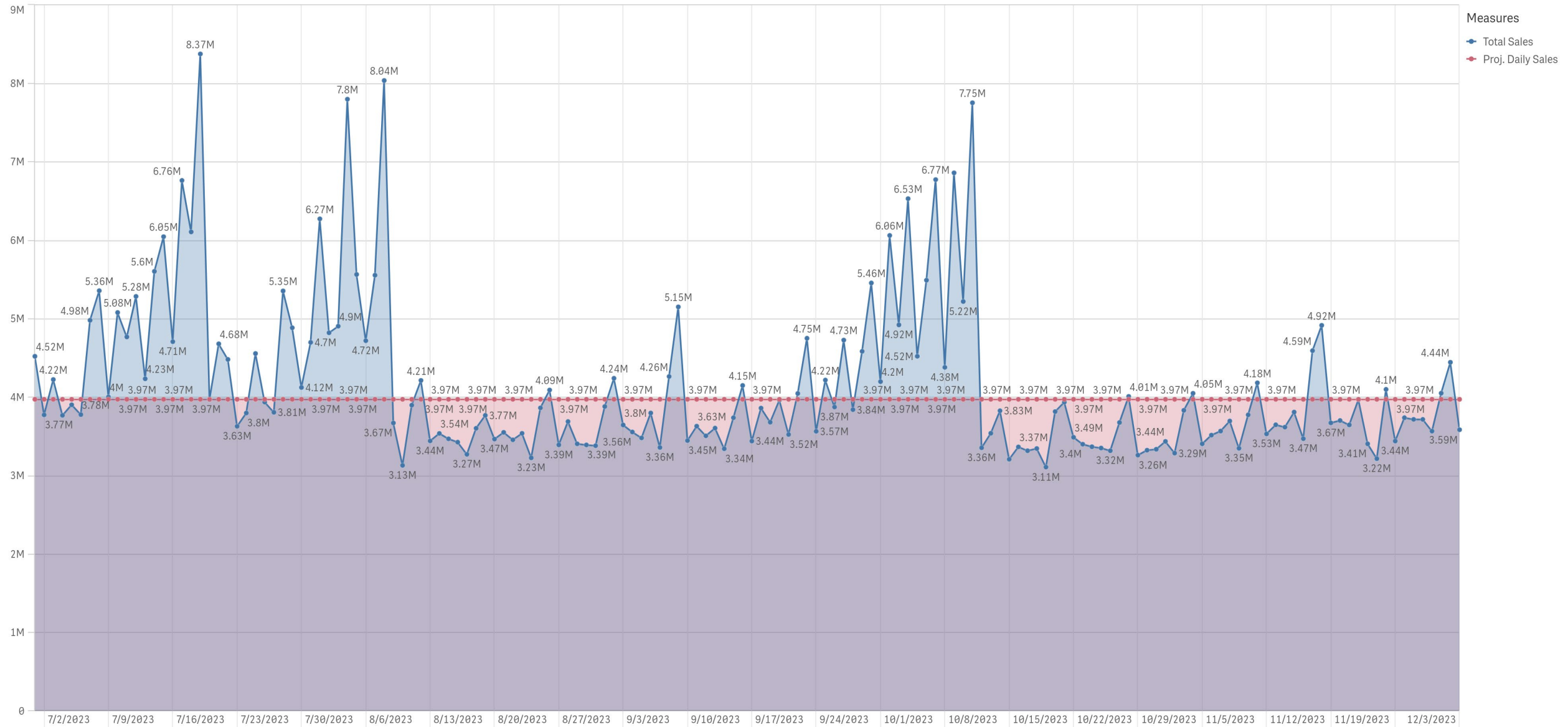
Other Pulltab Sales
\$704,160^{0.2%}
%Instant Sales

