



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>

April 11, 2014

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



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April 11, 2014

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 March 2014. 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
March 1 through March 31, 2014**

On March 1, 2014, the Arkansas Lottery Commission (“ALC”) executed a Telecom Administration and Expense Management agreement with INSIGHT. This agreement covers the period March 1, 2014, through March 1, 2015 for an annual cost of \$1,350.00. Through this agreement INSIGHT reduces ALC’s annual telecommunication expenses and reduces the time ALC staff must work with telecommunication service providers.

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

1. Debt Set-Off:

a.	Department of Finance and Administration	\$ 43,775.46
b.	Office of Child Support Enforcement - Child Support	\$ 9,799.62
	Total Debt Set-Off:	<u>\$ 53,575.08</u>

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

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

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	DECADES OF DOLLARS	FAST PLAY	INSTANT SETTLEMENTS	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$55.00	\$6,348.50	\$6,845.00	\$1,866.00	\$23,252.00	\$559,627.00	\$24,330.00	\$21,053.00	\$20,979.00	\$664,355.50
ASHLEY	\$45.00	\$8,744.00	\$10,152.00	\$1,346.00	\$9,804.00	\$127,385.00	\$13,144.00	\$3,528.00	\$13,311.00	\$187,459.00
BAXTER	\$145.00	\$2,489.50	\$1,272.00	\$3,570.00	\$12,132.00	\$362,702.00	\$32,843.00	\$22,061.00	\$30,317.00	\$467,531.50
BENTON	\$390.00	\$3,354.00	\$1,996.50	\$8,526.00	\$27,596.00	\$898,175.00	\$150,807.00	\$32,023.00	\$108,168.00	\$1,231,035.50
BOONE	\$70.00	\$1,995.00	\$1,641.00	\$1,222.00	\$9,222.00	\$390,073.00	\$25,932.00	\$9,638.00	\$23,983.00	\$463,776.00
BRADLEY	\$15.00	\$1,203.50	\$1,035.00	\$616.00	\$4,154.00	\$159,300.00	\$6,174.00	\$3,536.00	\$5,980.00	\$182,013.50
CALHOUN	\$0.00	\$1,494.00	\$802.50	\$398.00	\$1,273.00	\$52,500.00	\$2,338.00	\$1,410.00	\$1,864.00	\$62,079.50
CARROLL	\$80.00	\$2,130.50	\$2,038.50	\$1,514.00	\$10,526.00	\$230,373.00	\$19,455.00	\$5,963.00	\$15,237.00	\$287,317.00
CHICOT	\$105.00	\$7,924.50	\$5,397.00	\$2,506.00	\$1,465.00	\$176,790.00	\$42,852.00	\$9,825.00	\$43,757.00	\$290,621.50
CLARK	\$150.00	\$3,443.50	\$1,611.50	\$1,454.00	\$11,586.00	\$352,514.00	\$19,649.00	\$8,276.00	\$17,929.00	\$416,613.00
