



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>

June 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 May 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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**Department of Finance  
and Administration**

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June 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:

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 May 2015, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

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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**  
**May 1 through May 31, 2015**

On May 21, 2015, the Office of the Arkansas Lottery (OAL) and Pollard Banknote Limited (Pollard), entered into an agreement to engage Pollard as a non-exclusive provider of certain scratch-off lottery tickets to OAL. This agreement was reviewed by the Arkansas Legislative Council Lottery Oversight Subcommittee (ALCLOS) on May 14, 2015. The following information is provided:

- a. Date of Agreement: May 21, 2015.
- b. Terms of Agreement: May 21, 2015, through September 16, 2016.
- c. Vendor or other parties to the Agreement: Pollard Banknote Limited and the Office of the Arkansas Lottery.
- d. Value (cost or cost savings projected for the agreement): Pricing will depend on instant ticket product ordered (options and pricing list provided to ALCLOS).

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

**1. Debt Set-Off:**

a.	Arkansas Department of Finance and Administration	\$12,756.05
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$5,000.00</u>
	Total Debt Set-Off:	\$17,756.05

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

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

COUNTY	INSTANTS	CASH 3	CASH 4	POWERBALL	MEGA MILLIONS	NATURAL STATE JACKPOT	LUCKY FOR LIFE	FAST PLAY	TOTAL SALES FOR COUNTY
ARKANSAS	\$397,019.00	\$8,321.50	\$6,575.00	\$16,058.00	\$11,901.00	\$3,887.00	\$3,098.00	\$8,115.00	\$454,974.50
ASHLEY	\$122,322.00	\$9,242.50	\$8,483.50	\$12,384.00	\$7,551.00	\$1,603.00	\$1,592.00	\$3,617.00	\$166,795.00
BAXTER	\$369,815.00	\$4,739.50	\$1,194.50	\$27,276.00	\$19,280.00	\$8,066.00	\$5,502.00	\$9,275.00	\$445,148.00
BENTON	\$911,444.00	\$6,664.00	\$3,714.50	\$113,774.00	\$99,592.00	\$15,753.00	\$15,514.00	\$27,081.00	\$1,193,536.50
BOONE	\$400,771.00	\$1,930.50	\$2,362.00	\$22,359.00	\$19,214.00	\$3,526.00	\$2,782.00	\$17,096.00	\$470,040.50
BRADLEY	\$128,100.00	\$1,358.00	\$1,340.00	\$4,386.00	\$3,454.00	\$1,633.00	\$1,204.00	\$1,962.00	\$143,437.00
CALHOUN	\$39,686.00	\$1,759.00	\$831.00	\$1,798.00	\$1,440.00	\$579.00	\$562.00	\$776.00	\$47,431.00
CARROLL	\$247,360.00	\$1,902.50	\$2,620.50	\$15,558.00	\$14,091.00	\$2,362.00	\$2,180.00	\$5,570.00	\$291,644.00
CHICOT	\$129,013.00	\$8,867.50	\$5,440.00	\$40,523.00	\$25,928.00	\$4,919.00	\$3,832.00	\$1,392.00	\$219,914.50
CLARK	\$306,176.00	\$2,966.00	\$1,582.50	\$16,687.00	\$13,019.00	\$4,509.00	\$2,638.00	\$11,784.00	\$359,361.50
CLAY	\$86,270.00	\$194.50	\$84.50	\$4,312.00	\$2,954.00	\$817.00	\$658.00	\$1,398.00	\$96,688.00
CLEBURNE	\$259,771.00	\$1,175.50	\$924.50	\$20,368.00	\$17,745.00	\$8,087.00	\$4,434.00	\$10,821.00	\$323,326.00
CLEVELAND	\$49,471.00	\$376.50	\$543.50	\$2,676.00	\$2,028.00	\$524.00	\$296.00	\$2,031.00	\$57,946.00
COLUMBIA	\$228,352.00	\$13,147.00	\$10,854.00	\$12,087.00	\$8,207.00	\$2,395.00	\$2,924.00	\$18,381.00	\$296,347.00
CONWAY	\$445,568.00	\$5,807.00	\$2,210.00	\$19,987.00	\$16,668.00	\$5,389.00	\$3,278.00	\$10,287.00	\$509,194.00
CRAIGHEAD	\$1,119,707.00	\$9,088.00	\$4,508.00	\$60,354.00	\$48,174.00	\$11,980.00	\$8,770.00	\$31,915.00	\$1,294,496.00
CRAWFORD	\$304,250.00	\$1,615.50	\$633.00	\$35,720.00	\$33,050.00	\$6,880.00	\$5,666.00	\$6,581.00	\$394,395.50
CRITTENDEN	\$496,851.00	\$17,164.00	\$13,449.00	\$61,095.00	\$45,944.00	\$8,055.00	\$6,366.00	\$7,593.00	\$656,517.00
CROSS	\$201,265.00	\$2,268.50	\$1,453.00	\$9,315.00	\$7,778.00	\$1,799.00	\$1,226.00	\$7,852.00	\$232,956.50
DALLAS	\$108,169.00	\$2,249.50	\$574.50	\$5,401.00	\$4,002.00	\$1,202.00	\$1,048.00	\$3,550.00	\$126,196.00
DESHA	\$157,087.00	\$2,409.50	\$1,338.50	\$11,786.00	\$8,944.00	\$2,997.00	\$1,504.00	\$2,802.00	\$188,868.00
DREW	\$187,513.00	\$1,727.00	\$1,064.50	\$12,444.00	\$8,337.00	\$2,760.00	\$1,832.00	\$4,807.00	\$220,484.50
FAULKNER	\$1,011,014.00	\$13,403.50	\$7,206.00	\$71,068.00	\$57,712.00	\$17,939.00	\$13,356.00	\$31,282.00	\$1,222,980.50
FRANKLIN	\$136,345.00	\$412.00	\$145.00	\$11,954.00	\$11,272.00	\$2,418.00	\$1,696.00	\$3,556.00	\$167,798.00
FULTON	\$57,803.00	\$322.00	\$272.50	\$4,541.00	\$2,761.00	\$827.00	\$596.00	\$1,147.00	\$68,269.50
GARLAND	\$886,530.00	\$7,882.50	\$5,840.50	\$83,390.00	\$69,164.00	\$27,644.00	\$17,180.00	\$39,891.00	\$1,137,522.00
GRANT	\$129,688.00	\$312.00	\$261.00	\$9,071.00	\$6,707.00	\$2,567.00	\$1,990.00	\$2,768.00	\$153,364.00
GREENE	\$524,482.00	\$919.00	\$556.00	\$25,406.00	\$20,258.00	\$4,869.00	\$3,982.00	\$4,998.00	\$585,470.00
HEMPSTEAD	\$327,435.00	\$31,513.50	\$8,346.50	\$11,365.00	\$10,498.00	\$2,894.00	\$1,776.00	\$5,843.00	\$399,671.00
HOT SPRING	\$306,585.00	\$1,005.00	\$594.00	\$18,436.00	\$15,342.00	\$6,000.00	\$4,108.00	\$5,288.00	\$357,358.00