10.51%

vs. PYTD



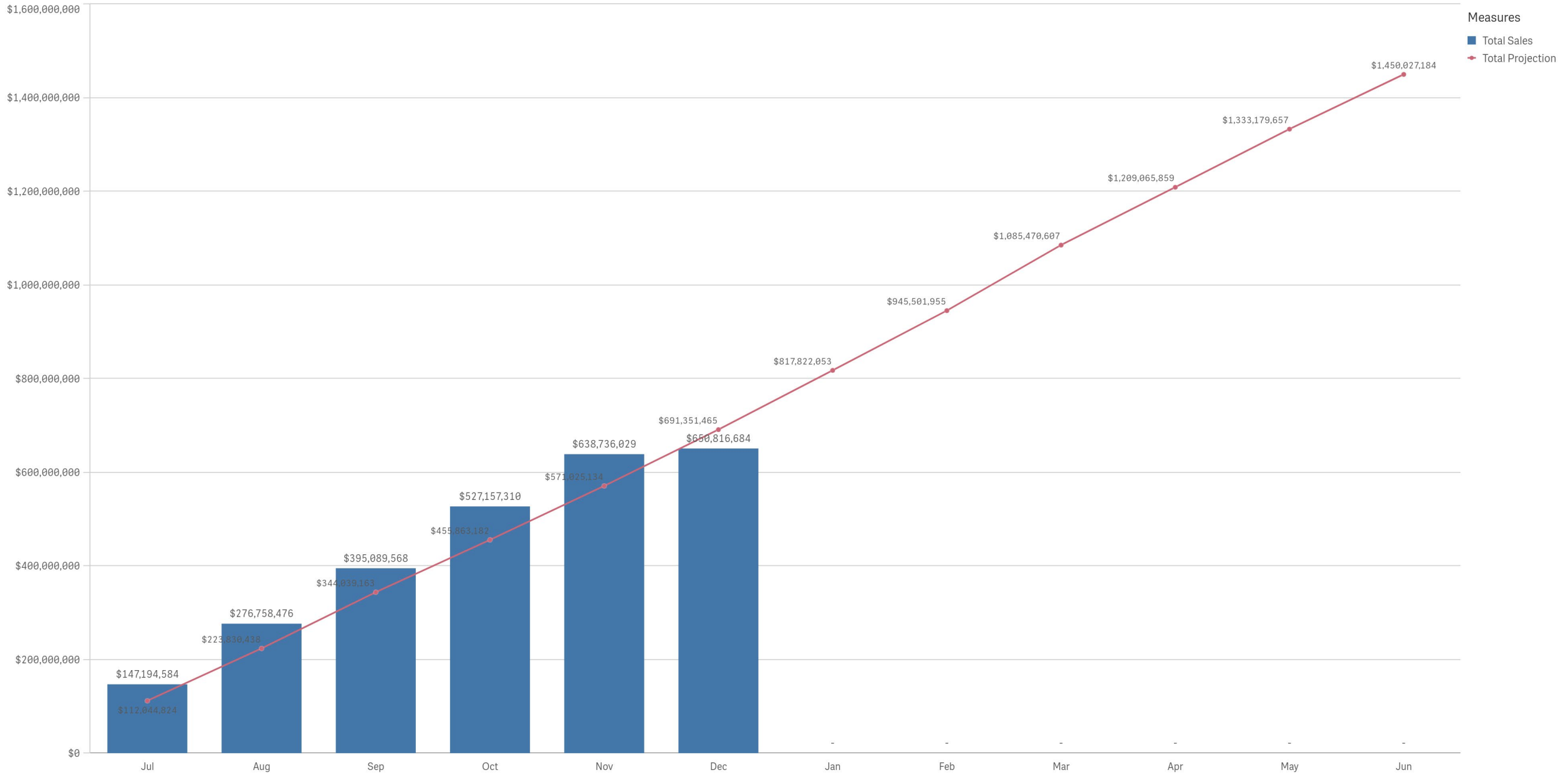
Daily Sales vs. Goal





YTD Sales vs. Projection

FY 2024 Total Sales vs. Projection

