



STATE OF ARKANSAS  
ARKANSAS LOTTERY COMMISSION

Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2000  
Fax: (501) 683-1878  
<http://myarkansaslottery.com>

January 9, 2015

The Honorable Mike Beebe  
Governor of Arkansas  
State Capitol  
Little Rock, AR 72201

***RE: Monthly Disclosure Reports***

Dear Governor Beebe:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of December 2014. The report contains the following information:

1. Contracts Awarded
2. Debt Set-Off Collections
3. Retailer Losses
4. Breakdown of Lottery Sales per County
5. Total Number of Retailers
6. Total Lottery Revenue
7. Prize Disbursements
8. Operating Expenses
9. Net Assets
10. Administrative Expenses
11. Unclaimed Prize Report
12. Arkansas Lottery Commission Minority- and Female-owned Business Report
13. Arkansas Lottery Commission Vendor Minority- and Female-owned Business Report
14. Arkansas Lottery Commission Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

Please call me if you have any questions or need additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bishop Woosley".

Bishop Woosley  
Director

Enclosures

cc: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission



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January 9, 2015

The Honorable Robert Thompson, Co-Chair  
The Honorable Mark Perry, Co-Chair  
Arkansas Lottery Commission Legislative Oversight Committee  
One Capitol Mall, Room R-501  
Little Rock, AR 72201

**RE: Monthly Disclosure Reports**

Gentlemen:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of December 2014. The report contains the following information:

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Bishop Woosley  
Director

Enclosures

cc: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission

## **Arkansas Lottery Commission Term Contracts for Goods and Services December 1 through December 31, 2014**

1. On December 1, 2014, a 60-month Government Product Lease Agreement was executed between the Arkansas Lottery Commission and MailFinance. The purpose of the agreement is for the leasing of Model # IH600HF postage meter equipment and meter rental. Monthly payment (plus sales tax) is \$97.91, billed quarterly, for a total payment of \$5,874.60 plus tax.

2. On December 1, 2014, a Service Agreement was executed between the Arkansas Lottery Commission and Lineage for service maintenance on Model # IH600HF postage meter. The term of the service agreement is for 60 months at \$26.40 plus tax per month, billed annually, for a total cost of \$1,584.00 plus tax.

3. On December 9, 2014, A Second Amendment to the Agreement for Contractual Services for Instant Ticket Lottery Game Services was executed between the Arkansas Lottery Commission and Scientific Games International, Inc. The amended agreement lowered the Properties Plus loyalty program percentage allocation from the instant ticket prize structures to 1.35% (from 1.5%). The amendment was reviewed by the ALCLOC on December 5, 2014, and the new rate of 1.35% began on the date of execution.

4. On December 19, 2014, a First Amendment to the Agreement for Contract Services for Outdoor Advertising was executed between the Sunshine Electronic Display Corporation ("Sunshine") and Mangan Holcomb Corporation ("MGH") on behalf of the Arkansas Lottery Commission ("ALC"). The purpose of the agreement is for the leasing of thirty-two (32) jackpot displays of various sizes. The displays will be attached by Sunshine to sixteen (16) billboards leased through MGH. The following information is provided:

- a. Date of Agreement: December 19, 2014.
- b. Terms of Agreement: The initial term shall be six (6) consecutive calendar months, commencing January 1, 2015, and continuing through June 30, 2015. MGH will pay Sunshine \$265.00 plus sales tax per month for each display. MGH will then invoice ALC monthly for the jackpot displays.
- c. Vendor or other parties to the Agreement: Sunshine Electronic Display Corporation, Mangan Holcomb Corporation, and Arkansas Lottery Commission.
- d. Value (cost or cost savings projected for the agreement): \$265.00 per month plus sales tax for thirty-two (32) signs for six months, or \$50,880.00 plus sales tax.

5. On December 22, 2014, a Non-Exclusive Licensing Agreement was executed between Scientific Games International, GTECH Corporation, and the Arkansas Lottery Commission. The Agreement allows the ALC to reproduce, use and make copies of the Property in association with the sale, marketing, advertising and promotion of a scratch-off instant win lottery game to be conducted by the ALC and identified as AR-283 Bejeweled®. A copy of the agreement was provided to the Arkansas Lottery Commission Legislative Oversight Committee on January 8, 2014.

**Arkansas Lottery Commission  
Debt Set-Off / Retailer Losses  
December 2014**

**1. Debt Set-Off:**

a.	Department of Finance and Administration	\$16,596.90
b.	Office of Child Support Enforcement - Child Support	<u>\$ 1,800.00</u>
	Total Debt Set-Off:	\$18,396.90

**2. Retailer losses for period December 1 through December 31, 2014: None.**

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**December 1 through December 31, 2014**

