



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 10, 2013

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 2013. 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: Mr. Ben Pickard, Chairman, Arkansas Lottery Commission



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ARKANSAS LOTTERY COMMISSION

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April 10, 2013

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 2013. The report contains the following information:

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Bishop Woosley
Director

Enclosures

cc: Mr. Ben Pickard, Chairman, Arkansas Lottery Commission

**Arkansas Lottery Commission Term Contracts for Goods and Services
March 1 through March 31, 2013**

No term contracts were entered into by the Arkansas Lottery Commission during the month of March 2013.

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
March 2013**

1. Debt Set-Off:

a.	Department of Finance and Administration	\$ 37,526.14
b.	Office of Child Support Enforcement - Child Support	<u>\$ 7,130.00</u>
	Total Debt Set-Off:	\$ 44,656.14

2. Retailer losses for period March 1 through March 31, 2013: None.

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
March 1 through March 31, 2013

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	\$65.00	\$6,788.50	\$7,399.50	\$2,218.00	\$1,599.00	\$640,943.00	\$9,966.00	\$16,038.00	\$45,371.00	\$730,388.00
ASHLEY	\$65.00	\$9,543.50	\$9,599.00	\$1,054.00	\$1,589.00	\$176,400.00	\$5,034.00	\$3,414.00	\$25,451.00	\$232,149.50
BAXTER	\$210.00	\$2,266.00	\$2,426.00	\$3,900.00	\$3,829.00	\$408,600.00	\$14,701.00	\$15,963.00	\$62,418.00	\$514,313.00
BENTON	\$690.00	\$4,726.00	\$2,085.50	\$9,946.00	\$2,357.00	\$927,788.00	\$45,857.00	\$24,320.00	\$275,072.00	\$1,292,841.50
BOONE	\$150.00	\$2,360.00	\$1,550.50	\$1,868.00	\$1,139.00	\$475,920.00	\$10,142.00	\$9,110.00	\$51,204.00	\$553,443.50
BRADLEY	\$390.00	\$763.50	\$402.00	\$698.00	\$364.00	\$231,000.00	\$2,786.00	\$3,646.00	\$11,529.00	\$251,578.50
CALHOUN	\$5.00	\$1,164.50	\$542.00	\$434.00	\$83.00	\$62,700.00	\$1,216.00	\$1,257.00	\$5,351.00	\$72,752.50
CARROLL	\$75.00	\$483.50	\$685.50	\$1,152.00	\$238.00	\$281,100.00	\$5,916.00	\$4,917.00	\$33,273.00	\$327,840.00
CHICOT	\$225.00	\$6,578.00	\$4,359.50	\$2,880.00	\$1,278.00	\$255,300.00	\$19,453.00	\$6,628.00	\$90,441.00	\$387,142.50
CLARK	\$90.00	\$3,376.50	\$1,417.00	\$1,626.00	\$1,378.00	\$405,605.00	\$7,009.00	\$6,154.00	\$37,081.00	\$463,736.50
