



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

September 10, 2015

The Honorable Asa Hutchinson
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, please accept the attached monthly disclosure reports for the month of August 2015, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain 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. Unclaimed Prize Report
12. DFA Office of the Arkansas Lottery Minority- and Female-owned Business Report
13. DFA Office of the Arkansas Lottery Vendor Minority- and Female-owned Business Report
14. DFA Office of the Arkansas Lottery Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

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

Respectfully submitted,

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

Bishop Woosley
Director

Enclosures

cc: Mr. Larry Walther, Director, Arkansas Department of Finance and Administration



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September 10, 2015

The Honorable Jimmy Hickey, Chair
The Honorable Chris Richey, Chair
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Gentlemen:

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Bishop Woosley
Director

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cc: Mr. Larry Walther, Director, Arkansas Department of Finance and Administration

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Contracts for Goods and Services
August 1 through August 31, 2015**

On August 13, 2015, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Advent Systems, Inc. (Advent), entered into a *First Amendment to the Security System Equipment and Maintenance Agreement*. The purpose of the amendment was to ensure the continuity of security system equipment maintenance and service, pursuant to the agreement entered into between the parties (the Contract) on June 4, 2013. The following information is provided:

- a. Date of Agreement: August 13, 2015.
- b. Terms of Agreement: One (1) year, effective as of September 1, 2015, with an option for renewal at a mutually agreed-upon price up to five (5) times in one (1) year increments or a portion thereof.
- c. Vendor or other parties to the Agreement: Advent Systems, Inc. and Department of Finance and Administration Office of the Arkansas Lottery
- d. Value (cost or cost savings projected for the agreement):

Service Agreement cost from September 1, 2015, through August 31, 2016, is \$18,624.83. Service calls for items not listed on the Equipment List or Service Calls that are due to OAL designated representative error or neglect will be billed at \$65.00 per hour. Advent will charge the after-hours rate of \$97.50 per hour for all work performed between the hours of 5:30 p.m. and 7:00 a.m., Monday through Friday and between 8:00 a.m. and 4:30 p.m. Saturday with a minimum charge per call of \$195.00.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
August 2015**

1. Debt Set-Off:

| | | |
|----|--|-------------------|
| a. | Arkansas Department of Finance and Administration | \$12,356.64 |
| b. | Arkansas Office of Child Support Enforcement - Child Support | <u>\$2,918.79</u> |
| | Total Debt Set-Off: | \$15,275.43 |