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

COUNTY	INSTANTS	CASH 3	CASH 4	POWERBALL	MEGA MILLIONS	NATURAL STATE JACKPOT	LUCKY FOR LIFE	FAST PLAY	TOTAL SALES FOR COUNTY
HOWARD	\$188,707.00	\$19,198.00	\$6,233.50	\$6,797.00	\$6,469.00	\$1,992.00	\$1,580.00	\$6,380.00	\$237,356.50
INDEPENDENCE	\$512,462.00	\$2,800.50	\$609.50	\$23,921.00	\$19,301.00	\$6,993.00	\$4,036.00	\$23,671.00	\$593,794.00
IZARD	\$65,168.00	\$208.50	\$190.50	\$5,348.00	\$3,926.00	\$1,277.00	\$834.00	\$3,312.00	\$80,264.00
JACKSON	\$258,954.00	\$9,367.00	\$3,473.00	\$12,571.00	\$11,137.00	\$4,389.00	\$2,896.00	\$6,892.00	\$309,679.00
JEFFERSON	\$1,333,478.00	\$42,870.00	\$29,106.00	\$57,932.00	\$48,210.00	\$19,635.00	\$12,362.00	\$44,118.00	\$1,587,711.00
JOHNSON	\$227,670.00	\$594.50	\$208.00	\$13,617.00	\$10,670.00	\$2,908.00	\$1,778.00	\$5,761.00	\$263,206.50
LAFAYETTE	\$61,500.00	\$4,673.00	\$1,700.00	\$2,914.00	\$1,937.00	\$709.00	\$690.00	\$1,913.00	\$76,036.00
LAWRENCE	\$225,253.00	\$991.00	\$294.00	\$8,136.00	\$6,445.00	\$1,468.00	\$1,524.00	\$9,600.00	\$253,711.00
LEE	\$60,723.00	\$1,929.50	\$1,609.50	\$3,281.00	\$2,836.00	\$272.00	\$540.00	\$1,552.00	\$72,743.00
LINCOLN	\$87,000.00	\$447.50	\$179.50	\$5,040.00	\$3,535.00	\$2,135.00	\$1,056.00	\$5,505.00	\$104,898.00
LITTLE RIVER	\$90,753.00	\$3,325.00	\$2,256.50	\$4,634.00	\$4,957.00	\$1,119.00	\$824.00	\$610.00	\$108,478.50
LOGAN	\$179,202.00	\$992.00	\$301.50	\$13,720.00	\$10,011.00	\$2,523.00	\$1,918.00	\$3,936.00	\$212,603.50
LONOKE	\$856,565.00	\$9,008.00	\$7,917.50	\$55,863.00	\$47,976.00	\$14,254.00	\$9,604.00	\$27,218.00	\$1,028,405.50
MADISON	\$71,161.00	\$129.00	\$3.00	\$6,092.00	\$5,191.00	\$774.00	\$958.00	\$1,217.00	\$85,525.00
MARION	\$157,480.00	\$1,774.50	\$489.50	\$11,218.00	\$7,732.00	\$3,210.00	\$2,132.00	\$3,377.00	\$187,413.00
MILLER	\$382,379.00	\$24,417.00	\$9,729.50	\$20,057.00	\$20,742.00	\$4,709.00	\$2,774.00	\$3,776.00	\$468,583.50
MISSISSIPPI	\$498,082.00	\$49,527.50	\$37,272.00	\$23,808.00	\$18,766.00	\$4,350.00	\$2,696.00	\$7,329.00	\$641,830.50
MONROE	\$145,748.00	\$3,618.00	\$1,520.50	\$10,024.00	\$7,031.00	\$1,598.00	\$1,172.00	\$2,447.00	\$173,158.50
MONTGOMERY	\$18,900.00	\$26.50		\$3,153.00	\$2,534.00	\$615.00	\$644.00	\$2,372.00	\$28,244.50
NEVADA	\$180,954.00	\$2,650.50	\$702.00	\$6,019.00	\$5,413.00	\$990.00	\$1,286.00	\$3,468.00	\$201,482.50
NEWTON	\$47,996.00	\$18.50	\$5.00	\$2,051.00	\$1,608.00	\$541.00	\$510.00	\$1,637.00	\$54,366.50
OUACHITA	\$441,381.00	\$10,277.50	\$5,453.50	\$15,394.00	\$13,077.00	\$4,064.00	\$3,622.00	\$11,343.00	\$504,612.00
PERRY	\$96,300.00	\$607.00	\$386.50	\$5,196.00	\$4,530.00	\$1,311.00	\$646.00	\$860.00	\$109,836.50
PHILLIPS	\$173,392.00	\$8,585.00	\$4,117.50	\$25,256.00	\$20,365.00	\$2,403.00	\$2,264.00	\$900.00	\$237,282.50
PIKE	\$89,816.00	\$636.00	\$93.50	\$6,278.00	\$4,310.00	\$1,869.00	\$1,476.00	\$9,055.00	\$113,533.50
POINSETT	\$358,744.00	\$5,859.50	\$1,366.00	\$15,833.00	\$12,559.00	\$4,005.00	\$2,070.00	\$16,972.00	\$417,408.50
POLK	\$121,144.00	\$562.00	\$153.00	\$11,001.00	\$9,023.00	\$2,081.00	\$2,170.00	\$7,219.00	\$153,353.00
POPE	\$710,463.00	\$4,551.50	\$2,526.50	\$45,464.00	\$37,870.00	\$10,124.00	\$6,242.00	\$9,342.00	\$826,583.00
PRAIRIE	\$169,807.00	\$1,420.50	\$600.00	\$6,505.00	\$5,033.00	\$777.00	\$904.00	\$5,026.00	\$190,072.50
PULASKI	\$5,536,854.00	\$116,289.00	\$74,072.00	\$352,500.00	\$314,456.00	\$106,948.00	\$66,872.00	\$179,439.00	\$6,747,430.00
RANDOLPH	\$159,335.00	\$77.50	\$334.50	\$6,845.00	\$5,556.00	\$1,745.00	\$1,396.00	\$3,585.00	\$178,874.00

