



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, 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 October 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 Woolsley".

Bishop Woolsley
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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November 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 October 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
October 1 through October 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 October 2016.

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

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$10,346.05
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$2,400.00</u>
	Total Debt Set-Off:	\$12,746.05

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

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 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	\$6,692.50	\$4,918.00	\$10,284.00	\$374,631.00	\$1,890.00	\$6,681.00	\$3,545.00	\$15,293.00	\$423,934.50
ASHLEY	\$11,056.50	\$16,087.00	\$4,503.00	\$98,770.00	\$1,682.00	\$4,190.00	\$1,701.00	\$10,716.00	\$148,705.50
BAXTER	\$3,445.00	\$2,561.00	\$8,517.00	\$340,520.00	\$6,324.00	\$11,894.00	\$9,527.00	\$28,512.00	\$411,300.00
BENTON	\$6,021.00	\$2,954.50	\$25,424.00	\$821,082.00	\$12,242.00	\$43,022.00	\$19,819.00	\$118,553.00	\$1,049,117.50
BOONE	\$3,131.50	\$2,474.00	\$8,071.00	\$408,337.00	\$2,190.00	\$8,909.00	\$3,474.00	\$23,475.00	\$460,061.50
BRADLEY	\$1,121.00	\$2,063.00	\$1,449.00	\$115,500.00	\$844.00	\$2,006.00	\$1,758.00	\$7,417.00	\$132,158.00
CALHOUN	\$3,450.50	\$921.00	\$649.00	\$46,959.00	\$338.00	\$1,058.00	\$601.00	\$2,009.00	\$55,985.50
CARROLL	\$597.00	\$663.00	\$6,981.00	\$248,700.00	\$1,834.00	\$6,203.00	\$2,369.00	\$16,029.00	\$283,376.00
CHICOT	\$10,417.50	\$7,111.50	\$2,572.00	\$128,521.00	\$3,994.00	\$16,011.00	\$5,033.00	\$42,173.00	\$215,833.00
CLARK	\$2,239.00	\$1,130.50	\$14,979.00	\$259,846.00	\$1,634.00	\$5,513.00	\$3,403.00	\$14,817.00	\$303,561.50
CLAY	\$247.00	\$51.50	\$976.00	\$75,300.00	\$396.00	\$1,441.00	\$1,191.00	\$4,196.00	\$83,798.50
CLEBURNE	\$1,316.50	\$678.50	\$28,402.00	\$243,278.00	\$2,240.00	\$8,570.00	\$8,188.00	\$19,981.00	\$312,654.00
CLEVELAND	\$400.00	\$448.50	\$628.00	\$48,000.00	\$186.00	\$927.00	\$724.00	\$2,353.00	\$53,666.50
COLUMBIA	\$14,888.50	\$8,136.00	\$18,524.00	\$269,584.00	\$1,890.00	\$4,860.00	\$2,173.00	\$12,042.00	\$332,097.50
CONWAY	\$4,605.50	\$1,628.00	\$13,380.00	\$413,413.00	\$1,692.00	\$8,179.00	\$5,484.00	\$19,712.00	\$468,093.50
CRAIGHEAD	\$7,775.00	\$4,644.00	\$24,108.00	\$1,090,975.00	\$5,370.00	\$19,950.00	\$12,986.00	\$56,339.00	\$1,222,147.00
CRAWFORD	\$1,273.50	\$890.50	\$11,485.00	\$301,409.00	\$2,910.00	\$13,049.00	\$8,426.00	\$32,740.00	\$372,183.00
CRITTENDEN	\$16,733.50	\$11,234.50	\$5,912.00	\$433,106.00	\$5,414.00	\$19,204.00	\$9,082.00	\$53,786.00	\$554,472.00
CROSS	\$3,165.50	\$2,374.00	\$6,012.00	\$210,728.00	\$874.00	\$3,654.00	\$2,550.00	\$9,650.00	\$239,007.50
DALLAS	\$999.00	\$337.00	\$2,318.00	\$122,797.00	\$450.00	\$2,500.00	\$1,670.00	\$5,174.00	\$136,245.00
