



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>

September 13, 2012

Senator Johnny Key, Co-chair
Representative Mark Perry, Co-chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Revision of Monthly Disclosure Reports

Gentlemen:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached revised monthly disclosure reports which replace the reports the ALC submitted on September 10, 2012.

Enclosure (1) is a revised August 31, 2012, LOC Statement of Revenue, Expenses and Changes in Net Assets. The change is on the August 31, 2012, Actual Comparison to Budget statement. The budgeted Prize Expense has been modified for unclaimed prizes. The YTD Budget effect is a decrease in Instant and Online Game Prizes and an increase in Income Before Transfers. The Variance YTD comparisons between Actual and Budget are smaller numbers also.

Enclosure (2), Unclaimed Prizes Schedule, has been modified to include both Current Month and Year to Date numbers.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Bishop Woosley".

Bishop Woosley
Director

Enclosures

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

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Two Months Ending August 31, 2012

	Current Month	%	Year to Date	%	Budget YTD	%	Variance YTD
Operating Revenues							
Instant Games	\$ 27,334,244.00	78.05	\$ 55,912,410.00	81.24	\$ 59,975,400.00	82.85	(4,062,990.00)
OnLine Games	7,640,561.00	21.82	12,812,392.50	18.62	12,325,000.00	17.03	487,392.50
A/R write-offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retailer application, fidelity	46,993.75	0.13	96,763.75	0.14	88,332.00	0.12	8,431.75
Other Revenue	<u>0.00</u>	0.00	<u>1.39</u>	0.00	<u>832.00</u>	0.00	<u>(830.61)</u>
Total Operating Revenues	<u>35,021,798.75</u>	100.00	<u>68,821,567.64</u>	100.00	<u>72,389,564.00</u>	100.00	<u>(3,567,996.36)</u>
Operating Expenses							
Instant Game Prizes	18,573,155.35	53.03	38,287,926.93	55.63	41,544,567.83	57.39	(3,256,640.90)
On-Line Game Prizes	3,838,000.47	10.96	6,417,427.36	9.32	6,168,932.17	8.52	248,495.19
Retailer Commissions	1,944,674.20	5.55	3,847,826.18	5.59	4,084,700.00	5.64	(236,873.82)
Gaming Contract Costs	1,660,659.09	4.74	3,354,531.00	4.87	3,662,200.00	5.06	(307,669.00)
Staff Compensation & Benefits	411,077.81	1.17	875,604.62	1.27	1,006,094.00	1.39	(130,489.38)
Marketing, Advertising & Promo	252,059.17	0.72	467,155.08	0.68	589,000.00	0.81	(121,844.92)
General and administrative ex	133,116.99	0.38	255,033.63	0.37	237,160.00	0.33	17,873.63
Services Provided by Other Age	160,000.00	0.46	270,000.00	0.39	236,800.00	0.33	33,200.00
Legal and Professional Service	1,673.09	0.00	4,235.28	0.01	15,800.00	0.02	(11,564.72)
Capital asset depreciation	<u>15,179.89</u>	0.04	<u>30,359.78</u>	0.04	<u>33,334.00</u>	0.05	<u>(2,974.22)</u>
Total Operating Expenses	<u>26,989,596.06</u>	77.07	<u>53,810,099.86</u>	78.19	<u>57,578,588.00</u>	79.54	<u>(3,768,488.14)</u>
Operating Income	8,032,202.69	22.93	15,011,467.78	21.81	14,810,976.00	20.46	200,491.78
Non-Operating Revenue (Expense)							
Interest Income	<u>26,427.23</u>	0.08	<u>65,910.80</u>	0.10	<u>61,700.00</u>	0.09	<u>4,210.80</u>
Income before transfers	<u>\$ 8,058,629.92</u>	23.01	<u>\$ 15,077,378.58</u>	21.91	<u>\$ 14,872,676.00</u>	20.55	<u>204,702.58</u>

Arkansas Lottery Commission
Unclaimed Prizes
August 31, 2012

	Monthly	Year to Date
1. Unclaimed lottery prize money:	\$497,397.74	\$973,381.42
2. Expenditures from unclaimed lottery prize money:	\$158,385.00	\$158,385.00
3. Reserved for future prizes, promotions or reserves:	\$339,012.74	\$814,996.42
4. Deposits to net lottery proceeds from unclaimed lottery prize money:	\$0.00	\$0.00