



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>

December 10, 2012

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 November 2012. 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 Scholarship Lottery Minority- and Female-owned Business Report
13. Arkansas Scholarship Lottery Vendor Minority- and Female-owned Business Report
14. Arkansas Scholarship Lottery 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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December 10, 2012

The Honorable Johnny Key, 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

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Bishop Woosley
Director

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

**Arkansas Lottery Commission Term Contracts for Goods and Services
November 1 through November 30, 2012**

On October 15, 2012, the Arkansas Lottery Commission approved the language of the First Amendment to the August 15, 2009, Agreement for Contractual Services for Online Lottery Game Services and Lottery Gaming System and Services between the Arkansas Lottery Commission and Intralot, Inc. for the remainder of the contract term. This amendment was effective as of the day and year first written. It did not change the term (length) of the contract between the parties. The value of the agreement is the projected increase in sales due to additional advertising; that amount is not yet known. There are no additional costs associated with this amendment.

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
November 2012**

1. Debt Set-Off:

| | | |
|----|---|-------------------|
| a. | Department of Finance and Administration | \$ 6,793.08 |
| b. | Office of Child Support Enforcement - Child Support | <u>\$3,255.60</u> |
| | Total Debt Set-Off: | \$10,048.68 |

2. Retailer losses for period November 1 through November 30, 2012: None.

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2012

| 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 | \$670.00 | \$6,840.50 | \$6,995.50 | \$2,148.00 | \$3,405.00 | \$429,714.00 | \$9,826.00 | \$6,443.00 | \$74,947.00 | \$540,989.00 |
| ASHLEY | \$360.00 | \$8,819.50 | \$9,950.00 | \$1,102.00 | \$991.00 | \$106,500.00 | \$5,376.00 | \$1,671.00 | \$41,772.00 | \$176,541.50 |
| BAXTER | \$1,550.00 | \$2,257.50 | \$2,064.00 | \$4,240.00 | \$2,494.00 | \$288,828.00 | \$15,420.00 | \$10,226.00 | \$126,132.00 | \$453,211.50 |
| BENTON | \$4,015.00 | \$4,246.00 | \$2,207.00 | \$8,468.00 | \$3,556.00 | \$687,505.00 | \$45,443.00 | \$12,769.00 | \$499,085.00 | \$1,267,294.00 |
| BOONE | \$1,395.00 | \$2,216.50 | \$1,094.00 | \$1,872.00 | \$2,041.00 | \$350,522.00 | \$10,167.00 | \$5,082.00 | \$95,919.00 | \$470,308.50 |
| BRADLEY | \$455.00 | \$767.50 | \$526.00 | \$776.00 | \$658.00 | \$114,089.00 | \$3,213.00 | \$2,170.00 | \$20,895.00 | \$143,549.50 |
| CALHOUN | \$105.00 | \$855.50 | \$372.50 | \$456.00 | \$28.00 | \$38,700.00 | \$1,096.00 | \$708.00 | \$8,087.00 | \$50,408.00 |
| CARROLL | \$510.00 | \$728.50 | \$845.00 | \$976.00 | \$1,008.00 | \$224,655.00 | \$6,549.00 | \$3,096.00 | \$58,604.00 | \$296,971.50 |