CLAY	\$25.00	\$220.50	\$89.00	\$452.00	\$2,156.00	\$95,638.00	\$4,452.00	\$1,886.00	\$4,650.00	\$109,568.50
CLEBURNE	\$50.00	\$1,013.50	\$782.00	\$2,730.00	\$8,885.00	\$281,484.00	\$25,611.00	\$17,711.00	\$22,648.00	\$360,914.50
CLEVELAND	\$5.00	\$308.00	\$406.50	\$164.00	\$2,283.00	\$43,800.00	\$3,084.00	\$1,093.00	\$2,794.00	\$53,937.50
COLUMBIA	\$25.00	\$10,033.00	\$9,246.00	\$1,446.00	\$33,650.00	\$282,042.00	\$11,762.00	\$6,353.00	\$10,958.00	\$365,515.00
CONWAY	\$50.00	\$5,715.50	\$4,122.50	\$2,040.00	\$8,219.00	\$508,100.00	\$25,996.00	\$23,786.00	\$21,924.00	\$599,953.00
CRAIGHEAD	\$390.00	\$9,478.50	\$4,986.50	\$4,440.00	\$36,653.00	\$1,241,289.00	\$81,896.00	\$30,654.00	\$61,026.00	\$1,470,813.00
CRAWFORD	\$65.00	\$1,898.00	\$719.00	\$2,774.00	\$5,544.00	\$364,368.00	\$45,440.00	\$21,931.00	\$37,293.00	\$480,032.00
CRITTENDEN	\$190.00	\$16,616.00	\$14,799.50	\$4,028.00	\$10,723.00	\$549,338.00	\$69,261.00	\$16,975.00	\$56,211.00	\$738,141.50
CROSS	\$45.00	\$2,328.00	\$1,999.00	\$632.00	\$10,053.00	\$232,551.00	\$13,716.00	\$6,399.00	\$9,943.00	\$277,666.00
DALLAS	\$15.00	\$2,896.00	\$812.00	\$600.00	\$7,898.00	\$162,422.00	\$7,345.00	\$4,247.00	\$6,807.00	\$193,042.00
DESHA	\$40.00	\$2,064.00	\$915.00	\$762.00	\$8,905.00	\$171,600.00	\$11,478.00	\$7,312.00	\$11,530.00	\$214,606.00
DREW	\$40.00	\$954.00	\$706.50	\$1,542.00	\$2,402.00	\$227,271.00	\$13,861.00	\$7,825.00	\$14,298.00	\$268,899.50
FAULKNER	\$375.00	\$9,395.50	\$5,287.00	\$7,198.00	\$20,392.00	\$1,200,552.00	\$94,524.00	\$48,876.00	\$78,086.00	\$1,464,685.50
FRANKLIN	\$60.00	\$602.00	\$78.00	\$964.00	\$4,735.00	\$144,790.00	\$16,201.00	\$5,937.00	\$12,255.00	\$185,622.00
FULTON	\$5.00	\$338.00	\$124.00	\$362.00	\$698.00	\$52,667.00	\$5,109.00	\$1,389.00	\$4,218.00	\$64,910.00
GARLAND	\$265.00	\$7,467.00	\$8,087.00	\$10,556.00	\$45,831.00	\$939,107.00	\$109,186.00	\$76,154.00	\$95,887.00	\$1,292,540.00
GRANT	\$35.00	\$325.00	\$160.00	\$884.00	\$4,319.00	\$140,880.00	\$11,564.00	\$7,537.00	\$10,935.00	\$176,639.00
GREENE	\$100.00	\$1,072.00	\$752.50	\$1,730.00	\$10,682.00	\$598,264.00	\$32,347.00	\$11,680.00	\$26,421.00	\$683,048.50
HEMPSTEAD	\$75.00	\$25,743.00	\$8,886.50	\$1,018.00	\$4,188.00	\$385,799.00	\$16,172.00	\$5,505.00	\$12,804.00	\$460,190.50
HOT SPRING	\$135.00	\$2,557.00	\$997.50	\$1,960.00	\$9,727.00	\$382,929.00	\$23,076.00	\$14,434.00	\$21,367.00	\$457,182.50

