



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, 2016

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 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,

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, 2016

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 2016, 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, 2016**

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

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

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$2,964.69
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$0.00</u>
	Total Debt Set-Off:	\$2,964.69

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

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
May 1 through May 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	\$7,447.00	\$6,345.00	\$19,899.00	\$403,184.00	\$2,266.00	\$12,420.00	\$5,948.00	\$25,239.00	\$482,748.00
ASHLEY	\$9,466.00	\$8,548.00	\$8,164.00	\$101,964.00	\$1,140.00	\$6,787.00	\$1,430.00	\$14,771.00	\$152,270.00
BAXTER	\$2,951.50	\$1,821.50	\$14,452.00	\$344,569.00	\$7,426.00	\$19,044.00	\$13,096.00	\$43,752.00	\$447,112.00
BENTON	\$5,030.50	\$2,543.00	\$42,090.00	\$938,962.00	\$11,834.00	\$88,650.00	\$24,225.00	\$184,091.00	\$1,297,425.50
BOONE	\$2,974.50	\$3,740.00	\$12,356.00	\$435,734.00	\$2,340.00	\$17,172.00	\$4,560.00	\$35,170.00	\$514,046.50
BRADLEY	\$2,031.50	\$3,131.50	\$2,063.00	\$132,880.00	\$1,534.00	\$3,616.00	\$2,141.00	\$10,421.00	\$157,818.00
CALHOUN	\$2,975.00	\$854.50	\$728.00	\$46,200.00	\$348.00	\$1,729.00	\$701.00	\$2,870.00	\$56,405.50
CARROLL	\$750.00	\$1,128.50	\$10,584.00	\$254,405.00	\$1,964.00	\$11,012.00	\$2,962.00	\$24,259.00	\$307,064.50
CHICOT	\$9,678.00	\$5,277.50	\$3,694.00	\$136,200.00	\$4,170.00	\$23,838.00	\$6,674.00	\$61,883.00	\$251,414.50
CLARK	\$3,253.50	\$1,294.00	\$21,845.00	\$277,086.00	\$1,876.00	\$11,838.00	\$4,443.00	\$23,684.00	\$345,319.50
CLAY	\$196.00	\$49.00	\$548.00	\$70,500.00	\$448.00	\$2,488.00	\$1,534.00	\$6,596.00	\$82,359.00
CLEBURNE	\$1,137.50	\$820.50	\$14,790.00	\$251,809.00	\$2,968.00	\$15,951.00	\$10,257.00	\$31,301.00	\$329,034.00
CLEVELAND	\$318.00	\$490.50	\$496.00	\$43,800.00	\$174.00	\$1,341.00	\$420.00	\$3,286.00	\$50,325.50
COLUMBIA	\$14,349.00	\$6,907.00	\$23,234.00	\$253,400.00	\$2,214.00	\$8,232.00	\$2,661.00	\$15,635.00	\$326,632.00
CONWAY	\$4,616.50	\$1,796.50	\$15,475.00	\$452,665.00	\$1,820.00	\$16,123.00	\$7,508.00	\$30,717.00	\$530,721.00
CRAIGHEAD	\$7,341.50	\$5,015.00	\$38,638.00	\$1,103,467.00	\$6,092.00	\$45,021.00	\$17,031.00	\$92,837.00	\$1,315,442.50
CRAWFORD	\$2,556.50	\$1,130.00	\$10,702.00	\$298,309.00	\$3,130.00	\$30,031.00	\$12,324.00	\$53,843.00	\$412,025.50
CRITTENDEN	\$16,176.00	\$10,113.00	\$9,186.00	\$506,998.00	\$5,836.00	\$40,546.00	\$10,869.00	\$79,554.00	\$679,278.00
CROSS	\$2,657.00	\$1,785.00	\$11,893.00	\$204,751.00	\$828.00	\$7,233.00	\$2,604.00	\$14,772.00	\$246,523.00
DALLAS	\$1,942.00	\$556.50	\$5,714.00	\$148,522.00	\$584.00	\$4,255.00	\$1,903.00	\$8,607.00	\$172,083.50
DESHA	\$2,330.00	\$1,185.50	\$2,394.00	\$131,293.00	\$1,022.00	\$9,351.00	\$4,116.00	\$17,375.00	\$169,066.50
