

Arkansas Lottery Commission
Statement of Net Assets
April 30, 2011

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 11,050,549.47
Restricted Assets:	
Cash and cash equivalents	41,453,528.84
Accounts receivable	11,541,538.34
Prepaid items	<u>36,815.83</u>
 Total current assets	 <u>64,082,432.48</u>

Noncurrent assets:

Restricted assets:	
Cash and cash equivalents	20,050,428.12
Deposits with Multi-State Lottery Asso.	981,104.60
Capital assets:	
Equipment	526,664.88
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(272,032.98)</u>
 Total noncurrent assets	 <u>21,784,581.30</u>
 Total assets	 <u>\$ 85,867,013.78</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 829,396.56
Prizes payable	15,738,401.27
Accrued and other liabilities	1,637,883.55
Due to other funds	298,080.00
Due to ADHE	49,834,113.49
Compensated absences	252,742.89
Deferred revenue	<u>247,737.00</u>
 Total current liabilities	 <u>68,838,354.76</u>

Noncurrent liabilities:

Net postemployment benefits payable	<u>230,021.67</u>
 Total liabilities	 <u>69,068,376.43</u>

NET ASSETS

Net assets:

Invested in capital assets	753,048.58
Restricted for:	
Scholarship shortfall fund	20,000,000.00
Retailer fidelity fund	41,387.02
Deposits with MUSL	981,104.60
Unrestricted	<u>(4,976,902.85)</u>
 Total net assets	 <u>16,798,637.35</u>
 Total liabilities & net assets	 <u>\$ 85,867,013.78</u>

Attachment G

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Ten Months Ending April 30, 2011

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 31,219,026.00	\$ 317,830,940.44
Online ticket sales	6,908,941.00	63,629,786.58
Retailer application, fidelity and service fees	78,025.00	883,512.94
Other revenue	50.00	3,028.76
	<u>38,206,042.00</u>	<u>382,347,268.72</u>
Operating expenses:		
Instant game prizes	21,744,262.18	220,901,675.92
Online game prizes	3,387,781.91	30,893,404.59
Retailer commissions	2,194,319.65	21,547,448.42
Gaming contract costs	1,892,001.94	19,511,270.95
Compensation and benefits	513,188.29	4,903,713.04
Marketing, advertising and promotions	438,748.40	3,492,961.98
General and administrative expenses	121,413.23	1,105,910.54
Services provided by other agencies	28,100.00	263,280.00
Legal and professional services	20,646.00	293,132.60
Depreciation	15,179.91	149,390.48
	<u>30,355,641.51</u>	<u>303,062,188.52</u>
Total operating expenses		
	<u>30,355,641.51</u>	<u>303,062,188.52</u>
Operating income	7,850,400.49	79,285,080.20
Nonoperating revenue (expense):		
Interest income	31,155.19	390,341.03
	<u>31,155.19</u>	<u>390,341.03</u>
Income before transfers	7,881,555.68	79,675,421.23
Transfers to:		
Transfers to ADHE	(8,397,457.57)	(82,034,304.88)
Transfers from:		
Transfers from ADHE	<u>20,000,000.00</u>	<u>20,000,000.00</u>
Change in net assets	<u>(515,901.89)</u>	17,641,116.35
Total net assets -beginning		(842,479.00)
Total net assets - ending		<u>16,798,637.35</u>

Arkansas Lottery Commission
Statement of Cash Flows
For the Ten Months Ending April 30, 2011

Cash Flows From Operating Activities:

Cash received from retailers and others	\$ 385,068,886
Cash paid for prizes	(250,563,642)
Cash paid for gaming vendors	(19,434,228)
Cash paid for retailer commissions	(21,547,448)
Cash paid for marketing	(2,927,038)
Cash paid for employee services	(5,177,463)
Cash paid for other expenses	(1,737,724)
Net cash provided by operating activities	<u>83,681,343</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	390,341
Net cash provided by investing activities	<u>390,341</u>

Net increase in cash and cash equivalents (10,963,147)