DESHA	\$1,528.50	\$1,607.00	\$2,184.00	\$118,752.00	\$952.00	\$4,701.00	\$3,381.00	\$10,253.00	\$143,358.50
DREW	\$1,718.50	\$1,334.50	\$4,546.00	\$148,800.00	\$2,256.00	\$4,747.00	\$2,887.00	\$12,599.00	\$178,888.00
FAULKNER	\$8,618.00	\$4,234.00	\$40,247.00	\$875,655.00	\$9,114.00	\$29,146.00	\$24,087.00	\$74,938.00	\$1,066,039.00
FRANKLIN	\$364.00	\$318.00	\$14,253.00	\$142,263.00	\$1,402.00	\$4,774.00	\$2,406.00	\$11,768.00	\$177,548.00
FULTON	\$319.50	\$185.00	\$10,808.00	\$90,013.00	\$382.00	\$1,424.00	\$717.00	\$3,575.00	\$107,423.50
GARLAND	\$7,325.50	\$4,997.50	\$45,687.00	\$818,262.00	\$11,092.00	\$35,240.00	\$31,097.00	\$81,355.00	\$1,035,056.00
GRANT	\$601.00	\$335.00	\$3,997.00	\$109,992.00	\$1,550.00	\$3,208.00	\$2,721.00	\$8,721.00	\$131,125.00
GREENE	\$863.00	\$618.00	\$23,650.00	\$465,424.00	\$2,992.00	\$10,303.00	\$6,182.00	\$26,517.00	\$536,549.00
HEMPSTEAD	\$30,718.00	\$9,441.50	\$5,943.00	\$297,980.00	\$1,366.00	\$5,170.00	\$2,292.00	\$10,973.00	\$363,883.50
HOT SPRING	\$1,300.50	\$759.50	\$7,094.00	\$273,775.00	\$2,452.00	\$7,626.00	\$5,732.00	\$17,161.00	\$315,900.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 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	\$22,419.00	\$8,956.00	\$3,832.00	\$176,075.00	\$1,000.00	\$3,437.00	\$2,129.00	\$7,784.00	\$225,632.00
INDEPENDENCE	\$4,778.50	\$921.00	\$45,457.00	\$496,380.00	\$2,186.00	\$9,852.00	\$7,039.00	\$23,729.00	\$590,342.50
IZARD	\$225.50	\$77.00	\$6,579.00	\$72,526.00	\$604.00	\$2,941.00	\$2,137.00	\$6,629.00	\$91,718.50
JACKSON	\$10,631.50	\$4,356.00	\$12,432.00	\$264,000.00	\$2,118.00	\$4,790.00	\$3,941.00	\$11,678.00	\$313,946.50
JEFFERSON	\$39,938.00	\$30,751.00	\$33,972.00	\$1,257,476.00	\$7,818.00	\$25,980.00	\$21,812.00	\$57,173.00	\$1,474,920.00
JOHNSON	\$596.00	\$255.50	\$6,861.00	\$197,837.00	\$1,342.00	\$5,133.00	\$3,782.00	\$13,183.00	\$228,989.50
LAFAYETTE	\$4,643.00	\$1,676.50	\$2,254.00	\$66,600.00	\$570.00	\$1,243.00	\$695.00	\$2,666.00	\$80,347.50
LAWRENCE	\$1,406.00	\$347.50	\$4,881.00	\$199,500.00	\$844.00	\$2,968.00	\$1,881.00	\$8,457.00	\$220,284.50
LEE	\$2,862.50	\$3,678.50	\$1,081.00	\$70,200.00	\$282.00	\$1,421.00	\$443.00	\$3,464.00	\$83,432.00
LINCOLN	\$400.00	\$347.00	\$6,893.00	\$82,800.00	\$528.00	\$1,877.00	\$2,063.00	\$4,933.00	\$99,841.00
LITTLE RIVER	\$3,782.00	\$2,889.00	\$1,572.00	\$83,798.00	\$514.00	\$2,498.00	\$1,165.00	\$5,173.00	\$101,391.00
LOGAN	\$1,392.50	\$238.50	\$6,097.00	\$173,886.00	\$1,048.00	\$5,294.00	\$2,904.00	\$13,294.00	\$204,154.00
LONOKE	\$14,325.50	\$6,593.00	\$23,251.00	\$821,187.00	\$6,630.00	\$21,873.00	\$15,570.00	\$55,636.00	\$965,065.50
MADISON	\$277.50	\$49.00	\$1,644.00	\$70,200.00	\$742.00	\$2,722.00	\$1,435.00	\$6,926.00	\$83,995.50
MARION	\$1,938.00	\$467.50	\$7,085.00	\$127,997.00	\$2,060.00	\$3,745.00	\$3,301.00	\$10,426.00	\$157,019.50
MILLER	\$18,593.50	\$10,218.50	\$10,165.00	\$438,553.00	\$2,986.00	\$8,824.00	\$3,700.00	\$19,492.00	\$512,532.00
MISSISSIPPI	\$44,937.50	\$15,133.50	\$9,331.00	\$461,364.00	\$2,466.00	\$8,096.00	\$3,739.00	\$22,494.00	\$567,561.00