DREW	\$1,846.50	\$1,496.00	\$10,580.00	\$177,718.00	\$2,054.00	\$8,796.00	\$3,157.00	\$19,342.00	\$224,989.50
FAULKNER	\$7,384.00	\$4,381.50	\$50,913.00	\$970,323.00	\$8,814.00	\$57,586.00	\$28,804.00	\$113,612.00	\$1,241,817.50
FRANKLIN	\$260.00	\$237.50	\$16,851.00	\$157,569.00	\$1,140.00	\$10,824.00	\$3,621.00	\$17,780.00	\$208,282.50
FULTON	\$451.00	\$180.00	\$2,390.00	\$66,455.00	\$484.00	\$2,173.00	\$944.00	\$5,632.00	\$78,709.00
GARLAND	\$5,572.50	\$3,881.00	\$52,422.00	\$863,225.00	\$11,950.00	\$65,680.00	\$37,928.00	\$133,071.00	\$1,173,729.50
GRANT	\$507.00	\$175.00	\$4,522.00	\$137,066.00	\$1,798.00	\$6,544.00	\$2,995.00	\$13,552.00	\$167,159.00
GREENE	\$966.00	\$711.00	\$14,546.00	\$502,374.00	\$3,134.00	\$19,151.00	\$6,627.00	\$40,429.00	\$587,938.00
HEMPSTEAD	\$29,069.50	\$9,249.00	\$14,021.00	\$328,343.00	\$1,450.00	\$9,344.00	\$2,899.00	\$16,399.00	\$410,774.50
HOT SPRING	\$2,151.00	\$947.00	\$10,406.00	\$297,044.00	\$2,526.00	\$13,771.00	\$6,773.00	\$26,346.00	\$359,964.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
May 1 through May 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	\$20,122.00	\$7,653.00	\$9,803.00	\$179,283.00	\$1,466.00	\$6,782.00	\$2,529.00	\$11,660.00	\$239,298.00
INDEPENDENCE	\$2,733.00	\$824.00	\$62,012.00	\$517,390.00	\$2,644.00	\$20,837.00	\$8,847.00	\$35,844.00	\$651,131.00
IZARD	\$124.50	\$100.00	\$8,407.00	\$67,693.00	\$678.00	\$4,322.00	\$2,541.00	\$8,367.00	\$92,232.50
JACKSON	\$9,740.00	\$4,164.00	\$21,349.00	\$249,992.00	\$1,660.00	\$9,921.00	\$5,402.00	\$19,391.00	\$321,619.00
JEFFERSON	\$39,842.50	\$31,802.00	\$53,185.00	\$1,386,027.00	\$9,474.00	\$44,585.00	\$25,187.00	\$89,157.00	\$1,679,259.50
JOHNSON	\$447.00	\$343.00	\$8,610.00	\$230,106.00	\$1,466.00	\$13,096.00	\$7,930.00	\$21,603.00	\$283,601.00
LAFAYETTE	\$4,438.00	\$1,717.50	\$3,922.00	\$56,866.00	\$622.00	\$1,674.00	\$758.00	\$3,963.00	\$73,960.50
LAWRENCE	\$1,529.00	\$282.50	\$11,859.00	\$222,486.00	\$1,018.00	\$6,001.00	\$2,324.00	\$13,439.00	\$258,938.50
LEE	\$1,841.00	\$1,959.00	\$745.00	\$61,166.00	\$250.00	\$2,464.00	\$503.00	\$5,680.00	\$74,608.00
LINCOLN	\$182.00	\$237.50	\$4,928.00	\$82,632.00	\$530.00	\$3,853.00	\$3,016.00	\$7,766.00	\$103,144.50
LITTLE RIVER	\$4,698.00	\$3,433.00	\$910.00	\$98,569.00	\$698.00	\$5,583.00	\$1,088.00	\$9,074.00	\$124,053.00
LOGAN	\$1,182.50	\$243.50	\$9,526.00	\$201,117.00	\$1,162.00	\$9,526.00	\$4,065.00	\$19,719.00	\$246,541.00
LONOKE	\$11,227.50	\$4,786.50	\$35,155.00	\$909,184.00	\$7,500.00	\$44,020.00	\$22,753.00	\$84,457.00	\$1,119,083.00
MADISON	\$342.00	\$42.00	\$1,521.00	\$64,056.00	\$744.00	\$4,469.00	\$1,111.00	\$9,435.00	\$81,720.00
MARION	\$1,798.00	\$563.50	\$6,986.00	\$159,841.00	\$2,542.00	\$7,699.00	\$4,179.00	\$15,926.00	\$199,534.50
MILLER	\$21,719.50	\$11,728.00	\$12,504.00	\$494,500.00	\$2,584.00	\$16,053.00	\$5,505.00	\$29,836.00	\$594,429.50
MISSISSIPPI	\$44,655.50	\$14,842.00	\$6,989.00	\$512,947.00	\$2,302.00	\$16,830.00	\$5,168.00	\$35,991.00	\$639,724.50
MONROE	\$2,741.00	\$792.00	\$2,628.00	\$130,348.00	\$902.00	\$5,689.00	\$2,248.00	\$13,383.00	\$158,731.00
