



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>

November 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 October 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



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

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November 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 October 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  
October 1 through October 31, 2015**

No term contracts were entered into by the Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of October 2015.

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

**1. Debt Set-Off:**

a.	Arkansas Department of Finance and Administration	\$8,274.85
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$1,000.00</u>
	Total Debt Set-Off:	\$9,274.85

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

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

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$8,971.00	\$6,197.00	\$9,657.00	\$413,461.00	\$2,676.00	\$9,782.00	\$4,576.00	\$15,429.00	\$470,749.00
ASHLEY	\$8,715.00	\$9,356.50	\$4,650.00	\$112,745.00	\$1,498.00	\$4,981.00	\$1,733.00	\$10,110.00	\$153,788.50
BAXTER	\$4,557.00	\$2,143.00	\$11,403.00	\$332,583.00	\$4,420.00	\$13,156.00	\$8,628.00	\$25,526.00	\$402,416.00
BENTON	\$4,835.50	\$1,717.50	\$17,342.00	\$917,503.00	\$13,552.00	\$63,198.00	\$17,683.00	\$108,513.00	\$1,144,344.00
BOONE	\$2,062.00	\$1,607.00	\$10,789.00	\$408,567.00	\$2,152.00	\$12,323.00	\$4,113.00	\$21,060.00	\$462,673.00
BRADLEY	\$1,720.00	\$1,858.00	\$2,969.00	\$136,200.00	\$1,086.00	\$2,794.00	\$1,572.00	\$4,017.00	\$152,216.00
CALHOUN	\$2,094.00	\$1,031.50	\$946.00	\$46,500.00	\$582.00	\$1,472.00	\$785.00	\$2,003.00	\$55,413.50
CARROLL	\$1,105.50	\$1,252.00	\$7,218.00	\$234,644.00	\$2,108.00	\$8,628.00	\$2,888.00	\$15,576.00	\$273,419.50
CHICOT	\$8,051.00	\$4,577.00	\$2,164.00	\$121,103.00	\$4,162.00	\$16,181.00	\$6,488.00	\$33,371.00	\$196,097.00
CLARK	\$2,950.00	\$1,512.50	\$7,532.00	\$285,322.00	\$2,006.00	\$8,994.00	\$4,205.00	\$14,944.00	\$327,465.50
CLAY	\$176.00	\$32.00	\$654.00	\$80,740.00	\$550.00	\$1,799.00	\$1,276.00	\$4,060.00	\$89,287.00