MONROE	\$2,126.50	\$1,144.00	\$1,689.00	\$106,432.00	\$470.00	\$2,726.00	\$1,764.00	\$8,044.00	\$124,395.50
MONTGOMERY	\$58.00	\$11.00	\$1,480.00	\$22,002.00	\$528.00	\$1,317.00	\$815.00	\$3,448.00	\$29,659.00
NEVADA	\$1,624.50	\$1,690.50	\$4,118.00	\$165,809.00	\$950.00	\$2,290.00	\$1,481.00	\$5,328.00	\$183,291.00
NEWTON	\$37.00	\$7.00	\$2,849.00	\$47,186.00	\$164.00	\$1,137.00	\$605.00	\$2,053.00	\$54,038.00
OUACHITA	\$10,097.00	\$4,824.00	\$7,975.00	\$428,323.00	\$1,630.00	\$5,693.00	\$4,879.00	\$15,331.00	\$478,752.00
PERRY	\$697.00	\$549.00	\$1,086.00	\$83,100.00	\$498.00	\$2,613.00	\$1,213.00	\$5,739.00	\$95,495.00
PHILLIPS	\$10,101.50	\$3,236.00	\$1,137.00	\$145,446.00	\$1,974.00	\$8,879.00	\$2,651.00	\$22,545.00	\$195,969.50
PIKE	\$1,229.00	\$88.00	\$10,878.00	\$82,019.00	\$578.00	\$2,913.00	\$1,896.00	\$6,072.00	\$105,673.00
POINSETT	\$5,759.00	\$904.50	\$12,296.00	\$403,167.00	\$1,210.00	\$5,990.00	\$4,087.00	\$14,695.00	\$448,108.50
POLK	\$989.50	\$89.50	\$11,898.00	\$92,297.00	\$1,382.00	\$4,904.00	\$2,620.00	\$12,459.00	\$126,639.00
POPE	\$2,808.00	\$1,407.50	\$12,031.00	\$664,851.00	\$4,758.00	\$17,851.00	\$11,865.00	\$47,086.00	\$762,657.50
PRAIRIE	\$1,346.00	\$958.00	\$8,138.00	\$172,099.00	\$452.00	\$2,102.00	\$1,293.00	\$6,243.00	\$192,631.00
PULASKI	\$103,383.50	\$84,094.50	\$181,212.00	\$5,494,031.00	\$51,636.00	\$144,023.00	\$115,609.00	\$340,752.00	\$6,514,741.00
RANDOLPH	\$64.00	\$338.00	\$5,461.00	\$175,500.00	\$1,402.00	\$3,245.00	\$1,887.00	\$8,585.00	\$196,482.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 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	\$10,784.00	\$11,164.50	\$5,096.00	\$279,029.00	\$1,670.00	\$6,265.00	\$2,175.00	\$17,214.00	\$333,397.50
SALINE	\$8,899.50	\$5,676.50	\$43,133.00	\$975,132.00	\$10,312.00	\$30,827.00	\$24,341.00	\$76,082.00	\$1,174,403.00
SCOTT	\$288.00	\$92.00	\$2,733.00	\$72,424.00	\$790.00	\$2,465.00	\$1,298.00	\$6,411.00	\$86,501.00
SEARCY	\$143.00	\$534.00	\$2,476.00	\$94,669.00	\$660.00	\$1,742.00	\$1,145.00	\$4,556.00	\$105,925.00
SEBASTIAN	\$21,301.50	\$6,643.00	\$12,228.00	\$655,651.00	\$10,046.00	\$37,474.00	\$20,238.00	\$90,415.00	\$853,996.50
SEVIER	\$1,723.00	\$767.00	\$840.00	\$101,246.00	\$702.00	\$3,065.00	\$943.00	\$6,749.00	\$116,035.00
SHARP	\$955.00	\$336.50	\$16,747.00	\$192,170.00	\$1,366.00	\$4,965.00	\$3,736.00	\$11,638.00	\$231,913.50
STONE	\$1,695.00	\$466.00	\$5,043.00	\$72,703.00	\$1,106.00	\$2,767.00	\$2,939.00	\$6,722.00	\$93,441.00
UNION	\$55,025.00	\$24,906.50	\$19,368.00	\$756,894.00	\$4,360.00	\$11,612.00	\$6,403.00	\$30,646.00	\$909,214.50
VAN BUREN	\$775.50	\$579.00	\$8,803.00	\$142,316.00	\$1,494.00	\$4,342.00	\$3,423.00	\$9,971.00	\$171,703.50
WASHINGTON	\$15,603.00	\$5,871.50	\$25,106.00	\$1,164,570.00	\$13,024.00	\$49,208.00	\$25,688.00	\$122,834.00	\$1,421,904.50
WHITE	\$6,612.50	\$4,264.50	\$35,954.00	\$971,990.00	\$6,116.00	\$18,030.00	\$14,606.00	\$46,189.00	\$1,103,762.00
WOODRUFF	\$3,192.50	\$1,151.50	\$979.00	\$87,017.00	\$466.00	\$1,805.00	\$1,186.00	\$4,821.00	\$100,618.00
YELL	\$815.00	\$238.00	\$9,536.00	\$238,574.00	\$1,094.00	\$4,807.00	\$3,459.00	\$11,661.00	\$270,184.00