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	MEGA MILLIONS	MONOPOLY	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$25.00	\$6,364.50	\$7,799.50	\$12,861.00	\$425,435.00	\$12,764.00	\$1,270.00	\$4,460.00	\$15,915.00	\$486,894.00
ASHLEY	\$20.00	\$12,084.50	\$10,478.50	\$5,711.00	\$109,530.00	\$6,566.00	\$705.00	\$1,854.00	\$11,552.00	\$158,501.00
BAXTER	\$130.00	\$2,969.50	\$1,813.50	\$11,247.00	\$339,384.00	\$17,839.00	\$3,525.00	\$8,055.00	\$26,580.00	\$411,543.00
BENTON	\$405.00	\$4,643.00	\$2,651.50	\$15,094.00	\$856,843.00	\$79,600.00	\$6,965.00	\$14,497.00	\$105,305.00	\$1,086,003.50
BOONE	\$35.00	\$2,056.00	\$1,905.00	\$8,087.00	\$395,386.00	\$16,518.00	\$1,625.00	\$3,954.00	\$22,391.00	\$451,957.00
BRADLEY	\$20.00	\$1,634.00	\$1,889.00	\$1,784.00	\$122,700.00	\$3,239.00	\$660.00	\$1,664.00	\$4,382.00	\$137,972.00
CALHOUN	\$0.00	\$1,670.00	\$786.50	\$1,318.00	\$41,850.00	\$1,368.00	\$195.00	\$598.00	\$1,824.00	\$49,609.50
CARROLL	\$50.00	\$2,357.50	\$2,478.00	\$5,384.00	\$219,122.00	\$11,411.00	\$950.00	\$2,607.00	\$14,311.00	\$258,670.50
CHICOT	\$125.00	\$9,958.50	\$5,592.00	\$641.00	\$117,900.00	\$23,574.00	\$1,980.00	\$4,864.00	\$33,398.00	\$198,032.50
CLARK	\$65.00	\$3,367.50	\$1,864.00	\$8,287.00	\$260,858.00	\$10,320.00	\$870.00	\$3,677.00	\$14,270.00	\$303,578.50
CLAY	\$25.00	\$282.00	\$66.50	\$403.00	\$85,859.00	\$2,164.00	\$325.00	\$814.00	\$3,622.00	\$93,560.50
CLEBURNE	\$45.00	\$854.00	\$401.50	\$7,091.00	\$254,198.00	\$13,988.00	\$1,305.00	\$6,956.00	\$18,695.00	\$303,533.50
CLEVELAND	\$10.00	\$509.50	\$445.50	\$1,153.00	\$45,113.00	\$1,770.00	\$245.00	\$516.00	\$2,793.00	\$52,555.00
COLUMBIA	\$30.00	\$11,278.50	\$10,966.50	\$20,894.00	\$239,570.00	\$6,518.00	\$815.00	\$2,567.00	\$10,028.00	\$302,667.00
CONWAY	\$45.00	\$5,659.00	\$3,287.50	\$8,013.00	\$471,387.00	\$14,895.00	\$1,280.00	\$7,228.00	\$19,290.00	\$531,084.50
CRAIGHEAD	\$135.00	\$8,578.00	\$5,219.00	\$25,963.00	\$1,036,091.00	\$40,968.00	\$3,835.00	\$10,346.00	\$53,120.00	\$1,184,255.00
CRAWFORD	\$40.00	\$2,398.00	\$794.50	\$6,461.00	\$282,948.00	\$25,143.00	\$2,345.00	\$7,745.00	\$30,909.00	\$358,783.50
CRITTENDEN	\$130.00	\$16,011.50	\$13,997.50	\$5,739.00	\$461,288.00	\$35,459.00	\$3,020.00	\$7,159.00	\$52,357.00	\$595,161.00
CROSS	\$20.00	\$1,426.00	\$1,406.00	\$6,242.00	\$175,295.00	\$5,717.00	\$455.00	\$2,065.00	\$7,142.00	\$199,768.00
DALLAS	\$5.00	\$2,388.50	\$737.50	\$3,265.00	\$112,979.00	\$4,116.00	\$325.00	\$1,452.00	\$5,399.00	\$130,667.00
DESHA	\$15.00	\$2,128.50	\$952.00	\$5,311.00	\$135,464.00	\$6,718.00	\$470.00	\$2,864.00	\$10,198.00	\$164,120.50
DREW	\$5.00	\$1,353.00	\$834.50	\$3,027.00	\$154,390.00	\$7,265.00	\$1,320.00	\$2,752.00	\$11,054.00	\$182,000.50
FAULKNER	\$260.00	\$8,005.50	\$7,090.00	\$25,167.00	\$965,405.00	\$49,045.00	\$5,250.00	\$18,703.00	\$68,372.00	\$1,147,297.50
FRANKLIN	\$45.00	\$388.50	\$101.50	\$5,085.00	\$130,779.00	\$9,146.00	\$1,095.00	\$2,307.00	\$11,095.00	\$160,042.00
FULTON	\$0.00	\$520.00	\$306.00	\$869.00	\$43,400.00	\$2,315.00	\$360.00	\$778.00	\$3,713.00	\$52,261.00
GARLAND	\$265.00	\$7,000.50	\$7,215.50	\$26,595.00	\$730,628.00	\$61,739.00	\$6,230.00	\$28,713.00	\$79,243.00	\$947,629.00
GRANT	\$45.00	\$462.00	\$201.00	\$2,848.00	\$118,061.00	\$6,040.00	\$575.00	\$2,654.00	\$9,080.00	\$139,966.00
GREENE	\$70.00	\$1,048.00	\$780.50	\$5,407.00	\$470,034.00	\$17,721.00	\$2,035.00	\$4,261.00	\$23,513.00	\$524,869.50
HEMPSTEAD	\$35.00	\$28,994.50	\$9,548.00	\$3,418.00	\$308,577.00	\$9,032.00	\$485.00	\$2,362.00	\$10,526.00	\$372,977.50
HOT SPRING	\$30.00	\$1,496.50	\$494.50	\$5,788.00	\$267,454.00	\$11,915.00	\$1,350.00	\$5,687.00	\$16,006.00	\$310,221.00

