



"A Natural State of Fun!"

**Arkansas Lottery
Commission**

**Ray Thornton,
Chair**

**Diane Lamberth,
Vice Chair**

**Derrick W. Smith,
Secretary/Treasurer**

George Hammons

Mike Malone

Ben Pickard

Patty L. Shipp

Susan Ward-Jones

Joe White

**Ernie Passailaigue,
Executive Director**

May 7, 2010

The Honorable David Johnson, Chair
Arkansas Lottery Commission Legislative Oversight Committee
433 State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Johnson:

On behalf of our agency and the Commissioners of the Arkansas Scholarship Lottery, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of April, 2010. 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. Arkansas Scholarship Lottery Minority- and Female-owned Business Report
12. Arkansas Scholarship Lottery Vendor Minority- and Female-owned Business Report
13. Arkansas Scholarship Lottery Demographics

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

Respectfully submitted,

Ernie Passailaigue
Director, Arkansas Lottery Commission

Enclosures

cc: Mr. Ray Thornton, Chairman
Arkansas Lottery Commission



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Director, Arkansas Lottery Commission

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cc: Mr. Ray Thornton, Chairman
Arkansas Lottery Commission

**Arkansas Lottery Commission
Term Contracts for Goods and Services
April 1 through April 30, 2010**

Vendor	Address	Contract Amount	Commodity	Minority- or Female-Owned Vendor	Term/Dates of Contract
K&M Cleaning	141 Gatling St. Camden, AR 71701	\$145.00 monthly	Janitorial services/ Camden Claims Center	No	Monthly

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
April 2010**

1. Retailer losses for period April 1 through April 30, 2010:

There were no retailer losses for the month of April 2010.

2. Debt Set-Off:

- a. Office of Child Support Enforcement - Child Support: \$1,000.00
- b. Department of Finance and Administration - Other Taxes: \$2,700.00

Total Debt Set-Off: \$3,700.00

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
April 1 through April 30, 2010

COUNTY	INSTANT SETTLES	CASH 3	POWERBALL	MEGA MILLIONS	TOTAL SALES FOR COUNTY
ARKANSAS	\$461,805	\$9,678.50	\$44,093	\$22,513	\$538,090
ASHLEY	\$83,549	\$10,681.00	\$16,646	\$6,595	\$117,471
BAXTER	\$258,597	\$7,197.00	\$50,022	\$17,113	\$332,929
BENTON	\$770,514	\$4,917.00	\$181,494	\$61,927	\$1,018,852
BOONE	\$294,827	\$3,761.00	\$30,086	\$11,861	\$340,535
BRADLEY	\$85,653	\$1,641.00	\$11,026	\$5,495	\$103,815
CALHOUN	\$52,895	\$1,251.00	\$6,109	\$2,645	\$62,900
CARROLL	\$175,213	\$1,689.50	\$27,065	\$7,856	\$211,824
CHICOT	\$138,848	\$4,624.50	\$38,631	\$15,572	\$197,676
CLARK	\$379,879	\$4,506.00	\$37,025	\$18,007	\$439,417
CLAY	\$73,632	\$601.00	\$5,375	\$2,117	\$81,725
CLEBURNE	\$309,172	\$4,489.00	\$58,345	\$25,767	\$397,773
CLEVELAND	\$106,991	\$1,113.00	\$13,473	\$5,977	\$127,554
COLUMBIA	\$184,830	\$12,131.00	\$18,337	\$6,310	\$221,608
CONWAY	\$405,725	\$10,392.00	\$53,676	\$26,325	\$496,118
CRAIGHEAD	\$920,030	\$12,038.50	\$104,076	\$40,351	\$1,076,495
CRAWFORD	\$441,189	\$6,149.50	\$97,634	\$33,001	\$577,973
CRITTENDEN	\$475,248	\$16,294.00	\$86,942	\$29,271	\$607,755
CROSS	\$176,415	\$3,928.50	\$21,750	\$8,382	\$210,476
DALLAS	\$227,807	\$3,570.00	\$21,032	\$12,359	\$264,768
DESHA	\$219,993	\$1,618.00	\$22,374	\$11,006	\$254,991
DREW	\$193,245	\$2,764.50	\$25,953	\$11,496	\$233,459
FAULKNER	\$1,265,227	\$18,147.00	\$193,037	\$96,279	\$1,572,690
FRANKLIN	\$185,732	\$1,280.50	\$25,446	\$8,545	\$221,003
FULTON	\$57,703	\$703.50	\$6,034	\$2,375	\$66,816
GARLAND	\$856,961	\$10,802.00	\$202,201	\$93,420	\$1,163,384
GRANT	\$140,351	\$1,943.50	\$25,546	\$12,891	\$180,731
GREENE	\$420,358	\$4,943.50	\$44,748	\$13,857	\$483,907
HEMPSTEAD	\$289,718	\$30,565.00	\$25,269	\$11,506	\$357,058
HOT SPRING	\$297,532	\$5,477.00	\$45,145	\$22,032	\$370,186
HOWARD	\$141,854	\$11,904.00	\$11,381	\$5,602	\$170,741
INDEPENDENCE	\$569,615	\$4,583.50	\$58,957	\$26,729	\$659,885
IZARD	\$95,270	\$314.00	\$11,323	\$4,852	\$111,759
JACKSON	\$282,505	\$13,507.00	\$30,022	\$14,935	\$340,969
JEFFERSON	\$1,460,336	\$60,862.50	\$164,543	\$87,339	\$1,773,081
JOHNSON	\$227,206	\$1,941.50	\$40,381	\$15,582	\$285,111
LAFAYETTE	\$59,206	\$2,956.50	\$4,054	\$1,609	\$67,825
LAWRENCE	\$231,694	\$1,618.50	\$14,586	\$5,413	\$253,312
LEE	\$82,648	\$2,589.00	\$5,583	\$2,293	\$93,113
LINCOLN	\$134,941	\$635.00	\$13,571	\$7,011	\$156,158
LITTLE RIVER	\$63,714	\$2,414.50	\$6,601	\$3,204	\$75,933
LOGAN	\$253,353	\$1,929.00	\$36,217	\$12,510	\$304,009
LONOKE	\$966,357	\$10,924.50	\$138,321	\$66,856	\$1,182,459

