



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

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

January 8, 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 December 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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January 8, 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 December 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
December 1 through December 31, 2015

1. On December 17, 2015, the Department of Finance and Administration Office of the Arkansas Lottery and Union Plaza, L.L.C., entered into a First Amendment to the Lease Agreement dated May 18, 2015. The following information is provided:
 - a. Date of First Amendment Agreement: December 17, 2015.
 - b. Term of Agreement: The Lessee may elect to extend the term not more than ninety (90) days upon the same terms by written notice to Lessor no less than thirty (30) days before the end of the term stated in the above paragraph [i.e., November 1, 2015, and continuing through August 31, 2021.]
 - c. Additional Modifications to the Agreement:
 - (1) The language in paragraphs (f) and (q) of the Special Provisions section of the Agreement was amended and modified to clarify responsibilities for maintenance, repairs, and/or fuel expenses of the uninterrupted power supply (UPS) and the power system/generator that OAL shares with Union Plaza. Ownership of the generator and UPS (Lessor) and ownership of the batteries installed in the UPS (Lessee) was also clarified.
 - (2) Paragraph (r) of the Special Provisions section of the Agreement was added to include procedures for reimbursement for repairs and maintenance of the Liebert unit that was in the server room of the 3rd floor of Union Plaza prior to the establishment of the lease with OAL in August 2009.
 - d. Vendor or other parties to the Agreement: Union Plaza, L.L.C.
 - e. Value (cost or cost savings projected for the agreement): No changes were made to the value of the Agreement.

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

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$14,013.90
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$2,003.00</u>
	Total Debt Set-Off:	\$16,016.90

