

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>

January 10, 2017

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 December 2016, 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,

  
Bishop Woosley  
Director

Enclosures

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



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

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January 10, 2017

Ms. Rebeca Haley  
Legislative Analyst  
Arkansas Legislative Council Lottery Oversight Subcommittee  
One Capitol Mall, Room R-501  
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Ms. Haley:

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 December 2016, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

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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

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Term Contracts for Goods and Services  
December 1 through December 31, 2016**

No term contracts were entered into by the Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of December 2016.

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Debt Set-Off and Retailer Losses  
December 2016**

**1. Debt Set-Off:**

a.	Arkansas Department of Finance and Administration	\$21,194.99
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$2,660.50</u>
	Total Debt Set-Off:	\$23,855.99

**2. Retailer losses for period December 1 through December 31, 2016: None.**

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**OFFICE OF THE ARKANSAS LOTTERY**  
**RETAIL SALES BY COUNTY**  
**December 1 through December 31, 2016**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$9,638.00	\$6,940.50	\$15,314.00	\$441,445.00	\$2,160.00	\$8,071.00	\$5,611.00	\$16,896.00	\$506,075.50
ASHLEY	\$11,184.00	\$18,941.50	\$5,233.00	\$105,885.00	\$1,658.00	\$4,601.00	\$2,086.00	\$10,699.00	\$160,287.50
BAXTER	\$2,736.50	\$2,416.00	\$9,043.00	\$338,178.00	\$6,202.00	\$13,131.00	\$10,117.00	\$27,896.00	\$409,719.50
BENTON	\$5,767.00	\$3,554.00	\$36,773.00	\$918,467.00	\$11,866.00	\$52,897.00	\$24,058.00	\$115,439.00	\$1,168,821.00
BOONE	\$2,315.00	\$2,749.00	\$9,076.00	\$407,152.00	\$2,066.00	\$10,475.00	\$4,779.00	\$23,099.00	\$461,711.00
BRADLEY	\$1,349.00	\$2,260.50	\$1,878.00	\$111,300.00	\$676.00	\$2,136.00	\$2,102.00	\$7,474.00	\$129,175.50
CALHOUN	\$3,020.50	\$871.50	\$1,520.00	\$44,453.00	\$384.00	\$1,151.00	\$651.00	\$2,162.00	\$54,213.00
CARROLL	\$331.00	\$1,109.00	\$9,822.00	\$232,743.00	\$1,934.00	\$7,071.00	\$2,601.00	\$13,917.00	\$269,528.00
CHICOT	\$9,606.50	\$5,730.50	\$3,997.00	\$156,145.00	\$4,014.00	\$16,554.00	\$5,934.00	\$38,247.00	\$240,228.00
CLARK	\$3,532.50	\$2,019.50	\$18,410.00	\$291,232.00	\$1,654.00	\$6,296.00	\$4,758.00	\$14,402.00	\$342,304.00
CLAY	\$302.50	\$34.00	\$1,461.00	\$86,400.00	\$464.00	\$1,721.00	\$1,699.00	\$4,437.00	\$96,518.50
CLEBURNE	\$1,383.50	\$890.00	\$22,123.00	\$251,784.00	\$2,782.00	\$10,062.00	\$11,573.00	\$20,444.00	\$321,041.50
CLEVELAND	\$317.50	\$275.00	\$1,053.00	\$58,096.00	\$152.00	\$879.00	\$737.00	\$2,131.00	\$63,640.50
COLUMBIA	\$13,514.00	\$8,119.00	\$26,577.00	\$298,375.00	\$1,964.00	\$5,774.00	\$2,537.00	\$13,036.00	\$369,896.00
CONWAY	\$4,343.00	\$1,934.00	\$10,361.00	\$427,686.00	\$1,532.00	\$9,169.00	\$7,855.00	\$18,871.00	\$481,751.00
CRAIGHEAD	\$8,717.50	\$5,519.50	\$31,966.00	\$1,173,151.00	\$5,402.00	\$25,274.00	\$15,752.00	\$55,710.00	\$1,321,492.00