MONTGOMERY	\$0.00	\$0.00	\$3,124.00	\$27,000.00	\$490.00	\$2,663.00	\$1,032.00	\$5,298.00	\$39,607.00
NEVADA	\$1,438.00	\$1,720.00	\$5,634.00	\$178,043.00	\$810.00	\$4,500.00	\$1,346.00	\$7,721.00	\$201,212.00
NEWTON	\$53.00	\$27.00	\$3,058.00	\$47,656.00	\$224.00	\$1,422.00	\$876.00	\$2,512.00	\$55,828.00
OUACHITA	\$9,636.50	\$4,783.50	\$12,422.00	\$493,479.00	\$2,200.00	\$12,264.00	\$5,648.00	\$24,946.00	\$565,379.00
PERRY	\$948.50	\$485.00	\$1,950.00	\$68,091.00	\$534.00	\$5,335.00	\$1,658.00	\$9,061.00	\$88,062.50
PHILLIPS	\$13,522.00	\$5,468.50	\$1,814.00	\$192,009.00	\$2,528.00	\$16,667.00	\$3,627.00	\$38,226.00	\$273,861.50
PIKE	\$780.50	\$113.50	\$15,822.00	\$85,650.00	\$668.00	\$4,913.00	\$2,129.00	\$11,072.00	\$121,148.00
POINSETT	\$7,975.50	\$1,317.00	\$19,672.00	\$398,606.00	\$1,434.00	\$12,065.00	\$5,315.00	\$25,184.00	\$471,568.50
POLK	\$826.00	\$49.00	\$6,610.00	\$100,703.00	\$1,378.00	\$7,993.00	\$2,947.00	\$16,245.00	\$136,751.00
POPE	\$2,838.50	\$1,438.00	\$26,499.00	\$680,143.00	\$4,922.00	\$34,823.00	\$14,967.00	\$66,460.00	\$832,090.50
PRAIRIE	\$2,153.50	\$1,010.50	\$8,535.00	\$143,202.00	\$480.00	\$4,390.00	\$1,411.00	\$9,923.00	\$171,105.00
PULASKI	\$113,923.50	\$73,976.50	\$290,255.00	\$5,830,747.00	\$53,076.00	\$292,041.00	\$153,212.00	\$519,947.00	\$7,327,178.00
RANDOLPH	\$75.50	\$429.50	\$3,879.00	\$174,617.00	\$1,096.00	\$5,575.00	\$2,467.00	\$12,781.00	\$200,920.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
May 1 through May 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	\$11,874.00	\$8,949.00	\$5,049.00	\$247,360.00	\$1,780.00	\$12,696.00	\$3,340.00	\$24,993.00	\$316,041.00
SALINE	\$9,698.00	\$4,294.00	\$90,204.00	\$1,026,225.00	\$9,726.00	\$57,896.00	\$31,651.00	\$116,560.00	\$1,346,254.00
SCOTT	\$63.50	\$77.50	\$4,757.00	\$86,861.00	\$794.00	\$5,060.00	\$1,425.00	\$8,713.00	\$107,751.00
SEARCY	\$302.50	\$284.00	\$3,412.00	\$97,200.00	\$660.00	\$2,943.00	\$1,289.00	\$7,018.00	\$113,108.50
SEBASTIAN	\$20,554.50	\$6,610.00	\$20,728.00	\$723,180.00	\$10,354.00	\$68,761.00	\$25,498.00	\$136,017.00	\$1,011,702.50
SEVIER	\$1,889.00	\$583.50	\$2,898.00	\$123,748.00	\$768.00	\$6,205.00	\$1,205.00	\$11,713.00	\$149,009.50
SHARP	\$882.50	\$246.00	\$26,731.00	\$214,986.00	\$1,220.00	\$8,614.00	\$3,985.00	\$18,838.00	\$275,502.50
STONE	\$1,396.50	\$328.50	\$5,117.00	\$101,100.00	\$1,220.00	\$4,306.00	\$2,781.00	\$9,939.00	\$126,188.00
UNION	\$46,439.00	\$20,324.00	\$22,403.00	\$808,324.00	\$4,858.00	\$20,666.00	\$8,604.00	\$41,512.00	\$973,130.00
VAN BUREN	\$645.50	\$723.50	\$16,343.00	\$147,821.00	\$1,368.00	\$7,878.00	\$4,086.00	\$17,315.00	\$196,180.00
WASHINGTON	\$15,536.50	\$5,514.50	\$51,985.00	\$1,225,862.00	\$12,974.00	\$98,896.00	\$30,803.00	\$189,726.00	\$1,631,297.00
WHITE	\$6,365.00	\$3,693.00	\$58,342.00	\$1,014,903.00	\$5,748.00	\$37,440.00	\$17,635.00	\$72,731.00	\$1,216,857.00
WOODRUFF	\$2,274.50	\$846.00	\$2,052.00	\$91,969.00	\$452.00	\$3,306.00	\$1,476.00	\$6,764.00	\$109,139.50
YELL	\$481.50	\$316.50	\$9,381.00	\$239,950.00	\$1,052.00	\$8,991.00	\$3,790.00	\$17,343.00	\$281,305.00