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

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
December 1 through December 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	\$8,312.00	\$6,275.00	\$12,396.00	\$383,210.00	\$2,344.00	\$9,361.00	\$3,993.00	\$22,781.00	\$448,672.00
ASHLEY	\$10,019.00	\$10,089.50	\$8,233.00	\$116,245.00	\$1,456.00	\$5,524.00	\$1,572.00	\$13,974.00	\$167,112.50
BAXTER	\$4,501.50	\$1,921.00	\$9,481.00	\$375,725.00	\$4,948.00	\$13,612.00	\$8,446.00	\$37,286.00	\$455,920.50
BENTON	\$5,459.00	\$2,312.00	\$31,834.00	\$947,704.00	\$12,260.00	\$60,970.00	\$15,482.00	\$182,299.00	\$1,258,320.00
BOONE	\$3,760.00	\$3,729.00	\$12,174.00	\$419,853.00	\$2,162.00	\$12,022.00	\$3,437.00	\$33,584.00	\$490,721.00
BRADLEY	\$1,621.00	\$2,042.00	\$3,089.00	\$126,900.00	\$1,034.00	\$2,515.00	\$1,611.00	\$5,874.00	\$144,686.00
CALHOUN	\$2,977.00	\$2,049.50	\$1,528.00	\$53,238.00	\$588.00	\$1,401.00	\$628.00	\$3,127.00	\$65,536.50
CARROLL	\$1,367.00	\$1,476.00	\$8,249.00	\$247,549.00	\$1,720.00	\$8,006.00	\$2,570.00	\$20,677.00	\$291,614.00
CHICOT	\$9,621.50	\$5,577.00	\$2,638.00	\$118,200.00	\$3,916.00	\$17,754.00	\$4,897.00	\$48,514.00	\$211,117.50
CLARK	\$3,716.50	\$1,464.50	\$21,082.00	\$285,836.00	\$2,106.00	\$8,389.00	\$4,132.00	\$22,788.00	\$349,514.00
CLAY	\$121.00	\$19.00	\$884.00	\$77,449.00	\$658.00	\$2,118.00	\$1,134.00	\$6,373.00	\$88,756.00
CLEBURNE	\$1,105.00	\$646.50	\$10,857.00	\$275,670.00	\$3,920.00	\$11,736.00	\$9,212.00	\$29,588.00	\$342,734.50
CLEVELAND	\$324.50	\$453.50	\$859.00	\$50,224.00	\$252.00	\$1,163.00	\$401.00	\$3,681.00	\$57,358.00
COLUMBIA	\$16,431.50	\$10,773.50	\$26,516.00	\$282,196.00	\$2,620.00	\$6,856.00	\$2,286.00	\$16,478.00	\$364,157.00
CONWAY	\$4,715.50	\$1,547.50	\$24,901.00	\$482,210.00	\$2,352.00	\$10,522.00	\$5,298.00	\$29,680.00	\$561,226.00
CRAIGHEAD	\$8,561.50	\$6,437.00	\$29,279.00	\$1,230,766.00	\$6,742.00	\$32,500.00	\$11,464.00	\$96,681.00	\$1,422,430.50
CRAWFORD	\$1,618.50	\$776.00	\$7,143.00	\$295,767.00	\$3,450.00	\$18,492.00	\$7,277.00	\$51,530.00	\$386,053.50
CRITTENDEN	\$16,500.00	\$10,956.50	\$9,071.00	\$498,201.00	\$6,090.00	\$27,440.00	\$8,223.00	\$80,085.00	\$656,566.50
CROSS	\$2,850.50	\$1,741.00	\$12,651.00	\$196,695.00	\$754.00	\$4,822.00	\$2,087.00	\$12,779.00	\$234,379.50
DALLAS	\$2,221.50	\$748.00	\$3,464.00	\$144,798.00	\$652.00	\$3,478.00	\$1,576.00	\$7,703.00	\$164,640.50
DESHA	\$2,724.50	\$1,248.50	\$12,365.00	\$161,385.00	\$1,214.00	\$6,088.00	\$3,075.00	\$17,193.00	\$205,293.00
DREW	\$2,145.50	\$1,317.00	\$7,998.00	\$197,863.00	\$2,302.00	\$6,522.00	\$2,843.00	\$17,784.00	\$238,774.50
FAULKNER	\$10,445.00	\$5,020.50	\$47,334.00	\$1,014,119.00	\$11,024.00	\$39,723.00	\$19,137.00	\$109,249.00	\$1,256,051.50
FRANKLIN	\$536.50	\$211.50	\$7,410.00	\$155,950.00	\$1,168.00	\$6,753.00	\$1,870.00	\$18,650.00	\$192,549.00
FULTON	\$478.00	\$264.50	\$2,672.00	\$64,266.00	\$456.00	\$1,789.00	\$1,006.00	\$5,543.00	\$76,474.50
GARLAND	\$7,808.50	\$5,064.50	\$41,827.00	\$870,285.00	\$13,582.00	\$46,298.00	\$29,274.00	\$114,353.00	\$1,128,492.00
GRANT	\$269.50	\$251.50	\$3,513.00	\$127,731.00	\$1,554.00	\$4,333.00	\$2,165.00	\$12,168.00	\$151,985.00
GREENE	\$1,304.50	\$776.50	\$7,984.00	\$539,494.00	\$3,360.00	\$13,997.00	\$4,658.00	\$38,876.00	\$610,450.00
HEMPSTEAD	\$34,825.00	\$12,312.50	\$14,253.00	\$352,375.00	\$1,642.00	\$7,014.00	\$2,701.00	\$17,291.00	\$442,413.50
HOT SPRING	\$2,657.00	\$1,143.00	\$15,062.00	\$302,100.00	\$3,442.00	\$10,298.00	\$4,956.00	\$23,977.00	\$363,635.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
December 1 through December 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	\$22,070.50	\$8,228.00	\$6,053.00	\$180,575.00	\$1,346.00	\$4,556.00	\$2,134.00	\$9,357.00	\$234,319.50
INDEPENDENCE	\$3,071.00	\$458.50	\$34,553.00	\$565,535.00	\$3,932.00	\$13,241.00	\$6,693.00	\$33,664.00	\$661,147.50
IZARD	\$193.50	\$101.50	\$3,218.00	\$81,862.00	\$592.00	\$3,389.00	\$1,797.00	\$8,499.00	\$99,652.00
JACKSON	\$11,396.50	\$4,921.50	\$12,339.00	\$280,971.00	\$2,288.00	\$6,650.00	\$4,329.00	\$19,273.00	\$342,168.00
JEFFERSON	\$40,024.50	\$26,778.50	\$45,003.00	\$1,384,335.00	\$10,472.00	\$34,340.00	\$20,741.00	\$78,784.00	\$1,640,478.00
JOHNSON	\$655.50	\$443.00	\$4,121.00	\$259,179.00	\$1,546.00	\$7,664.00	\$3,138.00	\$19,001.00	\$295,747.50
LAFAYETTE	\$4,273.50	\$1,701.50	\$2,472.00	\$67,929.00	\$584.00	\$1,694.00	\$669.00	\$4,107.00	\$83,430.00