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$594,211.50	\$344,123.00	\$987,260.00	\$28,339,398.00	\$242,528.00	\$791,911.00	\$527,187.00	\$1,970,253.00	\$33,796,871.50

*Estimates

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

There were 1,919 active retailers as of October 31, 2016.

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

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,298,424.70
Restricted assets:	
Cash and cash equivalents	23,955,035.13
Accounts receivable	11,051,091.10
Prepaid items	69,519.63
Total current assets	<u>37,374,070.56</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,149,488.84
Deposits with Multi-State Lottery Association	1,831,503.68
Capital assets (Net of accumulated depreciation)	430,160.66
Total non-current assets	<u>22,411,153.18</u>
 Total assets	 59,785,223.74
Deferred outflows of resources:	
Related to pension	<u>1,130,744.92</u>
 Total assets and deferred outflows of resources	 <u>\$ 60,915,968.66</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 140,610.67
Prizes payable	15,769,701.87
Accrued and other liabilities	1,762,376.49
Due to other funds of the State	298,732.70
Payable to ADHE for Education Trust Account	20,389,415.53
Compensated absences	328,369.30
Unearned revenue	307,928.75
Total current liabilities	<u>38,997,135.31</u>
Long-Term liabilities:	
Net other post employment benefits	2,098,893.19
Net pension liability	4,144,582.00
Total long-term liabilities	<u>6,243,475.19</u>
 Total liabilities	 45,240,610.50
Deferred inflows of resources:	
Related to pension	<u>665,543.75</u>
 Total liabilities and deferred inflows of resources	 <u>45,906,154.25</u>

NET POSITION

Net position:	
Invested in capital assets	430,160.66
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	149,488.84
Retailer bond reserve	294,387.55
Deposits with Multi-State Lottery Association	1,831,503.68
Unclaimed prizes reserve	3,565,619.60
Unrestricted (deficit)	<u>(11,261,345.92)</u>
 Total net position	 <u>15,009,814.41</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 60,915,968.66</u>

