



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>

July 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 June 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: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission



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>

July 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 June 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: John C. "Smokey" Campbell III, Chairman, Arkansas Lottery Commission

**Arkansas Lottery Commission Term Contracts for Goods and Services  
June 1 through June 30, 2014**

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

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

**1. Debt Set-Off:**

a.	Department of Finance and Administration	\$11,484.78
b.	Office of Child Support Enforcement - Child Support	<u>\$ 4,267.00</u>
	Total Debt Set-Off:	\$ 15,751.78

**2. Retailer losses for period June 1 through June 30, 2014:** None.

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**June 1 through June 30, 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	\$60.00	\$5,800.50	\$6,496.50	\$1,680.00	\$9,731.00	\$362,877.00	\$8,637.00	\$8,954.00	\$18,868.00	\$423,104.00
ASHLEY	\$5.00	\$8,668.50	\$7,728.50	\$856.00	\$3,929.00	\$88,011.00	\$4,327.00	\$1,943.00	\$12,848.00	\$128,316.00
BAXTER	\$105.00	\$3,673.50	\$2,856.50	\$4,068.00	\$7,750.00	\$288,114.00	\$12,378.00	\$11,710.00	\$31,711.00	\$362,366.00
BENTON	\$165.00	\$3,293.00	\$2,018.50	\$8,352.00	\$19,113.00	\$697,007.00	\$45,115.00	\$21,146.00	\$127,975.00	\$924,184.50
BOONE	\$60.00	\$1,829.50	\$2,113.00	\$1,038.00	\$8,117.00	\$355,998.00	\$9,539.00	\$5,817.00	\$25,384.00	\$409,895.50
BRADLEY	\$20.00	\$1,620.00	\$1,498.50	\$426.00	\$3,087.00	\$120,000.00	\$2,021.00	\$2,492.00	\$4,726.00	\$135,890.50
CALHOUN	\$5.00	\$1,637.50	\$811.50	\$354.00	\$508.00	\$41,629.00	\$808.00	\$837.00	\$1,724.00	\$48,314.00
CARROLL	\$65.00	\$1,189.00	\$1,459.00	\$1,682.00	\$14,333.00	\$193,945.00	\$6,734.00	\$4,406.00	\$18,990.00	\$242,803.00
CHICOT	\$90.00	\$6,714.00	\$4,387.50	\$1,900.00	\$1,475.00	\$119,056.00	\$15,791.00	\$7,872.00	\$39,686.00	\$196,971.50
CLARK	\$40.00	\$2,479.00	\$1,894.50	\$1,020.00	\$10,656.00	\$250,293.00	\$6,485.00	\$5,388.00	\$16,851.00	\$295,106.50
CLAY	\$10.00	\$299.00	\$81.00	\$698.00	\$1,063.00	\$87,002.00	\$1,515.00	\$1,075.00	\$4,450.00	\$96,193.00
CLEBURNE	\$25.00	\$848.00	\$370.00	\$1,928.00	\$6,999.00	\$252,909.00	\$9,608.00	\$13,220.00	\$22,617.00	\$308,524.00
CLEVELAND	\$10.00	\$465.00	\$477.50	\$184.00	\$2,031.00	\$39,300.00	\$1,373.00	\$1,015.00	\$3,390.00	\$48,245.50
COLUMBIA	\$20.00	\$8,097.00	\$7,821.00	\$1,090.00	\$24,449.00	\$173,016.00	\$4,436.00	\$3,595.00	\$10,593.00	\$233,117.00
CONWAY	\$40.00	\$5,649.50	\$3,404.00	\$1,488.00	\$6,110.00	\$372,106.00	\$7,912.00	\$9,239.00	\$22,002.00	\$427,950.50
CRAIGHEAD	\$380.00	\$7,081.50	\$3,658.50	\$3,434.00	\$30,978.00	\$884,049.00	\$21,180.00	\$17,410.00	\$66,096.00	\$1,034,267.00
CRAWFORD	\$65.00	\$2,336.50	\$943.50	\$2,390.00	\$4,494.00	\$267,300.00	\$14,656.00	\$12,241.00	\$40,600.00	\$345,026.00
CRITTENDEN	\$130.00	\$13,882.50	\$12,836.50	\$3,922.00	\$6,110.00	\$411,583.00	\$21,052.00	\$11,146.00	\$64,932.00	\$545,594.00
CROSS	\$10.00	\$1,647.00	\$1,857.00	\$406.00	\$8,484.00	\$157,500.00	\$3,247.00	\$4,186.00	\$8,400.00	\$185,737.00
DALLAS	\$0.00	\$1,195.50	\$564.00	\$388.00	\$7,650.00	\$92,068.00	\$2,718.00	\$2,467.00	\$5,503.00	\$112,553.50
DESHA	\$20.00	\$1,404.50	\$570.00	\$662.00	\$2,016.00	\$135,243.00	\$4,008.00	\$4,589.00	\$11,541.00	\$160,053.50
DREW	\$0.00	\$1,078.00	\$687.50	\$1,194.00	\$4,520.00	\$124,498.00	\$5,075.00	\$4,223.00	\$12,666.00	\$153,941.50
FAULKNER	\$310.00	\$9,056.50	\$5,140.00	\$6,252.00	\$10,179.00	\$923,422.00	\$30,845.00	\$30,608.00	\$80,753.00	\$1,096,565.50
FRANKLIN	\$5.00	\$616.00	\$200.00	\$820.00	\$3,735.00	\$131,673.00	\$5,328.00	\$3,768.00	\$13,780.00	\$159,925.00
FULTON	\$30.00	\$290.00	\$117.50	\$242.00	\$1,165.00	\$46,133.00	\$1,531.00	\$789.00	\$4,422.00	\$54,719.50
GARLAND	\$265.00	\$6,322.50	\$7,438.00	\$8,438.00	\$29,199.00	\$733,543.00	\$39,152.00	\$44,165.00	\$96,361.00	\$964,883.50
GRANT	\$25.00	\$200.50	\$109.50	\$612.00	\$1,765.00	\$107,400.00	\$3,740.00	\$3,861.00	\$9,036.00	\$126,749.00
GREENE	\$65.00	\$1,407.00	\$663.00	\$2,042.00	\$5,248.00	\$440,965.00	\$10,611.00	\$7,908.00	\$28,357.00	\$497,266.00
HEMPSTEAD	\$40.00	\$19,570.50	\$7,469.00	\$784.00	\$4,532.00	\$267,430.00	\$6,146.00	\$3,718.00	\$12,050.00	\$321,739.50
HOT SPRING	\$35.00	\$1,987.00	\$672.00	\$1,852.00	\$5,244.00	\$258,075.00	\$8,753.00	\$9,101.00	\$19,171.00	\$304,890.00

