



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>

December 10, 2013

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 November 2013. 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: Dr. George Hammons, Chairman, Arkansas Lottery Commission



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December 10, 2013

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 November 2013. The report contains the following information:

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Bishop Woosley
Director

Enclosures

cc: Dr. George Hammons, Chairman, Arkansas Lottery Commission

**Arkansas Lottery Commission Term Contracts for Goods and Services
November 1 through November 30, 2013**

1. On September 30, 2013, a Non-Exclusive Licensing Agreement was executed between Scientific Games International (“SGI”) and the Arkansas Lottery Commission (“ALC”). The Non-Exclusive Licensing Agreement allows the ALC to reproduce, use and make copies of Instant Game No. 218 “St. Louis Cardinals™” licensed property. A copy of the agreement was provided to the Arkansas Lottery Commission Legislative Oversight Committee on November 27, 2013.

2. On November 5, 2013, a Non-Exclusive Licensing Agreement was executed between Scientific Games International (“SGI”) and the Arkansas Lottery Commission (“ALC”). The Non-Exclusive Licensing Agreement allows the ALC to reproduce, use and make copies of Instant Game No. 210 “Popeye®” licensed property. A copy of the agreement was provided to the Arkansas Lottery Commission Legislative Oversight Committee on November 27, 2013.

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
November 2013**

1. Debt Set-Off:

| | | |
|----|---|---------------------|
| a. | Department of Finance and Administration | \$ 31,496.53 |
| b. | Office of Child Support Enforcement - Child Support | \$ 2,800.00 |
| | Total Debt Set-Off: | <u>\$ 34,296.53</u> |

2. Retailer losses for period November 1 through November 30, 2013: None.

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2013

| COUNTY | ARKANSAS 50/50 | CASH 3 | CASH 4 | DECADES OF DOLLARS | FAST PLAY | INSTANT SETTLEMENTS | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | RAFFLE | TOTAL SALES FOR COUNTY |
|------------|-------------------|-------------|-------------|-----------------------|-------------|------------------------|------------------|--------------------------|--------------|------------|---------------------------|
| ARKANSAS | \$15.00 | \$8,255.50 | \$9,536.00 | \$834.00 | \$17,714.00 | \$117,001.00 | \$7,121.00 | \$1,574.00 | \$15,032.00 | \$390.00 | \$177,472.50 |
| ASHLEY | \$35.00 | \$2,465.50 | \$1,342.50 | \$3,742.00 | \$17,854.00 | \$270,213.00 | \$21,156.00 | \$10,704.00 | \$33,163.00 | \$1,730.00 | \$362,405.00 |
| BAXTER | \$265.00 | \$3,383.00 | \$2,099.00 | \$7,892.00 | \$18,266.00 | \$617,193.00 | \$91,958.00 | \$15,186.00 | \$113,380.00 | \$7,230.00 | \$876,852.00 |
| BENTON | \$80.00 | \$2,130.50 | \$806.00 | \$1,306.00 | \$15,984.00 | \$306,534.00 | \$17,009.00 | \$4,322.00 | \$26,125.00 | \$3,350.00 | \$377,646.50 |
| BOONE | \$20.00 | \$831.00 | \$697.00 | \$502.00 | \$3,334.00 | \$108,600.00 | \$4,029.00 | \$1,695.00 | \$6,907.00 | \$390.00 | \$127,005.00 |
| BRADLEY | \$0.00 | \$1,213.50 | \$576.50 | \$402.00 | \$405.00 | \$32,100.00 | \$1,640.00 | \$853.00 | \$2,086.00 | \$50.00 | \$39,326.00 |
| CALHOUN | \$65.00 | \$569.00 | \$708.00 | \$1,250.00 | \$8,794.00 | \$198,790.00 | \$11,495.00 | \$2,961.00 | \$16,224.00 | \$850.00 | \$241,706.00 |
