

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

November 10, 2010

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 Scholarship Lottery, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of October 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

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
October 2010**

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

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

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

2. Debt Set-Off:

a. Department of Finance and Administration:	\$ 4,252.86
b. Office of Child Support Enforcement - Child Support:	<u>\$ 6,945.90</u>

Total Debt Set-Off: \$11,198.76

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

COUNTY	INSTANT SETTLES	CASH 3	CASH 4	POWERBALL	MEGA MILLIONS	RAFFLE	TOTAL SALES FOR COUNTY
ARKANSAS	\$476,797.40	\$3,746.00	\$6,459.00	\$23,957.06	\$16,447.00	\$1,960.00	\$535,126.46
ASHLEY	\$93,965.43	\$7,948.50	\$7,023.50	\$13,005.86	\$6,826.00	\$780.00	\$132,048.29
BAXTER	\$292,582.95	\$6,249.00	\$3,780.00	\$38,069.35	\$20,404.00	\$2,200.00	\$367,612.30
BENTON	\$710,872.97	\$3,448.50	\$1,729.50	\$103,880.67	\$63,096.00	\$11,110.00	\$901,556.64
BOONE	\$325,167.59	\$1,697.00	\$1,204.50	\$23,875.95	\$12,994.00	\$1,480.00	\$368,052.04
BRADLEY	\$66,979.43	\$880.00	\$703.00	\$7,044.13	\$3,947.00	\$290.00	\$80,038.56
CALHOUN	\$61,702.17	\$651.00	\$311.50	\$4,285.56	\$2,544.00	\$380.00	\$70,793.22
CARROLL	\$218,283.85	\$431.00	\$932.50	\$16,898.91	\$7,515.00	\$1,150.00	\$247,521.25
CHICOT	\$136,061.34	\$5,905.50	\$2,658.00	\$35,103.51	\$17,228.00	\$1,100.00	\$198,980.35
CLARK	\$416,143.47	\$3,954.00	\$1,187.50	\$22,993.81	\$15,833.00	\$2,550.00	\$465,190.78
CLAY	\$81,768.96	\$266.00	\$58.00	\$4,126.35	\$2,232.00	\$450.00	\$89,410.31
CLEBURNE	\$303,289.65	\$1,130.00	\$358.00	\$32,651.33	\$24,162.00	\$4,060.00	\$369,187.98
CLEVELAND	\$100,363.01	\$999.00	\$559.50	\$7,948.30	\$5,006.00	\$500.00	\$116,437.82
COLUMBIA	\$154,114.75	\$7,092.00	\$4,178.00	\$12,606.34	\$5,910.00	\$610.00	\$188,636.10
CONWAY	\$365,530.45	\$6,239.50	\$3,416.50	\$32,590.25	\$22,642.00	\$3,020.00	\$439,537.70
CRAIGHEAD	\$1,033,932.06	\$5,374.00	\$3,325.00	\$71,839.13	\$46,053.00	\$4,600.00	\$1,170,657.19
CRAWFORD	\$293,992.62	\$2,703.50	\$1,092.50	\$63,881.82	\$32,719.00	\$4,890.00	\$403,316.44