CRAWFORD	\$1,618.00	\$741.00	\$12,109.00	\$326,515.00	\$3,280.00	\$16,449.00	\$10,070.00	\$33,713.00	\$404,495.00
CRITTENDEN	\$19,408.50	\$11,635.50	\$7,039.00	\$504,578.00	\$5,490.00	\$22,029.00	\$8,929.00	\$54,641.00	\$633,750.00
CROSS	\$3,353.00	\$2,298.50	\$10,629.00	\$250,461.00	\$974.00	\$4,849.00	\$3,025.00	\$9,767.00	\$285,356.50
DALLAS	\$1,465.00	\$517.50	\$3,248.00	\$129,659.00	\$404.00	\$2,842.00	\$2,620.00	\$5,151.00	\$145,906.50
DESHA	\$2,600.00	\$1,444.00	\$31,189.00	\$167,649.00	\$1,280.00	\$5,282.00	\$4,097.00	\$11,030.00	\$224,571.00
DREW	\$1,622.50	\$1,321.50	\$7,636.00	\$172,500.00	\$3,006.00	\$5,728.00	\$4,483.00	\$13,000.00	\$209,297.00
FAULKNER	\$10,285.00	\$5,923.50	\$49,216.00	\$1,036,725.00	\$9,014.00	\$35,519.00	\$29,661.00	\$74,906.00	\$1,251,249.50
FRANKLIN	\$465.50	\$360.00	\$15,752.00	\$151,927.00	\$1,280.00	\$5,572.00	\$3,372.00	\$11,956.00	\$190,684.50
FULTON	\$285.50	\$191.50	\$3,212.00	\$80,560.00	\$502.00	\$1,529.00	\$969.00	\$3,661.00	\$90,910.00
GARLAND	\$8,369.50	\$4,084.00	\$44,257.00	\$839,347.00	\$11,558.00	\$42,116.00	\$37,568.00	\$82,487.00	\$1,069,786.50
GRANT	\$736.00	\$141.50	\$2,972.00	\$112,259.00	\$1,576.00	\$3,802.00	\$3,411.00	\$8,994.00	\$133,891.50
GREENE	\$1,011.50	\$681.50	\$24,354.00	\$519,231.00	\$3,034.00	\$13,343.00	\$7,582.00	\$27,229.00	\$596,466.00
HEMPSTEAD	\$33,452.00	\$10,490.00	\$5,892.00	\$302,155.00	\$1,308.00	\$5,866.00	\$3,285.00	\$10,387.00	\$372,835.00
HOT SPRING	\$1,064.50	\$703.00	\$10,801.00	\$272,646.00	\$2,470.00	\$8,687.00	\$7,375.00	\$16,960.00	\$320,706.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
December 1 through December 31, 2016**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$19,989.00	\$8,959.50	\$3,061.00	\$174,209.00	\$920.00	\$4,074.00	\$2,334.00	\$6,834.00	\$220,380.50
INDEPENDENCE	\$3,666.00	\$1,239.50	\$46,089.00	\$505,672.00	\$2,172.00	\$11,658.00	\$8,993.00	\$25,142.00	\$604,631.50
IZARD	\$154.50	\$69.00	\$7,017.00	\$77,053.00	\$532.00	\$3,240.00	\$2,630.00	\$6,176.00	\$96,871.50
JACKSON	\$11,336.00	\$4,733.00	\$10,189.00	\$278,100.00	\$1,738.00	\$5,595.00	\$5,101.00	\$12,970.00	\$329,762.00
JEFFERSON	\$54,857.00	\$34,417.50	\$40,072.00	\$1,387,693.00	\$8,958.00	\$30,222.00	\$28,571.00	\$59,126.00	\$1,643,916.50
JOHNSON	\$894.00	\$392.50	\$7,489.00	\$212,715.00	\$1,662.00	\$5,895.00	\$4,325.00	\$12,450.00	\$245,822.50
LAFAYETTE	\$5,822.50	\$2,076.00	\$2,202.00	\$69,300.00	\$876.00	\$1,352.00	\$694.00	\$2,746.00	\$85,068.50
LAWRENCE	\$1,516.50	\$261.50	\$7,941.00	\$219,935.00	\$1,046.00	\$4,449.00	\$2,367.00	\$8,385.00	\$245,901.00
LEE	\$3,180.00	\$4,156.50	\$1,647.00	\$84,323.00	\$332.00	\$1,849.00	\$513.00	\$3,342.00	\$99,342.50
LINCOLN	\$313.50	\$362.00	\$4,366.00	\$85,498.00	\$642.00	\$2,176.00	\$2,402.00	\$4,618.00	\$100,377.50
LITTLE RIVER	\$3,719.50	\$2,799.00	\$5,589.00	\$87,515.00	\$480.00	\$2,950.00	\$1,137.00	\$5,075.00	\$109,264.50
LOGAN	\$1,344.50	\$355.00	\$6,040.00	\$192,706.00	\$1,128.00	\$5,808.00	\$3,921.00	\$13,149.00	\$224,451.50
LONOKE	\$15,042.50	\$4,663.50	\$27,871.00	\$929,222.00	\$6,554.00	\$25,996.00	\$20,236.00	\$53,246.00	\$1,082,831.00
MADISON	\$139.50	\$5.00	\$1,459.00	\$73,903.00	\$704.00	\$3,110.00	\$1,399.00	\$6,392.00	\$87,111.50
MARION	\$2,151.50	\$481.00	\$4,911.00	\$137,854.00	\$2,262.00	\$4,548.00	\$3,468.00	\$9,992.00	\$165,667.50