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

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	DECADES OF DOLLARS	FAST PLAY	INSTANT SETTLEMENTS	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$40.00	\$20,333.50	\$7,326.00	\$822.00	\$7,978.00	\$210,557.00	\$12,321.00	\$4,776.00	\$8,824.00	\$272,977.50
INDEPENDENCE	\$110.00	\$3,962.50	\$755.50	\$2,636.00	\$28,290.00	\$688,579.00	\$30,674.00	\$20,787.00	\$26,359.00	\$802,153.00
IZARD	\$20.00	\$205.00	\$167.50	\$620.00	\$9,590.00	\$74,780.00	\$6,765.00	\$3,398.00	\$5,909.00	\$101,454.50
JACKSON	\$40.00	\$7,289.00	\$4,445.50	\$1,832.00	\$6,827.00	\$318,860.00	\$16,267.00	\$13,398.00	\$14,196.00	\$383,154.50
JEFFERSON	\$225.00	\$35,284.00	\$25,175.00	\$8,328.00	\$64,397.00	\$1,640,100.00	\$81,624.00	\$63,005.00	\$73,203.00	\$1,991,341.00
JOHNSON	\$120.00	\$588.50	\$525.50	\$1,124.00	\$7,456.00	\$211,002.00	\$17,578.00	\$8,332.00	\$15,500.00	\$262,226.00
LAFAYETTE	\$10.00	\$3,872.00	\$2,117.00	\$430.00	\$2,475.00	\$83,100.00	\$3,469.00	\$1,654.00	\$3,767.00	\$100,894.00
LAWRENCE	\$30.00	\$1,051.00	\$232.00	\$708.00	\$3,297.00	\$235,200.00	\$9,495.00	\$3,330.00	\$7,093.00	\$260,436.00
LEE	\$15.00	\$2,319.50	\$1,964.00	\$268.00	\$899.00	\$88,175.00	\$5,196.00	\$1,090.00	\$3,342.00	\$103,268.50
LINCOLN	\$10.00	\$619.50	\$223.00	\$428.00	\$2,250.00	\$111,300.00	\$6,098.00	\$5,380.00	\$5,653.00	\$131,961.50
LITTLE RIVER	\$20.00	\$3,962.50	\$3,000.00	\$638.00	\$3,647.00	\$117,808.00	\$6,869.00	\$1,990.00	\$4,683.00	\$142,617.50
LOGAN	\$70.00	\$688.50	\$128.50	\$1,296.00	\$5,060.00	\$223,935.00	\$14,677.00	\$6,146.00	\$14,738.00	\$266,739.00
LONOKE	\$175.00	\$10,386.00	\$10,923.00	\$5,746.00	\$36,661.00	\$1,095,961.00	\$73,837.00	\$40,177.00	\$62,488.00	\$1,336,354.00
MADISON	\$25.00	\$119.00	\$9.00	\$336.00	\$2,022.00	\$66,194.00	\$7,125.00	\$1,392.00	\$7,146.00	\$84,368.00
MARION	\$20.00	\$1,554.00	\$360.50	\$1,826.00	\$3,543.00	\$130,993.00	\$10,442.00	\$6,673.00	\$11,127.00	\$166,538.50
MILLER	\$80.00	\$23,302.00	\$9,019.50	\$1,616.00	\$9,768.00	\$480,691.00	\$27,571.00	\$8,442.00	\$20,100.00	\$580,589.50
MISSISSIPPI	\$295.00	\$41,372.50	\$16,594.50	\$1,620.00	\$6,882.00	\$547,551.00	\$35,935.00	\$8,015.00	\$25,673.00	\$683,938.00
MONROE	\$5.00	\$2,277.50	\$922.50	\$392.00	\$2,591.00	\$150,877.00	\$11,511.00	\$4,669.00	\$10,380.00	\$183,625.00
MONTGOMERY	\$0.00	\$13.50	\$3.50	\$322.00	\$6,461.00	\$37,351.00	\$3,923.00	\$1,457.00	\$3,665.00	\$53,196.00
NEVADA	\$45.00	\$4,404.00	\$983.00	\$1,112.00	\$11,144.00	\$267,313.00	\$9,340.00	\$3,878.00	\$6,371.00	\$304,590.00
NEWTON	\$15.00	\$80.00	\$31.00	\$196.00	\$3,643.00	\$66,587.00	\$2,946.00	\$1,983.00	\$2,932.00	\$78,413.00
OUACHITA	\$55.00	\$12,252.00	\$7,245.00	\$1,832.00	\$17,415.00	\$592,500.00	\$23,751.00	\$13,723.00	\$18,662.00	\$687,435.00
PERRY	\$5.00	\$736.00	\$465.50	\$456.00	\$1,220.00	\$89,400.00	\$7,499.00	\$3,976.00	\$6,995.00	\$110,752.50
PHILLIPS	\$70.00	\$6,707.00	\$3,910.50	\$1,234.00	\$4,339.00	\$226,800.00	\$29,200.00	\$4,221.00	\$26,020.00	\$302,501.50
PIKE	\$10.00	\$407.50	\$113.00	\$596.00	\$4,575.00	\$98,549.00	\$7,160.00	\$5,005.00	\$7,266.00	\$123,681.50
POINSETT	\$70.00	\$5,609.50	\$1,503.00	\$950.00	\$12,494.00	\$448,808.00	\$24,951.00	\$13,591.00	\$19,072.00	\$527,048.50
POLK	\$30.00	\$417.50	\$117.50	\$948.00	\$2,224.00	\$127,788.00	\$13,246.00	\$4,046.00	\$12,546.00	\$161,363.00
POPE	\$145.00	\$5,660.50	\$2,732.00	\$4,492.00	\$10,694.00	\$821,774.00	\$60,513.00	\$30,496.00	\$46,139.00	\$982,645.50
PRAIRIE	\$100.00	\$2,391.50	\$1,130.00	\$546.00	\$3,925.00	\$225,789.00	\$9,103.00	\$3,835.00	\$7,259.00	\$254,078.50
PULASKI	\$1,310.00	\$107,186.00	\$66,987.00	\$40,250.00	\$199,269.00	\$6,203,525.00	\$483,617.00	\$282,253.00	\$370,573.00	\$7,754,970.00
RANDOLPH	\$35.00	\$50.50	\$23.50	\$962.00	\$2,792.00	\$159,035.00	\$9,545.00	\$2,996.00	\$7,538.00	\$182,977.00