CRITTENDEN	\$449,766.34	\$10,009.00	\$7,608.00	\$57,994.18	\$32,841.00	\$1,830.00	\$563,787.53
CROSS	\$202,084.64	\$2,224.00	\$2,031.50	\$16,171.97	\$10,339.00	\$1,000.00	\$236,349.10
DALLAS	\$202,295.89	\$2,171.50	\$1,213.00	\$13,564.59	\$9,406.00	\$1,130.00	\$233,780.97
DESHA	\$198,698.62	\$1,212.00	\$445.00	\$14,010.16	\$9,158.00	\$1,210.00	\$226,460.78
DREW	\$183,894.07	\$1,649.00	\$712.00	\$16,105.88	\$9,766.00	\$1,370.00	\$214,963.95
FAULKNER	\$1,089,289.71	\$8,631.00	\$4,723.50	\$110,080.71	\$78,223.00	\$13,090.00	\$1,310,850.91
FRANKLIN	\$229,472.11	\$557.50	\$308.00	\$18,015.35	\$10,764.00	\$2,490.00	\$266,189.97
FULTON	\$57,470.15	\$245.50	\$66.00	\$4,451.77	\$2,296.00	\$290.00	\$65,008.42
GARLAND	\$784,346.10	\$7,037.00	\$4,011.00	\$125,815.11	\$85,888.00	\$10,530.00	\$1,022,673.20
GRANT	\$130,302.52	\$724.50	\$450.50	\$15,532.14	\$10,791.00	\$1,230.00	\$160,103.65
GREENE	\$479,400.48	\$4,833.50	\$1,387.00	\$27,635.83	\$15,958.00	\$4,140.00	\$535,790.81
HEMPSTEAD	\$358,696.35	\$19,217.50	\$8,121.50	\$16,324.16	\$11,501.00	\$1,460.00	\$418,606.51
HOT SPRING	\$280,739.91	\$2,529.50	\$2,044.00	\$27,406.53	\$19,508.00	\$2,780.00	\$337,986.94
HOWARD	\$159,188.77	\$8,427.00	\$2,517.50	\$7,244.39	\$5,320.00	\$860.00	\$185,606.66
INDEPENDENCE	\$583,188.56	\$3,139.50	\$1,837.00	\$37,421.51	\$24,992.00	\$3,870.00	\$657,617.57
IZARD	\$76,440.65	\$721.00	\$191.50	\$7,682.96	\$4,192.00	\$1,090.00	\$90,854.11
JACKSON	\$305,821.65	\$10,322.00	\$5,704.50	\$20,120.08	\$13,067.00	\$1,940.00	\$361,756.23
JEFFERSON	\$1,336,927.36	\$38,035.50	\$26,740.00	\$99,693.24	\$64,641.00	\$7,550.00	\$1,590,660.10
JOHNSON	\$230,373.18	\$932.00	\$241.00	\$22,714.45	\$12,989.00	\$2,950.00	\$272,188.63
LAFAYETTE	\$59,449.50	\$1,864.00	\$1,305.50	\$3,529.58	\$1,816.00	\$360.00	\$68,391.57
LAWRENCE	\$249,295.62	\$1,536.50	\$640.50	\$10,421.51	\$6,539.00	\$1,190.00	\$271,541.13
LEE	\$83,006.43	\$2,774.50	\$1,803.50	\$4,290.56	\$2,077.00	\$290.00	\$94,825.99
LINCOLN	\$132,757.43	\$763.50	\$294.00	\$7,689.97	\$4,919.00	\$780.00	\$148,009.90
LITTLE RIVER	\$51,692.30	\$2,314.50	\$1,461.00	\$3,841.98	\$3,071.00	\$310.00	\$63,712.78
LOGAN	\$217,660.11	\$1,146.00	\$448.00	\$21,806.27	\$10,696.00	\$4,460.00	\$259,898.38
LONOKE	\$1,085,191.85	\$4,876.00	\$3,378.00	\$86,456.08	\$60,293.00	\$9,890.00	\$1,258,737.93

