

# **ANNUAL REPORT**

**October 15**

# **2010**

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**THE ANNUAL REPORT OF THE ARKANSAS LOTTERY COMMISSION  
TO THE LEGISLATIVE OVERSIGHT COMMITTEE AND THE GOVERNOR**

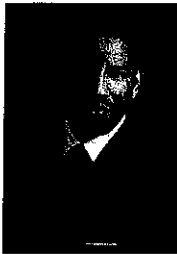
**ARKANSAS  
LOTTERY  
COMMISSION**

# Arkansas Lottery Commissioners



**Dianne Lamberth, Batesville, Chair**

Lamberth is Secretary, Lyon College Board of Trustees; Past Chair, University of Arkansas at Batesville Board of Visitors; Chair, White River Health System Board of Directors; Chair, Governor's Task Force for the Twenty-First Century Economy; and a member of the First Community Bank Board of Directors.



**Derrick Smith, Little Rock, Vice Chair**  
Smith is a partner at the Mitchell Williams law firm of Little Rock, Rogers, and Austin, Texas. His practice focuses on insurance, corporate and regulatory law, appellate practice, and administrative law.

**Ben Pickard, Searcy, Secretary Treasurer**  
Pickard retired in 2008 after 28 years as Vice Chancellor of Student Services at Arkansas State University-Beebe. He is past president of the Arkansas College Personnel Association, Arkansas Association of Student Financial Aid Administrators, and the Arkansas Council on Student Services, and serves by appointment of the Governor on the Arkansas Student Loan Authority.



**John C. (Smokey) Campbell III**  
Campbell spent most of his life in Helena and now resides in Hot Springs National Park. He was in banking for many years and continues to operate farming interests in the Arkansas Delta. He is a regional sales director for an agricultural chemical company. He formerly served on the Arkansas Claims Commission and the Arkansas Rural Development Commission.

**George J. Hammons, Pine Bluff**  
Dr. Hammons is Chair of the Department of Chemistry at Philander Smith College. He is a senior scientist at the National Center for Toxicological Research, and earned his Ph.D. from Harvard University. He has previously served on the Arkansas Racing Commission and the Bradley County Board of Election Commissioners.



**Mike Malone, Fayetteville**  
Malone is the Executive Director of the Northwest Arkansas Council, an economic development group. Previously, he worked as a congressional aide in Washington, D.C. and as an assistant in the Clinton White House.

**Patty Shipp, Morrilton**  
Shipp, with her husband Kenny, has been a small business owner since 1979. The two have owned and operated several retail businesses, including a clothing store and a convenience store, and now own a petroleum distribution business.



**Dr. Susan Ward-Jones, Marion**  
Dr. Ward-Jones is a physician who serves as the Chief Executive Officer of the East Arkansas Family Health Center in West Memphis, with satellite offices in Lepanto and Blytheville. She also serves on the Arkansas State Board of Health.

**Joe White, Conway**  
White is a former trustee at the University of Central Arkansas, owns a convenience store, and is a bank board member. He is a former general manager of an automobile dealership.



**Arkansas Lottery Commission**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**For the Fiscal Year Ended June 30, 2010**

**Operating revenues:**

Instant games	335,487,154
Online games	48,211,299
Retailer application, fidelity and service fees	867,023
Other Revenue	5,650
<b>Total Operating Revenues</b>	<u>384,571,128</u>

**Operating expenses:**

Instant game prizes	224,341,940
Online game prizes	23,381,100
Retailer commissions	21,578,603
Gaming contract costs	20,448,694
Compensation and benefits	6,118,300
Marketing, advertising and promotions	4,352,303
General and administrative expenses	1,841,340
Services provided by other agencies	278,349
Legal and professional services	115,862
Capital asset depreciation	122,643
<b>Total Operating Expenses</b>	<u>302,579,134</u>