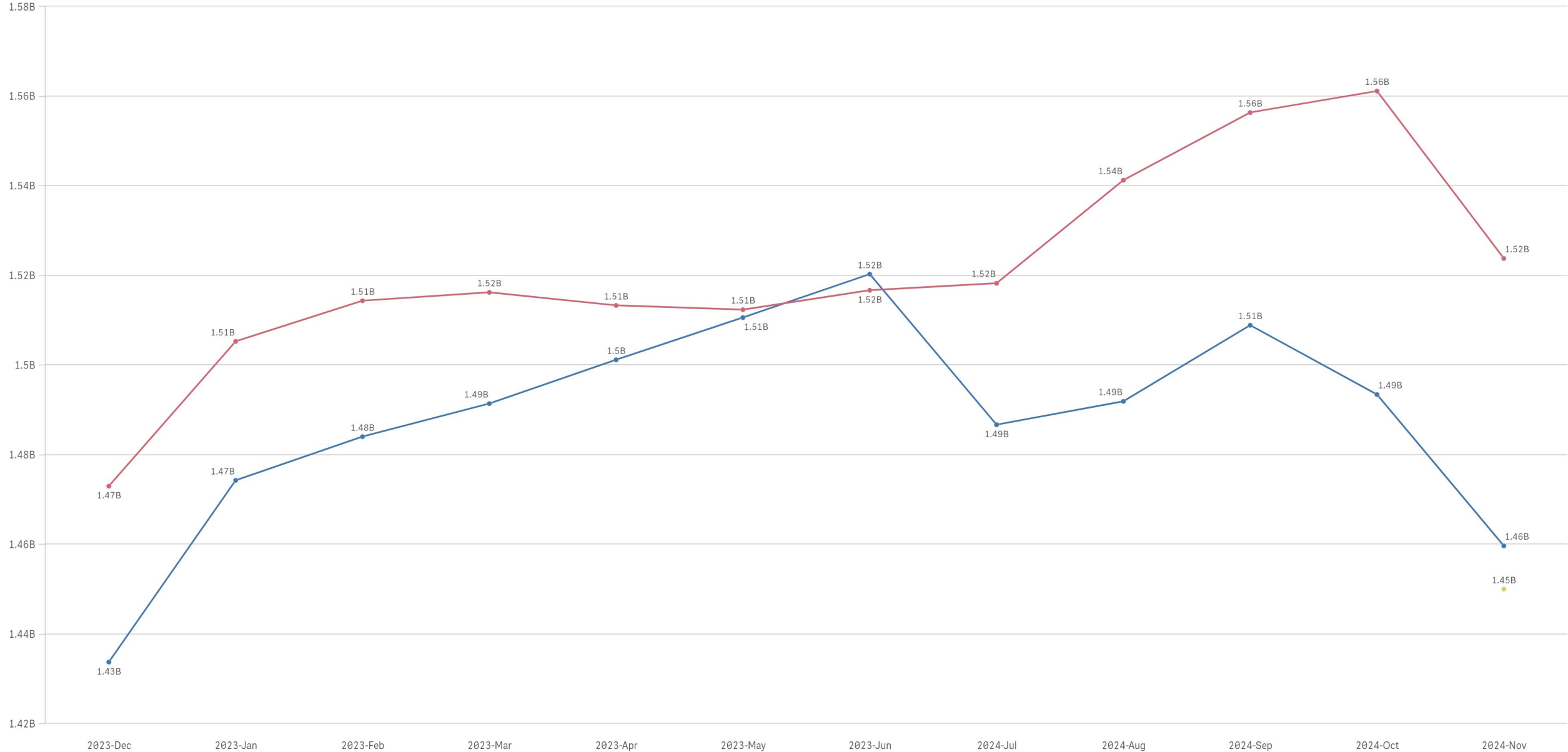




Rolling 12 Month Total Sales

Rolling 12 Month Sales

◆ Total Projection ◆ Current Year Projection ◆ Total Sales

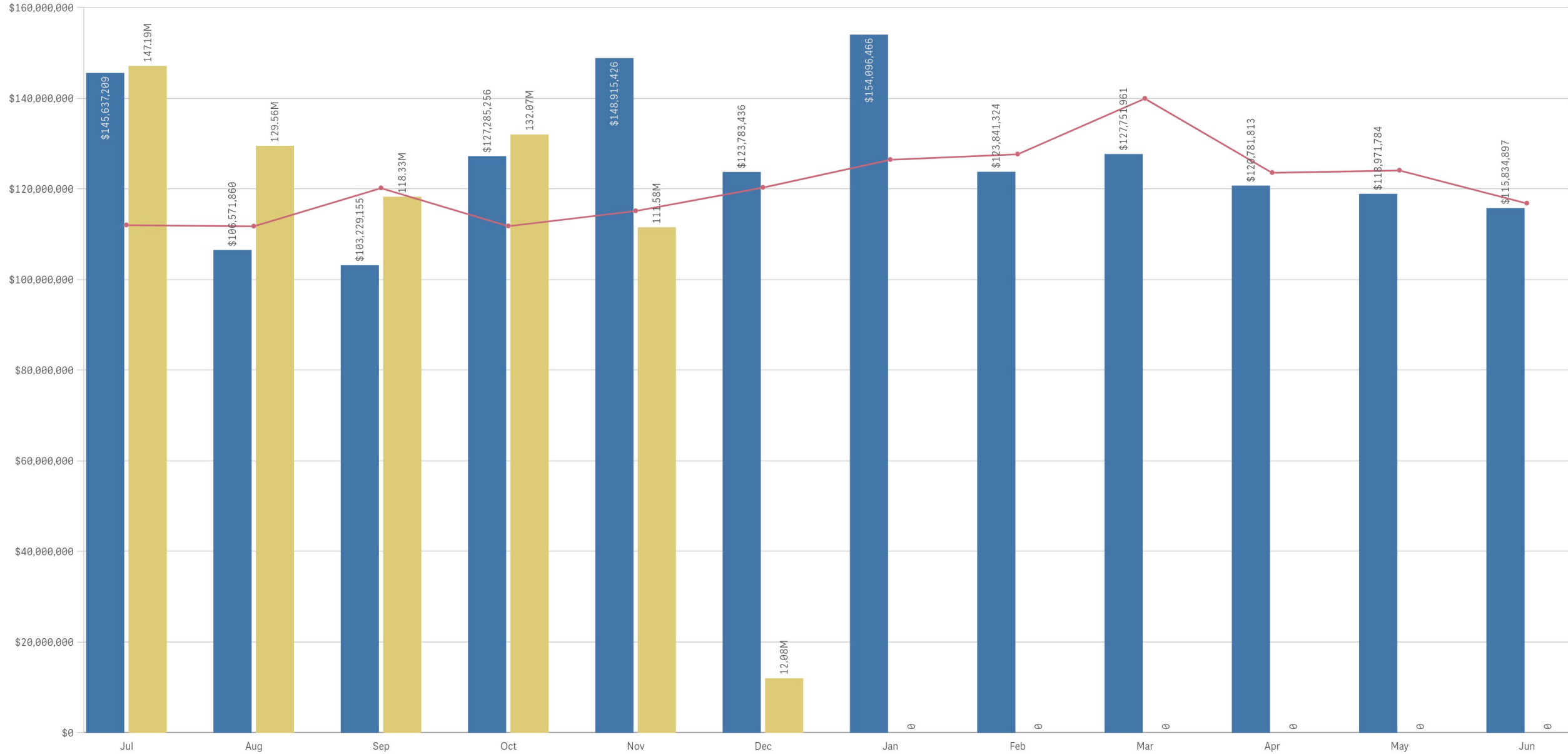