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

COUNTY	INSTANT SETTLES	CASH 3	CASH 4	POWERBALL	MEGA MILLIONS	RAFFLE	TOTAL SALES FOR COUNTY
MADISON	\$86,220.24	\$155.50	\$59.50	\$8,591.14	\$4,377.00	\$860.00	\$100,665.38
MARION	\$174,747.22	\$1,558.00	\$577.00	\$12,993.85	\$8,386.00	\$1,590.00	\$202,526.06
MILLER	\$278,208.91	\$17,236.00	\$7,032.00	\$15,419.99	\$13,099.00	\$3,060.00	\$336,725.90
MISSISSIPPI	\$604,061.31	\$32,701.50	\$14,027.00	\$25,692.31	\$14,303.00	\$1,680.00	\$696,511.12
MONROE	\$133,762.62	\$5,048.50	\$3,889.50	\$14,857.26	\$9,987.00	\$970.00	\$169,595.88
MONTGOMERY	\$28,488.78	\$49.00	\$7.50	\$4,670.05	\$3,328.00	\$670.00	\$37,243.34
NEVADA	\$247,493.48	\$2,578.50	\$1,145.50	\$8,193.62	\$7,541.00	\$520.00	\$272,072.11
NEWTON	\$47,456.27	\$232.00	\$51.50	\$3,797.92	\$1,608.00	\$110.00	\$53,398.70
OUACHITA	\$448,012.26	\$10,008.50	\$5,721.00	\$26,450.29	\$17,834.00	\$2,110.00	\$517,110.05
PERRY	\$95,513.26	\$1,887.00	\$496.50	\$9,631.49	\$6,320.00	\$1,080.00	\$116,596.25
PHILLIPS	\$187,572.43	\$4,183.00	\$4,071.00	\$21,746.19	\$10,903.00	\$1,080.00	\$231,036.62
PIKE	\$110,686.25	\$59.50	\$39.50	\$9,986.95	\$7,058.00	\$1,340.00	\$129,934.20
POINSETT	\$472,276.04	\$6,153.50	\$2,658.00	\$21,067.31	\$11,607.00	\$1,470.00	\$521,581.85
POLK	\$140,050.07	\$750.00	\$103.00	\$16,667.61	\$8,090.00	\$1,690.00	\$167,924.68
POPE	\$768,010.73	\$4,812.00	\$2,757.00	\$70,971.01	\$47,915.00	\$10,410.00	\$909,484.73
PRAIRIE	\$149,973.84	\$4,126.00	\$1,238.00	\$7,744.04	\$5,391.00	\$920.00	\$171,880.88
PULASKI	\$6,385,232.76	\$93,595.50	\$71,592.00	\$552,383.11	\$438,920.00	\$50,730.00	\$7,642,620.37
RANDOLPH	\$139,879.87	\$214.00	\$63.00	\$8,206.64	\$4,755.00	\$1,520.00	\$155,340.51
SAINT FRANCIS	\$221,297.42	\$7,895.50	\$4,397.50	\$22,356.98	\$12,041.00	\$1,490.00	\$271,620.40
SALINE	\$1,125,864.08	\$6,342.00	\$2,962.50	\$125,295.43	\$96,272.00	\$12,540.00	\$1,381,936.01
SCOTT	\$84,193.84	\$387.00	\$136.00	\$8,169.59	\$4,122.00	\$650.00	\$97,880.43
SEARCY	\$118,340.33	\$2,761.00	\$1,282.50	\$7,228.37	\$4,433.00	\$840.00	\$135,389.20
SEBASTIAN	\$668,597.84	\$10,963.00	\$3,251.00	\$133,555.14	\$65,610.00	\$14,120.00	\$902,404.98
SEVIER	\$116,420.05	\$3,035.00	\$1,042.00	\$7,086.19	\$4,642.00	\$1,070.00	\$134,928.24
SHARP	\$157,686.99	\$801.50	\$398.50	\$13,555.57	\$7,433.00	\$1,800.00	\$186,017.56
STONE	\$109,958.39	\$1,654.50	\$228.00	\$11,195.51	\$6,366.00	\$980.00	\$131,125.41
UNION	\$538,997.16	\$28,903.00	\$16,920.50	\$35,972.63	\$20,883.00	\$4,480.00	\$660,076.29
VAN BUREN	\$151,011.07	\$724.50	\$504.00	\$18,890.49	\$11,185.00	\$2,100.00	\$185,511.06
WASHINGTON	\$1,250,673.08	\$8,350.50	\$6,835.00	\$155,877.08	\$91,641.00	\$15,690.00	\$1,538,021.66
WHITE	\$1,149,698.34	\$3,239.00	\$1,496.00	\$68,388.66	\$46,805.00	\$9,080.00	\$1,286,579.00
WOODRUFF	\$154,383.07	\$3,030.00	\$2,753.00	\$10,500.61	\$7,819.00	\$850.00	\$180,609.68
YELL	\$143,870.61	\$1,160.00	\$420.50	\$15,184.69	\$8,609.00	\$1,650.00	\$172,529.79

GRAND TOTALS	*Settles	*Cash 3	*Cash 4	*Powerball	*Mega Millions	*Raffle	*Totals
	\$30,837,637.00	\$461,202.50	\$276,815.00	\$2,783,107.00	\$1,835,892.00	\$268,370.00	\$36,757,335.50

*Estimates

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

As of October 31, 2010, there were 1,864 active retailers.