CLEBURNE	\$1,106.00	\$925.50	\$10,486.00	\$269,090.00	\$3,812.00	\$12,291.00	\$9,680.00	\$18,735.00	\$326,125.50
CLEVELAND	\$320.00	\$562.50	\$1,167.00	\$38,753.00	\$222.00	\$1,231.00	\$421.00	\$2,539.00	\$45,215.50
COLUMBIA	\$12,030.00	\$9,811.00	\$30,010.00	\$247,871.00	\$2,606.00	\$7,207.00	\$2,603.00	\$11,983.00	\$324,121.00
CONWAY	\$5,735.00	\$1,708.00	\$8,065.00	\$488,990.00	\$2,384.00	\$10,784.00	\$5,925.00	\$21,034.00	\$544,625.00
CRAIGHEAD	\$8,039.50	\$5,182.00	\$20,993.00	\$1,215,029.00	\$6,574.00	\$31,134.00	\$12,995.00	\$53,297.00	\$1,353,243.50
CRAWFORD	\$1,005.50	\$521.00	\$5,582.00	\$286,607.00	\$4,334.00	\$20,538.00	\$8,538.00	\$32,443.00	\$359,568.50
CRITTENDEN	\$14,251.50	\$10,268.00	\$7,356.00	\$479,833.00	\$6,166.00	\$28,346.00	\$9,761.00	\$53,144.00	\$609,125.50
CROSS	\$2,484.50	\$1,630.00	\$4,889.00	\$201,745.00	\$692.00	\$4,843.00	\$2,225.00	\$8,434.00	\$226,942.50
DALLAS	\$2,589.50	\$550.50	\$2,046.00	\$139,759.00	\$608.00	\$3,098.00	\$1,765.00	\$5,625.00	\$156,041.00
DESHA	\$2,269.00	\$1,039.50	\$1,986.00	\$170,400.00	\$1,274.00	\$6,004.00	\$3,300.00	\$10,480.00	\$196,752.50
DREW	\$2,109.00	\$1,268.50	\$4,512.00	\$211,773.00	\$2,514.00	\$6,181.00	\$3,192.00	\$12,776.00	\$244,325.50
FAULKNER	\$7,910.50	\$5,392.50	\$30,399.00	\$987,781.00	\$10,350.00	\$38,981.00	\$21,500.00	\$66,540.00	\$1,168,854.00
FRANKLIN	\$481.00	\$190.50	\$5,881.00	\$130,713.00	\$1,434.00	\$6,731.00	\$2,578.00	\$10,929.00	\$158,937.50
FULTON	\$530.50	\$281.00	\$1,557.00	\$67,070.00	\$594.00	\$2,264.00	\$1,051.00	\$4,052.00	\$77,399.50
GARLAND	\$6,773.50	\$4,794.50	\$32,242.00	\$874,176.00	\$14,562.00	\$48,212.00	\$33,792.00	\$77,337.00	\$1,091,889.00
GRANT	\$404.50	\$265.50	\$2,989.00	\$106,118.00	\$1,694.00	\$4,387.00	\$2,377.00	\$8,186.00	\$126,421.00
GREENE	\$780.50	\$595.50	\$5,180.00	\$561,361.00	\$3,550.00	\$13,792.00	\$5,598.00	\$23,701.00	\$614,558.00
HEMPSTEAD	\$29,709.50	\$8,877.00	\$10,341.00	\$320,011.00	\$1,570.00	\$6,682.00	\$2,738.00	\$10,631.00	\$390,559.50
HOT SPRING	\$2,143.00	\$658.50	\$7,416.00	\$327,402.00	\$3,140.00	\$10,489.00	\$5,760.00	\$16,502.00	\$373,510.50