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**December 1 through December 31, 2014**

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	MEGA MILLIONS	MONOPOLY	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$20.00	\$21,307.00	\$9,378.00	\$3,185.00	\$135,007.00	\$5,862.00	\$330.00	\$2,014.00	\$6,370.00	\$183,473.00
INDEPENDENCE	\$30.00	\$4,289.50	\$740.50	\$21,946.00	\$515,884.00	\$16,417.00	\$2,660.00	\$7,116.00	\$22,119.00	\$591,202.00
IZARD	\$0.00	\$173.50	\$111.50	\$2,120.00	\$79,076.00	\$3,587.00	\$395.00	\$1,517.00	\$5,502.00	\$92,482.00
JACKSON	\$40.00	\$9,410.50	\$5,891.50	\$5,303.00	\$246,436.00	\$9,035.00	\$975.00	\$4,447.00	\$11,756.00	\$293,294.00
JEFFERSON	\$190.00	\$38,690.50	\$26,291.50	\$35,806.00	\$1,346,763.00	\$41,227.00	\$4,890.00	\$20,643.00	\$56,150.00	\$1,570,651.00
JOHNSON	\$0.00	\$464.50	\$484.00	\$7,157.00	\$221,899.00	\$9,921.00	\$1,180.00	\$2,687.00	\$12,863.00	\$256,655.50
LAFAYETTE	\$5.00	\$3,582.50	\$1,734.00	\$3,034.00	\$62,946.00	\$1,923.00	\$225.00	\$728.00	\$3,028.00	\$77,205.50
LAWRENCE	\$45.00	\$1,225.00	\$290.50	\$4,284.00	\$204,258.00	\$5,562.00	\$590.00	\$1,321.00	\$7,076.00	\$224,651.50
LEE	\$15.00	\$2,626.50	\$2,107.50	\$4,810.00	\$71,120.00	\$2,400.00	\$240.00	\$589.00	\$2,721.00	\$86,629.00
LINCOLN	\$5.00	\$635.00	\$257.50	\$3,284.00	\$83,061.00	\$2,705.00	\$200.00	\$1,995.00	\$4,071.00	\$96,213.50
LITTLE RIVER	\$40.00	\$4,427.50	\$2,707.00	\$1,328.00	\$90,868.00	\$3,997.00	\$220.00	\$1,152.00	\$4,370.00	\$109,109.50
LOGAN	\$40.00	\$577.50	\$303.00	\$4,099.00	\$176,612.00	\$8,160.00	\$695.00	\$3,093.00	\$11,901.00	\$205,480.50
LONOKE	\$215.00	\$8,110.00	\$6,874.00	\$19,603.00	\$865,483.00	\$38,482.00	\$3,275.00	\$14,528.00	\$52,320.00	\$1,008,890.00
MADISON	\$10.00	\$352.50	\$288.00	\$1,262.00	\$63,037.00	\$4,572.00	\$250.00	\$1,056.00	\$5,914.00	\$76,741.50
MARION	\$40.00	\$1,706.50	\$499.50	\$3,018.00	\$147,856.00	\$6,015.00	\$1,825.00	\$3,053.00	\$9,480.00	\$173,493.00
MILLER	\$90.00	\$26,489.50	\$10,589.00	\$4,934.00	\$401,885.00	\$15,944.00	\$1,430.00	\$3,153.00	\$17,643.00	\$482,157.50
MISSISSIPPI	\$20.00	\$53,241.50	\$34,382.00	\$6,109.00	\$471,093.00	\$16,117.00	\$1,835.00	\$4,299.00	\$21,124.00	\$608,220.50
MONROE	\$10.00	\$2,217.50	\$1,163.00	\$992.00	\$125,097.00	\$5,431.00	\$415.00	\$1,681.00	\$8,005.00	\$145,011.50
MONTGOMERY	\$0.00	\$3.00	\$6.00	\$1,714.00	\$18,300.00	\$1,807.00	\$85.00	\$568.00	\$2,504.00	\$24,987.00
NEVADA	\$10.00	\$3,484.50	\$746.00	\$4,682.00	\$168,744.00	\$4,026.00	\$350.00	\$1,230.00	\$4,723.00	\$187,995.50
NEWTON	\$5.00	\$40.00	\$20.00	\$1,120.00	\$51,422.00	\$1,806.00	\$365.00	\$776.00	\$2,248.00	\$57,802.00
OUACHITA	\$15.00	\$9,695.00	\$6,437.50	\$10,749.00	\$467,337.00	\$9,497.00	\$1,185.00	\$4,991.00	\$14,157.00	\$524,063.50
PERRY	\$0.00	\$567.00	\$301.00	\$654.00	\$75,859.00	\$4,305.00	\$85.00	\$1,116.00	\$5,623.00	\$88,510.00
PHILLIPS	\$15.00	\$7,240.00	\$3,968.50	\$3,240.00	\$191,605.00	\$14,221.00	\$870.00	\$1,852.00	\$19,699.00	\$242,710.50
PIKE	\$25.00	\$131.50	\$69.50	\$8,650.00	\$76,800.00	\$3,930.00	\$275.00	\$1,903.00	\$5,913.00	\$97,697.00
POINSETT	\$95.00	\$4,538.00	\$1,577.00	\$27,023.00	\$349,282.00	\$10,551.00	\$845.00	\$4,199.00	\$14,388.00	\$412,498.00
POLK	\$35.00	\$427.50	\$40.00	\$2,466.00	\$111,745.00	\$7,935.00	\$515.00	\$2,087.00	\$10,159.00	\$135,409.50
POPE	\$70.00	\$4,970.00	\$1,954.50	\$8,441.00	\$693,887.00	\$30,607.00	\$3,770.00	\$9,470.00	\$40,318.00	\$793,487.50
PRAIRIE	\$20.00	\$2,432.50	\$448.50	\$7,087.00	\$158,412.00	\$4,553.00	\$330.00	\$1,035.00	\$6,454.00	\$180,772.00
PULASKI	\$730.00	\$105,892.00	\$78,484.50	\$130,814.00	\$5,115,922.00	\$265,321.00	\$26,170.00	\$108,682.00	\$319,709.00	\$6,151,724.50
RANDOLPH	\$20.00	\$71.50	\$114.50	\$7,829.00	\$131,711.00	\$4,734.00	\$735.00	\$1,836.00	\$6,409.00	\$153,460.00