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$590,321.50	\$314,911.00	\$1,425,311.00	\$30,230,453.00	\$254,420.00	\$1,542,260.00	\$670,512.00	\$3,030,075.00	\$38,058,263.50

*Estimates

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

There were 1,917 active retailers as of May 31, 2016.

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

ASSETS

Current assets:	
Cash and cash equivalents	\$ 3,637,061.73
Restricted assets:	
Cash and cash equivalents	25,511,133.92
Accounts receivable	12,597,950.83
Prepaid items	34,098.96
Total current assets	<u>41,780,245.44</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,135,788.78
Deposits with Multi-State Lottery Association	1,847,246.39
Capital assets:	
Equipment	801,038.94
Leasehold improvements	492,795.71
Less accumulated depreciation	(977,853.69)
Total non-current assets	<u>22,299,016.13</u>
Deferred outflows of resources:	
Related to pension	<u>992,965.00</u>
Total assets and deferred outflows of resources	<u>\$ 65,072,226.57</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 81,139.88
Prizes payable	17,163,183.57
Accrued and other liabilities	3,113,808.78
Due to other funds of the State	564,540.13
Payable to Arkansas Department of Higher Education	19,555,963.45
Compensated absences	303,219.60
Unearned revenue	327,071.30
Total current liabilities	<u>41,108,926.71</u>
Long-Term liabilities:	
Net other post employment benefits	1,678,778.58
Net pension liability	3,407,594.00
Total long-term liabilities	<u>5,086,372.58</u>
Deferred inflows of resources:	
Related to pension	<u>1,081,923.30</u>
Total liabilities and deferred inflows of resources	<u>47,277,222.59</u>

NET POSITION

Net position:	
Invested in capital assets	315,980.96
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	135,788.78
Retailer bond reserve	154,072.55
Deposits with Multi-State Lottery Assn.	1,847,246.39
Unclaimed prizes reserve	5,955,170.47
Unrestricted (deficit)	<u>(10,613,255.17)</u>
Total net position	<u>17,795,003.98</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 65,072,226.57</u>