LAWRENCE	\$1,126.50	\$268.50	\$7,190.00	\$241,305.00	\$968.00	\$4,850.00	\$1,596.00	\$12,495.00	\$269,799.00
LEE	\$1,504.50	\$2,667.50	\$840.00	\$65,700.00	\$568.00	\$2,002.00	\$296.00	\$4,976.00	\$78,554.00
LINCOLN	\$315.00	\$176.00	\$3,873.00	\$83,052.00	\$524.00	\$2,735.00	\$2,175.00	\$6,747.00	\$99,597.00
LITTLE RIVER	\$4,730.50	\$2,532.00	\$1,559.00	\$96,746.00	\$718.00	\$3,312.00	\$923.00	\$6,776.00	\$117,296.50
LOGAN	\$1,216.00	\$398.00	\$5,113.00	\$208,042.00	\$1,648.00	\$7,145.00	\$3,267.00	\$18,203.00	\$245,032.00
LONOKE	\$8,257.00	\$5,067.50	\$24,136.00	\$869,378.00	\$8,310.00	\$31,628.00	\$14,512.00	\$81,364.00	\$1,042,652.50
MADISON	\$70.50	\$56.00	\$1,377.00	\$69,364.00	\$842.00	\$3,423.00	\$994.00	\$9,272.00	\$85,398.50
MARION	\$2,603.00	\$499.50	\$5,068.00	\$166,394.00	\$2,284.00	\$5,325.00	\$3,255.00	\$13,274.00	\$198,702.50
MILLER	\$22,712.50	\$10,310.00	\$6,156.00	\$443,479.00	\$2,826.00	\$12,804.00	\$4,590.00	\$29,640.00	\$532,517.50
MISSISSIPPI	\$52,348.00	\$26,223.00	\$5,485.00	\$545,169.00	\$2,526.00	\$12,453.00	\$3,801.00	\$35,487.00	\$683,492.00
MONROE	\$3,851.00	\$1,263.50	\$1,332.00	\$125,845.00	\$810.00	\$4,515.00	\$1,611.00	\$14,455.00	\$153,682.50
MONTGOMERY	\$95.00	\$0.00	\$3,388.00	\$21,600.00	\$482.00	\$1,534.00	\$874.00	\$4,221.00	\$32,194.00
NEVADA	\$1,666.00	\$729.00	\$5,530.00	\$223,479.00	\$1,066.00	\$3,464.00	\$1,094.00	\$8,154.00	\$245,182.00
NEWTON	\$53.00	\$42.00	\$1,780.00	\$58,448.00	\$308.00	\$1,694.00	\$740.00	\$3,522.00	\$66,587.00
OUACHITA	\$11,192.00	\$5,923.50	\$10,904.00	\$503,449.00	\$2,924.00	\$8,349.00	\$4,551.00	\$22,444.00	\$569,736.50
PERRY	\$688.00	\$431.00	\$2,738.00	\$72,434.00	\$572.00	\$3,239.00	\$1,140.00	\$6,838.00	\$88,080.00
PHILLIPS	\$8,971.50	\$4,805.50	\$2,593.00	\$183,466.00	\$2,506.00	\$14,130.00	\$2,129.00	\$30,489.00	\$249,090.00
PIKE	\$839.00	\$90.50	\$14,718.00	\$77,269.00	\$986.00	\$3,261.00	\$1,785.00	\$8,079.00	\$107,027.50
POINSETT	\$6,026.50	\$1,793.50	\$15,255.00	\$404,582.00	\$1,576.00	\$8,085.00	\$4,368.00	\$23,858.00	\$465,544.00
POLK	\$1,026.50	\$60.50	\$4,552.00	\$127,470.00	\$1,750.00	\$5,558.00	\$2,531.00	\$14,255.00	\$157,203.00
POPE	\$5,148.50	\$1,779.50	\$16,239.00	\$757,716.00	\$5,282.00	\$23,711.00	\$9,924.00	\$64,789.00	\$884,589.00
PRAIRIE	\$2,469.50	\$976.50	\$12,541.00	\$167,174.00	\$604.00	\$2,827.00	\$928.00	\$10,360.00	\$197,880.00
PULASKI	\$113,035.00	\$78,200.00	\$192,234.00	\$5,565,207.00	\$59,024.00	\$203,942.00	\$108,455.00	\$500,486.00	\$6,820,583.00
RANDOLPH	\$133.50	\$446.50	\$5,233.00	\$205,800.00	\$1,726.00	\$3,555.00	\$1,541.00	\$11,826.00	\$230,261.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
December 1 through December 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	\$11,275.50	\$7,491.50	\$3,786.00	\$253,082.00	\$1,978.00	\$8,535.00	\$2,015.00	\$23,465.00	\$311,628.00
SALINE	\$8,592.50	\$5,283.50	\$48,303.00	\$1,004,309.00	\$10,940.00	\$40,163.00	\$21,516.00	\$108,802.00	\$1,247,909.00
SCOTT	\$89.00	\$40.00	\$3,096.00	\$88,224.00	\$882.00	\$3,461.00	\$1,362.00	\$9,422.00	\$106,576.00
SEARCY	\$224.50	\$394.00	\$2,075.00	\$115,813.00	\$530.00	\$2,142.00	\$1,040.00	\$5,563.00	\$127,781.50
SEBASTIAN	\$13,075.50	\$5,963.50	\$14,290.00	\$656,726.00	\$11,508.00	\$49,104.00	\$16,649.00	\$134,402.00	\$901,718.00
SEVIER	\$2,440.00	\$769.50	\$3,270.00	\$113,787.00	\$782.00	\$4,948.00	\$916.00	\$10,200.00	\$137,112.50
SHARP	\$882.50	\$224.50	\$23,379.00	\$206,238.00	\$1,338.00	\$6,193.00	\$3,823.00	\$16,500.00	\$258,578.00
STONE	\$1,839.50	\$332.50	\$4,112.00	\$94,717.00	\$1,242.00	\$3,282.00	\$2,096.00	\$7,556.00	\$115,177.00
UNION	\$54,291.00	\$21,545.00	\$12,485.00	\$842,801.00	\$5,518.00	\$17,575.00	\$6,584.00	\$45,732.00	\$1,006,531.00
VAN BUREN	\$1,164.50	\$448.00	\$6,121.00	\$159,791.00	\$1,314.00	\$5,637.00	\$3,113.00	\$13,629.00	\$191,217.50
WASHINGTON	\$21,570.50	\$5,503.00	\$33,835.00	\$1,278,532.00	\$14,522.00	\$69,213.00	\$21,432.00	\$190,644.00	\$1,635,251.50
WHITE	\$6,617.50	\$3,897.00	\$42,844.00	\$1,053,056.00	\$6,634.00	\$25,265.00	\$13,152.00	\$66,671.00	\$1,218,136.50
WOODRUFF	\$4,289.50	\$1,026.50	\$458.00	\$83,967.00	\$576.00	\$2,327.00	\$1,283.00	\$6,942.00	\$100,869.00
YELL	\$747.00	\$246.50	\$4,920.00	\$243,888.00	\$1,282.00	\$6,220.00	\$2,777.00	\$15,189.00	\$275,269.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$627,860.50	\$339,181.00	\$1,057,314.00	\$30,691,889.00	\$280,404.00	\$1,090,636.00	\$481,750.00	\$2,869,978.00	\$37,439,012.50