CLAY	\$15.00	\$280.50	\$84.50	\$410.00	\$378.00	\$103,244.00	\$1,605.00	\$1,439.00	\$9,044.00	\$116,500.00
CLEBURNE	\$55.00	\$1,731.50	\$325.00	\$2,538.00	\$3,764.00	\$395,192.00	\$12,809.00	\$16,234.00	\$53,085.00	\$485,733.50
CLEVELAND	\$15.00	\$271.50	\$200.50	\$296.00	\$155.00	\$57,973.00	\$1,463.00	\$1,267.00	\$7,641.00	\$69,282.00
COLUMBIA	\$55.00	\$12,439.50	\$7,347.00	\$1,718.00	\$1,120.00	\$302,600.00	\$4,996.00	\$5,202.00	\$23,655.00	\$359,132.50
CONWAY	\$150.00	\$7,931.50	\$2,381.00	\$2,636.00	\$1,771.00	\$481,746.00	\$11,014.00	\$13,947.00	\$48,803.00	\$570,379.50
CRAIGHEAD	\$485.00	\$8,588.50	\$4,514.00	\$4,946.00	\$2,316.00	\$1,392,783.00	\$25,658.00	\$23,893.00	\$161,110.00	\$1,624,293.50
CRAWFORD	\$305.00	\$2,845.00	\$906.50	\$2,890.00	\$1,318.00	\$440,400.00	\$19,153.00	\$18,608.00	\$101,614.00	\$588,039.50
CRITTENDEN	\$205.00	\$16,930.50	\$12,959.00	\$4,508.00	\$1,197.00	\$696,066.00	\$25,289.00	\$15,256.00	\$135,076.00	\$907,486.50
CROSS	\$85.00	\$1,939.50	\$1,722.00	\$944.00	\$674.00	\$293,792.00	\$4,967.00	\$4,956.00	\$24,909.00	\$333,988.50
DALLAS	\$25.00	\$1,335.00	\$947.50	\$542.00	\$866.00	\$173,100.00	\$3,821.00	\$3,836.00	\$15,089.00	\$199,561.50
DESHA	\$60.00	\$2,189.00	\$892.00	\$854.00	\$395.00	\$201,600.00	\$5,399.00	\$6,195.00	\$27,160.00	\$244,744.00
DREW	\$90.00	\$898.00	\$731.50	\$1,274.00	\$1,541.00	\$240,900.00	\$4,920.00	\$4,128.00	\$26,319.00	\$280,801.50
FAULKNER	\$1,360.00	\$10,961.00	\$5,267.50	\$8,398.00	\$3,320.00	\$1,496,408.00	\$40,781.00	\$36,602.00	\$192,781.00	\$1,795,878.50
FRANKLIN	\$140.00	\$900.50	\$181.00	\$1,004.00	\$1,958.00	\$200,007.00	\$5,978.00	\$5,434.00	\$31,041.00	\$246,643.50
FULTON	\$5.00	\$445.50	\$159.00	\$232.00	\$125.00	\$59,515.00	\$1,835.00	\$1,227.00	\$9,202.00	\$72,745.50
GARLAND	\$985.00	\$7,733.50	\$3,747.00	\$11,990.00	\$3,558.00	\$1,027,246.00	\$47,238.00	\$52,172.00	\$224,269.00	\$1,378,938.50
GRANT	\$40.00	\$541.00	\$92.50	\$1,170.00	\$340.00	\$198,800.00	\$6,805.00	\$6,245.00	\$26,494.00	\$240,527.50
GREENE	\$300.00	\$1,705.00	\$853.00	\$1,538.00	\$977.00	\$662,763.00	\$10,691.00	\$10,210.00	\$63,754.00	\$752,791.00
HEMPSTEAD	\$45.00	\$27,160.00	\$10,411.50	\$962.00	\$1,360.00	\$495,600.00	\$6,999.00	\$5,170.00	\$29,008.00	\$576,715.50
HOT SPRING	\$170.00	\$2,067.00	\$825.50	\$2,296.00	\$284.00	\$366,300.00	\$9,752.00	\$11,989.00	\$44,074.00	\$437,757.50

