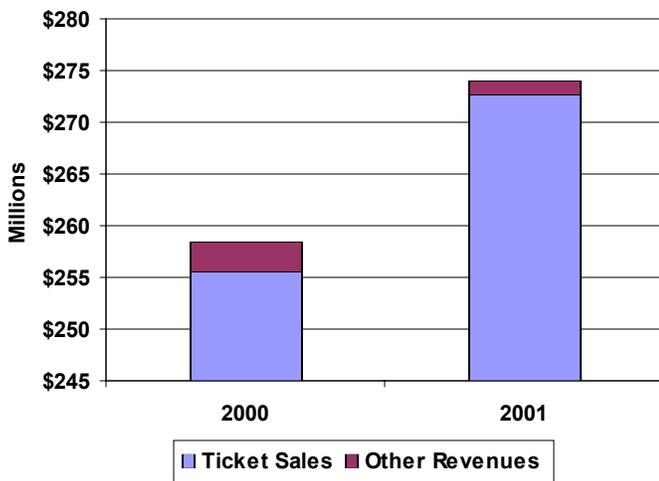




Arizona State Lottery Commission

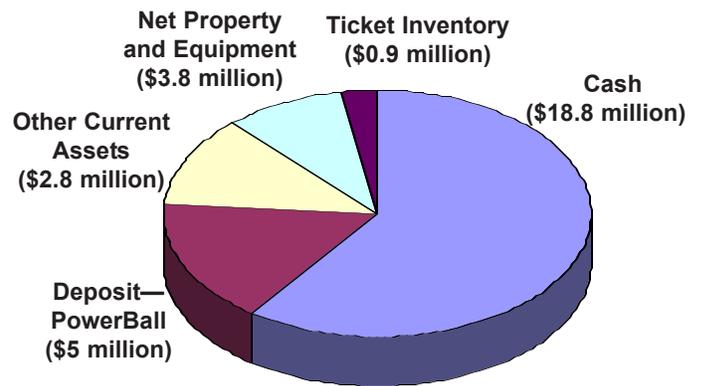
Services: The statutory purpose of the Arizona State Lottery Commission is to “oversee a state lottery to produce the maximum amount of net revenue consonant with the dignity of the State.” The Lottery markets a variety of games through a network of nearly 2,570 retailers in order to earn revenue for the State General Fund and several state programs. The Lottery’s responsibilities include ensuring game integrity, monitoring retailer sales and compliance, investigating allegations of criminal activity related to Lottery tickets, and overseeing outside contractors.

Program Revenue: \$274 million
(fiscal year 2001)

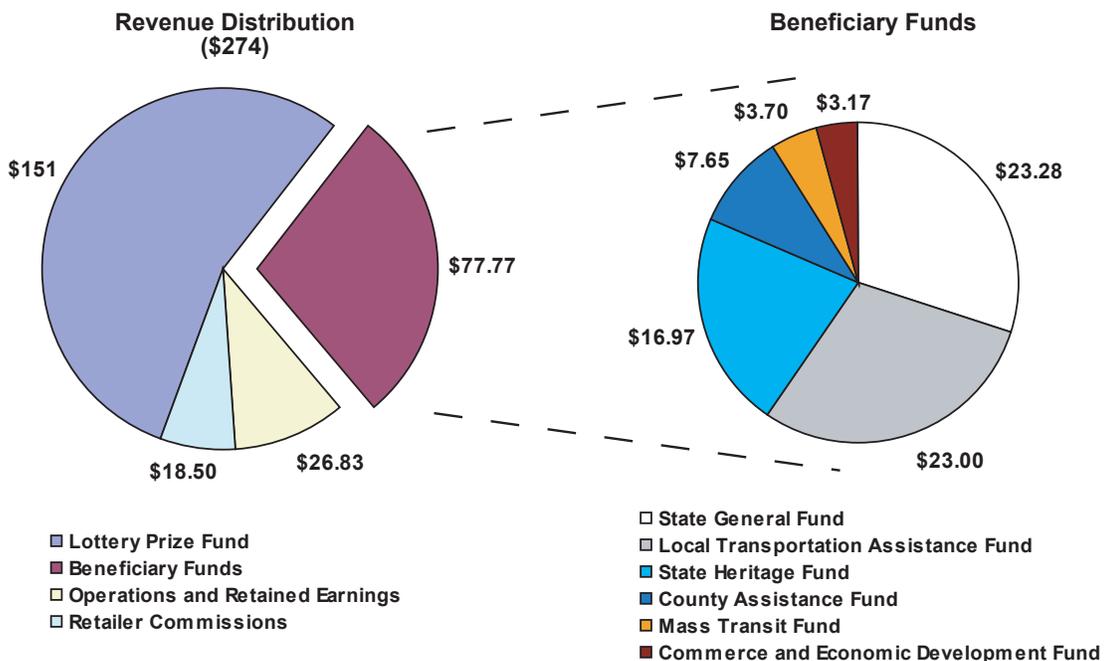


Assets: \$31,312,009 (fiscal year 2001)

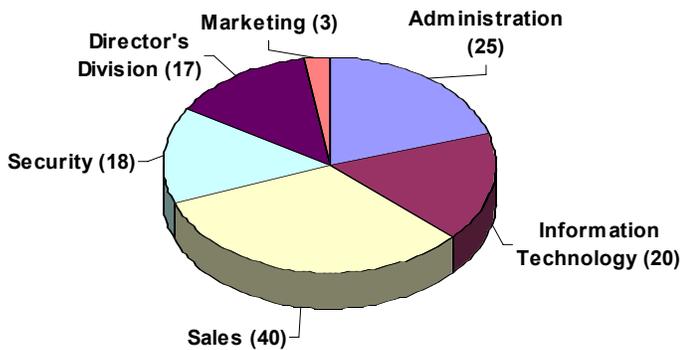
The Arizona State Lottery Fund’s assets totaled approximately \$31.3 million in June 30, 2001.



Distribution of Lottery Revenues
Fiscal Year 2001
(in Millions)



Personnel: 123 full-time equivalent staff (fiscal year 2001)



Facilities and Equipment: The Arizona Lottery owns its Phoenix facility at 4740 East University Drive. It also leases an office at 4010 East Grant Road in Tucson.

The Lottery's equipment includes typical office equipment such as furniture and computer equipment. In addition, the Lottery leases 321 Instant-Ticket Vending Machines, which are located at supermarket chains.

Program Goals (fiscal years 2002-2004):

1. To sustain revenue.
2. To continue to increase agency efficiency.
3. To expand public awareness regarding the Lottery's image, beneficiaries, winners, and products.
4. To enhance retailer relationships.
5. To promote responsible gaming.
6. To attract and retain high-quality employees.
7. To support diversity in the workplace.

Adequacy of Goals, Objectives, and Performance Measures:

The Lottery's 7 goals appear to be reasonably aligned with its mission, and it has established 12 objectives and 33 performance measures in line with its goals. However, the Lottery could improve some of its goals, objectives, and performance measures. For example:

- The Lottery should amend its first goal to better reflect its statutory purpose. Instead of seeking to sustain revenue, the Lottery should strive to increase revenue in order to improve its ability to support the state programs it earns revenues for.
- The Lottery should add new objectives and performance measures such as:
 - ◆ Monitoring retailer compliance with Lottery rules and regulations. (Goal 2)
 - ◆ Increasing the public's knowledge of Lottery games, and the programs that Lottery dollars support. (Goal 3)
 - ◆ Recruiting and retaining Lottery retailers. (Goal 4)
 - ◆ Enforcing underage wagering laws. (Goal 5)