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

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	DECADES OF DOLLARS	FAST PLAY	INSTANT SETTLEMENTS	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$20.00	\$9,270.00	\$6,475.50	\$888.00	\$4,240.00	\$271,945.00	\$19,962.00	\$6,470.00	\$16,210.00	\$335,480.50
SALINE	\$275.00	\$8,235.50	\$3,650.50	\$8,282.00	\$27,208.00	\$1,157,758.00	\$99,207.00	\$60,077.00	\$81,942.00	\$1,446,635.00
SCOTT	\$35.00	\$320.50	\$63.00	\$308.00	\$3,254.00	\$95,901.00	\$7,132.00	\$2,466.00	\$6,601.00	\$116,080.50
SEARCY	\$5.00	\$500.00	\$442.50	\$408.00	\$484.00	\$89,769.00	\$5,031.00	\$2,549.00	\$4,630.00	\$103,818.50
SEBASTIAN	\$425.00	\$18,474.00	\$6,854.50	\$7,444.00	\$16,727.00	\$804,884.00	\$114,348.00	\$45,321.00	\$89,911.00	\$1,104,388.50
SEVIER	\$20.00	\$2,472.50	\$628.00	\$450.00	\$1,883.00	\$124,354.00	\$10,637.00	\$3,141.00	\$7,784.00	\$151,369.50
SHARP	\$65.00	\$656.50	\$253.00	\$1,062.00	\$18,849.00	\$184,910.00	\$12,363.00	\$5,638.00	\$12,433.00	\$236,229.50
STONE	\$60.00	\$989.50	\$302.50	\$698.00	\$4,662.00	\$89,700.00	\$6,948.00	\$4,040.00	\$6,347.00	\$113,747.00
UNION	\$135.00	\$41,276.50	\$23,249.50	\$2,458.00	\$15,953.00	\$809,332.00	\$37,137.00	\$10,629.00	\$33,639.00	\$973,809.00
VAN BUREN	\$30.00	\$1,225.00	\$304.00	\$1,156.00	\$5,296.00	\$155,400.00	\$16,530.00	\$6,124.00	\$12,045.00	\$198,110.00
WASHINGTON	\$545.00	\$15,676.00	\$5,790.50	\$10,150.00	\$44,735.00	\$1,390,887.00	\$168,438.00	\$49,574.00	\$122,469.00	\$1,808,264.50
WHITE	\$125.00	\$5,145.00	\$2,184.50	\$4,742.00	\$24,385.00	\$1,194,026.00	\$60,144.00	\$36,075.00	\$50,448.00	\$1,377,274.50
WOODRUFF	\$15.00	\$3,241.50	\$341.00	\$462.00	\$1,228.00	\$107,638.00	\$6,228.00	\$3,292.00	\$6,034.00	\$128,479.50
YELL	\$20.00	\$676.50	\$97.00	\$808.00	\$4,723.00	\$197,100.00	\$13,989.00	\$6,939.00	\$12,090.00	\$236,442.50