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

COUNTY	INSTANTS	CASH 3	CASH 4	POWERBALL	MEGA MILLIONS	NATURAL STATE JACKPOT	LUCKY FOR LIFE	FAST PLAY	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$221,651.00	\$8,812.00	\$6,463.50	\$15,954.00	\$12,303.00	\$1,914.00	\$2,028.00	\$4,136.00	\$273,261.50
SALINE	\$973,472.00	\$7,633.00	\$4,607.00	\$74,334.00	\$59,468.00	\$20,218.00	\$11,808.00	\$38,418.00	\$1,189,958.00
SCOTT	\$95,138.00	\$133.00	\$111.00	\$6,012.00	\$4,762.00	\$1,454.00	\$918.00	\$1,974.00	\$110,502.00
SEARCY	\$68,661.00	\$332.00	\$608.00	\$4,098.00	\$3,279.00	\$1,070.00	\$708.00	\$1,411.00	\$80,167.00
SEBASTIAN	\$678,612.00	\$21,846.00	\$6,094.00	\$88,606.00	\$78,317.00	\$16,806.00	\$13,682.00	\$11,816.00	\$915,779.00
SEVIER	\$107,660.00	\$3,252.00	\$704.00	\$7,545.00	\$6,822.00	\$1,048.00	\$1,236.00	\$2,403.00	\$130,670.00
SHARP	\$209,542.00	\$585.00	\$177.50	\$11,438.00	\$8,291.00	\$3,654.00	\$1,836.00	\$12,927.00	\$248,450.50
STONE	\$81,036.00	\$1,337.00	\$248.50	\$5,859.00	\$4,459.00	\$1,883.00	\$1,276.00	\$3,172.00	\$99,270.50
UNION	\$777,064.00	\$49,958.50	\$22,606.00	\$32,750.00	\$26,848.00	\$6,656.00	\$5,914.00	\$14,152.00	\$935,948.50
VAN BUREN	\$147,819.00	\$1,290.50	\$294.00	\$9,593.00	\$7,408.00	\$2,536.00	\$1,426.00	\$6,177.00	\$176,543.50
WASHINGTON	\$1,277,084.00	\$16,964.50	\$5,589.00	\$127,722.00	\$118,171.00	\$23,436.00	\$18,196.00	\$33,174.00	\$1,620,336.50
WHITE	\$945,546.00	\$5,898.00	\$3,643.00	\$41,878.00	\$35,680.00	\$11,797.00	\$7,730.00	\$40,571.00	\$1,092,743.00
WOODRUFF	\$91,169.00	\$3,072.50	\$397.50	\$4,634.00	\$3,619.00	\$1,506.00	\$916.00	\$557.00	\$105,871.00
YELL	\$195,423.00	\$444.50	\$70.00	\$10,187.00	\$9,462.00	\$3,304.00	\$1,746.00	\$7,554.00	\$228,190.50

<b>GRAND TOTALS</b>	<b>*Instants</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Powerball</b>	<b>*Mega Millions</b>	<b>*Natural State Jackpot</b>	<b>*Lucky for Life</b>	<b>*Fast Play</b>	<b>*Totals</b>
	\$29,453,110.00	\$609,733.00	\$339,518.50	\$1,988,657.00	\$1,665,110.00	\$473,950.00	\$330,486.00	\$877,733.00	\$35,738,297.50

\*Estimates

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

There were 1,894 active retailers as of May 31, 2015.