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

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 30,702,322.00	\$ 331,796,507.00
Online ticket sales	7,723,710.50	88,870,397.00
Retailer application, fidelity, bond and service fees	58,813.30	666,386.55
Other revenue	<u>300.25</u>	<u>8,569.56</u>
Total operating revenues	<u>38,485,146.05</u>	<u>421,341,860.11</u>
Operating expenses:		
Instant game prizes	21,619,270.88	238,173,333.77
Online game prizes	4,200,707.90	46,948,317.42
Retailer commissions	2,173,378.32	23,681,068.92
Gaming contract costs	1,542,548.29	17,909,448.38
Compensation and benefits	356,912.65	4,175,566.97
Marketing, advertising and promotions	592,998.18	4,479,340.01
General and administrative expenses	314,130.78	3,170,861.44
Services provided by Arkansas Department of Higher Education	35,000.00	423,300.00
Audit services provided by Arkansas Division of Legislative Audit		143,360.00
Legal and professional services	0.00	2,464.50
Depreciation	<u>8,180.76</u>	<u>87,046.96</u>
Total operating expenses	<u>30,843,127.76</u>	<u>339,194,108.37</u>
Operating income (1)	7,642,018.29	82,147,751.74
Non-operating revenue:		
Interest income	<u>22,448.29</u>	<u>209,668.87</u>
Income before transfers	7,664,466.58	82,357,420.61
Transfers to:		
Education Trust Account (2)	(6,606,164.94)	(74,134,890.86)
Shortfall Account to EducationTrust Account		
Change in net position	<u>\$ 1,058,301.64</u>	8,222,529.75
Total net position - beginning		9,572,474.23
Total net position - ending		<u>\$ 17,795,003.98</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 excludes unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses
For Eleven Months Ended May 31, 2016

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 30,702,322.00	79.78	\$ 29,270,211.00	81.75	\$ 1,432,111.00	\$ 331,796,507.00	78.75	\$ 305,324,874.00	81.04	\$ 26,471,633.00
Online games	7,723,710.50	20.07	6,481,251.00	18.10	1,242,459.50	88,870,397.00	21.09	70,897,699.00	18.82	17,972,698.00
Retailer fees	58,813.30	0.15	52,336.00	0.15	6,477.30	666,386.55	0.16	517,906.00	0.14	148,480.55
Other revenue	<u>300.25</u>	0.00	<u>833.00</u>	0.00	<u>(532.75)</u>	<u>8,569.56</u>	0.00	<u>9,166.00</u>	0.00	<u>(596.44)</u>
 Total operating revenues	 <u>38,485,146.05</u>	 100.00	 <u>35,804,631.00</u>	 100.00	 <u>2,680,515.05</u>	 <u>421,341,860.11</u>	 100.00	 <u>376,749,645.00</u>	 100.00	 <u>44,592,215.11</u>
 Operating expenses:										
Instant game prizes	21,619,270.88	56.18	20,712,362.00	57.85	906,908.88	238,173,333.77	56.53	215,849,788.00	57.29	22,323,545.77
Online game prizes	4,200,707.90	10.92	3,568,842.00	9.97	631,865.90	46,948,317.42	11.14	36,947,444.00	9.81	10,000,873.42
Retailer commissions	2,173,378.32	5.65	2,033,877.00	5.68	139,501.32	23,681,068.92	5.62	21,403,050.00	5.68	2,278,018.92
Gaming contract costs	1,542,548.29	4.01	1,676,501.00	4.68	(133,952.71)	17,909,448.38	4.25	17,642,292.00	4.68	267,156.38
Compensation & benefits	356,912.65	0.93	395,659.00	1.11	(38,746.35)	4,175,566.97	0.99	4,839,342.00	1.28	(663,775.03)
Marketing, advertising & promotions	592,998.18	1.54	416,670.00	1.16	176,328.18	4,479,340.01	1.06	4,583,330.00	1.22	(103,989.99)
General and administrative expenses	314,130.78	0.82	109,400.00	0.31	204,730.78	3,170,861.44	0.75	1,403,600.00	0.37	1,767,261.44
Services provided by other agencies	35,000.00	0.09	52,500.00	0.15	(17,500.00)	566,660.00	0.13	577,500.00	0.15	(10,840.00)
Legal and professional service	-	-	830.00	0.00	(830.00)	2,464.50	0.00	9,160.00	0.00	(6,695.50)
Depreciation	<u>8,180.76</u>	0.02	<u>26,500.00</u>	0.07	<u>(18,319.24)</u>	<u>87,046.96</u>	0.02	<u>210,500.00</u>	0.06	<u>(123,453.04)</u>
 Total operating expenses	 <u>30,843,127.76</u>	 80.14	 <u>28,993,141.00</u>	 80.98	 <u>1,849,986.76</u>	 <u>339,194,108.37</u>	 80.50	 <u>303,466,006.00</u>	 80.55	 <u>35,728,102.37</u>
 Operating income	 7,642,018.29	 19.86	 6,811,490.00	 19.02	 830,528.29	 82,147,751.74	 19.50	 73,283,639.00	 19.45	 8,864,112.74
 Non-operating revenue:										
Interest income	<u>22,448.29</u>	0.06	<u>10,776.00</u>	0.03	<u>11,672.29</u>	<u>209,668.87</u>	0.05	<u>126,853.00</u>	0.03	<u>82,815.87</u>
 Income before transfers	 <u>\$ 7,664,466.58</u>	 19.92	 <u>\$ 6,822,266.00</u>	 19.05	 <u>\$ 842,200.58</u>	 <u>\$ 82,357,420.61</u>	 19.55	 <u>\$ 73,410,492.00</u>	 19.49	 <u>\$ 8,946,928.61</u>

