

ATTACHMENT D

Arkansas Lottery Commission Retailer Categories Fiscal Year 2013

<u>Category</u>	<u>Retailers</u>	<u>Percent to Total</u>
C-Store with Gas	898	47%
Convenience Store	529	28%
News Stand / Tobacco (Smoke) Store	139	7%
Grocery / Food Store	123	7%
Liquor Store	118	6%
Miscellaneous / Other	39	2%
Gasoline Service Station	22	1%
Miscellaneous Retail	15	1%
Restaurant / Bar	8	0%
Drug Store	<u>1</u>	<u>0%</u>
Total	1,892	100%

**Arkansas Lottery Commission
Sales by Game
Fiscal Year Ended June 30, 2013**

<u>Product</u>	<u>2013</u>	<u>% to Total</u>	<u>2012</u>	<u>% to Total</u>
Instant Games	\$355,061,785	80.8%	\$ 391,290,225	82.7%
Powerball	47,409,700	10.8	37,903,399	8.0
Mega Millions	13,891,465	3.2	25,571,602	5.4
Decades of Dollars	2,927,572	0.7	5,237,158	1.1
Natural State Jackpot	6,994,820	1.6	—	0.0
Fast Play	3,391,691	0.8	2,721,436	0.6
Cash 3	6,161,706	1.4	6,178,537	1.3
Cash 4	3,324,150	0.8	3,325,490	0.7
Arkansas 50/50	385,105	0.1	857,760	0.2
Total	\$439,547,994	100%	\$ 473,085,607	100%

Arkansas Lottery Commission
Revenue, Expenses and Change In Net Position (Unaudited)
Last Four Years

	2013	2012	2011	2010
Operating revenues:				
Instant ticket sales	\$355,061,785	\$391,290,225	\$387,478,608	\$335,487,156
Online ticket sales	84,486,209	81,795,382	76,540,743	48,211,299
Retailer application, fidelity and service fees	556,792	538,584	1,055,538	867,023
Other revenue	4,490	15,038	5,450	5,650
Total operating revenues	<u>440,109,276</u>	<u>473,639,229</u>	<u>465,080,339</u>	<u>384,571,128</u>
Operating expenses:				
Instant game prizes	250,246,337	274,203,122	269,898,596	224,341,940
Online game prizes	41,877,845	41,115,706	37,556,109	23,381,100
Retailer commissions	24,986,551	26,526,329	26,217,851	21,578,603
Gaming contract costs	22,116,163	24,308,153	24,111,720	20,448,694
Compensation and benefits	6,049,048	5,954,138	6,226,266	6,118,300
Marketing, advertising and promotions	4,414,655	4,466,054	4,631,388	4,352,303
General and administrative expenses	1,231,212	1,270,047	1,434,229	1,841,340
Other Services:				
ADHE	794,016	846,109	1,170,710	216,849
Arkansas Division of Legislative Audit	142,720	159,440	280,728	153,180
Legal and profess. services	22,507	107,651	8,484	24,182
Depreciation	182,158	182,159	179,750	122,643
Total operating expenses	<u>352,063,212</u>	<u>379,138,908</u>	<u>371,715,831</u>	<u>302,579,134</u>
Operating income (loss)	88,046,064	94,500,321	93,364,508	81,991,994
Nonoperating revenue:				
Interest income	322,722	352,431	464,252	181,807
Other non-operating income	-	2,000,000	-	-
Income (loss) before transfers	88,368,786	96,852,752	93,828,760	82,173,801
Transfers to:				
Education Trust Account	(90,257,161)	(97,510,280)	(74,229,349)	(82,799,809)
Arkansas Department of Human Services	(200,000)	(200,000)	(200,000)	(200,000)
Change in net position	<u><u>\$(2,088,375)</u></u>	<u><u>\$(857,528)</u></u>	<u><u>\$19,399,411</u></u>	<u><u>\$(826,008)</u></u>