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**December 1 through December 31, 2014**

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SAINT FRANCIS	\$60.00	\$8,169.50	\$6,670.00	\$2,304.00	\$232,857.00	\$10,669.00	\$1,060.00	\$2,463.00	\$13,965.00	\$278,217.50
SALINE	\$110.00	\$9,059.50	\$4,621.50	\$42,125.00	\$951,321.00	\$49,985.00	\$5,460.00	\$20,657.00	\$66,831.00	\$1,150,170.00
SCOTT	\$10.00	\$187.00	\$67.00	\$1,768.00	\$82,387.00	\$4,328.00	\$415.00	\$1,098.00	\$5,626.00	\$95,886.00
SEARCY	\$20.00	\$337.00	\$336.00	\$805.00	\$78,900.00	\$2,647.00	\$200.00	\$1,111.00	\$3,964.00	\$88,320.00
SEBASTIAN	\$220.00	\$17,659.00	\$6,798.00	\$10,833.00	\$682,167.00	\$65,437.00	\$6,990.00	\$17,087.00	\$84,399.00	\$891,590.00
SEVIER	\$20.00	\$3,750.00	\$831.50	\$3,152.00	\$116,220.00	\$6,638.00	\$375.00	\$1,328.00	\$7,245.00	\$139,559.50
SHARP	\$35.00	\$701.50	\$255.50	\$10,180.00	\$171,068.00	\$7,030.00	\$1,525.00	\$3,024.00	\$10,566.00	\$204,385.00
STONE	\$0.00	\$943.50	\$279.50	\$4,079.00	\$71,657.00	\$3,906.00	\$440.00	\$1,767.00	\$5,738.00	\$88,810.00
UNION	\$90.00	\$55,325.50	\$24,156.00	\$7,962.00	\$769,969.00	\$21,450.00	\$2,410.00	\$6,312.00	\$29,780.00	\$917,454.50
VAN BUREN	\$10.00	\$1,239.50	\$428.00	\$3,371.00	\$129,648.00	\$6,389.00	\$565.00	\$2,848.00	\$9,013.00	\$153,511.50
WASHINGTON	\$390.00	\$15,023.00	\$7,637.50	\$23,581.00	\$1,161,079.00	\$95,558.00	\$7,905.00	\$23,342.00	\$115,083.00	\$1,449,598.50
WHITE	\$170.00	\$4,714.00	\$3,471.00	\$25,360.00	\$952,598.00	\$31,737.00	\$3,105.00	\$12,454.00	\$41,955.00	\$1,075,564.00
WOODRUFF	\$0.00	\$3,744.00	\$588.50	\$767.00	\$97,047.00	\$3,339.00	\$305.00	\$1,364.00	\$4,738.00	\$111,892.50
YELL	\$40.00	\$515.50	\$71.00	\$1,597.00	\$172,573.00	\$7,299.00	\$620.00	\$2,960.00	\$9,871.00	\$195,546.50

<b>GRAND TOTALS</b>	<b>*Arkansas 50/50</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Fast Play</b>	<b>*Instant Settlements</b>	<b>*Mega Millions</b>	<b>*Monopoly</b>	<b>*Natural State Jackpot</b>	<b>*Powerball</b>	<b>*Totals</b>
	\$5,160.00	\$588,275.00	\$356,573.50	\$723,780.00	\$27,966,826.00	\$1,391,935.00	\$140,450.00	\$476,791.00	\$1,819,574.00	\$33,469,364.50

\*Estimates



**Arkansas Lottery Commission  
Total Number of Active Retailers  
December 2014**

There were 1,902 active retailers as of December 31, 2014.