*Estimates

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

There were 1,901 active retailers as of December 31, 2015.

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

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4,018,542.24
Restricted assets:	
Cash and cash equivalents	19,988,632.29
Accounts receivable	11,111,664.66
Prepaid items	43,285.57
Total current assets	<u>35,162,124.76</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,128,528.04
Deposits with Multi-State Lottery Association	1,743,122.99
Capital assets:	
Equipment	621,188.94
Leasehold improvements	492,795.71
Less accumulated depreciation	<u>(943,902.73)</u>
Total non-current assets	<u>22,041,732.95</u>
Deferred outflows of resources:	
Related to pension	<u>992,965.00</u>
Total assets and deferred outflows of resources	<u><u>\$ 58,196,822.71</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 466,633.41
Prizes payable	20,227,759.83
Accrued and other liabilities	1,698,816.36
Due to other funds of the State	490,070.61
Payable to Arkansas Department of Higher Education	16,492,352.86
Compensated absences	289,694.48
Unearned revenue	447,289.92
Total current liabilities	<u>40,112,617.47</u>
Long-Term liabilities:	
Net other post employment benefits	1,606,278.58
Net pension liability	<u>3,407,594.00</u>
Total long-term liabilities	<u>5,013,872.58</u>
Deferred inflows of resources:	
Related to pension	<u>1,249,444.80</u>
Total liabilities and deferred inflows of resources	<u>46,375,934.85</u>