Source: ALC June 30, 2014 Comprehensive Annual Financial Report

**Arkansas Lottery Commission
Advertising Expenses
Current Year Budget and Last Three Year Actual**

Category	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Creative/Production	\$137,838	\$238,199	\$50,828	\$59,996
Signage	112,822	308,980	124,969	212,639
Website	122,573	84,564	63,574	47,427
Direct Mail	79,659	-	-	-
Promotions	42,873	33,037	55,979	98,854
Other	4,380	2,454	4,954	29,855
Media	3,813,642	3,579,089	3,974,748	3,984,531
Media Commission	<u>186,214</u>	<u>168,332</u>	<u>191,002</u>	<u>198,085</u>
Total	4,500,000	4,414,655	4,466,054	4,631,388
Media & Commission				
TV	2,145,431	1,850,217	2,480,634	2,645,370
Radio	1,159,585	1,057,215	1,041,057	1,107,556
Outdoor	506,988	545,719	424,677	367,155
Internet	98,490	81,820	63,192	25,938
Print	<u>89,362</u>	<u>212,450</u>	<u>156,190</u>	<u>36,597</u>
Total	\$3,999,856	\$3,747,421	\$4,165,750	\$4,182,616

Source: ALC-RFQ-140001-Supplemental Advertising, Marketing and Media Services

Arkansas Lottery Commission
U.S. Lotteries' Sales (Unaudited)
Fiscal Year 2013

Lottery Jurisdiction	Pop (in millions)	Sales (in millions)	Sales Per Capita	Instant Sales (in millions)	Instant Sales Per Capita
Arizona	6.6	\$6.29	\$105	\$436.6	\$66
Arkansas	2.9	439.5	152	355.1	122
California	38.0	4,445.9	117	3,010.1	79
Colorado	5.2	566.3	109	368.6	71
Connecticut	3.6	1,122.7	312	667.3	185
D.C.	0.6	243.8	406	57.9	97
Delaware	0.9	146.3	163	48.2	54
Florida	19.3	5,013.0	260	3,028.5	157
Georgia	9.9	3,912.2	395	2,630.7	266
Idaho	1.6	197.6	124	108.7	68
Illinois	12.9	2,841.3	220	1,768.4	137
Indiana	6.5	934.0	144	614.8	95
Iowa	3.1	339.3	109	202.3	65
Kansas	2.9	255.8	88	126.7	44
Kentucky	4.4	846.7	192	522.2	119
Louisiana	4.6	447.4	97	163.1	35
Maine	1.3	227.8	175	163.4	126
Maryland	5.9	1,756.1	298	485.8	82
Massachusetts	6.6	4,807.5	728	3,343.3	507
Michigan EST	9.9	2,471.1	250	818.8	83
Minnesota	5.4	560.4	104	363.8	67
Missouri	6.0	1,141.2	190	758.9	126
Montana	1.0	57.0	57	17.3	17
Nebraska	1.9	160.9	85	83.6	44
N. Hampshire	1.3	278.7	214	192.1	148
New Jersey	8.9	2,821.4	317	1,474.3	166
New Mexico	2.1	141.8	68	69.9	33
New York	19.6	7,108.9	363	3,724.2	190
N. Carolina	9.8	1,689.8	172	1,011.9	103
N. Dakota	0.7	27.8	40	-	-
Ohio	11.5	2,694.9	234	1,429.7	124
Oklahoma	3.8	200.2	53	89.4	24
Oregon	3.9	330.5	85	117.1	30
Pennsylvania	12.8	3,699.4	289	2,305.1	180
Rhode Island	1.1	253.4	230	85.0	77
S. Carolina	4.7	1,199.2	255	806.0	171
South Dakota	0.8	57.2	72	25.2	32
Tennessee	6.5	1,360.0	209	N/A	N/A
Texas EST	26.1	4,356.0	167	3,204.9	123
Vermont	0.6	102.1	170	74.2	124
Virginia	8.2	1,689.2	206	887.1	108
Washington	6.9	569.6	83	356.0	52
West Virginia	1.9	195.6	103	108.6	57
Wisconsin	5.7	565.8	99	323.8	57
Total	297.9	\$62,968.2	\$211	\$36,428.6	\$122