**Arkansas Lottery Commission  
Statement of Net Position  
December 31, 2014**

**ASSETS**

<b>Current assets:</b>	
Cash and Cash Equivalents	\$ 965,264.34
Restricted Assets:	
Cash and cash equivalents	20,481,221.52
Accounts receivable	13,095,809.04
Prepaid items	<u>41,876.70</u>
Total current assets	<u>34,584,171.60</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,108,204.74
Deposits with Multi-State Lottery Association	1,711,431.19
Capital assets:	
Equipment	648,832.23
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(942,973.90)</u>
Total non-current assets	<u>22,023,910.94</u>
Total assets	<u>\$ 56,608,082.54</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 138,939.91
Prizes payable	19,795,961.28
Accrued and other liabilities	1,698,090.14
Due to other funds of the State	348,060.00
Payable to Arkansas Department of Higher Education	17,049,145.40
Compensated absences	317,302.77
Unearned revenue	<u>250,209.51</u>
Total current liabilities	<u>39,597,709.01</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	<u>1,326,507.76</u>
Total long-term liabilities	<u>1,326,507.76</u>
Total liabilities	<u>40,924,216.77</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	204,275.01
Restricted for:	
Scholarship shortfall reserve trust fund	20,000,000.00
Retailer fidelity fund	108,204.74
Deposits with Multi-State Lottery Assn.	1,711,431.19
Unclaimed prizes reserve	3,432,076.12
Unrestricted	<u>(9,772,121.29)</u>
Total net position	<u>15,683,865.77</u>
Total liabilities & net position	<u>\$ 56,608,082.54</u>

**Arkansas Lottery Commission**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**For Six Months Ended December 31, 2014**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 28,982,078.00	\$ 157,245,164.50
Online ticket sales	5,481,417.00	33,749,149.00
Retailer application, fidelity and service fees	43,516.54	281,393.65
Other revenue	<u>720.00</u>	<u>16,014.80</u>
 Total operating revenues	 <u>34,507,731.54</u>	 <u>191,291,721.95</u>
 <b>Operating expenses:</b>		
Instant game prizes	20,501,988.36	112,623,035.40
Online game prizes	2,903,947.76	17,335,959.70
Retailer commissions	1,944,674.81	10,741,844.09
Gaming contract costs	1,663,293.74	9,692,044.56
Compensation and benefits	480,875.97	2,797,282.89
Marketing, advertising and promotions	533,191.26	2,349,582.80
General and administrative expenses	88,827.88	720,063.77
Services provided by ADHE	62,500.00	375,000.00
Services provided by Legislative Audit Agency	11,500.00	71,480.00
Legal and professional services	4,990.60	5,574.68
Depreciation	<u>12,651.08</u>	<u>87,993.88</u>
 Total operating expenses	 <u>28,208,441.46</u>	 <u>156,799,861.77</u>
 Operating income	 6,299,290.08	 34,491,860.18
 <b>Non-operating revenue (expense):</b>		
Interest income	<u>19,711.48</u>	<u>122,988.66</u>
 Income before transfers	 6,319,001.56	 34,614,848.84
 <b>Transfers to:</b>		
Education Trust Account	(5,474,318.77)	(32,533,620.41)
Arkansas Department of Human Services	<u>(200,000.00)</u>	<u>(200,000.00)</u>
 Change in net position	 <u>\$ 844,682.79</u>	 1,881,228.43
 Total net position - beginning		 <u>13,802,637.34</u>
Total net position - ending		<u>\$ 15,683,865.77</u>

**Arkansas Lottery Commission**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**For Six Months Ended December 31, 2014**

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$ 28,982,078.00	83.99	\$ 25,774,005.37	78.72	\$ 3,208,072.63	\$ 157,245,164.50	82.20	\$ 155,957,763.22	79.25	\$ 1,287,401.28
OnLine Games	5,481,417.00	15.88	6,920,720.63	21.14	(1,439,303.63)	33,749,149.00	17.64	40,552,319.78	20.61	(6,803,170.78)
Retailer application, fidelity	43,516.54	0.13	47,000.00	0.14	(3,483.46)	281,393.65	0.15	280,000.00	0.14	1,393.65
Other Revenue	720.00	0.00	900.00	0.00	(180.00)	16,014.80	0.01	5,000.00	0.00	11,014.80
<b>Total Operating Revenues</b>	<b>34,507,731.54</b>	<b>100.00</b>	<b>32,742,626.00</b>	<b>100.00</b>	<b>1,765,105.54</b>	<b>191,291,721.95</b>	<b>100.00</b>	<b>196,795,083.00</b>	<b>100.00</b>	<b>(5,503,361.05)</b>
Operating Expenses										
Instant Game Prizes	20,501,988.36	59.41	18,331,083.50	55.99	2,170,904.86	112,623,035.40	58.88	110,893,176.80	56.35	1,729,858.60
On-Line Game Prizes	2,903,947.76	8.42	3,641,369.50	11.12	(737,421.74)	17,335,959.70	9.06	21,408,346.20	10.88	(4,072,386.50)
Retailer Commissions	1,944,674.81	5.64	1,830,910.00	5.59	113,764.81	10,741,844.09	5.62	11,004,595.00	5.59	(262,750.91)
Gaming Contract Costs	1,663,293.74	4.82	1,610,461.00	4.92	52,832.74	9,692,044.56	5.07	9,679,602.00	4.92	12,442.56
Staff Compensation & Benefits	480,875.97	1.39	558,142.00	1.70	(77,266.03)	2,797,282.89	1.46	3,149,772.00	1.60	(352,489.11)
Marketing, Advertising & Promo	533,191.26	1.55	416,667.00	1.27	116,524.26	2,349,582.80	1.23	2,500,000.00	1.27	(150,417.20)
General and administrative ex	88,827.88	0.26	114,167.00	0.35	(25,339.12)	720,063.77	0.38	685,000.00	0.35	35,063.77
Services Provided by Other Age	74,000.00	0.21	66,667.00	0.20	7,333.00	446,480.00	0.23	400,000.00	0.20	46,480.00
Legal and Professional Service	4,990.60	0.01	800.00	0.00	4,190.60	5,574.68	0.00	5,000.00	0.00	574.68
Capital asset depreciation	12,651.08	0.04	17,600.00	0.05	(4,948.92)	87,993.88	0.05	104,400.00	0.05	(16,406.12)
<b>Total Operating Expenses</b>	<b>28,208,441.46</b>	<b>81.75</b>	<b>26,587,867.00</b>	<b>81.20</b>	<b>1,620,574.46</b>	<b>156,799,861.77</b>	<b>81.97</b>	<b>159,829,892.00</b>	<b>81.22</b>	<b>(3,030,030.23)</b>
Operating Income	6,299,290.08	18.25	6,154,759.00	18.80	144,531.08	34,491,860.18	18.03	36,965,191.00	18.78	(2,473,330.82)
Interest Income	19,711.48	0.06	11,667.00	0.04	8,044.48	122,988.66	0.06	70,000.00	0.04	52,988.66
Non-Operating Revenue (Expense)	-				-	-				-
<b>Income before transfers</b>	<b>\$ 6,319,001.56</b>	<b>18.31</b>	<b>\$ 6,166,426.00</b>	<b>18.83</b>	<b>\$ 152,575.56</b>	<b>\$ 34,614,848.84</b>	<b>18.10</b>	<b>\$ 37,035,191.00</b>	<b>18.82</b>	<b>\$ (2,420,342.16)</b>