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
March 1 through March 31, 2013

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	\$65.00	\$18,913.00	\$6,471.50	\$792.00	\$954.00	\$219,066.00	\$4,583.00	\$3,590.00	\$18,472.00	\$272,906.50
INDEPENDENCE	\$360.00	\$3,917.00	\$1,966.50	\$3,176.00	\$2,276.00	\$810,900.00	\$14,418.00	\$17,494.00	\$64,789.00	\$919,296.50
IZARD	\$5.00	\$388.50	\$451.50	\$700.00	\$433.00	\$89,860.00	\$3,355.00	\$2,689.00	\$13,302.00	\$111,184.00
JACKSON	\$65.00	\$9,664.00	\$5,845.00	\$2,164.00	\$1,468.00	\$417,600.00	\$8,093.00	\$13,649.00	\$37,908.00	\$496,456.00
JEFFERSON	\$470.00	\$37,332.00	\$29,268.00	\$9,214.00	\$2,668.00	\$1,793,166.00	\$36,672.00	\$51,332.00	\$154,970.00	\$2,115,092.00
JOHNSON	\$280.00	\$508.50	\$505.00	\$1,082.00	\$466.00	\$267,300.00	\$7,243.00	\$5,818.00	\$33,238.00	\$316,440.50
LAFAYETTE	\$5.00	\$3,506.00	\$1,566.00	\$236.00	\$867.00	\$83,100.00	\$1,229.00	\$1,037.00	\$6,520.00	\$98,066.00
LAWRENCE	\$90.00	\$1,420.00	\$301.50	\$816.00	\$591.00	\$281,634.00	\$2,696.00	\$2,729.00	\$19,089.00	\$309,366.50
LEE	\$15.00	\$3,312.50	\$2,492.00	\$296.00	\$92.00	\$141,300.00	\$1,980.00	\$931.00	\$9,979.00	\$160,397.50
LINCOLN	\$25.00	\$509.00	\$165.00	\$374.00	\$137.00	\$108,300.00	\$2,577.00	\$3,541.00	\$12,258.00	\$127,886.00
LITTLE RIVER	\$5.00	\$3,864.50	\$2,204.50	\$420.00	\$680.00	\$124,637.00	\$2,834.00	\$1,861.00	\$13,504.00	\$150,010.00
LOGAN	\$100.00	\$671.00	\$189.00	\$1,154.00	\$759.00	\$276,545.00	\$6,547.00	\$6,380.00	\$31,364.00	\$323,709.00
LONOKE	\$410.00	\$7,653.50	\$3,438.50	\$6,762.00	\$4,191.00	\$1,296,979.00	\$30,204.00	\$27,148.00	\$155,232.00	\$1,532,018.00
MADISON	\$35.00	\$98.50	\$19.00	\$416.00	\$879.00	\$57,642.00	\$2,456.00	\$1,446.00	\$12,347.00	\$75,338.50
MARION	\$60.00	\$1,236.00	\$564.50	\$1,608.00	\$914.00	\$176,097.00	\$4,718.00	\$5,806.00	\$21,518.00	\$212,521.50
MILLER	\$100.00	\$26,589.50	\$8,805.00	\$2,058.00	\$834.00	\$576,600.00	\$10,718.00	\$6,182.00	\$46,966.00	\$678,852.50
MISSISSIPPI	\$230.00	\$37,929.50	\$15,510.50	\$1,750.00	\$1,215.00	\$629,249.00	\$10,327.00	\$7,377.00	\$57,415.00	\$761,003.00
MONROE	\$50.00	\$2,932.50	\$1,343.50	\$672.00	\$785.00	\$176,865.00	\$3,823.00	\$3,059.00	\$24,566.00	\$214,096.00
MONTGOMERY	\$0.00	\$19.00	\$16.00	\$288.00	\$97.00	\$24,300.00	\$1,513.00	\$1,197.00	\$7,294.00	\$34,724.00
NEVADA	\$60.00	\$3,453.00	\$877.50	\$964.00	\$1,250.00	\$328,874.00	\$3,921.00	\$3,048.00	\$19,025.00	\$361,472.50
NEWTON	\$20.00	\$52.50	\$19.50	\$168.00	\$797.00	\$56,968.00	\$1,064.00	\$1,058.00	\$5,147.00	\$65,294.00
OUACHITA	\$150.00	\$8,785.50	\$4,267.00	\$1,810.00	\$3,247.00	\$589,800.00	\$8,490.00	\$9,317.00	\$39,492.00	\$665,358.50
PERRY	\$25.00	\$576.00	\$167.00	\$596.00	\$180.00	\$87,300.00	\$3,299.00	\$2,817.00	\$14,313.00	\$109,273.00
PHILLIPS	\$220.00	\$7,379.00	\$4,451.50	\$1,274.00	\$379.00	\$275,343.00	\$9,810.00	\$4,170.00	\$47,639.00	\$350,665.50
PIKE	\$90.00	\$156.00	\$71.00	\$476.00	\$471.00	\$83,684.00	\$3,464.00	\$3,918.00	\$14,133.00	\$106,463.00
POINSETT	\$130.00	\$4,712.50	\$1,640.50	\$912.00	\$1,162.00	\$543,600.00	\$5,997.00	\$9,095.00	\$39,954.00	\$607,203.00
POLK	\$95.00	\$946.00	\$90.00	\$1,360.00	\$751.00	\$165,600.00	\$6,471.00	\$5,933.00	\$26,517.00	\$207,763.00
POPE	\$365.00	\$6,896.50	\$5,506.50	\$6,406.00	\$3,538.00	\$961,200.00	\$23,409.00	\$25,302.00	\$119,854.00	\$1,152,477.00
PRAIRIE	\$35.00	\$3,215.00	\$712.50	\$928.00	\$271.00	\$229,484.00	\$3,840.00	\$3,857.00	\$21,383.00	\$263,725.50
PULASKI	\$2,655.00	\$100,785.50	\$71,250.00	\$46,054.00	\$26,846.00	\$7,269,313.00	\$198,282.00	\$210,953.00	\$919,882.00	\$8,846,020.50
RANDOLPH	\$55.00	\$208.00	\$154.50	\$1,052.00	\$443.00	\$190,200.00	\$2,838.00	\$4,042.00	\$20,492.00	\$219,484.50

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
March 1 through March 31, 2013