Source: ALC June 30, 2014 Comprehensive Annual Financial Report

Arkansas Lottery Commission
Retail Sales by County (Unaudited)
Fiscal Year Ended June 30, 2013

	<u>Instant*</u>	<u>Powerball ®</u> *	<u>Mega Millions</u> ® *	<u>Natural State</u> <u>Jackpot*</u>	<u>Cash</u> <u>3/Cash 4</u>	<u>Other</u> <u>Terminal</u> <u>Generate</u> <u>Games</u>	<u>Total</u>
Arkansas	\$ 5,595,596	\$ 416,886	\$ 130,237	\$ 99,861	\$ 62,134	\$ 28,032	\$ 6,532,746
Ashley	1,484,086	252,779	67,523	24,421	230,016	47,076	2,105,901
Baxter	3,824,237	640,287	196,451	121,068	53,186	124,297	4,959,526
Benton	8,808,681	2,483,922	630,011	168,509	78,438	203,724	12,373,285
Boone	4,400,672	502,006	131,869	60,644	50,214	68,360	5,213,765
Bradley	1,695,493	118,801	38,378	28,290	17,506	28,553	1,927,021
Calhoun	526,936	46,460	14,338	8,764	17,637	9,134	623,269
Carroll	2,769,476	318,436	86,238	37,282	16,917	44,722	3,273,071
Chicot	2,028,983	833,563	229,087	50,671	115,754	51,618	3,309,676
Clark	3,501,122	352,393	96,125	48,461	49,170	58,538	4,105,809
Clay	1,041,467	91,695	22,562	10,115	4,827	14,429	1,185,095
Cleburne	3,530,268	514,752	168,490	103,537	19,038	83,938	4,420,023
Cleveland	580,252	78,578	21,492	12,517	7,554	11,627	712,020
Columbia	2,712,053	234,356	63,800	43,512	222,233	86,463	3,362,417
Conway	4,494,704	471,803	146,713	84,302	110,668	68,013	5,376,203
Craighead	13,571,053	1,495,493	373,724	180,903	159,829	176,998	15,958,000
Crawford	3,941,077	901,611	247,642	129,622	40,231	72,046	5,332,229
Crittenden	5,992,550	1,270,818	341,524	98,786	314,409	135,417	8,153,504
Cross	2,414,432	247,139	68,053	37,160	42,551	57,178	2,866,513
Dallas	1,583,564	138,215	45,587	28,880	26,975	29,183	1,852,404
Desha	1,853,921	248,874	68,800	42,357	27,940	22,519	2,264,411
Drew	2,030,695	262,799	69,051	35,262	17,883	42,817	2,458,507
Faulkner	13,191,076	1,815,152	547,034	267,447	169,352	222,248	16,212,309
Franklin	1,769,011	292,506	81,141	38,558	10,342	84,062	2,275,620
Fulton	613,755	89,548	25,335	11,922	5,285	11,782	757,627
Garland	9,518,989	2,085,263	646,964	354,563	131,501	284,406	13,021,686
Grant	1,759,453	250,391	86,973	45,295	7,123	28,258	2,177,493
Greene	6,272,116	609,674	162,463	77,059	28,356	66,711	7,216,379
Hempstead	4,148,947	272,542	90,488	42,624	402,529	47,174	5,004,304
Hot Spring	3,430,862	408,562	129,676	89,116	32,735	56,823	4,147,774
Howard	1,830,232	158,672	54,095	23,809	268,738	27,091	2,362,637
Independence	7,535,909	634,309	191,418	117,949	68,104	124,660	8,672,349
Izard	893,761	130,137	45,820	21,615	7,739	23,874	1,122,946
Jackson	3,806,080	357,789	109,979	84,036	179,404	76,311	4,613,599
Jefferson	14,583,439	1,467,387	481,745	382,898	736,947	282,754	17,935,170
Johnson	2,454,490	322,736	103,545	46,622	13,674	36,605	2,977,672
Lafayette	767,819	60,637	16,215	8,600	46,547	15,945	915,763
Lawrence	2,586,332	178,822	45,736	22,264	19,472	35,816	2,888,442
Lee	1,163,753	88,499	23,035	9,140	56,555	11,540	1,352,522
Lincoln	998,427	117,753	34,425	27,322	6,981	11,145	1,196,053
Little River	1,042,863	107,594	33,316	16,088	61,647	16,485	1,277,993
Logan	2,599,572	302,714	90,624	48,842	10,322	48,339	3,100,413