GRAND TOTALS	*Arkansas 50/50	*Cash 3	*Cash 4	*Decades of Dollars	*Fast Play	*Instant	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$8,020.00	\$553,412.50	\$316,516.00	\$193,178.00	\$1,006,408.00	\$33,828,816.00	\$2,599,947.00	\$1,251,446.00	\$2,121,382.00	\$41,879,125.50

*Estimates

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

There were 1,887 active retailers as of March 31, 2014.

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

ASSETS

Current assets:	
Cash and Cash Equivalents	\$ 3,036,544.34
Restricted Assets:	
Cash and cash equivalents	12,740,455.41
Accounts receivable	12,432,148.56
Prepaid items	<u>50,536.17</u>
Total current assets	28,259,684.48
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	14,013,105.24
Deposits with Multi-State Lottery Association	1,922,260.47
Capital assets:	
Equipment	623,493.96
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(806,556.71)</u>
Total noncurrent assets	<u>16,250,719.64</u>
Total assets	<u><u>\$ 44,510,404.12</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 1,494,246.24
Prizes payable	16,704,892.08
Accrued and other liabilities	990,111.30
Due to other funds of the State	647,610.74
Payable to ADHE	1,248,158.55
Compensated absences	255,019.92
Unearned revenue	<u>352,267.02</u>
Total current liabilities	<u>21,692,305.85</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>22,715,941.73</u>

NET POSITION

Net position:	
Invested in capital assets	315,353.93
Restricted for:	
Scholarship shortfall fund	20,000,000.00
Retailer fidelity fund	89,179.75
Deposits with Multi-State Lottery Assn.	1,922,260.47
Unclaimed prize reserve	5,416,222.35
Unrestricted	<u>(5,948,554.11)</u>
Total net position	<u>21,794,462.39</u>
Total liabilities & net position	<u><u>\$ 44,510,404.12</u></u>

Arkansas Lottery Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Nine Months Ended March 31, 2014

