

EXHIBIT D

Arkansas Lottery Commission Legislative Oversight Committee

Updates to the ALC Fiscal 2013 Budget

Item 1: The Arkansas Lottery Commission approved at its May 21, 2012 meeting, a requested revision to the Fiscal 2013 budget, to include \$250,000 for promotional discounts which may be used to encourage players to buy tickets at a discounted price. These discounts will result in a forecast revenue decrease. The \$250,000 has been included in a revised budget that was submitted to the LOC on May 24, 2012, but is not reflected in the summary presented in the slide. There was no change in net proceeds forecast for this change.

Item 2: The Arkansas Lottery Commission approved at its June 18, 2012 meeting, an amendment to the gaming contract with Scientific Gaming, Inc. (SGI) which will decrease the percentage fee from 1.92 % to 1.81% for Fiscal 2013 and future years. This fee decrease will result in approximately \$430,000 per year for the gaming costs paid to SGI. Such decrease has not been included in a revised budget and is not reflected in slide.



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>

June 18, 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

Gentlemen:

In accordance with the letter of December 14, 2010, from the previous Co-chairs of the Arkansas Lottery Commission Legislative Oversight Committee, please consider this letter and the attachments as notice of an amendment to the August 25, 2009, Scientific Games International Instant Ticket Contract for the remainder of the contract term.

1. Date of agreement: The Arkansas Lottery Commission (ALC) approved the language of the amendment at its meeting on June 18, 2012.
2. Term of agreement: The amendment does not change the term (length) of the contract between the parties.
3. Vendor or other parties to the agreement: Scientific Games International.
4. Value (cost or cost savings) projected for the agreement: As an incentive to the ALC for reaffirming the execution and terms of the Recital of Selected Options, SGI will tender a cash payment of two million dollars (\$2,000,000) to the ALC on or before June 30, 2012. In addition, SGI will issue a credit to the ALC in the amount of two hundred thousand dollars (\$200,000) which may be used to purchase merchandise either for use as In-Game Merchandise or Out-of-Game Merchandise to be used either as prizes or as merchandise for the Points for Prizes program. Finally, SGI has agreed to reduce the percentage it is paid for Instant Ticket Lottery Game Services from 1.92% of instant ticket sales to 1.81% of instant ticket sales. If sales remain at the current level, this change will result in an estimated \$430,000 each year which will be paid directly to scholarships for the students of Arkansas.

Copies of the documents are attached. Please let me know if you would like additional information or have any questions regarding this manner.

Respectfully,

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

Bishop Woosley
Director

Enclosures

cc: Ben Pickard, Chairman, Arkansas Lottery Commission
Roger Norman, Legislative Auditor, Division of Legislative Audit

A. In consideration of and as a condition precedent for the following, the Arkansas Lottery Commission (ALC) has obtained all necessary reviews and approvals for an amendment to the August 25, 2009, Recital of Selected Options (the "Recital") for the remainder of the contract term.

B. The parties agree that the contract shall be amended to include following terms and definitions:

"Cooperative Services Program" or "CSP"- Scientific Games International Inc.'s (SGI) integrated lottery sales, warehousing, distribution, and inventory tracking program described in detail in SGI's proposal.

"Properties Plus®" - SGI's player loyalty program that includes, but is not limited to, web-based players club, unlimited licensed properties, marketing support services, bonus prizes and fulfillment services as described in detail in SGI's proposal.

"Linked Games" - games implemented concurrently by more than one lottery featuring a shared pool of unique prizes or experiential trips offered as the top prize in the game. Licensing fees are waived for the ALC so long as the ALC participates in Properties Plus, however prizes associated with Linked Games must be purchased separately from SGI.

"In-Game Merchandise"- merchandise purchased by the ALC from the prize fund for a game and awarded as instant win prizes whereby a player scratches off a ticket and knows immediately that they have won such merchandise.

"Out of Game Merchandise" - merchandise purchased by the ALC either from the prize fund or other funds outside of and in addition to the instant win prize structure for a game awarded through a second chance mechanism, such as a separate drawing for such merchandise.

C. Amendment to the contract

1. As an incentive to the ALC for re-affirming the execution and terms of the Recital, SGI will tender a cash payment of two million dollars (\$2,000,000) to the ALC on or before June 30, 2012.

2. The parties agree to amend the exclusivity clause in the Recital as follows:

The ALC shall have the right to obtain printing services from any third party for a game to the extent SGI is unable to print such game due to SGI's lack of printing capacity or inability to obtain the rights to any third party intellectual property (or a commercially acceptable alternative) that prevents the production of the applicable tickets. In the event that the ALC desires to obtain said printing services for a game from a different vendor, the ALC shall provide the information related to the proposed game to SGI in writing. SGI will have fourteen (14) days from the date of submission of the information by the ALC to provide notice to the ALC as to whether it has the capacity or legal ability to provide printing services to print the proposed game.