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**June 1 through June 30, 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	\$18,187.50	\$6,858.00	\$658.00	\$4,379.00	\$134,309.00	\$3,762.00	\$3,233.00	\$7,855.00	\$179,281.50
INDEPENDENCE	\$65.00	\$4,336.00	\$807.00	\$2,110.00	\$26,930.00	\$499,036.00	\$10,946.00	\$12,130.00	\$26,921.00	\$583,281.00
IZARD	\$10.00	\$227.50	\$196.50	\$548.00	\$4,396.00	\$51,275.00	\$2,712.00	\$2,729.00	\$5,956.00	\$68,050.00
JACKSON	\$5.00	\$7,057.00	\$4,013.00	\$1,396.00	\$4,505.00	\$219,000.00	\$5,285.00	\$7,573.00	\$14,617.00	\$263,451.00
JEFFERSON	\$115.00	\$31,915.50	\$23,087.00	\$7,102.00	\$29,974.00	\$1,109,271.00	\$28,211.00	\$33,965.00	\$63,299.00	\$1,326,939.50
JOHNSON	\$15.00	\$598.00	\$352.50	\$1,162.00	\$9,373.00	\$193,200.00	\$6,031.00	\$4,524.00	\$15,684.00	\$230,939.50
LAFAYETTE	\$0.00	\$2,201.50	\$1,330.50	\$278.00	\$3,028.00	\$49,200.00	\$1,083.00	\$906.00	\$2,983.00	\$61,010.00
LAWRENCE	\$20.00	\$936.00	\$250.00	\$640.00	\$1,537.00	\$183,515.00	\$2,885.00	\$2,075.00	\$8,118.00	\$199,976.00
LEE	\$5.00	\$1,764.50	\$1,338.00	\$158.00	\$3,983.00	\$63,600.00	\$1,488.00	\$882.00	\$3,575.00	\$76,793.50
LINCOLN	\$10.00	\$475.50	\$157.00	\$394.00	\$874.00	\$63,816.00	\$1,993.00	\$4,061.00	\$4,928.00	\$76,708.50
LITTLE RIVER	\$20.00	\$3,071.00	\$2,737.00	\$612.00	\$2,420.00	\$79,947.00	\$2,236.00	\$1,497.00	\$5,122.00	\$97,662.00
LOGAN	\$30.00	\$565.00	\$103.50	\$996.00	\$4,395.00	\$161,042.00	\$5,762.00	\$3,968.00	\$14,302.00	\$191,163.50
LONOKE	\$95.00	\$5,761.50	\$2,880.50	\$5,456.00	\$20,695.00	\$752,355.00	\$23,903.00	\$25,142.00	\$61,623.00	\$897,911.00
MADISON	\$5.00	\$64.00	\$7.00	\$460.00	\$2,383.00	\$58,525.00	\$2,709.00	\$1,182.00	\$6,879.00	\$72,214.00
MARION	\$25.00	\$2,498.50	\$179.50	\$1,974.00	\$4,358.00	\$125,600.00	\$4,035.00	\$4,398.00	\$10,705.00	\$153,773.00
MILLER	\$30.00	\$20,701.50	\$6,491.00	\$1,308.00	\$7,611.00	\$350,256.00	\$9,279.00	\$4,544.00	\$21,834.00	\$422,054.50
MISSISSIPPI	\$75.00	\$36,853.50	\$13,239.00	\$1,420.00	\$4,844.00	\$412,788.00	\$9,596.00	\$6,248.00	\$25,452.00	\$510,515.50
MONROE	\$10.00	\$1,792.50	\$904.50	\$518.00	\$1,679.00	\$120,103.00	\$3,423.00	\$2,782.00	\$8,474.00	\$139,686.00
MONTGOMERY	\$0.00	\$18.00	\$0.00	\$292.00	\$7,370.00	\$28,200.00	\$1,538.00	\$1,105.00	\$3,894.00	\$42,417.00
NEVADA	\$25.00	\$2,646.00	\$847.00	\$952.00	\$5,073.00	\$157,243.00	\$3,263.00	\$2,015.00	\$6,917.00	\$178,981.00
NEWTON	\$5.00	\$51.00	\$13.00	\$222.00	\$3,275.00	\$66,037.00	\$1,481.00	\$1,160.00	\$2,445.00	\$74,689.00
OUACHITA	\$15.00	\$8,624.00	\$5,632.50	\$1,616.00	\$13,171.00	\$356,283.00	\$6,424.00	\$7,549.00	\$16,885.00	\$416,199.50
PERRY	\$5.00	\$432.00	\$257.00	\$448.00	\$487.00	\$70,152.00	\$3,369.00	\$2,222.00	\$6,327.00	\$83,699.00
PHILLIPS	\$75.00	\$6,689.50	\$3,432.00	\$960.00	\$2,058.00	\$145,196.00	\$10,009.00	\$2,846.00	\$24,411.00	\$195,676.50
PIKE	\$5.00	\$213.00	\$126.50	\$490.00	\$6,030.00	\$69,830.00	\$2,887.00	\$3,314.00	\$7,032.00	\$89,927.50
POINSETT	\$15.00	\$4,918.00	\$1,171.50	\$972.00	\$9,743.00	\$304,981.00	\$6,427.00	\$7,491.00	\$17,659.00	\$353,377.50
POLK	\$50.00	\$480.50	\$170.50	\$782.00	\$1,681.00	\$106,050.00	\$5,250.00	\$3,023.00	\$12,426.00	\$129,913.00
POPE	\$70.00	\$4,644.00	\$1,733.00	\$3,350.00	\$9,116.00	\$719,378.00	\$18,939.00	\$18,099.00	\$51,418.00	\$826,747.00
PRAIRIE	\$0.00	\$2,597.00	\$816.50	\$394.00	\$2,101.00	\$145,929.00	\$2,511.00	\$1,660.00	\$6,907.00	\$162,915.50
PULASKI	\$765.00	\$96,436.50	\$65,349.00	\$37,700.00	\$131,197.00	\$4,689,559.00	\$159,513.00	\$168,101.00	\$385,930.00	\$5,734,550.50
RANDOLPH	\$25.00	\$109.50	\$226.50	\$1,150.00	\$1,897.00	\$115,837.00	\$2,888.00	\$2,472.00	\$7,736.00	\$132,341.00