| CARROLL | \$25.00 | \$5,074.00 | \$4,068.50 | \$2,514.00 | \$2,065.00 | \$117,900.00 | \$24,908.00 | \$4,959.00 | \$42,308.00 | \$1,430.00 | \$205,251.50 |
| CHICOT | \$40.00 | \$2,038.00 | \$1,139.50 | \$1,308.00 | \$5,014.00 | \$250,171.00 | \$12,380.00 | \$2,823.00 | \$17,148.00 | \$1,310.00 | \$293,371.50 |
| CLARK | \$15.00 | \$305.50 | \$102.00 | \$452.00 | \$4,028.00 | \$81,486.00 | \$2,869.00 | \$613.00 | \$4,929.00 | \$280.00 | \$95,079.50 |
| CLAY | \$40.00 | \$1,419.50 | \$674.00 | \$2,316.00 | \$9,584.00 | \$214,947.00 | \$16,710.00 | \$8,764.00 | \$23,966.00 | \$2,030.00 | \$280,450.50 |
| CLEBURNE | \$15.00 | \$287.50 | \$340.00 | \$218.00 | \$2,800.00 | \$39,000.00 | \$2,951.00 | \$688.00 | \$3,682.00 | \$300.00 | \$50,281.50 |
| CLEVELAND | \$25.00 | \$11,000.50 | \$7,561.50 | \$1,206.00 | \$49,963.00 | \$193,200.00 | \$6,514.00 | \$3,331.00 | \$13,526.00 | \$520.00 | \$286,847.00 |
| COLUMBIA | \$40.00 | \$4,827.50 | \$2,696.00 | \$1,810.00 | \$15,671.00 | \$339,519.00 | \$17,131.00 | \$6,871.00 | \$22,750.00 | \$1,910.00 | \$413,225.50 |
| CONWAY | \$210.00 | \$8,806.00 | \$5,689.50 | \$3,896.00 | \$33,325.00 | \$964,908.00 | \$50,717.00 | \$13,175.00 | \$65,644.00 | \$3,630.00 | \$1,150,000.50 |
| CRAIGHEAD | \$70.00 | \$1,973.00 | \$766.50 | \$2,214.00 | \$2,794.00 | \$214,200.00 | \$28,955.00 | \$8,866.00 | \$39,979.00 | \$2,600.00 | \$302,417.50 |
| CRAWFORD | \$150.00 | \$14,114.00 | \$12,472.00 | \$3,668.00 | \$12,144.00 | \$415,817.00 | \$41,845.00 | \$9,527.00 | \$60,921.00 | \$2,620.00 | \$573,278.00 |
| CRITTENDEN | \$40.00 | \$2,187.00 | \$1,457.00 | \$612.00 | \$12,812.00 | \$163,693.00 | \$7,073.00 | \$3,971.00 | \$10,990.00 | \$500.00 | \$203,335.00 |
| CROSS | \$0.00 | \$2,039.00 | \$688.50 | \$476.00 | \$7,584.00 | \$116,400.00 | \$4,871.00 | \$1,844.00 | \$7,574.00 | \$630.00 | \$142,106.50 |
| DALLAS | \$35.00 | \$1,923.50 | \$653.00 | \$460.00 | \$742.00 | \$124,500.00 | \$7,845.00 | \$3,473.00 | \$11,334.00 | \$810.00 | \$151,775.50 |
| DESHA | \$30.00 | \$1,206.00 | \$679.50 | \$1,136.00 | \$4,977.00 | \$169,285.00 | \$8,537.00 | \$3,403.00 | \$14,619.00 | \$1,070.00 | \$204,942.50 |
| DREW | \$240.00 | \$8,841.50 | \$4,454.50 | \$6,944.00 | \$24,475.00 | \$923,485.00 | \$61,383.00 | \$19,541.00 | \$81,669.00 | \$8,530.00 | \$1,139,563.00 |
| FAULKNER | \$35.00 | \$614.50 | \$116.00 | \$1,196.00 | \$20,620.00 | \$101,400.00 | \$11,166.00 | \$2,824.00 | \$13,106.00 | \$730.00 | \$151,807.50 |
| FRANKLIN | \$20.00 | \$309.50 | \$122.00 | \$288.00 | \$847.00 | \$53,700.00 | \$2,844.00 | \$769.00 | \$4,345.00 | \$400.00 | \$63,644.50 |
| FULTON | \$250.00 | \$5,867.00 | \$5,311.00 | \$9,048.00 | \$41,069.00 | \$672,482.00 | \$68,276.00 | \$32,131.00 | \$95,079.00 | \$8,790.00 | \$938,303.00 |
| GARLAND | \$35.00 | \$215.00 | \$233.50 | \$700.00 | \$3,052.00 | \$109,262.00 | \$7,695.00 | \$2,852.00 | \$12,051.00 | \$780.00 | \$136,875.50 |
| GRANT | \$240.00 | \$1,100.00 | \$623.50 | \$1,756.00 | \$8,220.00 | \$443,256.00 | \$20,425.00 | \$5,130.00 | \$29,120.00 | \$2,440.00 | \$512,310.50 |
| GREENE | \$20.00 | \$22,001.00 | \$10,153.00 | \$766.00 | \$2,793.00 | \$232,233.00 | \$10,259.00 | \$3,313.00 | \$12,894.00 | \$850.00 | \$295,282.00 |
| HEMPSTEAD | \$70.00 | \$3,402.00 | \$1,133.50 | \$1,774.00 | \$7,807.00 | \$235,800.00 | \$14,946.00 | \$7,143.00 | \$21,691.00 | \$1,870.00 | \$295,636.50 |
| HOT SPRING | \$15.00 | \$8,255.50 | \$9,536.00 | \$834.00 | \$17,714.00 | \$117,001.00 | \$7,121.00 | \$1,574.00 | \$15,032.00 | \$390.00 | \$177,472.50 |