This language shall replace the language in the Recital which reads as follows:

"All prices are based upon Scientific Games being the exclusive ticket provider throughout the entire term of the contract."

3. The parties agree to amend the pricing proposal related to Properties Plus as follows in order to clarify the original intent and agreement of the parties regarding the purchase of merchandise by the ALC that is in addition to the merchandise prizes purchased for a particular game:

"As a Properties Plus customer, the ALC shall pay no additional license or royalty fees to participate in an instant game except as noted in item 5 below, nor, except as otherwise stated in the Agreement, will the ALC be required to purchase merchandise related to a specific brand as a part of the ALC's obligation to utilize that particular brand. The ALC may, in its discretion, elect to purchase merchandise prizes to be awarded either instantly ("In-Game Merchandise") or as pursuant to a second chance drawing for a game ("Out of Game Merchandise")."

4. SGI agrees to issue to the ALC a credit in the amount of \$200,000 specifically attributable to additional merchandise purchased by the ALC for "Monopoly®" (AR-060), "Harley-Davidson®" (AR-045) and "World Poker Tour®" (AR-032). Such credit may be used to purchase merchandise either for use as In-Game Merchandise or Out of Game Merchandise to be used either as prizes or as merchandise for the Points for Prizes program.

5. SGI agrees that in the event the ALC elects to participate in one or more Linked Games offered by SGI, the ALC shall pay a rate for any such Linked Games that is discounted by the rate paid to SGI by the ALC for Properties Plus. That rate shall consist of a combination of linked game fee and prizing. Linked Games are games in which multiple lotteries utilize the same licensed brand and contribute a specified amount of money to a common prize fund that is shared by all participating lotteries.

6. The parties further agree to the following pricing changes to the percentages set forth in the Recital for services provided to the ALC:

Instant Ticket Lottery Game Services	1.58%
Web Site Marketing Services	0.09%
Play It Again/2nd Chance Drawing Management	0.14%
Tel-Sell	Included in Instant Ticket Lottery Game Services Fee
Properties Plus	1.50% of Prize Fund for all instant games included in the program
FailSafe	\$1.89/1000 tickets printed and delivered

The new rates shall be effective for all sales of ALC tickets effective July 1, 2012.



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

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Little Rock, Arkansas 72203-3238
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May 24, 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 Proposed 2013 Annual Budget

Gentlemen:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached revised Proposed Annual Budget which replaces the one the ALC submitted on May 14, 2012.

On May 21, 2012, the Arkansas Lottery Commission approved \$250,000 for promotional expenses, to be listed as a separate line item (Promotion Discounts). This change decreased the Fiscal 2013 Budget Income before Transfers from \$98,906,000 to \$98,656,000, but the Net Proceeds Transfers remain at \$98,000,000.

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

Respectfully submitted,

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

Bishop Woosley
Director

Enclosures

cc: Mr. Ben Pickard, Chair
Arkansas Lottery Commission

Arkansas Lottery Commission
Budget Detail Schedules
For the Fiscal Year Ending June 30, 2013