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

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$19,314.00	\$7,129.00	\$2,957.00	\$178,174.00	\$1,676.00	\$4,621.00	\$2,316.00	\$6,558.00	\$222,745.00
INDEPENDENCE	\$3,054.50	\$708.00	\$34,705.00	\$533,115.00	\$3,814.00	\$13,047.00	\$8,727.00	\$23,097.00	\$620,267.50
IZARD	\$182.50	\$206.50	\$2,922.00	\$63,573.00	\$546.00	\$3,176.00	\$1,761.00	\$5,323.00	\$77,690.00
JACKSON	\$9,786.50	\$4,256.00	\$6,817.00	\$270,984.00	\$2,678.00	\$6,480.00	\$4,866.00	\$12,397.00	\$318,264.50
JEFFERSON	\$43,576.00	\$23,333.00	\$38,200.00	\$1,319,229.00	\$10,756.00	\$35,345.00	\$25,023.00	\$57,053.00	\$1,552,515.00
JOHNSON	\$930.00	\$628.50	\$4,152.00	\$246,121.00	\$1,348.00	\$6,860.00	\$3,422.00	\$11,533.00	\$274,994.50
LAFAYETTE	\$3,972.50	\$1,238.00	\$1,575.00	\$63,206.00	\$598.00	\$1,667.00	\$770.00	\$2,958.00	\$75,984.50
LAWRENCE	\$904.00	\$101.00	\$4,483.00	\$242,687.00	\$1,186.00	\$4,873.00	\$2,011.00	\$7,695.00	\$263,940.00
LEE	\$2,117.00	\$2,136.50	\$824.00	\$61,874.00	\$476.00	\$1,688.00	\$384.00	\$2,741.00	\$72,240.50
LINCOLN	\$752.00	\$224.00	\$1,581.00	\$79,500.00	\$720.00	\$2,306.00	\$2,283.00	\$4,148.00	\$91,514.00
LITTLE RIVER	\$4,421.50	\$2,540.00	\$1,645.00	\$81,287.00	\$602.00	\$2,921.00	\$1,056.00	\$3,592.00	\$98,064.50
LOGAN	\$1,063.50	\$313.00	\$3,701.00	\$205,200.00	\$1,610.00	\$7,476.00	\$3,726.00	\$13,027.00	\$236,116.50
LONOKE	\$8,692.00	\$5,874.00	\$19,391.00	\$823,403.00	\$8,408.00	\$31,688.00	\$15,693.00	\$54,701.00	\$967,850.00
MADISON	\$35.00	\$56.00	\$1,823.00	\$58,510.00	\$830.00	\$3,465.00	\$1,185.00	\$5,602.00	\$71,506.00
MARION	\$2,717.00	\$437.50	\$2,819.00	\$156,189.00	\$2,198.00	\$4,699.00	\$3,587.00	\$9,391.00	\$182,037.50
MILLER	\$23,517.00	\$10,229.50	\$5,589.00	\$411,598.00	\$2,574.00	\$12,424.00	\$4,331.00	\$18,226.00	\$488,488.50
MISSISSIPPI	\$45,941.00	\$23,564.00	\$5,759.00	\$481,840.00	\$2,382.00	\$12,523.00	\$4,507.00	\$21,681.00	\$598,197.00
MONROE	\$2,594.50	\$1,330.00	\$1,034.00	\$118,634.00	\$908.00	\$4,517.00	\$1,928.00	\$9,016.00	\$139,961.50
MONTGOMERY	\$41.50	\$18.50	\$2,196.00	\$34,891.00	\$554.00	\$1,763.00	\$892.00	\$2,679.00	\$43,035.00
NEVADA	\$1,574.50	\$696.00	\$3,664.00	\$172,331.00	\$1,194.00	\$3,214.00	\$1,318.00	\$5,875.00	\$189,866.50
NEWTON	\$84.00	\$48.50	\$1,559.00	\$54,214.00	\$330.00	\$1,558.00	\$858.00	\$2,031.00	\$60,682.50
OUACHITA	\$11,034.00	\$5,303.50	\$8,520.00	\$476,847.00	\$3,260.00	\$8,265.00	\$4,899.00	\$15,205.00	\$533,333.50
PERRY	\$793.00	\$623.50	\$762.00	\$88,146.00	\$616.00	\$3,440.00	\$1,361.00	\$5,368.00	\$101,109.50
PHILLIPS	\$8,285.50	\$3,366.00	\$2,001.00	\$161,115.00	\$2,766.00	\$12,237.00	\$2,529.00	\$21,388.00	\$213,687.50
PIKE	\$708.00	\$134.00	\$9,371.00	\$92,100.00	\$998.00	\$3,490.00	\$2,510.00	\$5,864.00	\$115,175.00
POINSETT	\$5,313.00	\$1,722.00	\$8,550.00	\$397,071.00	\$1,674.00	\$7,951.00	\$5,064.00	\$15,234.00	\$442,579.00
POLK	\$518.50	\$78.00	\$4,309.00	\$129,480.00	\$1,896.00	\$6,335.00	\$2,530.00	\$11,020.00	\$156,166.50
POPE	\$5,059.50	\$1,996.50	\$10,309.00	\$708,003.00	\$6,134.00	\$24,851.00	\$11,454.00	\$42,142.00	\$809,949.00
PRAIRIE	\$1,528.50	\$679.00	\$6,406.00	\$174,848.00	\$598.00	\$3,026.00	\$1,014.00	\$5,368.00	\$193,467.50
PULASKI	\$110,504.50	\$73,523.00	\$126,704.00	\$5,435,565.00	\$63,032.00	\$211,047.00	\$125,176.00	\$328,825.00	\$6,474,376.50
RANDOLPH	\$43.50	\$296.00	\$4,045.00	\$185,832.00	\$1,714.00	\$4,259.00	\$1,903.00	\$7,447.00	\$205,539.50