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	\$130.00	\$9,397.50	\$6,761.00	\$976.00	\$598.00	\$336,215.00	\$8,483.00	\$5,834.00	\$41,514.00	\$409,908.50
SALINE	\$475.00	\$10,194.00	\$3,600.00	\$9,140.00	\$3,482.00	\$1,343,208.00	\$41,350.00	\$40,665.00	\$208,287.00	\$1,660,401.00
SCOTT	\$20.00	\$185.50	\$79.50	\$304.00	\$130.00	\$131,100.00	\$3,107.00	\$2,147.00	\$14,617.00	\$151,690.00
SEARCY	\$35.00	\$2,898.00	\$394.00	\$620.00	\$839.00	\$115,500.00	\$2,260.00	\$2,002.00	\$11,544.00	\$136,092.00
SEBASTIAN	\$655.00	\$19,805.50	\$3,738.00	\$6,946.00	\$2,656.00	\$928,650.00	\$46,324.00	\$41,231.00	\$218,818.00	\$1,268,823.50
SEVIER	\$50.00	\$4,588.50	\$1,098.00	\$488.00	\$441.00	\$155,167.00	\$4,305.00	\$2,988.00	\$18,491.00	\$187,616.50
SHARP	\$155.00	\$1,257.50	\$301.50	\$960.00	\$1,134.00	\$222,692.00	\$5,323.00	\$4,757.00	\$24,389.00	\$260,969.00
STONE	\$70.00	\$1,273.00	\$213.00	\$894.00	\$363.00	\$116,700.00	\$3,138.00	\$3,850.00	\$13,654.00	\$140,155.00
UNION	\$180.00	\$41,019.00	\$23,183.00	\$2,800.00	\$2,619.00	\$859,165.00	\$14,978.00	\$10,930.00	\$68,739.00	\$1,023,613.00
VAN BUREN	\$85.00	\$1,579.50	\$626.00	\$1,050.00	\$254.00	\$196,200.00	\$5,087.00	\$4,757.00	\$25,356.00	\$234,994.50
WASHINGTON	\$650.00	\$13,403.50	\$4,939.50	\$10,098.00	\$4,016.00	\$1,591,298.00	\$60,350.00	\$37,922.00	\$326,978.00	\$2,049,655.00
WHITE	\$415.00	\$4,959.00	\$3,750.00	\$4,036.00	\$2,024.00	\$1,511,229.00	\$24,006.00	\$25,228.00	\$118,069.00	\$1,693,716.00
WOODRUFF	\$30.00	\$2,311.00	\$556.50	\$348.00	\$882.00	\$160,800.00	\$2,520.00	\$2,868.00	\$13,631.00	\$183,946.50
YELL	\$35.00	\$620.50	\$210.00	\$1,230.00	\$692.00	\$210,300.00	\$6,016.00	\$5,315.00	\$27,802.00	\$252,220.50

GRAND TOTALS	*Arkansas 50/50	*Cash 3	*Cash 4	*Decades of Dollars	*Fast Play	*Instant	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$15,810.00	\$558,065.50	\$304,794.00	\$212,790.00	\$121,042.00	\$39,362,121.00	\$1,027,371.00	\$972,727.00	\$5,051,770.00	\$47,626,490.50

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
March 2013**

There were 1,876 active retailers as of March 31, 2013.

Arkansas Lottery Commission
Statement of Net Position
March 31, 2013

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 3,343,826.42
Restricted Assets:	
Cash and cash equivalents	16,384,128.68
Accounts receivable	12,848,866.37
Prepaid items	<u>36,749.96</u>
 Total current assets	 <u>32,613,571.43</u>

Noncurrent assets:

Restricted assets:	
Cash and cash equivalents	20,068,835.13
Deposits with Multi-State Lottery Asso.	1,729,039.71
Capital assets:	
Equipment	526,664.88
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(621,170.37)</u>
 Total noncurrent assets	 <u>22,201,786.03</u>
 Total assets	 <u>\$ 54,815,357.46</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 558,558.81
Prizes payable	17,464,042.96
Accrued and other liabilities	1,438,214.11
Due to other funds	1,017,409.30
Due to ADHE	11,595,111.06
Compensated absences	<u>244,454.07</u>
 Total current liabilities	 <u>32,317,790.31</u>

Long-Term liabilities:

Net OPEB Obligation	<u>727,279.68</u>
 Total liabilities	 <u>33,045,069.99</u>

Deferred inflows:

Deferred revenue	<u>331,934.93</u>
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NET POSITION

Net position:

Invested in capital assets	403,911.19
Restricted:	
Scholarship shortfall fund	20,000,000.00
Retailer fidelity fund	68,835.13
Deposits with Multi-State Lottery Asso.	1,729,039.71
Unclaimed Prize Fund	4,789,017.62
Unrestricted	<u>(5,552,451.11)</u>
 Total net position	 <u>21,438,352.54</u>
 Total liabilities, deferred inflows & net position	 <u>\$ 54,815,357.46</u>

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Position
For the Nine Months Ended March 31, 2013