		2011 Audited		2012 Budget		2013 Budget		Explanation for Change in Budget Amounts	
			%		%		%		
Operating Revenues:									
Instant Games	\$	390,114,991	83.88%	\$ 379,600,000	82.55%	\$ 396,815,000	82.52%	Instant Game sales have increased for F2012, but are expected to decrease for F2013 due to the Natural State jackpot game	
OnLine Games	\$	73,904,360	15.89%	\$ 79,697,500	17.33%	\$ 83,760,000	17.42%	Online game revenue is expected to increase slightly, due to new Arkansas Natural game sales of \$5.2 million	
Promotion Discounts	\$	0	0.00%	\$ -	0.00%	\$ (250,000)	-0.05%	\$250,000 budgeted for promotions as authorized by the ALC on 5-21-12.	
Retailer application, fidelity	\$	1,055,538	0.23%	\$ 555,000	0.12%	\$ 530,000	0.11%	Forecast for F2012 included a 50% decrease in the retailer communication fee but did not recognize that license renewals were also changed to cover a two year period.	
Non Gaming Revenue	\$	5,450	0.00%	\$ 4,000	0.00%	\$ 5,000	0.00%	For purchase discounts and rebates taken	
Total Operating Revenues	\$	465,080,339	100.00%	\$ 459,856,500	100.00%	\$ 480,860,000	100.00%		
Operating Expenses:									
Instant Game Prizes	\$	271,709,950	58.42%	\$ 256,230,000	55.72%	\$ 274,787,000	57.14%	Increased Instant Game sales prizes awarded are proportionate to the change in revenue	
On-Line Game Prizes	\$	35,744,755	7.69%	\$ 40,743,000	8.86%	\$ 42,150,000	8.77%	Online Game sales prizes awarded are proportionate to the change in revenue	
Retailer Commissions	\$	26,217,851	5.64%	\$ 25,720,660	5.59%	\$ 27,152,000	5.65%	No change in percentage paid to retailers. Higher budget amount due to increase in ticket revenues.	
Gaming Contract Costs	\$	24,111,720	5.18%	\$ 23,424,173	5.09%	\$ 24,990,000	5.20%	No change in percentage paid to gaming vendors. Higher budget amount due to overall increase in ticket revenues	
Staff Compensation & Benefits	\$	6,226,266	1.34%	\$ 6,730,000	1.46%	\$ 5,800,000	1.21%	No COLA or Merit increases projected. Decrease is due to several top level positions left vacant and others were filled at significantly lower compensation levels than for F2012.	
Marketing, Advertising & Promotions	\$	4,631,388	1.00%	\$ 4,500,000	0.98%	\$ 4,500,000	0.94%	Marketing and advertising have been consistently budgeted at \$4.5 million for the past three fiscal years, which is slightly less than 1% of sales	
General and administrative expenses	\$	1,434,229	0.31%	\$ 1,638,025	0.36%	\$ 1,300,000	0.27%	2012 Budget had several non-recurring office expenses that have been eliminated in the 2013 budget. ADHE admin expenses of \$1.3 million were not fully projected for F2012, but are expected to be incurred. F2013 includes \$1.3 million for ADHE administrative fee and \$250,000 for Legislative Audit fees for the annual audit.	
Services Provided by Other Agencies:	\$	1,451,438	0.31%	\$ 342,000	0.07%	\$ 1,550,000	0.32%		
Legal and Professional Services	\$	8,484	0.00%	\$ 375,000	0.08%	\$ 95,000	0.02%	Included Legislative Audit fee for F2012. Includes only expected legal and professional fees for F2013.	
Capital asset depreciation	\$	179,750	0.04%	\$ 215,000	0.05%	\$ 200,000	0.04%	Reflects slight increase in depreciation over F2012 actual, due to increased purchases of vehicles and other fixed assets.	
Total Operating Expenses	\$	371,715,831	79.93%	\$ 359,917,857	78.27%	\$ 382,524,000	79.55%		
Operating Income	\$	93,364,508	20.07%	\$ 99,938,643	21.73%	\$ 98,336,000	20.45%	Projected F2013 is approximately the same as the expected actual for F2012	
Non-Operating Revenue (Expense):									
Interest Income	\$	464,252	0.10%	\$ 220,000	0.05%	\$ 320,000	0.07%	Based upon an average balance of approximately \$60 million at 55 basis points	
Income before Transfers	\$	93,828,760	20.17%	\$ 100,158,643	21.78%	\$ 98,656,000	20.52%		
Transfers To:									
Arkansas Department to Health	(\$	200,000)	-0.04%	\$ (200,000)	-0.04%	\$ (200,000)		Consistent with F2011 and expected F2012	
Arkansas Department of Higher Education (Net Proceeds)	(\$	74,229,349)	-15.96%	\$ (102,931,131)	-22.20%	\$ (98,000,000)		Projected F2013 is approximately the same as the expected actual for F2012	
Change in Net Assets	\$	19,399,411		\$ (2,972,488)		\$ 456,000			

Arkansas Lottery Commission
Net Proceeds Computation
For the Fiscal Year Ending June 30, 2013

Net Income Before Transfers		\$	98,906,000
Add:			
Accrual Expenses			
Depreciation	\$	200,000	
Other Post Employment Benefits	\$	-	\$ 200,000
Unclaimed Prizes			
Gross Unclaimed Prizes	\$	5,500,000	
Less: Unclaimed Expended	\$	(5,500,000)	
Less: Additions to Unclaimed Carryover	\$	-	\$ -
Less:			
Fixed Asset Purchases	\$	(100,000)	
Fidelity Fund Fees	\$	(18,000)	\$ (118,000)
Net Proceeds before Transfers		\$	<u>98,988,000</u>
Transfers To:			
Arkansas Department of Health	\$	200,000	
Arkansas Department of Higher Education (Net Proceeds)	\$	98,000,000	
Total Transfers	\$	98,200,000	
Increase to Net Assets	\$	706,000	
Other - Accrual to cash adjustment	\$	82,000	
Net proceeds after transfers	\$	-	