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$ 33,133,930.00	80.31	\$ 35,719,696.00	82.56	\$ (2,585,766.00)	\$ 240,468,892.00	77.39	\$ 279,793,822.00	81.15	\$ (39,324,930.00)
OnLine Games	8,072,226.00	19.57	7,500,592.00	17.34	571,634.00	69,839,311.50	22.48	64,596,643.00	18.73	5,242,668.50
Retailer application, fidelity	49,984.24	0.12	44,167.00	0.10	5,817.24	424,000.15	0.14	397,500.00	0.12	26,500.15
Other Revenue	<u>2,175.28</u>	0.01	<u>833.00</u>	0.00	<u>1,342.28</u>	<u>8,439.17</u>	0.00	<u>7,500.00</u>	0.00	<u>939.17</u>
Total Operating Revenues	<u>41,258,315.52</u>	100.00	<u>43,265,288.00</u>	100.00	<u>(2,006,972.48)</u>	<u>310,740,642.82</u>	100.00	<u>344,795,465.00</u>	100.00	<u>(34,054,822.18)</u>
Operating Expenses										
Instant Game Prizes	23,516,316.63	57.00	25,318,410.51	58.52	(1,802,093.88)	170,831,303.93	54.98	197,167,768.49	57.18	(26,336,464.56)
On-Line Game Prizes	4,024,418.26	9.75	3,838,137.49	8.87	186,280.77	36,577,825.43	11.77	32,755,065.58	9.50	3,822,759.85
Retailer Commissions	2,339,636.11	5.67	2,446,505.00	5.65	(106,868.89)	17,378,512.16	5.59	19,484,467.00	5.65	(2,105,954.84)
Gaming Contract Costs	2,101,902.82	5.09	2,227,057.00	5.15	(125,154.18)	15,428,943.93	4.97	17,745,766.00	5.15	(2,316,822.07)
Staff Compensation & Benefits	408,925.25	0.99	512,070.00	1.18	(103,144.75)	4,064,451.56	1.31	4,768,202.00	1.38	(703,750.44)
Marketing, Advertising & Promo	410,949.31	1.00	375,000.00	0.87	35,949.31	3,255,615.72	1.05	3,375,000.00	0.98	(119,384.28)
General and administrative ex	110,780.50	0.27	114,166.00	0.26	(3,385.50)	1,040,391.32	0.33	1,027,499.00	0.30	12,892.32
Services Provided by Other Age	68,333.00	0.17	129,167.00	0.30	(60,834.00)	754,077.00	0.24	1,162,500.00	0.34	(408,423.00)
Legal and Professional Service	-	-	2,084.00	0.00	(2,084.00)	2,257.42	0.00	18,750.00	0.01	(16,492.58)
Capital asset depreciation	<u>16,793.71</u>	0.04	<u>15,417.00</u>	0.04	<u>1,376.71</u>	<u>139,846.71</u>	0.05	<u>138,750.00</u>	0.04	<u>1,096.71</u>
Total Operating Expenses	<u>32,998,055.59</u>	79.98	<u>34,978,014.00</u>	80.85	<u>(1,979,958.41)</u>	<u>249,473,225.18</u>	80.28	<u>277,643,768.07</u>	80.52	<u>(28,170,542.89)</u>
Operating Income	<u>8,260,259.93</u>	20.02	<u>8,287,274.00</u>	19.15	<u>(27,014.07)</u>	<u>61,267,417.64</u>	19.72	<u>67,151,696.93</u>	19.48	<u>(5,884,279.29)</u>
Interest Income	11,795.39	0.03	20,000.00	0.05	(8,204.61)	195,911.72	0.06	180,000.00	0.05	15,911.72
Non-Operating Revenue (Expenses)	<u>213,546.98</u>				<u>213,546.98</u>	<u>461,046.98</u>				<u>461,046.98</u>
Income before transfers	<u>\$ 8,485,602.30</u>	20.57	<u>\$ 8,307,274.00</u>	19.20	<u>\$ 178,328.30</u>	<u>\$ 61,924,376.34</u>	19.93	<u>\$ 67,331,696.93</u>	19.53	<u>\$ (5,407,320.59)</u>

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

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 240,166,787.00
Online ticket sales	69,839,311.50
Retailer application, fidelity and service fees	424,000.15
Other revenue	<u>8,439.17</u>
 Total operating revenues	 <u>310,438,537.82</u>
 Operating expenses:	
Instant game prizes SETTLEMENTS	172,172,192.00
Online game prizes	36,577,825.43
Retailer commissions	17,378,512.16
Gaming contract costs	15,428,943.93
Compensation and benefits	4,064,451.56
Marketing, advertising and promotions	3,255,615.72
General and administrative expenses	1,040,391.32
Services provided by ADHE	614,997.00
Services provided by Legislative Audit Agency	139,080.00
Legal and professional services	2,257.42
Current year Capital Asset cost	<u>96,829.08</u>
Total operating expenses	<u>250,771,095.62</u>
 Change in net proceeds from operations	 59,667,442.20
 Nonoperating revenue (expense):	
Interest Income	195,911.72
Other Non Operating Income	461,046.98
EDUCATION TRUST FUNDING-Current Year	(48,216,711.95)
Less Act 1180 Unclaimed Prizes	(4,416,222.35)
Less Transfer to ADHS	(200,000.00)
Less Current year Fidelity Fund fees	(18,593.06) restricted fund
Less Current year MUSL Reserves additions	<u>(148,640.48) see 23-115-103(17) and (19)(A)&(B)</u>