NET POSITION

Net position:	
Invested in capital assets	170,081.92
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	128,528.04
Retailer bond reserve	110,455.00
Deposits with Multi-State Lottery Assn.	1,743,122.99
Unclaimed prizes reserve	3,496,279.43
Unrestricted (deficit)	<u>(13,827,579.52)</u>
Total net position	<u>11,820,887.86</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 58,196,822.71</u></u>

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

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 32,030,082.00	\$ 169,779,674.00
Online ticket sales	6,587,678.00	35,043,078.00
Retailer application, fidelity, bond and service fees	52,402.47	395,994.38
Other revenue	<u>583.62</u>	<u>5,351.11</u>
Total operating revenues	<u>38,670,746.09</u>	<u>205,224,097.49</u>
Operating expenses:		
Instant game prizes	23,354,022.41	122,040,878.12
Online game prizes	3,668,449.58	18,516,401.61
Retailer commissions	2,192,494.55	11,589,653.86
Gaming contract costs	1,658,041.16	9,244,864.62
Compensation and benefits	388,117.46	2,319,179.91
Marketing, advertising and promotions	326,755.67	2,336,738.22
General and administrative expenses	100,311.58	537,639.69
Services provided by Arkansas Department of Higher Education	35,000.00	248,300.00
Audit services provided by Arkansas Division of Legislative Audit	23,000.00	130,680.00
Legal and professional services	0.00	1,245.16
Depreciation	<u>5,398.60</u>	<u>53,096.00</u>
Total operating expenses	<u>31,751,591.01</u>	<u>167,018,677.19</u>
Operating income (1)	6,919,155.08	38,205,420.30
Non-operating revenue:		
Interest and other income	<u>18,396.83</u>	<u>114,273.60</u>
Income before transfers	6,937,551.91	38,319,693.90
Transfers to:		
Education Trust Account (2)	<u>(6,425,754.66)</u>	<u>(36,071,280.27)</u>
Change in net position	<u>\$ 511,797.25</u>	2,248,413.63
Total net position - beginning		9,572,474.23
Total net position - ending		<u>\$ 11,820,887.86</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 Six Months Ended December 31, 2015