**Arkansas Scholarship Commission**  
**Net Proceeds Transfer to Ed Trust Computation**  
**Modified Cash Basis**  
**For Six Months Ended December 31, 2014**

	Year to date
<b>Operating revenues:</b>	
Instant ticket SETTLEMENTS	\$ 155,641,795.50
Online ticket sales	33,749,149.00
Retailer application, fidelity and service fees	281,393.65
Other revenue	<u>16,014.80</u>
 Total operating revenues	 <u>189,688,352.95</u>
 <b>Operating expenses:</b>	
Instant game prizes SETTLEMENTS	110,576,233.00
Online game prizes	17,335,959.70
Retailer commissions	10,741,844.09
Gaming contract costs	9,692,044.56
Compensation and benefits	2,797,282.89
Marketing, advertising and promotions	2,349,582.80
General and administrative expenses	720,063.77
Services provided by ADHE	375,000.00
Services provided by Legislative Audit Agency	71,480.00
Legal and professional services	5,574.68
Current year Capital Asset cost	46,155.88
Total operating expenses	<u>154,711,221.37</u>
 Change in net proceeds from operations	 34,977,131.58
 <b>Nonoperating revenue (expense):</b>	
Interest Income	122,988.66
Other Non Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(27,059,301.64)
Less Act 1180 Unclaimed Prizes	(2,432,076.12)
Less Transfer to ADHS	(200,000.00)
Less Current year Fidelity Fund fees	(17,071.72) restricted fund
Less Current year MUSL Reserves (additions) / reductions	82,648.01 see 23-115-103(17) and (19)(A)&(B)

**NET PROCEEDS EARNED-Current Month**

**\$ 5,474,318.77**

Totals	Transfer	Interest	Total
\$	\$	\$	\$
	<u>16,165,287.11</u>	<u>883,858.29</u>	<u>17,049,145.40</u>
ADHE Refund for excess funding 8/17/13	\$ 2,138,092.38		\$ 2,138,092.38
July 2013 funding - 8/15/13	\$ 4,874,325.72	\$ 17,045.97	\$ 4,891,371.69
August transfer to ADHE 8/29/13	\$ (45,000,000.00)		\$ (45,000,000.00)
August 2013 funding - 9/15/13	\$ 6,383,238.35	\$ 18,590.75	\$ 6,401,829.10
August transfer to ADHE 9/13/13	\$ (5,000,000.00)		\$ (5,000,000.00)
June 2013 Audit Adjustments funding - 10/15/13	\$ 344,712.16		\$ 344,712.16
September 2013 funding - 10/15/13	\$ 6,022,883.01	883.09	\$ 6,023,766.10
October 2013 funding - 11/15/13	\$ 6,771,052.05	2,884.73	\$ 6,773,936.78
November 2013 funding - 12/15/13	\$ 6,762,989.54	5,363.18	\$ 6,768,352.72
December 2013 funding - 1/15/14	\$ 5,822,163.54	\$ 9,055.12	\$ 5,831,218.66
January 2014 funding -2/15/14	\$ 5,604,272.88	\$ 12,008.52	\$ 5,616,281.40
February transfer to ADHE 2/3/14	\$ (27,000,000.00)		\$ (27,000,000.00)
February transfer to ADHE 2/12/14	\$ (6,000,000.00)		\$ (6,000,000.00)
Transfer from Shortfall Reserve 2/24/14	\$ 12,000,000.00		\$ 12,000,000.00
February transfer to ADHE 2/25/14	\$ (12,000,000.00)		\$ (12,000,000.00)
February 2014 funding - 3/15/14	\$ 5,908,720.60	\$ 1,234.90	\$ 5,909,955.50
February transfer to Shortfall Reserve 3/15/13	\$ (5,923,925.49)		\$ (5,923,925.49)
March 2014 funding - 4/15/14	\$ 7,324,141.28	\$ 91.78	\$ 7,324,233.06
March transfer to Shortfall Reserve 3/15/13	\$ (6,076,074.51)		\$ (6,076,074.51)
April 2014 funding - 5/15/14	\$ 7,475,645.50	\$ 505.34	\$ 7,476,150.84
May 2014 funding - 6/15/14	\$ 6,509,958.59	\$ 3,286.80	\$ 6,513,245.39
June 2014 funding - 7/15/14	\$ 11,921,510.53	\$ 6,103.45	\$ 11,927,613.98
ADHE Refund for excess funding 7/18/14	\$ 2,319,467.65		\$ 2,319,467.65
July 2014 funding - 8/15/14	\$ 5,917,170.44	\$ 11,277.55	\$ 5,928,447.99
August 2014 funding - 9/15/15	\$ 5,282,380.92	\$ 14,584.88	\$ 5,296,965.80
June 2014 Audit Adjustments funding - 9/10/14	\$ 30,888.58		\$ 30,888.58
September transfer to ADHE 9/11/14	\$ (40,000,000.00)		\$ (40,000,000.00)
September 2014 funding - 10/15/14	\$ 4,310,517.64	\$ 6,709.46	\$ 4,317,227.10
October transfer to ADHE 10/15/14	\$ (5,000,000.00)		\$ (5,000,000.00)
October 2014 funding - 11/15/14	\$ 5,939,388.01	\$ 237.58	\$ 5,939,625.59
November 2014 funding - 12/15/14	\$ 5,575,489.06	\$ 1,546.10	\$ 5,577,035.16
December 2014 funding - 1/15/15	\$ 5,469,403.21	\$ 4,915.56	\$ 5,474,318.77