2. Retailer losses for period August 1 through August 31, 2015: None.

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2015**

| COUNTY | CASH 3 | CASH 4 | FAST PLAY | INSTANTS | LUCKY FOR LIFE | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | TOTAL SALES FOR COUNTY |
|------------|-------------|-------------|-------------|----------------|----------------|---------------|-----------------------|--------------|------------------------|
| ARKANSAS | \$7,670.50 | \$5,502.00 | \$8,457.00 | \$318,551.00 | \$2,622.00 | \$7,501.00 | \$5,845.00 | \$13,484.00 | \$369,632.50 |
| ASHLEY | \$8,149.50 | \$9,201.00 | \$4,153.00 | \$91,913.00 | \$1,476.00 | \$4,260.00 | \$2,257.00 | \$9,686.00 | \$131,095.50 |
| BAXTER | \$3,857.50 | \$1,597.00 | \$6,546.00 | \$329,186.00 | \$5,340.00 | \$11,814.00 | \$10,715.00 | \$24,949.00 | \$394,004.50 |
| BENTON | \$5,235.50 | \$2,226.00 | \$16,036.00 | \$788,027.00 | \$13,164.00 | \$48,413.00 | \$23,678.00 | \$100,478.00 | \$997,257.50 |
| BOONE | \$1,839.00 | \$3,719.50 | \$12,663.00 | \$384,408.00 | \$2,382.00 | \$10,322.00 | \$5,026.00 | \$20,314.00 | \$440,673.50 |
| BRADLEY | \$1,347.00 | \$1,636.00 | \$1,719.00 | \$117,300.00 | \$1,342.00 | \$1,836.00 | \$1,988.00 | \$3,653.00 | \$130,821.00 |
| CALHOUN | \$2,119.00 | \$1,243.50 | \$550.00 | \$44,700.00 | \$436.00 | \$1,096.00 | \$647.00 | \$1,887.00 | \$52,678.50 |
| CARROLL | \$1,320.00 | \$1,116.50 | \$4,791.00 | \$213,549.00 | \$1,962.00 | \$6,955.00 | \$3,031.00 | \$13,991.00 | \$246,715.50 |
| CHICOT | \$9,069.00 | \$5,808.50 | \$2,008.00 | \$107,100.00 | \$3,448.00 | \$14,739.00 | \$7,047.00 | \$32,681.00 | \$181,900.50 |
| CLARK | \$2,821.00 | \$1,350.00 | \$9,926.00 | \$298,206.00 | \$2,084.00 | \$6,960.00 | \$6,089.00 | \$13,304.00 | \$340,740.00 |
| CLAY | \$257.00 | \$129.50 | \$508.00 | \$78,425.00 | \$720.00 | \$1,488.00 | \$1,749.00 | \$3,488.00 | \$86,764.50 |
| CLEBURNE | \$1,183.00 | \$662.50 | \$8,564.00 | \$233,716.00 | \$4,494.00 | \$9,969.00 | \$12,617.00 | \$18,605.00 | \$289,810.50 |
| CLEVELAND | \$369.00 | \$628.50 | \$842.00 | \$34,306.00 | \$232.00 | \$1,004.00 | \$610.00 | \$2,398.00 | \$40,389.50 |
| COLUMBIA | \$11,889.50 | \$10,412.50 | \$12,340.00 | \$212,346.00 | \$2,692.00 | \$5,413.00 | \$3,122.00 | \$10,081.00 | \$268,296.00 |
| CONWAY | \$5,302.00 | \$1,748.00 | \$7,433.00 | \$423,254.00 | \$2,622.00 | \$8,331.00 | \$7,872.00 | \$17,782.00 | \$474,344.00 |
| CRAIGHEAD | \$8,657.50 | \$3,854.50 | \$27,356.00 | \$1,118,269.00 | \$7,204.00 | \$22,282.00 | \$17,819.00 | \$50,166.00 | \$1,255,608.00 |
| CRAWFORD | \$1,619.50 | \$638.50 | \$4,996.00 | \$252,624.00 | \$4,166.00 | \$15,691.00 | \$11,206.00 | \$30,749.00 | \$321,690.00 |
| CRITTENDEN | \$14,897.50 | \$11,547.00 | \$7,456.00 | \$437,802.00 | \$6,228.00 | \$20,887.00 | \$12,425.00 | \$48,476.00 | \$559,718.50 |
| CROSS | \$2,920.00 | \$1,937.50 | \$5,327.00 | \$162,462.00 | \$810.00 | \$4,103.00 | \$3,251.00 | \$8,040.00 | \$188,850.50 |
| DALLAS | \$2,110.50 | \$628.00 | \$2,849.00 | \$118,953.00 | \$812.00 | \$2,614.00 | \$1,942.00 | \$4,875.00 | \$134,783.50 |
| DESHA | \$2,206.00 | \$1,144.00 | \$2,247.00 | \$124,574.00 | \$1,322.00 | \$4,433.00 | \$4,680.00 | \$9,627.00 | \$150,233.00 |
| DREW | \$1,667.00 | \$783.50 | \$3,481.00 | \$180,226.00 | \$2,086.00 | \$4,953.00 | \$3,803.00 | \$10,616.00 | \$207,615.50 |
| FAULKNER | \$12,547.00 | \$6,251.00 | \$26,114.00 | \$883,463.00 | \$11,546.00 | \$31,379.00 | \$30,658.00 | \$61,180.00 | \$1,063,138.00 |
| FRANKLIN | \$337.00 | \$139.00 | \$4,244.00 | \$120,960.00 | \$1,446.00 | \$4,920.00 | \$3,107.00 | \$9,470.00 | \$144,623.00 |
| FULTON | \$392.00 | \$164.00 | \$660.00 | \$52,298.00 | \$592.00 | \$1,685.00 | \$924.00 | \$3,932.00 | \$60,647.00 |
| GARLAND | \$7,200.00 | \$4,726.50 | \$24,203.00 | \$790,052.00 | \$15,014.00 | \$39,548.00 | \$44,869.00 | \$73,044.00 | \$998,656.50 |
| GRANT | \$295.00 | \$303.50 | \$2,929.00 | \$105,859.00 | \$1,982.00 | \$3,562.00 | \$3,758.00 | \$7,462.00 | \$126,150.50 |
| GREENE | \$658.00 | \$609.50 | \$4,456.00 | \$473,922.00 | \$3,402.00 | \$10,389.00 | \$7,734.00 | \$21,492.00 | \$522,662.50 |
| HEMPSTEAD | \$25,064.50 | \$8,449.50 | \$4,797.00 | \$293,928.00 | \$1,868.00 | \$5,547.00 | \$4,597.00 | \$10,090.00 | \$354,341.00 |
| HOT SPRING | \$1,484.50 | \$474.00 | \$5,691.00 | \$264,007.00 | \$2,870.00 | \$8,492.00 | \$7,984.00 | \$15,285.00 | \$306,287.50 |