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

**ASSETS**

<b>Current assets:</b>	
Cash and Cash Equivalents	\$ 3,626,041.21
Restricted Assets:	
Cash and cash equivalents	19,153,051.53
Accounts receivable	11,209,703.90
Prepaid items	<u>13,596.13</u>
Total current assets	<u>34,002,392.77</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,112,867.80
Deposits with Multi-State Lottery Association	1,762,386.37
Capital assets:	
Equipment	540,412.10
Leasehold Improvements	492,795.71
Less accumulated depreciation	<u>(885,013.50)</u>
Total non-current assets	<u>22,023,448.48</u>
Total assets	<u>\$ 56,025,841.25</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 1,256,555.84
Prizes payable	21,574,589.74
Accrued and other liabilities	993,031.48
Due to other funds of the State	705,059.99
Payable to Arkansas Department of Higher Education	13,686,842.47
Compensated absences	293,767.63
Unearned revenue	<u>329,285.84</u>
Total current liabilities	<u>38,839,132.99</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	<u>1,601,507.76</u>
Total long-term liabilities	<u>1,601,507.76</u>
Total liabilities	<u>40,440,640.75</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	148,194.31
Restricted for:	
Scholarship shortfall reserve trust fund	20,000,000.00
Retailer fidelity fund	112,867.80
Deposits with Multi-State Lottery Assn.	1,762,386.37
Unclaimed prizes reserve	5,466,209.06
Unrestricted	<u>(11,904,457.04)</u>
Total net position	<u>15,585,200.50</u>
Total liabilities & net position	<u>\$ 56,025,841.25</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 Eleven Months Ended May 31, 2015**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 29,406,376.00	\$ 306,694,414.50
Online ticket sales	6,230,109.50	68,195,390.50
Retailer application, fidelity and service fees	51,608.00	509,427.82
Other revenue	942.60	19,883.15
	<u>35,689,036.10</u>	<u>375,419,115.97</u>
<b>Operating expenses:</b>		
Instant game prizes	21,556,441.58	221,564,684.15
Online game prizes	3,533,900.68	35,899,495.01
Retailer commissions	2,063,837.04	21,229,090.87
Gaming contract costs	1,854,548.46	18,980,523.52
Compensation and benefits	424,573.64	5,193,005.90
Marketing, advertising and promotions	416,364.38	4,456,517.40
General and administrative expenses	81,901.75	1,171,621.23
Services provided by ADHE	62,500.00	687,500.00
Services provided by Legislative Audit Agency	-	129,959.99
Legal and professional services	524.28	12,221.52
Depreciation	10,617.01	144,074.58
	<u>30,005,208.82</u>	<u>309,468,694.17</u>
Total operating expenses	<u>30,005,208.82</u>	<u>309,468,694.17</u>
Operating income	5,683,827.28	65,950,421.80
<b>Non-operating revenue (expense):</b>		
Interest income	<u>17,285.08</u>	<u>203,458.84</u>
Income before transfers	5,701,112.36	66,153,880.64
<b>Transfers to:</b>		
Education Trust Account	(5,409,050.48)	(64,171,317.48)
Shortfall Account to Trust Account for ADHE		