All Games

Sales FY 2023 vs. 2024 vs. Projection

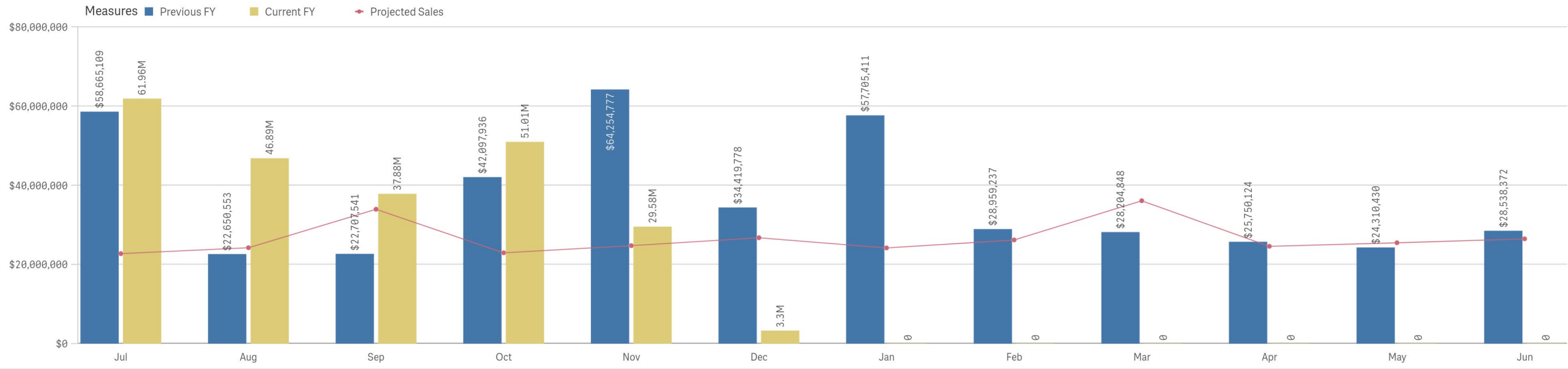
Measures ■ Previous FY ■ Current FY ◆ Projected Sales