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2015**

| COUNTY | CASH 3 | CASH 4 | FAST PLAY | INSTANTS | LUCKY FOR LIFE | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | TOTAL SALES FOR COUNTY |
|--------------|--------------|-------------|--------------|----------------|----------------|---------------|-----------------------|--------------|------------------------|
| HOWARD | \$18,517.00 | \$8,542.50 | \$2,383.00 | \$159,600.00 | \$1,598.00 | \$3,549.00 | \$2,688.00 | \$5,701.00 | \$202,578.50 |
| INDEPENDENCE | \$4,504.50 | \$934.50 | \$26,226.00 | \$438,086.00 | \$3,664.00 | \$10,547.00 | \$10,652.00 | \$20,630.00 | \$515,244.00 |
| IZARD | \$124.50 | \$92.00 | \$1,854.00 | \$65,272.00 | \$754.00 | \$2,439.00 | \$1,893.00 | \$4,598.00 | \$77,026.50 |
| JACKSON | \$9,305.50 | \$4,840.00 | \$4,769.00 | \$239,305.00 | \$3,052.00 | \$5,745.00 | \$7,589.00 | \$10,582.00 | \$285,187.50 |
| JEFFERSON | \$37,617.50 | \$26,200.50 | \$37,403.00 | \$1,158,934.00 | \$11,298.00 | \$27,828.00 | \$29,331.00 | \$51,565.00 | \$1,380,177.00 |
| JOHNSON | \$948.50 | \$432.00 | \$4,117.00 | \$207,633.00 | \$1,632.00 | \$5,259.00 | \$4,154.00 | \$9,995.00 | \$234,170.50 |
| LAFAYETTE | \$4,562.00 | \$1,804.50 | \$1,876.00 | \$51,000.00 | \$702.00 | \$1,439.00 | \$854.00 | \$2,901.00 | \$65,138.50 |
| LAWRENCE | \$858.00 | \$156.00 | \$4,909.00 | \$194,634.00 | \$1,476.00 | \$3,517.00 | \$2,537.00 | \$6,319.00 | \$214,406.00 |
| LEE | \$2,010.50 | \$2,395.00 | \$971.00 | \$53,092.00 | \$386.00 | \$1,372.00 | \$1,071.00 | \$2,279.00 | \$63,576.50 |
| LINCOLN | \$355.50 | \$156.50 | \$2,760.00 | \$74,194.00 | \$660.00 | \$1,773.00 | \$2,808.00 | \$3,449.00 | \$86,156.00 |
| LITTLE RIVER | \$4,375.00 | \$4,686.50 | \$1,545.00 | \$90,963.00 | \$728.00 | \$2,689.00 | \$1,430.00 | \$3,777.00 | \$110,193.50 |
| LOGAN | \$1,177.50 | \$308.00 | \$5,160.00 | \$145,525.00 | \$1,706.00 | \$6,349.00 | \$4,197.00 | \$12,106.00 | \$176,528.50 |
| LONOKE | \$8,943.50 | \$4,267.00 | \$21,540.00 | \$750,320.00 | \$8,704.00 | \$25,502.00 | \$21,912.00 | \$49,690.00 | \$890,878.50 |
| MADISON | \$140.00 | \$4.00 | \$390.00 | \$60,248.00 | \$830.00 | \$2,692.00 | \$1,221.00 | \$5,420.00 | \$70,945.00 |
| MARION | \$1,964.50 | \$421.00 | \$2,108.00 | \$123,589.00 | \$2,422.00 | \$4,190.00 | \$4,979.00 | \$8,693.00 | \$148,366.50 |
| MILLER | \$23,492.50 | \$10,734.50 | \$4,659.00 | \$358,089.00 | \$2,850.00 | \$9,833.00 | \$4,270.00 | \$15,869.00 | \$429,797.00 |
| MISSISSIPPI | \$48,778.50 | \$25,454.50 | \$10,346.00 | \$454,696.00 | \$2,498.00 | \$10,326.00 | \$5,758.00 | \$19,885.00 | \$577,742.00 |
| MONROE | \$2,758.00 | \$1,165.00 | \$1,488.00 | \$114,009.00 | \$858.00 | \$3,288.00 | \$2,139.00 | \$7,497.00 | \$133,202.00 |
| MONTGOMERY | \$43.50 | \$5.00 | \$2,330.00 | \$14,830.00 | \$542.00 | \$1,524.00 | \$1,198.00 | \$2,988.00 | \$23,460.50 |
| NEVADA | \$3,213.00 | \$649.00 | \$4,301.00 | \$170,591.00 | \$1,128.00 | \$2,572.00 | \$1,775.00 | \$4,754.00 | \$188,983.00 |
| NEWTON | \$55.50 | \$19.00 | \$1,264.00 | \$36,159.00 | \$544.00 | \$1,391.00 | \$888.00 | \$1,579.00 | \$41,899.50 |
| OUACHITA | \$11,245.50 | \$4,707.50 | \$7,854.00 | \$451,126.00 | \$3,596.00 | \$7,026.00 | \$6,055.00 | \$13,634.00 | \$505,244.00 |
| PERRY | \$626.00 | \$534.00 | \$678.00 | \$79,200.00 | \$602.00 | \$2,764.00 | \$1,753.00 | \$4,938.00 | \$91,095.00 |
| PHILLIPS | \$7,499.50 | \$3,913.00 | \$841.00 | \$168,630.00 | \$2,220.00 | \$9,520.00 | \$3,198.00 | \$20,928.00 | \$216,749.50 |
| PIKE | \$682.00 | \$43.00 | \$8,142.00 | \$82,051.00 | \$852.00 | \$2,840.00 | \$3,202.00 | \$5,783.00 | \$103,595.00 |
| POINSETT | \$4,879.00 | \$1,642.00 | \$10,729.00 | \$333,890.00 | \$1,964.00 | \$6,205.00 | \$6,704.00 | \$12,933.00 | \$378,946.00 |
| POLK | \$581.00 | \$37.50 | \$2,815.00 | \$113,562.00 | \$1,760.00 | \$4,804.00 | \$3,017.00 | \$10,153.00 | \$136,729.50 |
| POPE | \$3,989.00 | \$1,953.00 | \$10,266.00 | \$639,005.00 | \$5,770.00 | \$19,971.00 | \$16,292.00 | \$35,664.00 | \$732,910.00 |
| PRAIRIE | \$1,940.00 | \$1,058.50 | \$7,041.00 | \$137,746.00 | \$602.00 | \$2,335.00 | \$1,487.00 | \$5,009.00 | \$157,218.50 |
| PULASKI | \$112,814.00 | \$74,159.50 | \$125,549.00 | \$4,844,774.00 | \$59,134.00 | \$163,932.00 | \$163,784.00 | \$302,131.00 | \$5,846,277.50 |
| RANDOLPH | \$120.00 | \$243.50 | \$3,307.00 | \$143,400.00 | \$1,332.00 | \$2,926.00 | \$2,211.00 | \$6,295.00 | \$159,834.50 |