NET PROCEEDS EARNED-Current Month

\$ 7,324,233.06

Totals	Transfer	Interest	Total
\$	\$	\$	\$
	413,466.98	834,691.57	<u>1,248,158.55</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)

Arkansas Lottery Commission
Unclaimed Prizes
March 31, 2014

	Monthly	Year to Date
1. Unclaimed lottery prize money:	\$ 642,143.62	\$4,416,222.35
2. Expenditures from unclaimed lottery prize money:	0.00	0.00
3. Reserved for future prizes, promotions or reserves:	\$ 642,143.62	\$4,416,222.35
Deposits to net lottery proceeds from unclaimed Lottery prize money:	0.00	0.00

ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
March 1 through March 31, 2014

Vendors	Goods or Services	Diversity Classification	March 2014	FY 2014 Total
Byrd Enterprises, Inc.	Lighting & Service Co.	Minority-owned		\$379.50
Goddess Products	Office Furniture/Supplies	Minority-owned	\$303.92	\$2,817.92
Government Supply Services, inc.	Office Products	Minority-owned	\$250.65	\$1,137.13
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned	\$615.85	\$4,883.20
Party Prints, Inc.	Advertising/Public Relations	Minority/Female-owned	\$9,401.25	\$16,182.50
Ride N Shine Detail	Auto Servicing	Minority-owned		\$49.64
SHI International Corporation	Computer Software	Female-owned		\$17,606.08
Sign Express dba Archway Graphics	Advertising/Public Relations	Female-owned	\$6,540.00	\$6,540.00
Trivia Marketing	Advertising/Public Relations	Female-owned		\$450.45
Totals			\$17,111.67	\$50,046.42

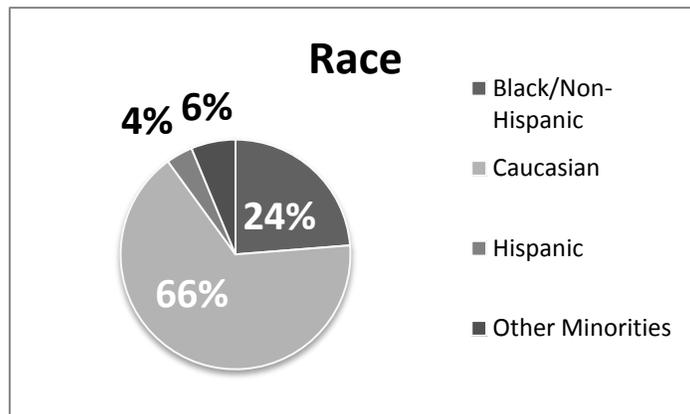
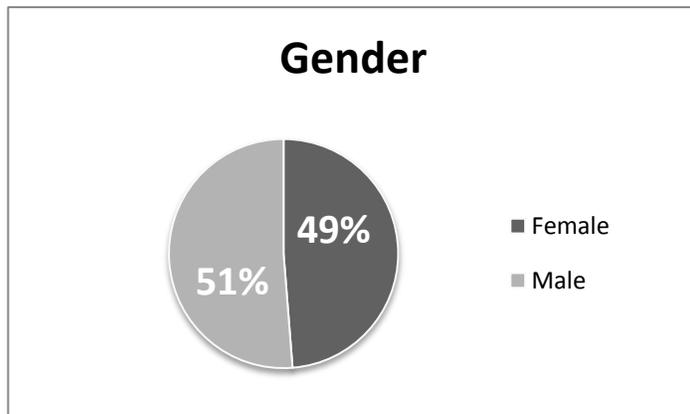
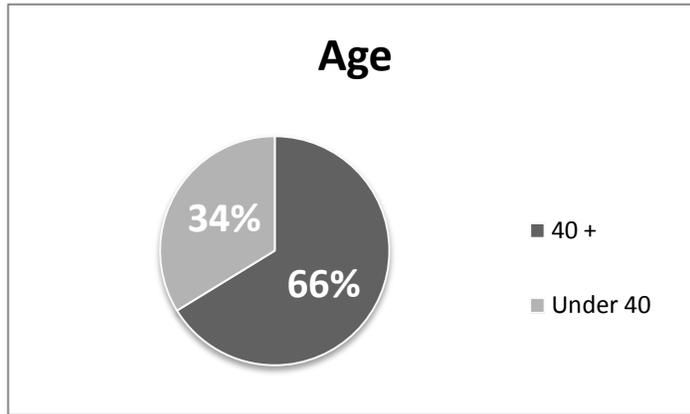
INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
March 1 through March 31, 2014