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

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 28,503,180.00	83.68	\$ 31,500,000.00	82.85	\$ (2,996,820.00)	\$ 112,561,365.00	80.11	\$ 117,810,000.00	82.06	\$ (5,248,635.00)
Online games	5,454,374.50	16.01	6,414,000.00	16.87	(959,625.50)	27,609,701.00	19.65	25,450,000.00	17.73	2,159,701.00
Retailer fees	104,102.64	0.31	105,000.00	0.28	(897.36)	331,195.77	0.24	306,000.00	0.21	25,195.77
Other revenue	<u>336.00</u>	0.00	<u>1,000.00</u>	0.00	<u>(664.00)</u>	<u>1,439.02</u>	0.00	<u>4,000.00</u>	0.00	<u>(2,560.98)</u>
Total operating revenues	<u>34,061,993.14</u>	100.00	<u>38,020,000.00</u>	100.00	<u>(3,958,006.86)</u>	<u>140,503,700.79</u>	100.00	<u>143,570,000.00</u>	100.00	<u>(3,066,299.21)</u>
Operating expenses:										
Instant game prizes	20,639,652.67	60.59	22,600,823.00	59.44	(1,961,170.33)	80,139,012.57	57.04	84,438,267.00	58.81	(4,299,254.43)
Online game prizes	2,918,871.59	8.57	3,435,677.00	9.04	(516,805.41)	14,285,672.66	10.17	13,619,633.00	9.49	666,039.66
Retailer commissions	1,925,655.90	5.65	2,163,600.00	5.69	(237,944.10)	7,865,672.04	5.60	8,175,700.00	5.69	(310,027.96)
Gaming contract costs	1,456,992.07	4.28	1,807,600.00	4.75	(350,607.93)	6,179,874.98	4.40	6,760,500.00	4.71	(580,625.02)
Compensation & benefits	426,349.03	1.25	418,400.00	1.10	7,949.03	1,641,307.71	1.17	1,733,300.00	1.21	(91,992.29)
Marketing, advertising & promotions	363,614.18	1.07	760,400.00	2.00	(396,785.82)	1,807,159.98	1.29	2,027,800.00	1.41	(220,640.02)
General and administrative expenses	150,525.38	0.44	364,800.00	0.96	(214,274.62)	1,073,638.61	0.76	1,413,000.00	0.98	(339,361.39)
Services provided by other agencies	48,666.00	0.14	61,000.00	0.16	(12,334.00)	194,664.00	0.14	244,000.00	0.17	(49,336.00)
Legal and professional service	-	-	1,600.00	0.00	(1,600.00)	-	0.00	6,600.00	0.00	(6,600.00)
Depreciation	<u>8,166.28</u>	0.02	<u>9,600.00</u>	0.03	<u>(1,433.72)</u>	<u>32,277.35</u>	0.02	<u>34,400.00</u>	0.02	<u>(2,122.65)</u>
Total operating expenses	<u>27,938,493.10</u>	82.02	<u>31,623,500.00</u>	83.18	<u>(3,685,006.90)</u>	<u>113,219,279.90</u>	80.58	<u>118,453,200.00</u>	82.51	<u>(5,233,920.10)</u>
Operating income	6,123,500.04	17.98	6,396,500.00	16.82	(272,999.96)	27,284,420.89	19.42	25,116,800.00	17.49	2,167,620.89
Non-operating revenue:										
Interest income	<u>21,013.94</u>	0.06	<u>6,200.00</u>	0.02	<u>14,813.94</u>	<u>104,375.20</u>	0.07	<u>40,500.00</u>	0.03	<u>63,875.20</u>
Income before transfers	<u>\$ 6,144,513.98</u>	18.04	<u>\$ 6,402,700.00</u>	16.84	<u>\$ (258,186.02)</u>	<u>\$ 27,388,796.09</u>	19.49	<u>\$ 25,157,300.00</u>	17.52	<u>\$ 2,231,496.09</u>

