



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>

March 10, 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 February 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 Woostey".

Bishop Woostey
Director

Enclosures

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



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ARKANSAS LOTTERY COMMISSION

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March 10, 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 February 2014. The report contains the following information:

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

Bishop Woosley
Director

Enclosures

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

**Arkansas Lottery Commission Term Contracts for Goods and Services
February 1 through February 28, 2014**

No term contracts were entered into by the Arkansas Lottery Commission during the month of February 2014.

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

1. Debt Set-Off:

a.	Department of Finance and Administration	\$ 7,560.23
b.	Office of Child Support Enforcement - Child Support	\$ 2,538.46
	Total Debt Set-Off:	<u>\$ 10,098.69</u>

2. Retailer losses for period February 1 through February 28, 2014: None.

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
February 1 through February 28, 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	\$395.00	\$7,208.00	\$7,012.00	\$1,684.00	\$22,753.00	\$535,200.00	\$14,794.00	\$7,427.00	\$39,154.00	\$635,627.00
ASHLEY	\$95.00	\$8,528.00	\$9,509.50	\$1,100.00	\$15,885.00	\$146,867.00	\$8,614.00	\$1,823.00	\$22,634.00	\$215,055.50
BAXTER	\$285.00	\$2,722.00	\$1,457.50	\$3,414.00	\$13,397.00	\$337,333.00	\$19,268.00	\$9,815.00	\$60,646.00	\$448,337.50
BENTON	\$915.00	\$2,947.50	\$1,243.50	\$7,338.00	\$22,152.00	\$683,857.00	\$81,954.00	\$15,292.00	\$222,311.00	\$1,038,010.00
BOONE	\$185.00	\$2,340.50	\$2,609.00	\$1,330.00	\$7,360.00	\$333,863.00	\$15,601.00	\$5,012.00	\$45,146.00	\$413,446.50
BRADLEY	\$90.00	\$1,184.50	\$988.00	\$470.00	\$3,153.00	\$165,000.00	\$4,395.00	\$1,647.00	\$10,326.00	\$187,253.50
CALHOUN	\$15.00	\$1,453.50	\$628.00	\$470.00	\$553.00	\$38,980.00	\$1,599.00	\$716.00	\$3,335.00	\$47,749.50
CARROLL	\$140.00	\$1,431.50	\$1,216.00	\$1,744.00	\$7,911.00	\$198,132.00	\$11,087.00	\$2,998.00	\$28,100.00	\$252,759.50
CHICOT	\$135.00	\$8,133.00	\$4,841.50	\$2,474.00	\$1,201.00	\$156,967.00	\$27,037.00	\$4,999.00	\$72,983.00	\$278,770.50