MILLER	\$22,002.50	\$11,905.50	\$19,148.00	\$459,511.00	\$3,146.00	\$10,850.00	\$4,779.00	\$19,815.00	\$551,157.00
MISSISSIPPI	\$40,931.00	\$15,250.00	\$8,602.00	\$445,486.00	\$2,056.00	\$9,523.00	\$4,224.00	\$20,181.00	\$546,253.00
MONROE	\$2,051.00	\$1,141.50	\$2,928.00	\$136,455.00	\$652.00	\$3,337.00	\$2,371.00	\$8,061.00	\$156,996.50
MONTGOMERY	\$7.00	\$1.00	\$1,350.00	\$20,564.00	\$500.00	\$1,541.00	\$994.00	\$3,020.00	\$27,977.00
NEVADA	\$1,632.00	\$1,820.00	\$5,584.00	\$169,987.00	\$1,178.00	\$2,851.00	\$1,717.00	\$5,227.00	\$189,996.00
NEWTON	\$42.00	\$24.00	\$3,324.00	\$44,074.00	\$180.00	\$1,339.00	\$778.00	\$1,878.00	\$51,639.00
OUACHITA	\$10,448.00	\$5,190.50	\$7,014.00	\$493,829.00	\$1,632.00	\$6,838.00	\$5,850.00	\$16,225.00	\$547,026.50
PERRY	\$618.00	\$524.50	\$1,068.00	\$82,500.00	\$388.00	\$3,270.00	\$1,534.00	\$5,943.00	\$95,845.50
PHILLIPS	\$7,515.00	\$5,280.50	\$938.00	\$179,456.00	\$2,534.00	\$10,463.00	\$3,844.00	\$25,521.00	\$235,551.50
PIKE	\$762.00	\$94.00	\$12,015.00	\$88,154.00	\$722.00	\$3,239.00	\$2,929.00	\$6,840.00	\$114,755.00
POINSETT	\$6,322.50	\$1,126.50	\$14,724.00	\$406,944.00	\$1,230.00	\$7,347.00	\$4,867.00	\$16,841.00	\$459,402.00
POLK	\$665.50	\$37.00	\$7,848.00	\$106,872.00	\$1,376.00	\$5,728.00	\$3,421.00	\$12,211.00	\$138,158.50
POPE	\$2,683.50	\$1,678.00	\$18,704.00	\$701,996.00	\$4,480.00	\$20,828.00	\$14,126.00	\$43,473.00	\$807,968.50
PRAIRIE	\$2,000.00	\$802.50	\$6,496.00	\$161,473.00	\$556.00	\$2,997.00	\$1,811.00	\$6,134.00	\$182,269.50
PULASKI	\$111,199.00	\$90,133.00	\$200,968.00	\$5,486,855.00	\$51,502.00	\$174,742.00	\$146,765.00	\$334,238.00	\$6,596,402.00
RANDOLPH	\$45.00	\$337.00	\$5,663.00	\$180,000.00	\$1,210.00	\$3,759.00	\$2,431.00	\$8,397.00	\$201,842.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
December 1 through December 31, 2016**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$10,358.50	\$10,557.50	\$3,416.00	\$309,851.00	\$1,636.00	\$7,790.00	\$3,318.00	\$17,161.00	\$364,088.00
SALINE	\$9,388.50	\$5,653.00	\$40,678.00	\$1,021,100.00	\$10,332.00	\$35,479.00	\$31,570.00	\$74,068.00	\$1,228,268.50
SCOTT	\$334.00	\$47.50	\$3,497.00	\$74,648.00	\$576.00	\$2,929.00	\$1,362.00	\$6,261.00	\$89,654.50
SEARCY	\$76.00	\$337.50	\$1,528.00	\$101,400.00	\$738.00	\$2,036.00	\$1,552.00	\$4,487.00	\$112,154.50
SEBASTIAN	\$20,479.00	\$6,561.50	\$13,287.00	\$690,456.00	\$9,032.00	\$43,809.00	\$23,601.00	\$91,680.00	\$898,905.50
SEVIER	\$2,508.00	\$754.50	\$1,069.00	\$108,739.00	\$844.00	\$4,207.00	\$1,258.00	\$7,823.00	\$127,202.50
SHARP	\$783.50	\$254.00	\$19,074.00	\$209,529.00	\$1,524.00	\$5,631.00	\$4,353.00	\$12,002.00	\$253,150.50
STONE	\$1,396.00	\$378.50	\$3,990.00	\$67,962.00	\$852.00	\$2,877.00	\$3,174.00	\$6,170.00	\$86,799.50
UNION	\$60,879.50	\$24,340.00	\$23,259.00	\$765,152.00	\$4,562.00	\$13,780.00	\$7,914.00	\$30,221.00	\$930,107.50
VAN BUREN	\$798.00	\$528.50	\$8,316.00	\$141,578.00	\$958.00	\$4,758.00	\$4,141.00	\$9,918.00	\$170,995.50
WASHINGTON	\$16,940.00	\$6,090.50	\$28,720.00	\$1,295,535.00	\$13,246.00	\$57,857.00	\$32,029.00	\$116,713.00	\$1,567,130.50
WHITE	\$8,272.50	\$3,915.00	\$51,045.00	\$983,296.00	\$5,576.00	\$22,262.00	\$17,437.00	\$46,481.00	\$1,138,284.50
WOODRUFF	\$3,434.00	\$1,259.00	\$2,478.00	\$79,157.00	\$416.00	\$2,026.00	\$1,427.00	\$4,486.00	\$94,683.00
YELL	\$868.00	\$185.00	\$16,816.00	\$248,963.00	\$942.00	\$5,927.00	\$3,864.00	\$11,746.00	\$289,311.00