**Arkansas Lottery Commission  
Unclaimed Prizes  
December 31, 2014**

	Monthly	Year to Date
Reserve Balance July 1, 2014		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 664,811.74	2,650,241.05
2. Expenditures from unclaimed lottery prize money:		218,164.93
3. Reserved for future prizes, promotions or reserves:	664,811.74	2,432,076.12
4. Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance December 31, 2014		\$3,432,076.12

**ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**

**December 1 through December 31, 2014**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2014</b>	<b>FY 2015 Total</b>
A-Absolute Moving & Hauling	Trucking/Hauling	Minority-owned	\$229.95	\$229.95
Goddess Products	Office Furniture/Supplies	Minority-owned	\$2,101.24	\$21,359.69
Government Supply Services	Office Products	Minority-owned	\$127.33	\$757.17
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned		\$1,215.35
Ride N Shine Detail	Auto Servicing	Minority-owned		\$54.50
Trivia Marketing	Advertising/Public Relations	Female-owned	\$15.26	\$253.05
<b>Totals</b>			<b>\$2,473.78</b>	<b>\$23,869.71</b>

**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**

**December 1 through December 31, 2014**

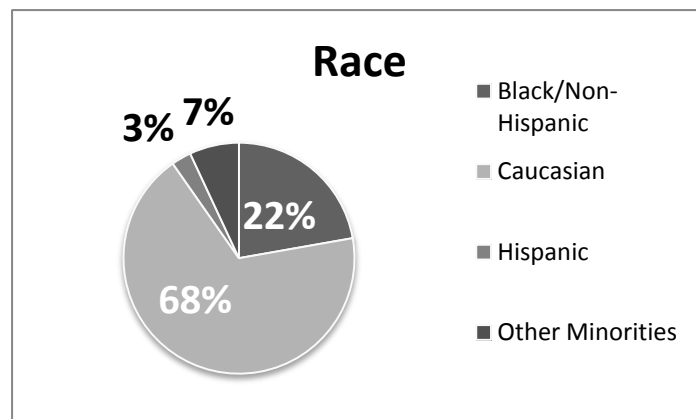
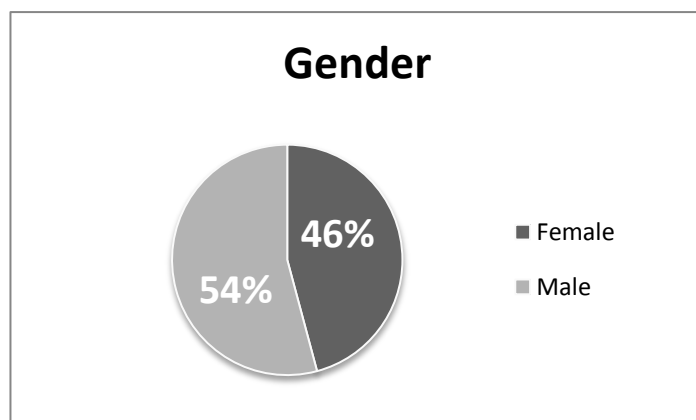
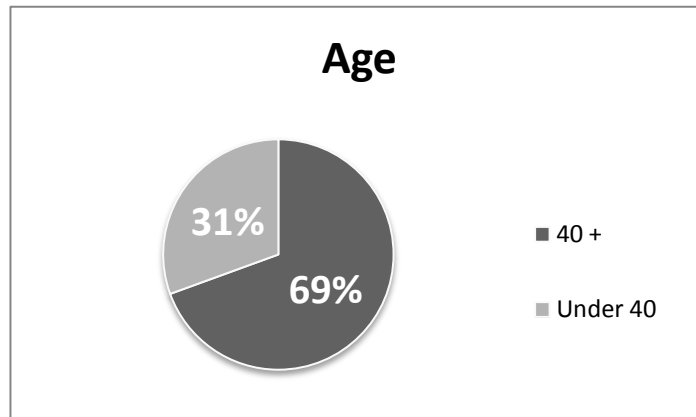
<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2014</b>	<b>FY 2015 Total</b>
Goddess Products	Office Furniture/Supplies	Minority-owned		\$1,454.60
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$9,559.13	\$62,769.31
<b>Totals</b>			<b>\$9,559.13</b>	<b>\$64,223.91</b>