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2013

| COUNTY | ARKANSAS 50/50 | CASH 3 | CASH 4 | DECADES OF DOLLARS | FAST PLAY | INSTANT SETTLEMENTS | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | RAFFLE | TOTAL SALES FOR COUNTY |
|--------------|----------------|--------------|-------------|--------------------|--------------|---------------------|---------------|-----------------------|--------------|-------------|------------------------|
| HOWARD | \$30.00 | \$15,976.50 | \$4,752.50 | \$488.00 | \$4,819.00 | \$100,082.00 | \$7,027.00 | \$2,169.00 | \$8,211.00 | \$520.00 | \$144,075.00 |
| INDEPENDENCE | \$50.00 | \$4,124.50 | \$1,367.00 | \$2,088.00 | \$27,877.00 | \$504,201.00 | \$20,709.00 | \$8,931.00 | \$27,179.00 | \$6,360.00 | \$602,886.50 |
| IZARD | \$85.00 | \$285.00 | \$291.50 | \$562.00 | \$4,258.00 | \$71,216.00 | \$4,775.00 | \$1,310.00 | \$6,817.00 | \$460.00 | \$90,059.50 |
| JACKSON | \$25.00 | \$9,002.50 | \$4,318.50 | \$1,684.00 | \$7,482.00 | \$255,600.00 | \$12,651.00 | \$6,619.00 | \$15,323.00 | \$970.00 | \$313,675.00 |
| JEFFERSON | \$150.00 | \$37,585.00 | \$27,135.50 | \$6,466.00 | \$75,847.00 | \$1,165,318.00 | \$52,663.00 | \$27,012.00 | \$74,686.00 | \$5,590.00 | \$1,472,452.50 |
| JOHNSON | \$35.00 | \$580.50 | \$301.50 | \$854.00 | \$4,742.00 | \$168,600.00 | \$14,744.00 | \$3,277.00 | \$16,435.00 | \$1,170.00 | \$210,739.00 |
| LAFAYETTE | \$10.00 | \$2,816.50 | \$1,325.50 | \$364.00 | \$1,730.00 | \$57,600.00 | \$1,881.00 | \$900.00 | \$3,709.00 | \$180.00 | \$70,516.00 |
| LAWRENCE | \$40.00 | \$1,150.00 | \$263.00 | \$678.00 | \$6,507.00 | \$196,200.00 | \$5,860.00 | \$1,604.00 | \$8,153.00 | \$1,070.00 | \$221,525.00 |
| LEE | \$5.00 | \$2,667.50 | \$2,444.50 | \$156.00 | \$2,216.00 | \$76,049.00 | \$2,884.00 | \$397.00 | \$3,499.00 | \$60.00 | \$90,378.00 |
| LINCOLN | \$5.00 | \$588.00 | \$165.00 | \$288.00 | \$1,311.00 | \$78,600.00 | \$3,687.00 | \$2,304.00 | \$5,671.00 | \$420.00 | \$93,039.00 |
| LITTLE RIVER | \$0.00 | \$2,929.00 | \$1,969.00 | \$678.00 | \$389.00 | \$78,237.00 | \$4,275.00 | \$1,474.00 | \$5,274.00 | \$260.00 | \$95,485.00 |
| LOGAN | \$45.00 | \$505.50 | \$188.50 | \$1,222.00 | \$5,541.00 | \$171,170.00 | \$10,852.00 | \$3,921.00 | \$15,597.00 | \$1,480.00 | \$210,522.00 |
| LONOKE | \$85.00 | \$9,669.00 | \$5,870.00 | \$5,120.00 | \$27,739.00 | \$772,858.00 | \$46,784.00 | \$15,707.00 | \$63,643.00 | \$4,740.00 | \$952,215.00 |
| MADISON | \$0.00 | \$94.00 | \$8.00 | \$336.00 | \$4,897.00 | \$41,250.00 | \$4,102.00 | \$953.00 | \$7,110.00 | \$340.00 | \$59,090.00 |
| MARION | \$15.00 | \$1,392.50 | \$290.50 | \$1,328.00 | \$4,826.00 | \$121,991.00 | \$6,499.00 | \$3,456.00 | \$11,887.00 | \$630.00 | \$152,315.00 |
| MILLER | \$90.00 | \$22,145.00 | \$7,481.50 | \$1,342.00 | \$7,182.00 | \$343,562.00 | \$17,092.00 | \$4,160.00 | \$20,729.00 | \$1,470.00 | \$425,253.50 |
| MISSISSIPPI | \$95.00 | \$40,164.00 | \$19,698.50 | \$1,284.00 | \$6,455.00 | \$410,030.00 | \$19,721.00 | \$3,979.00 | \$25,905.00 | \$950.00 | \$528,281.50 |
| MONROE | \$30.00 | \$2,560.00 | \$1,373.50 | \$426.00 | \$5,514.00 | \$101,700.00 | \$7,306.00 | \$2,210.00 | \$10,649.00 | \$410.00 | \$132,178.50 |
| MONTGOMERY | \$0.00 | \$7.00 | \$0.00 | \$152.00 | \$3,750.00 | \$16,200.00 | \$2,124.00 | \$641.00 | \$3,151.00 | \$120.00 | \$26,145.00 |
| NEVADA | \$25.00 | \$3,477.00 | \$815.00 | \$756.00 | \$7,859.00 | \$163,498.00 | \$5,540.00 | \$1,777.00 | \$7,163.00 | \$540.00 | \$191,450.00 |
| NEWTON | \$15.00 | \$89.50 | \$48.50 | \$224.00 | \$6,597.00 | \$44,400.00 | \$1,938.00 | \$946.00 | \$2,599.00 | \$230.00 | \$57,087.00 |
| OUACHITA | \$25.00 | \$10,875.50 | \$7,335.00 | \$1,146.00 | \$29,448.00 | \$396,900.00 | \$12,878.00 | \$5,773.00 | \$17,793.00 | \$2,050.00 | \$484,223.50 |
| PERRY | \$5.00 | \$476.50 | \$204.00 | \$428.00 | \$1,449.00 | \$76,924.00 | \$4,865.00 | \$1,522.00 | \$6,532.00 | \$670.00 | \$93,075.50 |
| PHILLIPS | \$60.00 | \$6,572.50 | \$4,615.50 | \$870.00 | \$3,852.00 | \$163,075.00 | \$15,134.00 | \$2,068.00 | \$25,198.00 | \$510.00 | \$221,955.00 |
| PIKE | \$35.00 | \$193.50 | \$53.50 | \$408.00 | \$3,802.00 | \$54,900.00 | \$4,561.00 | \$1,721.00 | \$6,716.00 | \$470.00 | \$72,860.00 |
| POINSETT | \$55.00 | \$5,113.50 | \$1,421.50 | \$864.00 | \$9,731.00 | \$337,198.00 | \$11,359.00 | \$5,465.00 | \$17,165.00 | \$710.00 | \$389,082.00 |
| POLK | \$10.00 | \$296.50 | \$51.00 | \$964.00 | \$970.00 | \$102,624.00 | \$9,068.00 | \$2,028.00 | \$13,775.00 | \$1,170.00 | \$130,956.50 |
| POPE | \$115.00 | \$4,185.00 | \$1,817.00 | \$3,854.00 | \$15,464.00 | \$627,638.00 | \$38,048.00 | \$12,027.00 | \$49,061.00 | \$4,440.00 | \$756,649.00 |
| PRAIRIE | \$10.00 | \$2,634.50 | \$1,041.00 | \$652.00 | \$2,202.00 | \$168,118.00 | \$5,049.00 | \$1,164.00 | \$7,814.00 | \$250.00 | \$188,934.50 |
| PULASKI | \$905.00 | \$102,512.00 | \$67,945.00 | \$34,928.00 | \$172,277.00 | \$4,486,027.00 | \$318,016.00 | \$120,550.00 | \$388,933.00 | \$30,690.00 | \$5,722,783.00 |
| RANDOLPH | \$10.00 | \$34.00 | \$42.00 | \$1,052.00 | \$2,742.00 | \$109,200.00 | \$6,332.00 | \$1,912.00 | \$8,348.00 | \$930.00 | \$130,602.00 |