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
April 1 through April 30, 2010

COUNTY	INSTANT SETTLES	CASH 3	POWERBALL	MEGA MILLIONS	TOTAL SALES FOR COUNTY
MADISON	\$168,902	\$215.50	\$12,095	\$4,394	\$185,606
MARION	\$146,362	\$2,817.50	\$19,421	\$7,149	\$175,749
MILLER	\$282,500	\$17,332.50	\$23,908	\$13,878	\$337,618
MISSISSIPPI	\$569,558	\$47,825.00	\$41,089	\$15,020	\$673,492
MONROE	\$113,603	\$5,303.00	\$18,451	\$9,881	\$147,238
MONTGOMERY	\$28,852	\$53.00	\$8,020	\$3,120	\$40,045
NEVADA	\$233,243	\$3,205.00	\$11,715	\$6,366	\$254,529
NEWTON	\$44,480	\$379.50	\$5,850	\$2,065	\$52,774
OUACHITA	\$431,872	\$14,051.50	\$39,636	\$18,962	\$504,521
PERRY	\$88,959	\$2,306.00	\$14,589	\$6,881	\$112,735
PHILLIPS	\$185,246	\$6,180.50	\$29,963	\$10,719	\$232,109
PIKE	\$128,930	\$329.50	\$16,175	\$9,046	\$154,481
POINSETT	\$477,554	\$8,433.00	\$31,061	\$11,726	\$528,774
POLK	\$104,976	\$1,192.50	\$28,126	\$9,020	\$143,314
POPE	\$727,901	\$8,222.00	\$118,738	\$51,974	\$906,835
PRAIRIE	\$124,723	\$5,789.00	\$13,545	\$7,303	\$151,360
PULASKI	\$6,328,801	\$181,866.50	\$888,420	\$479,525	\$7,878,284
RANDOLPH	\$144,859	\$590.50	\$11,880	\$4,053	\$161,382
SAINT FRANCIS	\$215,844	\$12,216.00	\$32,921	\$12,475	\$273,456
SALINE	\$1,179,909	\$11,199.00	\$209,519	\$104,912	\$1,505,539
SCOTT	\$109,696	\$699.00	\$15,005	\$5,136	\$130,536
SEARCY	\$89,486	\$4,301.50	\$10,428	\$5,054	\$109,269
SEBASTIAN	\$752,555	\$13,692.00	\$207,044	\$67,105	\$1,040,396
SEVIER	\$133,439	\$3,740.00	\$10,123	\$4,456	\$151,758
SHARP	\$201,961	\$1,205.00	\$22,699	\$8,887	\$234,752
STONE	\$89,260	\$1,427.50	\$14,639	\$5,415	\$110,741
UNION	\$459,521	\$43,466.00	\$45,757	\$18,669	\$567,413
VAN BUREN	\$183,929	\$1,564.00	\$33,596	\$13,319	\$232,408
WASHINGTON	\$1,312,444	\$19,503.00	\$253,523	\$85,906	\$1,671,376
WHITE	\$1,093,346	\$6,802.00	\$114,950	\$56,704	\$1,271,802
WOODRUFF	\$161,388	\$3,100.50	\$15,504	\$8,311	\$188,304
YELL	\$137,045	\$2,435.00	\$24,600	\$11,010	\$175,090
TOTALS	*Settle	*Cash 3	*Powerball	*Mega Millions	*GRAND TOTAL
	\$30,969,482	\$746,519.50	\$4,417,120	\$1,975,227	\$38,108,349