	<u>Instant*</u>	<u>Powerball®</u>	<u>Mega Millions®</u>	<u>Natural State Jackpot*</u>	<u>Cash 3/Cash 4</u>	<u>Other Terminal Generate Games</u>	<u>Total</u>
Lonoke	11,453,654	1,392,161	402,544	202,832	106,117	198,637	13,755,945
Madison	575,130	117,394	35,020	14,645	1,674	25,101	768,964
Marion	1,772,178	231,937	65,222	44,520	20,783	50,610	2,185,250
Miller	5,035,645	435,114	141,639	52,446	402,135	48,240	6,115,219
Mississippi	5,981,867	567,073	143,629	58,384	639,313	60,377	7,450,643
Monroe	1,565,497	218,164	58,798	26,258	63,124	22,138	1,953,979
Montgomery	251,149	75,931	22,073	11,114	598	12,429	373,294
Nevada	2,668,440	162,127	50,141	22,119	47,067	48,721	2,998,615
Newton	642,181	52,082	15,427	7,595	1,175	11,566	730,026
Ouachita	5,279,301	389,624	114,558	86,337	151,423	154,378	6,175,621
Perry	889,211	140,029	46,755	21,288	9,961	14,054	1,121,298
Phillips	2,419,034	447,285	126,507	32,107	125,947	34,665	3,185,545
Pike	943,088	149,402	48,286	30,875	2,407	29,135	1,203,193
Poinsett	4,775,011	386,214	93,861	63,092	79,519	69,987	5,467,684
Polk	1,460,337	258,282	79,098	38,974	7,408	33,537	1,877,636
Pope	9,265,010	1,130,985	324,732	181,462	100,735	178,250	11,181,174
Prairie	1,906,145	183,945	48,244	27,490	42,123	21,270	2,229,217
Pulaski	65,324,858	8,653,271	2,719,217	1,498,707	1918,328	1,309,839	81,424,220
Randolph	1,817,273	180,148	43,089	30,292	2,602	27,670	2,101,074
Saint Francis	2,756,130	391,214	108,038	47,030	161,343	30,727	3,494,482
Saline	12,841,608	1,929,098	582,107	285,812	160,530	260,919	16,060,074
Scott	1,284,944	134,342	38,936	18,343	3,874	12,067	1,492,506
Searcy	1,189,746	107,001	31,000	16,239	27,992	30,140	1,402,118
Sebastian	8,339,449	2,098,165	601,777	288,735	241,615	188,902	11,758,643
Sevier	1,414,880	159,090	48,514	22,268	53,358	18,034	1,716,144
Sharp	2,313,581	230,291	69,869	35,300	13,826	42,779	2,705,646
Stone	1,025,918	154,638	44,583	27,664	14,515	23,774	1,291,092
Union	7,290,655	637,957	188,286	77,690	712,372	100,446	9,007,406
Van Buren	1,728,327	253,280	75,973	41,578	21,552	34,034	2,154,744
Washington	15,396,050	3,001,079	822,463	261,616	183,512	258,907	19,923,627
White	13,129,404	1,094,158	316,272	190,288	76,958	161,498	14,968,578
Woodruff	1,380,042	131,235	35,883	22,421	33,811	18,440	1,621,832
Yell	2,005,143	259,870	84,286	39,650	8,256	51,783	2,448,988
Total	\$ 355,469,090	\$ 47,424,939	\$ 13,884,549	\$ 7,015,864	\$9,484,397	\$ 6,659,765	\$ 439,938,604