CLARK	\$230.00	\$2,994.50	\$1,051.50	\$1,214.00	\$9,540.00	\$294,839.00	\$10,951.00	\$3,338.00	\$31,037.00	\$355,195.00
CLAY	\$40.00	\$267.00	\$107.50	\$496.00	\$1,984.00	\$89,024.00	\$2,542.00	\$745.00	\$8,237.00	\$103,442.50
CLEBURNE	\$275.00	\$806.50	\$526.50	\$2,496.00	\$6,937.00	\$232,494.00	\$15,377.00	\$7,857.00	\$40,009.00	\$306,778.00
CLEVELAND	\$45.00	\$387.00	\$467.00	\$150.00	\$2,304.00	\$40,275.00	\$2,435.00	\$576.00	\$6,703.00	\$53,342.00
COLUMBIA	\$70.00	\$10,330.00	\$8,397.00	\$1,344.00	\$25,833.00	\$281,620.00	\$7,852.00	\$3,434.00	\$20,034.00	\$358,914.00
CONWAY	\$165.00	\$4,520.50	\$2,788.50	\$1,808.00	\$6,997.00	\$429,696.00	\$16,340.00	\$6,281.00	\$42,733.00	\$511,329.00
CRAIGHEAD	\$780.00	\$9,223.50	\$5,019.00	\$4,130.00	\$33,578.00	\$1,141,542.00	\$48,798.00	\$13,398.00	\$134,294.00	\$1,390,762.50
CRAWFORD	\$385.00	\$2,013.50	\$1,090.50	\$2,670.00	\$4,396.00	\$280,272.00	\$26,746.00	\$11,034.00	\$70,476.00	\$399,083.00
CRITTENDEN	\$330.00	\$15,960.00	\$15,025.00	\$3,886.00	\$11,220.00	\$466,500.00	\$40,832.00	\$10,440.00	\$119,861.00	\$684,054.00
CROSS	\$50.00	\$1,437.00	\$1,849.50	\$632.00	\$7,315.00	\$199,500.00	\$7,522.00	\$3,817.00	\$22,054.00	\$244,176.50
DALLAS	\$75.00	\$2,156.00	\$743.50	\$426.00	\$8,451.00	\$155,183.00	\$4,915.00	\$1,588.00	\$11,357.00	\$184,894.50
DESHA	\$135.00	\$2,274.50	\$925.00	\$596.00	\$3,530.00	\$150,058.00	\$6,711.00	\$4,204.00	\$19,573.00	\$188,006.50
DREW	\$105.00	\$1,073.00	\$543.50	\$1,350.00	\$3,997.00	\$216,429.00	\$8,848.00	\$3,296.00	\$24,588.00	\$260,229.50
FAULKNER	\$1,320.00	\$7,931.50	\$5,696.50	\$6,622.00	\$14,324.00	\$1,070,784.00	\$55,519.00	\$19,315.00	\$149,398.00	\$1,330,910.00
FRANKLIN	\$155.00	\$604.50	\$163.50	\$900.00	\$7,017.00	\$112,450.00	\$9,415.00	\$3,035.00	\$22,974.00	\$156,714.00
FULTON	\$35.00	\$306.50	\$162.00	\$312.00	\$491.00	\$50,014.00	\$2,783.00	\$708.00	\$7,726.00	\$62,537.50
GARLAND	\$835.00	\$6,428.50	\$6,453.00	\$9,472.00	\$43,560.00	\$807,870.00	\$64,766.00	\$34,484.00	\$162,842.00	\$1,136,710.50
GRANT	\$110.00	\$329.00	\$187.00	\$846.00	\$3,414.00	\$121,354.00	\$7,024.00	\$2,996.00	\$20,150.00	\$156,410.00
GREENE	\$315.00	\$1,133.00	\$767.50	\$1,694.00	\$7,323.00	\$503,488.00	\$20,065.00	\$5,239.00	\$54,816.00	\$594,840.50
HEMPSTEAD	\$135.00	\$27,374.00	\$8,966.00	\$846.00	\$3,688.00	\$335,514.00	\$10,269.00	\$3,150.00	\$22,789.00	\$412,731.00
HOT SPRING	\$140.00	\$2,610.50	\$1,424.50	\$1,736.00	\$9,456.00	\$346,948.00	\$14,448.00	\$6,554.00	\$35,814.00	\$419,131.00