Operating income 81,991,994

**Non-operating revenues (expense):**

Interest Income 181,807

Income before transfers and contributions 82,173,801

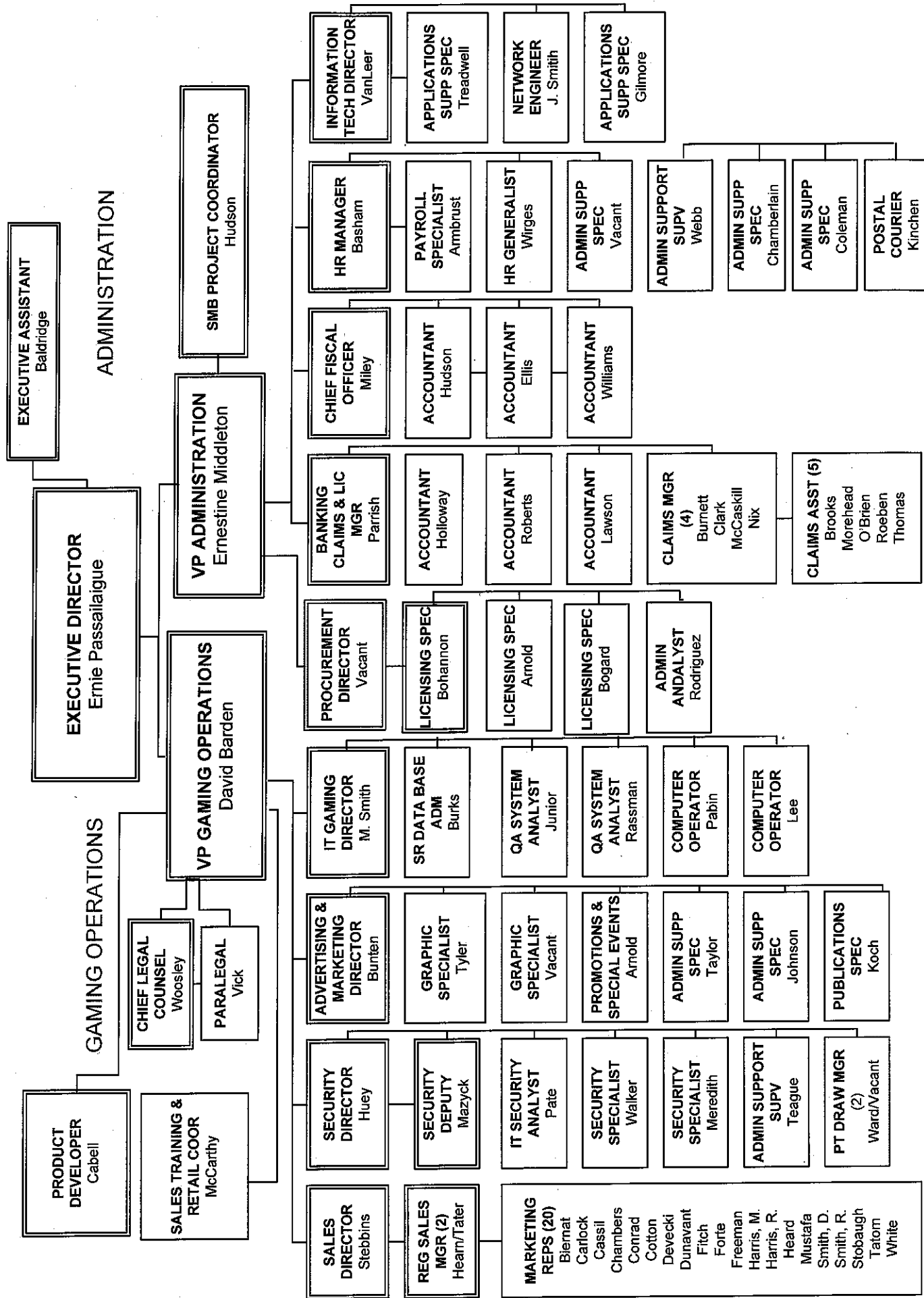
**Transfers to:**

Arkansas Department of Health	(200,000)
Arkansas Department of Higher Education	(82,799,809)
<b>Total transfers</b>	<u>(82,999,809)</u>