| CHICOT | \$505.00 | \$6,467.50 | \$3,057.50 | \$2,392.00 | \$583.00 | \$156,300.00 | \$20,732.00 | \$4,107.00 | \$161,605.00 | \$355,749.00 |
| CLARK | \$710.00 | \$2,453.50 | \$1,265.00 | \$1,750.00 | \$2,563.00 | \$308,907.00 | \$7,270.00 | \$4,237.00 | \$65,964.00 | \$395,119.50 |
| CLAY | \$410.00 | \$282.00 | \$26.00 | \$668.00 | \$491.00 | \$85,800.00 | \$1,612.00 | \$766.00 | \$18,760.00 | \$108,815.00 |
| CLEBURNE | \$1,050.00 | \$1,022.50 | \$221.00 | \$2,846.00 | \$1,664.00 | \$255,554.00 | \$12,767.00 | \$6,334.00 | \$90,002.00 | \$371,460.50 |
| CLEVELAND | \$165.00 | \$191.50 | \$265.50 | \$394.00 | \$233.00 | \$47,820.00 | \$1,621.00 | \$900.00 | \$12,718.00 | \$64,308.00 |
| COLUMBIA | \$670.00 | \$10,916.50 | \$7,666.00 | \$1,370.00 | \$1,701.00 | \$217,800.00 | \$4,934.00 | \$3,838.00 | \$42,451.00 | \$291,346.50 |
| CONWAY | \$1,175.00 | \$6,545.50 | \$1,984.50 | \$2,324.00 | \$1,850.00 | \$332,468.00 | \$10,868.00 | \$5,086.00 | \$78,241.00 | \$440,542.00 |
| CRAIGHEAD | \$3,850.00 | \$6,946.00 | \$5,005.00 | \$5,454.00 | \$5,133.00 | \$1,121,071.00 | \$27,200.00 | \$13,756.00 | \$300,120.00 | \$1,488,535.00 |
| CRAWFORD | \$2,195.00 | \$2,178.00 | \$683.50 | \$3,002.00 | \$1,712.00 | \$303,495.00 | \$17,154.00 | \$9,331.00 | \$158,982.00 | \$498,732.50 |
| CRITTENDEN | \$1,905.00 | \$13,307.00 | \$10,502.00 | \$4,588.00 | \$2,503.00 | \$473,545.00 | \$27,189.00 | \$7,532.00 | \$227,358.00 | \$768,429.00 |
| CROSS | \$1,010.00 | \$2,122.50 | \$1,511.00 | \$1,046.00 | \$1,598.00 | \$189,600.00 | \$5,113.00 | \$2,994.00 | \$47,245.00 | \$252,239.50 |
| DALLAS | \$370.00 | \$1,310.00 | \$936.00 | \$608.00 | \$851.00 | \$137,096.00 | \$3,446.00 | \$1,947.00 | \$23,917.00 | \$170,481.00 |
| DESHA | \$565.00 | \$1,752.00 | \$715.50 | \$1,022.00 | \$527.00 | \$161,100.00 | \$5,072.00 | \$2,776.00 | \$43,832.00 | \$217,361.50 |
| DREW | \$735.00 | \$984.00 | \$490.50 | \$1,336.00 | \$1,060.00 | \$149,700.00 | \$5,465.00 | \$2,664.00 | \$48,512.00 | \$210,946.50 |
| FAULKNER | \$5,720.00 | \$9,049.00 | \$5,128.00 | \$9,364.00 | \$4,945.00 | \$1,030,947.00 | \$41,426.00 | \$18,946.00 | \$326,636.00 | \$1,452,161.00 |
| FRANKLIN | \$930.00 | \$630.50 | \$172.00 | \$940.00 | \$2,438.00 | \$148,253.00 | \$5,654.00 | \$2,904.00 | \$50,429.00 | \$212,350.50 |
| FULTON | \$250.00 | \$280.00 | \$100.50 | \$416.00 | \$61.00 | \$52,279.00 | \$1,860.00 | \$1,199.00 | \$17,765.00 | \$74,210.50 |
| GARLAND | \$4,890.00 | \$7,481.50 | \$3,552.00 | \$13,004.00 | \$5,805.00 | \$778,257.00 | \$48,495.00 | \$24,830.00 | \$372,192.00 | \$1,258,506.50 |
| GRANT | \$805.00 | \$308.00 | \$188.00 | \$1,452.00 | \$513.00 | \$135,600.00 | \$6,718.00 | \$3,423.00 | \$41,945.00 | \$190,952.00 |
| GREENE | \$2,140.00 | \$2,211.50 | \$617.00 | \$1,874.00 | \$2,700.00 | \$498,607.00 | \$11,861.00 | \$6,203.00 | \$119,260.00 | \$645,473.50 |
| HEMPSTEAD | \$700.00 | \$23,797.50 | \$7,658.50 | \$788.00 | \$2,488.00 | \$328,827.00 | \$6,922.00 | \$3,308.00 | \$45,590.00 | \$420,079.00 |
| HOT SPRING | \$1,385.00 | \$1,563.00 | \$609.50 | \$2,170.00 | \$980.00 | \$278,383.00 | \$9,360.00 | \$6,679.00 | \$68,682.00 | \$369,811.50 |