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2015**

| COUNTY | CASH 3 | CASH 4 | FAST PLAY | INSTANTS | LUCKY FOR LIFE | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | TOTAL SALES FOR COUNTY |
|---------------|-------------|-------------|-------------|----------------|----------------|---------------|-----------------------|--------------|------------------------|
| SAINT FRANCIS | \$7,537.50 | \$5,760.50 | \$2,729.00 | \$198,504.00 | \$1,874.00 | \$6,225.00 | \$3,503.00 | \$13,189.00 | \$239,322.00 |
| SALINE | \$7,976.00 | \$4,523.00 | \$33,129.00 | \$863,433.00 | \$11,170.00 | \$32,200.00 | \$32,288.00 | \$63,421.00 | \$1,048,140.00 |
| SCOTT | \$146.00 | \$82.00 | \$2,059.00 | \$78,987.00 | \$894.00 | \$2,616.00 | \$1,749.00 | \$5,066.00 | \$91,599.00 |
| SEARCY | \$138.00 | \$441.00 | \$939.00 | \$73,746.00 | \$570.00 | \$1,845.00 | \$1,644.00 | \$3,659.00 | \$82,982.00 |
| SEBASTIAN | \$18,724.00 | \$5,909.00 | \$9,855.00 | \$551,314.00 | \$12,664.00 | \$39,345.00 | \$24,850.00 | \$76,605.00 | \$739,266.00 |
| SEVIER | \$2,690.00 | \$510.50 | \$1,300.00 | \$97,889.00 | \$960.00 | \$3,720.00 | \$1,583.00 | \$6,560.00 | \$115,212.50 |
| SHARP | \$774.50 | \$155.00 | \$14,542.00 | \$179,010.00 | \$1,694.00 | \$4,664.00 | \$4,771.00 | \$9,829.00 | \$215,439.50 |
| STONE | \$1,259.00 | \$299.50 | \$3,168.00 | \$81,300.00 | \$1,224.00 | \$2,537.00 | \$2,986.00 | \$5,097.00 | \$97,870.50 |
| UNION | \$50,179.00 | \$22,152.00 | \$9,471.00 | \$700,622.00 | \$5,014.00 | \$13,533.00 | \$9,058.00 | \$28,283.00 | \$838,312.00 |
| VAN BUREN | \$1,211.50 | \$703.50 | \$3,927.00 | \$130,081.00 | \$1,276.00 | \$4,516.00 | \$4,246.00 | \$8,835.00 | \$154,796.00 |
| WASHINGTON | \$19,384.00 | \$4,781.50 | \$17,065.00 | \$1,053,132.00 | \$15,414.00 | \$53,912.00 | \$33,628.00 | \$106,967.00 | \$1,304,283.50 |
| WHITE | \$4,657.00 | \$3,764.00 | \$26,798.00 | \$825,118.00 | \$6,940.00 | \$19,698.00 | \$19,947.00 | \$37,464.00 | \$944,386.00 |
| WOODRUFF | \$3,200.50 | \$851.50 | \$326.00 | \$68,803.00 | \$644.00 | \$2,038.00 | \$1,776.00 | \$3,843.00 | \$81,482.00 |
| YELL | \$526.50 | \$76.00 | \$5,214.00 | \$171,859.00 | \$1,422.00 | \$5,241.00 | \$4,839.00 | \$9,214.00 | \$198,391.50 |

| | | | | | | | | | |
|---------------------|----------------|----------------|-------------------|------------------|------------------------|-----------------------|-------------------------------|-------------------|-----------------|
| GRAND TOTALS | *Cash 3 | *Cash 4 | *Fast Play | *Instants | *Lucky for Life | *Mega Millions | *Natural State Jackpot | *Powerball | *Totals |
| | \$581,009.00 | \$320,198.50 | \$673,485.00 | \$26,082,337.00 | \$293,988.00 | \$868,823.00 | \$718,965.00 | \$1,697,062.00 | \$31,235,867.50 |

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
August 2015**

There were 1,908 active retailers as of August 31, 2015.

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Net Position
August 31, 2015

ASSETS

| | |
|---|-------------------------|
| Current assets: | |
| Cash and Cash Equivalents | \$ 1,145,040.65 |
| Restricted Assets: | |
| Cash and cash equivalents | 35,056,596.67 |
| Accounts receivable | 11,097,897.29 |
| Inter-Agency Receivables | 2.35 |
| Prepaid items | <u>23,555.72</u> |
| Total current assets | <u>47,323,092.68</u> |
| Non-current assets: | |
| Restricted assets: | |
| Cash and cash equivalents | 20,120,100.13 |
| Deposits with Multi-State Lottery Association | 1,743,122.99 |
| Capital assets: | |
| Equipment | 621,188.94 |
| Leasehold Improvements | 492,795.71 |
| Less accumulated depreciation | <u>(914,634.89)</u> |
| Total non-current assets | <u>22,062,572.88</u> |
| Total assets | <u>\$ 69,385,665.56</u> |