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

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$8,917.50	\$6,504.50	\$2,110.00	\$241,727.00	\$2,296.00	\$8,402.00	\$2,870.00	\$14,372.00	\$287,199.00
SALINE	\$8,594.50	\$4,593.50	\$28,562.00	\$967,920.00	\$12,494.00	\$40,845.00	\$24,489.00	\$69,122.00	\$1,156,620.00
SCOTT	\$163.50	\$17.00	\$1,527.00	\$75,794.00	\$834.00	\$3,617.00	\$1,587.00	\$6,089.00	\$89,628.50
SEARCY	\$144.50	\$402.50	\$1,015.00	\$102,551.00	\$552.00	\$2,330.00	\$1,258.00	\$3,708.00	\$111,961.00
SEBASTIAN	\$17,408.00	\$5,918.00	\$12,686.00	\$639,939.00	\$12,282.00	\$51,000.00	\$20,213.00	\$82,805.00	\$842,251.00
SEVIER	\$2,917.50	\$540.00	\$1,682.00	\$111,583.00	\$900.00	\$4,565.00	\$1,257.00	\$6,846.00	\$130,290.50
SHARP	\$759.00	\$260.50	\$18,442.00	\$214,598.00	\$1,608.00	\$5,725.00	\$3,908.00	\$10,665.00	\$255,965.50
STONE	\$1,406.50	\$228.50	\$3,996.00	\$81,404.00	\$1,172.00	\$2,807.00	\$2,071.00	\$5,402.00	\$98,487.00
UNION	\$51,261.00	\$20,866.50	\$9,621.00	\$820,573.00	\$5,294.00	\$18,432.00	\$7,323.00	\$31,361.00	\$964,731.50
VAN BUREN	\$1,312.00	\$485.00	\$4,467.00	\$147,071.00	\$1,336.00	\$5,430.00	\$2,976.00	\$9,436.00	\$172,513.00
WASHINGTON	\$19,595.00	\$4,962.50	\$19,642.00	\$1,194,724.00	\$15,582.00	\$71,903.00	\$24,778.00	\$115,659.00	\$1,466,845.50
WHITE	\$4,828.00	\$3,063.50	\$30,162.00	\$956,499.00	\$7,176.00	\$26,369.00	\$15,281.00	\$43,441.00	\$1,086,819.50
WOODRUFF	\$3,032.50	\$698.00	\$940.00	\$92,412.00	\$606.00	\$2,350.00	\$1,411.00	\$4,318.00	\$105,767.50
YELL	\$1,025.00	\$136.00	\$3,893.00	\$214,144.00	\$1,236.00	\$6,386.00	\$3,387.00	\$9,801.00	\$240,008.00

<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>*Totals</b>
	<b>\$586,332.50</b>	<b>\$307,270.50</b>	<b>\$735,539.00</b>	<b>\$29,580,356.00</b>	<b>\$294,316.00</b>	<b>\$1,107,876.00</b>	<b>\$551,639.00</b>	<b>\$1,853,187.00</b>	<b>\$35,016,516.00</b>

\*Estimates

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

There were 1,905 active retailers as of October 31, 2015.