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2012

| 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 | \$585.00 | \$16,727.00 | \$6,065.00 | \$838.00 | \$702.00 | \$132,550.00 | \$3,623.00 | \$1,649.00 | \$28,205.00 | \$190,944.00 |
| INDEPENDENCE | \$2,545.00 | \$4,498.50 | \$1,454.00 | \$3,778.00 | \$3,525.00 | \$586,134.00 | \$14,202.00 | \$8,485.00 | \$119,523.00 | \$744,144.50 |
| IZARD | \$390.00 | \$300.00 | \$142.00 | \$842.00 | \$315.00 | \$68,912.00 | \$3,262.00 | \$1,766.00 | \$23,568.00 | \$99,497.00 |
| JACKSON | \$1,030.00 | \$9,468.50 | \$5,487.00 | \$2,436.00 | \$1,877.00 | \$311,694.00 | \$8,632.00 | \$6,882.00 | \$63,661.00 | \$411,167.50 |
| JEFFERSON | \$3,495.00 | \$37,204.00 | \$27,614.50 | \$9,314.00 | \$3,938.00 | \$1,102,399.00 | \$36,138.00 | \$28,203.00 | \$245,580.00 | \$1,493,885.50 |
| JOHNSON | \$1,070.00 | \$539.00 | \$982.00 | \$1,018.00 | \$856.00 | \$203,856.00 | \$7,457.00 | \$3,472.00 | \$56,216.00 | \$275,466.00 |
| LAFAYETTE | \$200.00 | \$2,861.00 | \$1,230.00 | \$388.00 | \$573.00 | \$61,200.00 | \$1,160.00 | \$732.00 | \$10,678.00 | \$79,022.00 |
| LAWRENCE | \$765.00 | \$1,465.00 | \$197.00 | \$744.00 | \$1,343.00 | \$202,800.00 | \$3,077.00 | \$1,709.00 | \$35,396.00 | \$247,496.00 |
| LEE | \$200.00 | \$1,576.00 | \$1,878.50 | \$258.00 | \$411.00 | \$106,200.00 | \$2,043.00 | \$684.00 | \$17,869.00 | \$131,119.50 |
| LINCOLN | \$480.00 | \$565.50 | \$107.50 | \$368.00 | \$169.00 | \$86,033.00 | \$2,532.00 | \$1,566.00 | \$20,788.00 | \$112,609.00 |
| LITTLE RIVER | \$140.00 | \$3,526.50 | \$2,192.00 | \$628.00 | \$218.00 | \$84,591.00 | \$2,402.00 | \$1,341.00 | \$19,728.00 | \$114,766.50 |
| LOGAN | \$1,030.00 | \$681.50 | \$173.50 | \$1,308.00 | \$1,459.00 | \$204,300.00 | \$7,454.00 | \$3,936.00 | \$52,027.00 | \$272,369.00 |
| LONOKE | \$3,025.00 | \$4,806.00 | \$2,054.00 | \$9,138.00 | \$5,807.00 | \$882,921.00 | \$29,588.00 | \$15,063.00 | \$239,812.00 | \$1,192,214.00 |
| MADISON | \$400.00 | \$70.00 | \$94.00 | \$510.00 | \$1,853.00 | \$42,081.00 | \$2,827.00 | \$1,304.00 | \$21,618.00 | \$70,757.00 |
| MARION | \$455.00 | \$1,086.00 | \$506.50 | \$2,234.00 | \$583.00 | \$148,880.00 | \$5,285.00 | \$3,832.00 | \$38,948.00 | \$201,809.50 |
| MILLER | \$770.00 | \$29,221.00 | \$7,687.00 | \$1,730.00 | \$1,013.00 | \$360,130.00 | \$10,652.00 | \$4,014.00 | \$86,640.00 | \$501,857.00 |
| MISSISSIPPI | \$1,555.00 | \$40,450.00 | \$14,471.50 | \$1,654.00 | \$2,288.00 | \$520,454.00 | \$10,770.00 | \$5,140.00 | \$113,523.00 | \$710,305.50 |
| MONROE | \$220.00 | \$3,504.50 | \$1,330.50 | \$694.00 | \$617.00 | \$97,200.00 | \$4,393.00 | \$1,701.00 | \$37,198.00 | \$146,858.00 |
| MONTGOMERY | \$145.00 | \$7.00 | \$41.00 | \$260.00 | \$356.00 | \$18,522.00 | \$1,711.00 | \$1,001.00 | \$12,669.00 | \$34,712.00 |
| NEVADA | \$330.00 | \$3,221.50 | \$749.50 | \$856.00 | \$1,052.00 | \$206,653.00 | \$3,636.00 | \$1,448.00 | \$27,901.00 | \$245,847.00 |
| NEWTON | \$100.00 | \$93.50 | \$3.50 | \$306.00 | \$730.00 | \$56,400.00 | \$1,410.00 | \$901.00 | \$10,555.00 | \$70,499.00 |
| OUACHITA | \$1,550.00 | \$8,727.00 | \$3,916.50 | \$1,952.00 | \$3,768.00 | \$421,490.00 | \$7,997.00 | \$6,899.00 | \$71,167.00 | \$527,466.50 |
| PERRY | \$330.00 | \$526.00 | \$270.50 | \$566.00 | \$392.00 | \$64,719.00 | \$3,560.00 | \$1,167.00 | \$22,560.00 | \$94,090.50 |
| PHILLIPS | \$645.00 | \$7,240.50 | \$3,457.50 | \$1,216.00 | \$927.00 | \$194,410.00 | \$10,963.00 | \$2,568.00 | \$86,231.00 | \$307,658.00 |
| PIKE | \$375.00 | \$84.00 | \$137.50 | \$598.00 | \$175.00 | \$79,200.00 | \$3,403.00 | \$2,226.00 | \$27,422.00 | \$113,620.50 |
| POINSETT | \$1,350.00 | \$5,214.50 | \$2,389.50 | \$860.00 | \$2,056.00 | \$403,409.00 | \$6,942.00 | \$4,680.00 | \$73,806.00 | \$500,707.00 |
| POLK | \$645.00 | \$447.00 | \$47.50 | \$1,328.00 | \$1,061.00 | \$116,323.00 | \$5,710.00 | \$2,968.00 | \$46,463.00 | \$174,992.50 |
| POPE | \$3,390.00 | \$3,043.50 | \$1,966.50 | \$5,300.00 | \$8,025.00 | \$735,897.00 | \$23,859.00 | \$12,445.00 | \$201,064.00 | \$994,990.00 |
| PRAIRIE | \$170.00 | \$2,130.50 | \$730.00 | \$802.00 | \$458.00 | \$145,500.00 | \$3,544.00 | \$1,699.00 | \$30,492.00 | \$185,525.50 |
| PULASKI | \$19,005.00 | \$91,144.50 | \$58,651.00 | \$52,372.00 | \$21,788.00 | \$5,061,578.00 | \$206,065.00 | \$107,239.00 | \$1,549,593.00 | \$7,167,435.50 |
| RANDOLPH | \$625.00 | \$66.50 | \$108.50 | \$1,194.00 | \$280.00 | \$161,100.00 | \$3,017.00 | \$2,294.00 | \$35,420.00 | \$204,105.00 |

**ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
November 1 through November 30, 2012**

| 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 | \$800.00 | \$6,573.50 | \$4,637.50 | \$866.00 | \$452.00 | \$202,466.00 | \$8,243.00 | \$3,637.00 | \$70,557.00 | \$298,232.00 |
| SALINE | \$5,115.00 | \$8,094.50 | \$3,109.50 | \$11,690.00 | \$3,929.00 | \$1,012,881.00 | \$43,905.00 | \$21,433.00 | \$343,425.00 | \$1,453,582.00 |
| SCOTT | \$300.00 | \$226.50 | \$46.50 | \$340.00 | \$503.00 | \$119,100.00 | \$2,823.00 | \$1,431.00 | \$23,210.00 | \$147,980.00 |
| SEARCY | \$265.00 | \$1,925.00 | \$763.50 | \$908.00 | \$910.00 | \$98,700.00 | \$2,495.00 | \$1,397.00 | \$17,640.00 | \$125,003.50 |
| SEBASTIAN | \$4,760.00 | \$14,418.50 | \$3,044.50 | \$6,982.00 | \$4,918.00 | \$647,670.00 | \$44,340.00 | \$21,295.00 | \$386,897.00 | \$1,134,325.00 |
| SEVIER | \$365.00 | \$3,634.50 | \$611.50 | \$380.00 | \$691.00 | \$111,574.00 | \$3,140.00 | \$1,230.00 | \$26,712.00 | \$148,338.00 |
| SHARP | \$915.00 | \$722.00 | \$320.50 | \$1,208.00 | \$772.00 | \$187,200.00 | \$5,425.00 | \$2,790.00 | \$42,463.00 | \$241,815.50 |
| STONE | \$300.00 | \$692.00 | \$123.00 | \$868.00 | \$522.00 | \$79,800.00 | \$3,306.00 | \$1,963.00 | \$29,203.00 | \$116,777.00 |
| UNION | \$1,905.00 | \$36,792.00 | \$18,651.50 | \$2,270.00 | \$3,746.00 | \$538,442.00 | \$14,018.00 | \$6,253.00 | \$106,812.00 | \$728,889.50 |
| VAN BUREN | \$920.00 | \$1,243.00 | \$510.50 | \$1,346.00 | \$689.00 | \$136,813.00 | \$5,923.00 | \$3,310.00 | \$46,140.00 | \$196,894.50 |
| WASHINGTON | \$8,710.00 | \$8,608.50 | \$4,673.00 | \$10,314.00 | \$4,553.00 | \$1,243,780.00 | \$60,876.00 | \$18,486.00 | \$584,539.00 | \$1,944,539.50 |
| WHITE | \$3,000.00 | \$3,010.50 | \$2,034.00 | \$5,318.00 | \$2,670.00 | \$1,049,423.00 | \$23,625.00 | \$13,537.00 | \$197,047.00 | \$1,299,664.50 |
| WOODRUFF | \$220.00 | \$2,306.50 | \$211.00 | \$414.00 | \$141.00 | \$118,500.00 | \$2,723.00 | \$1,685.00 | \$21,782.00 | \$147,982.50 |
| YELL | \$785.00 | \$435.00 | \$98.00 | \$1,556.00 | \$1,798.00 | \$163,341.00 | \$6,410.00 | \$2,781.00 | \$44,237.00 | \$221,441.00 |