LIABILITIES

| | |
|--|----------------------|
| Current liabilities: | |
| Accounts payable | \$ 18,658.76 |
| Prizes payable | 17,380,817.05 |
| Accrued and other liabilities | 1,692,263.72 |
| Due to other funds of the State | 690,926.13 |
| Payable to Arkansas Department of Higher Education | 33,208,643.84 |
| Compensated absences | 290,339.39 |
| Unearned revenue | <u>291,531.70</u> |
| Total current liabilities | <u>53,573,180.59</u> |
| Long-Term liabilities: | |
| Net other post employment benefits | <u>1,548,278.58</u> |
| Total long-term liabilities | <u>1,548,278.58</u> |
| Total liabilities | <u>55,121,459.17</u> |

NET POSITION

| | |
|--|-------------------------|
| Net position: | |
| Invested in capital assets | 199,349.76 |
| Restricted for: | |
| Scholarship shortfall reserve trust fund | 20,000,000.00 |
| Retailer fidelity fund | 120,100.13 |
| Deposits with Multi-State Lottery Assn. | 1,743,122.99 |
| Unclaimed prizes reserve | 1,816,048.97 |
| Unrestricted | <u>(9,614,415.46)</u> |
| Total net position | <u>14,264,206.39</u> |
| Total liabilities & net position | <u>\$ 69,385,665.56</u> |

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Revenues, Expenses, and Change in Net Position
For Two Months Ended August 31, 2015

| | Current month | Year to date |
|---|-----------------------------|-----------------------------|
| Operating revenues: | | |
| Instant ticket sales | \$ 26,042,938.00 | \$ 51,845,746.00 |
| Online ticket sales | 5,165,079.00 | 10,985,556.00 |
| Retailer application, fidelity and service fees | 56,612.05 | 97,844.10 |
| Other revenue | <u>548.50</u> | <u>1,682.59</u> |
| | | |
| Total operating revenues | <u>31,265,177.55</u> | <u>62,930,828.69</u> |
| | | |
| Operating expenses: | | |
| Instant game prizes | 18,295,708.30 | 37,138,137.93 |
| Online game prizes | 2,626,859.46 | 5,682,058.15 |
| Retailer commissions | 1,764,191.97 | 3,576,984.87 |
| Gaming contract costs | 1,417,257.57 | 2,837,200.75 |
| Compensation and benefits | 468,336.37 | 846,969.36 |
| Marketing, advertising and promotions | 383,852.47 | 605,533.60 |
| General and administrative expenses | 81,323.15 | 176,275.48 |
| Services provided by ADHE | 45,000.00 | 88,300.00 |
| Services provided by Legislative Audit Agency | 28,180.00 | 38,680.00 |
| Legal and professional services | | |
| Depreciation | <u>11,914.07</u> | <u>23,828.16</u> |
| | | |
| Total operating expenses | <u>25,122,623.36</u> | <u>51,013,968.30</u> |
| | | |
| Operating income | 6,142,554.19 | 11,916,860.39 |
| | | |
| Non-operating revenue (expense): | | |
| Interest income | 25,835.03 | 48,654.38 |
| Other Non Operating Income | <u>1,875.61</u> | <u>1,875.61</u> |
| | | |
| Income before transfers | 6,170,264.83 | 11,967,390.38 |
| | | |
| Transfers to: | | |
| Education Trust Account | (5,490,094.00) | (11,274,777.09) |
| Shortfall Account to Trust Account for ADHE | <u> </u> | <u> </u> |
| | | |
| Change in net position | <u>\$ 680,170.83</u> | 692,613.29 |
| | | |
| Total net position - beginning | | 13,571,593.10 |
| Total net position - ending | | <u>\$ 14,264,206.39</u> |

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Revenues and Expenses
For Two Months Ended August 31, 2015