All numbers are cash sales

*Estimates

Source: ALC June 30, 2014 Comprehensive Annual Financial Report;

**Arkansas Lottery Commission
Demographics Study
Fiscal Year 2010**

	Lottery Players					
	<u>Census1</u>	<u>All</u>	<u>Players</u>	<u>Core</u>	<u>Light</u>	<u>Lapsed</u>
Number of respondents =	2.8	1,198	856	296	460	100
<u>Gender</u>						
Male	48%	48%	49%	50%	49%	45%
Female	52%	52%	51%	50%	51%	55%
<u>Age</u>						
18-24	13%	13%	11%	8%	13%	7%
25-34	18%	18%	24%	20%	26%	14%
35-44	17%	17%	23%	28%	21%	16%
45-54	18%	18%	19%	19%	19%	25%
55-64	15%	15%	14%	16%	12%	20%
65 or older	19%	19%	9%	9%	9%	18%
<u>Education</u>						
Some high school		6%	7%	6%	7%	5%
Completed high school		25%	23%	28%	20%	18%
Technical or vocational school above high school level		11%	10%	8%	11%	7%
Some college or university		29%	33%	35%	33%	29%
College or university degree or diploma (Bachelor's Degree)		19%	19%	17%	20%	21%
Post-graduate degree (Masters, Doctorate, or equivalent)		10%	8%	6%	9%	20%
<u>Race</u>						
Hispanic, Latino or Spanish origin	5%	5%	6%	3%	7%	8%
Not of Hispanic, Latino or Spanish origin	95%	95%	94%	97%	93%	92%
Caucasian	78%	79%	73%	73%	73%	79%
African American	16%	15%	22%	25%	21%	16%
Native American or Alaska Native	1%	2%	2%	0%	3%	1%
Asian	1%	1%	0%	1%	0%	1%
Other (includes Multi – racial, hence may sum to greater than 100%)	4%	3%	3%	1%	3%	3%
<u>Income</u>						
Less than \$25,000		29%	26%	19%	29%	28%
\$25,000 to just under \$50,000		35%	37%	45%	35%	29%
\$50,000 to just under \$75,000		19%	22%	21%	22%	23%
\$75,000 to just under \$100,000		10%	11%	11%	10%	16%
\$100,000 or more		7%	4%	4%	4%	4%

Source: ALC June 30, 2014 Comprehensive Annual Financial Report

Arkansas Lottery Commission
Lottery Awareness & Advertising Effectiveness Tracking Study
Fiscal Year 2014

	Total	Northeast	Northwest	Central	Southeast	Southwest
Confidence Level = 95%						
		2014 (B)	2014 (D)	2014 (F)	2014 (H)	2014 (J)
How often do you play the Arkansas State Lottery games? This includes buying Natural State lottery tickets, Powerball tickets, Mega Millions tickets, and scratch-off game tickets. Would you say you play...?						
Often	17%	16%	11%	15%	22%	16%
Sometimes	30%	29%	26%	30%	38%	18%
Rarely	23%	26%	32%	21%	13%	20%
Never	31%	29%	31%	33%	27%	45%
More specifically, how often would you say you play? Would you say...?						
A couple times a year	13%	8%	14%	14%	0%	5%
About once or twice a month	48%	62%	59%	45%	63%	42%
1-3 times per week	29%	31%	18%	30%	37%	37%
4 or more times per week	10%	0%	9%	11%	0%	16%
Don't Know	0%	0%	0%	1%	0%	0%
Are you aware of what the money made by the Arkansas Lottery is used for?						
Yes	83%	78%	81%	85%	89%	84%
No	17%	22%	18%	15%	11%	16%
Don't Know/Refused	0%	0%	1%	0%	0%	0%
What is the money used for?						
College scholarships	92%	87%	94%	95%	93%	96%
Roads, infrastructure	1%	2%	1%	1%	0%	0%
Arkansas state parks	0%	0%	0%	1%	0%	2%
The state of arkansas general fund	3%	0%	2%	1%	5%	0%
Other	3%	11%	3%	2%	0%	2%
Don't Know	0%	0%	0%	1%	3%	0%
Have you played the lottery in the past 3 months?						
Yes	49%	52%	44%	50%	58%	35%
No	51%	48%	56%	50%	42%	65%
Don't Know	0%	0%	0%	0%	0%	0%
Have you played instant game tickets, sometimes known as "scratch off games", in the last 3 months?						
Yes	45%	50%	36%	41%	62%	44%
No	55%	50%	64%	59%	38%	56%
Don't Know	0%	0%	0%	0%	0%	0%
Have you played draw games in the last three months including Powerball, Mega Millions, and/or Natural State Jackpot?						
Yes	39%	41%	38%	37%	51%	29%
No	61%	59%	62%	63%	49%	71%
Don't Know	0%	0%	0%	0%	0%	0%
In the past month, have you seen or heard any lottery advertising on the television, radio, on websites, billboards, or signs/posters at a lottery retailer?						
Yes	76%	71%	78%	80%	80%	58%
No	23%	28%	22%	20%	20%	40%
Don't Know	1%	2%	0%	0%	0%	2%
Refused	0%	0%	0%	0%	0%	0%