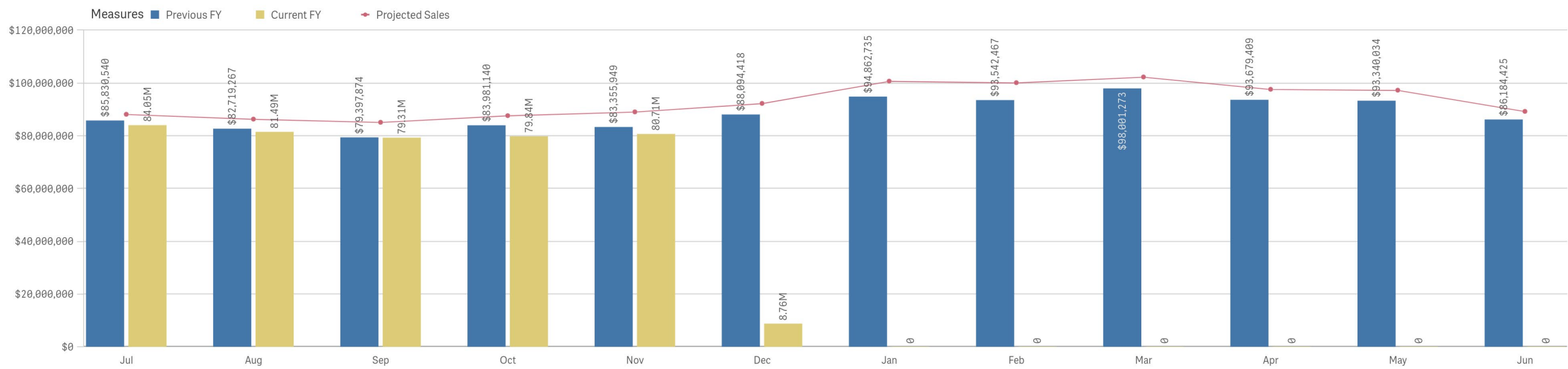


Draw and Instant Games

Draw Sales FY 2023 vs. 2024 vs. Projection



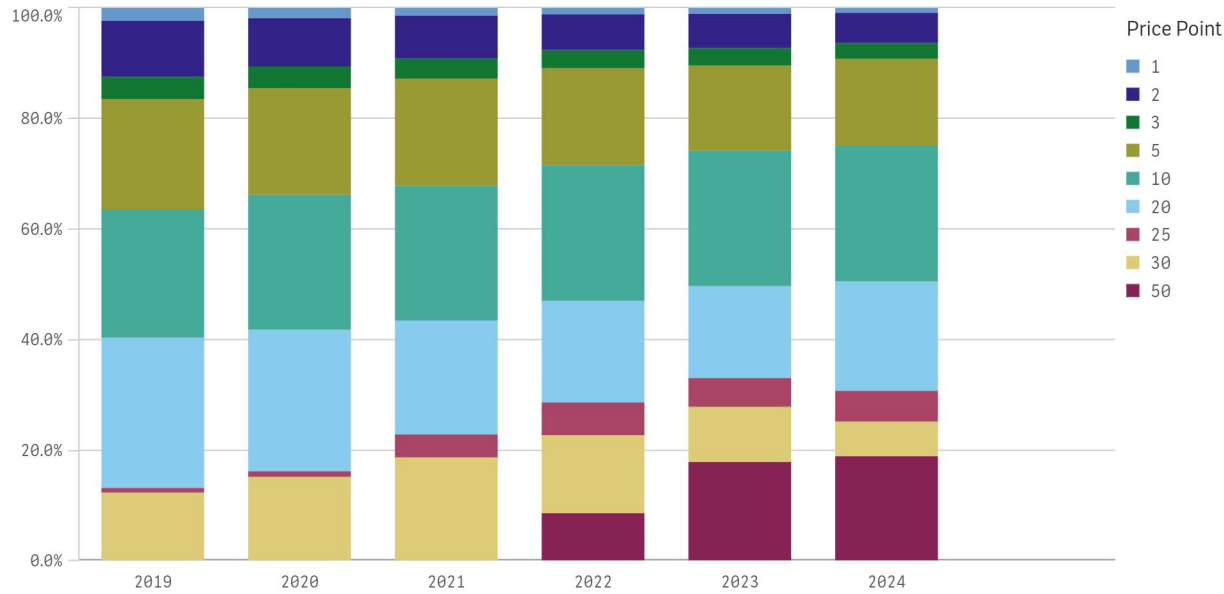
Instant Sales FY 2023 vs. 2024 vs. Projection