**ARKANSAS LOTTERY COMMISSION**  
**RETAIL SALES BY COUNTY**  
**June 1 through June 30, 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	\$15.00	\$8,965.50	\$6,118.50	\$1,008.00	\$1,584.00	\$189,990.00	\$6,705.00	\$3,425.00	\$17,926.00	\$235,737.00
SALINE	\$245.00	\$7,493.50	\$3,514.50	\$7,360.00	\$29,518.00	\$872,747.00	\$32,476.00	\$32,994.00	\$83,363.00	\$1,069,711.00
SCOTT	\$5.00	\$287.00	\$28.00	\$362.00	\$1,225.00	\$74,469.00	\$2,492.00	\$1,704.00	\$6,202.00	\$86,774.00
SEARCY	\$5.00	\$530.00	\$543.00	\$362.00	\$1,723.00	\$71,139.00	\$1,624.00	\$1,689.00	\$4,340.00	\$81,955.00
SEBASTIAN	\$345.00	\$16,720.50	\$5,994.00	\$6,624.00	\$10,547.00	\$614,351.00	\$41,082.00	\$29,787.00	\$101,024.00	\$826,474.50
SEVIER	\$5.00	\$3,224.50	\$486.50	\$652.00	\$594.00	\$90,580.00	\$3,762.00	\$1,987.00	\$8,767.00	\$110,058.00
SHARP	\$45.00	\$526.50	\$142.00	\$810.00	\$17,473.00	\$148,486.00	\$4,745.00	\$3,968.00	\$11,325.00	\$187,520.50
STONE	\$30.00	\$1,335.50	\$440.00	\$808.00	\$5,907.00	\$74,145.00	\$2,957.00	\$3,354.00	\$6,396.00	\$95,372.50
UNION	\$55.00	\$41,723.50	\$21,579.00	\$1,922.00	\$8,210.00	\$584,196.00	\$13,717.00	\$7,625.00	\$31,986.00	\$711,013.50
VAN BUREN	\$25.00	\$938.50	\$225.50	\$848.00	\$3,269.00	\$121,258.00	\$4,514.00	\$4,297.00	\$11,496.00	\$146,871.00
WASHINGTON	\$420.00	\$14,815.00	\$5,201.50	\$10,336.00	\$39,946.00	\$1,073,510.00	\$53,612.00	\$38,253.00	\$142,345.00	\$1,378,438.50
WHITE	\$100.00	\$4,932.00	\$2,273.50	\$3,592.00	\$18,847.00	\$897,411.00	\$18,447.00	\$20,269.00	\$50,684.00	\$1,016,555.50
WOODRUFF	\$30.00	\$2,046.00	\$280.50	\$266.00	\$1,589.00	\$99,157.00	\$1,890.00	\$1,765.00	\$5,851.00	\$112,874.50
YELL	\$20.00	\$459.50	\$46.00	\$674.00	\$2,832.00	\$142,530.00	\$4,613.00	\$4,205.00	\$11,184.00	\$166,563.50