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 32,030,082.00	82.83	\$ 28,847,877.00	81.88	\$ 3,182,205.00	\$ 169,779,674.00	82.73	\$ 156,517,046.00	80.39	\$ 13,262,628.00
Online games	6,587,678.00	17.04	6,338,776.00	17.99	248,902.00	35,043,078.00	17.08	37,896,331.00	19.46	(2,853,253.00)
Retailer fees	52,402.47	0.14	44,118.00	0.13	8,284.47	395,994.38	0.19	286,701.00	0.15	109,293.38
Other revenue	<u>583.62</u>	0.00	<u>834.00</u>	0.00	<u>(250.38)</u>	<u>5,351.11</u>	0.00	<u>5,000.00</u>	0.00	<u>351.11</u>
Total operating revenues	<u>38,670,746.09</u>	100.00	<u>35,231,605.00</u>	100.00	<u>3,439,141.09</u>	<u>205,224,097.49</u>	100.00	<u>194,705,078.00</u>	100.00	<u>10,519,019.49</u>
Operating expenses:										
Instant game prizes	23,354,022.41	60.39	20,408,272.00	57.93	2,945,750.41	122,040,878.12	59.47	110,519,112.00	56.76	11,521,766.12
Online game prizes	3,668,449.58	9.49	3,244,421.00	9.21	424,028.58	18,516,401.61	9.02	19,453,443.00	9.99	(937,041.39)
Retailer commissions	2,192,494.55	5.67	2,001,745.00	5.68	190,749.55	11,589,653.86	5.65	11,060,046.00	5.68	529,607.86
Gaming contract costs	1,658,041.16	4.29	1,650,016.00	4.68	8,025.16	9,244,864.62	4.50	9,116,671.00	4.68	128,193.62
Compensation & benefits	388,117.46	1.00	448,127.00	1.27	(60,009.54)	2,319,179.91	1.13	2,606,777.00	1.34	(287,597.09)
Marketing, advertising & promotions	326,755.67	0.84	416,670.00	1.18	(89,914.33)	2,336,738.22	1.14	2,500,000.00	1.28	(163,261.78)
General and administrative expenses	100,311.58	0.26	109,500.00	0.31	(9,188.42)	537,639.69	0.26	656,500.00	0.34	(118,860.31)
Services provided by other agencies	58,000.00	0.15	52,500.00	0.15	5,500.00	378,980.00	0.18	315,000.00	0.16	63,980.00
Legal and professional service	-	-	840.00	0.00	(840.00)	1,245.16	0.00	5,000.00	0.00	(3,754.84)
Depreciation	<u>5,398.60</u>	0.01	<u>13,000.00</u>	0.04	<u>(7,601.40)</u>	<u>53,096.00</u>	0.03	<u>78,000.00</u>	0.04	<u>(24,904.00)</u>
Total operating expenses	<u>31,751,591.01</u>	82.11	<u>28,345,091.00</u>	80.45	<u>3,406,500.01</u>	<u>167,018,677.19</u>	81.38	<u>156,310,549.00</u>	80.28	<u>10,708,128.19</u>
Operating income	6,919,155.08	17.89	6,886,514.00	19.55	32,641.08	38,205,420.30	18.62	38,394,529.00	19.72	(189,108.70)
Non-operating revenue:										
Interest and other income	<u>18,396.83</u>	0.05	<u>12,288.00</u>	0.03	<u>6,108.83</u>	<u>114,273.60</u>	0.06	<u>76,675.00</u>	0.04	<u>37,598.60</u>
Income before transfers	<u>\$ 6,937,551.91</u>	17.94	<u>\$ 6,898,802.00</u>	19.58	<u>\$ 38,749.91</u>	<u>\$ 38,319,693.90</u>	18.67	<u>\$ 38,471,204.00</u>	19.76	<u>\$ (151,510.10)</u>

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

	Year to date	
Operating revenues:		
Instant ticket SETTLEMENTS	\$ 169,706,484.00	
Online ticket sales	35,043,078.00	
Retailer application, fidelity and service fees	395,994.38	
Other revenue	<u>5,351.11</u>	
 Total operating revenues	 <u>205,150,907.49</u>	
 Operating expenses:		
Instant game prizes SETTLEMENTS	121,764,281.00	
Online game prizes	18,516,401.61	
Retailer commissions	11,589,653.86	
Gaming contract costs	9,244,864.62	
Compensation and benefits	2,319,179.91	
Marketing, advertising and promotions	2,336,738.22	
General and administrative expenses	537,639.69	
Services provided by ADHE	248,300.00	
Services provided by Legislative Audit Agency	130,680.00	
Legal and professional services	1,245.16	
Current year Capital Asset cost		
Total operating expenses	<u>166,688,984.07</u>	
 Change in net proceeds from operations	 38,461,923.42	
 Nonoperating revenue (expense):		
Interest Income	112,397.99	
Other Non-Operating Income	1,875.61	
EDUCATION TRUST FUNDING-Current Year	(29,645,525.61)	
Less Act 1180 Unclaimed Prizes	(2,496,279.43)	
Less Current year Fidelity Reserve Fees	(14,945.70)	restricted reserves
Less Current year Bond Reserve Fees	(110,455.00)	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>97,500.00</u>	

NET PROCEEDS EARNED-Current Month **\$ 6,425,754.66**

Totals	Transfer	Interest	Total
	\$ 15,558,310.51	\$ 934,042.35	\$ 16,492,352.86
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
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

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

	Monthly	Year to Date
Reserve Balance July 1, 2015		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 87,708.00	2,496,279.43
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	87,708.00	2,496,279.43
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance December 31, 2015		\$3,496,279.43