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Net Position**  
**October 31, 2015**

**ASSETS**

<b>Current assets:</b>	
Cash and cash Equivalents	\$ 3,584,612.67
Restricted assets:	
Cash and cash equivalents	6,687,136.71
Accounts receivable	10,655,804.98
Prepaid items	42,458.35
Total current assets	<u>20,970,012.71</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,125,490.14
Deposits with Multi-State Lottery Association	1,743,122.99
Capital assets:	
Equipment	621,188.94
Leasehold improvements	492,795.71
Less accumulated depreciation	(932,538.00)
Total non-current assets	<u>22,050,059.78</u>
<b>Deferred outflows of resources</b>	
Related to pension	<u>992,965.00</u>
Total assets and deferred outflows of resources	<u>\$ 44,013,037.49</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 352,927.42
Prizes payable	19,595,090.80
Accrued and other liabilities	1,882,146.22
Due to other funds of the State	841,626.13
Payable to Arkansas Department of Higher Education	4,055,281.14
Compensated absences	300,991.26
Unearned revenue	213,866.77
Total current liabilities	<u>27,241,929.74</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	1,577,278.58
Net pension liability	3,407,594.00
Total long-term liabilities	<u>4,984,872.58</u>
<b>Deferred inflows of resources</b>	
Related to pension	<u>1,316,453.40</u>
Total liabilities and deferred inflows of resources	<u>33,543,255.72</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	181,446.65
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	125,490.14
Retailer bond reserve	94,070.00
Deposits with Multi-State Lottery Assn.	1,743,122.99
Unclaimed prizes reserve	2,631,855.57
Unrestricted	<u>(14,306,203.58)</u>
Total net position	<u>10,469,781.77</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 44,013,037.49</u>

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**For Four Months Ended October 31, 2015**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 29,756,654.00	\$ 110,854,525.00
Online ticket sales	5,402,975.50	23,184,801.50
Retailer application, fidelity, bond and service fees	100,108.30	283,439.03
Other revenue	<u>1,796.00</u>	<u>3,986.59</u>
 Total operating revenues	 <u>35,261,533.80</u>	 <u>134,326,752.12</u>
 <b>Operating expenses:</b>		
Instant game prizes	21,724,044.65	79,852,023.18
Online game prizes	2,858,156.85	12,040,094.75
Retailer commissions	1,982,492.97	7,585,064.78
Gaming contract costs	1,726,936.45	6,235,419.98
Compensation and benefits	344,790.45	1,577,571.05
Marketing, advertising and promotions	615,076.58	1,640,310.45
General and administrative expenses	90,396.86	353,744.28
Services provided by Arkansas Department of Higher Education	45,000.00	178,300.00
Audit services provided by Arkansas Division of Legislative Audit	23,000.00	84,680.00
Legal and professional services	234.39	504.17
Depreciation	<u>5,988.88</u>	<u>41,731.27</u>
 Total operating expenses	 <u>29,416,118.08</u>	 <u>109,589,443.91</u>
 Operating income (1)	 5,845,415.72	 24,737,308.21
 <b>Non-operating revenue (expense):</b>		
Interest income	12,030.40	78,510.24
Other non-operating Income	<u>                    </u>	<u>1,875.61</u>
 Income before transfers	 5,857,446.12	 24,817,694.06
 <b>Transfers to:</b>		
Education Trust Account (2)	(6,020,642.32)	(23,920,386.52)
Shortfall Account to EducationTrust Account	<u>1,965,361.18</u>	<u>                    </u>
Transfers from:		
Transfers from ADHE	<u>                    </u>	<u>                    </u>
 Change in net position	 <u>\$ 1,802,164.98</u>	 897,307.54
 Total net position - beginning		 9,572,474.23
Total net position - ending		<u>\$ 10,469,781.77</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 Four Months Ended October 31, 2015**