| | CM Actual | % | CM Budget | % | CM Variance | YTD Actual | % | YTD Budget | % | YTD Variance |
|---------------------------------|------------------------|---------------|------------------------|---------------|------------------------|-------------------------|---------------|-------------------------|---------------|------------------------|
| Operating Revenues | | | | | | | | | | |
| Instant Games | \$ 26,042,938.00 | 83.30 | \$ 25,967,123.00 | 80.46 | \$ 75,815.00 | \$ 51,845,746.00 | 82.39 | \$ 51,589,266.00 | 80.65 | \$ 256,480.00 |
| OnLine Games | 5,165,079.00 | 16.52 | 6,247,145.00 | 19.36 | (1,082,066.00) | 10,985,556.00 | 17.46 | 12,273,259.00 | 19.19 | (1,287,703.00) |
| Retailer application, fidelity | 56,612.05 | 0.18 | 56,893.00 | 0.18 | (280.95) | 97,844.10 | 0.16 | 99,108.00 | 0.15 | (1,263.90) |
| Other Revenue | 548.50 | 0.00 | 833.00 | 0.00 | (284.50) | 1,682.59 | 0.00 | 1,666.00 | 0.00 | 16.59 |
| Total Operating Revenues | 31,265,177.55 | 100.00 | 32,271,994.00 | 100.00 | (1,006,816.45) | 62,930,828.69 | 100.00 | 63,963,299.00 | 100.00 | (1,032,470.31) |
| Operating Expenses | | | | | | | | | | |
| Instant Game Prizes | 18,295,708.30 | 58.52 | 18,334,138.00 | 56.81 | (38,429.70) | 37,138,137.93 | 59.01 | 36,419,891.00 | 56.94 | 718,246.93 |
| On-Line Game Prizes | 2,626,859.46 | 8.40 | 3,175,065.00 | 9.84 | (548,205.54) | 5,682,058.15 | 9.03 | 6,150,619.00 | 9.62 | (468,560.85) |
| Retailer Commissions | 1,764,191.97 | 5.64 | 1,832,648.00 | 5.68 | (68,456.03) | 3,576,984.87 | 5.68 | 3,633,096.00 | 5.68 | (56,111.13) |
| Gaming Contract Costs | 1,417,257.57 | 4.53 | 1,510,631.00 | 4.68 | (93,373.43) | 2,837,200.75 | 4.51 | 2,994,720.00 | 4.68 | (157,519.25) |
| Staff Compensation & Benefits | 468,336.37 | 1.50 | 396,953.00 | 1.23 | 71,383.37 | 846,969.36 | 1.35 | 844,572.00 | 1.32 | 2,397.36 |
| Marketing, Advertising & Promo | 383,852.47 | 1.23 | 416,670.00 | 1.29 | (32,817.53) | 605,533.60 | 0.96 | 833,330.00 | 1.30 | (227,796.40) |
| General and administrative exp | 81,323.15 | 0.26 | 109,400.00 | 0.34 | (28,076.85) | 176,275.48 | 0.28 | 218,800.00 | 0.34 | (42,524.52) |
| Services Provided by Other Age | 73,180.00 | 0.23 | 52,500.00 | 0.16 | 20,680.00 | 126,980.00 | 0.20 | 105,000.00 | 0.16 | 21,980.00 |
| Legal and Professional Service | - | - | 830.00 | 0.00 | (830.00) | - | 0.00 | 1,660.00 | 0.00 | (1,660.00) |
| Capital asset depreciation | 11,914.07 | 0.04 | 13,000.00 | 0.04 | (1,085.93) | 23,828.16 | 0.04 | 26,000.00 | 0.04 | (2,171.84) |
| Total Operating Expenses | 25,122,623.36 | 80.35 | 25,841,835.00 | 80.08 | (719,211.64) | 51,013,968.30 | 81.06 | 51,227,688.00 | 80.09 | (213,719.70) |
| Operating Income | 6,142,554.19 | 19.65 | 6,430,159.00 | 19.92 | (287,604.81) | 11,916,860.39 | 18.94 | 12,735,611.00 | 19.91 | (818,750.61) |
| Interest Income | 25,835.03 | 0.08 | 17,276.00 | 0.05 | 8,559.03 | 48,654.38 | 0.08 | 33,681.00 | 0.05 | 14,973.38 |
| Non-Operating Revenue (Expense) | 1,875.61 | | - | | 1,875.61 | 1,875.61 | | - | | 1,875.61 |
| Income before transfers | \$ 6,170,264.83 | 19.74 | \$ 6,447,435.00 | 19.98 | \$ (277,170.17) | \$ 11,967,390.38 | 19.02 | \$ 12,769,292.00 | 19.96 | \$ (801,901.62) |

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Two Months Ended August 31, 2015

| | Year to date |
|---|--------------------------|
| Operating revenues: | |
| Instant ticket SETTLEMENTS | \$ 52,973,826.00 |
| Online ticket sales | 10,985,556.00 |
| Retailer application, fidelity and service fees | 97,844.10 |
| Other revenue | <u>1,682.59</u> |
| Total operating revenues | <u>64,058,908.69</u> |

| | |
|---|----------------------|
| Operating expenses: | |
| Instant game prizes SETTLEMENTS | 38,218,856.00 |
| Online game prizes | 5,682,058.15 |
| Retailer commissions | 3,576,984.87 |
| Gaming contract costs | 2,837,200.75 |
| Compensation and benefits | 846,969.36 |
| Marketing, advertising and promotions | 605,533.60 |
| General and administrative expenses | 176,275.48 |
| Services provided by ADHE | 88,300.00 |
| Services provided by Legislative Audit Agency | 38,680.00 |
| Legal and professional services | 0.00 |
| Current year Capital Asset cost | |
| Total operating expenses | <u>52,070,858.21</u> |

Change in net proceeds from operations 11,988,050.48

| | |
|--|--|
| Nonoperating revenue (expense): | |
| Interest Income | 48,654.38 |
| Other Non Operating Income | 1,875.61 |
| EDUCATION TRUST FUNDING-Current Year | (5,784,683.09) |
| Less Act 1180 Unclaimed Prizes | (816,048.97) |
| Less Current year Fidelity Fund fees | (6,517.79) restricted fund |
| Less Current year MUSL Reserves (additions) / reductions | 19,263.38 see 23-115-103(17) and (19)(A)&(B) |
| Add OPEB expense in Comp and Benefits | <u>39,500.00</u> |