<b>GRAND TOTALS</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Fast Play</b>	<b>*Instant Settlements</b>	<b>*Lucky for Life</b>	<b>*Mega Millions</b>	<b>*Natural State Jackpot</b>	<b>*Powerball</b>	<b>*Total Sales</b>
	\$633,360.50	\$365,074.50	\$1,142,403.00	\$29,985,924.00	\$244,668.00	\$941,817.00	\$656,829.00	\$1,951,607.00	\$35,921,683.00

\*Estimates

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Total Number of Active Retailers  
December 2016**

There were 1,930 active retailers as of December 31, 2016.



**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Net Position**  
**December 31, 2016**

**ASSETS**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 3,785,715.29
Restricted assets:	
Cash and cash equivalents	36,590,543.41
Accounts receivable	11,481,797.73
Prepaid items	36,145.04
Total current assets	<u>51,894,201.47</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,151,634.01
Deposits with Multi-State Lottery Association	1,903,689.97
Capital assets (Net of accumulated depreciation)	414,228.87
Total non-current assets	<u>22,469,552.85</u>
 Total assets	 74,363,754.32
<b>Deferred outflows of resources:</b>	
Related to pension	<u>1,130,744.92</u>
 Total assets and deferred outflows of resources	 <u>\$ 75,494,499.24</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 71,309.65
Prizes payable	15,502,466.56
Accrued and other liabilities	2,550,689.87
Due to other funds of the State	409,357.25
Payable to ADHE for Education Trust Account	31,556,927.26
Compensated absences	302,312.02
Unearned revenue	222,656.68
Total current liabilities	<u>50,615,719.29</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	2,187,579.19
Net pension liability	4,144,582.00
Total long-term liabilities	<u>6,332,161.19</u>
 Total liabilities	 56,947,880.48
<b>Deferred inflows of resources:</b>	
Related to pension	<u>665,543.75</u>
 Total liabilities and deferred inflows of resources	 <u>57,613,424.23</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	414,228.87
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	151,634.01
Retailer bond reserve	314,212.55
Deposits with Multi-State Lottery Association	1,903,689.97
Unclaimed prizes reserve	5,033,616.15
Unrestricted (deficit)	<u>(9,936,306.54)</u>
 Total net position	 <u>17,881,075.01</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 75,494,499.24</u>