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

	Year to date																																				
Operating revenues:																																					
Instant ticket SETTLEMENTS	\$ 113,832,111.00																																				
Online ticket sales	27,609,701.00																																				
Retailer application, fidelity and service fees	331,195.77																																				
Other revenue	<u>1,439.02</u>																																				
 Total operating revenues	 <u>141,774,446.79</u>																																				
 Operating expenses:																																					
Instant game prizes SETTLEMENTS	81,018,663.00																																				
Online game prizes	14,285,672.66																																				
Retailer commissions	7,865,672.04																																				
Gaming contract costs	6,179,874.98																																				
Compensation and benefits	1,641,307.71																																				
Marketing, advertising and promotions	1,807,159.98																																				
General and administrative expenses	1,073,638.61																																				
Services provided by ADHE	146,664.00																																				
Services provided by Legislative Audit Agency	48,000.00																																				
Legal and professional services	0.00																																				
Current year Capital Asset cost	<u>86,020.75</u>																																				
Total operating expenses	<u>114,152,673.73</u>																																				
 Change in net proceeds from operations	 27,621,773.06																																				
 Nonoperating revenue (expense):																																					
Interest Income	104,375.20																																				
Other Non-Operating Income	0.00																																				
EDUCATION TRUST FUNDING-Current Year	(19,986,177.67)																																				
Less Act 1180 Unclaimed Prizes	(2,565,619.60)																																				
Less Current year Fidelity Reserve Fees	(12,588.66) restricted reserves																																				
Less Current year Bond Reserve Fees	(130,515.00) restricted reserves																																				
Less Current year MUSL Reserves (additions) / reductions	16,107.21 see 23-115-103(17) and (19)(A)&(B)																																				
Add OPEB expense in Comp and Benefits	<u>117,686.00</u>																																				
 NET PROCEEDS EARNED-Current Month	 <u>\$ 5,165,040.54</u>																																				
Totals	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: right;">Transfer</th> <th style="width: 33%; text-align: right;">Interest</th> <th style="width: 33%; text-align: right;">Total</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$ 19,387,813.58</td> <td style="text-align: right;">\$ 1,001,601.95</td> <td style="text-align: right;">\$ 20,389,415.53</td> </tr> <tr> <td>July 2016 funding - 8/15/16</td> <td style="text-align: right;">\$ 8,702,788.19</td> <td style="text-align: right;">\$ 11,598.20</td> <td style="text-align: right;">\$ 8,714,386.39</td> </tr> <tr> <td>August 2016 funding - 9/15/16</td> <td style="text-align: right;">\$ 5,480,243.59</td> <td style="text-align: right;">\$ 18,471.27</td> <td style="text-align: right;">\$ 5,498,714.86</td> </tr> <tr> <td>Transfer to ADHE 9/9/16</td> <td style="text-align: right;">\$ (36,000,000.00)</td> <td></td> <td style="text-align: right;">\$ (36,000,000.00)</td> </tr> <tr> <td>September 2016 funding - 10/15/16</td> <td style="text-align: right;">\$ 5,765,568.30</td> <td style="text-align: right;">\$ 7,508.12</td> <td style="text-align: right;">\$ 5,773,076.42</td> </tr> <tr> <td>ADHE Refund for excess scholarship funding for FY 2016</td> <td style="text-align: right;">\$ 542,198.00</td> <td></td> <td style="text-align: right;">\$ 542,198.00</td> </tr> <tr> <td>Transfer from ADHE (final 2016 Adj) -10/28/16</td> <td style="text-align: right;">\$ (109,184.50)</td> <td></td> <td style="text-align: right;">\$ (109,184.50)</td> </tr> <tr> <td>October 2016 funding - 11/15/16</td> <td style="text-align: right;">\$ 5,158,748.07</td> <td style="text-align: right;">\$ 6,292.47</td> <td style="text-align: right;">\$ 5,165,040.54</td> </tr> </tbody> </table>		Transfer	Interest	Total		\$ 19,387,813.58	\$ 1,001,601.95	\$ 20,389,415.53	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
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Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
October 31, 2016