Which of the following games have you seen advertisements for?

Instant games/scratch-off tickets	65%	63%	66%	65%	67%	63%
Powerball	76%	85%	74%	75%	78%	72%
Mega millions	73%	80%	65%	74%	78%	69%
Natural state jackpot	41%	49%	35%	42%	50%	28%
Cash 3 / cash 4	16%	20%	12%	16%	22%	19%
Dk	3%	0%	2%	5%	0%	0%
Ref	0%	0%	0%	0%	0%	0%

Where do you recall receiving jackpot information and reminders to play the Lottery? Do you recall receiving information and reminders on...?

Television commercials	77%	85%	70%	80%	78%	88%
Radio commercials	38%	46%	34%	45%	47%	44%
Lottery website	24%	22%	22%	25%	31%	31%
Billboards	49%	61%	57%	52%	42%	50%
Ads when i'm on other websites	14%	15%	16%	11%	14%	19%
Lottery retailer signage/posters/pump videos	47%	51%	62%	51%	36%	41%
Television stations that air the drawings	47%	63%	46%	57%	64%	47%
Mobile app	8%	10%	9%	6%	11%	13%
Facebook and/or twitter	13%	12%	12%	16%	11%	16%
E-mails	15%	15%	11%	20%	25%	16%
Print (i.e., newspaper, magazines, direct mail) (new wave only)	30%	34%	23%	29%	39%	34%

I play Powerball and Mega Millions when:

The jackpot level reaches \$50 million	13%	16%	11%	12%	22%	11%
The jackpot level reaches \$100 million	14%	10%	18%	12%	22%	7%
The jackpot level reaches \$300 million	11%	10%	15%	11%	9%	7%
The jackpot level reaches over \$500 million	17%	16%	19%	16%	7%	24%
I play regardless of the jackpot level, i play all the time	29%	34%	24%	30%	33%	29%
Dk	13%	10%	11%	15%	4%	22%
Ref	2%	3%	2%	3%	2%	0%

The lottery is a good way for the state to support students that want to go to college. Would you say you...?

Agree or Strongly Agree	65%	67%	68%	62%	76%	56%
Strongly Agree	26%	28%	37%	25%	31%	22%
Agree	39%	40%	32%	38%	44%	35%
Neither Agree nor Disagree	18%	16%	15%	20%	13%	25%