| | | | | | | | | | | |
|---------------------|------------------------|----------------|----------------|----------------------------|-------------------|-----------------|-----------------------|-------------------------------|-------------------|-----------------|
| GRAND TOTALS | *Arkansas 50/50 | *Cash 3 | *Cash 4 | *Decades of Dollars | *Fast Play | *Instant | *Mega Millions | *Natural State Jackpot | *Powerball | *Totals |
| | \$116,570.00 | \$497,709.00 | \$261,378.50 | \$228,796.00 | \$151,489.00 | \$28,009,148.00 | \$1,044,395.00 | \$516,167.00 | \$8,654,632.00 | \$39,480,284.50 |

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
November 2012**

There were 1,897 active retailers as of November 30, 2012.

Arkansas Lottery Commission
Statement of Net Position
November 30, 2012

ASSETS

Current assets:

| | |
|---------------------------|--------------------------|
| Cash and Cash Equivalents | \$ 1,706,600.72 |
| Restricted Assets: | |
| Cash and cash equivalents | 44,996,356.45 |
| Accounts receivable | 14,687,083.60 |
| Prepaid items | <u>7,023.11</u> |
| Total current assets | <u>61,397,063.88</u> |

Noncurrent assets:

| | |
|---|-----------------------------|
| Restricted assets: | |
| Cash and cash equivalents | 20,064,106.92 |
| Deposits with Multi-State Lottery Asso. | 1,843,297.48 |
| Capital assets: | |
| Equipment | 526,664.88 |
| Leasehold Improvements | 498,416.68 |
| Less accumulated depreciation | <u>(560,450.81)</u> |
| Total noncurrent assets | <u>22,372,035.15</u> |
| Total assets | <u>\$ 83,769,099.03</u> |

LIABILITIES

Current liabilities:

| | |
|-------------------------------|--------------------------|
| Accounts payable | \$ 422,148.00 |
| Prizes payable | 17,279,344.30 |
| Accrued and other liabilities | 1,173,320.27 |
| Due to other funds | 698,049.30 |
| Due to ADHE | 41,919,505.69 |
| Compensated absences | <u>230,929.47</u> |
| Total current liabilities | <u>61,723,297.03</u> |

Long-Term liabilities:

| | |
|-----------------------|--------------------------|
| Net OPEB Obligation | <u>727,279.68</u> |
| Total liabilities | <u>62,450,576.71</u> |

Deferred inflows:

| | |
|------------------|-------------------|
| Deferred revenue | <u>560,806.00</u> |
|------------------|-------------------|

NET ASSETS

Net position:

| | |
|--|-----------------------------|
| Invested in capital assets | 464,630.75 |
| Restricted: | |
| Scholarship shortfall fund | 20,000,000.00 |
| Retailer fidelity fund | 64,106.92 |
| Deposits with Multi-State Lottery Asso. | 1,843,297.48 |
| Unclaimed Prize Fund | 3,076,850.76 |
| Unrestricted | <u>(4,691,169.59)</u> |
| Total net position | <u>20,757,716.32</u> |
| Total liabilities, deferred inflows & net position | <u>\$ 83,769,099.03</u> |

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Five Months Ending November 30, 2012

