

Arkansas

Scholarship Lottery

"A Natural State of Fun!"

ARKANSAS LOTTERY
COMMISSION

Dianne Lamberth,
Chair

Derrick W. Smith,
Vice Chair

Ben Pickard,
Secretary/Treasurer

John C. (Smokey)
Campbell III

George Hammons

Mike Malone

Patty L. Shipp

Susan Ward-Jones

Joe White

Ernie Passailaigue,
Director

August 9, 2010

The Honorable David Johnson, Chair
Arkansas Lottery Commission Legislative Oversight Committee
433 State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Johnson:

On behalf of our agency and the Commissioners of the Arkansas Scholarship Lottery, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of July 2010. 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. Arkansas Scholarship Lottery Minority- and Female-owned Business Report
12. Arkansas Scholarship Lottery Vendor Minority- and Female-owned Business Report
13. Arkansas Scholarship Lottery Demographics

Please call me if you have any questions or need additional information.

Respectfully submitted,



Ernie Passailaigue
Director, Arkansas Lottery Commission

Enclosures

cc: Ms. Dianne Lamberth, Chairperson
Arkansas Lottery Commission

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The Honorable Barry Hyde, Chair
Arkansas Lottery Commission Legislative Oversight Committee
433 State Capitol
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Dear Representative Hyde:

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Respectfully submitted,



Ernie Passailaigue
Director, Arkansas Lottery Commission

Enclosures

cc: Ms. Dianne Lamberth, Chairperson
Arkansas Lottery Commission

**Arkansas Lottery Commission Term Contracts for Goods and Services
July 2010**

No term contracts were entered into by the Arkansas Lottery Commission during the month of July 2010.

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
July 2010**

1. Retailer losses for period July 1 through July 31, 2010: There were no retailer losses for the month of July 2010.

2. Debt Set-Off:

- a. Department of Finance and Administration - Other Taxes: \$ 2,600.00
- b. Office of Child Support Enforcement - Child Support: \$ 0.00

Total Debt Set-Off: \$ 2,600.00

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
July 1 through July 31, 2010