<b>GRAND TOTALS</b>	<b>*Arkansas 50/50</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Decades of Dollars</b>	<b>*Fast Play</b>	<b>*Instant</b>	<b>*Mega Millions</b>	<b>*Natural State Jackpot</b>	<b>*Powerball</b>	<b>*Totals</b>
	\$5,075.00	\$491,201.50	\$277,922.50	\$172,344.00	\$718,497.00	\$25,077,627.00	\$857,195.00	\$757,107.00	\$2,186,686.00	\$30,543,655.00

\*Estimates

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

There were 1,879 active retailers as of June 30, 2014.



**Arkansas Lottery Commission  
Statement of Net Position  
June 30, 2014**

**ASSETS**

<b>Current assets:</b>	
Cash and Cash Equivalents	\$ 3,293,815.30
Restricted Assets:	
Cash and cash equivalents	28,165,168.76
Accounts receivable	10,780,857.98
Prepaid items	<u>40,033.56</u>
Total current assets	42,279,875.60
<b>Noncurrent assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,091,133.02
Deposits with Multi-State Lottery Association	1,794,079.20
Capital assets:	
Equipment	630,187.95
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(857,272.66)</u>
Total noncurrent assets	<u>22,156,544.19</u>
Total assets	<u><u>\$ 64,436,419.79</u></u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 431,983.69
Prizes payable	18,744,535.41
Accrued and other liabilities	1,453,153.35
Due to other funds of the State	852,609.74
Payable to ADHE	27,165,168.76
Compensated absences	313,517.64
Unearned revenue	<u>321,087.14</u>
Total current liabilities	<u>49,282,055.73</u>
<b>Long-Term liabilities:</b>	
Net OPEB obligation	<u>1,023,635.88</u>
Total long-term liabilities	<u>1,023,635.88</u>
Total liabilities	<u>50,305,691.61</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	271,331.97
Restricted for:	
Scholarship shortfall fund	20,000,000.00
Retailer fidelity fund	91,133.02
Deposits with Multi-State Lottery Assn.	1,794,079.20
Unclaimed prize reserve	1,000,000.00
Unrestricted	<u>(9,025,816.01)</u>
Total net position	<u>14,130,728.18</u>
Total liabilities & net position	<u><u>\$ 64,436,419.79</u></u>