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Revenues, Expenses and Change in Net Position**  
**For the Six Months Ended December 31, 2016**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 29,350,407.00	\$ 171,646,989.00
Online ticket sales	5,949,358.50	40,812,479.00
Retailer application, fidelity, bond and service fees	51,917.85	436,310.84
Other revenue	476.00	2,161.02
	<u>35,352,159.35</u>	<u>212,897,939.86</u>
Total operating revenues		212,897,939.86
<b>Operating expenses:</b>		
Instant game prizes	20,470,389.62	121,659,421.19
Online game prizes	3,283,788.93	21,327,701.28
Retailer commissions	1,997,410.78	11,933,658.53
Gaming contract costs	1,453,311.07	9,112,977.78
Compensation and benefits	421,234.40	2,500,117.44
Marketing, advertising and promotions	504,219.12	3,092,806.25
General and administrative expenses	268,216.90	1,675,466.83
Services provided by Arkansas Department of Higher Education	36,666.00	219,996.00
Audit services provided by Arkansas Legislative Audit	12,000.00	72,000.00
Legal and professional services	154.72	494.44
Depreciation	7,965.82	48,209.14
	<u>28,455,357.36</u>	<u>171,642,848.88</u>
Total operating expenses		171,642,848.88
Operating income (1)	6,896,801.99	41,255,090.98
<b>Non-operating revenue:</b>		
Interest income	45,115.53	172,477.44
	<u>45,115.53</u>	<u>172,477.44</u>
Income before transfers	6,941,917.52	41,427,568.42
<b>Transfers to:</b>		
Education Trust Account (2)	(4,596,532.22)	(36,318,729.94)
Shortfall Account to EducationTrust Account	<u>                        </u>	<u>                        </u>
Change in net position	<u>\$ 2,345,385.30</u>	5,108,838.48
Total net position - beginning		12,772,236.53
Total net position - ending		<u>\$ 17,881,075.01</u>

1) Includes all GAAP related accounting items including unclaimed prizes.

2) Reflects adjustment of sales and prizes expense to a modified cash basis and does not include unclaimed prizes.

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Revenues and Expenses**  
**For the Six Months Ended December 31, 2016**