| COUNTY | INSTANT SETTLES | CASH 3 | CASH 4 | POWERBALL | MEGA MILLIONS | RAFFLE | TOTAL SALES FOR COUNTY |
|--------------|-----------------|-------------|-------------|--------------|---------------|-------------|------------------------|
| ARKANSAS | \$444,694.21 | \$4,349.50 | \$3,563.00 | \$29,882.00 | \$14,711.00 | \$3,740.60 | \$500,940.31 |
| ASHLEY | \$86,234.62 | \$11,919.00 | \$4,719.50 | \$15,492.00 | \$5,821.00 | \$836.85 | \$125,022.97 |
| BAXTER | \$295,754.70 | \$8,866.00 | \$2,098.50 | \$41,953.00 | \$15,200.00 | \$4,224.56 | \$368,096.76 |
| BENTON | \$703,097.60 | \$5,140.50 | \$1,565.00 | \$119,105.00 | \$40,061.00 | \$10,304.30 | \$879,273.40 |
| BOONE | \$301,971.40 | \$2,567.00 | \$866.00 | \$26,645.00 | \$8,660.00 | \$1,845.09 | \$342,554.50 |
| BRADLEY | \$70,309.76 | \$1,078.00 | \$605.50 | \$8,175.00 | \$3,647.00 | \$1,008.25 | \$84,823.51 |
| CALHOUN | \$57,690.06 | \$1,098.00 | \$240.00 | \$3,927.00 | \$1,681.00 | \$615.03 | \$65,251.09 |
| CARROLL | \$241,877.59 | \$778.50 | \$405.00 | \$19,456.00 | \$5,590.00 | \$1,391.38 | \$269,498.48 |
| CHICOT | \$118,384.81 | \$5,755.00 | \$2,336.00 | \$35,486.00 | \$13,259.00 | \$1,320.81 | \$176,541.61 |
| CLARK | \$433,877.32 | \$3,918.00 | \$1,296.50 | \$28,902.00 | \$12,594.00 | \$5,615.94 | \$486,203.77 |
| CLAY | \$84,131.34 | \$406.50 | \$116.00 | \$4,294.00 | \$1,559.00 | \$504.12 | \$91,010.96 |
| CLEBURNE | \$316,994.86 | \$1,760.00 | \$517.00 | \$43,644.00 | \$21,380.00 | \$7,874.42 | \$392,170.28 |
| CLEVELAND | \$110,272.14 | \$1,015.50 | \$392.50 | \$10,152.00 | \$4,377.00 | \$1,633.36 | \$127,842.51 |
| COLUMBIA | \$149,333.12 | \$9,040.50 | \$3,500.50 | \$14,063.00 | \$4,742.00 | \$1,008.25 | \$181,687.37 |
| CONWAY | \$354,280.06 | \$8,045.00 | \$3,468.50 | \$38,768.00 | \$18,276.00 | \$6,331.80 | \$429,169.36 |
| CRAIGHEAD | \$966,320.51 | \$6,829.50 | \$2,676.00 | \$79,672.00 | \$27,771.00 | \$10,092.57 | \$1,093,361.58 |
| CRAWFORD | \$343,135.67 | \$5,242.50 | \$1,405.50 | \$70,574.00 | \$21,705.00 | \$8,136.56 | \$450,199.23 |
| CRITTENDEN | \$464,151.58 | \$12,946.00 | \$4,749.00 | \$65,806.00 | \$22,605.00 | \$1,774.52 | \$572,032.10 |
| CROSS | \$173,070.18 | \$2,870.00 | \$1,259.50 | \$15,760.00 | \$6,120.00 | \$857.01 | \$199,936.69 |
| DALLAS | \$225,952.73 | \$2,647.00 | \$1,111.00 | \$16,197.00 | \$8,137.00 | \$1,935.84 | \$255,980.57 |