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2013

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|---------------|----------------|-------------|-------------|--------------------|-------------|---------------------|---------------|-----------------------|--------------|------------|------------------------|
| SAINT FRANCIS | \$45.00 | \$6,806.00 | \$5,639.50 | \$882.00 | \$3,104.00 | \$189,740.00 | \$11,973.00 | \$3,332.00 | \$17,956.00 | \$520.00 | \$239,997.50 |
| SALINE | \$215.00 | \$9,049.50 | \$4,507.00 | \$7,374.00 | \$44,833.00 | \$840,833.00 | \$62,328.00 | \$23,730.00 | \$85,998.00 | \$7,730.00 | \$1,086,597.50 |
| SCOTT | \$25.00 | \$174.00 | \$48.00 | \$328.00 | \$2,588.00 | \$80,948.00 | \$5,117.00 | \$1,572.00 | \$6,598.00 | \$340.00 | \$97,738.00 |
| SEARCY | \$5.00 | \$4,645.50 | \$1,028.00 | \$538.00 | \$2,199.00 | \$77,400.00 | \$3,449.00 | \$1,290.00 | \$5,429.00 | \$570.00 | \$96,553.50 |
| SEBASTIAN | \$545.00 | \$16,030.50 | \$5,719.50 | \$7,084.00 | \$18,268.00 | \$593,997.00 | \$76,350.00 | \$24,199.00 | \$99,604.00 | \$8,640.00 | \$850,437.00 |
| SEVIER | \$5.00 | \$2,907.50 | \$853.00 | \$362.00 | \$1,543.00 | \$78,967.00 | \$6,449.00 | \$1,504.00 | \$8,378.00 | \$580.00 | \$101,548.50 |
| SHARP | \$70.00 | \$699.50 | \$264.50 | \$776.00 | \$23,560.00 | \$179,710.00 | \$8,287.00 | \$3,749.00 | \$12,429.00 | \$1,380.00 | \$230,925.00 |
| STONE | \$5.00 | \$778.00 | \$250.00 | \$662.00 | \$2,769.00 | \$70,500.00 | \$4,188.00 | \$1,709.00 | \$6,395.00 | \$410.00 | \$87,666.00 |
| UNION | \$95.00 | \$36,608.50 | \$20,491.50 | \$2,494.00 | \$21,600.00 | \$540,684.00 | \$21,405.00 | \$5,874.00 | \$32,480.00 | \$1,180.00 | \$682,912.00 |
| VAN BUREN | \$15.00 | \$1,214.00 | \$305.50 | \$782.00 | \$1,649.00 | \$116,400.00 | \$7,290.00 | \$2,474.00 | \$12,096.00 | \$1,090.00 | \$143,315.50 |
| WASHINGTON | \$330.00 | \$12,989.00 | \$4,356.50 | \$9,086.00 | \$42,925.00 | \$1,035,257.00 | \$112,562.00 | \$25,069.00 | \$135,281.00 | \$9,400.00 | \$1,387,255.50 |
| WHITE | \$115.00 | \$4,489.00 | \$2,473.00 | \$3,946.00 | \$22,848.00 | \$938,713.00 | \$37,220.00 | \$13,775.00 | \$52,050.00 | \$4,170.00 | \$1,079,799.00 |
| WOODRUFF | \$10.00 | \$2,165.00 | \$433.00 | \$214.00 | \$2,959.00 | \$81,000.00 | \$4,651.00 | \$1,470.00 | \$6,255.00 | \$510.00 | \$99,667.00 |
| YELL | \$5.00 | \$648.00 | \$57.00 | \$1,022.00 | \$6,914.00 | \$132,985.00 | \$8,523.00 | \$3,104.00 | \$12,178.00 | \$990.00 | \$166,426.00 |

| | | | | | | | | | | | |
|---------------------|------------------------|----------------|----------------|----------------------------|-------------------|-----------------|-----------------------|-------------------------------|-------------------|----------------|-----------------|
| GRAND TOTALS | *Arkansas 50/50 | *Cash 3 | *Cash 4 | *Decades of Dollars | *Fast Play | *Instant | *Mega Millions | *Natural State Jackpot | *Powerball | *Raffle | *Totals |
| | \$5,700.00 | \$518,775.50 | \$298,815.50 | \$169,740.00 | \$1,027,915.00 | \$24,681,539.00 | \$1,647,899.00 | \$551,334.00 | \$2,219,643.00 | \$167,860.00 | \$31,289,221.00 |

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
November 2013**

There were 1,890 active retailers as of November 30, 2013.

**Arkansas Lottery Commission
Statement of Net Position
November 30, 2013**

ASSETS

| | |
|---|--------------------------------|
| Current assets: | |
| Cash and Cash Equivalents | \$ 4,634,483.22 |
| Restricted Assets: | |
| Cash and cash equivalents | 24,370,611.77 |
| Accounts receivable | 10,926,250.46 |
| Prepaid items | <u>85,539.00</u> |
| Total current assets | 40,016,884.45 |
| Noncurrent assets: | |
| Restricted assets: | |
| Cash and cash equivalents | 20,082,557.61 |
| Deposits with Multi-State Lottery Association | 1,837,330.00 |
| Capital assets: | |
| Equipment | 526,664.88 |
| Leasehold Improvements | 498,416.68 |
| Less accumulated depreciation | <u>(742,609.47)</u> |
| Total noncurrent assets | <u>22,202,359.70</u> |
| Total assets | <u><u>\$ 62,219,244.15</u></u> |