BUDGET 2013

includes Points for Prizes to be consistent with DIA

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Instant Game	Fast Play	CASH 3	CASH 4	Decades of Dollars	Raffle	POWERBALL	MEGAMILLIONS	Retailer fees	Total
Sales	\$ 374,600,000	\$ 5,000,000	\$ 5,475,000	\$ 9,125,000	\$ 3,412,500	\$ 36,500,000	\$ 21,900,000	\$ 555,000	\$ 439,852,500
Prize expense	\$ (257,855,000)	\$ (3,375,000)	\$ (2,737,500)	\$ (1,642,500)	\$ (5,018,750)	\$ (18,250,250)	\$ (11,388,000)	\$	\$ (296,973,000)
Gross Profit	\$ 121,745,000	\$ 1,625,000	\$ 2,737,500	\$ 1,642,500	\$ 4,106,250	\$ 18,250,250	\$ 10,512,000	\$ 555,000	\$ 162,879,500
Gross Profit %	32.50%	32.50%	50.00%	50.00%	45.00%	50.00%	48.00%		35.42%
Unclaimed Prizes	\$ 5,619,000	\$ 75,000	\$ 27,375	\$ 16,425	\$ 45,625	\$ 17,063	\$ 182,500	\$ 109,500	
Gross Profit from Games	\$ 162,879,500								
Other Cost of Sales:									
Retailer sales commissions	\$ 23,176,409		5.04%					\$ 6,092,488	
Retailer Incentives & cashing commissions	\$ 3,969,584		0.86%					\$ (2,500,000)	
Instant Game Ticket Fee	\$ 6,330,866		1.69%					\$ (1,000,000)	
Other Instant Game Contract Costs	\$ 5,733,345		1.53%					\$	
On-line Game Contract Costs	\$ 11,259,961		2.45%					\$ 2,592,488	
MUSL Admin fee	\$ 100,000								
Total Other Cost of sales	\$ 49,144,832								
Total Gross Profit	\$ 113,734,668								