NET PROCEEDS EARNED-Current Month **\$ 5,490,094.00**

| | Transfer | Interest | Total |
|--|-------------------------|----------------------|-------------------------|
| Totals | \$ 32,284,608.75 | \$ 924,035.09 | \$ 33,208,643.84 |
| April 2014 funding - 5/15/14 | \$ 7,475,645.50 | \$ 505.34 | \$ 7,476,150.84 |
| May 2014 funding - 6/15/14 | \$ 6,509,958.59 | \$ 3,286.80 | \$ 6,513,245.39 |
| June 2014 funding - 7/15/14 | \$ 11,921,510.53 | \$ 6,103.45 | \$ 11,927,613.98 |
| ADHE Refund for excess funding 7/18/14 | \$ 2,319,467.65 | | \$ 2,319,467.65 |
| July 2014 funding - 8/15/14 | \$ 5,917,170.44 | \$ 11,277.55 | \$ 5,928,447.99 |
| August 2014 funding - 9/15/15 | \$ 5,282,380.92 | \$ 14,584.88 | \$ 5,296,965.80 |
| June 2014 Audit Adjustments funding - 9/10/14 | \$ 30,888.58 | | \$ 30,888.58 |
| September transfer to ADHE 9/11/14 | \$ (40,000,000.00) | | \$ (40,000,000.00) |
| September 2014 funding - 10/15/14 | \$ 4,310,517.64 | \$ 6,709.46 | \$ 4,317,227.10 |
| October transfer to ADHE 10/15/14 | \$ (5,000,000.00) | | \$ (5,000,000.00) |
| October 2014 funding - 11/15/14 | \$ 5,939,388.01 | \$ 237.58 | \$ 5,939,625.59 |
| November 2014 funding - 12/15/14 | \$ 5,575,489.06 | \$ 1,546.10 | \$ 5,577,035.16 |
| December 2014 funding - 1/15/15 | \$ 5,469,403.21 | \$ 4,915.56 | \$ 5,474,318.77 |
| January 2015 funding - 2/15/15 | \$ 7,280,972.70 | \$ 6,800.58 | \$ 7,287,773.28 |
| February transfer to ADHE 2/12/15 | \$ (35,000,000.00) | | \$ (35,000,000.00) |
| Transfer from Shortfall Reserve 2/10/15 | \$ 10,663,081.32 | | \$ 10,663,081.32 |
| February 2015 funding - 3/15/15 | \$ 6,157,718.14 | \$ 3,624.87 | \$ 6,161,343.01 |
| February transfer to Shortfall Reserve 3/15/15 | \$ (6,161,343.01) | | \$ (6,161,343.01) |
| March 2015 funding - 4/15/15 | \$ 6,898,523.80 | \$ 0.55 | \$ 6,898,524.35 |
| March transfer to Shortfall Reserve 4/15/15 | \$ (4,501,738.31) | | \$ (4,501,738.31) |
| April 2015 funding - 5/15/15 | \$ 5,880,247.51 | \$ 758.44 | \$ 5,881,005.95 |
| May 2015 funding - 6/15/15 | \$ 5,406,407.87 | \$ 2,642.61 | \$ 5,409,050.48 |
| June 2015 funding - 7/15/15 | \$ 8,273,061.65 | \$ 5,866.49 | \$ 8,278,928.14 |
| July 2015 funding - 8/15/15 | \$ 5,776,292.31 | \$ 8,390.78 | \$ 5,784,683.09 |
| June 2015 Audit Adjustments funding 9/15/15 | \$ (31,903.86) | | \$ (31,903.86) |
| August 2015 funding - 9/15/15 | \$ 5,478,001.52 | \$ 12,092.48 | \$ 5,490,094.00 |

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
August 31, 2015

| | Monthly | Year to Date |
|---|---------------|--------------------|
| Reserve Balance July 1, 2015 | | \$1,000,000.00 |
| 1. Unclaimed lottery prize money: | \$ 694,111.97 | 816,048.97 |
| 2. Expenditures from unclaimed lottery prize money: | | |
| 3. Reserved for future prizes, promotions or reserves: | 694,111.97 | 816,048.97 |
| 4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money: | | |
| Reserve Balance August 31, 2015 | | \$1,816,048.97 |

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2015**

| Vendors | Goods or Services | Diversity Classification | August 2015 | FY 2016 Total |
|----------------------------|---------------------------|---------------------------------|--------------------|----------------------|
| Goddess Products | Office Furniture/Supplies | Minority-owned | \$1,007.99 | \$3,758.86 |
| Government Supply Services | Office Products | Minority-owned | \$844.57 | \$1,122.33 |
| Totals | | | \$1,852.56 | \$4,881.19 |