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
February 1 through February 28, 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	\$90.00	\$19,344.50	\$7,867.00	\$560.00	\$4,959.00	\$168,783.00	\$7,434.00	\$2,326.00	\$15,527.00	\$226,890.50
INDEPENDENCE	\$305.00	\$4,014.00	\$995.00	\$2,130.00	\$25,460.00	\$579,193.00	\$19,018.00	\$9,420.00	\$48,634.00	\$689,169.00
IZARD	\$70.00	\$193.00	\$154.50	\$518.00	\$3,303.00	\$59,596.00	\$4,113.00	\$1,299.00	\$10,324.00	\$79,570.50
JACKSON	\$100.00	\$7,959.50	\$4,165.50	\$1,572.00	\$6,071.00	\$265,761.00	\$10,279.00	\$6,925.00	\$26,785.00	\$329,618.00
JEFFERSON	\$825.00	\$33,284.50	\$23,299.00	\$6,984.00	\$57,957.00	\$1,457,274.00	\$50,299.00	\$28,189.00	\$126,838.00	\$1,784,949.50
JOHNSON	\$175.00	\$536.00	\$373.00	\$968.00	\$6,982.00	\$196,453.00	\$11,891.00	\$3,731.00	\$26,700.00	\$247,809.00
LAFAYETTE	\$30.00	\$3,030.00	\$1,651.50	\$354.00	\$1,612.00	\$72,708.00	\$2,020.00	\$943.00	\$6,104.00	\$88,452.50
LAWRENCE	\$110.00	\$779.00	\$150.00	\$682.00	\$3,861.00	\$231,096.00	\$5,253.00	\$1,478.00	\$14,653.00	\$258,062.00
LEE	\$50.00	\$2,248.00	\$2,435.00	\$180.00	\$1,276.00	\$82,653.00	\$2,899.00	\$543.00	\$8,352.00	\$100,636.00
LINCOLN	\$45.00	\$764.00	\$201.00	\$372.00	\$1,034.00	\$84,587.00	\$4,096.00	\$2,507.00	\$11,736.00	\$105,342.00
LITTLE RIVER	\$30.00	\$3,078.50	\$2,924.50	\$730.00	\$1,827.00	\$94,622.00	\$4,650.00	\$1,240.00	\$9,037.00	\$118,139.00
LOGAN	\$200.00	\$927.50	\$296.50	\$1,062.00	\$3,791.00	\$187,392.00	\$9,729.00	\$3,482.00	\$24,110.00	\$230,990.00
LONOKE	\$575.00	\$11,872.50	\$10,792.00	\$5,198.00	\$24,008.00	\$958,085.00	\$42,309.00	\$15,867.00	\$118,624.00	\$1,187,330.50
MADISON	\$20.00	\$85.00	\$3.00	\$284.00	\$2,203.00	\$49,479.00	\$4,135.00	\$799.00	\$11,349.00	\$68,357.00
MARION	\$75.00	\$1,178.00	\$262.00	\$1,554.00	\$3,108.00	\$104,596.00	\$5,979.00	\$3,857.00	\$21,160.00	\$141,769.00
MILLER	\$280.00	\$22,984.50	\$9,068.50	\$1,434.00	\$9,661.00	\$396,784.00	\$18,016.00	\$4,342.00	\$40,475.00	\$503,045.00
MISSISSIPPI	\$200.00	\$40,800.50	\$15,502.50	\$1,548.00	\$5,184.00	\$475,819.00	\$19,673.00	\$4,368.00	\$56,693.00	\$619,788.00
MONROE	\$35.00	\$2,366.00	\$717.50	\$468.00	\$1,775.00	\$133,927.00	\$6,779.00	\$1,887.00	\$18,959.00	\$166,913.50
MONTGOMERY	\$25.00	\$0.00	\$0.00	\$178.00	\$696.00	\$26,851.00	\$2,125.00	\$544.00	\$5,585.00	\$36,004.00
NEVADA	\$150.00	\$3,706.00	\$831.00	\$960.00	\$7,026.00	\$206,703.00	\$5,437.00	\$1,933.00	\$12,865.00	\$239,611.00
NEWTON	\$40.00	\$60.50	\$91.00	\$188.00	\$4,548.00	\$57,406.00	\$2,029.00	\$1,169.00	\$4,349.00	\$69,880.50
OUACHITA	\$270.00	\$11,982.50	\$7,485.50	\$1,390.00	\$16,227.00	\$552,508.00	\$12,974.00	\$5,465.00	\$35,398.00	\$643,700.00
PERRY	\$15.00	\$665.50	\$404.50	\$432.00	\$1,318.00	\$85,800.00	\$5,070.00	\$1,554.00	\$12,452.00	\$107,711.00
PHILLIPS	\$255.00	\$4,938.50	\$3,386.50	\$1,276.00	\$3,879.00	\$183,007.00	\$18,466.00	\$1,890.00	\$48,467.00	\$265,565.00
PIKE	\$60.00	\$364.00	\$148.00	\$448.00	\$4,380.00	\$87,719.00	\$4,432.00	\$2,101.00	\$12,717.00	\$112,369.00
POINSETT	\$180.00	\$5,636.50	\$1,558.00	\$738.00	\$9,194.00	\$392,709.00	\$11,755.00	\$5,745.00	\$35,323.00	\$462,838.50
POLK	\$85.00	\$405.50	\$120.00	\$756.00	\$2,957.00	\$112,422.00	\$8,730.00	\$2,196.00	\$21,718.00	\$149,389.50
POPE	\$495.00	\$3,851.00	\$1,877.00	\$3,996.00	\$8,632.00	\$734,952.00	\$32,209.00	\$12,341.00	\$89,316.00	\$887,669.00
PRAIRIE	\$60.00	\$2,519.50	\$1,315.50	\$580.00	\$4,030.00	\$223,796.00	\$5,144.00	\$1,219.00	\$14,566.00	\$253,230.00
PULASKI	\$3,825.00	\$100,527.00	\$64,833.50	\$36,370.00	\$172,533.00	\$5,497,444.00	\$288,214.00	\$121,190.00	\$711,051.00	\$6,995,987.50
RANDOLPH	\$110.00	\$32.00	\$52.00	\$962.00	\$3,668.00	\$135,554.00	\$6,058.00	\$1,866.00	\$15,995.00	\$164,297.00