LIABILITIES

| | |
|---------------------------------|----------------------|
| Current liabilities: | |
| Accounts payable | \$ 583,116.20 |
| Prizes payable | 19,158,921.04 |
| Accrued and other liabilities | 1,143,997.33 |
| Due to other funds of the State | 1,281,794.42 |
| Payable to ADHE | 21,566,469.93 |
| Compensated absences | 326,906.20 |
| Unearned revenue | <u>253,158.12</u> |
| Total current liabilities | <u>44,314,363.24</u> |
| Long-Term liabilities: | |
| Net OPEB obligation | <u>1,023,635.88</u> |
| Total long-term liabilities | <u>1,023,635.88</u> |
| Total liabilities | <u>45,337,999.12</u> |

NET POSITION

| | |
|---|--------------------------------|
| Net position: | |
| Invested in capital assets | 282,472.09 |
| Restricted for: | |
| Scholarship shortfall fund | 20,000,000.00 |
| Retailer fidelity fund | 82,557.61 |
| Deposits with Multi-State Lottery Assn. | 1,837,330.00 |
| Unclaimed prize reserve | 2,804,141.84 |
| Unrestricted | <u>(8,125,256.51)</u> |
| Total net position | <u>16,881,245.03</u> |
| Total liabilities & net position | <u><u>\$ 62,219,244.15</u></u> |

Arkansas Lottery Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ended November 30, 2013

| | Current month | Year to date |
|---|-----------------------------|-----------------------------|
| Operating revenues: | | |
| Instant ticket sales | \$ 24,517,677.00 | \$ 126,563,257.00 |
| Online ticket sales | 6,678,487.00 | 37,118,384.50 |
| Retailer application, fidelity and service fees | 45,042.23 | 236,222.99 |
| Other revenue | <u>1,802.70</u> | <u>4,206.94</u> |
| Total operating revenues | <u>31,243,008.93</u> | <u>163,922,071.43</u> |
| Operating expenses: | | |
| Instant game prizes | 17,696,107.64 | 90,349,723.33 |
| Online game prizes | 3,394,947.25 | 19,385,132.12 |
| Retailer commissions | 1,738,269.65 | 9,121,584.25 |
| Gaming contract costs | 1,508,493.10 | 8,018,892.94 |
| Compensation and benefits | 490,125.09 | 2,318,211.50 |
| Marketing, advertising and promotions | 223,253.06 | 1,532,837.74 |
| General and administrative expenses | 142,711.05 | 651,551.38 |
| Services provided by ADHE | 68,333.00 | 341,665.00 |
| Services provided by Legislative Audit Agency | 22,900.00 | 114,500.00 |
| Legal and professional services | 0.00 | 256.10 |
| Depreciation | <u>15,179.89</u> | <u>75,899.47</u> |
| Total operating expenses | <u>25,300,319.73</u> | <u>131,910,253.83</u> |
| Operating income | 5,942,689.20 | 32,011,817.60 |
| Nonoperating revenue (expense): | | |
| Interest income | 20,613.28 | 117,652.76 |
| Other Non Operating Income | <u> </u> | <u> </u> |
| Income before transfers | 5,963,302.48 | 32,129,470.36 |
| Transfers to: | | |
| Trust Account for ADHE | (6,768,352.72) | (30,859,256.39) |
| Arkansas Department of Human Services | <u> </u> | <u> </u> |
| Transfers from: | | |
| Transfers from ADHE | <u> </u> | <u>0.00</u> |
| Change in net position | <u>\$ (805,050.24)</u> | <u>1,270,213.97</u> |
| Total net position - beginning | | <u>15,611,031.06</u> |
| Total net position - ending | | <u>\$ 16,881,245.03</u> |

Arkansas Lottery Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Five Months Ended November 31, 2013