| DESHA | \$180,879.37 | \$1,514.50 | \$442.50 | \$16,483.00 | \$7,616.00 | \$3,024.74 | \$209,960.11 |
| DREW | \$171,868.30 | \$1,780.50 | \$869.50 | \$18,635.00 | \$8,234.00 | \$2,228.23 | \$203,615.53 |
| FAULKNER | \$1,118,272.73 | \$12,743.00 | \$5,038.00 | \$133,101.00 | \$61,580.00 | \$19,156.72 | \$1,349,891.44 |
| FRANKLIN | \$188,394.10 | \$871.00 | \$566.00 | \$20,207.00 | \$6,758.00 | \$3,549.03 | \$220,345.13 |
| FULTON | \$53,483.49 | \$247.50 | \$169.50 | \$4,545.00 | \$1,777.00 | \$514.21 | \$60,736.70 |
| GARLAND | \$814,471.46 | \$7,604.00 | \$3,695.00 | \$155,111.00 | \$68,380.00 | \$13,359.29 | \$1,062,620.75 |
| GRANT | \$138,516.24 | \$886.00 | \$487.50 | \$17,638.00 | \$8,868.00 | \$1,754.35 | \$168,150.09 |
| GREENE | \$460,619.07 | \$4,611.50 | \$1,725.50 | \$32,413.00 | \$11,096.00 | \$6,614.11 | \$517,079.18 |
| HEMPSTEAD | \$370,177.88 | \$20,724.50 | \$5,813.50 | \$19,616.00 | \$7,784.00 | \$2,097.16 | \$426,213.04 |
| HOT SPRING | \$295,962.02 | \$3,414.50 | \$1,726.00 | \$32,428.00 | \$16,560.00 | \$3,589.36 | \$353,679.89 |
| HOWARD | \$128,600.76 | \$9,007.00 | \$1,595.50 | \$7,753.00 | \$3,975.00 | \$1,008.25 | \$151,939.51 |
| INDEPENDENCE | \$480,066.43 | \$2,921.50 | \$1,358.50 | \$42,739.00 | \$20,122.00 | \$6,977.08 | \$554,184.51 |
| IZARD | \$68,206.48 | \$183.00 | \$90.50 | \$8,057.00 | \$3,018.00 | \$1,703.94 | \$81,258.92 |
| JACKSON | \$276,131.07 | \$9,559.00 | \$3,650.50 | \$21,830.00 | \$9,998.00 | \$3,004.58 | \$324,173.15 |
| JEFFERSON | \$1,337,387.78 | \$45,753.00 | \$20,936.00 | \$118,446.00 | \$58,220.00 | \$14,246.55 | \$1,594,989.33 |
| JOHNSON | \$228,738.08 | \$464.00 | \$171.50 | \$28,187.00 | \$10,882.00 | \$4,022.91 | \$272,465.49 |
| LAFAYETTE | \$63,699.44 | \$2,622.50 | \$659.00 | \$3,482.00 | \$1,008.00 | \$645.28 | \$72,116.22 |
| LAWRENCE | \$283,943.26 | \$2,634.50 | \$426.50 | \$13,071.00 | \$4,695.00 | \$1,855.18 | \$306,625.44 |
| LEE | \$85,032.74 | \$3,595.00 | \$1,216.00 | \$4,204.00 | \$1,596.00 | \$191.57 | \$95,835.31 |
| LINCOLN | \$99,154.79 | \$381.50 | \$86.50 | \$8,964.00 | \$4,309.00 | \$1,169.57 | \$114,065.36 |
| LITTLE RIVER | \$58,591.47 | \$1,904.50 | \$870.00 | \$4,475.00 | \$2,264.00 | \$453.71 | \$68,558.68 |
| LOGAN | \$222,013.58 | \$2,230.00 | \$792.00 | \$26,886.00 | \$8,512.00 | \$8,943.16 | \$269,376.75 |
| LONOKE | \$1,008,875.95 | \$8,169.00 | \$3,137.50 | \$104,010.00 | \$45,968.00 | \$14,397.79 | \$1,184,558.23 |

**ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
July 1 through July 31, 2010**

| COUNTY | INSTANT SETTLES | CASH 3 | CASH 4 | POWERBALL | MEGA MILLIONS | RAFFLE | TOTAL SALES FOR COUNTY |
|---------------|-----------------|--------------|-------------|--------------|---------------|-------------|------------------------|
| MADISON | \$122,591.38 | \$306.50 | \$330.50 | \$9,951.00 | \$3,273.00 | \$1,734.19 | \$138,186.56 |
| MARION | \$184,788.47 | \$2,543.00 | \$464.50 | \$15,250.00 | \$6,087.00 | \$1,693.86 | \$210,826.83 |
| MILLER | \$281,239.04 | \$19,117.00 | \$4,047.00 | \$17,484.00 | \$8,567.00 | \$4,355.63 | \$334,809.67 |
| MISSISSIPPI | \$511,425.38 | \$35,976.50 | \$11,352.00 | \$30,025.00 | \$10,350.00 | \$2,147.57 | \$601,276.45 |
| MONROE | \$151,736.88 | \$6,846.50 | \$2,452.00 | \$15,415.00 | \$7,492.00 | \$1,189.73 | \$185,132.11 |
| MONTGOMERY | \$24,400.09 | \$16.00 | \$10.50 | \$6,062.00 | \$2,329.00 | \$877.18 | \$33,694.77 |
| NEVADA | \$291,154.52 | \$4,194.00 | \$954.00 | \$9,143.00 | \$4,501.00 | \$1,098.99 | \$311,045.51 |
| NEWTON | \$39,962.38 | \$115.50 | \$67.00 | \$3,426.00 | \$1,193.00 | \$191.57 | \$44,955.45 |
| OUACHITA | \$429,815.98 | \$12,704.50 | \$4,286.00 | \$31,996.00 | \$13,454.00 | \$2,893.67 | \$495,150.15 |
| PERRY | \$91,371.64 | \$1,790.00 | \$329.50 | \$11,349.00 | \$5,534.00 | \$1,109.07 | \$111,483.21 |
| PHILLIPS | \$167,661.74 | \$4,720.50 | \$2,425.00 | \$24,566.00 | \$7,736.00 | \$756.19 | \$207,865.42 |
| PIKE | \$116,281.53 | \$212.50 | \$60.00 | \$12,068.00 | \$5,951.00 | \$1,371.22 | \$135,944.24 |
| POINSETT | \$554,665.88 | \$11,702.50 | \$3,588.50 | \$22,713.00 | \$7,484.00 | \$2,480.29 | \$602,634.17 |
| POLK | \$118,867.56 | \$601.00 | \$66.00 | \$20,151.00 | \$7,019.00 | \$2,066.91 | \$148,771.47 |
| POPE | \$752,434.62 | \$5,945.50 | \$2,870.50 | \$83,222.00 | \$35,917.00 | \$12,230.05 | \$892,619.67 |
| PRAIRIE | \$145,126.56 | \$4,991.50 | \$1,455.00 | \$9,636.00 | \$5,060.00 | \$1,966.08 | \$168,235.14 |
| PULASKI | \$5,977,090.78 | \$122,695.00 | \$58,175.50 | \$640,418.00 | \$320,106.00 | \$84,339.97 | \$7,202,825.25 |
| RANDOLPH | \$159,519.02 | \$308.50 | \$94.50 | \$9,270.00 | \$3,654.00 | \$1,270.39 | \$174,116.42 |
| SAINT FRANCIS | \$229,858.83 | \$9,198.00 | \$3,608.50 | \$24,638.00 | \$8,290.00 | \$1,058.66 | \$276,651.99 |
| SALINE | \$1,191,900.67 | \$6,992.50 | \$2,391.50 | \$149,102.00 | \$70,018.00 | \$23,149.38 | \$1,443,554.05 |
| SCOTT | \$110,873.08 | \$326.00 | \$89.00 | \$11,293.00 | \$3,503.00 | \$1,230.06 | \$127,314.15 |
| SEARCY | \$92,844.94 | \$2,107.00 | \$1,030.00 | \$8,033.00 | \$3,308.00 | \$786.43 | \$108,109.37 |
| SEBASTIAN | \$687,387.07 | \$10,853.00 | \$3,146.00 | \$156,824.00 | \$46,448.00 | \$17,301.54 | \$921,959.61 |
| SEVIER | \$129,201.70 | \$1,795.00 | \$515.50 | \$8,005.00 | \$3,215.00 | \$1,451.88 | \$144,184.07 |
| SHARP | \$161,051.42 | \$792.50 | \$292.00 | \$15,735.00 | \$6,352.00 | \$1,683.77 | \$185,906.69 |
| STONE | \$88,337.90 | \$786.00 | \$166.50 | \$10,907.00 | \$4,046.00 | \$998.17 | \$105,241.57 |
| UNION | \$467,830.33 | \$35,175.50 | \$13,281.50 | \$40,669.00 | \$16,088.00 | \$2,913.84 | \$575,958.16 |
| VAN BUREN | \$176,675.81 | \$1,283.50 | \$413.50 | \$21,824.00 | \$9,123.00 | \$2,681.94 | \$212,001.75 |
| WASHINGTON | \$1,221,707.20 | \$11,168.50 | \$3,728.50 | \$180,095.00 | \$61,445.00 | \$18,188.80 | \$1,496,333.00 |
| WHITE | \$1,081,388.15 | \$4,528.00 | \$1,947.00 | \$79,445.00 | \$37,935.00 | \$11,917.50 | \$1,217,160.64 |
| WOODRUFF | \$158,647.66 | \$2,026.00 | \$808.00 | \$11,528.00 | \$6,010.00 | \$1,351.05 | \$180,370.72 |
| YELL | \$130,704.04 | \$1,503.50 | \$578.50 | \$17,275.00 | \$6,901.00 | \$3,226.39 | \$160,188.44 |