Vendors	Goods or Services	Diversity Classification	March 2014	FY 2014 Total
Goddess Products	Office Furniture/Supplies	Minority-owned		\$1,492.56
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,412.70	\$95,207.46
Totals			\$10,412.70	\$96,700.02

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
March 1 through March 31, 2014

Vendors	Goods or Services	Diversity Classification	March 2014	FY 2014 Total
Central Copiers	Office Equipment	Female-owned		\$716.40
Expedited Transportation Service	Transportation Services	Female-owned	\$1,312.92	\$109,636.97
Laser Express, Inc.	Computer Printer Supply	Minority-owned		\$712.50
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned		\$2,516.40
Premier Staffing	Staffing Services	Female-owned	\$2,663.00	\$4,283.60
Totals			\$3,975.92	\$117,865.87

**Arkansas Lottery Commission
Demographics – March 2014**



Total Number of Employees as of March 31, 2014: 80

Gender:

Females – 39
Males – 41

Age:

Under 40 – 27
40 + – 53

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
April 11, 2014

On March 19, 2014, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of the Points for Prizes and Play It Again Audit to members of the Arkansas Lottery Commission (ALC).

The audit centered on controls, procedures, and processes relative to the ALC's Points for Prizes and Play It Again programs (administered through the player loyalty website know as "The Club"). Fieldwork included review of documentation and information generated throughout fiscal years 2013 and 2014.

The following observation was reported to members of the ALC:

- No current SOC 2 or equivalent audit of MDI, a subsidiary of Scientific Games International (SGI) under contract with the ALC, focusing on activities and operations undertaken to administer portions of the ALC's player loyalty programs.

ALC Management has requested that MDI undergo a SOC 2 audit, and MDI / SGI has agreed that such an audit will be conducted. A SOC 2 audit engagement of MDI's operations, focusing on the AICPA Trust Services Security Principle is currently underway. MDI / SGI has agreed to such audit at their cost; there is no known contract requirement for such an audit. Internal Audit recommended that ALC Management actively pursue and encourage current audit efforts, that such future audits also address the Availability, Processing Integrity, and Privacy Trust Services Principles, and that this audit requirement be incorporated into any future extension or replacement of ALC contracts for player loyalty program services. ALC Management has responded stating that the current SOC 2 audit underway will cover the period through June 30, 2014 and that audit results should be made available to the ALC at some point thereafter in 2014. Further, ALC Management agreed with Internal Audit's recommendation that the ALC should make this audit a requirement in either the extension or replacement of the vendor contract that governs the player loyalty programs that are set to expire in August of 2016, and that such audit requirements incorporated into the applicable vendor contract should specifically state which AICPA Trust Service Principles need to be covered.

Additional follow-up procedures are necessary for Internal Audit to consider the observation 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 March 10, 2014.

Arkansas Lottery Commission
Instant & Fast Play Games
March 2014

Sales for the following instant games began March 4, 2014. No ending dates have been determined for these games.

\$1 10X The Cash

\$2 20X The Cash

\$5 50X The Cash

\$10 100X The Cash

Sales for the following Fast Play games began March 3, 2014. No ending dates have been determined for these games.

\$1 Jumbo Bucks

\$2 Smokin' Hot Dice