	<b>CM Actual</b>	<b>%</b>	<b>CM Budget</b>	<b>%</b>	<b>CM Variance</b>	<b>YTD Actual</b>	<b>%</b>	<b>YTD Budget</b>	<b>%</b>	<b>YTD Variance</b>
<b>Operating revenues:</b>										
Instant games	\$ 29,350,407.00	83.02	\$ 32,500,000.00	82.81	\$ (3,149,593.00)	\$ 171,646,989.00	80.62	\$ 180,810,000.00	82.26	\$ (9,163,011.00)
Online games	5,949,358.50	16.83	6,683,000.00	17.03	(733,641.50)	40,812,479.00	19.17	38,555,000.00	17.54	2,257,479.00
Retailer fees	51,917.85	0.15	63,000.00	0.16	(11,082.15)	436,310.84	0.20	434,000.00	0.20	2,310.84
Other revenue	<u>476.00</u>	0.00	<u>1,000.00</u>	0.00	<u>(524.00)</u>	<u>2,161.02</u>	0.00	<u>6,000.00</u>	0.00	<u>(3,838.98)</u>
Total operating revenues	<u>35,352,159.35</u>	100.00	<u>39,247,000.00</u>	100.00	<u>(3,894,840.65)</u>	<u>212,897,939.86</u>	100.00	<u>219,805,000.00</u>	100.00	<u>(6,907,060.14)</u>
<b>Operating expenses:</b>										
Instant game prizes	20,470,389.62	57.90	23,331,449.00	59.45	(2,861,059.38)	121,659,421.19	57.14	129,642,227.00	58.98	(7,982,805.81)
Online game prizes	3,283,788.93	9.29	3,595,551.00	9.16	(311,762.07)	21,327,701.28	10.02	20,654,473.00	9.40	673,228.28
Retailer commissions	1,997,410.78	5.65	2,236,000.00	5.70	(238,589.22)	11,933,658.53	5.61	12,518,800.00	5.70	(585,141.47)
Gaming contract costs	1,453,311.07	4.11	1,865,000.00	4.75	(411,688.93)	9,112,977.78	4.28	10,375,700.00	4.72	(1,262,722.22)
Compensation & benefits	421,234.40	1.19	438,300.00	1.12	(17,065.60)	2,500,117.44	1.17	2,609,900.00	1.19	(109,782.56)
Marketing, advertising & promotions	504,219.12	1.43	404,000.00	1.03	100,219.12	3,092,806.25	1.45	2,888,800.00	1.31	204,006.25
General and administrative expenses	268,216.90	0.76	371,900.00	0.95	(103,683.10)	1,675,466.83	0.79	2,144,200.00	0.98	(468,733.17)
Services provided by other agencies	48,666.00	0.14	35,000.00	0.09	13,666.00	291,996.00	0.14	340,000.00	0.15	(48,004.00)
Legal and professional service	154.72	0.00	1,700.00	0.00	(1,545.28)	494.44	0.00	10,000.00	0.00	(9,505.56)
Depreciation	<u>7,965.82</u>	0.02	<u>10,000.00</u>	0.03	<u>(2,034.18)</u>	<u>48,209.14</u>	0.02	<u>54,000.00</u>	0.02	<u>(5,790.86)</u>
Total operating expenses	<u>28,455,357.36</u>	80.49	<u>32,288,900.00</u>	82.27	<u>(3,833,542.64)</u>	<u>171,642,848.88</u>	80.62	<u>181,238,100.00</u>	82.45	<u>(9,595,251.12)</u>
Operating income	6,896,801.99	19.51	6,958,100.00	17.73	(61,298.01)	41,255,090.98	19.38	38,566,900.00	17.55	2,688,190.98
<b>Non-operating revenue:</b>										
Interest income	<u>45,115.53</u>	0.13	<u>9,500.00</u>	0.02	<u>35,615.53</u>	<u>172,477.44</u>	0.08	<u>58,000.00</u>	0.03	<u>114,477.44</u>
Income before transfers	<u>\$ 6,941,917.52</u>	19.64	<u>\$ 6,967,600.00</u>	17.75	<u>\$ (25,682.48)</u>	<u>\$ 41,427,568.42</u>	19.46	<u>\$ 38,624,900.00</u>	17.57	<u>\$ 2,802,668.42</u>

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Net Proceeds Transfer to Ed Trust Computation  
Modified Cash Basis  
For the Six Months Ended December 31, 2016**

	Year to date
<b>Operating revenues:</b>	
Instant ticket SETTLEMENTS	\$ 171,997,164.00
Online ticket sales	40,812,479.00
Retailer application, fidelity and service fees	436,310.84
Other revenue	<u>2,161.02</u>
<b>Total operating revenues</b>	<u><b>213,248,114.86</b></u>
<b>Operating expenses:</b>	
Instant game prizes SETTLEMENTS	123,032,226.00
Online game prizes	21,327,701.28
Retailer commissions	11,933,658.53
Gaming contract costs	9,112,977.78
Compensation and benefits	2,500,117.44
Marketing, advertising and promotions	3,092,806.25
General and administrative expenses	1,675,466.83
Services provided by ADHE	219,996.00
Services provided by Legislative Audit Agency	72,000.00
Legal and professional services	494.44
Current year Capital Asset cost	<u>86,020.75</u>
<b>Total operating expenses</b>	<u><b>173,053,465.30</b></u>
<b>Change in net proceeds from operations</b>	<b>40,194,649.56</b>
<b>Nonoperating revenue (expense):</b>	
Interest Income	172,477.44
Other Non-Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(31,722,197.72)
Less Act 1180 Unclaimed Prizes	(4,033,616.15)
Less Current year Fidelity Reserve Fees	(14,733.83) restricted reserves
Less Current year Bond Reserve Fees	(150,340.00) restricted reserves
Less Current year MUSL Reserves (additions) / reductions	(56,079.08) see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>206,372.00</u>