	<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	\$ 29,756,654.00	84.39	\$ 26,456,805.00	80.20	\$ 3,299,849.00	\$ 110,854,525.00	82.53	\$ 102,698,216.00	80.18	\$ 8,156,309.00
Online games	5,402,975.50	15.32	6,485,770.00	19.66	(1,082,794.50)	23,184,801.50	17.26	25,195,808.00	19.67	(2,011,006.50)
Retailer fees	100,108.30	0.28	43,733.00	0.13	56,375.30	283,439.03	0.21	190,622.00	0.15	92,817.03
Other revenue	1,796.00	0.01	833.00	0.00	963.00	3,986.59	0.00	3,333.00	0.00	653.59
<b>Total operating revenues</b>	<b>35,261,533.80</b>	<b>100.00</b>	<b>32,987,141.00</b>	<b>100.00</b>	<b>2,274,392.80</b>	<b>134,326,752.12</b>	<b>100.00</b>	<b>128,087,979.00</b>	<b>100.00</b>	<b>6,238,773.12</b>
<b>Operating expenses:</b>										
Instant game prizes	21,724,044.65	61.61	18,686,709.00	56.65	3,037,335.65	79,852,023.18	59.45	72,493,944.00	56.60	7,358,079.18
On-line game prizes	2,858,156.85	8.11	3,656,771.00	11.09	(798,614.15)	12,040,094.75	8.96	13,062,188.00	10.20	(1,022,093.25)
Retailer commissions	1,982,492.97	5.62	1,874,081.00	5.68	108,411.97	7,585,064.78	5.65	7,275,805.00	5.68	309,259.78
Gaming Contract Costs	1,726,936.45	4.90	1,544,784.00	4.68	182,152.45	6,235,419.98	4.64	5,997,364.00	4.68	238,055.98
Staff compensation & benefits	344,790.45	0.98	465,113.00	1.41	(120,322.55)	1,577,571.05	1.17	1,759,669.00	1.37	(182,097.95)
Marketing, advertising & promo	615,076.58	1.74	416,660.00	1.26	198,416.58	1,640,310.45	1.22	1,666,660.00	1.30	(26,349.55)
General and administrative exp	90,396.86	0.26	109,400.00	0.33	(19,003.14)	353,744.28	0.26	437,600.00	0.34	(83,855.72)
Services provided by other agency	68,000.00	0.19	52,500.00	0.16	15,500.00	262,980.00	0.20	210,000.00	0.16	52,980.00
Legal and professional service	234.39	0.00	830.00	0.00	(595.61)	504.17	0.00	3,330.00	0.00	(2,825.83)
Capital asset depreciation	5,988.88	0.02	13,000.00	0.04	(7,011.12)	41,731.27	0.03	52,000.00	0.04	(10,268.73)
<b>Total Operating Expenses</b>	<b>29,416,118.08</b>	<b>83.42</b>	<b>26,819,848.00</b>	<b>81.30</b>	<b>2,596,270.08</b>	<b>109,589,443.91</b>	<b>81.58</b>	<b>102,958,560.00</b>	<b>80.38</b>	<b>6,630,883.91</b>
<b>Operating Income</b>	<b>5,845,415.72</b>	<b>16.58</b>	<b>6,167,293.00</b>	<b>18.70</b>	<b>(321,877.28)</b>	<b>24,737,308.21</b>	<b>18.42</b>	<b>25,129,419.00</b>	<b>19.62</b>	<b>(392,110.79)</b>
<b>Non-operating revenue:</b>										
Interest income	12,030.40	0.03	8,827.00	0.03	3,203.40	78,510.24	0.06	55,492.00	0.04	23,018.24
Non-operating revenue	-		-		-	1,875.61		-		1,875.61
<b>Income before transfers</b>	<b>\$ 5,857,446.12</b>	<b>16.61</b>	<b>\$ 6,176,120.00</b>	<b>18.72</b>	<b>\$ (318,673.88)</b>	<b>\$ 24,817,694.06</b>	<b>18.48</b>	<b>\$ 25,184,911.00</b>	<b>19.66</b>	<b>\$ (367,216.94)</b>

**Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Net Proceeds Transfer to Ed Trust Computation  
Modified Cash Basis  
For Four Months Ended October 31, 2015**