Arkansas Department of Human Services		<u>(200,000.00)</u>
Change in net position	<u>\$ 292,061.88</u>	1,782,563.16
Total net position - beginning		13,802,637.34
Total net position - ending		<u>\$ 15,585,200.50</u>

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

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$ 29,406,376.00	82.40	\$ 28,452,271.49	79.88	\$ 954,104.51	\$ 306,694,414.50	81.69	\$ 306,464,339.42	79.68	\$ 230,075.08
OnLine Games	6,230,109.50	17.46	7,117,760.51	19.98	(887,651.01)	68,195,390.50	18.17	77,638,782.58	20.19	(9,443,392.08)
Retailer application, fidelity	51,608.00	0.14	47,000.00	0.13	4,608.00	509,427.82	0.14	513,000.00	0.13	(3,572.18)
Other Revenue	942.60	0.00	800.00	0.00	142.60	19,883.15	0.01	9,100.00	0.00	10,783.15
<b>Total Operating Revenues</b>	<b>35,689,036.10</b>	<b>100.00</b>	<b>35,617,832.00</b>	<b>100.00</b>	<b>71,204.10</b>	<b>375,419,115.97</b>	<b>100.00</b>	<b>384,625,222.00</b>	<b>100.00</b>	<b>(9,206,106.03)</b>
Operating Expenses										
Instant Game Prizes	21,556,441.58	60.40	20,275,577.02	56.93	1,280,864.56	221,564,684.15	59.02	218,247,966.42	56.74	3,316,717.73
On-Line Game Prizes	3,533,900.68	9.90	3,745,143.98	10.51	(211,243.30)	35,899,495.01	9.56	41,046,945.58	10.67	(5,147,450.57)
Retailer Commissions	2,063,837.04	5.78	1,991,927.00	5.59	71,910.04	21,229,090.87	5.65	21,509,832.00	5.59	(280,741.13)
Gaming Contract Costs	1,854,548.46	5.20	1,752,092.00	4.92	102,456.46	18,980,523.52	5.06	18,919,971.00	4.92	60,552.52
Staff Compensation & Benefits	424,573.64	1.19	516,782.00	1.45	(92,208.36)	5,193,005.90	1.38	5,760,042.00	1.50	(567,036.10)
Marketing, Advertising & Promo	416,364.38	1.17	416,667.00	1.17	(302.62)	4,456,517.40	1.19	4,583,333.00	1.19	(126,815.60)
General and administrative exp	81,901.75	0.23	114,167.00	0.32	(32,265.25)	1,171,621.23	0.31	1,305,834.00	0.34	(134,212.77)
Services Provided by Other Age	62,500.00	0.18	66,667.00	0.19	(4,167.00)	817,459.99	0.22	733,333.00	0.19	84,126.99
Legal and Professional Service	524.28	0.00	800.00	0.00	(275.72)	12,221.52	0.00	9,200.00	0.00	3,021.52
Capital asset depreciation	10,617.01	0.03	17,600.00	0.05	(6,982.99)	144,074.58	0.04	192,400.00	0.05	(48,325.42)
<b>Total Operating Expenses</b>	<b>30,005,208.82</b>	<b>84.07</b>	<b>28,897,423.00</b>	<b>81.13</b>	<b>1,107,785.82</b>	<b>309,468,694.17</b>	<b>82.43</b>	<b>312,308,857.00</b>	<b>81.20</b>	<b>(2,840,162.83)</b>
Operating Income	5,683,827.28	15.93	6,720,409.00	18.87	(1,036,581.72)	65,950,421.80	17.57	72,316,365.00	18.80	(6,365,943.20)
Interest Income	17,285.08	0.05	11,667.00	0.03	5,618.08	203,458.84	0.05	128,333.00	0.03	75,125.84
Non-Operating Revenue (Expense)	-		-		-	-		-		-
<b>Income before transfers</b>	<b>\$ 5,701,112.36</b>	<b>15.97</b>	<b>\$ 6,732,076.00</b>	<b>18.90</b>	<b>\$ (1,030,963.64)</b>	<b>\$ 66,153,880.64</b>	<b>17.62</b>	<b>\$ 72,444,698.00</b>	<b>18.84</b>	<b>\$ (6,290,817.36)</b>