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
February 1 through February 28, 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	\$65.00	\$7,253.50	\$4,516.00	\$730.00	\$3,995.00	\$215,100.00	\$11,725.00	\$2,907.00	\$33,295.00	\$279,586.50
SALINE	\$785.00	\$7,919.00	\$3,052.00	\$7,174.00	\$23,518.00	\$996,832.00	\$57,434.00	\$20,560.00	\$154,202.00	\$1,271,476.00
SCOTT	\$50.00	\$242.50	\$55.00	\$280.00	\$1,354.00	\$91,939.00	\$4,405.00	\$1,269.00	\$11,319.00	\$110,913.50
SEARCY	\$30.00	\$448.00	\$317.00	\$382.00	\$600.00	\$70,411.00	\$3,025.00	\$1,181.00	\$7,596.00	\$83,990.00
SEBASTIAN	\$910.00	\$20,088.00	\$5,720.50	\$6,678.00	\$13,919.00	\$683,698.00	\$66,717.00	\$25,227.00	\$169,841.00	\$992,798.50
SEVIER	\$35.00	\$2,427.00	\$648.50	\$326.00	\$1,569.00	\$97,247.00	\$6,712.00	\$1,482.00	\$15,348.00	\$125,794.50
SHARP	\$220.00	\$578.00	\$244.50	\$704.00	\$18,603.00	\$150,580.00	\$7,388.00	\$2,614.00	\$20,429.00	\$201,360.50
STONE	\$50.00	\$872.00	\$355.00	\$732.00	\$3,993.00	\$82,230.00	\$4,581.00	\$1,836.00	\$10,538.00	\$105,187.00
UNION	\$335.00	\$40,582.00	\$21,847.50	\$2,574.00	\$12,452.00	\$771,466.00	\$24,123.00	\$6,072.00	\$61,844.00	\$941,295.50
VAN BUREN	\$110.00	\$1,131.50	\$207.00	\$1,002.00	\$2,571.00	\$119,553.00	\$7,675.00	\$2,265.00	\$20,398.00	\$154,912.50
WASHINGTON	\$1,665.00	\$12,997.00	\$5,582.00	\$9,622.00	\$41,599.00	\$1,144,217.00	\$98,391.00	\$25,789.00	\$254,250.00	\$1,594,112.00
WHITE	\$420.00	\$5,055.00	\$2,424.00	\$4,074.00	\$22,775.00	\$1,103,313.00	\$35,021.00	\$15,058.00	\$93,561.00	\$1,281,701.00
WOODRUFF	\$30.00	\$2,799.50	\$348.50	\$348.00	\$962.00	\$96,730.00	\$4,006.00	\$1,250.00	\$9,850.00	\$116,324.00
YELL	\$130.00	\$651.50	\$99.00	\$810.00	\$5,425.00	\$165,990.00	\$7,930.00	\$2,962.00	\$20,592.00	\$204,589.50