	Year to date
<b>Operating revenues:</b>	
Instant ticket SETTLEMENTS	\$ 111,866,109.00
Online ticket sales	23,184,801.50
Retailer application, fidelity and service fees	283,439.03
Other revenue	<u>3,986.59</u>
 Total operating revenues	 <u>135,338,336.12</u>
 <b>Operating expenses:</b>	
Instant game prizes SETTLEMENTS	80,152,576.00
Online game prizes	12,040,094.75
Retailer commissions	7,585,064.78
Gaming contract costs	6,235,419.98
Compensation and benefits	1,577,571.05
Marketing, advertising and promotions	1,640,310.45
General and administrative expenses	353,744.28
Services provided by ADHE	178,300.00
Services provided by Legislative Audit Agency	84,680.00
Legal and professional services	504.17
Current year Capital Asset cost	
Total operating expenses	<u>109,848,265.46</u>
 Change in net proceeds from operations	 25,490,070.66
 <b>Nonoperating revenue (expense):</b>	
Interest Income	78,510.24
Other Non-Operating Income	1,875.61
EDUCATION TRUST FUNDING-Current Year	(17,899,744.20)
Less Act 1180 Unclaimed Prizes	(1,631,855.57)
Less Current year Fidelity Reserve Fees	(11,907.80) restricted reserves
Less Current year Bond Reserve Fees	(94,070.00) restricted reserves
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>68,500.00</u>

**NET PROCEEDS EARNED-Current Month** **\$ 6,020,642.32**

Totals	Transfer	Interest	Total
	\$ 3,126,538.69	\$ 928,742.45	\$ 4,055,281.14
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
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 9/30/16	\$ (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
Transfer to Shortfall Reserve 11/15/15	\$ (1,965,361.18)		\$ (1,965,361.18)

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

	Monthly	Year to Date
Reserve Balance July 1, 2015		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 75,505.00	1,631,855.57
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	75,505.00	1,631,855.57
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance October 31, 2015		\$2,631,855.57

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

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>October 2015</b>	<b>FY 2016 Total</b>
Goddess Products	Office Furniture/Supplies	Minority-owned	\$1,154.63	\$7,136.98
Government Supply Services	Office Products	Minority-owned	\$139.68	\$1,262.01
Party Prints	Advertising/Public Relations	Minority/Female-owned	\$14,927.55	\$14,927.55
<b>Totals</b>			<b>\$16,221.86</b>	<b>\$23,326.54</b>

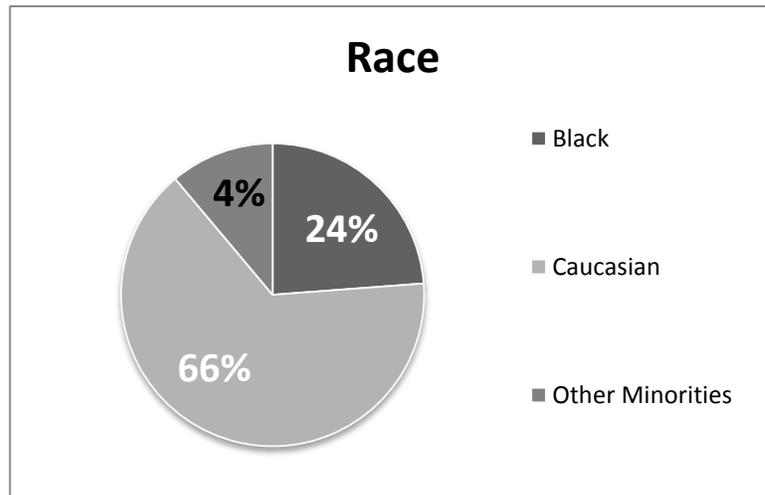
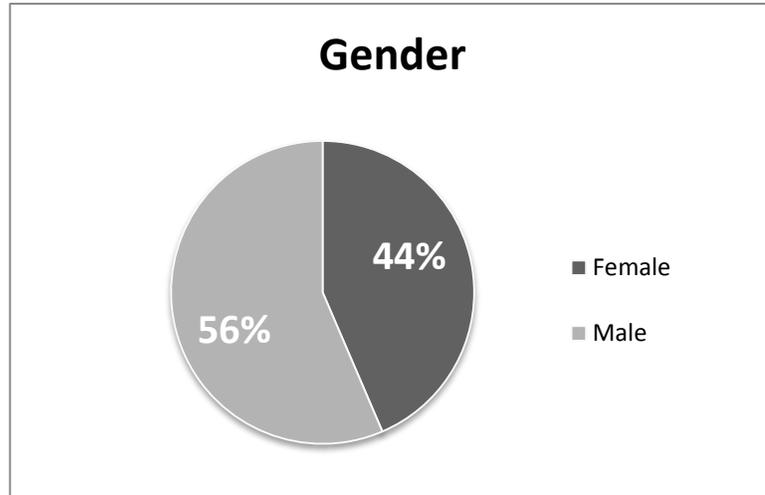
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
October 1 through October 31, 2015**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>October 2015</b>	<b>FY 2016 Total</b>
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,194.42	\$45,874.89
<b>Totals</b>			<b>\$10,194.42</b>	<b>\$45,874.89</b>