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

Vendors	Goods or Services	Diversity Classification	Fiscal 2011	October 2010
African American Perspectives	Advertising/Public Relations	Minority-owned	\$1,250.00	
Best Banner and Sign	Promotional Items	Female-owned	\$27.31	
Dr. B's Windshield Repair Company	Vehicle Maintenance	Minority-owned	\$69.88	\$69.88
Goddess Products	Office Furniture/Supplies	Minority-owned	\$32,078.08	\$4,523.80
Inclusion Magazine	Advertising/Public Relations	Minority-owned	\$3,750.00	
LAF Productions, Inc.	Advertising/Public Relations	Minority-owned	\$4,028.15	
Mr. B's 2 Mobile Hand Wash & Wax	Car Detail and Inspection	Minority-owned	\$544.89	\$128.40
RB Professional Cleaning Service	Janitorial Services	Female-owned	\$1,836.00	\$437.40
RU-MEL & Associates, Inc.	Advertising/Public Relations	Minority-owned	\$950.00	\$950.00
SHI International Corp.	Computer Software	Female-owned	\$1,008.00	
STAND News	Advertising/Public Relations	Minority-owned	\$1,200.00	
Trivia Marketing	Advertising/Public Relations	Female-owned	\$685.32	\$43.01
Totals			\$47,427.63	\$6,152.49

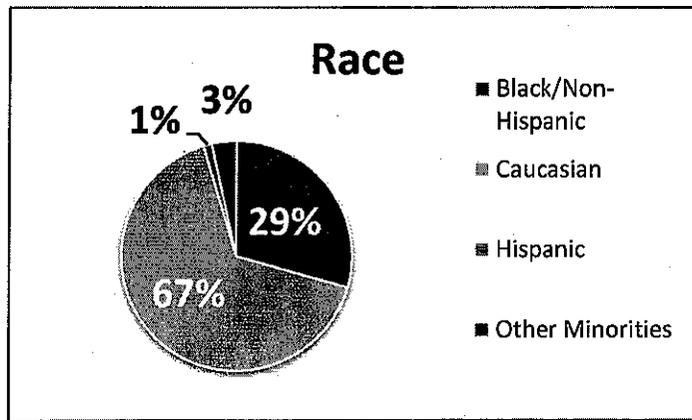
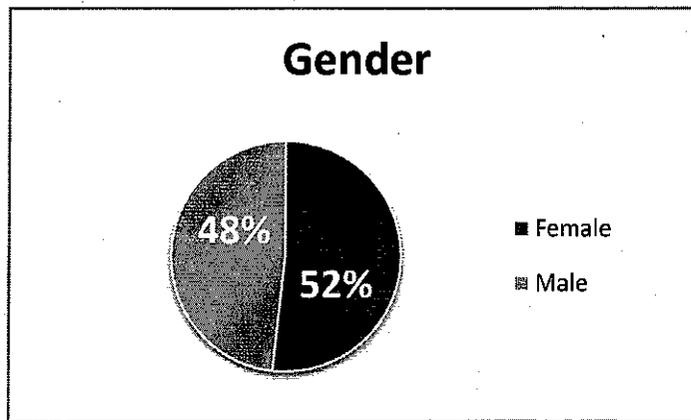
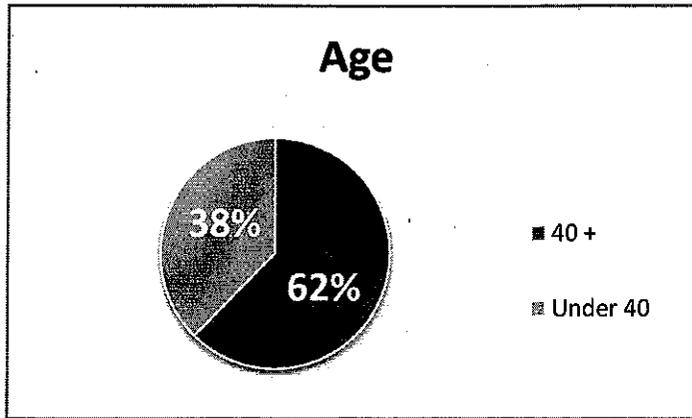
INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
October 1 through October 31, 2010