Change in net assets (826,008)

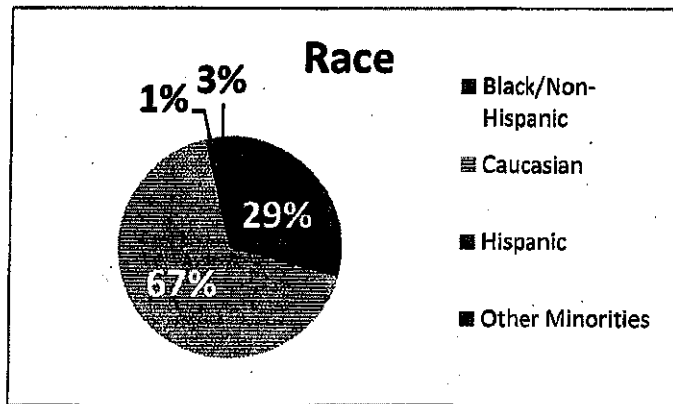
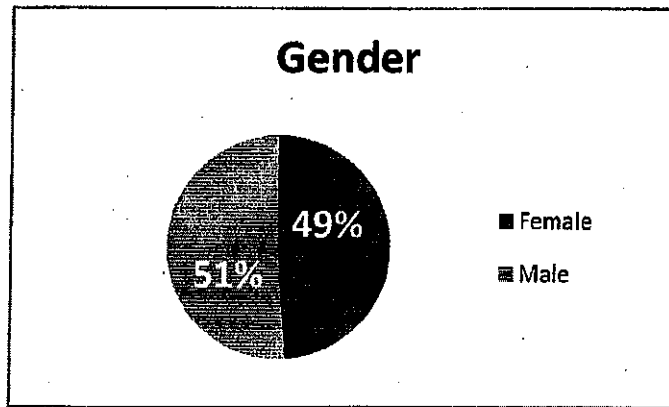
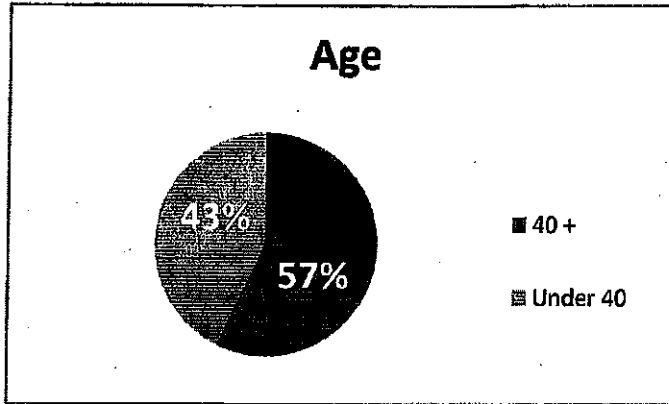
Total net assets - beginning (16,469)

Total net assets - ending (842,477)



ARKANSAS LOTTERY COMMISSION ORGANIZATION CHART

## Arkansas Lottery Commission Demographics – July 2010



**Total Number of Employees as of July 6, 2010: 84**

**Gender:**  
Females – 41  
Males – 43

**Race:**  
Black/Non-Hispanic - 24  
Caucasian - 57  
Hispanic – 1  
Other – 2

**Age:**  
Under 40 – 36  
40+ – 48

## MINORITY AND FEMALE OWNED BUSINESS PARTICIPATION FY 2010

The Arkansas Lottery Commission encourages to the greatest extent possible a level of participation by minority-owned businesses and female-owned businesses taking into account the total number of all retailers and vendors, including any subcontractors. ALC expenditure report:

<u>Vendor</u>	<u>Minority/Female Owned</u>	<u>Fiscal Year 2010</u>
Trivia Marketing	Female-Owned	\$2,194.78
Goddess Products	Minority-Owned	\$319,134.07
Creative Graphics, Inc.	Minority-Owned	\$559.52
Gathright Van and Storage	Minority-Owned	\$7,516.25
Sign Express, Inc.	Female-Owned	\$10,414.83
LAF Production, Inc.	Minority-Owned	\$12,277.07
SHI International Corporation	Female-Owned	\$137,695.31
S & B Services	Minority-Owned	\$300.00
Mickey's Special Affairs	Minority-Owned	\$253.89
Crenshaw Signs	Minority-Owned	\$4,955.82
HOLA! Arkansas	Minority-Owned	\$1,600.00
MR. B'S 2 Mobile Hand Wash	Minority-Owned	\$917.60
Advantage Communications, Inc.	Minority-Owned	\$2,422.15
De'Lisa Balentine	Female-Owned	\$300.00
Party Prints	Minority-Owned	\$10,113.12
Stand! News	Minority-Owned	\$343.00
Premier Staffing	Female-Owned	\$2,532.74
AJP Farm, LLC	Minority-Owned	\$16,312.59
Inclusion Magazine	Minority-Owned	\$8,250.00
RB Professional Cleaning Service	Female-Owned	\$2,629.80
LA Design	Female-Owned	\$3,943.31
Best Banner and Sign	Female-Owned	\$2,173.05

Scientific Games International, Inc. is the instant ticket vendor for ALC. The following is their expenditure report with minority and female owned businesses:

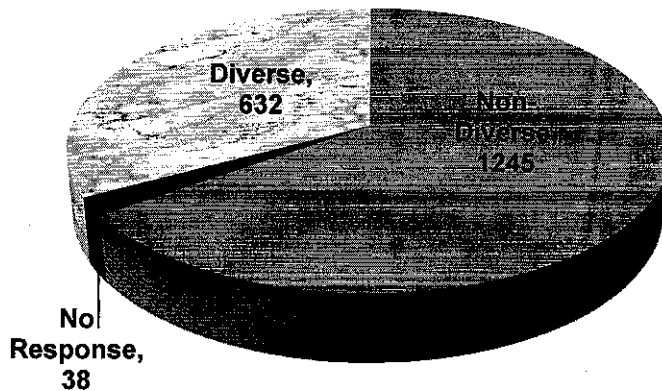
Premier Staffing	Female-Owned	\$43,846.11
Indoff Office Supplies	Minority-Owned	\$4,294.54
M&N Pest and Sanitation	Minority-Owned	\$9,291.50
Central Copiers	Female-Owned	\$3,586.70
Endless Power	Minority-Owned	\$18,059.00
Mr. Clean	Minority-Owned	\$1,441.61
Expedited Transportation Service	Female-Owned	\$14,639.95

Intralot, Inc. is the preferred to Online Lottery Game Services and Lottery Gaming System and Services. The following is their expenditure report with minority and female owned businesses:

Goddess Products	Minority-Owned	\$74,426.58
Finders Keepers	Female-Owned	\$224,322.16
J Kelly Referrals and Information	Minority-Owned	\$273,986.90
Turna Group	Minority-Owned	\$24,795.00
Landers McLarty Ford & Jeep	Minority-Owned	\$361,021.12

## RETAILER REPORT FOR FISCAL YEAR 2010 ARKANSAS LOTTERY COMMISSION

At the end of Fiscal Year 2010, there were a total of 1915 active retailers. Of that total, approximately 33 per cent, 632 retailers identified themselves as diverse (minority-owned or female-owned). Of that diverse group, 48 per cent (303) identified themselves as Asian American. Female-owned retail outlets were the second largest diverse group at 278 retailers, or 44 per cent. The 27 African American retailers accounted for 4.2 per cent of the total. Hispanic American retailers represented 3 per cent, with 19, and Native American retailers compose 0.8 per cent, with 5. Only 2 per cent, or 38, did not indicate the ownership ethnicity.



**Retailers by Ethnicity**