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**

**December 1 through December 31, 2014**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2014</b>	<b>FY 2015 Total</b>
Expedited Transportation Service	Transportation Services	Female-owned	\$2,185.46	\$12,296.72
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$363.30	2,179.80
Premier Staffing	Staffing Services	Female-owned	\$3,835.13	\$18,775.31
<b>Totals</b>				<b>\$33,251.83</b>

**Arkansas Lottery Commission  
Demographics – December 2014**



**Total Number of Employees as of December 31, 2014: 72**

**Gender:**

Females – 33  
Males – 39

**Age:**

Under 40 – 22  
40 + – 50

**Race:**

**Black/Non-Hispanic – 16**  
Female – 10  
Male - 6

**Caucasian – 49**  
Female - 19  
Male - 30

**Hispanic – 2**  
Female - 2  
Male - 0

**Other – 5**  
Female - 2  
Male - 3



**Arkansas Lottery Commission – Internal Audit**  
**Arkansas Lottery Commission Legislative Oversight Committee Monthly Report**  
**January 9, 2015**

No issues or problems resulting from internal audits have been reported to the Arkansas Lottery Commission since the previous report submitted to the Arkansas Lottery Commission Legislative Oversight Committee on December 10, 2014.

As required by Arkansas Code Annotated § 23-115-212 (c) (1) (B), the Arkansas Lottery Commission Internal Auditor is required to update the Arkansas Lottery Commission Legislative Oversight Committee regarding resolution of the Division of Legislative Audit’s findings included in the annual financial report for the Commission. On December 29, 2014, the Division of Legislative Audit (DLA) released its report for the fiscal year ended June 30, 2014 under early release procedures. The report has not yet been formally presented to the Legislative Joint Auditing Committee.

DLA’s *Report on Internal Control over Financial Reporting and on Compliance and Other Matters* includes the following findings:

DLA Finding 2014-1:	<p>During review of payroll and other related items, we noted seven employees working schedules that fall outside the Agency’s normal business hours. Six employees had either an offer letter or some other form in their personnel file documenting their scheduled working hours; however, there was no documented working schedule for the Agency Director. We also noted that the Agency does not have a Commission approved policy for alternate work schedules, and none of the alternate working schedules appear to have been approved by the Governor. Governor’s Policy Directive #5 states, “All State offices shall be open for business between 8:00 a.m. and 4:30 p.m. However, department directors shall have flexibility to establish other working hours for their department personnel so long as all employees work an eight-hour day. Deviations from the five day, 40-hour work week shall be approved by the Governor.”</p> <p>We recommend the Agency seek an Attorney General’s opinion as to whether the Agency is exempt from Governor’s Policy Directive #5. We further recommend the Agency adopt a written policy regarding alternate working schedules and obtain approval from the Commission and/or the Governor.</p>
ALC Management Response:	The ALC will review the finding and determine whether to change policy to conform with the finding or to seek an Attorney General’s opinion.
ALC Internal Audit Update:	ALC Management continues to review the finding and has not yet taken any further action.

**Arkansas Lottery Commission – Internal Audit**  
**Arkansas Lottery Commission Legislative Oversight Committee Monthly Report**  
**January 9, 2015**

DLA Finding 2014-2:	<p>Travel regulation R1-19-4-903 states that when privately-owned motor vehicles are used for official business travel, the traveler may claim reimbursement at the rate per mile established by the Chief Fiscal Officer (CFO) of the State in effect during the time the travel occurred. On January 15, 2014, the Commission authorized an increase in the mileage reimbursement rate for Agency employees from \$0.42 per mile to \$0.56 per mile. During review of travel reimbursements, we selected five marketing sales representatives for testing. For those five employees, the increased rate in mileage reimbursement for the period of January 15 - June 27, 2014, resulted in a total additional cost to the Agency of \$6,535.</p> <p>We recommend the Agency seek an Attorney General's opinion as to whether the Agency is exempt from the reimbursement rate per mile established by the CFO of the State. If the Attorney General opines that travel regulation R1-19-4-903 applies to the Agency, we recommend the Agency reduce the mileage reimbursement rate to \$0.42 per mile, as established by the CFO of the State. We further recommend the Agency seek reimbursement from all affected employees for all amounts reimbursed above the authorized rate.</p>
ALC Management Response:	The ALC will review the finding and determine whether to change policy to conform with the finding or to seek an Attorney General's opinion.
ALC Internal Audit Update:	ALC Management continues to review the finding and has not yet taken any further action.

**Arkansas Lottery Commission**  
**Instant & Fast Play Games**  
**December 2014**

Sales for the following instant games began December 02, 2014. No ending dates have been determined for these games.

**\$1 License 2 Win**

**\$2 Peng-Win!**

**\$3 Lucky 777**

**\$5 \$100,000 Taxes Paid**

Sales for the following Fast Play games began December 1, 2014. No ending dates have been determined for these games.

**\$1 Tic Tac Rock**

**\$2 Snowflake Melt**