GRAND TOTALS	*Arkansas 50/50	*Cash 3	*Cash 4	*Decades of Dollars	*Fast Play	*Instant	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$21,605.00	\$529,287.00	\$300,236.00	\$173,958.00	\$866,215.00	\$29,607,038.00	\$1,538,855.00	\$558,106.00	\$4,031,025.00	\$37,626,325.00

*Estimates

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

There were 1,885 active retailers as of February 28, 2014.

**Arkansas Lottery Commission
Statement of Net Position
February 28, 2014**

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 4,537,429.17
Restricted Assets:	
Cash and cash equivalents	10,698,004.22
Accounts receivable	11,749,515.18
Prepaid items	<u>57,567.18</u>
Total current assets	27,042,515.75

Noncurrent assets:

Restricted assets:	
Cash and cash equivalents	8,086,679.79
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>(789,763.00)</u>
Total noncurrent assets	<u>10,341,087.90</u>
Total assets	<u>\$ 37,383,603.65</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 888,295.27
Prizes payable	18,380,505.17
Accrued and other liabilities	1,323,305.62
Due to other funds of the State	578,597.74
Payable to ADHE	0.00
Compensated absences	257,681.65
Unearned revenue	<u>374,563.68</u>
Total current liabilities	<u>21,802,949.13</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>22,826,585.01</u>
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NET POSITION

Net position:

Invested in capital assets	332,147.57
Restricted for:	
Scholarship shortfall fund	13,923,925.49
Retailer fidelity fund	86,679.79
Deposits with Multi-State Lottery Assn.	1,922,260.47
Unclaimed prize reserve	4,774,078.73
Unrestricted	<u>(6,482,073.41)</u>
Total net position	<u>14,557,018.64</u>
Total liabilities & net position	<u>\$ 37,383,603.65</u>

Arkansas Lottery Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Eight Months Ended February 28, 2014

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 30,899,677.00	\$ 207,334,962.00
Online ticket sales	8,044,478.50	61,767,085.50
Retailer application, fidelity and service fees	40,690.18	374,015.91
Other revenue	<u>1,006.95</u>	<u>6,263.89</u>
 Total operating revenues	 <u>38,985,852.63</u>	 <u>269,482,327.30</u>
 Operating expenses:		
Instant game prizes	22,456,591.83	147,314,987.30
Online game prizes	4,063,072.84	32,553,407.17
Retailer commissions	2,198,398.63	15,038,876.05
Gaming contract costs	1,888,633.05	13,327,041.11
Compensation and benefits	458,336.65	3,655,526.31
Marketing, advertising and promotions	345,443.06	2,844,666.41
General and administrative expenses	112,143.87	929,610.82
Services provided by ADHE	68,333.00	546,664.00
Services provided by Legislative Audit Agency	0.00	139,080.00
Legal and professional services	0.00	2,257.42
Depreciation	<u>16,793.71</u>	<u>123,053.00</u>
 Total operating expenses	 <u>31,607,746.64</u>	 <u>216,475,169.59</u>
 Operating income	 7,378,105.99	 53,007,157.71
 Nonoperating revenue (expense):		
Interest income	14,089.46	184,116.33
Other Non Operating Income	<u>247,500.00</u>	<u>247,500.00</u>
 Income before transfers	 7,639,695.45	 53,438,774.04
 Transfers to:		
Trust Account for ADHE	(5,909,955.50)	(48,216,711.95)
Shortfall Account to Trust Account for ADHE	(6,076,074.51)	(6,076,074.51)
Arkansas Department of Human Services	<u>(200,000.00)</u>	<u>(200,000.00)</u>
 Change in net position	 <u>\$ (4,346,334.56)</u>	 <u>(1,054,012.42)</u>
 Total net position - beginning		 <u>15,611,031.06</u>
Total net position - ending		<u>\$ 14,557,018.64</u>

Arkansas Lottery Commission
Statement of Revenues, Expenses, and Changes in Net Position
For the Eight Months Ended February 28, 2014