| | CM Actual | % | CM Budget | % | CM Variance | YTD Actual | % | YTD Budget | % | YTD Variance |
|---|------------------------|---------------|------------------------|---------------|--------------------------|-------------------------|---------------|-------------------------|---------------|--------------------------|
| Operating Revenues | | | | | | | | | | |
| Instant Games | \$ 24,517,677.00 | 78.47 | \$ 30,208,333.00 | 80.68 | \$ (5,690,656.00) | \$ 126,563,257.00 | 77.21 | \$ 147,441,665.00 | 80.68 | \$ (20,878,408.00) |
| OnLine Games | 6,678,487.00 | 21.38 | 7,188,699.00 | 19.20 | (510,212.00) | 37,118,384.50 | 22.64 | 35,073,635.00 | 19.19 | 2,044,749.50 |
| Retailer application, fidelity | 45,042.23 | 0.14 | 44,167.00 | 0.12 | 875.23 | 236,222.99 | 0.14 | 220,833.00 | 0.12 | 15,389.99 |
| Other Revenue | 1,802.70 | 0.01 | 833.00 | 0.00 | 969.70 | 4,206.94 | 0.00 | 4,167.00 | 0.00 | 39.94 |
| Total Operating Revenues | 31,243,008.93 | 100.00 | 37,442,032.00 | 100.00 | (6,199,023.07) | 163,922,071.43 | 100.00 | 182,740,300.00 | 100.00 | (18,818,228.57) |
| Operating Expenses | | | | | | | | | | |
| Instant Game Prizes | 17,696,107.64 | 56.64 | 21,390,836.29 | 57.13 | (3,694,728.65) | 90,349,723.33 | 55.12 | 103,741,015.84 | 56.77 | (13,391,292.51) |
| On-Line Game Prizes | 3,394,947.25 | 10.87 | 3,652,449.71 | 9.75 | (257,502.46) | 19,385,132.12 | 11.83 | 17,731,091.22 | 9.70 | 1,654,040.90 |
| Retailer Commissions | 1,738,269.65 | 5.56 | 2,114,714.00 | 5.65 | (376,444.35) | 9,121,584.25 | 5.56 | 10,323,309.00 | 5.65 | (1,201,724.75) |
| Gaming Contract Costs | 1,508,493.10 | 4.83 | 1,926,996.00 | 5.15 | (418,502.90) | 8,018,892.94 | 4.89 | 9,404,656.00 | 5.15 | (1,385,763.06) |
| Staff Compensation & Benefits | 490,125.09 | 1.57 | 512,072.00 | 1.37 | (21,946.91) | 2,318,211.50 | 1.41 | 2,674,333.00 | 1.46 | (356,121.50) |
| Marketing, Advertising & Promo | 223,253.06 | 0.71 | 375,000.00 | 1.00 | (151,746.94) | 1,532,837.74 | 0.94 | 1,875,000.00 | 1.03 | (342,162.26) |
| General and administrative ex | 142,711.05 | 0.46 | 114,167.00 | 0.30 | 28,544.05 | 651,551.38 | 0.40 | 570,833.00 | 0.31 | 80,718.38 |
| Services Provided by Other Age | 91,233.00 | 0.29 | 129,166.00 | 0.34 | (37,933.00) | 456,165.00 | 0.28 | 645,833.00 | 0.35 | (189,668.00) |
| Legal and Professional Service | - | - | 2,083.00 | 0.01 | (2,083.00) | 256.10 | 0.00 | 10,416.00 | 0.01 | (10,159.90) |
| Capital asset depreciation | 15,179.89 | 0.05 | 15,417.00 | 0.04 | (237.11) | 75,899.47 | 0.05 | 77,083.00 | 0.04 | (1,183.53) |
| Total Operating Expenses | 25,300,319.73 | 80.98 | 30,232,901.00 | 80.75 | (4,932,581.27) | 131,910,253.83 | 80.47 | 147,053,570.06 | 80.47 | (15,143,316.23) |
| Operating Income | 5,942,689.20 | 19.02 | 7,209,131.00 | 19.25 | (1,266,441.80) | 32,011,817.60 | 19.53 | 35,686,729.94 | 19.53 | (3,674,912.34) |
| Non-Operating Revenue (Expenses) | - | | | | - | - | | | | - |
| Interest Income | 20,613.28 | 0.07 | 20,000.00 | 0.05 | 613.28 | 117,652.76 | 0.07 | 100,000.00 | 0.05 | 17,652.76 |
| Income before transfers | \$ 5,963,302.48 | 19.09 | \$ 7,229,131.00 | 19.31 | \$ (1,265,828.52) | \$ 32,129,470.36 | 19.60 | \$ 35,786,729.94 | 19.58 | \$ (3,657,259.58) |

**Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Five Months Ended November 30, 2013**

| | Year to date |
|---|---------------------------|
| Operating revenues: | |
| Instant ticket SETTLEMENTS | \$ 126,600,989.00 |
| Online ticket sales | 37,118,384.50 |
| A/R write-offs | |
| Retailer application, fidelity and service fees | 236,222.99 |
| Other revenue | <u>4,206.94</u> |
| Total operating revenues | <u>163,959,803.43</u> |

| | |
|---|----------------|
| Operating expenses: | |
| Instant game prizes SETTLEMENTS | 89,853,746.00 |
| Online game prizes | 19,385,132.12 |
| Retailer commissions | 9,121,584.25 |
| Gaming contract costs | 8,018,892.94 |
| Compensation and benefits | 2,318,211.50 |
| Marketing, advertising and promotions | 1,532,837.74 |
| General and administrative expenses | 651,551.38 |
| Services provided by ADHE | 341,665.00 |
| Services provided by Legislative Audit Agency | 114,500.00 |
| Legal and professional services | 256.10 |
| Current year Capital Asset cost | <u>0.00</u> |
| Total operating expenses | 131,338,377.03 |

Change in net proceeds from operations 32,621,426.40

| | |
|---|--|
| Nonoperating revenue (expense): | |
| Interest Income | 117,652.76 |
| Other Non Operating Income | |
| EDUCATION TRUST FUNDING-Current Year | (24,090,903.67) |
| Less Act 1180 Unclaimed Prizes | (1,804,141.84) |
| Less Transfer to ADHS | 0.00 |
| Less Current year Fidelity Fund fees | (11,970.92) restricted fund |
| Less Current year MUSL Reserves additions | (63,710.01) see 23-115-103(17) and (19)(A)&(B) |

NET PROCEEDS EARNED-Current Month \$ 6,768,352.72

| | Transfer | Interest | Total |
|--|-------------------------|----------------------|-------------------------|
| Totals | \$ 20,754,168.68 | \$ 812,301.25 | \$ 21,566,469.93 |
| July 2012 funding - 8/15/12 | \$ 4,727,442.68 | \$ 25,058.83 | \$ 4,752,501.51 |
| ADHE Refund for excess funding 8/7/12 | \$ 6,342,312.00 | | \$ 6,342,312.00 |
| August transfer to ADHE 8/10/12 | \$ (55,000,000.00) | | \$ (55,000,000.00) |
| June 2012 Audit Adjustments funding - 9/15/12 | \$ (72,247.92) | | \$ (72,247.92) |
| August 2012 funding - 9/15/12 | \$ 7,181,223.09 | \$ 12,062.84 | \$ 7,193,285.93 |
| September 2012 funding - 10/15/12 | \$ 6,576,892.46 | \$ 8,064.30 | \$ 6,584,956.76 |
| October 2012 funding - 11/15/12 | \$ 6,621,349.77 | \$ 11,516.26 | \$ 6,632,866.03 |
| November 2012 funding - 12/15/12 | \$ 8,429,441.15 | \$ 14,494.44 | \$ 8,443,935.59 |
| December 2012 funding - 1/15/13 | \$ 6,895,999.32 | \$ 18,261.36 | \$ 6,914,260.68 |
| January 2013 funding - 2/15/13 | \$ 6,516,869.09 | \$ 22,084.00 | \$ 6,538,953.09 |
| February transfer to ADHE 2/1/13 | \$ (45,000,000.00) | | \$ (45,000,000.00) |
| February transfer to ADHE 2/8/13 | \$ (10,000,000.00) | | \$ (10,000,000.00) |
| February 2013 funding - 3/15/13 | \$ 6,445,840.69 | \$ 1,278.08 | \$ 6,447,118.77 |
| March transfer to ADHE 3/22/13 | \$ (5,000,000.00) | | \$ (5,000,000.00) |
| March 2013 funding - 4/15/13 | \$ 9,773,520.45 | \$ 1,752.38 | \$ 9,775,272.83 |
| April 2013 funding - 5/15/13 | \$ 8,139,256.61 | \$ 4,210.72 | \$ 8,143,467.33 |
| May 2013 funding - 6/15/13 | \$ 9,886,108.67 | 8,239.18 | \$ 9,894,347.85 |
| June 2013 funding - 7/15/13 | \$ 3,539,162.77 | \$ 11,906.02 | \$ 3,551,068.79 |
| June 2013 Unclaimed Prize funding - 7/15/13 | \$ 5,040,413.97 | | \$ 5,040,413.97 |
| 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 |