Vendors	Goods or Services	Diversity Classification	Fiscal 2011	October 2010
Finders Keepers	Technical Support	Female-owned	\$49,044.10	\$7,121.25
Goddess Products	Office Furniture/Supplies	Minority-owned	\$137.49	\$137.49
J. Kelly Referrals and Information Svcs., Inc.	Call Center/Information Services	Minority-owned	\$67,050.37	\$14,928.94
Totals			\$116,231.96	\$22,187.68

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

Vendors	Goods or Services	Diversity Classification	Fiscal 2011	October 2010
Choice Promotions	Promotional Items	Minority-owned	\$38,132.00	
Expedited Transportation Service	Transportation Services	Female-owned	\$10,210.00	\$4,588.00
Mr. Clean	Janitorial Services	Minority-owned	\$1,669.80	
Premier Staffing	Staffing Services	Female-owned	\$2,426.13	\$1,578.60
Totals			\$52,437.93	\$6,166.60

Arkansas Lottery Commission Demographics – October 2010



Total Number of Employees as of October 31, 2010: 85

Gender:
Females – 44
Males – 41

Race:
Black/Non-Hispanic - 25
Caucasian - 56
Hispanic – 1
Other – 3

Age:
Under 40 – 32
40 + – 53

Arkansas Lottery Commission
Statement of Net Assets
October 31, 2010

ASSETS

Current Assets:

Cash and Cash Equivalents:	
Operations	\$ 10,331,155.54
Education Trust Fund	41,730,358.64
Retailer Accts Receivable, net:	<u>12,455,425.23</u>
Total Current Assets	<u>64,516,939.41</u>

Noncurrent Assets:

Restricted Assets:	
Cash and cash equivalents	20,034,065.50
Deposits with Multi-State Lottery Asso.	436,862.16
Capital Assets:	
Equipment	509,146.51
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(181,713.22)</u>
Total noncurrent assets	<u>21,296,777.63</u>
Total Assets	<u>\$ 85,813,717.04</u>

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 986,427.99
Prizes Payable	16,833,951.79
Accrued and other liabilities	1,139,942.21
Due to other funds	206,580.00
Due to ADHE	48,927,861.74
Compensated Absences	259,283.26
Deferred revenue from on-line games	<u>274,236.00</u>
Total Current Liabilities	<u>68,628,282.99</u>

Noncurrent Liabilities:

Net postemployment benefits payable	<u>230,021.67</u>
Total Liabilities	<u>68,858,304.66</u>

NET ASSETS

Net assets:

Invested in Capital Assets	825,849.97
Restricted for:	
Scholarship Shortfall Reserve	20,000,000.00
Retailer Fidelity Reserve Fund	24,723.03
Deposits with MUSL	436,862.16
Unrestricted Net Proceeds	<u>(4,332,022.78)</u>
Total Net Assets	<u>16,955,412.38</u>
Total Liabilities & Net Assets	<u>\$ 85,813,717.04</u>

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Four Months Ending October 31, 2010

	Year to Date
Operating Revenues:	
Instant Games	\$ 118,161,843.20
OnLine Games	22,722,271.58
Retailer application, fidelity and service fees	377,962.18
Other Revenue	<u>1,422.74</u>
 Total Operating Revenues	 <u>141,263,499.70</u>
 Operating Expenses:	
Instant Game Prizes	82,420,554.36
On-Line Game Prizes	11,082,149.64
Retailer Commissions	7,879,891.66
Gaming Contract Costs	7,352,364.33
Compensation & Benefits	1,854,209.96
Marketing, Advertising & Promotions	1,259,798.72
General and administrative expenses	481,386.21
Services Provided by Other Agencies	92,900.00
Legal and Professional Services	40,816.00
Capital asset depreciation	<u>59,070.72</u>
 Total Operating Expenses	 <u>112,523,141.60</u>
 Operating Income	 28,740,358.10
 Non-Operating Revenue (Expense):	
Interest Income	<u>185,586.41</u>
 Income before transfers and contributions	 <u>28,925,944.51</u>
 Transfers to:	
Transfers to ADHE	(31,128,053.13)
 Transfers from:	
Transfers from ADHE	<u>20,000,000.00</u>
Change in Net Assets	17,797,891.38
Total net assets -beginning	<u>(842,479.00)</u>
Total net assets - ending	<u><u>16,955,412.38</u></u>