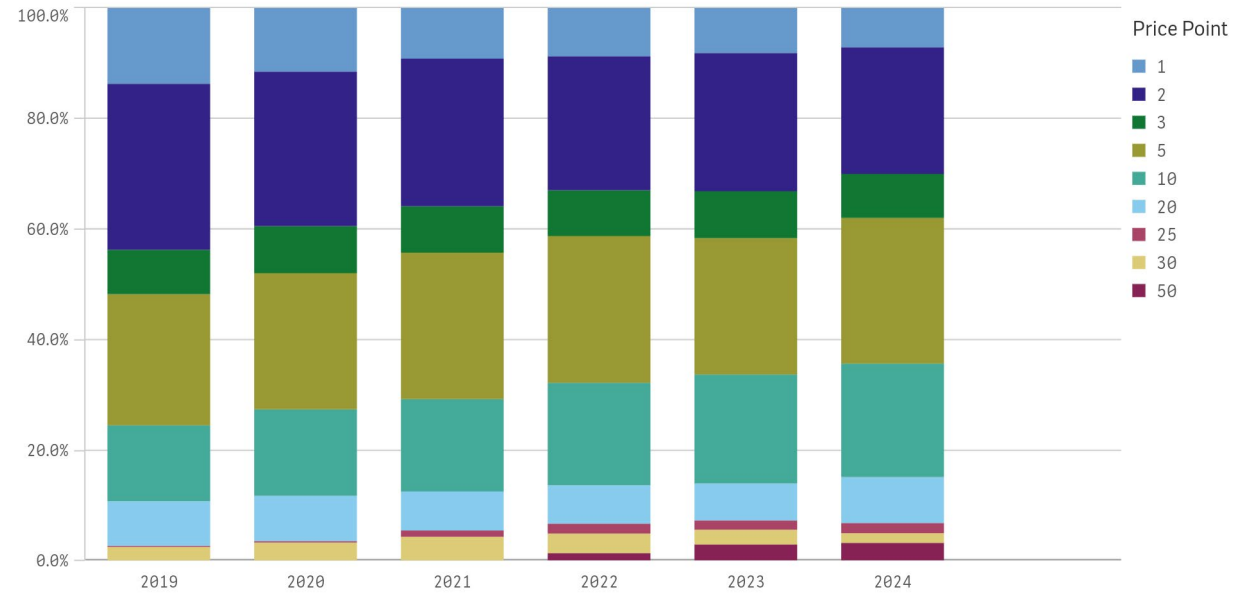


Sales by Price Point - Scratcher and Pull Tabs

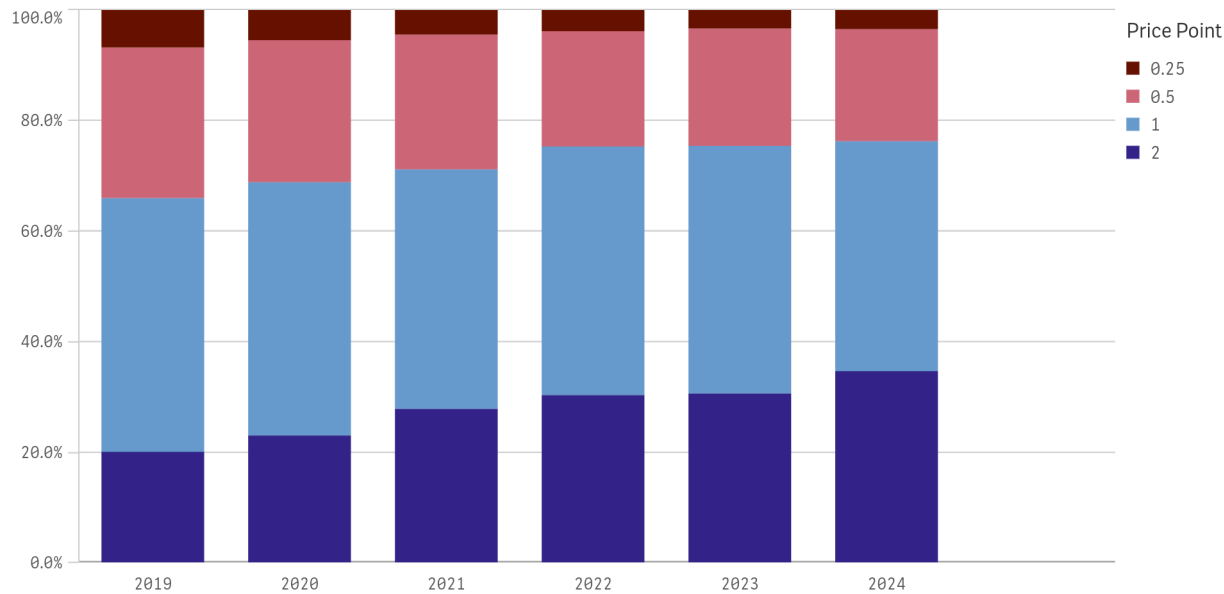
Based on Dollars Sold - Scratcher



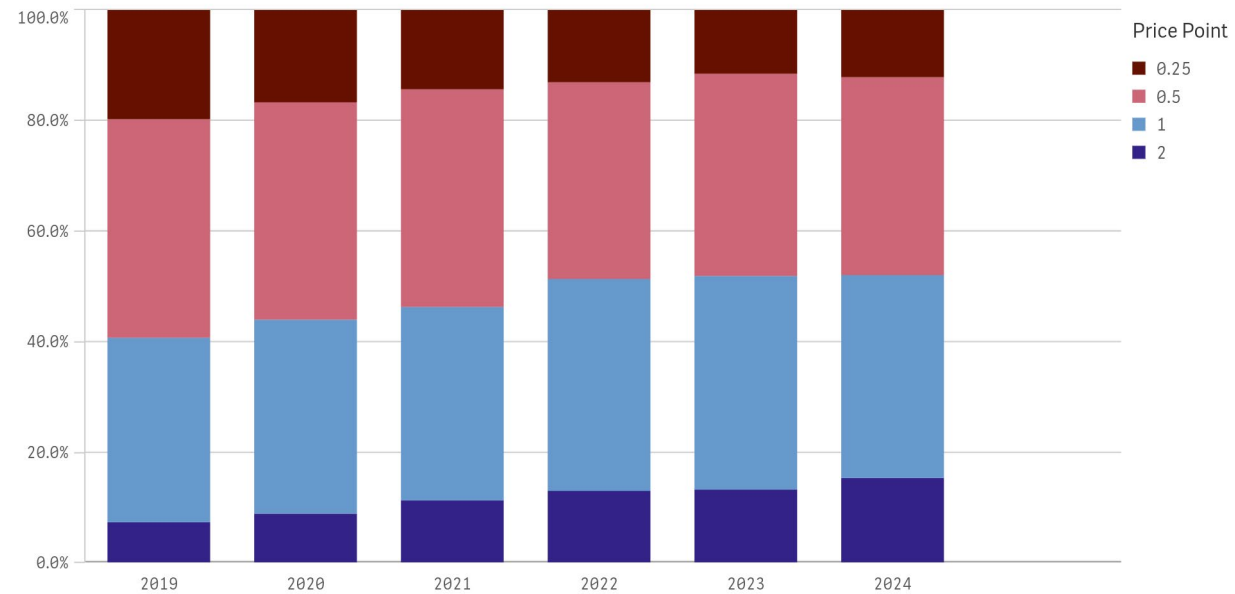