	Monthly	Year to Date
Reserve Balance July 1, 2016		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 115,123.08	2,565,619.60
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 115,123.08	2,565,619.60
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance October 31, 2016		 \$3,565,619.60

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

Vendors	Goods or Services	Diversity Classification	October 2016	FY 2017 Total
A-Absolute Moving & Hauling	Moving/Hauling	CMBE	\$728.90	\$1,073.35
BSW Advertising	fob	FOB		\$26,882.13
Goddess Products	Office Furniture/Supplies	CMBE	\$4,721.51	\$10,029.87
Government Supply Services	Office Products	MBE	\$222.90	\$517.25
Party Prints	Advertising/Public Relations	CMBE	\$3,662.40	\$20,486.55
Totals			\$9,335.71	\$58,989.15

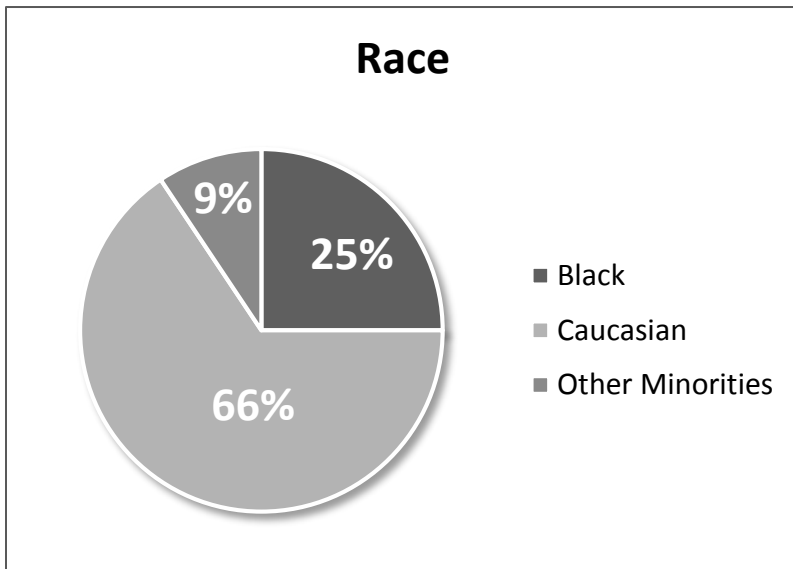
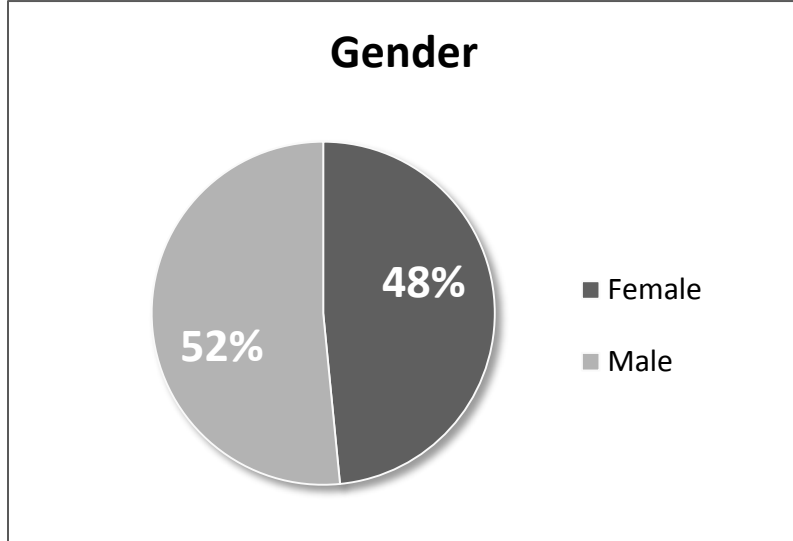
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
October 1 through October 31, 2016**

Vendors	Goods or Services	Diversity Classification	October 2016	FY 2017 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$8,462.00	\$38,079.00
Totals			\$8,462.00	\$38,079.00