Includes Points for Prizes to be consistent with DLA

Arkansas Lottery Commission
Compensation & Benefits
Budget 2013

Employee	Grades	Position Title	Race	Gross	Spec	Sec	C	Medicare	C	APERS	C	Annual Gross	0.00%	0.00%	Gross	Annual Taxes	Annual APERS	Total Comp and Benefits
Antwone Ross	ACT-C112	Admin Support Spec III	BM	1,230.77	-76.31	-17.85	-17.85	-17.85	-17.85	-17.85	-17.85	32,000.00	-	-	32,000.00	2,448.00	4,556.80	
Ana M. Rodriguez	ACT-C115	Admin Analyst	OM	1,227.33	-76.09	-17.80	-17.80	-17.80	-17.80	-17.80	-17.80	31,910.59	-	-	31,910.59	2,441.18	4,544.07	
Angela D. Meradith	AGT-C115	Security Spec	BF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,124.79	5,842.67	
Cristal D. Thomas	C112	Claims Asst	BF	1,068.11	-66.22	-15.49	-15.49	-15.49	-15.49	-15.49	-15.49	27,770.89	-	-	27,770.89	2,124.47	3,954.57	
Donna C. Brooks	C112	Claims Asst	BF	1,080.22	-65.73	-15.37	-15.37	-15.37	-15.37	-15.37	-15.37	27,585.68	-	-	27,585.68	2,108.77	3,925.35	
Felicia R. Morehead	C112	Claims Asst	BF	1,088.11	-68.22	-21.05	-21.05	-21.05	-21.05	-21.05	-21.05	27,770.89	-	-	27,770.89	2,124.47	3,954.57	
Michael J. Taylor	C112	Claims Asst	CM	1,451.54	-90.00	-66.22	-66.22	-66.22	-66.22	-66.22	-66.22	37,740.00	-	-	37,740.00	2,867.11	5,374.18	
Paula K. O'Brien	C112	Claims Asst	CM	1,068.11	-66.22	-20.13	-20.13	-20.13	-20.13	-20.13	-20.13	27,770.89	-	-	27,770.89	2,124.47	3,954.57	
Richard F. Reebon	C112	Claims Asst	CM	1,388.54	-86.09	-81.47	-81.47	-81.47	-81.47	-81.47	-81.47	35,101.95	-	-	35,101.95	2,761.80	5,140.92	
Susan D. Charnellah	C112	Admin Support Spec	CF	1,314.03	-89.48	-23.27	-23.27	-23.27	-23.27	-23.27	-23.27	34,164.90	-	-	34,164.90	2,613.61	4,865.08	
Whitnie L. Hall	C112	Auditor	BF	1,604.54	-99.48	-18.14	-18.14	-18.14	-18.14	-18.14	-18.14	41,718.00	-	-	41,718.00	3,191.43	5,940.84	
Eric Hufstuller	C113	Computer Operator	BF	1,320.00	-86.07	-15.45	-15.45	-15.45	-15.45	-15.45	-15.45	34,320.00	-	-	34,320.00	2,625.48	4,887.17	
Towanda R. Kintchen	C113	Admin Support Spec	BF	1,085.66	-68.07	-26.30	-26.30	-26.30	-26.30	-26.30	-26.30	27,707.74	-	-	27,707.74	2,119.64	3,945.58	
Amber C. Tyler	C114	Graphic Spec	CF	1,308.04	-81.10	-18.97	-18.97	-18.97	-18.97	-18.97	-18.97	34,009.00	-	-	34,009.00	2,601.69	4,842.88	
Rosibel Solano	C115	Licensing Spec	BF	1,236.47	-76.65	-17.93	-17.93	-17.93	-17.93	-17.93	-17.93	32,148.14	-	-	32,148.14	2,459.33	4,577.90	
Rosilyn R. Bogard	C115	Admin Analyst	OM	1,125.04	-69.75	-16.21	-16.21	-16.21	-16.21	-16.21	-16.21	29,251.00	-	-	29,251.00	2,237.70	4,105.34	
Sherry Nelson	C115	Admin Analyst	CM	1,596.15	-98.96	-23.14	-23.14	-23.14	-23.14	-23.14	-23.14	41,500.00	-	-	41,500.00	3,174.75	5,909.60	
Webb Justin	C115	Application Support	Specialist	1,240.35	-76.90	-17.99	-17.99	-17.99	-17.99	-17.99	-17.99	32,249.00	-	-	32,249.00	2,467.05	4,592.26	
Justin Rogers	C117	Promotions & Events	CM	1,313.74	-81.45	-19.05	-19.05	-19.05	-19.05	-19.05	-19.05	34,157.20	-	-	34,157.20	2,613.03	4,863.99	
Rachel Dill	C117	Coordinator	CF	1,569.23	-97.29	-22.75	-22.75	-22.75	-22.75	-22.75	-22.75	40,800.00	-	-	40,800.00	3,121.20	5,809.92	
Stephen L. Koch	C117	Copy Editor	CM	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Al K. Mustafa	C120	Marketing Sales Rep	CM	1,435.85	-89.02	-20.82	-20.82	-20.82	-20.82	-20.82	-20.82	37,332.00	-	-	37,332.00	2,855.90	5,316.08	
Andrew J. Blum	C120	Marketing Sales Rep	CF	1,588.40	-97.12	-24.46	-24.46	-24.46	-24.46	-24.46	-24.46	40,726.40	-	-	40,726.40	3,115.57	5,799.44	
Barbara Campbell	C120	Marketing Sales Rep	BM	1,435.85	-89.02	-20.82	-20.82	-20.82	-20.82	-20.82	-20.82	37,332.00	-	-	37,332.00	2,855.90	5,316.08	
Charles E. Freeman	C120	Payroll Specialist	CF	1,435.85	-89.02	-20.82	-20.82	-20.82	-20.82	-20.82	-20.82	37,332.00	-	-	37,332.00	2,855.90	5,316.08	
Christopher M. Pablin	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Cindy L. Carlock	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Dan E. Heard	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Dobbie M. Stobaugh	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Don S. Smith	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Frederick M. Dunsavant	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Jeffery C. Fitch	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Latonya K. White	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Linda G. Chambers	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Merill M. Forte	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Molly K. Harris	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Rhonda L. Harris	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Rick G. Conrad	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Robert L. Smith	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Susan D. Devocek	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
William W. Cotton	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Wendi R. Nix	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
William W. Cotton	C120	Marketing Sales Rep	CF	1,578.08	-97.84	-22.88	-22.88	-22.88	-22.88	-22.88	-22.88	41,028.97	-	-	41,028.97	3,138.79	5,842.67	
Gillis B. Ward	C121	Claims Mgr	CF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Gwen N. Ambaust	C121	Claims Mgr	CF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
James H. Springer	C121	Claims Mgr	CF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Audra L. McCaskill	C122	Claims Mgr	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Cynthia L. Burnett	C122	Claims Mgr	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Demetria P. King-Roberts	C122	Claims Mgr	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Rebecca L. Clark	C122	Claims Mgr	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Shaunla L. Hudson	C122	Claims Mgr	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Teresa A. Holloway	C122	Accountant	BF	1,728.97	-107.07	-25.04	-25.04	-25.04	-25.04	-25.04	-25.04	44,901.11	-	-	44,901.11	3,434.93	6,393.92	
Undrea Ellis	C122	Accountant/Collections	BF	1,911.32	-118.50	-27.71	-27.71	-27.71	-27.71	-27.71	-27.71	49,694.40	-	-	49,694.40	3,801.62	7,076.48	
William P. Lawson	C122	Mgr	CM	1,714.11	-106.27	-24.85	-24.85	-24.85	-24.85	-24.85	-24.85	44,566.86	-	-	44,566.86	3,409.36	6,346.32	
Lindsey E. Teague	C124	Promotions & Events Mgr	CF	2,121.38	-131.53	-30.78	-30.78	-30.78	-30.78	-30.78	-30.78	55,156.00	-	-	55,156.00	4,219.43	7,854.21	
Henry B. Gilmore Jr	C125	Paralegal	BM	2,014.06	-124.87	-29.20	-29.20	-29.20	-29.20	-29.20	-29.20	52,365.47	-	-	52,365.47	4,005.36	7,456.84	
Pauline D. Vick	C126	OA System Analyst	CF	2,114.76	-131.12	-30.66	-30.66	-30.66	-30.66	-30.66	-30.66	54,983.75	-	-	54,983.75	4,206.28	7,829.69	
Cliffon C. Rasmann	C128	IT Security Analyst	OM	2,569.13	-159.29	-37.25	-37.25	-37.25	-37.25	-37.25	-37.25	67,797.25	-	-	67,797.25	5,149.09	9,511.83	
Tyler L. Pato	C130	Network Engineer	CM	2,688.25	-160.47	-37.53	-37.53	-37.53	-37.53	-37.53	-37.53	67,294.50	-	-	67,294.50	5,108.03	9,582.74	
Jeremy K. Smith	C130	SR Data Base Admin	CM	2,670.49	-159.37	-37.27	-37.27	-37.27	-37.27	-37.27	-37.27	66,832.76	-	-	66,832.76	5,112.71	9,510.99	
Samuel L. Burks	C130	HR Manager	CF	2,572.50	-157.02	-36.72	-36.72	-36.72	-36.72	-36.72	-36.72	65,845.08	-	-	65,845.08	5,007.16	9,376.34	
Valerie N. Basham	C130	OA System Analyst	CF	2,121.38	-131.53	-30.78	-30.78	-30.78	-30.78	-30.78	-30.78	55,156.00	-	-	55,156.00	4,219.43	7,854.21	

