

Arkansas Lottery Commission
Statement of Net Assets
March 31, 2011

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 15,795,293.25
Restricted Assets:	
Cash and cash equivalents	31,157,351.29
Accounts receivable	11,508,236.85
Prepaid items	<u>41,733.19</u>
 Total current assets	 <u>58,502,614.58</u>

Noncurrent assets:

Restricted assets:	
Cash and cash equivalents	20,050,175.92
Deposits with Multi-State Lottery Asso.	884,308.97
Capital assets:	
Equipment	526,664.88
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(256,853.07)</u>
 Total noncurrent assets	 <u>21,702,713.38</u>
 Total assets	 <u>\$ 80,205,327.96</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 348,430.68
Prizes payable	18,444,478.71
Accrued and other liabilities	1,501,659.70
Due to other funds	288,700.00
Due to ADHE	41,436,655.92
Compensated absences	228,145.04
Deferred revenue	<u>412,697.00</u>
 Total current liabilities	 <u>62,660,767.05</u>

Noncurrent liabilities:

Net postemployment benefits payable	<u>230,021.67</u>
 Total liabilities	 <u>62,890,788.72</u>

NET ASSETS

Net assets:

Invested in capital assets	768,228.49
Restricted for:	
Scholarship shortfall fund	20,000,000.00
Retailer fidelity fund	40,833.45
Deposits with MUSL	884,308.97
Unrestricted	<u>(4,378,831.67)</u>
 Total net assets	 <u>17,314,539.24</u>
 Total liabilities & net assets	 <u>\$ 80,205,327.96</u>

Attachment F

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Nine Months Ending March 31, 2011

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 37,620,303.23	\$ 286,611,914.44
Online ticket sales	8,799,045.00	56,720,845.58
Retailer application, fidelity and service fees	78,395.00	805,487.94
Other revenue	<u>175.00</u>	<u>2,978.76</u>
 Total operating revenues	 <u>46,497,918.23</u>	 <u>344,141,226.72</u>
 Operating expenses:		
Instant game prizes	26,412,378.55	199,157,413.74
Online game prizes	4,339,674.97	27,505,622.68
Retailer commissions	2,652,321.69	19,353,128.77
Gaming contract costs	2,270,586.49	17,619,269.01
Compensation and benefits	493,206.38	4,390,524.75
Marketing, advertising and promotions	264,521.66	3,054,213.58
General and administrative expenses	94,305.71	984,497.31
Services provided by other agencies	29,880.00	235,180.00
Legal and professional services	24,164.85	272,486.60
Depreciation	<u>15,179.89</u>	<u>134,210.57</u>
 Total operating expenses	 <u>36,596,220.19</u>	 <u>272,706,547.01</u>
 Operating income	 9,901,698.04	 71,434,679.71
 Nonoperating revenue (expense):		
Interest income	<u>27,869.99</u>	<u>359,185.84</u>
 Income before transfers	 9,929,568.03	 71,793,865.55
Transfers to:		
Transfers to ADHE	(10,289,409.67)	(73,636,847.31)
Transfers from:		
Transfers from ADHE	<u>20,000,000.00</u>	<u>20,000,000.00</u>
 Change in net assets	 <u>(359,841.64)</u>	 18,157,018.24
 Total net assets -beginning		 <u>(842,479.00)</u>
Total net assets - ending		<u>17,314,539.24</u>

**Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
For the Nine Months Ending March 31, 2011**

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 287,500,529.00
Online ticket sales	56,720,845.58
Retailer application, fidelity and service fees	805,487.94
Other revenue	<u>2,978.76</u>
 Total operating revenues	 <u>345,029,841.28</u>
 Operating expenses:	
Instant game prizes SETTLEMENTS	197,470,117.55
Online game prizes	27,505,622.68
Retailer commissions	19,353,128.77
Gaming contract costs	17,619,269.01
Compensation and benefits	4,390,524.75
Marketing, advertising and promotions	3,054,213.58
General and administrative expenses	984,497.31
Services provided by other agencies	235,180.00
Legal and professional services	272,486.60
Current year Capital Asset cost	<u>34,831.87</u>
Total operating expenses	<u>270,919,872.12</u>
 Change in net proceeds from operations	 74,109,969.16
 Nonoperating revenue (expense):	
Interest Income	359,185.84
EDUCATION TRUST FUNDING-Current Year	(63,344,603.42)
Less Current year Fidelity Fund fees	(22,002.14) restricted fund
Less Current year MUSL Reserves additions	(427,041.00) see 23-115-103(17) and (19)(A)&(B)
Less fiscal year 2010 subsequent transactions	<u>(383,264.55) prior year expense items not previously charged to Net Proceeds</u>