| | CM Actual | % | CM Budget | % | CM Variance | YTD Actual | % | YTD Budget | % | YTD Variance |
|--|------------------------|--------|------------------------|--------|------------------------|-------------------------|--------|------------------------|--------|------------------------|
| Operating Revenues | | | | | | | | | | |
| Instant Games | \$28,166,263.00 | 71.43 | \$30,525,200.00 | 83.24 | \$(2,358,937.00) | \$136,417,893.00 | 79.34 | \$151,232,800.00 | 103.48 | \$(14,814,907.00) |
| OnLine Games | 11,218,276.50 | 28.45 | 6,100,900.00 | 16.64 | 5,117,376.50 | 35,275,204.00 | 20.52 | 31,351,900.00 | 21.45 | 3,923,304.00 |
| Retailer application, fidelity | 47,935.36 | 0.12 | 44,800.00 | 0.12 | 3,135.36 | 239,084.19 | 0.14 | 214,300.00 | 0.15 | 24,784.19 |
| Other Revenue | - | - | 400.00 | 0.00 | (400.00) | 2,112.59 | 0.00 | 2,000.00 | 0.00 | 112.59 |
| Total Operating Revenues | <u>39,432,474.86</u> | 100.00 | <u>36,671,300.00</u> | 100.00 | <u>2,761,174.86</u> | <u>171,934,293.78</u> | 100.00 | <u>182,801,000.00</u> | 100.00 | <u>(10,866,706.22)</u> |
| Operating Expenses | | | | | | | | | | |
| Instant Game Prizes | 20,283,213.97 | 51.44 | 21,145,339.23 | 57.66 | (862,125.26) | 94,925,125.50 | 55.21 | 104,758,199.83 | 71.68 | (9,833,074.33) |
| On-Line Game Prizes | 5,542,313.08 | 14.06 | 3,094,360.77 | 8.44 | 2,447,952.31 | 17,175,162.68 | 9.99 | 15,775,500.17 | 10.79 | 1,399,662.51 |
| Retailer Commissions | 2,194,646.03 | 5.57 | 2,071,100.00 | 5.65 | 123,546.03 | 9,579,930.64 | 5.57 | 10,316,900.00 | 7.06 | (736,969.36) |
| Gaming Contract Costs | 1,916,658.02 | 4.86 | 1,842,900.00 | 5.03 | 73,758.02 | 8,561,676.95 | 4.98 | 9,277,500.00 | 6.35 | (715,823.05) |
| Staff Compensation & Benefits | 501,543.45 | 1.27 | 492,294.00 | 1.34 | 9,249.45 | 2,304,464.34 | 1.34 | 2,461,470.00 | 1.68 | (157,005.66) |
| Marketing, Advertising & Promo | 298,487.42 | 0.76 | 317,647.00 | 0.87 | (19,159.58) | 1,500,054.36 | 0.87 | 1,764,244.00 | 1.21 | (264,189.64) |
| General and administrative ex | 98,213.00 | 0.25 | 106,920.00 | 0.29 | (8,707.00) | 606,561.05 | 0.35 | 549,400.00 | 0.38 | 57,161.05 |
| Services Provided by Other Age | 135,000.00 | 0.34 | 129,100.00 | 0.35 | 5,900.00 | 675,000.00 | 0.39 | 645,800.00 | 0.44 | 29,200.00 |
| Legal and Professional Service | 1,673.09 | 0.00 | 7,900.00 | 0.02 | (6,226.91) | 7,170.68 | 0.00 | 39,550.00 | 0.03 | (32,379.32) |
| Capital asset depreciation | 15,179.89 | 0.04 | 16,667.00 | 0.05 | (1,487.11) | 75,899.45 | 0.04 | 83,334.00 | 0.06 | (7,434.55) |
| Total Operating Expenses | <u>30,986,927.95</u> | 78.58 | <u>29,224,228.00</u> | 79.69 | <u>1,762,699.95</u> | <u>135,411,045.65</u> | 78.76 | <u>145,671,898.00</u> | 79.69 | <u>(10,260,852.35)</u> |
| Operating Income | 8,445,546.91 | 21.42 | 7,447,072.00 | 20.31 | 998,474.91 | 36,523,248.13 | 21.24 | 37,129,102.00 | 20.31 | (605,853.87) |
| Non-Operating Revenue (Expense) | | | | | | | | | | |
| Interest Income | <u>28,243.57</u> | 0.07 | <u>26,700.00</u> | 0.07 | <u>1,543.57</u> | <u>142,607.87</u> | 0.08 | <u>133,300.00</u> | 0.09 | <u>9,307.87</u> |
| Income before transfers | <u>\$ 8,473,790.48</u> | 21.49 | <u>\$ 7,473,772.00</u> | 20.38 | <u>\$ 1,000,018.48</u> | <u>\$ 36,665,856.00</u> | 21.33 | <u>\$37,262,402.00</u> | 20.38 | <u>\$ (596,546.00)</u> |

Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Five Months Ending November 30, 2012

Year to date

Operating revenues:

| | |
|---|-----------------------|
| Instant ticket SETTLEMENTS | \$ 136,444,884.00 |
| Online ticket sales | 35,275,204.00 |
| A/R write-offs | |
| Retailer application, fidelity and service fees | 239,084.19 |
| Other revenue | 2,112.59 |
| | <hr/> |
| Total operating revenues | <u>171,961,284.78</u> |