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

Vendors	Goods or Services	Diversity Classification	December 2015	FY 2016 Total
BSW Advertising	Advertising/Public Relations	Female-Owned		\$1,853.00
Goddess Products	Office Furniture/Supplies	Minority-owned	\$1,207.92	\$9,453.12
Government Supply Services	Office Products	Minority-owned	\$69.87	\$1,750.10
Party Prints	Advertising/Public Relations	Minority/Female-owned		\$14,927.55
Totals			\$1,277.79	\$27,983.77

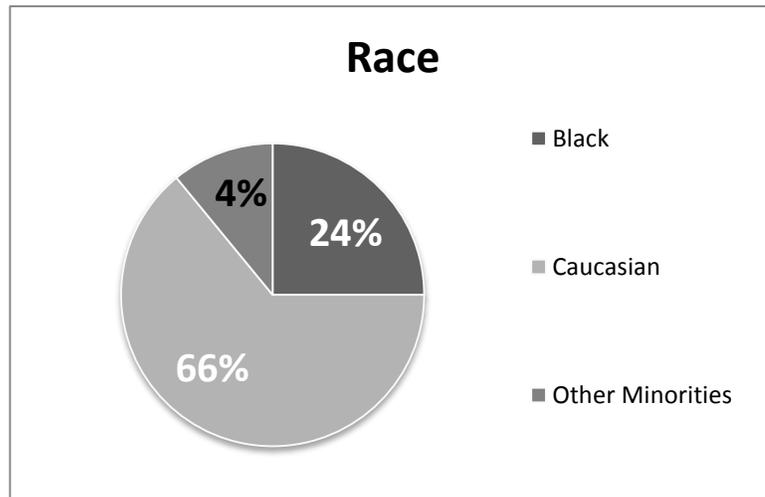
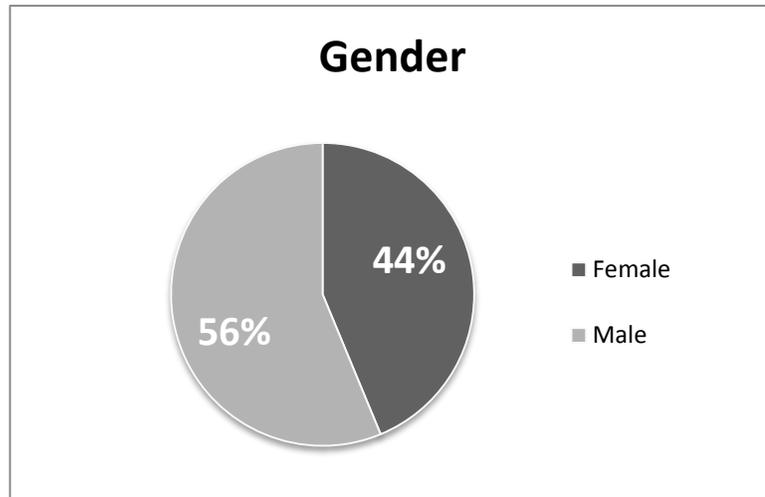
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
December 1 through December 31, 2015**

Vendors	Goods or Services	Diversity Classification	December 2015	FY 2016 Total
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$8,462.00	\$64,531.31
Totals			\$8,462.00	\$64,531.31

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

Vendors	Goods or Services	Diversity Classification	December 2015	FY 2016 Total
Central Copiers	Office Products/Supplies	Not Classified		\$780.87
Expedited Transportation Services	Transportation Services	Female-owned	\$3,572.90	\$9,604.16
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$396.00	\$1,914.60
Premier Staffing	Staffing Services	Female-owned		\$3,125.90
Totals			\$3,968.90	\$15,425.53

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



Total Number of Employees as of December 31, 2015: 64

Gender:

Females – 28
Males – 36

Race:

Black – 16
Caucasian – 41
Other – 7

Female -- 9	Male -- 7
Female -- 15	Male -- 26
Female -- 4	Male -- 3

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

No issues or problems resulting from internal audits have been reported to the Director of the Department of Finance and Administration for the reporting period.

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

Sales for the following instant games began December 1, 2015. No ending dates have been determined for these games.

\$1 Blackjack

\$2 Money Bags

\$3 Yahtzee™¹

\$5 Super 7's

\$10 \$10,000 Stacks

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

Sales for the following Fast Play games began December 7, 2015. No ending dates have been determined for this game.

\$1 Candy Cane Cash

\$1 Tic Tac Rock