**Arkansas Lottery Commission**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2014**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 24,517,770.00	\$ 322,415,276.00
Online ticket sales	5,379,167.50	87,657,849.50
Retailer application, fidelity and service fees	49,395.73	554,292.03
Other revenue	<u>765.07</u>	<u>10,550.32</u>
 Total operating revenues	 <u>29,947,098.30</u>	 <u>410,637,967.85</u>
 <b>Operating expenses:</b>		
Instant game prizes	17,704,758.72	229,462,195.83
Online game prizes	2,638,486.81	45,487,903.29
Retailer commissions	1,672,951.46	23,046,409.61
Gaming contract costs	1,529,750.42	20,511,559.10
Compensation and benefits	643,245.90	5,645,956.55
Marketing, advertising and promotions	383,855.07	4,471,455.78
General and administrative expenses	119,358.08	1,392,399.91
Services provided by ADHE	68,333.00	819,996.00
Services provided by Legislative Audit Agency	0.00	139,080.00
Legal and professional services	4,315.00	6,457.42
Depreciation	<u>16,905.35</u>	<u>190,562.66</u>
 Total operating expenses	 <u>24,781,959.81</u>	 <u>331,173,976.15</u>
 Operating income	 5,165,138.49	 79,463,991.70
 <b>Nonoperating revenue (expense):</b>		
Interest income	22,050.71	252,613.66
Other Non Operating Income	<u>                    </u>	<u>461,046.98</u>
 Income before transfers	 5,187,189.20	 80,177,652.34
 Transfers to / from:		
Trust Account for ADHE	(11,927,613.98)	(81,457,955.22)
Arkansas Department of Human Services	<u>                    </u>	<u>(200,000.00)</u>
 Change in net position	 <u><u>\$ (6,740,424.78)</u></u>	 <u>(1,480,302.88)</u>
 Total net position - beginning		 15,611,031.06
Total net position - ending		<u><u>\$ 14,130,728.18</u></u>

**Arkansas Lottery Commission**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2014**

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
<b>Operating Revenues</b>										
Instant Games	\$ 24,517,770.00	81.87	\$ 30,862,500.00	83.55	\$ (6,344,730.00)	\$ 322,415,276.00	78.52	\$ 375,000,000.00	81.56	\$ (52,584,724.00)
OnLine Games	5,379,167.50	17.96	6,033,463.00	16.33	(654,295.50)	87,657,849.50	21.35	84,250,000.00	18.32	3,407,849.50
Retailer application, fidelity	49,395.73	0.16	44,167.00	0.12	5,228.73	554,292.03	0.13	530,000.00	0.12	24,292.03
Other Revenue	765.07	0.00	833.00	0.00	(67.93)	10,550.32	0.00	10,000.00	0.00	550.32
<b>Total Operating Revenues</b>	<b>29,947,098.30</b>	<b>100.00</b>	<b>36,940,963.00</b>	<b>100.00</b>	<b>(6,993,864.70)</b>	<b>410,637,967.85</b>	<b>100.00</b>	<b>459,790,000.00</b>	<b>100.00</b>	<b>(49,152,032.15)</b>
<b>Operating Expenses</b>										
Instant Game Prizes	17,704,758.72	59.12	21,595,489.30	58.46	(3,890,730.58)	229,462,195.83	55.88	263,970,526.04	57.41	(34,508,330.21)
On-Line Game Prizes	2,638,486.81	8.81	3,063,609.69	8.29	(425,122.88)	45,487,903.29	11.08	42,690,724.02	9.28	2,797,179.27
Retailer Commissions	1,672,951.46	5.59	2,088,878.00	5.65	(415,926.54)	23,046,409.61	5.61	25,982,000.00	5.65	(2,935,590.39)
Gaming Contract Costs	1,529,750.42	5.11	1,901,176.00	5.15	(371,425.58)	20,511,559.10	5.00	23,664,250.00	5.15	(3,152,690.90)
Staff Compensation & Benefits	643,245.90	2.15	512,073.00	1.39	131,172.90	5,645,956.55	1.37	6,350,000.00	1.38	(704,043.45)
Marketing, Advertising & Promo	383,855.07	1.28	375,000.00	1.02	8,855.07	4,471,455.78	1.09	4,500,000.00	0.98	(28,544.22)
General and administrative ex	119,358.08	0.40	114,167.00	0.31	5,191.08	1,392,399.91	0.34	1,370,000.00	0.30	22,399.91
Services Provided by Other Age	68,333.00	0.23	129,167.00	0.35	(60,834.00)	959,076.00	0.23	1,550,000.00	0.34	(590,924.00)
Legal and Professional Service	4,315.00	0.01	2,084.00	0.01	2,231.00	6,457.42	0.00	25,000.00	0.01	(18,542.58)
Capital asset depreciation	16,905.35	0.06	15,417.00	0.04	1,488.35	190,562.66	0.05	185,000.00	0.04	5,562.66
<b>Total Operating Expenses</b>	<b>24,781,959.81</b>	<b>82.75</b>	<b>29,797,060.99</b>	<b>80.66</b>	<b>(5,015,101.18)</b>	<b>331,173,976.15</b>	<b>80.65</b>	<b>370,287,500.06</b>	<b>80.53</b>	<b>(39,113,523.91)</b>
<b>Operating Income</b>	<b>5,165,138.49</b>	<b>17.25</b>	<b>7,143,902.01</b>	<b>19.34</b>	<b>(1,978,763.52)</b>	<b>79,463,991.70</b>	<b>19.35</b>	<b>89,502,499.94</b>	<b>19.47</b>	<b>(10,038,508.24)</b>
Interest Income	22,050.71	0.07	20,000.00	0.05	2,050.71	252,613.66	0.06	240,000.00	0.05	12,613.66
Non-Operating Revenue (Expenses)	-				-	461,046.98				461,046.98
<b>Income before transfers</b>	<b>\$ 5,187,189.20</b>	<b>17.32</b>	<b>\$ 7,163,902.01</b>	<b>19.39</b>	<b>\$ (1,976,712.81)</b>	<b>\$ 80,177,652.34</b>	<b>19.53</b>	<b>\$ 89,742,499.94</b>	<b>19.52</b>	<b>\$ (9,564,847.60)</b>