Operating expenses:

| | |
|---|-----------------------|
| Instant game prizes SETTLEMENTS | 95,835,109.01 |
| Online game prizes | 17,175,162.68 |
| Retailer commissions | 9,579,930.64 |
| Gaming contract costs | 8,561,676.95 |
| Compensation and benefits | 2,304,464.34 |
| Marketing, advertising and promotions | 1,500,054.36 |
| General and administrative expenses | 606,561.05 |
| Services provided by ADHE | 550,000.00 |
| Services provided by Legislative Audit Agency | 125,000.00 |
| Legal and professional services | 7,170.68 |
| Current year Capital Asset cost | 0.00 |
| | <hr/> |
| Total operating expenses | <u>136,245,129.71</u> |

Change in net proceeds from operations 35,716,155.07

Nonoperating revenue (expense):

| | |
|---|---|
| Interest Income | 142,607.87 |
| Other Non Operating Income | |
| EDUCATION TRUST FUNDING-Current Year | (25,163,610.23) |
| Less Act 1180 Unclaimed Prizes | (2,076,850.76) |
| Less Transfer to ADHS | 0.00 |
| Less Current year Fidelity Fund fees | (14,874.65) restricted fund |
| Less Current year MUSL Reserves additions | (159,491.71) see 23-115-103(17) and (19)(A)&(B) |

NET PROCEEDS EARNED-Current Month

\$ 8,443,935.59

| Totals | Transfer | Interest | Total |
|--|--------------------|---------------|--------------------|
| | \$ 41,219,703.90 | \$ 699,801.79 | \$ 41,919,505.69 |
| 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 |

**Arkansas Lottery Commission
Unclaimed Prizes
November 30, 2012**

| | Monthly | Year to Date |
|--|--------------|-----------------|
| 1. Unclaimed lottery prize money: | \$ 80,425.00 | \$2,235,235.76 |
| 2. Expenditures from unclaimed lottery prize money: | 0.00 | 158,385.00 |
| 3. Reserved for future prizes, promotions or reserves: | \$ 80,425.00 | \$2,076,850.76 |
| 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

November 2012

| VENDORS | Fiscal 2013 Total | November 2012 | Goods or Services | Diversity Classification |
|-------------------------------------|--------------------|-------------------|-------------------------------|--------------------------|
| GODDESS PRODUCTS | \$1,208.86 | \$646.43 | Office Furniture/Supplies | Minority-Owned |
| SHI INTERNATIONAL CORPORATION | \$4,930.97 | \$356.97 | Computer Software | Female-Owned |
| RIDE N SHINE DETAIL | \$151.91 | \$92.23 | Auto Detail & Cosmetic Repair | Minority-Owned |
| TRIVIA MARKETING | \$96.68 | | Advertising/Public Relations | Female-Owned |
| PARTY PRINTS | \$2,547.58 | | Advertising/Public Relations | Minority-Owned |
| BSW ADVERTISING | \$4,293.89 | | Advertising/Public Relations | Female-Owned |
| NORTHEAST ARKANSAS CLEANING SERVICE | \$2,251.38 | \$379.75 | Janitorial Svcs | Female-Owned |
| Totals | \$15,481.27 | \$1,475.38 | | |

Intralot Minority- and Female-Owned Diversity Compliance Report

November 2012

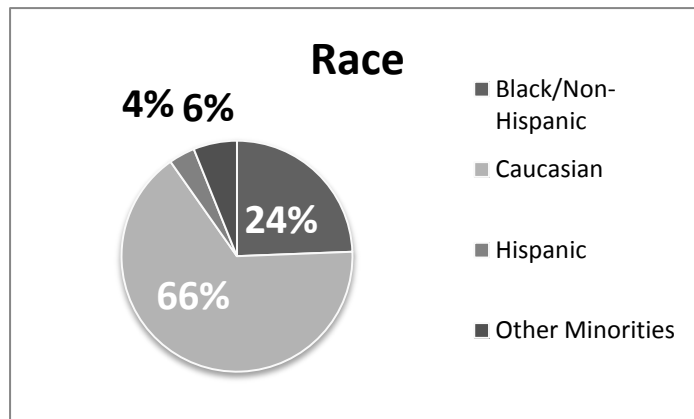
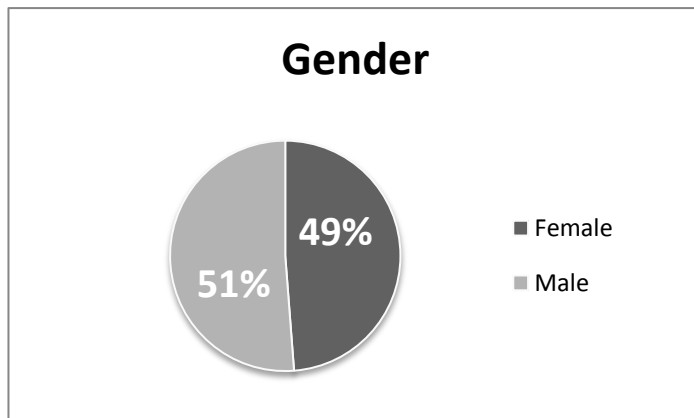
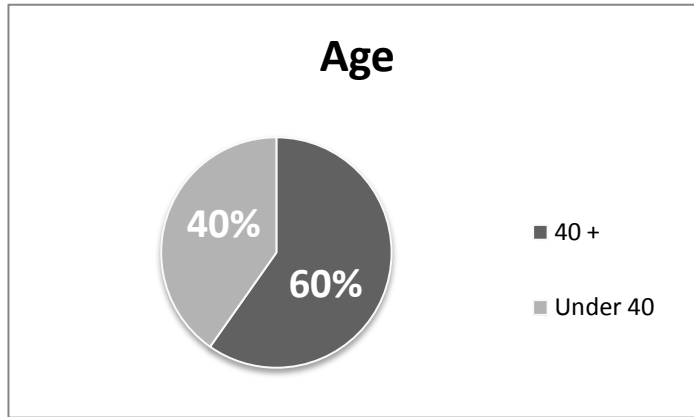
| VENDORS | Fiscal 2013 Total | November 2012 | Goods or Services | Diversity Classification |
|---|--------------------|--------------------|------------------------------|--------------------------|
| GODDESS PRODUCTS | \$459.58 | | Office Furniture/Supplies | Minority-Owned |
| J KELLY REFERRALS AND INFORMATION SVCS, INC | \$70,175.13 | \$13,716.95 | Call Center/Information Svcs | Minority-Owned |
| Totals | \$70,634.71 | \$13,716.95 | | |