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

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>October 2015</b>	<b>FY 2016 Total</b>
Expedited Transportation Services	Transportation Services	Female-owned	\$5,031.52	\$5,031.52
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$363.30	\$1,122.60
Premier Staffing	Staffing Services	Female-owned	\$80.47	\$3,125.90
<b>Totals</b>			<b>\$5,475.29</b>	<b>\$9,280.02</b>

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



**Total Number of Employees as of October 31, 2015: 63**

**Gender:**

Females – 28  
Males – 35

**Race:**

Black – 15  
Caucasian – 41  
Other – 7

Female -- 8	Male -- 7
Female -- 16	Male -- 25
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 October 23, 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:

Player Loyalty Programs Audit

The audit centered on controls and procedures surrounding player loyalty programs operated primarily by Scientific Games International, Inc. (SGI) under contract with the OAL. Given that a substantial portion of the program is performed by a third party, the audit primarily focused on actions performed by OAL personnel that are designed to compliment controls and processes performed by SGI, and considered results of recent independent audits performed of SGI operations relative to this area. Fieldwork included review of documentation and information generated during fiscal years 2015 and 2016, but did not include any documents generated after September 4, 2015.

The following observation and recommendation was reported:

1. *Process Control Gaps Resulting from Scope of SOC 2, Type II Audit of SGI* – The Service Organization Control (SOC) 2, Type II audit performed (audit performed by independent auditing firm) relative to SGI's player loyalty club platform utilized by the OAL is limited in scope to the AICPA Trust Services Principle (TSP) of Security only, and does not include other relevant audit objectives such as Availability, Processing Integrity, and Privacy.

Internal Audit recommended that OAL Management and Internal Audit collectively work together with SGI Management to discuss the scope of the SOC 2 audit performed, including the merits of expanding its scope to include the AICPA TSPs of Availability, Processing Integrity, and Privacy. Further, Internal Audit recommended that the same parties discuss a plan for additional Internal Audit procedures on a periodic basis to address aspects of the services SGI provides to OAL for player loyalty club services that are not included within the scope of a SOC 2 audit engagement in the future. OAL Management indicated its openness to such discussions, noting that SGI Management has already preliminarily indicated intent to specifically address Internal Audit's recommendation regarding expansion of the SOC 2 audit's scope.

Internal Audit will perform follow-up procedures at the appropriate time in order to determine if the observation can be considered cleared.

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

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

Sales for the following instant games began October 6, 2015. No ending dates have been determined for these games.

**\$1 7-11-21**

**\$2 Ultimate Jumbo Bucks**

**\$3 Jumbo Bucks Crossword**

**\$5 The Color of Money**

**\$10 Towering 10's**

Sales for the following Fast Play games began October 5, 2015. No ending dates have been determined for this game.

**\$1 Hunting for Hundreds**

**\$1 Cash Count Up**