**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 Eleven Months Ended May 31, 2015**

	Year to date
<b>Operating revenues:</b>	
Instant ticket SETTLEMENTS	\$ 305,918,753.50
Online ticket sales	68,195,390.50
Retailer application, fidelity and service fees	509,427.82
Other revenue	<u>19,883.15</u>
 Total operating revenues	 <u>374,643,454.97</u>
 <b>Operating expenses:</b>	
Instant game prizes SETTLEMENTS	218,488,254.00
Online game prizes	35,899,495.01
Retailer commissions	21,229,090.87
Gaming contract costs	18,980,523.52
Compensation and benefits	5,193,005.90
Marketing, advertising and promotions	4,456,517.40
General and administrative expenses	1,171,621.23
Services provided by ADHE	687,500.00
Services provided by Legislative Audit Agency	129,959.99
Legal and professional services	12,221.52
Current year Capital Asset cost	<u>46,155.88</u>
Total operating expenses	<u>306,294,345.32</u>
 Change in net proceeds from operations	 68,349,109.65
 <b>Nonoperating revenue (expense):</b>	
Interest Income	203,458.84
Other Non Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(58,762,267.00)
Less Act 1180 Unclaimed Prizes	(4,466,209.06)
Less Transfer to ADHS	(200,000.00)
Less Current year Fidelity Fund fees	(21,734.78) restricted fund
Less Current year MUSL Reserves (additions) / reductions	31,692.83 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>275,000.00</u>

**NET PROCEEDS EARNED-Current Month** **\$ 5,409,050.48**

	Transfer	Interest	Total
<b>Totals</b>	<b>\$ 12,789,157.13</b>	<b>\$ 897,685.34</b>	<b>\$ 13,686,842.47</b>
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

**Office of the Arkansas Lottery**  
**(Division of Arkansas Department of Finance and Administration)**  
**Unclaimed Prizes**  
**May 31, 2015**

	Monthly	Year to Date
Reserve Balance July 1, 2014		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 780,993.52	4,684,373.99
2. Expenditures from unclaimed lottery prize money:		218,164.93
3. Reserved for future prizes, promotions or reserves:	780,993.52	4,466,209.06
Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance May 31, 2015		\$5,466,209.06

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

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>May 2015</b>	<b>FY 2015 Total</b>
A-Absolute Moving & Hauling	Trucking/Hauling	Minority-owned		\$669.90
Goddess Products	Office Furniture/Supplies	Minority-owned	\$699.14	\$31,146.57
Government Supply Services	Office Products	Minority-owned	\$513.69	\$1,479.01
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned		\$1,215.35
Ride N Shine Detail	Auto Servicing	Minority-owned		\$54.50
Trivia Marketing	Advertising/Public Relations	Female-owned		\$253.05
<b>Totals</b>			<b>\$1,212.83</b>	<b>\$34,818.38</b>