| | | | | | | | |
|---------------------|------------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|------------------------|
| GRAND TOTALS | *Settles | *Cash 3 | *Cash 4 | *Powerball | *Mega Millions | *Raffle | *Totals |
| | \$30,123,163.00 | \$563,415.00 | \$217,437.50 | \$3,237,752.00 | \$1,369,505.00 | \$397,270.00 | \$35,908,542.50 |

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
July 2010**

As of July 31, 2010, there were 1,910 active retailers and 2 pending installation/activation by Intralot.

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the One Month Ending July 31, 2010

| | Current Month | % | Year to Date | % |
|---|-----------------------|---------|-----------------------|---------|
| Revenues | | | | |
| Instant Games | \$ 29,140,322.00 | 83.18 | \$ 29,140,322.00 | 83.18 |
| OnLine Games | 5,813,016.00 | 16.59 | 5,813,016.00 | 16.59 |
| A/R write-offs | 0.00 | 0.00 | 0.00 | 0.00 |
| Retailer Service Reimbursement | 77,355.00 | 0.22 | 77,355.00 | 0.22 |
| Other Revenue | <u>798.82</u> | 0.00 | <u>798.82</u> | 0.00 |
| Total Revenues | <u>35,031,491.82</u> | 100.00 | <u>35,031,491.82</u> | 100.00 |
| Direct Costs | | | | |
| Instant Game Prizes | 20,494,605.51 | 58.50 | 20,494,605.51 | 58.50 |
| On-Line Game Prizes | 2,888,939.41 | 8.25 | 2,888,939.41 | 8.25 |
| Unclaimed Online Prizes | (110,325.00) | (0.31) | (110,325.00) | (0.31) |
| Retailer Commissions | 1,948,824.93 | 5.56 | 1,948,824.93 | 5.56 |
| Instant Game Ticket Costs | 492,522.84 | 1.41 | 492,522.84 | 1.41 |
| Instant Game Validation Costs | 46,811.25 | 0.13 | 46,811.25 | 0.13 |
| Instant Game Services & Fees | 70,481.03 | 0.20 | 70,481.03 | 0.20 |
| OnLine Vendor Costs | 855,754.20 | 2.44 | 855,754.20 | 2.44 |
| OnLine Gaming Audit Services | <u>8,600.00</u> | 0.02 | <u>8,600.00</u> | 0.02 |
| Total Direct Costs | <u>26,696,214.17</u> | 76.21 | <u>26,696,214.17</u> | 76.21 |
| Gross Profit | <u>8,335,277.65</u> | 23.79 | <u>8,335,277.65</u> | 23.79 |
| Operating Expenses | | | | |
| Marketing, Advertising & Promo | 242,469.84 | 0.69 | 242,469.84 | 0.69 |
| Retailer Background Checks | 371.25 | 0.00 | 371.25 | 0.00 |
| Staff Compensation & Benefits | 498,039.83 | 1.42 | 498,039.83 | 1.42 |
| Legal and Professional Fees | 276.25 | 0.00 | 276.25 | 0.00 |
| Office Lease and Improvements | 37,499.38 | 0.11 | 37,499.38 | 0.11 |
| Depreciation & Equipment Costs | 20,196.39 | 0.06 | 20,196.39 | 0.06 |
| Office Administrative Expenses | 17,619.01 | 0.05 | 17,619.01 | 0.05 |
| MSR/Staff Travel & Mileage | 31,503.52 | 0.09 | 31,503.52 | 0.09 |
| Commission & Executive Travel | 749.40 | 0.00 | 749.40 | 0.00 |
| Dues/Memberships | 3,922.00 | 0.01 | 3,922.00 | 0.01 |
| Training/Education | 319.00 | 0.00 | 319.00 | 0.00 |
| Property & Liability Insurance | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Administrative Costs | <u>4,078.75</u> | 0.01 | <u>4,078.75</u> | 0.01 |
| Total Operating Expenses | <u>857,044.62</u> | 2.45 | <u>857,044.62</u> | 2.45 |
| Change in Net Assets from Operations | 7,478,233.03 | 21.35 | 7,478,233.03 | 21.35 |
| Non-Operating Income (Expense) | | | | |
| Interest Income | 41,887.31 | 0.12 | 41,887.31 | 0.12 |
| NET PROCEEDS DUE TO EDUCATION*** | <u>(7,520,120.34)</u> | (21.47) | <u>(7,520,120.34)</u> | (21.47) |
| | <u>\$ 0.00</u> | (0.00) | <u>\$ 0.00</u> | (0.00) |

*** The amount due to the Educational Trust Fund (ETF) is computed using accrual basis accounting, which includes Instant Game Revenues not currently due from retailers. The amount actually funded to the ETF is computed on cash basis Revenues due from retailers on Instant Game Settlements.

UNAUDITED PRELIMINARY DRAFT - Restricted for Internal Use Only

Arkansas Scholarship Commission
 Net Proceeds Transfer to Ed Trust Computation
 For the One Month Ending July 31, 2010