**Arkansas Scholarship Commission  
Net Proceeds Transfer to Ed Trust Computation  
Modified Cash Basis  
For the Year Ended June 30, 2014**

	Year to date	
<b>Operating revenues:</b>		
Instant ticket SETTLEMENTS	\$ 322,824,610.00	
Online ticket sales	87,657,849.50	
Retailer application, fidelity and service fees	554,292.03	
Other revenue	<u>10,550.32</u>	
 Total operating revenues	 <u>411,047,301.85</u>	
 <b>Operating expenses:</b>		
Instant game prizes SETTLEMENTS	228,437,261.00	
Online game prizes	45,487,903.29	
Retailer commissions	23,046,409.61	
Gaming contract costs	20,511,559.10	
Compensation and benefits	5,645,956.55	
Marketing, advertising and promotions	4,471,455.78	
General and administrative expenses	1,392,399.91	
Services provided by ADHE	819,996.00	
Services provided by Legislative Audit Agency	139,080.00	
Legal and professional services	6,457.42	
Current year Capital Asset cost	<u>103,523.07</u>	
Total operating expenses	<u>330,062,001.73</u>	
 Change in net proceeds from operations	 80,985,300.12	
 <b>Nonoperating revenue (expense):</b>		
Interest Income	252,613.66	
Other Non Operating Income	461,046.98	
EDUCATION TRUST FUNDING-Current Year	(69,530,341.24)	
Less Act 1180 Unclaimed Prizes	0.00	
Less Transfer to ADHS	(200,000.00)	
Less Current year Fidelity Fund fees	(20,546.33)	restricted fund
Less Current year MUSL Reserves additions	<u>(20,459.21)</u>	see 23-115-103(17) and (19)(A)&(B)
 <b>NET PROCEEDS EARNED-Current Month</b>	 <b><u>\$ 11,927,613.98</u></b>	

Totals	Transfer	Interest	Total
	\$ 26,320,581.60	\$ 844,587.16	\$ 27,165,168.76
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)
April 2014 funding - 5/15/14	\$ 7,475,645.50	\$ 505.34	\$ 7,476,150.84
May 2014 funding - 6/15/14	\$ 6,509,958.59	\$ 3,286.80	\$ 6,513,245.39
June 2014 funding - 7/15/14	\$ 11,921,510.53	\$ 6,103.45	\$ 11,927,613.98

**Arkansas Lottery Commission**  
**Unclaimed Prizes**  
**June 30, 2014**

	Monthly	Year to Date
1. Unclaimed lottery prize money:	\$ 252,221.00	\$6,401,848.64
2. Expenditures from unclaimed lottery prize money:	0.00	0.00
3. Reserved for future prizes, promotions or reserves:	\$ 252,221.00	\$1,000,000.00
4. Deposits to net lottery proceeds from unclaimed Lottery prize money:	\$5,401,848.64	\$5,401,848.64

**ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**  
**June 1 through June 30, 2014**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>June 2014</b>	<b>FY 2014 Total</b>
BSW Advertising	Advertising/Public Relations	Female-owned	\$3,750.01	\$8,130.01
Byrd Enterprises, Inc.	Lighting & Service Co.	Minority-owned		\$379.50
Goddess Products	Office Furniture/Supplies	Minority-owned	\$552.27	\$6,820.50
Government Supply Services, inc.	Office Products	Minority-owned	\$3,736.32	\$5,584.63
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned	\$615.85	\$6,518.20
Party Prints, Inc.	Advertising/Public Relations	Minority/Female-owned		\$16,182.50
Ride N Shine Detail	Auto Servicing	Minority-owned		\$77.02
SHI International Corporation	Computer Software	Female-owned		\$17,606.08
Sign Express dba Archway Graphics	Advertising/Public Relations	Female-owned		\$6,540.00
Trivia Marketing	Advertising/Public Relations	Female-owned	\$42.51	\$512.58
<b>Totals</b>			<b>\$8,696.96</b>	<b>\$68,351.02</b>

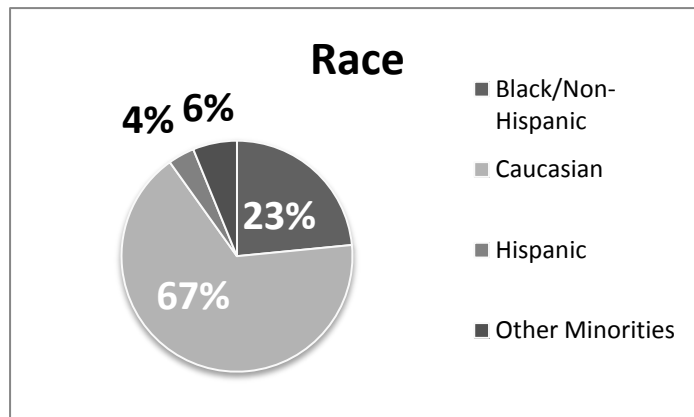
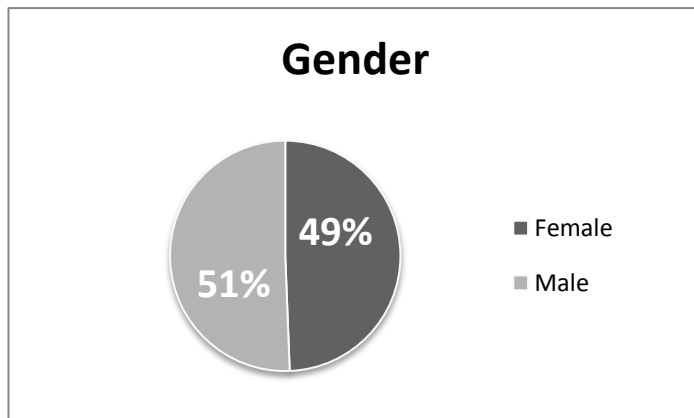
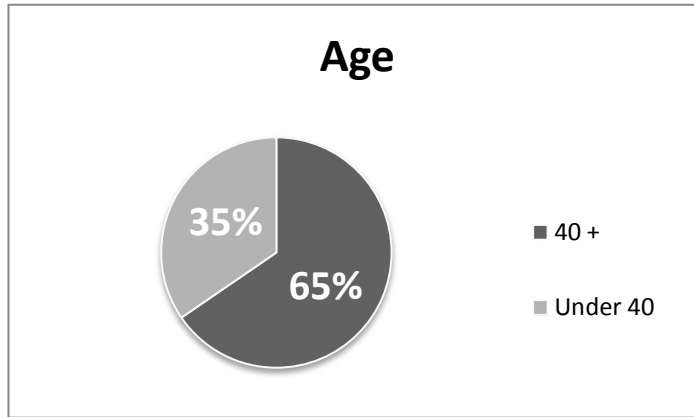
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**  
**June 1 through June 30, 2014**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>June 2014</b>	<b>FY 2014 Total</b>
Goddess Products	Office Furniture/Supplies	Minority-owned		\$1,837.34
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,194.32	\$136,565.15
<b>Totals</b>			<b>\$10,194.32</b>	<b>\$138,402.49</b>