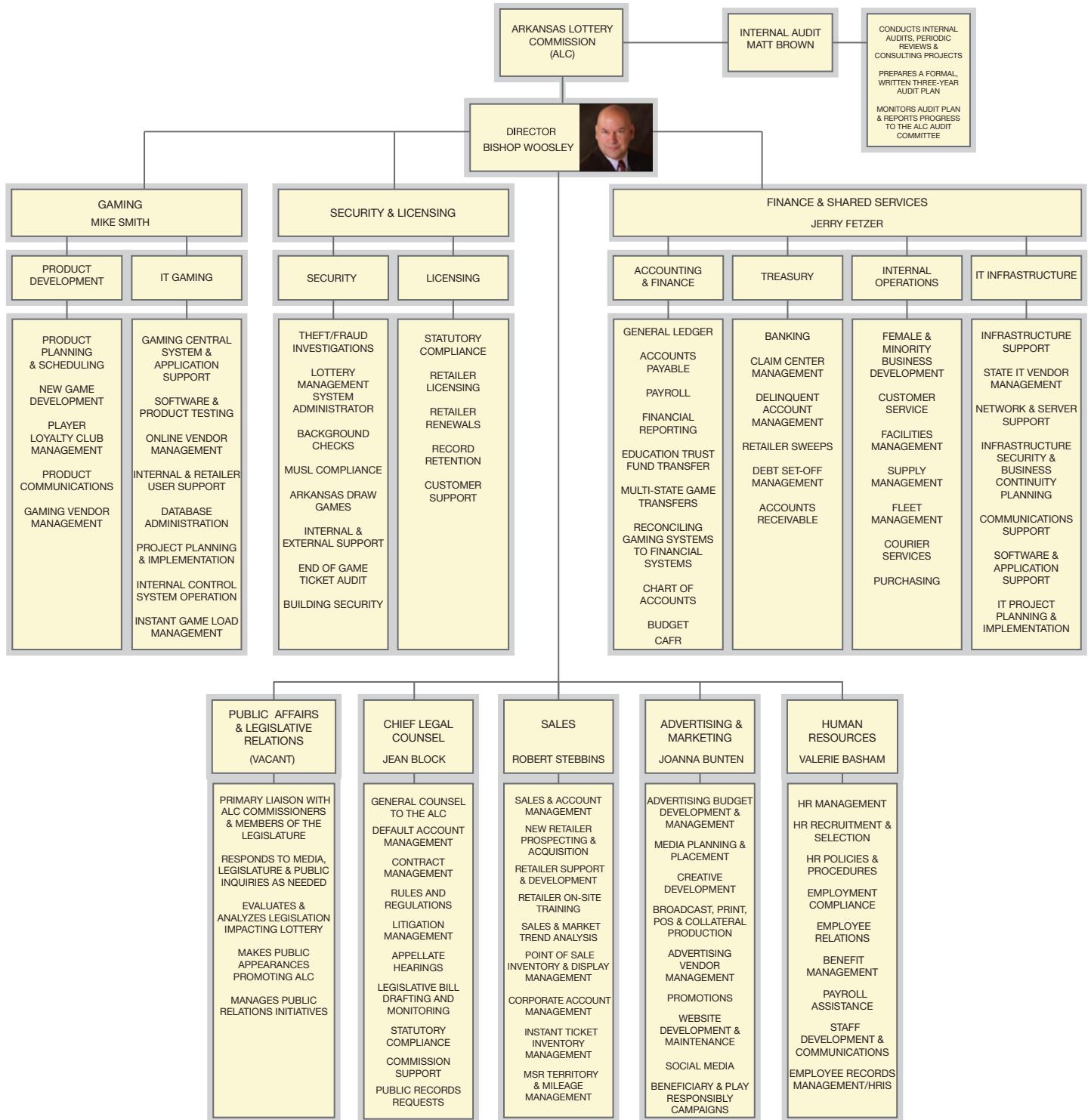
How much do you agree with the following statement...? I hear about the people who win the lottery. Would you say you...?

Agree or Strongle Agree	49%	48%	41%	44%	49%	45%
Strongly Agree	10%	12%	7%	8%	16%	11%
Agree	39%	36%	34%	35%	33%	35%
Neither Agree nor Disagree	27%	26%	25%	30%	42%	35%

Source: ALC-RFQ-140001-Supplemental Advertising, Marketing and Media Services

Arkansas Lottery Commission

Department Overview



Arkansas Lottery Commission Organizational Chart