| | Year to Date |
|---|--------------------------------|
| Revenues | |
| Instant Games-SETTLES | \$ 30,123,163.00 |
| OnLine Games | 5,813,016.00 |
| A/R write-offs | 0.00 |
| Retailer service reimbursement | 77,355.00 |
| Other Revenue | <u>798.82</u> |
| Total Revenues | <u>36,014,332.82</u> |
| Direct Costs | |
| Instant Game Prizes-SETTLES | 20,455,391.16 |
| On-Line Game Prizes | 2,888,939.41 |
| Unclaimed Prizes | (110,325.00) |
| Retailer Commissions | 1,948,824.93 |
| Instant Game Ticket Costs | 492,522.84 |
| Instant Game Validation Costs | 46,811.25 |
| Instant Game Services | 70,481.03 |
| OnLine Vendor costs | 855,754.20 |
| OnLine Gaming Audit Services | <u>8,600.00</u> |
| Total Direct Costs | <u>26,656,999.82</u> |
| Gross Profit | <u>9,357,333.00</u> |
| Operating Expenses | |
| Marketing, Advertising & Promo | 242,469.84 |
| Retailer Background Checks | 371.25 |
| Staff Compensation & Benefits | 498,039.83 |
| Legal and Professional Fees | 276.25 |
| Office Lease and Improvements | 37,499.38 |
| Depreciation & Equipment Costs | 20,196.39 |
| Office Administrative Expenses | 17,619.01 |
| MSR/Staff Travel & Mileage | 31,503.52 |
| Commission & Executive Travel | 749.40 |
| Dues/Memberships | 3,922.00 |
| Training/Education | 319.00 |
| Property & Liability Insurance | 0.00 |
| Other Administrative Costs | <u>4,078.75</u> |
| Total Operating Expenses | <u>857,044.62</u> |
| Change in Net Assets from Operations | 8,500,288.38 |
| Non-Operating Income (Expense) | |
| Interest Income | 41,887.31 |
| Less Current year MUSL Reserves addtions | <u>(38,753.73)</u> |
| NET PROCEEDS DUE TO EDUCATION-Current Month \$ | <u>8,503,421.96</u> |

Arkansas Lottery Commission
Statement of Net Assets
July 31, 2010

ASSETS

Current Assets:

| | |
|---------------------------|----------------------|
| Cash and Equivalents | \$ 11,098,359.88 |
| Educational Trust Fund | 82,837,299.38 |
| Retailer Accts Receivable | <u>11,958,813.21</u> |

Total Current Assets 105,894,472.47

Noncurrent Assets:

Capital Assets:

| | |
|------------------------------|---------------------|
| Furniture, Fixtures, & Equip | 360,319.69 |
| Data Processing Equipment | 74,706.25 |
| Vehicles | 74,120.57 |
| Leasehold Improvements | 481,103.18 |
| Accumulated Depreciation | <u>(137,289.96)</u> |

Total Capital Assets 852,959.73

Other Assets

| | |
|------------------------|------------------|
| MUSL Reserves | 496,021.70 |
| Retailer Fidelity Fund | <u>19,060.14</u> |

Total Other Assets 515,081.84

Total Assets \$ 107,262,514.04

LIABILITIES AND NET ASSETS

Current Liabilities:

| | |
|----------------------------------|-------------------|
| Prizes Payable | \$ 14,469,918.75 |
| Payable to ADHE- Admin Costs | 216,849.32 |
| Due to Ed. Trust-Net Proceeds*** | 89,635,496.52 |
| Vendor Accounts Payable | 993,914.20 |
| Accrued Liabilities | 1,544,552.61 |
| Deferred On-Line Revenue | <u>245,470.50</u> |

Total Current Liabilities 107,106,201.90

NET ASSETS:

Invested in Capital Assets 852,959.73

Restricted for:

| | |
|--------------------------------|------------|
| Retailer Fidelity Reserve Fund | 19,060.14 |
| Unclaimed Prize Reserve | 137,252.00 |

Unrestricted Net Assets:

Unrestricted Net Proceeds (852,959.73)

Total Net Assets 156,312.14

Total Liabilities & Net Assets \$ 107,262,514.04

*** The amount due to the Educational Trust Fund (ETF) is computed using accrual basis accounting, which includes Instant Game Revenues not currently due from retailers. The amount actually funded to the ETF is computed on cash basis Revenues due from retailers on Instant Game Settlements.

ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2010

| Vendors | Goods or Services | Diversity Classification | Fiscal 2011 Total | July 2010 |
|----------------------------------|------------------------------|--------------------------|--------------------|--------------------|
| Trivia Marketing | Advertising/Public Relations | Female-Owned | \$10.75 | \$10.75 |
| Goddess Products | Office Furniture/Supplies | Minority-Owned | \$9,864.54 | \$9,864.54 |
| MR. B'S 2 Mobile Hand Wash & Wax | Car Detail and Inspection | Minority-Owned | \$128.40 | \$128.40 |
| Inclusion Magazine | Advertising/Public Relations | Minority-Owned | \$2,750.00 | \$2,750.00 |
| RB Professional Cleaning Service | Janitorial Services | Female-Owned | \$437.40 | \$437.40 |
| Best Banner and Sign | Promotional Items | Female-Owned | \$27.31 | \$27.31 |
| Totals | | | \$13,218.40 | \$13,218.40 |