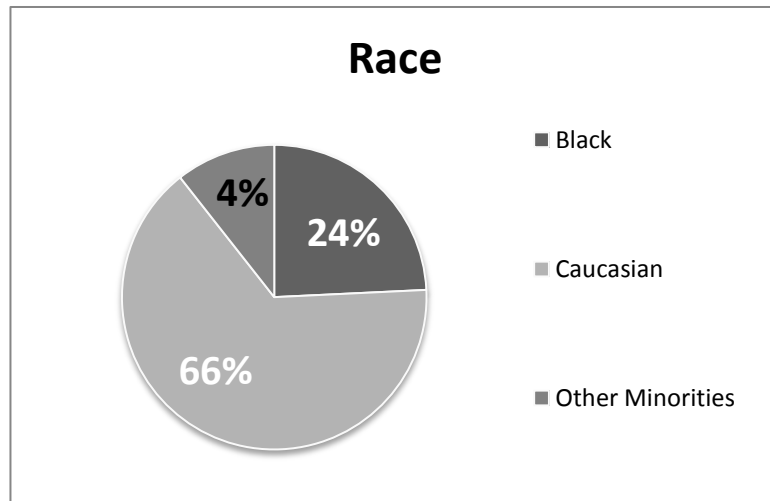
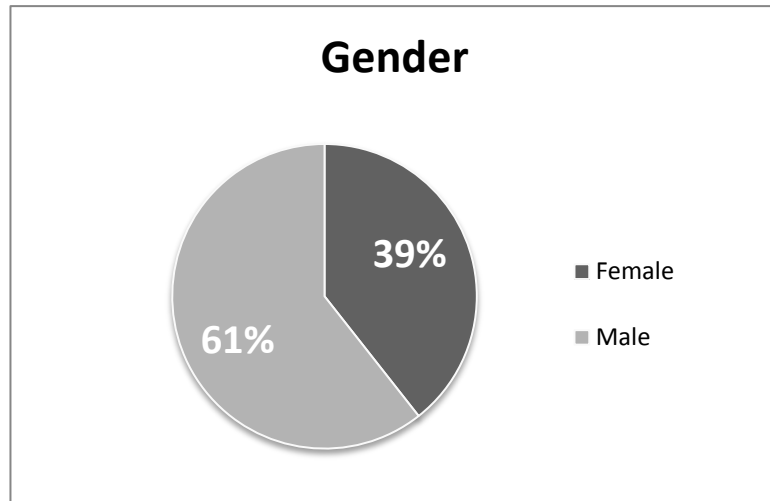
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
May 1 through May 31, 2015**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>May 2015</b>	<b>FY 2015 Total</b>
Goddess Products	Office Furniture/Supplies	Minority-owned		\$1,454.60
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,194.42	\$118,838.62
<b>Totals</b>			<b>\$10,194.42</b>	<b>\$120,293.22</b>

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

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>May 2015</b>	<b>FY 2015 Total</b>
Expedited Transportation Service	Transportation Services	Female-owned	\$2,545.12	\$22,769.02
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$1,203.20	\$4,836.20
Premier Staffing	Staffing Services	Female-owned	\$4,019.04	\$30,489.31
<b>Totals</b>			<b>\$7,767.36</b>	<b>\$58,094.53</b>

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



**Total Number of Employees as of May 31, 2015: 66**

**Gender:**

Females – 26  
Males – 40

**Race:**

Black – 16  
Caucasian – 43  
Other – 7

Female -- 9	Male -- 7
Female -- 16	Male -- 27
Female -- 4	Male -- 3

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

On May 12, 2015, the Office of the Arkansas Lottery (OAL) Internal Auditor (Internal Audit) issued reports to the Director of the Department of Finance and Administration as follows:

Advertising Contract Compliance Audit

The audit centered on compliance with major provisions of contracts the OAL maintains or has maintained with advertising firms The Communications Group, LLC (TCG), Mangan Holcomb Partners (MHP), and Mitchell Communications Group, LLC (Mitchell). Fieldwork included review of documentation and information generated calendar years 2009 through 2015.

The following observations and recommendations were reported:

1. *Completion of Required Documentation/Certifications* – For two of the vendors noted, evidence of documentation required to be provided prior to the issuance of an Intent to Award notice were provided to Internal Audit after request with either information indicating they were dated after Internal Audit's initial request for the documents or incomplete such that date completed could not be determined. The documentation included compliance statements regarding the employment of illegal immigrants, certain Executive Orders, and equal opportunity employment.
2. *Provision of Letter of Credit, Line of Credit, or Certificate of Deposit Documentation* - Evidence of a \$500,000 Letter of Credit, Line of Credit, or Certificate of Deposit was never requested by or supplied to the OAL by one of the vendors noted, as required by the RFQ issued for the services provided under the executed contract.