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$ 30,899,677.00	79.26	\$ 33,778,295.00	82.56	\$ (2,878,618.00)	\$ 207,334,962.00	76.94	\$ 210,295,831.00	80.69	\$ (2,960,869.00)
OnLine Games	8,044,478.50	20.63	7,089,688.00	17.33	954,790.50	61,767,085.50	22.92	50,006,363.00	19.19	11,760,722.50
Retailer application, fidelity	40,690.18	0.10	44,167.00	0.11	(3,476.82)	374,015.91	0.14	309,166.00	0.12	64,849.91
Other Revenue	1,006.95	0.00	833.00	0.00	173.95	6,263.89	0.00	5,834.00	0.00	429.89
Total Operating Revenues	38,985,852.63	100.00	40,912,983.00	100.00	(1,927,130.37)	269,482,327.30	100.00	260,617,194.00	100.00	8,865,133.30
Operating Expenses										
Instant Game Prizes	22,456,591.83	57.60	23,951,828.69	58.54	(1,495,236.86)	147,314,987.30	54.67	147,897,529.29	56.75	(582,541.99)
On-Line Game Prizes	4,063,072.84	10.42	3,634,291.31	8.88	428,781.53	32,553,407.17	12.08	25,282,636.78	9.70	7,270,770.39
Retailer Commissions	2,198,398.63	5.64	2,313,488.00	5.65	(115,089.37)	15,038,876.05	5.58	14,724,474.00	5.65	314,402.05
Gaming Contract Costs	1,888,633.05	4.84	2,105,846.00	5.15	(217,212.95)	13,327,041.11	4.95	13,412,863.00	5.15	(85,821.89)
Staff Compensation & Benefits	458,336.65	1.18	489,274.00	1.20	(30,937.35)	3,655,526.31	1.36	3,766,858.00	1.45	(111,331.69)
Marketing, Advertising & Promo	345,443.06	0.89	375,000.00	0.92	(29,556.94)	2,844,666.41	1.06	2,625,000.00	1.01	219,666.41
General and administrative ex	112,143.87	0.29	114,167.00	0.28	(2,023.13)	929,610.82	0.34	799,166.00	0.31	130,444.82
Services Provided by Other Age	68,333.00	0.18	129,166.00	0.32	(60,833.00)	685,744.00	0.25	904,167.00	0.35	(218,423.00)
Legal and Professional Service	-	-	2,083.00	0.01	(2,083.00)	2,257.42	0.00	14,583.00	0.01	(12,325.58)
Capital asset depreciation	16,793.71	0.04	15,417.00	0.04	1,376.71	123,053.00	0.05	107,916.00	0.04	15,137.00
Total Operating Expenses	31,607,746.64	81.07	33,130,561.00	80.98	(1,522,814.36)	216,475,169.59	80.33	209,535,193.07	80.40	6,939,976.52
Operating Income	7,378,105.99	18.93	7,782,422.00	19.02	(404,316.01)	53,007,157.71	19.67	51,082,000.93	19.60	1,925,156.78
Interest Income	14,089.46	0.04	20,000.00	0.05	(5,910.54)	184,116.33	0.07	140,000.00	0.05	44,116.33
Non-Operating Revenue (Expenses)	247,500.00				247,500.00	247,500.00				247,500.00
Income before transfers	\$ 7,639,695.45	19.60	\$ 7,802,422.00	19.07	\$ (162,726.55)	\$ 53,438,774.04	19.83	\$ 51,222,000.93	19.65	\$ 2,216,773.11

**Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Eight Months Ended February 28, 2014**

	Year to date			
Operating revenues:				
Instant ticket SETTLEMENTS	\$ 206,346,717.00			
Online ticket sales	61,767,085.50			
Retailer application, fidelity and service fees	374,015.91			
Other revenue	<u>6,263.89</u>			
Total operating revenues	<u>268,494,082.30</u>			
Operating expenses:				
Instant game prizes SETTLEMENTS	147,436,216.00			
Online game prizes	32,553,407.17			
Retailer commissions	15,038,876.05			
Gaming contract costs	13,327,041.11			
Compensation and benefits	3,655,526.31			
Marketing, advertising and promotions	2,844,666.41			
General and administrative expenses	929,610.82			
Services provided by ADHE	546,664.00			
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>216,570,174.37</u>			
Change in net proceeds from operations	51,923,907.93			
Nonoperating revenue (expense):				
Interest Income	184,116.33			
Other Non Operating Income	247,500.00			
EDUCATION TRUST FUNDING-Current Year	(42,306,756.45)			
Less Act 1180 Unclaimed Prizes	(3,774,078.73)			
Less Transfer to ADHS	(200,000.00)			
Less Current year Fidelity Fund fees	(16,093.10)	restricted fund		
Less Current year MUSL Reserves additions	<u>(148,640.48)</u>	see 23-115-103(17) and (19)(A)&(B)		
NET PROCEEDS EARNED-Current Month	<u>\$ 5,909,955.50</u>			
	Transfer	Interest	Total	
Totals	\$ 5,089,325.70	\$ 834,599.79	\$ 5,923,925.49	
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	

Arkansas Lottery Commission
Unclaimed Prizes
February 28, 2014

	Monthly	Year to Date
1. Unclaimed lottery prize money:	\$ 122,302.00	\$3,774,078.73
2. Expenditures from unclaimed lottery prize money:	0.00	0.00
3. Reserved for future prizes, promotions or reserves:	\$ 122,302.00	\$3,774,078.73
Deposits to net lottery proceeds from unclaimed Lottery prize money:	0.00	0.00

ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2014

Vendors	Goods or Services	Diversity Classification	February 2014	FY 2014 Total
Byrd Enterprises, Inc.	Lighting & Service Co.	Minority-owned		\$379.50
Goddess Products	Office Furniture/Supplies	Minority-owned		\$2,514.00
Government Supply Services, inc.	Office Products	Minority-owned	\$418.92	\$886.48
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned	\$419.65	\$4,267.35
Party Prints, Inc.	Advertising/Public Relations	Minority/Female-owned		\$6,781.25
Ride N Shine Detail	Auto Servicing	Minority-owned		\$49.64
SHI International Corporation	Computer Software	Female-owned		\$17,606.08
Trivia Marketing	Advertising/Public Relations	Female-owned		\$450.45
Totals			\$838.57	\$32,934.75

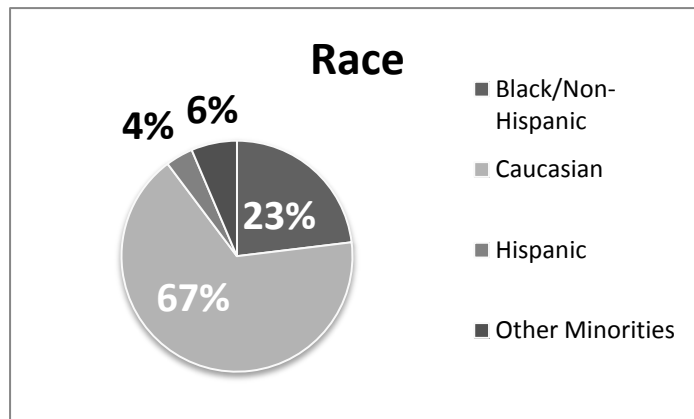
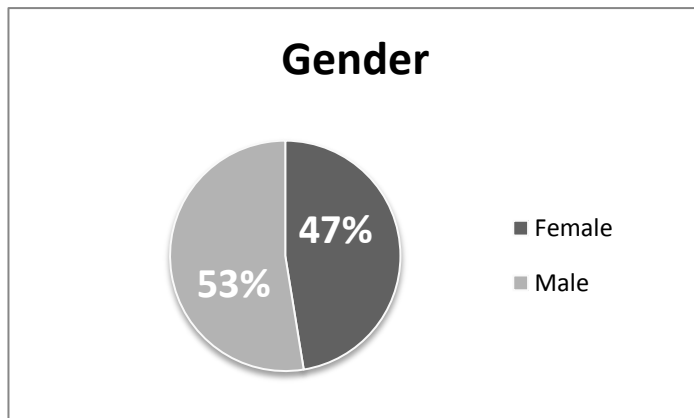
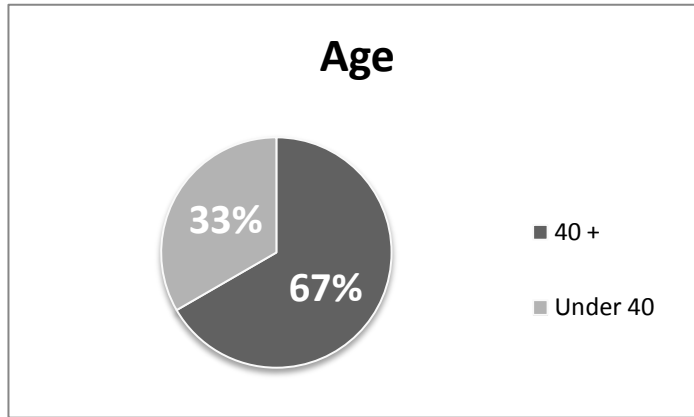
INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2014

Vendors	Goods or Services	Diversity Classification	February 2014	FY 2014 Total
Goddess Products	Office Furniture/Supplies	Minority-owned	\$14.30	\$721.73
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$16,399.75	\$90,781.81
Totals			\$16,414.05	\$91,503.54

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2014

Vendors	Goods or Services	Diversity Classification	February 2014	FY 2014 Total
Central Copiers	Office Equipment	Female-owned		\$716.40
Expedited Transportation Service	Transportation Services	Female-owned	\$14,129.37	\$108,324.05
Laser Express, Inc.	Computer Printer Supply	Minority-owned		\$712.50
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$726.60	\$2,516.40
Premier Staffing	Staffing Services	Female-owned	\$1,261.44	\$1,620.60
Totals			\$16,117.41	\$113,889.95