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT**  
**June 1 through June 30, 2014**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>June 2014</b>	<b>FY 2014 Total</b>
Central Copiers	Office Equipment	Female-owned		\$896.40
Expedited Transportation Service	Transportation Services	Female-owned	\$1,935.77	\$127,690.84
Laser Express, Inc.	Computer Printer Supply	Minority-owned		\$712.50
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned		\$3,606.30
Premier Staffing	Staffing Services	Female-owned	\$1,366.56	\$5,930.38
<b>Totals</b>			<b>\$3,302.33</b>	<b>\$138,836.42</b>

**Arkansas Lottery Commission  
Demographics – June 2014**



**Total Number of Employees as of June 30, 2014: 81**

**Gender:**

Females – 40  
Males – 41

**Age:**

Under 40 – 28  
40 + – 53

**Race:**

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

**Caucasian – 54**  
Female - 23  
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**  
**July 10, 2014**

On June 25, 2014, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of the Security Investigations, Back Office System (BOS) Follow-Up, and Instant Ticket Reconstructions Follow-Up Audits to members of the Arkansas Lottery Commission (ALC).

Security Investigations Audit

The audit centered on controls, procedures, and processes relative to investigations undertaken by the Security Division in response to complaints from various sources, including ALC retailers and players. Fieldwork included review of documentation and information generated through May 7, 2014.

The following observation was reported to members of the ALC:

- Two missing case files of the forty (40) selected for testing for fiscal year 2013.

Case files serve as the record of investigation and applicable resolution for items referred to the Security Division; without case file documentation, it cannot be demonstrated that all necessary actions have been taken relative to an issue investigated. Both cases were handled by former ALC employees and ancillary supporting documentation exists to demonstrate that certain actions were taken relative to the issues investigated, but final record of resolution and general documentation normally retained cannot be located. No missing or incomplete case file documentation was noted in testing of fiscal year 2014 case files selected for testing. Internal Audit recommended that Management revisit the two cases to verify that no further action needs to be taken to resolve the issues noted, and ALC Management responded stating that the cases were revisited and a system query and related investigation indicated that no additional actions are necessary to resolve the underlying issues resulting in the initial investigations. Given that follow-up was performed and that fiscal year 2014 case files were determined to be complete, Internal Audit considers the issue noted to be resolved and plans no follow-up audit to specifically address the issue noted.

Back Office System (BOS) Administration Audit

Follow-up procedures centered on ALC Management's implementation of controls, procedures, and / or processes to address the observations noted in the initial follow-up audit of the BOS Administration process.

Fieldwork included review of reports and information generated through June 5, 2014.

The following observations were reported to members of the ALC:

- Users with access levels that appeared to be outside the level of access needed for completion of their assigned job duties or presented segregation of duties issues.
- 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 and initial follow-up audit of the process) and missing user list documentation.

The segregation of duties issue involved a user's access to BOS and the ALC's accounting system. Internal Audit immediately engaged ALC Management regarding the issue noted and validated BOS activities completed by the user noted to verify the propriety of the transactions initiated by the user compared to ALC policies and procedures, noting no departures from standard operating procedures. Additionally, ALC Management removed the user's BOS access that presented the issue noted, and Internal Audit verified that such access was removed.



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

The other access issue noted involved an ALC vendor user that was granted certain access that was needed in the normal course of business, but also granted access that had been determined in the previous audits to be limited to only those in certain vendor backup roles. Internal Audit recommended that ALC Management alternate backup plans be established to avoid segregation of duties issues going forward and that access be limited to only those functions necessary for users to complete assigned job duties. Specific to the monthly user review, Internal Audit 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 responded stating that the segregation of duties issue has been corrected, that the vendor user's access has been removed (with a process developed to grant periodic access to this user based on specified needs), and that steps have already been taken to formalize the monthly review through strengthening of organization and documentation standards.

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.

Instant Ticket Reconstructions Follow-Up Audit

Internal Audit reported to members of the ALC that follow-up audit procedures were performed for the Instant Ticket Reconstructions process, and that Internal Audit's observation from the initial audit of this process (reported to the Arkansas Lottery Commission Legislative Oversight Committee on March 10, 2014) is now considered cleared based on ALC Management's corrective action.

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 June 10, 2014.

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

Sales for the following instant games began June 3, 2014. No ending dates have been determined for these games.

**\$1 Fireball 7's**

**\$2 Spicy Hot 7's**

**\$3 Bankroll Bingo**

**\$5 Sizzlin' 7's**

**\$5 Giant Jumbo Bucks**

Sales for the following Fast Play games began June 2, 2014. No ending dates have been determined for these games.

**\$1 Tic Tac Toe**

**\$2 Lucky Loot**

Sales for the following Fast Play games began June 30, 2014. No ending dates have been determined for these games.

**\$1 Quick Cards**

**\$2 Shopping Spree**