Arkansas Scholarship Commission
 Net Proceeds Transfer to Ed Trust Computation
 For the Four Months Ending October 31, 2010

	Year to Date
Revenues	
Instant Games-SETTLES	\$ 119,353,196.20
OnLine Games	22,722,271.58
Retailer service reimbursement	377,962.18
Other Revenue	<u>1,422.74</u>
Total Revenues	<u>142,454,852.70</u>
Direct Costs	
Instant Game Prizes-SETTLES	80,793,713.11
On-Line Game Prizes	11,082,149.64
Retailer Commissions	7,879,891.66
Gaming Contract Costs	7,352,364.33
Staff Compensation & Benefits	1,854,209.96
Marketing, Advertising & Promo	1,259,798.72
General and administrative ex	481,386.21
Services Provided by Other Agencies	92,900.00
Legal and Professional Service	40,816.00
Capital asset depreciation	<u>59,070.72</u>
Total Operating Expenses	<u>110,896,300.35</u>
Change in Net Proceeds from Operations	31,558,552.35
Non-Operating Income (Expense)	
Interest Income	185,586.41
EDUCATION TRUST FUNDING-Current Year	(23,930,550.03)
YTD Capital Asset Additions	(17,313.50) see 23-115-103(17) and (19)(E)
Less Current year Fidelity Fund fees	(5,891.72) restricted fund
Less Current year MUSL Reserves additions	20,405.81 see 23-115-103(17) and (19)(A)&(B)
Less fiscal year 2010 subsequent transactions	<u>(613,286.22) expense items not previously charged to Net Proceeds</u>
NET PROCEEDS DUE TO EDUCATION-Current Month	<u><u>\$ 7,197,503.10</u></u>

	Transfer	Interest	Total
Totals	\$ 41,449,983.93	\$ 280,374.71	\$ 41,730,358.64
	<u>\$ 8,120,211.99</u>		<u>\$ 8,120,211.99</u>
November 2009 funding - 12/15/09	\$ 9,038,495.35	\$ 1,835.39	\$ 9,040,330.74
December 2009 funding - 1/14/10	\$ 10,829,280.27	\$ 6,109.34	\$ 10,835,389.61
January 2010 funding - 2/15/10	\$ 9,125,874.01	\$ 10,956.20	\$ 9,136,830.21
February 2010 funding - 3/12/10	\$ 10,467,824.60	\$ 13,741.79	\$ 10,481,566.39
March 2010 funding - 4/14/10	\$ 11,014,624.69	\$ 20,506.68	\$ 11,035,131.37
April 2010 funding - 5/13/10	\$ 8,937,980.78	\$ 24,355.11	\$ 8,962,335.89
May 2010 funding 6/14/10	\$ 9,065,920.17	\$ 29,966.86	\$ 9,095,887.03
June 2010 funding -7/14/10	\$ 6,059,225.23	\$ 32,900.15	\$ 6,092,125.38
July 2010 funding - 8/13/10	\$ 8,503,421.96	\$ 37,490.77	\$ 8,540,912.73
August 2010 funding - 9/14/10	\$ 7,925,706.45	\$ 41,129.77	\$ 7,966,836.22
September 2010 funding - 10/14/10	\$ 7,361,418.43	\$ 43,339.89	\$ 7,404,758.32
October transfer to ADHE 10/1/10	\$ (65,000,000.00)		\$ (65,000,000.00)
October 2010 funding - 11/12/10		\$ 18,042.76	\$ 18,042.76
			\$ -