[illegible]

Active Positions					
Position Grades	Position Titles	Base	Midpoint	Max	Notes
C112	Admin Support Specialist III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00	
C112	Admin Support Specialist III	\$ 26,824.00	\$ 34,871.00	\$ 42,918.00	
C113	Computer Operator	\$ 28,165.00	\$ 36,614.00	\$ 48,669.00	
C115	Licensing Specialist	\$ 31,052.00	\$ 40,367.00	\$ 49,683.00	
N908	Procurement Director	\$ 85,536.00	\$ 96,228.00	\$ 106,919.00	
N910	Chief Legal Counsel	\$ 92,515.00	\$ 104,080.00	\$ 115,644.00	
		\$ 280,916.00	\$ 347,031.00	\$ 406,751.00	
Employer taxes		\$ 22,255.07	\$ 26,547.87	\$ 31,116.45	
APERS		\$ 41,426.44	\$ 49,417.21	\$ 57,921.34	
Total budget		\$ 354,597.51	\$ 422,996.09	\$ 495,788.79	

Employer Health Premiums= \$446 per budgeted position (referred to as State Match)
 Avg monthly= 70 employees @ \$446= \$31,220 (\$31,220 x 12 months)= \$374,640

Career Service is given to employees with at least 10 years of service.
 9 fulltime employees
 2 part time employees. Part time employees are based on a % of hours worked.

Inactive Positions					
Vacant positions	Position Titles	Base	Midpoint	Max	Notes
C122	Accountant	\$ 43,693.00	\$ 55,490.00	\$ 67,287.00	
N909	Executive Assistant	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N909	Marketing & Product Dev Director	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N909	Sales/Retail Relations Director	\$ 88,957.00	\$ 100,077.00	\$ 111,196.00	
N912	Admin & Operations Director	\$ 100,065.00	\$ 112,573.00	\$ 125,081.00	
N912	Information Technology Director	\$ 100,065.00	\$ 112,573.00	\$ 125,081.00	
N922	V.P. Gaming Operations	\$ 180,524.00	\$ 203,090.00	\$ 225,655.00	
Q147U	Chief Operating Officer	\$ 126,050.00		\$ 315,125.00	This position is set by Lottery Act with a special salary allowance. See below.
		\$ 817,268.00	\$ 783,957.00	\$ 1,191,817.00	
Employer taxes		\$ 62,521.00	\$ 59,972.71	\$ 91,174.00	
APERS		\$ 116,578.96	\$ 111,635.48	\$ 169,714.74	
Total budget		\$ 996,167.97	\$ 955,565.19	\$ 1,452,705.74	