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

Vendors	Goods or Services	Diversity Classification	October 2016	FY 2017 Total
Expedited Transportation Services	Transportation Services	FOB	\$2,076.66	\$8,704.25
Ingage, LLC	Fulfillment Services and Prizes	FOB	\$28,766.78	\$61,035.77
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE	\$396.00	\$1,584.00
Totals			\$31,239.44	\$71,324.02

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



Total Number of Employees as of October 31, 2016: 64

Gender:

Females – 31
Males – 33

Race:

Black – 16
Caucasian – 42
Other – 6

Female -- 10	Male -- 6
Female -- 18	Male -- 24
Female -- 3	Male -- 3

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

During the reporting period, the Office of the Arkansas Lottery (OAL) Internal Auditor (Internal Audit) issued the following reports to the Director of the Department of Finance and Administration (DFA Director):

Licensing & Retailer Compliance Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Lottery Oversight Subcommittee on April 11, 2016. Follow-up procedures centered on OAL Management's implementation of controls, procedures, and / or processes to address the observations noted in the fiscal year 2016 audit of the Licensing and Retailer Compliance process, and included generation of multiple system reports and inspection of a sample of retailer records for license renewals that occurred February 2016 through September 2016. Internal Audit concluded that OAL Management has effectively implemented updates and changes to licensing processes since the fiscal year 2016 audit and now considers the observations noted in that audit to be cleared.

Purchasing & Accounts Payable Follow-Up Audit

Follow-up audit procedures were performed relative to Internal Audit observations reported to the Lottery Oversight Subcommittee on May 10, 2016. Follow-up procedures centered on OAL Management's implementation of controls, procedures, and / or processes to address the observations noted in the fiscal year 2016 audit of the Purchasing and Accounts Payable process, and included inspection of purchase requisitions, purchase orders, invoices, checks, and check registers for disbursements made to vendors via checks generated in the Arkansas Administrative Statewide Information System (AASIS) through September 15, 2016. Internal Audit concluded that OAL Management has effectively implemented updates and changes to accounts payable processes since the fiscal year 2016 audit and now considers the observations noted in that audit to be cleared.

Cash Management & Receipts Audit

The audit centered on controls and procedures related to the management of OAL cash account balances and processing of payments received in the course of business, typically received via mail. Fieldwork included review of documentation and information generated through August 31, 2016.

The following observation and recommendation was reported:

- *Design of Check Logging Process* – In the normal course of business, the OAL receives checks (typically from retailers) via mail. In order to maintain segregation of duties, separate OAL personnel collect mail received and log mail that contain payments to the OAL than OAL personnel that subsequently deposit checks received. Both of these functions are separated from the accounting function, which reconcile bank accounts and confirm that the checks reflected as received and deposited are actually present in OAL bank accounts. Internal Audit noted, however, that checks were not logged until they were reviewed by OAL personnel responsible for retailer licensing to determine if the checks received should be returned because they were remitted to the OAL erroneously, thus increasing the risk of possible misplacement or misappropriation of the checks remitted.

Internal Audit recommended that OAL personnel log all checks received and document their ultimate disposition, regardless of whether the checks were deposited or subsequently returned to the remitter so that an audit trail is maintained for all checks received in the mail.

Continued on the following page.

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

Cash Management & Receipts Audit (continued)

OAL Management stated that all checks received will now be logged, regardless of disposition, so that a complete audit trail is maintained.

Internal Audit will perform follow-up procedures at the appropriate time to affirm implementation of this new control procedure and apprise the DFA Director and the Lottery Oversight Subcommittee of the results of the follow-up work performed.

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
October 2016

Sales for the following instant games began October 4, 2016. No ending dates have been determined for these games.

\$1 Fast Cash

\$2 Monopoly™¹

\$3 Super Hit!

\$5 EZ \$1,000's

\$10 Road to Riches

¹Monopoly™ is a licensed property game. There are no additional costs for this game

Sales for the following Fast Play games began October 3, 2016. No ending dates have been determined for these games.

\$1 Hunting for Hundreds

\$1 Crazy 8's

Sales for the following Fast Play games began October 31, 2016. No ending dates have been determined for these games.

\$1 Holiday Cash

\$1 Candy Cane Cash