Arkansas Lottery Commission
Unclaimed Prizes
November 30, 2013

| | Monthly | Year to Date |
|---|---------------|-----------------|
| 1. Unclaimed lottery prize money: | \$ 257,183.00 | \$1,804,141.84 |
| 2. Expenditures from unclaimed lottery prize money: | 0.00 | 0.00 |
| 3. Reserved for future prizes, promotions or reserves: | \$ 257,183.00 | \$1,804,141.84 |
| Deposits to net lottery proceeds from unclaimed Lottery prize money: | 0.00 | 0.00 |

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

November 1 through November 30, 2013

| Vendors | Goods or Services | Diversity Classification | November 2013 | FY 2014 Total |
|-------------------------------------|------------------------------|---------------------------------|----------------------|----------------------|
| Byrd Enterprises, Inc. | Lighting & Service Co. | Minority-owned | | \$379.50 |
| Goddess Products | Office Furniture/Supplies | Minority-owned | | \$1,780.90 |
| Northeast Arkansas Cleaning Service | Janitorial Services | Female-owned | \$479.60 | \$2,692.30 |
| Party Prints, Inc. | Advertising/Public Relations | Minority/Female-owned | | \$6,781.25 |
| Ride N Shine Detail | Auto Servicing | Minority-owned | \$27.25 | \$49.64 |
| SHI International Corporation | Computer Software | Female-owned | \$4,467.00 | \$15,206.08 |
| Trivia Marketing | Advertising/Public Relations | Female-owned | | \$6.54 |
| Totals | | | \$4,973.85 | \$26,896.21 |

INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

November 1 through November 30, 2013

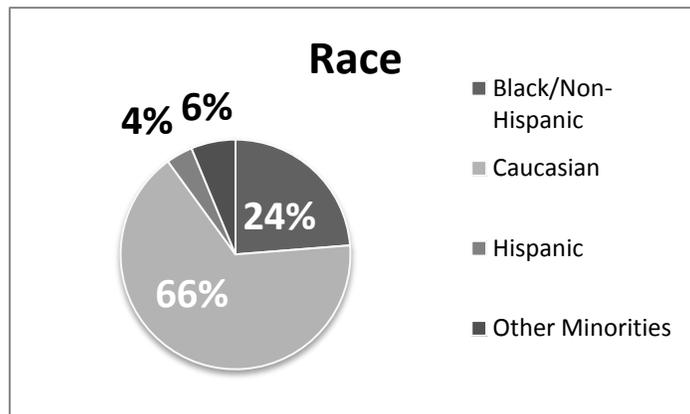
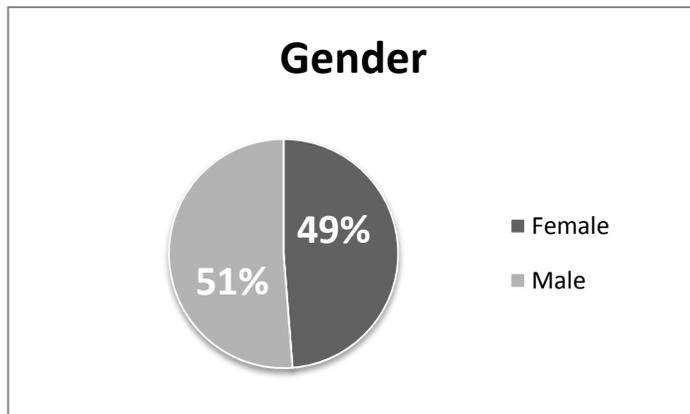
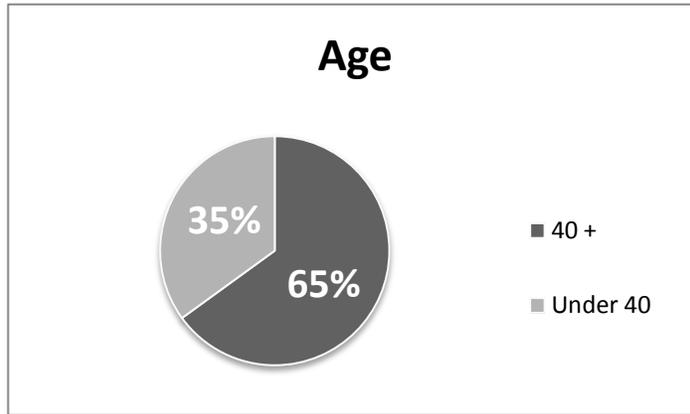
| Vendors | Goods or Services | Diversity Classification | November 2013 | FY 2014 Total |
|--|----------------------------------|---------------------------------|----------------------|----------------------|
| Goddess Products | Office Furniture/Supplies | Minority-owned | \$707.43 | \$707.43 |
| J Kelly Referrals and Information Services | Call Center/Information Services | Minority-owned | \$9,241.44 | \$54,727.92 |
| Totals | | | \$9,948.87 | \$55,435.35 |