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 38,726,262.00	\$ 266,963,160.00
Online ticket sales	8,282,576.50	60,250,888.50
Retailer application, fidelity and service fees	50,390.27	424,294.68
Other revenue	<u>104.50</u>	<u>3,040.09</u>
 Total operating revenues	 <u>47,059,333.27</u>	 <u>327,641,383.27</u>
 Operating expenses:		
Instant game prizes	27,980,717.71	187,516,909.02
Online game prizes	3,942,513.16	29,347,849.37
Retailer commissions	2,637,907.93	18,322,282.72
Gaming contract costs	2,324,414.69	16,392,786.99
Compensation and benefits	431,315.89	4,123,356.17
Marketing, advertising and promotions	398,053.07	2,759,062.32
General and administrative expenses	21,463.68	925,277.82
Services provided by ADHE	110,000.00	990,000.00
Services provided by Legislative Audit Agency		138,880.00
Legal and professional services	610.18	15,767.13
Depreciation	<u>15,179.89</u>	<u>136,619.01</u>
 Total operating expenses	 <u>37,862,176.20</u>	 <u>260,668,790.55</u>
 Operating income	 9,197,157.07	 66,972,592.72
 Nonoperating revenue (expense):		
Interest income	21,864.35	249,504.87
Other Non Operating Income		
 Income before transfers	 <u>9,219,021.42</u>	 <u>67,222,097.59</u>
 Transfers to:		
Trust Account for ADHE	(9,775,272.83)	(63,283,151.19)
Arkansas Department of Human Services		(200,000.00)
 Transfers from:		
Transfers from ADHE		<u>0.00</u>
 Change in net position	 <u>\$ (556,251.41)</u>	 <u>3,738,946.40</u>
 Total net position - beginning		 <u>17,699,406.14</u>
Total net position - ending		<u>\$ 21,438,352.54</u>

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Position
For the Nine Months Ended March 31, 2013

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$38,726,262.00	82.29	\$38,340,100.00	80.38	\$ 386,162.00	\$266,963,160.00	81.48	\$ 291,588,100.00	81.89	\$ (24,624,940.00)
OnLine Games	8,282,576.50	17.60	9,306,500.00	19.51	(1,023,923.50)	60,250,888.50	18.39	64,081,800.00	18.00	(3,830,911.50)
Retailer application, fidelity	50,390.27	0.11	49,800.00	0.10	590.27	424,294.68	0.13	402,300.00	0.11	21,994.68
Other Revenue	<u>104.50</u>	0.00	<u>400.00</u>	0.00	<u>(295.50)</u>	<u>3,040.09</u>	0.00	<u>3,700.00</u>	0.00	<u>(659.91)</u>
Total Operating Revenues	<u>47,059,333.27</u>	100.00	<u>47,696,800.00</u>	100.00	<u>(637,466.73)</u>	<u>327,641,383.27</u>	100.00	<u>356,075,900.00</u>	100.00	<u>(28,434,516.73)</u>
Operating Expenses										
Instant Game Prizes	27,980,717.71	59.46	26,554,327.78	55.67	1,426,389.93	187,516,909.02	57.23	201,972,476.59	56.72	(14,455,567.57)
On-Line Game Prizes	3,942,513.16	8.38	4,699,372.22	9.85	(756,859.06)	29,347,849.37	8.96	32,280,323.41	9.07	(2,932,474.04)
Retailer Commissions	2,637,907.93	5.61	2,694,000.00	5.65	(56,092.07)	18,322,282.72	5.59	20,098,600.00	5.64	(1,776,317.28)
Gaming Contract Costs	2,324,414.69	4.94	2,557,700.00	5.36	(233,285.31)	16,392,786.99	5.00	18,429,500.00	5.18	(2,036,713.01)
Staff Compensation & Benefits	431,315.89	0.92	470,788.00	0.99	(39,472.11)	4,123,356.17	1.26	4,344,623.00	1.22	(221,266.83)
Marketing, Advertising & Promo	398,053.07	0.85	598,190.00	1.25	(200,136.93)	2,759,062.32	0.84	3,281,639.00	0.92	(522,576.68)
General and administrative ex	21,463.68	0.05	107,460.00	0.23	(85,996.32)	925,277.82	0.28	978,400.00	0.27	(53,122.18)
Services Provided by Other Age	110,000.00	0.23	129,200.00	0.27	(19,200.00)	1,128,880.00	0.34	1,162,500.00	0.33	(33,620.00)
Legal and Professional Service	610.18	0.00	7,950.00	0.02	(7,339.82)	15,767.13	0.00	71,250.00	0.02	(55,482.87)
Capital asset depreciation	<u>15,179.89</u>	0.03	<u>16,666.00</u>	0.03	<u>(1,486.11)</u>	<u>136,619.01</u>	0.04	<u>150,000.00</u>	0.04	<u>(13,380.99)</u>
Total Operating Expenses	<u>37,862,176.20</u>	80.46	<u>37,835,654.00</u>	79.33	<u>26,522.20</u>	<u>260,668,790.55</u>	79.56	<u>282,769,312.00</u>	79.41	<u>(22,100,521.45)</u>
Operating Income	9,197,157.07	19.54	9,861,146.00	20.67	(663,988.93)	66,972,592.72	20.44	73,306,588.00	20.59	(6,333,995.28)
Non-Operating Revenue (Expense)										
Interest Income	<u>21,864.35</u>	0.05	<u>26,700.00</u>	0.06	<u>(4,835.65)</u>	<u>249,504.87</u>	0.08	<u>240,000.00</u>	0.07	<u>9,504.87</u>
Income before transfers	<u>\$ 9,219,021.42</u>	19.59	<u>\$ 9,887,846.00</u>	20.73	<u>\$ (668,824.58)</u>	<u>\$ 67,222,097.59</u>	20.52	<u>\$73,546,588.00</u>	20.65	<u>\$ (6,324,490.41)</u>

Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Nine Months Ended March 31, 2013

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 266,451,228.00
Online ticket sales	60,250,888.50
A/R write-offs	
Retailer application, fidelity and service fees	424,294.68
Other revenue	<u>3,040.09</u>
 Total operating revenues	 <u>327,129,451.27</u>

Operating expenses:	
Instant game prizes SETTLEMENTS	187,026,688.01
Online game prizes	29,347,849.37
Retailer commissions	18,322,282.72
Gaming contract costs	16,392,786.99
Compensation and benefits	4,123,356.17
Marketing, advertising and promotions	2,759,062.32
General and administrative expenses	925,277.82
Services provided by ADHE	990,000.00
Services provided by Legislative Audit Agency	138,880.00
Legal and professional services	15,767.13
Current year Capital Asset cost	<u>0.00</u>
Total operating expenses	<u>260,041,950.53</u>

Change in net proceeds from operations 67,087,500.74

Nonoperating revenue (expense):	
Interest Income	249,504.87
Other Non Operating Income	
EDUCATION TRUST FUNDING-Current Year	(53,507,878.36)
Less Act 1180 Unclaimed Prizes	(3,789,017.62)
Less Transfer to ADHS	(200,000.00)
Less Current year Fidelity Fund fees	(19,602.86) restricted fund
Less Current year MUSL Reserves additions	(45,233.94) see 23-115-103(17) and (19)(A)&(B)

NET PROCEEDS EARNED-Current Month **\$ 9,775,272.83**

	Transfer	Interest	Total
Totals	\$ 70,851,933.45	\$ 743,177.61	\$ 71,595,111.06
July 2011 funding - 8/12/11	\$ 7,124,686.65	\$ 28,216.33	\$ 7,152,902.98
ADHE Refund for excess funding 8/1/11	\$ 12,430,211.12		\$ 12,430,211.12
June 2011 Audit Adjustments funding - 8/3/11	\$ 60,972.09		\$ 60,972.09
August transfer to ADHE 8/4/11	\$ (60,000,000.00)		\$ (60,000,000.00)
August 2011 funding - 9/14/11	\$ 7,531,880.34	\$ 11,673.25	\$ 7,543,553.59
September 2011 funding - 10/14/11	\$ 6,961,428.55	\$ 11,751.16	\$ 6,973,179.71
October transfer to ADHE 10/13/11	\$ (10,000,000.00)		\$ (10,000,000.00)
June 2011 Audit Adjustments funding - 11/15/11	\$ (102,990.22)		\$ (102,990.22)
October 2011 funding - 11/15/11	\$ 8,121,007.71	\$ 12,698.12	\$ 8,133,705.83
November 2011 funding - 12/15/11	\$ 7,980,208.54	\$ 13,917.97	\$ 7,994,126.51
December 2011 funding - 01/15/12	\$ 7,870,103.23	\$ 18,175.91	\$ 7,888,279.14
January 2012 funding - 02/15/12	\$ 5,500,806.07	\$ 21,940.75	\$ 5,522,746.82
February transfer to ADHE 2/2/12	\$ (45,000,000.00)		\$ (45,000,000.00)
February 2012 funding - 03/15/12	\$ 9,724,929.68	\$ 4,663.90	\$ 9,729,593.58
March 2012 funding - 04/15/12	\$ 12,820,077.29	\$ 7,295.76	\$ 12,827,373.05
April 2012 funding - 05/15/12	\$ 7,053,021.89	\$ 13,165.87	\$ 7,066,187.76
May 2012 funding - 06/15/12	\$ 7,553,944.47	\$ 17,709.57	\$ 7,571,654.04
June 2012 funding - 7/15/12	\$ 9,158,895.89	\$ 20,328.76	\$ 9,179,224.65
July 2012 funding - 8/15/12	\$ 4,727,442.68	\$ 25,058.83	\$ 4,752,501.51
ADHE Refund for excess funding 8/7/12	\$ 6,342,312.00		\$ 6,342,312.00
August transfer to ADHE 8/10/12	\$ (55,000,000.00)		\$ (55,000,000.00)
June 2012 Audit Adjustments funding - 9/15/12	\$ (72,247.92)		\$ (72,247.92)
August 2012 funding - 9/15/12	\$ 7,181,223.09	\$ 12,062.84	\$ 7,193,285.93
September 2012 funding - 10/15/12	\$ 6,576,892.46	\$ 8,064.30	\$ 6,584,956.76
October 2012 funding - 11/15/12	\$ 6,621,349.77	\$ 11,516.26	\$ 6,632,866.03
November 2012 funding - 12/15/12	\$ 8,429,441.15	\$ 14,494.44	\$ 8,443,935.59
December 2012 funding - 1/15/13	\$ 6,895,999.32	\$ 18,261.36	\$ 6,914,260.68
January 2013 funding - 2/15/13	\$ 6,516,869.09	\$ 22,084.00	\$ 6,538,953.09
February 2013 funding - 3/15/13	\$ 6,445,840.69	\$ 1,278.08	\$ 6,447,118.77
March 2013 funding - 4/15/13	\$ 9,773,520.45	\$ 1,752.38	\$ 9,775,272.83