Based on Tickets Sold - Scratcher



Based on Dollars Sold - Pull Tabs

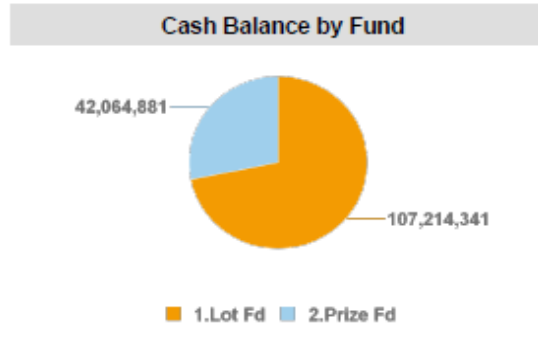
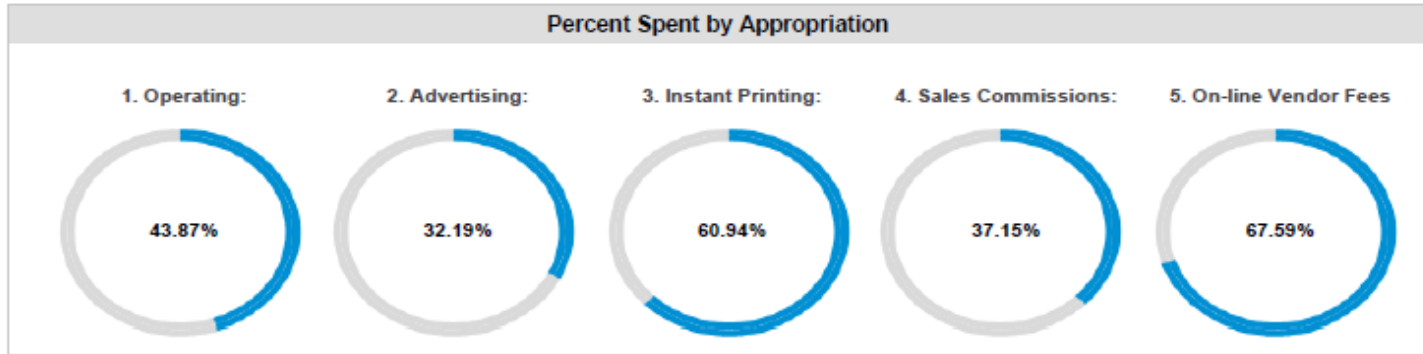
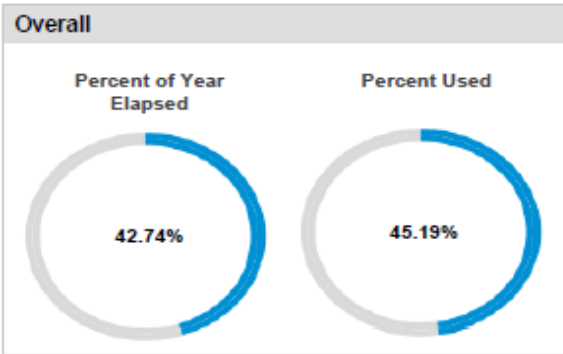