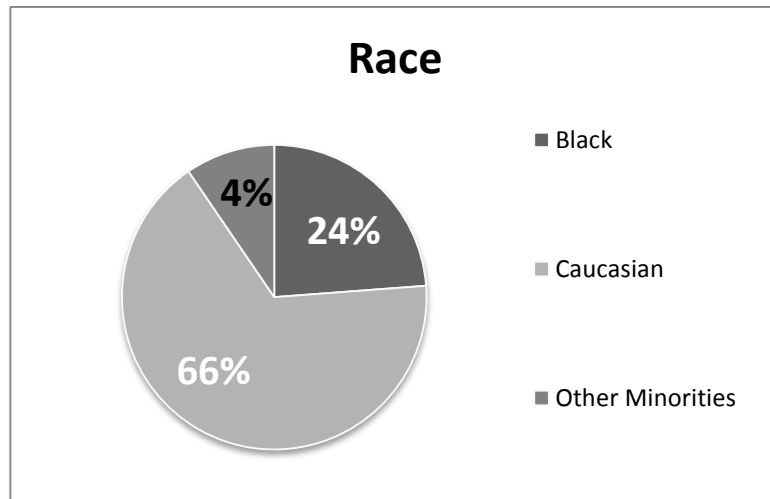
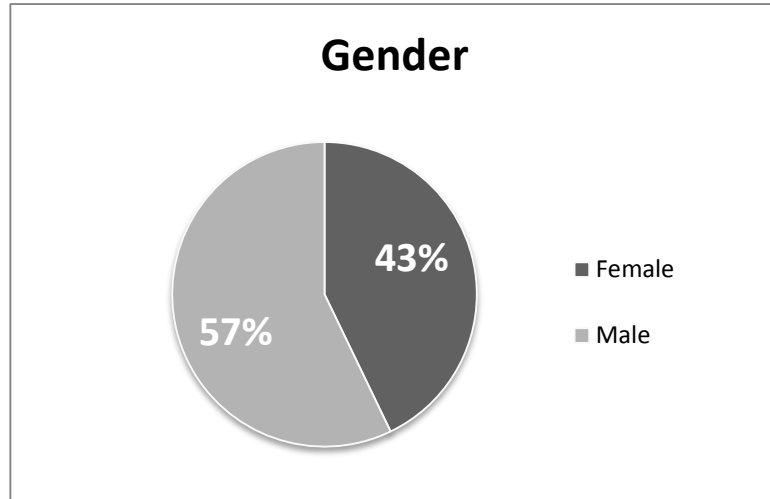
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2015**

| Vendors | Goods or Services | Diversity Classification | August 2015 | FY 2016 Total |
|--|----------------------------------|---------------------------------|--------------------|----------------------|
| J Kelly Referrals and Information Services | Call Center/Information Services | Minority-owned | \$10,194.42 | \$10,194.42 |
| Totals | | | \$10,194.42 | \$20,388.84 |

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2015**

| Vendors | Goods or Services | Diversity Classification | August 2015 | FY 2016 Total |
|---|--------------------------|---------------------------------|--------------------|----------------------|
| Mr. Klean Carpet and Janitorial Service | Janitorial Services | Minority-owned | | \$363.30 |
| Premier Staffing | Staffing Services | Female-owned | \$568.64 | \$2,076.96 |
| Totals | | | \$568.64 | \$2,440.26 |

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – August 2015**



Total Number of Employees as of August 31, 2015: 63

Gender:

Females – 27
Males – 36

Race:

Black – 15
Caucasian – 42
Other – 6

| | |
|--------------|------------|
| Female -- 8 | Male -- 7 |
| Female -- 16 | Male -- 26 |
| Female -- 3 | Male -- 3 |

**Department of Finance and Administration
Office of the Arkansas Lottery – Internal Audit
Arkansas Legislative Council – Lottery Oversight Subcommittee Monthly Report**

On September 3, 2015, the Office of the Arkansas Lottery (OAL) Internal Auditor (Internal Audit) issued a report to the Director of the Department of Finance and Administration (DFA Director) as follows:

Retailer Settlement and Collection Audit

The audit centered on controls, procedures, and safeguards surrounding the OAL's settlement and collection of cash from its retail partners. Fieldwork included review of documentation and information generated July 1, 2014 through July 7, 2015.

The following observation and recommendation was reported:

- *Retailer Credit Balances - Settlement* – Retailers with net credit balances are granted disbursement of the amounts owed to them by the OAL semi-annually, while retailers with net debit balances (i.e. that owe money to the OAL) are given the benefit of any credits due them on a weekly basis.

Internal Audit recommended that OAL Management reconsider the policy of semi-annual credit balance refunds and provide them more often (such as monthly), considering that accumulation of a net credit balance likely results in part from other OAL retailers not maintaining adequate cash balances or other measures to pay players with winning tickets up to the cashing limit. Internal Audit further recommended that the updated policy be communicated to the OAL retailer network, should any changes be implemented. OAL Management stated its concurrence with the Internal Audit recommendation, stating that a policy of quarterly reimbursements for large chains and major retailers with location-level credit balances of \$2,000 or more will be instituted and that such policy will be communicated to retailers impacted via an e-mail message. Internal Audit expects the first disbursement of credit balances to impacted retailers will occur in December 2015, and will perform follow-up procedures in order to consider the observation cleared at the appropriate time.

On September 4, 2015, Internal Audit issued a report to the DFA Director as follows:

Advertising Contract Compliance Follow-Up Audit

Internal Audit reported to the DFA Director that follow-up audit procedures were performed relative to Advertising Contract Compliance, and that Internal Audit's observations from the initial audit of this process (reported to the Arkansas Legislative Council – Lottery Oversight Subcommittee on June 10, 2015) are now considered cleared based on OAL Management's corrective action or moot given that certain procurement functions are now handled by the Office of State Procurement rather than OAL personnel.

No additional issues or problems resulting from internal audits have been reported to the Director of the Department of Finance and Administration for the reporting period.

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
August 2015

Sales for the following instant games began August 4, 2015. No ending dates have been determined for these games.

\$1 Hot \$100's

\$2 Double Your Money

\$5 Spy Some Cash

\$10 \$300,000 Jackpot

Sales for the following Fast Play games began August 3, 2015. No ending dates have been determined for this game.

\$1 Quick Cards

\$1 In Between