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
April 2010**

1. As of April 30, 2010, there were 1,918 active retailers.
2. As of April 30, 2010, there were 134 retailer applications pending approval.

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Ten Months Ending April 30, 2010

	Current Month	%	Year to Date	%
Revenues				
Instant Games	\$ 31,129,725.00	81.53	\$ 272,317,859.31	88.16
OnLine Games	6,978,135.50	18.28	35,887,131.00	11.62
A/R write-offs	0.00	0.00	0.00	0.00
Retailer service reimbursement	74,610.00	0.20	681,176.33	0.22
Other Revenue	<u>0.00</u>	0.00	<u>4,407.69</u>	0.00
Total Revenues	<u>38,182,470.50</u>	100.00	<u>308,890,574.33</u>	100.00
Direct Costs				
Instant Game Prizes	21,570,043.32	56.49	185,577,779.52	60.08
On-Line Game Prizes	3,516,168.24	9.21	17,619,980.42	5.70
Retailer Commissions	2,136,274.30	5.59	17,349,966.31	5.62
Instant Game Ticket Costs	526,092.87	1.38	4,602,814.38	1.49
Instant Game Validation Costs	40,941.33	0.11	420,390.75	0.14
Instant Game Services & Fees	118,524.48	0.31	925,572.48	0.30
OnLine Vendor costs	937,580.20	2.46	7,563,031.67	2.45
OnLine Gaming Services	0.00	0.00	194,822.12	0.06
OnLine Gaming Audit Services	<u>8,100.00</u>	0.02	<u>32,400.00</u>	0.01
Total Direct Costs	<u>28,853,724.74</u>	75.57	<u>234,286,757.65</u>	75.85
Gross Profit	<u>9,328,745.76</u>	24.43	<u>74,603,816.68</u>	24.15
Operating Expenses				
Marketing, Advertising & Promo	389,125.25	1.02	3,162,206.19	1.02
Retailer background checks	907.50	0.00	52,896.50	0.02
Staff Compensation & Benefits	537,828.03	1.41	4,518,650.53	1.46
Legal and Professional Fees	672.00	0.00	24,203.02	0.01
Office Lease and Improvements	36,846.51	0.10	253,797.81	0.08
Depreciation and Equipment Cos	27,843.96	0.07	491,390.23	0.16
Office Administrative Expenses	51,060.10	0.13	529,201.32	0.17
MSR/Staff Travel & Mileage	40,369.36	0.11	198,224.79	0.06
Commission & Executive Travel	128.52	0.00	11,863.94	0.00
Dues/Memberships	439.00	0.00	44,826.90	0.01
Training/Education	757.09	0.00	8,336.81	0.00
Property & Liability Insurance	0.00	0.00	57,077.00	0.02
Prior Year expenses	0.00	0.00	16,468.62	0.01
Winner travel reimbursements	0.00	0.00	12,491.10	0.00
Other Administrative Costs	<u>1,295.12</u>	0.00	<u>(12.67)</u>	(0.00)
Total Operating Expenses	<u>1,087,272.44</u>	2.85	<u>9,381,622.09</u>	3.04
Change in Net Assets from Operations	8,241,473.32	21.58	65,222,194.59	21.11
Non-Operating Income (Expense)				
Interest Income	29,182.17	0.08	110,182.54	0.04
NET PROCEEDS DUE TO EDUCATION	(8,270,655.49)	(21.66)	(65,132,377.13)	(21.09)
Gambling Education Funding	<u>0.00</u>	0.00	<u>(200,000.00)</u>	(0.06)
Change in Net Assets	<u>\$ 0.00</u>	0.00	<u>\$ 0.00</u>	0.00