Based on Tickets Sold - Pull Tabs

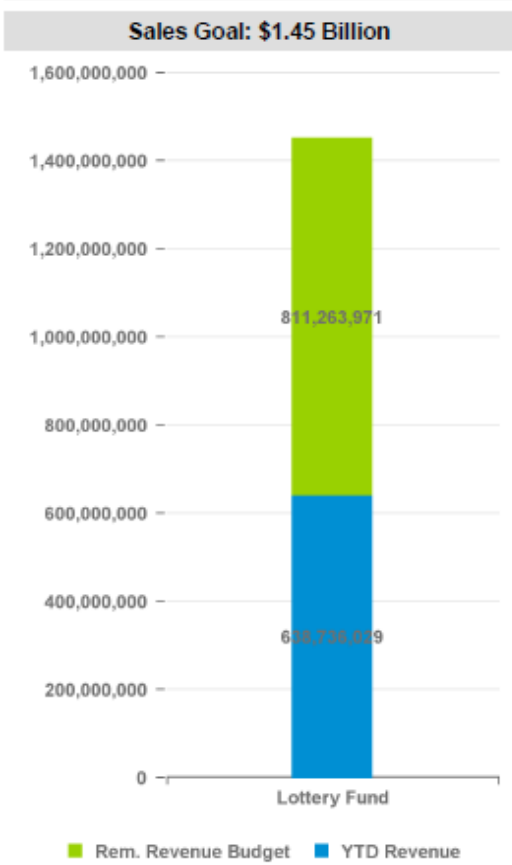




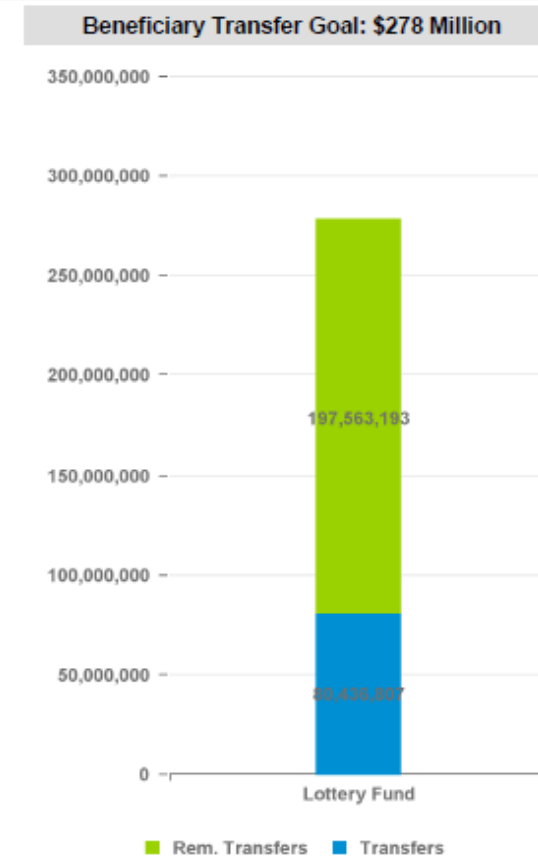
FY24 Year-to-date Financial Status



Budget by Appropriation Type and Object Class



Appropriation	Object Class	Budget	Expenditures	Encumbered	Remaining	% Used
1. Operating:	0000 - Appropriation Budget	10,475,200	-	-	10,475,200	
	6000 - Personal Services	-	1,881,877	-	-1,881,877	
	6100 - Employee Related Expenditures	-	713,074	-	-713,074	
	6200 - Professional And Outside Services	-	226,165	381,675	-607,840	
	6500 - Travel - In-State	-	8,440	1,885	-10,325	
	6800 - Travel - Out-Of-State	-	18,155	16,879	-35,034	
	7000 - Other Operating Expenditures	-	555,468	703,233	-1,258,702	
	8500 - Non-Capital Equipment	-	3,903	-	-3,903	
	9100 - Transfers Out	-	45,993	38,769	-84,761	
Total:		10,475,200	3,453,075	1,142,441	5,879,684	43.87%
2. Advertising:	0000 - Appropriation Budget	15,500,000	-	-	15,500,000	
	7000 - Other Operating Expenditures	-	3,937,002	1,052,212	-4,989,214	
	Total:	15,500,000	3,937,002	1,052,212	10,510,786	32.19%
3. Instant Printing:	0000 - Appropriation Budget	37,965,000	-	-	37,965,000	
	7000 - Other Operating Expenditures	-	8,876,749	14,259,237	-23,135,986	
	Total:	37,965,000	8,876,749	14,259,237	14,829,014	60.94%
4. Sales Commissions:	0000 - Appropriation Budget	97,086,500	-	-	97,086,500	
	7000 - Other Operating Expenditures	-	34,616,037	1,455,455	-36,071,492	
	Total:	97,086,500	34,616,037	1,455,455	61,015,008	37.15%
5. On-line Vendor Fees:	0000 - Appropriation Budget	17,753,633	-	-	17,753,633	
	6200 - Professional And Outside Services	-	8,875,565	3,124,435	-12,000,000	
	Total:	17,753,633	8,875,565	3,124,435	5,753,633	67.59%
Grand Total:		178,780,333	59,758,429	21,033,779	97,988,125	



Rem. Revenue Budget YTD Revenue

Rem. Transfers Transfers

Arizona
Lottery

TM

New Business Item #1
Instant Scratch Game Profiles
Report to Arizona Lottery Commission
December 15, 2023

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: *CATAN*[®] #1447 and *It's All Cash* #1449.

CATAN[®] #1447. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 2 million tickets.

It's All Cash #1449. This \$5 game has a top prize of \$50,000. This game will be printed at a quantity of approximately 2.1 million tickets.

Attachments (Commissioners only)

New Business Item #2
Instant Tab Game Profiles
Report to Arizona Lottery Commission
December 15, 2023

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

NEW GAME PROFILES

Attached for the Lottery Commission's action are new instant tab game profiles: *Patriot Payday* #194, *Freedom Reign* #195, *Arizona Nights* #196, *Cash to Win* #197, *Aerial Cash* #198, *Lucky Shot* #199, *Double Scoop Dollars* #1101, *Chalice Cash* #1102, *Coffee Beans* #1103, *Captain Cocktail* #1104, *Brilliant Bars* #1105, and *Dragon's Stash* #1106.

Patriot Payday #194. This \$1.00 game has a top prize of \$250.

Freedom Reign #195. This \$1.00 game has a top prize of \$250.

Arizona Nights #196. This \$1.00 game has a top prize of \$250.

Cash to Win #197. This \$1.00 game has a top prize of \$250.

Aerial Cash #198. This \$2.00 game has a top prize of \$400.

Lucky Shot #199. This \$2.00 game has a top prize of \$400.

Double Scoop Dollars #1101. This 50¢ game has a top prize of \$150.

Chalice Cash #1102. This 50¢ game has a top prize of \$150.

Coffee Beans #1103. This 50¢ game has a top prize of \$150.

Captain Cocktail #1104. This 50¢ game has a top prize of \$150.

Brilliant Bars #1105. This \$2.00 game has a top prize of \$400.

Dragon's Stash #1106. This \$2.00 game has a top prize of \$400.

Attachments (Commissioners only)

New Business Item #3
Players Club Promotion Profile #132
Report to Arizona Lottery Commission
December 15, 2023

This report has been provided to the Lottery Commission regarding the Arizona Adventure 2024 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: Arizona Adventure 2024

Arizona Adventure 2024 Promotion Profile #132

Starting February 6, 2024 players will be able to enter winning and non-winning eligible Instant Scratch game tickets and complete geo-location check-ins for a chance to win cash and experiential prizes.

Attachments (Commissioners only)