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

	Year to date	
Operating revenues:		
Instant ticket SETTLEMENTS	\$ 332,090,096.00	
Online ticket sales	88,870,397.00	
Retailer application, fidelity and service fees	666,386.55	
Other revenue	<u>8,569.56</u>	
 Total operating revenues	 <u>421,635,449.11</u>	
 Operating expenses:		
Instant game prizes SETTLEMENTS	241,550,340.00	
Online game prizes	46,948,317.42	
Retailer commissions	23,681,068.92	
Gaming contract costs	17,909,448.38	
Compensation and benefits	4,175,566.97	
Marketing, advertising and promotions	4,479,340.01	
General and administrative expenses	3,170,861.44	
Services provided by ADHE	423,300.00	
Services provided by Legislative Audit Agency	143,360.00	
Legal and professional services	2,464.50	
Current year Capital Asset cost	<u>179,850.00</u>	
Total operating expenses	<u>342,663,917.64</u>	
 Change in net proceeds from operations	 78,971,531.47	
 Nonoperating revenue (expense):		
Interest Income	209,668.87	
EDUCATION TRUST FUNDING-Current Year	(67,528,725.92)	
Less Act 1180 Unclaimed Prizes	(4,955,170.47)	
Less Current year Fidelity Reserve Fees	(22,206.44)	restricted reserves
Less Current year Bond Reserve Fees	(154,072.55)	restricted reserves
Less Current year MUSL Reserves (additions) / reductions	(84,860.02)	see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>170,000.00</u>	
 NET PROCEEDS EARNED-Current Month	 <u>\$ 6,606,164.94</u>	

Totals	Transfer	Interest	Total
	\$ 18,606,375.65	\$ 949,587.80	\$ 19,555,963.45
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 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

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

	Monthly	Year to Date
Reserve Balance July 1, 2015		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 787,502.22	4,955,170.47
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	787,502.22	4,955,170.47
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance May 31, 2016		 \$5,955,170.47

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

Vendors	Goods or Services	Diversity Classification	May 2016	FY 2016 Total
BSW Advertising	Advertising/Public Relations	Female-Owned		\$1,853.00
Goddess Products	Office Furniture/Supplies	Minority-owned	\$817.82	\$18,753.38
Government Supply Services	Office Products	Minority-owned	\$153.96	\$1,973.20
Party Prints	Advertising/Public Relations	Minority/Female-owned		\$14,927.55
Premier Staffing	Temporary Staffing Services	Female-Owned	\$1,643.20	\$8,626.81
Trivia Marketing	Advertising/Public Relations	Female-Owned		\$21,936.53
Totals			\$2,614.98	\$68,070.47