NET PROCEEDS DUE TO EDUCATION-Current Month **\$ 10,292,243.89**

Totals	Transfer	Interest	Total
	\$	\$	\$
	41,052,939.34	383,716.58	<u>41,436,655.92</u>
November 2009 funding - 12/15/09	\$ 8,120,211.99		\$ 8,120,211.99
December 2009 funding - 1/14/10	\$ 9,038,495.35	\$ 1,835.39	\$ 9,040,330.74
January 2010 funding - 2/15/10	\$ 10,829,280.27	\$ 6,109.34	\$ 10,835,389.61
February 2010 funding - 3/12/10	\$ 9,125,874.01	\$ 10,956.20	\$ 9,136,830.21
March 2010 funding - 4/14/10	\$ 10,467,824.60	\$ 13,741.79	\$ 10,481,566.39
April 2010 funding - 5/13/10	\$ 11,014,624.69	\$ 20,506.68	\$ 11,035,131.37
May 2010 funding - 6/14/10	\$ 8,937,980.78	\$ 24,355.11	\$ 8,962,335.89
June 2010 funding - 7/14/10	\$ 9,065,920.17	\$ 29,966.86	\$ 9,095,887.03
July 2010 funding - 8/13/10	\$ 6,059,225.23	\$ 32,900.15	\$ 6,092,125.38
August 2010 funding - 9/14/10	\$ 8,503,421.96	\$ 37,490.77	\$ 8,540,912.73
September 2010 funding - 10/14/10	\$ 7,925,706.45	\$ 41,129.77	\$ 7,966,836.22
October 2010 funding - 11/12/10	\$ 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)
November 2010 funding - 12/15/10	\$ 7,197,503.10	\$ 18,042.76	\$ 7,215,545.86
December 2010 funding - 1/14/11	\$ 8,235,343.71	\$ 20,925.06	\$ 8,256,268.77
January 2011 funding - 2/11/11	\$ 6,671,666.03	\$ 25,098.81	\$ 6,696,764.84
February transfer to ADHE 2/11/11	\$ 9,005,241.74	\$ 28,533.34	\$ 9,033,775.08
February 2011 funding - 3/14/11	\$ (50,000,000.00)		\$ (50,000,000.00)
March 2011 funding - 4/13/11	\$ 8,213,896.20	\$ 15,845.40	\$ 8,229,741.60
	\$ 10,279,304.63	\$ 12,939.26	\$ 10,292,243.89

Arkansas Lottery Commission
Statement of Cash Flows
For the Nine Months Ending March 31, 2011

Cash Flows From Operating Activities:

Cash received from retailers and others	\$ 347,061,107
Cash paid for prizes	(222,795,775)
Cash paid for gaming vendors	(17,877,444)
Cash paid for retailer commissions	(19,353,129)
Cash paid for marketing	(2,566,191)
Cash paid for employee services	(4,703,053)
Cash paid for other expenses	(1,604,703)
Net cash provided by operating activities	<u>78,160,812</u>

Cash Flows From Noncapital Financing Activities:

Nonoperating transfers to ADHE	(115,000,000)
Nonoperating transfers from ADHE	20,000,000
Net cash used by Noncapital Financing Activities	<u>(95,000,000)</u>

Cash Flows from Capital and Related Financing Activities:

Purchases of Capital Assets	<u>(34,832)</u>
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Cash Flows from Investing Activities:

Interest received	<u>359,186</u>
Net cash provided by investing activities	<u>359,186</u>

Net increase in cash and cash equivalents (16,514,833)

Cash and Cash Equivalents, beginning of year 83,517,656

Cash and Cash Equivalents, end of year \$ 67,002,823

Reconciliation Of Operating income to Net Cash Provided

By Operating Activities:

Operating income	\$ 71,434,680
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	134,211
Net changes in assets and liabilities:	
(Increase) decrease in:	
accounts receivable	2,781,489
Prepaid assets	(36,614)
MUSL Reserves	(427,041)
Increase (decrease) in:	
Accounts payable	(397,806)
Prizes payable	4,294,303
Accrued and other liabilities	576,943
Due to other funds	(82,959)
Compensated absences	(254,782)
Deferred revenue	138,390
Net cash provided by operating activities	<u>\$ 78,160,812</u>