Salary Allowances set forth by Arkansas Scholarship Lottery Act

TITLE	Max No. of Employees	Max Annual Salary Rate	Position
(01) LOTTERY CMSN DIRECTOR	1	\$ 141,603.00	Q145
(02) LOTTERY CMSN INTERNAL Auditor	1	\$ 141,603.00	Q146
(03) LOTTERY CMSN CHIEF OPERATING OFFICER	1	\$ 126,050.00	Q147

23-115-306. Special salary allowances.

(a) The Arkansas Lottery Commission, upon approval of the Arkansas Lottery Commission Legislative Oversight Committee, may make special salary allowances authorized by this section for recruitment or retention in amounts as the commission may determine equitable in view of the exacting duties that are involved as a part of the salary of the:

- (1) Director of the Arkansas Lottery Commission;
- (2) Internal auditor of the commission; and
- (3) Chief operating officer of the commission.

(b) The total compensation for a position subject to an allowance under subsection (a) of this section, including the salary authorized by the General Assembly and a special salary allowance, shall not exceed an amount equal to two and one-half (2 1/2) times the salary for the position authorized by the General Assembly.

(c)(1) The requirement of approval by the Arkansas Lottery Commission Legislative Oversight Committee before granting a special salary allowance under this section is not a severable part of this section.

(2) If the requirement of approval by the Arkansas Lottery Commission Legislative Oversight Committee is ruled unconstitutional by a court of competent jurisdiction, this section is void.

Other Compensation Benefits

Unemployment Experience Rate= .22% (paid quarterly)
 Quarterly Salaries= \$950,000 x .22%= \$2,090 x 4= \$8,360

Worker's Comp Experience Rate= 0%

WC Premium Tax 2012= \$3,800,000 x .000468= \$1,778.40 (annual fee)

Arkansas Lottery Commission
Detailed Schedule of General and Administrative Expenses
For Budget Fiscal 2013

GL#-Cost Center	Year to Date		Annualized Fiscal 2012	Average	Other Factors- Amounts	Fiscal 2013 Budget	Comments
	Fiscal 2011	Fiscal 2012					
Office Lease & Improvements	354,587.90	299,561.36	399,415.15	377,001.52		380,000	Little Rock office including rent increases
Jonesboro Lease & Office expen	60,871.08	22,946.02	30,594.69	45,732.89		32,000	Lease plus utilities
Springdale Lease & Office expe	35,286.54	27,364.29	36,485.72	35,886.13		36,000	Lease plus utilities
Camden Lease & Office expense	18,462.33	15,076.65	20,102.20	19,282.27		20,200	Lease plus utilities
Office Parking	15,934.63	13,813.23	18,417.64	17,176.14		18,000	
Retailer background checks	6,600.00	4,290.00	5,720.00	6,160.00		6,200	
Equipment-Low Value	17,787.24	24,686.52	32,915.36	25,351.30		50,000	estimate for admin.
Equipment-Low Value	1,943.74	2,139.14	2,852.19	2,397.96		30,000	estimate for gaming
Equipment Lease	12,575.50	8,547.17	11,396.23	11,985.86		12,000	copiers and postage machine
Equipment Lease	10,255.77	10,707.35	14,276.47	12,266.12		14,200	marketing equipment
Equipment Lease	-	973.05	1,297.40	648.70		1,200	
Maintenance & Repairs	11,454.84	4,192.88	5,590.51	8,522.67		10,000	
Lottery Vehicle expenses	12,097.98	6,640.77	8,854.36	10,476.17		10,000	gas, oil, maintenance
Postage & Freight	14,090.69	9,214.60	12,286.13	13,188.41		12,500	
Postage & Freight	5,274.31	649.00	865.33	3,069.82		1,000	
Office Supplies & Expense	103,003.02	38,483.31	51,311.08	77,157.05		60,000	mostly office supplies from local vendors
Office Supplies & Expense	1,420.60	88.90	118.53	769.57		500	
Office Supplies & Expense	5,916.88	189.95	253.27	3,085.07		500	
Data Processing supplies	3,919.24	4,036.60	5,382.13	4,650.69		6,000	
Software Costs	10,158.17	8,546.50	11,395.33	10,776.75		15,000	
Data Processing supplies	8.51	-	-	4.26		-	
Data Processing supplies	182.24	-	-	91.12		-	
Telephone	238,166.31	144,689.57	192,919.43	215,542.87		196,000	paid to DIS
Mobil Telephones	54,979.83	32,022.19	42,696.25	48,838.04		40,000	Cell phones and air cards
Travel and Mileage expense	442.00	149.83	199.77	320.89		200	
Travel and Mileage expense	1,338.84	509.10	678.80	1,008.82		700	
Travel and Mileage expense	1,664.26	-	-	832.13		-	
Travel and Mileage expense	1,095.44	230.75	307.67	701.55		400	
Travel and Mileage expense	2,676.85	675.97	901.29	1,789.07		1,000	
Travel and Mileage expense	-	116.77	155.69	77.85		200	
Travel and Mileage expense	1,994.05	2,578.72	3,438.29	2,716.17		3,000	
Travel and Mileage expense	5,974.68	2,756.87	3,675.83	4,825.25		4,000	
Travel and Mileage expense	6,762.60	1,309.76	1,746.35	4,254.47		2,000	
Travel and Mileage expense	2,526.92	218.60	291.47	1,409.19		500	
Travel and Mileage expense	5,407.51	4,006.17	5,341.56	5,374.54		5,400	
Travel and Mileage expense	922.01	458.64	611.52	766.77		700	
Travel and Mileage expense	685.43	1,057.34	1,409.79	1,047.61		1,400	assumes no increase in mileage rate
Travel and Mileage expense	211,321.63	153,217.04	204,289.39	207,805.51		208,000	
Travel and Mileage expense	2,866.09	703.89	938.52	1,902.31		1,000	
Commission Travel and Mileage	4,350.72	9,080.69	12,107.59	8,229.15		12,000	
Winner Travel Reimbursements	-	84.84	113.12	56.56		500	
Dues and Memberships	2,242.00	-	-	1,121.00		-	