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

November 1 through November 30, 2013

| Vendors | Goods or Services | Diversity Classification | November 2013 | FY 2014 Total |
|---|--------------------------|---------------------------------|----------------------|----------------------|
| Central Copiers | Office Equipment | Female-owned | | \$716.40 |
| Expedited Transportation Service | Transportation Services | Female-owned | \$14,313.01 | \$69,326.15 |
| Laser Express, Inc. | Computer Printer Supply | Minority-owned | | \$712.50 |
| Mr. Klean Carpet and Janitorial Service | Janitorial Services | Minority-owned | \$298.30 | \$1,491.50 |
| Totals | | | \$14,611.31 | \$72,246.55 |

**Arkansas Lottery Commission
Demographics – November 2013**



Total Number of Employees as of November 30, 2013: 80

Gender:

Females – 39
Males – 41

Age:

Under 40 – 28
40 + – 52

Race:

Black/Non-Hispanic – 19
Female – 13
Male - 6

Caucasian – 53
Female - 22
Male - 31

Hispanic – 3
Female - 2
Male - 1

Other – 5
Female - 2
Male - 3

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
December 10, 2013

On December 2, 2013, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of the three audits to members of the Arkansas Lottery Commission (ALC), as follows:

Claim Center Operations Audit

The audit centered on controls, procedures, and processes relative to the operations of the ALC's four Claim Centers, located throughout the State. Fieldwork included review of documentation and information generated throughout fiscal year 2013 and through November 2013 (fiscal year 2014).

The following observation was reported to the ALC:

- Need for improved maintenance procedures relative to the Ineligible Players List maintained to ensure that only eligible players claim a prize at the ALC's Claim Centers.

Internal Audit noted that due to personnel changes, information was missing or inaccurate relative to the three most recently-appointed commissioners because no updates were sought or made in order to keep the Ineligible Players List current. Additionally, an update submitted by an ALC employee to reflect a potential player that was formerly ineligible as eligible was not made to the list. Internal Audit recommended that the Human Resources Division be designated as having sole responsibility to gather and compile any updates to the Ineligible Players List for both commissioners and employees, submit those updates to the Security Division to be processed, and then confirm the requested updates have been made by reviewing the updated list. ALC Management has responded stating concurrence with Internal Audit's recommendation and that development of a process to address the observation is underway.

Back Office System (BOS) Administration Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Arkansas Lottery Commission Legislative Oversight Committee on May 10, 2013. Follow-up procedures centered on ALC Management's implementation of controls, procedures, and / or processes to address the observations noted in the initial audit of the BOS Administration process, and included review of reports and information generated through October 2013. Internal Audit concluded that ALC Management has effectively addressed Observations #1 through #4 from the initial audit, and had additional observations relating to Observations #5 and #6 from the initial audit, as follows:

1. Users with access levels that appeared to be outside the level of access needed for completion of their assigned job duties or presented potential segregation of duties issues.
2. Lack of evidence of review of the monthly user access / outside user confirmation review by either the Director or Deputy Director of the Security Division, as was suggested in the initial audit.

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
December 10, 2013

Relative to #1 above, Internal Audit extended testing to all users of BOS as part of the follow-up testing. Upon discussing what was observed as part of the follow-up testing with the Security Division, changes to access were immediately made within BOS, and Internal Audit verified that all suggested access changes brought to the attention of the Security Division were made.

Relative to #2 above, Internal Audit noted that while discussions with ALC Management indicate that ALC Management is reviewing the monthly user access / outside user confirmation process, no documentation exists to support this review, and as such, affirmed the initial recommendation that ALC Management formalize its review by sign-off on documentation already retained to evidence the user access / outside user confirmation review process taking place. ALC Management has indicated that steps have already been taken to formalize this review through signature on the packet of materials retained.

Accounting Close & Reporting Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Arkansas Lottery Commission Legislative Oversight Committee on July 10, 2013. Follow-up procedures centered on ALC Management's implementation of controls, procedures, and / or processes to address the observations noted in the initial audit of the Accounting Close & Reporting process, and included review of reports and information generated through October 2013. Internal Audit concluded that ALC Management as effectively implemented a process to track the timing and completion / review responsibilities relative to account reconciliations, and had an additional observation as a result of the follow-up procedures, as follows:

- A general ledger account reconciliation missing for two months of the current fiscal year for one account and no documentation to support the reconciliation process for another general ledger account.

Internal Audit recommended to ALC Management that a process be adopted whereby the CFO performs a completeness cross-check to ensure all account reconciliations listed on the document now used to track timing, completion, and review of account reconciliations have been completed as documented. ALC Management has responded stating that the CFO would perform a cross-check on an unannounced sample of accounts to verify existence of reconciliations included on the monthly tracking document.

For all of the observations noted for the three audits above, additional follow-up procedures are necessary for Internal Audit to consider them cleared. The Arkansas Lottery Commission Legislative Oversight Committee will be kept apprised of the results of follow-up procedures, once they are completed.

No additional items have been reported to the Arkansas Lottery Commission since the previous report submitted to the Arkansas Lottery Commission Legislative Oversight Committee on November 10, 2013.

Arkansas Lottery Commission
Instant & Fast Play Games
November 2013

Sales for the following instant games began November 5, 2013. No ending dates have been determined for these games.

\$1 Holiday Gold

\$2 Betty Boop™¹

\$5 Holiday Magic

\$10 Diamond 7's

¹Betty Boop™ is a licensed property game. There are no additional costs for this game.

Sales for the following Fast Play games began November 4, 2013. No ending dates have been determined for these games.

\$1 Holiday Cash

\$1 Candy Cane Cash