**Arkansas Lottery Commission
Demographics – February 2014**



Total Number of Employees as of February 28, 2014: 78

Gender:

Females – 37
Males – 41

Age:

Under 40 – 26
40 + – 52

Race:

Black/Non-Hispanic – 18
Female – 12
Male - 6

Caucasian – 52
Female - 21
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
March 10, 2014

On February 19, 2014, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of the Financial Accounting & CAFR and Instant Ticket Reconstructions Audits to members of the Arkansas Lottery Commission (ALC).

Financial Accounting & CAFR Audit

The audit centered on controls, procedures, and processes that ensure that ALC Management adopts accounting policies that are in compliance with applicable Governmental Accounting Standards Board (GASB) standards, and that such policies result in a Comprehensive Annual Financial Report (CAFR) that complies with those standards and guidance issued by the Government Finance Officers Association (GFOA). Fieldwork included review of documentation and information generated in fiscal years 2013 and 2014, with primary focus on the ALC's CAFR for the year ended June 30, 2013.

The following observation was reported to members of the ALC:

- In evaluating the statistical and supplementary sections of the CAFR for both years, six inaccuracies in schedules presented in these sections of the CAFR for June 30, 2012 and one inaccuracy in schedules presented in these sections of the CAFR for June 30, 2013.

The inaccuracies noted included mathematical errors and inconsistencies when comparing information presented in these schedules to underlying supporting documentation, and a complete list of June 30, 2012 inaccuracies noted by Internal Audit were provided to ALC Management in advance of completion of the CAFR for June 30, 2013 so that any necessary actions could be taken to prevent similar inaccuracies from appearing in the June 30, 2013 CAFR. ALC Management took immediate action to address these items, as applicable. Internal Audit recommended that ALC Management continue to perform detailed review of information presented in supplementary and statistical schedules presented in the CAFR, particularly information that is included in these schedules that is provided to the ALC by other state agencies. ALC Management responded stating that it concurs with Internal Audit's recommendation.

Instant Ticket Reconstructions Audit

The audit centered on controls, procedures, and processes that ensure that instant ticket reconstruction requests are authorized and reasonable given the circumstances that might give rise to a reconstruction request. Fieldwork included review of documentation and information generated in fiscal years 2013 and 2014.

The following observation was reported to members of the ALC:

- No formal monitoring or review by ALC Management of the reconstruction requests sent to Scientific Games on a monthly or similar periodic basis, and one reconstruction request for which it cannot be demonstrated that ALC personnel had viewed the instant ticket in question or had physical custody of the instant ticket.

Normally in response to player claims, instant tickets must sometimes be reconstructed to affirm if the tickets presented to the ALC for payment are indeed winning tickets because such tickets were damaged to the point that the ALC cannot validate the tickets presented through normal methods. Reconstruction requests must be processed by the ALC's instant ticket vendor, Scientific Games, to ensure the integrity of instant ticket games are protected. Without viewing or having physical custody of a ticket that is subsequently reconstructed, the ALC has no method for validating that a ticket has actually been purchased or that the request to reconstruct is being performed to determine if a ticket is a winner without the ticket being scratched and/or rendered into a condition where it cannot be subsequently sold to an unsuspecting individual.

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
March 10, 2014

Internal Audit recommended that ALC Management implement a process of weekly or monthly review of all reconstruction requests and that no future reconstruction requests be logged in instances where a questioned instant ticket or other supporting documentation has not been viewed by the employee that requests the reconstruction, to avoid the potential for unnecessary reconstructions. ALC Management responded stating that physical receipt of the ticket to be reconstructed or other supporting documentation will be required for all future reconstruction requests, that Management approval will be required for all future payments to players resulting from reconstructions, and that Management will perform a monthly review of reconstruction requests by user going forward.

For both observations noted 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 February 10, 2014.

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

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

\$1 Hit \$100!

\$2 Hit \$200!

\$3 Jumbo Bucks Crossword

\$5 Hit \$500!

\$20 Platinum Payout

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

\$1 Beat the Dealer

\$1 Find the 9's