Scientific Games Minority- and Female-Owned Diversity Compliance Report

November 2012

| VENDORS | Fiscal 2013 Total | November 2012 | Goods or Services | Diversity Classification |
|---|--------------------|--------------------|---------------------------|--------------------------|
| MR. KLEAN CARPET AND JANITORIAL SERVICE | \$1,491.50 | \$298.30 | Janitorial Svcs | Minority-Owned |
| PREMIER STAFFING | \$823.44 | | Staffing Svcs | Female-Owned |
| CENTRAL COPIERS | \$572.40 | | Office Supplies/Equipment | Female-Owned |
| EXPEDITED TRANSPORTATION SERVICE | \$57,935.02 | \$15,890.00 | Transportation Svcs | Female-Owned |
| Totals | \$60,822.36 | \$16,188.30 | | |

**Arkansas Lottery Commission
Demographics – November 2012**



Total Number of Employees as of November 30, 2012: 82

Gender:

Females – 40
Males – 42

Age:

Under 40 – 33
40 + – 49

Race:

Black/Non-Hispanic – 20
Female – 13
Male - 7

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
December 10, 2012

On December 3, 2012, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of a review of out of state travel to members of the Arkansas Lottery Commission (ALC). The review centered on out of state travel only for the period January 1 - June 30, 2012, and all instances of out of state travel during the period were reviewed. The following observations were reported to the ALC:

1. Five instances of airfare exceeding the lesser of two online quotes, as required by ALC Policy, were noted.
2. An instance of an employee making a non-business stop after business travel was completed, for airfare at a cost less than those employees that made no non-business stops on the same trip.

Specific to Observation #1, Internal Audit recommended clarification of ALC policy regarding the "lesser of two online quotes" requirement or adoption of more general language in the State of Arkansas Travel Regulations. As a result of the observation, ALC Management instituted a policy update that complies with State of Arkansas Travel Regulations, while still ensuring that economical and reasonable choices are made for the ALC. Internal Audit considered the observation to be cleared upon ALC Management's revision to the ALC Travel Policy.

Specific to Observation #2, Internal Audit recommended clarification of ALC policy, specifically addressing if this practice is allowed and that if it is to be allowed that it not result in additional cost to the ALC beyond a trip without non-business stops. As a result of the observation, ALC Management instituted a policy update that states a special authorization approved by Management will be required in the future for similar instances, and that the cost to the ALC cannot exceed what it would otherwise, without non-business stops. Internal Audit considered the observation to be cleared upon ALC Management's revision to the ALC Travel Policy.

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 November 10, 2012.

**Arkansas Lottery Commission
Instant & Fast Play Games
November 2012**

Sales for the following instant games began November 6, 2012. No ending dates have been determined for these games.

\$1 Hit \$50!

\$2 Hit \$200!

\$5 Hit \$500!

\$10 Diamond Fortune

Sales for the following Fast Play games began November 5, 2012. No ending dates have been determined for these games.

\$1 Holiday Cash

\$1 Candy Cane Cash