**NET PROCEEDS EARNED-Current Month** **\$ 4,596,532.22**

Totals	Transfer	Interest	Total
	\$ 30,526,874.40	\$ 1,030,052.86	\$ 31,556,927.26
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
September transfer to ADHE 9/11/15	\$ (33,000,000.00)		\$ (33,000,000.00)
Transfer from Shortfall Reserve 9/28/15	\$ 9,000,000.00		\$ 9,000,000.00
September transfer to ADHE 9/30/15	\$ (9,000,000.00)		\$ (9,000,000.00)
September 2015 funding - 10/15/15	\$ 6,620,285.47	\$ 4,681.64	\$ 6,624,967.11
June 2015 Final Adjustment - funding 10/15/15	\$ 201,027.87		\$ 201,027.87
Transfer to Shortfall Reserve 10/15/15	\$ (7,034,638.82)		\$ (7,034,638.82)
October 2015 funding - 11/15/15	\$ 6,020,616.60	\$ 25.72	\$ 6,020,642.32
ADHE Refund for excess scholarship funding 11/14	\$ 286,177.97		\$ 286,177.97
Transfer to Shortfall Reserve 11/15/15	(1,965,361.18)		(1,965,361.18)
November 2015 funding - 12/15/15	\$ 5,723,851.53	\$ 1,287.56	\$ 5,725,139.09
December 2015 funding - 1/15/16	\$ 6,421,742.32	\$ 4,012.34	\$ 6,425,754.66
January 2016 funding - 2/15/16	\$ 13,825,217.24	\$ 6,142.51	\$ 13,831,359.75
Transfer From Shortfall Reserve 2/8/16	\$ 4,676,287.39		\$ 4,676,287.39
Transfer to ADHE 2/9/16	\$ (35,000,000.00)		\$ (35,000,000.00)
February 2016 funding - 3/15/16	\$ 4,471,591.20	\$ 2,764.86	\$ 4,474,356.06
Transfer to Shortfall Reserve - 3/15/16	\$ (4,474,356.06)		\$ (4,474,356.06)
March 2016 funding - 4/15/16	\$ 5,758,892.51	\$ 0.33	\$ 5,758,892.84
Transfer to Shortfall Reserve - 4/15/16	\$ (201,931.33)		\$ (201,931.33)
April 2016 funding - 5/15/16	\$ 7,391,329.77	\$ 1,507.23	\$ 7,392,837.00
May 2016 funding - 6/15/16	\$ 6,601,034.42	\$ 5,130.52	\$ 6,606,164.94
June 2016 funding - 7/15/16	\$ 11,241,076.28	\$ 8,144.09	\$ 11,249,220.37
July 2016 funding - 8/15/16	\$ 8,702,788.19	\$ 11,598.20	\$ 8,714,386.39
August 2016 funding - 9/15/16	\$ 5,480,243.59	\$ 18,471.27	\$ 5,498,714.86
Transfer to ADHE 9/9/16	\$ (36,000,000.00)		\$ (36,000,000.00)
September 2016 funding - 10/15/16	\$ 5,765,568.30	\$ 7,508.12	\$ 5,773,076.42
ADHE Refund for excess scholarship funding for FY 2016	\$ 542,198.00		\$ 542,198.00
Transfer from ADHE (final 2016 Adj) -10/28/16	\$ (109,184.50)		\$ (109,184.50)
October 2016 funding - 11/15/16	\$ 5,158,748.07	\$ 6,292.47	\$ 5,165,040.54
November 2016 funding - 12/15/16	\$ 6,562,384.25	\$ 8,595.26	\$ 6,570,979.51
December 2016 funding - 1/15/17	\$ 4,576,676.57	19,855.65	4,596,532.22

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Unclaimed Prizes**  
**December 31, 2016**

	Monthly	Year to Date
Reserve Balance July 1, 2016		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 904,455.11	4,033,616.15
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 904,455.11	4,033,616.15
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance December 31, 2016		\$5,033,616.15

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
December 1 through December 31, 2016**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2016</b>	<b>FY 2017 Total</b>
A-Absolute Moving & Hauling	Moving/Hauling	CMBE		\$1,073.35
BSW Advertising	Advertising/Public Relations	FOB		\$36,561.33
Goddess Products	Office Furniture/Supplies	CMBE	\$953.04	\$13,426.80
Government Supply Services	Office Products	MBE		\$835.68
Party Prints	Advertising/Public Relations	CMBE		\$20,486.55
<b>Totals</b>			<b>\$953.04</b>	<b>\$72,383.71</b>