Arkansas Lottery Commission
Unclaimed Prizes
March 31, 2013

	Monthly	Year to Date
1. Unclaimed lottery prize money:	\$138,019.00	\$3,947,402.62
2. Expenditures from unclaimed lottery prize money:	0.00	158,385.00
3. Reserved for future prizes, promotions or reserves:	\$138,019.00	\$3,789,017.62
4. 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, 2013

Vendors	Goods or Services	Diversity Classification	March 2013	FY 2013 Total
BSW Advertising	Advertising/Public Relations	Minority-owned		\$4,293.89
Goddess Products	Office Furniture/Supplies	Minority-owned	\$1,311.44	\$5,107.91
CCI of Arkansas	Electrical Services	Minority-owned		\$659.66
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned	\$623.88	\$4,150.14
Party Prints	Advertising/Public Relations	Minority/Female-owned		\$5,737.48
Ride N Shine Detail	Auto Detail & Cosmetic Repair	Minority-owned		\$151.91
SHI International Corporation	Computer Software	Female-owned		\$7,236.60
Trivia Marketing	Advertising/Public Relations	Female-owned		\$116.21
Totals			\$1,935.32	\$27,453.80

INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

March 1 through March 31, 2013

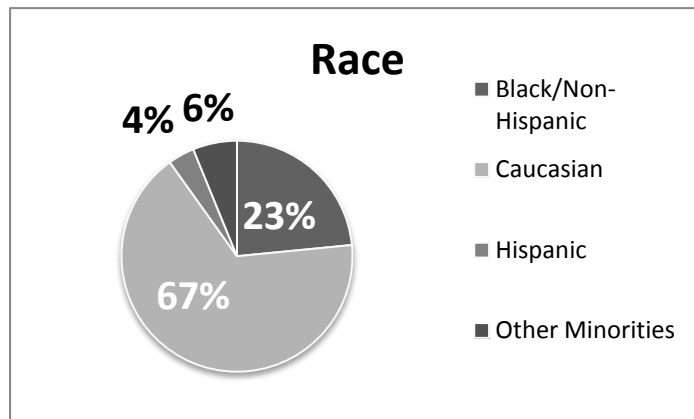
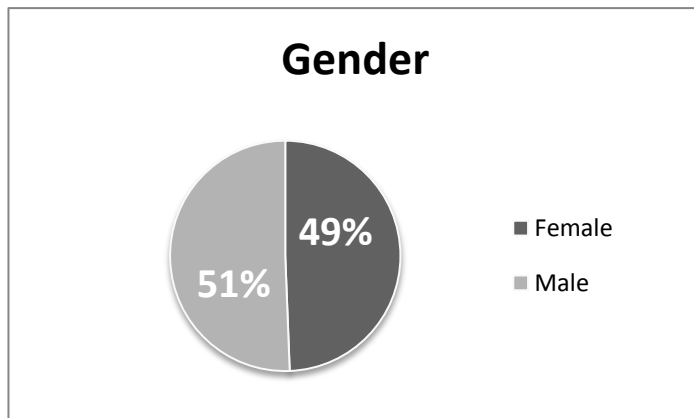
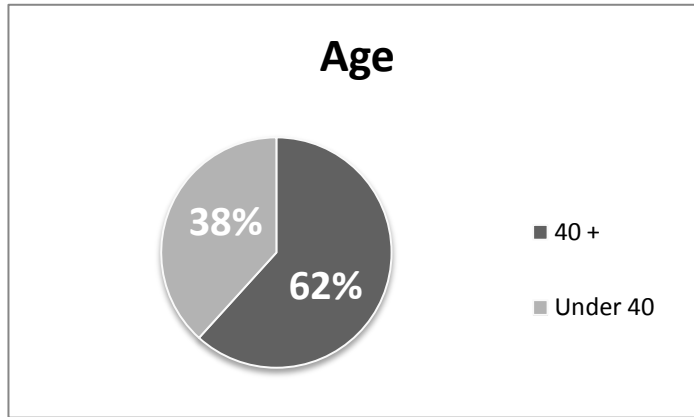
Vendors	Goods or Services	Diversity Classification	March 2013	FY 2013 Total
Goddess Products	Office Furniture/Supplies	Minority-owned		\$998.60
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,619.26	\$118,186.73
Totals			\$10,619.26	\$119,185.33