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

Cash and Cash Equivalents, end of year \$ 72,554,509

Reconciliation Of Operating income to Net Cash Provided

By Operating Activities:

Operating income	\$ 79,285,080
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	149,390
Net changes in assets and liabilities:	
(Increase) decrease in:	
accounts receivable	2,748,188
Prepaid assets	(31,697)
MUSL Reserves	(523,837)
Increase (decrease) in:	
Accounts payable	83,160

Prizes payable	1,588,225
Accrued and other liabilities	713,167
Due to other funds	(73,579)
Compensated absences	(230,184)
Deferred revenue	(26,570)
Net cash provided by operating activities	<u>\$ 83,681,343</u>

Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
For the Ten Months Ending April 30, 2011

Year to date

Operating revenues:	
Instant ticket SETTLEMENTS	\$ 319,542,117.00
Online ticket sales	63,629,786.58
Retailer application, fidelity and service fees	883,512.94
Other revenue	<u>3,028.76</u>
 Total operating revenues	 <u>384,058,445.28</u>

Operating expenses:	
Instant game prizes SETTLEMENTS	219,438,870.55
Online game prizes	30,893,404.59
Retailer commissions	21,547,448.42
Gaming contract costs	19,511,270.95
Compensation and benefits	4,903,713.04
Marketing, advertising and promotions	3,492,961.98
General and administrative expenses	1,105,910.54
Services provided by other agencies	263,280.00
Legal and professional services	293,132.60
Current year Capital Asset cost	<u>34,831.87</u>
Total operating expenses	<u>301,484,824.54</u>

Change in net proceeds from operations 82,573,620.74

Nonoperating revenue (expense):

Interest Income	390,341.03
EDUCATION TRUST FUNDING-Current Year	(73,636,847.31)
Less Act 1180 Unclaimed Prizes	0.00 ALC Director plans to implement in fiscal year 2012
Less Current year Fidelity Fund fees	(22,555.71) restricted fund
Less Current year MUSL Reserves additions	(523,836.63) 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 Proceed</u>

NET PROCEEDS EARNED-Current Month

\$ 8,397,457.57

Totals	Transfer	Interest	Total
	\$ 49,433,523.99	\$ 400,589.50	\$ 49,834,113.49
October 2009 funding -11/15/09	\$ 8,120,211.99		\$ 8,120,211.99
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	\$ 7,197,503.10	\$ 18,042.76	\$ 7,215,545.86
November 2010 funding - 12/15/10	\$ 8,235,343.71	\$ 20,925.06	\$ 8,256,268.77
December 2010 funding - 1/14/11	\$ 6,671,666.03	\$ 25,098.81	\$ 6,696,764.84
January 2011 funding - 2/11/11	\$ 9,005,241.74	\$ 28,533.34	\$ 9,033,775.08
February transfer to ADHE 2/11/11	\$ (50,000,000.00)		\$ (50,000,000.00)
February 2011 funding - 3/14/11	\$ 8,213,896.20	\$ 15,845.40	\$ 8,229,741.60
March 2011 funding - 4/13/11	\$ 10,279,304.63	\$ 12,939.26	\$ 10,292,243.89
April 2011 funding - 5/13/11	\$ 8,380,584.65	\$ 16,872.92	\$ 8,397,457.57

Arkansas Lottery Commission
Unclaimed Prizes
4/30/2011

	<u>Current Month</u>	<u>Year to Date</u>
Powerball	\$ 52,227	\$ 875,639
MegaMillions	\$ 27,717	\$ 232,250
Cash 3	\$ 1,200	\$ 73,940
Cash 4	\$ 8,700	\$ 26,700
Instant Games	\$ 181,323	\$ 2,225,598
TOTAL UNCLAIMED PRIZES	<u>\$ 271,167</u>	<u>\$ 3,434,127</u>
Expenditures from unclaimed prize money	\$ -	\$ -
Deposits to net lottery proceeds from unclaimed prize money	<u>\$ 271,167</u>	<u>\$ 3,434,127</u>