*** The amount due to the Educational Trust Fund (ETF) is computed using accrual basis accounting, which includes Instant Game Revenues not yet due from retailers. The amount actually funded to the ETF is computed on cash basis Revenues due from retailers on Instant Game Settlements. This amount computes to \$67,611,796.20 thru April 2010.

UNAUDITED - Restricted for Internal Use

Arkansas Scholarship Commission
 Net Proceeds Transfer to Ed Trust Computation
 For the Ten Months Ending April 30, 2010

	Year to Date
Revenues	
Instant Games-SETTLES	\$ 262,202,911.00
OnLine Games	35,887,131.00
A/R write-offs	0.00
Retailer service reimbursement	681,176.33
Other Revenue	<u>4,407.69</u>
 Total Revenues	 <u>298,775,626.02</u>
 Direct Costs	
Instant Game Prizes-SETTLES	171,867,269.93
On-Line Game Prizes	17,619,980.42
Retailer Commissions	17,349,966.31
Instant Game Ticket Costs	4,602,814.38
Instant Game Validation Costs	420,390.75
Instant Game Services	925,572.48
OnLine Vendor costs	7,563,031.67
OnLine Gaming Services	194,822.12
OnLine Gaming Audit Services	<u>32,400.00</u>
 Total Direct Costs	 <u>220,576,248.06</u>
 Gross Profit	 <u>78,199,377.96</u>
 Operating Expenses	
Marketing, Advertising & Promo	3,162,206.19
Retailer background checks	52,896.50
Staff Compensation & Benefits	4,518,650.53
Legal and Professional Fees	24,203.02
Office Lease and Improvements	253,797.81
Depreciation and Equipment Cos	491,390.23
Office Administrative Expenses	529,201.32
MSR/Staff Travel & Mileage	198,224.79
Commission & Executive Travel	11,863.94
Dues/Memberships	44,826.90
Training/Education	8,336.81
Property & Liability Insurance	57,077.00
Prior Year expenses	16,468.62
Winner travel reimbursements	12,491.10
Other Administrative Costs	<u>(12.67)</u>
 Total Operating Expenses	 <u>9,381,622.09</u>
 Change in Net Assets from Operations	 68,817,755.87
 Non-Operating Income (Expense)	
Interest Income	110,182.54
EDUCATION TRUST FUNDING-Prior Months-YTD	(58,673,815.42)
Gambling Education Funding	(200,000.00)
Less Capital Assets	(842,097.97) see 23-115-103(17) and (19)(E)
Less MUSL Reserves	(274,044.24) see 23-115-103(17) and (19)(A)
 NET PROCEEDS DUE TO EDUCATION-Current Montl	 <u>8,937,980.78</u>

Arkansas Lottery Commission
Statement of Net Assets
April 30, 2010

ASSETS

Current Assets:

Cash and equivalents	\$	10,436,718.36	
Educational Trust Fund		58,673,815.42	
Retailer Accts Receivable		12,261,807.84	
Total Current Assets			81,372,341.62

Noncurrent Assets:

Capital Assets:

Furniture, Fixtures, & Equip		137,907.05	
Data Processing Equipment		74,706.25	
Vehicles		53,622.00	
Leasehold Improvements		667,667.34	
Accumulated Depreciation		(91,804.67)	
Total Capital Assets			842,097.97
Other Assets			
MUSL Reserves		274,044.24	
Retailer Fidelity Fund		17,694.67	

Total Other Assets			291,738.91
Total Assets			\$ 82,506,178.50

LIABILITIES AND NET ASSETS

Current Liabilities:

Prizes Payable	\$	15,650,797.77	
Due to Ed. Trust-Net Proceeds		65,132,377.13	
Vendor Accounts Payable		145,591.62	
Accrued Liabilities		1,107,175.81	
Deferred On-Line Revenue		452,541.50	
Total Current Liabilities			82,488,483.83

Noncurrent Liabilities:

NET ASSETS:

Invested in Capital Assets 842,097.97

Restricted for:

Retailer Fidelity Reserve Fund 17,694.67

Unrestricted Net Assets:

Unrestricted Net Proceeds (842,097.97)

Total Net Assets 17,694.67

Total Liabilities & Net Assets \$ 82,506,178.50

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ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
April 1 through April 30, 2010

Vendors	Goods or Services	Diversity Classification	Year To Date	April 2010
Trivia Marketing	Advertising/Public Relations	Female-Owned	\$1,770.12	\$148.93
Goddess Products	Office Furniture/Supplies	Minority-Owned	\$294,257.15	\$10,063.66
Creative Graphics, Inc.	Graphic Design	Minority-Owned	\$559.52	
Gathright Van and Storage	Moving/Hauling	Minority-Owned	\$7,516.25	
Sign Express, Inc. dba Archway Graphics	Signs	Female-Owned	\$10,414.83	
LAF Productions, Inc.	Advertising/Public Relations	Minority-Owned	\$12,277.07	
SHI International Corporation	Computer Software	Female-Owned	\$135,485.83	\$18,872.70
S & B Services	Janitorial Services	Minority-Owned	\$300.00	
Mickey's Special Affairs	Special Events	Minority-Owned	\$253.89	
Crenshaw Signs	Marketing/Promotional Items	Minority-Owned	\$4,955.82	
iHOLA! Arkansas	Media/Publishing	Minority-Owned	\$1,240.00	
MR. B'S 2 Mobile Hand Wash & Wax	Car Detail and Inspection	Minority-Owned	\$510.00	\$145.00
Advantage Communications, Inc.	Advertising/Public Relations	Minority-Owned	\$2,422.15	
De'Lisa Balentine	Janitorial Services	Female-Owned	\$300.00	
Party Prints	Promotional Items	Minority-Owned	\$10,113.12	\$5,449.68
Stand! News	Advertising/Public Relations	Minority-Owned	\$343.00	
Premier Staffing	Staffing Services	Female-Owned	\$2,532.74	
AJP Farm, LLC	Assembly/Delivery	Minority-Owned	\$16,312.59	
Inclusion Magazine	Advertising/Public Relations	Minority-Owned	\$8,250.00	\$2,750.00
RB Professional Cleaning Service	Janitorial Services	Female-Owned	\$1,717.20	\$437.40
LA Design	Promotional Items	Female-Owned	\$3,943.31	\$1,100.26
Best Banner and Sign	Promotional Items	Female-Owned	\$2,173.05	
Totals			\$517,647.64	\$38,967.63

INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
April 1 through April 30, 2010

Vendors	Goods or Services	Diversity Classification	Year To Date	April 2010
Goddess Products	Office Furniture/Supplies	Minority-Owned	\$74,426.58	\$460.68
Finders Keepers	Technical Support	Female-Owned	\$220,266.56	\$3,897.50
J Kelly Referrals and Information Services, Inc.	Call Center/Information Services	Minority-Owned	\$235,248.20	\$25,035.06
Turna Group	Terminal Installation	Minority-Owned	\$24,795.00	
Landers McLarty Ford & Jeep*	Automobiles	Minority-Owned	\$361,021.12	
Totals			\$915,757.46	\$29,393.24

*The Arkansas dealership is listed with the National Associations of Minority Automobile Dealers on their website at <http://namad.dealercarsales.com>. The dealership is 51% minority-owned.