Dues and Memberships	5915-A-AC-10000	799.30	1,660.95	2,214.60	1,506.95	1,700
Dues and Memberships	5915-A-AH-10000	2,271.00	775.00	1,033.33	1,652.17	1,000
Dues and Memberships	5915-A-MB-10000	8,204.00	3,000.00	4,000.00	6,102.00	3,000
Dues and Memberships	5915-E-00-10000	16,705.00	16,590.00	22,120.00	19,412.50	17,000
Dues and Memberships	5915-G-00-10000	-	750.00	1,000.00	500.00	800
Dues and Memberships	5915-G-GE-10000	-	375.00	500.00	250.00	400
Dues and Memberships	5915-G-GL-10000	2,000.00	564.00	752.00	1,376.00	600
Dues and Memberships	5915-I-IA-10000	1,010.00	285.00	380.00	695.00	400
Education and Training	5917-A-AC-10000	5,372.00	1,810.93	2,414.57	3,893.29	2,000
Education and Training	5917-A-AH-10000	1,504.95	415.00	553.33	1,029.14	700
Education and Training	5917-A-AI-10000	100.00	-	-	50.00	-
Education and Training	5917-A-AT-10000	254.00	-	-	127.00	-
Education and Training	5917-A-MB-10000	2,300.00	1,500.00	2,000.00	2,150.00	2,000
Education and Training	5917-E-00-10000	-	435.00	580.00	290.00	700
Education and Training	5917-G-GL-10000	1,952.04	1,800.00	2,400.00	2,176.02	2,500
Education and Training	5917-I-IA-10000	125.00	345.00	460.00	292.50	500
Property Insurance	5925-A-00-10000	5,119.00	-	-	2,559.50	3,000
Liability Insurance	5930-A-00-10000	24,561.06	50,607.95	67,477.27	46,069.16	58,000
Liability Insurance	5930-E-00-10000	8,598.00	-	-	4,299.00	-
Finance division expenditures	5990-A-AC-10000	99,992.28	3,820.73	5,094.31	52,543.29	6,000
IT division expenditures	5990-A-AI-10000	97.93	-	-	48.97	1,000
Treasury division expenditures	5990-A-AT-10000	100.00	-	-	50.00	500
Minority Business Expense	5990-A-MB-10000	2,870.00	-	-	1,435.00	2,500
Other Operating Expenses	5990-E-00-10000	-	851.20	1,134.93	567.47	1,000
Commission Meeting expenses	5990-E-EC-10000	1,465.61	156.69	208.92	837.27	1,000
Other Operating Expenses	5990-G-00-10000	500.00	-	-	250.00	400
Gaming Sales division expenditure	5990-G-GE-10000	27.75	-	-	13.88	1,000
		1,433,277	941,756	1,255,675	1,344,476	1,300,000
						<u>1,300,000</u>

Office equipment and automobiles
Fidelity Bond premium\$9,000
Directors and Officers liability annual premium \$49,000