To address both observations, Internal Audit recommended that OAL Management perform a review of the procedures in place to ensure initial and ongoing compliance with major contract provisions for all OAL contracts, and that after such review, a checklist of requirements that must be met or documentation that must be completed prior to contract award and a checklist of ongoing compliance requirements be developed so that periodic contract compliance reviews may be performed. Additionally, Internal Audit recommended that the OAL require the vendor noted to provide evidence of one of the three required financial instruments as required by the RFQ for any remaining term(s) of the contract with the OAL. OAL Management stated its concurrence with the Internal Audit recommendations.

Lottery Vehicles Audit

The audit centered on controls, processes, and procedures associated with the use of OAL's fleet of vehicles for business purposes. Fieldwork included review of documentation and information generated through January 16, 2015.

The following observations and recommendations were reported:

1. *Authorized Users of Lottery Vehicles (Fuel Card PIN)* - Employees who had not been issued a valid fuel card Personal Identification Number (PIN) were allowed to operate fleet vehicles, contrary to relevant policy. Only individuals with a valid driver's license can be granted a PIN, which serves as a measure to prevent unauthorized use of fleet vehicles. Internal Audit noted that OAL Management had identified the issue prior to the audit and taken steps designed to prevent future instances of noncompliance with policy.

Internal Audit recommended that OAL Management ensure that the steps taken to refine execution of existing policy to ensure only individuals with fuel card PINs are allowed to operate fleet vehicles are operating effectively. OAL Management stated its concurrence with the Internal Audit recommendation, noting that employees will be re-trained on operating procedures and that the list of authorized vehicle users used to determine employees that may drive fleet vehicles on OAL business will be updated more frequently to prevent unauthorized use.



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

2. *Ford Crown Victoria Fuel Card Use* – Internal Audit was unable to verify that all fuel purchases reported for the OAL's Ford Crown Victoria were legitimate, due to lack of certain supporting documentation from 2010 through June 2014. This was due to the fact that this vehicle was allocated primarily for a single employee's use during the period noted, a mileage log was not maintained, and fuel receipts were rarely submitted to those charged with reconciling fuel card activity to monthly statements and mileage logs.

Internal Audit recommended that a mileage log be maintained for all OAL vehicles at all times, as required by Sections 14.8 and 17.1 of the State of Arkansas Vehicle Use and Management Handbook, published by the Department of Finance and Administration, Office of Administrative Services in October 2013. OAL Management responded stating that processes were changed for the Ford Crown Victoria effective July 1, 2014, and that a mileage log is now maintained for this vehicle.

Back Office System (BOS) Administration Follow-Up Audit

Follow-up procedures centered on OAL Management's implementation of controls, procedures, and/or processes to address the observations noted in the most recent follow-up audit of the Back Office System (BOS) Administration process. Results of the last follow-up audit performed were reported to the Arkansas Lottery Commission Legislative Oversight Committee in the July 2014 Monthly Internal Audit Report. Fieldwork included review of documentation and information generated through April 23, 2015.

The following observation and recommendation was reported:

- *Selected Users' Access - Segregation of Duties* – Internal Audit noted two (2) BOS users from the OAL's accounting function had access to the "Retailer Maintenance" application within BOS. Access to this application granted the ability to these users to update certain retailer information including the bank account used for settlement of amounts due to/from OAL retailers and other ownership information. The ability to update sensitive retailer information that is used for financial settlement purposes coupled with responsibility for performance of accounting functions including reconciliation of settlement bank accounts represents a segregation of duties issue. Immediately upon notification from Internal Audit that the access issue existed, OAL Management removed the "Retailer Maintenance" application access from the accounting users' records through creation of a unique user group to limit access to this application.

Since the issue noted was immediately corrected, Internal Audit recommended that OAL Management perform a follow-up in four to six months to affirm that the solution to address these two users' access is working as expected. OAL Management stated its concurrence with the Internal Audit recommendation.

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**  
**May 2015**

Sales for the following instant games began May 5, 2015. No ending dates have been determined for these games.

**\$1 Triple Payout**

**\$2 Pinball Payout**

**\$3 Jumbo Bucks Bingo**

**\$5 Double Win**

**\$10 Maximum Money**

Sales for the following Fast Play games began May 4, 2015. No ending dates have been determined for this game.

**\$1 Fish Finder**