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
April 1 through April 30, 2010

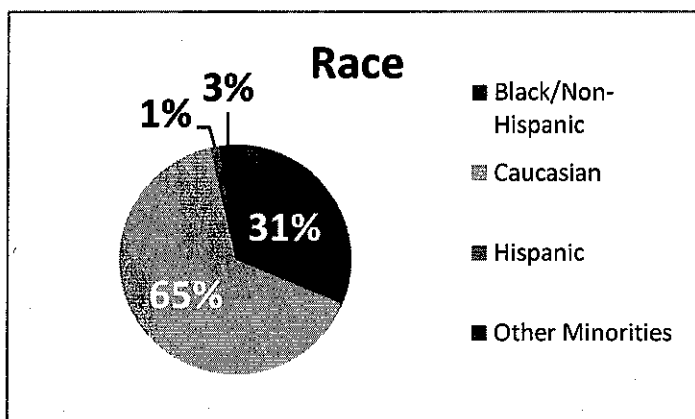
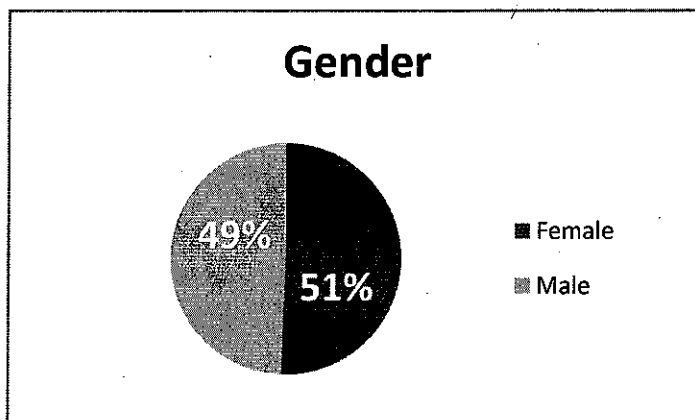
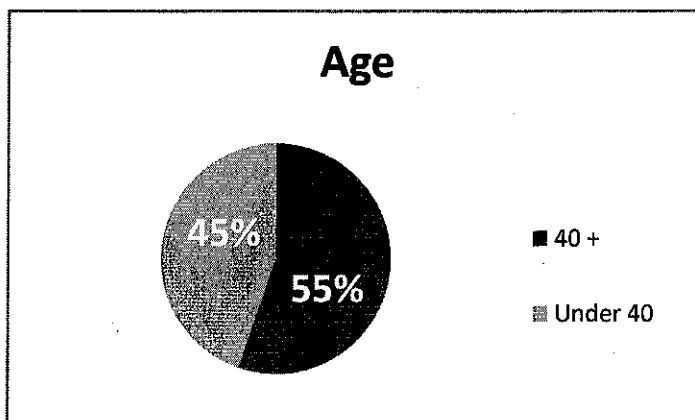
Vendors	Goods or Services	Diversity Classification	Year To Date	April 2010
Central Copiers	Copier Services	Female-Owned	\$3,586.70	
Endless Power	Power Supply Services	Minority-Owned	\$12,909.00	
Indoff Incorporated	Office Supplies	Minority-Owned	\$3,674.55	
Mr. Clean	Janitorial Services	Minority-Owned	\$845.01	
Premier Staffing	Staffing Services	Female-Owned	\$41,733.85	
M&N Pest and Sanitation	Janitorial Services	Minority-Owned	\$9,291.50	
Expedited Transportation Service	Transportation Services	Female-Owned	\$12,875.95	\$3,444.00
Totals			\$84,916.56	\$3,444.00

REPORTS FROM OTHER MAJOR VENDORS:

Bank of the Ozarks does not have any minority or female business to report.

Data from The Communications Group was not available at the time this report was submitted.

**Arkansas Lottery Commission
Demographics - May 2010**



Total Number of Employees as of May 04, 2010: 85

Gender:

Females – 43

Males – 42

Race:

Black/Non-Hispanic - 26

Caucasian - 56

Hispanic – 1

Other – 2

Age:

Under 40 – 38

40 + – 47