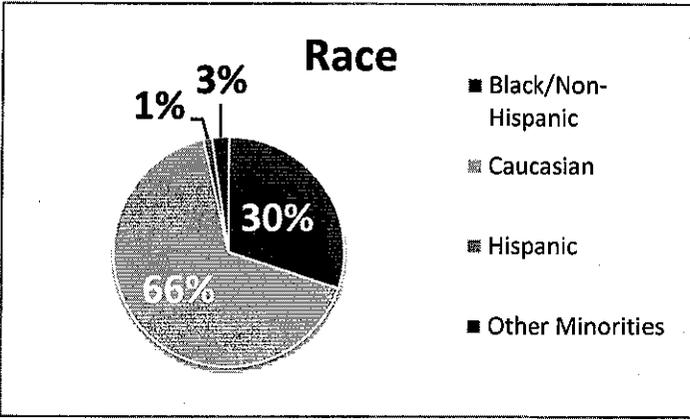
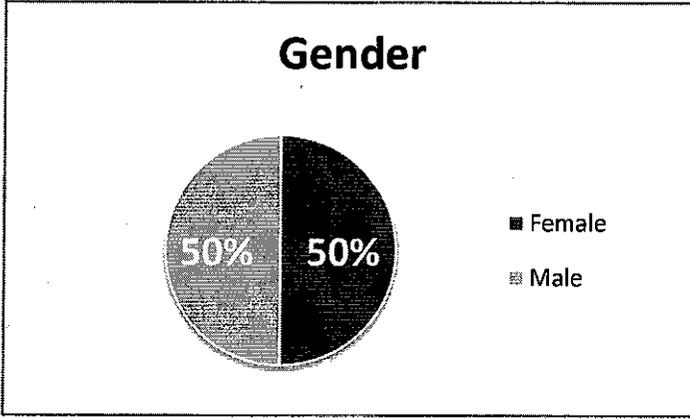
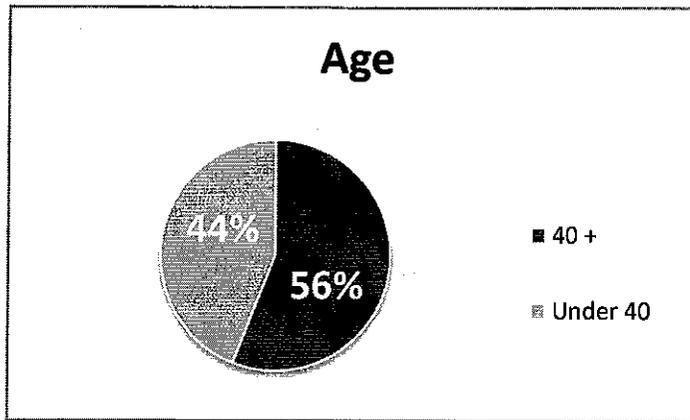
INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2010

| Vendors | Goods or Services | Diversity Classification | Fiscal 2011 Total | July 2010 |
|--|----------------------------------|--------------------------|--------------------|--------------------|
| Finders Keepers | Technical Support | Female-Owned | \$11,797.05 | \$11,797.05 |
| J Kelly Referrals and Information Services, Inc. | Call Center/Information Services | Minority-Owned | \$22,675.80 | \$22,675.80 |
| Totals | | | \$34,472.85 | \$34,472.85 |

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2010

| Vendors | Goods or Services | Diversity Classification | Fiscal 2011 Total | July 2010 |
|----------------------------------|-------------------------|--------------------------|-------------------|-------------------|
| Mr. Clean | Janitorial Services | Minority-Owned | \$774.90 | \$774.90 |
| Expedited Transportation Service | Transportation Services | Female-Owned | \$3,018.00 | \$3,018.00 |
| Totals | | | \$3,792.90 | \$3,792.90 |

**Arkansas Lottery Commission
Demographics – July 2010**



Total Number of Employees as of July 31, 2010: 84

Gender:
Females – 42
Males – 42

Race:
Black/Non-Hispanic - 25
Caucasian - 56
Hispanic – 1
Other – 2

Age:
Under 40 – 37
40+ – 47