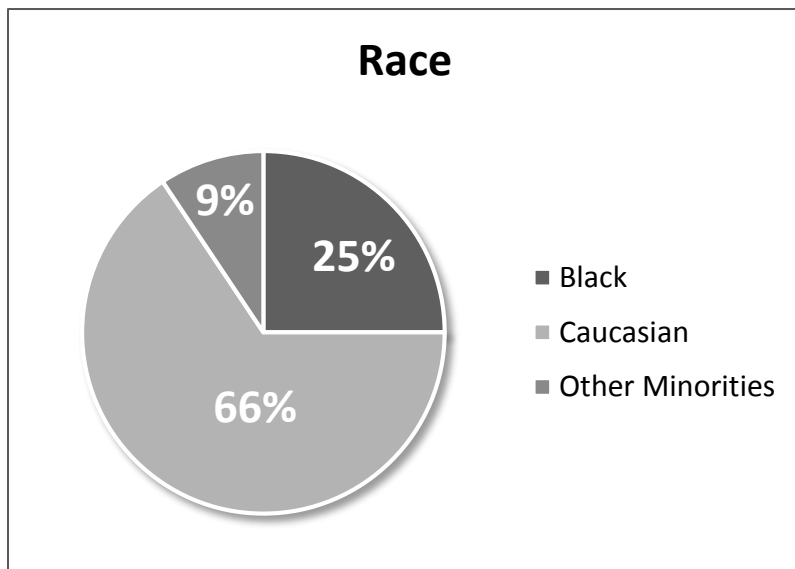
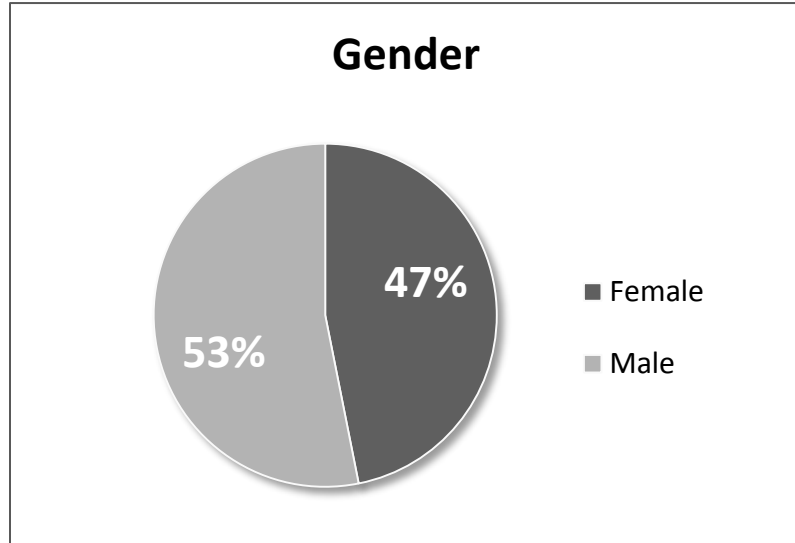
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
December 1 through December 31, 2016**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2016</b>	<b>FY 2017 Total</b>
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$8,462.00	\$46,541.00
<b>Totals</b>			<b>\$8,462.00</b>	<b>\$55,003.00</b>

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
December 1 through December 31, 2016**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2016</b>	<b>FY 2017 Total</b>
Expedited Transportation Services	Transportation Services	FOB	\$3,142.34	\$15,202.99
Ingage, LLC	Fulfillment Services and Prizes	FOB	\$27,935.33	\$109,426.67
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE		\$1,980.00
<b>Totals</b>			<b>\$31,077.67</b>	<b>\$126,609.66</b>

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Demographics – December 2016**



**Total Number of Employees as of December 31, 2016: 64**

**Gender:**

Females – 30  
Males – 34

**Race:**

Black – 16  
Caucasian – 42  
Other – 6

Female -- 10	Male -- 6
Female -- 17	Male -- 25
Female -- 3	Male -- 3

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

No issues or problems resulting from internal audits have been reported for the reporting period.



**DFA/Office of the Arkansas Lottery**  
**Instant & Fast Play Games**  
**December 2016**

There were no new Instant games that started sales in December, 2016.

Sales for the following Fast Play games began December 5, 2016. No ending dates have been determined for these games.

**\$1 Tic Tac Rock**

**\$2 Snowflake Melt**