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

March 1 through March 31, 2013

Vendors	Goods or Services	Diversity Classification	March 2013	FY 2013 Total
Central Copiers	Office Supplies/Equipment	Female-owned		\$980.60
Expedited Transportation Service	Transportation Services	Female-owned	\$20,461.99	\$130,843.77
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned		\$3,119.70
Premier Staffing	Staffing Services	Female-owned		\$823.44
Totals			\$20,461.99	\$135,767.51

**Arkansas Lottery Commission
Demographics – March 2013**



Total Number of Employees as of March 31, 2013: 81

Gender:

Females – 40
Males – 41

Race:

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

Hispanic – 3
Female - 2
Male - 1

Age:

Under 40 – 31
40 + – 50

Caucasian – 54
Female - 23
Male - 31

Other – 5
Female - 2
Male - 3

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
April 10, 2013

On March 18, 2013, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of two completed audits to members of the Arkansas Lottery Commission (ALC) as follows:

Accounts Payable / Purchasing / Expenditures Audit

The audit centered on processes, controls, and procedures over procurement of services, disbursements to vendors, maintenance of vendor records, and engagement of diverse vendors for the period July 1, 2012 through December 31, 2012. The following observations were reported to the ALC:

1. Three active vendor records for terminated employees, duplicate vendor records for an active employee, and one active vendor record for a former commissioner.
2. Inadvertent filing of a duplicated "Arkansas Lottery Commission Minority- and Female-Owned Diversity Compliance Report" in June 2012.

Specific to Observation #1, Internal Audit recommended that the vendor records noted be made inactive and that ALC Management institute a policy of inactivating vendor records for employees within 60 days of termination or last known date of accounts payable disbursement. As a result of the observation, ALC Management responded stating that the vendor records noted would be inactivated by January 31, 2013 and that an annual review of the vendor master records would be performed going forward, to identify any records that should no longer be active, with the first annual review to be performed by March 15, 2013. Internal Audit performed follow-up audit procedures and issued a report on April 3, 2013 to the ALC stating that the observation is considered cleared based on ALC Management's inactivation of the vendor records noted and adoption of the annual vendor review performed. This report will be subject to discussion with members of the ALC at their next meeting, scheduled for April 29, 2013.

Specific to Observation #2, Internal Audit recommended that the reporting package be amended with an updated report for June 2012 and that ALC Management institute a policy of review of the packet by ALC division directors that contribute to the packet after it is compiled by the Legal Division, but before it is distributed, each month. As a result of the observation, ALC Management responded stating that amended reports were filed and that Internal Audit's suggested review procedure has been implemented, effective with the December 2012 monthly report (compiled and filed in January 2013). Internal Audit performed follow-up audit procedures and issued a report on April 3, 2013 to the ALC stating that the observation is considered cleared based on ALC Management's filing of an amended report for June 2012 and adoption of the new monthly review procedure. This report will be subject to discussion with members of the ALC at their next meeting, scheduled for April 29, 2013.

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
April 10, 2013

IT Gaming Quality Assurance Audit

The audit centered on controls and procedures to ensure that gaming system changes and instant game information have been adequately tested and approved prior to being placed in production for the period July 1, 2012 through March 5, 2013. The following observation was reported to the ALC:

- In a sample of ten instant games, three were noted with an end of game date that was inaccurately entered into the ALC's Back Office System (BOS).

Internal Audit noted through review of BOS system history that all three dates noted as inaccurate were initially entered into BOS correctly by the IT Gaming Quality Assurance (QA) team, but were subsequently changed by an ALC employee within a different Division. End of game dates are necessary to ensure that instant ticket inventory is not ordered, activated, or sold by retailers after certain dates near the end of an instant game's life cycle, and that players redeem prizes in accordance with Arkansas Scholarship Lottery Operational Rules. Internal Audit extended testing to all instant games with announced ends during fiscal year 2013 through March 1, 2013, and noted no additional inaccuracies.

Internal Audit recommended that the three inaccurate dates be corrected immediately and that Management institute a policy of limiting the update of all end of game dates and official closing of a game within BOS to the QA team by restricting access within BOS. As a result of the observation, ALC Management responded stating a new process would be undertaken to limit the ability to change instant product start/end dates, and a new process would be created by which other ALC groups could accomplish appropriate post-close changes through the Gaming Division. Follow-up audit procedures are necessary in order to consider this observation cleared, and Internal Audit will perform those procedures and issue a report to members of the ALC when appropriate. The Arkansas Lottery Commission Legislative Oversight Committee will also be apprised of the follow-up procedures as part of the required monthly reporting.

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 11, 2013.

Arkansas Lottery Commission
Instant & Fast Play Games
March 2013

Sales for the following instant games began March 5, 2013. 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 4, 2013. No ending dates have been determined for these games.

\$1 Find the 9's

\$2 Lucky Clover