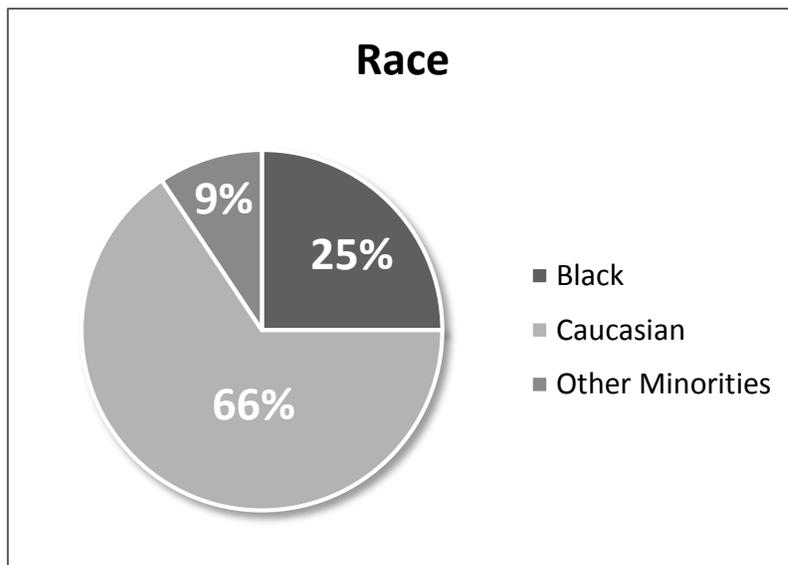
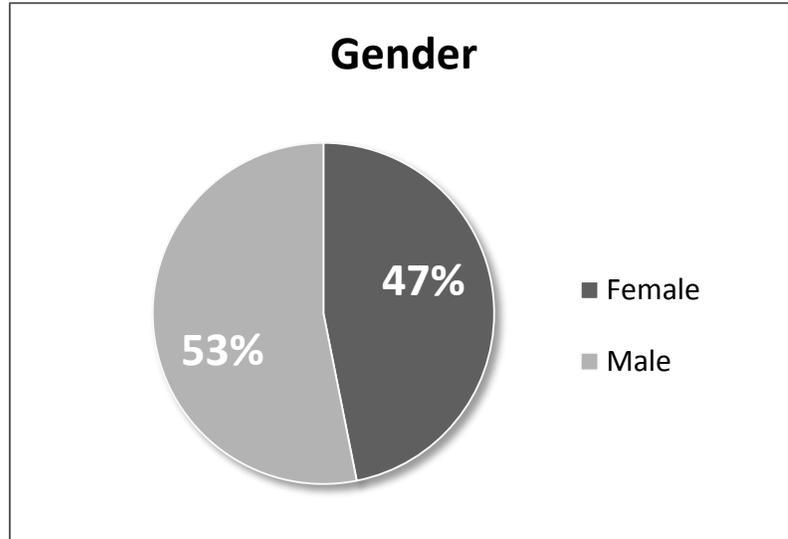
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
May 1 through May 31, 2016**

Vendors	Goods or Services	Diversity Classification	May 2016	FY 2016 Total
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$8,462.00	\$111,072.31
Totals			\$8,462.00	\$111,072.31

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

Vendors	Goods or Services	Diversity Classification	May 2016	FY 2016 Total
Central Copiers	Office Products/Supplies	Not Classified	\$147.16	\$1,269.21
Expedited Transportation Services	Transportation Services	Female-owned	\$4,054.86	\$21,852.73
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$1,188.00	\$4,290.60
Premier Staffing	Staffing Services	Female-owned		\$3,125.90
Totals			\$5,390.02	\$30,538.44

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



Total Number of Employees as of May 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**

On May 18, 2016, 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:

Office Vehicles Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Lottery Oversight Subcommittee on June 10, 2015. Follow-up procedures centered on OAL Management's implementation of controls, procedures, and / or processes to address the observations noted in the fiscal year 2015 audit of the Lottery Vehicles process, and included review of mileage logs and the list of authorized vehicle operators maintained by the OAL through April 21, 2016. Internal Audit concluded that OAL Management has effectively implemented updates and changes to vehicle processes since the fiscal year 2015 audit and now considers the observations noted in that audit to be cleared.

On May 20, 2016, Internal Audit issued a report to the DFA Director as follows:

Claim Center Operations Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Lottery Oversight Subcommittee on July 10, 2015. Follow-up procedures centered on OAL Management's implementation of controls, procedures, and / or processes to address the observations noted in the initial fiscal year 2016 audit of the Claim Center Operations process, and included review of the ineligible players list and related materials maintained by the OAL through May 3, 2016. Internal Audit concluded that OAL Management has effectively implemented updates and changes to the ineligible players list and related processes since the initial fiscal year 2016 audit and now considers the observations noted in that audit to be cleared.

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.

**Department of Finance & Administration
Office of the Arkansas Lottery
Instant & Fast Play Games
May 2016**

Sales for the following instant games began May 3, 2016. No ending dates have been determined for these games.

\$1 7 Wins

\$2 Lucky Number 7

\$5 Hot 7

\$10 Triple 777

Sales for the following instant games began May 31, 2016. No ending dates have been determined for these games.

\$1 Hot Shot

\$2 Double Luck

\$5 Find \$500!

\$10 Bonus Bonanza

Sales for the following Fast Play games began May 2, 2016. No ending dates have been determined for these games.

\$1 Hot Cash

\$3 Stars & Stripes