



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>

September 10, 2019

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, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of August 2019. 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, Secretary of the Department of Finance and Administration



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**Department of Finance
and Administration**

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September 10, 2019

The Honorable Joyce Elliot, Co-Chair
The Honorable Chris Richey, Co-Chair
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Elliot and Representative Richey:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of August 2019. The reports contain the following information:

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Bishop Woosley
Director

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cc: Mr. Larry Walther, Secretary of the Department of Finance and Administration

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
August 1 through August 31, 2019

1. On July 10, 2019, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Bank OZK (Bank OZK), entered into an Agreement for Contractual Services for Comprehensive Banking Services. The following information is provided:

- a. Date of Agreement: July 10, 2019
- b. Term of Agreement: Two (2) years from the effective date of September 2, 2019.
- c. Terms of Compensation: Interest shall be paid at the Federal Funds Rate plus .20 (or 20 Basis points) with a start rate and floor of .55%.
- d. Value (cost or cost savings projected for the agreement): The estimated net value is one dollar (\$1.00)

2. On August 15, 2019, Scientific Games International (SGI) granted the Office of the Arkansas Lottery (OAL) the non-exclusive right in the state of Arkansas to reproduce, use, and make copies of the Property in association with the sale, marketing, advertising, and promotion of a scratch-off instant-win lottery game to be conducted by the OAL and identified as AR-532 "UNO™". All rights not specifically granted to the OAL are reserved by SGI and/or Licensor. The following information regarding the agreement is provided:

- a. Date of Agreement: August 15, 2019
- b. Term of Agreement: The term of this agreement shall commence on the date the Working Papers for the Game are signed and shall expire on the last date for claiming Game Prizes as established by the OAL.
- c. Vendor or other parties to the agreement: Scientific Games International
- d. Value (cost or cost savings) projected for this agreement: The base instant game contract price is 1.30% of net sales. There is a price of \$1.89 per 1000 tickets for FailSafe Barcode Services and a price of 1.5% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for OAL instant games. There are no additional costs for the use of UNO™.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses as of August 31, 2019**

1. Debt Set-Off Collections:

a.	Arkansas Department of Finance and Administration	\$2,437.97
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$726.80</u>
	Total Debt Set-Off:	\$3,164.77

2. Retailer Losses: \$0.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2019

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$12,990.00	\$7,131.50	\$8,032.00	\$487,311.00	\$2,500.00	\$11,581.00	\$6,097.00	\$16,515.00	\$552,157.50
ASHLEY	\$16,932.50	\$15,033.00	\$5,795.00	\$159,144.00	\$1,072.00	\$6,138.00	\$2,748.00	\$10,225.00	\$217,087.50
BAXTER	\$3,214.00	\$1,448.00	\$8,645.00	\$402,707.00	\$6,968.00	\$16,416.00	\$13,138.00	\$27,058.00	\$479,594.00
BENTON	\$7,208.50	\$4,633.00	\$19,906.00	\$1,202,556.00	\$14,374.00	\$72,560.00	\$25,523.00	\$113,289.00	\$1,460,049.50
BOONE	\$2,037.50	\$2,123.00	\$26,293.00	\$469,241.00	\$2,506.00	\$12,878.00	\$6,352.00	\$20,477.00	\$541,907.50
BRADLEY	\$1,967.00	\$2,755.00	\$2,137.00	\$135,744.00	\$760.00	\$2,701.00	\$1,500.00	\$3,652.00	\$151,216.00
CALHOUN	\$3,780.50	\$1,598.50	\$1,904.00	\$48,900.00	\$402.00	\$1,083.00	\$741.00	\$1,776.00	\$60,185.00
CARROLL	\$494.00	\$360.50	\$8,260.00	\$234,853.00	\$1,618.00	\$8,695.00	\$4,378.00	\$13,581.00	\$272,239.50
CHICOT	\$7,419.50	\$7,469.00	\$3,109.00	\$190,481.00	\$3,390.00	\$20,482.00	\$6,544.00	\$33,410.00	\$272,304.50
CLARK	\$3,744.50	\$1,540.50	\$17,906.00	\$350,745.00	\$1,334.00	\$8,759.00	\$5,328.00	\$12,630.00	\$401,987.00
CLAY	\$149.50	\$66.00	\$2,104.00	\$85,745.00	\$538.00	\$2,567.00	\$1,518.00	\$3,424.00	\$96,111.50
CLEBURNE	\$1,647.00	\$154.00	\$19,088.00	\$275,082.00	\$2,584.00	\$12,627.00	\$10,101.00	\$20,496.00	\$341,779.00
CLEVELAND	\$1,127.00	\$176.00	\$2,151.00	\$78,765.00	\$918.00	\$1,295.00	\$717.00	\$1,944.00	\$87,093.00
COLUMBIA	\$16,196.50	\$6,521.50	\$7,879.00	\$318,404.00	\$2,038.00	\$7,129.00	\$3,471.00	\$10,536.00	\$372,175.00
CONWAY	\$5,685.50	\$3,195.50	\$10,064.00	\$413,496.00	\$1,816.00	\$10,777.00	\$6,477.00	\$17,284.00	\$468,795.00
CRAIGHEAD	\$13,015.00	\$7,163.00	\$33,072.00	\$1,605,645.00	\$5,720.00	\$32,640.00	\$18,149.00	\$50,122.00	\$1,765,526.00
CRAWFORD	\$1,749.00	\$542.50	\$5,323.00	\$305,305.00	\$3,284.00	\$19,310.00	\$12,780.00	\$31,380.00	\$379,673.50
CRITTENDEN	\$17,560.00	\$11,565.50	\$5,000.00	\$505,204.00	\$5,196.00	\$24,580.00	\$9,737.00	\$40,699.00	\$619,541.50
CROSS	\$4,717.00	\$2,446.50	\$3,558.00	\$243,771.00	\$1,338.00	\$4,793.00	\$2,697.00	\$7,491.00	\$270,811.50
DALLAS	\$1,928.50	\$1,285.50	\$3,763.00	\$171,952.00	\$926.00	\$3,593.00	\$1,722.00	\$4,870.00	\$190,040.00
DESHA	\$2,565.00	\$2,170.50	\$2,987.00	\$188,878.00	\$926.00	\$6,589.00	\$2,704.00	\$9,251.00	\$216,070.50
DREW	\$4,203.50	\$2,746.00	\$7,267.00	\$269,091.00	\$2,208.00	\$8,603.00	\$3,282.00	\$11,612.00	\$309,012.50
FAULKNER	\$9,399.50	\$5,932.00	\$46,057.00	\$1,296,676.00	\$8,666.00	\$46,780.00	\$29,301.00	\$66,600.00	\$1,509,411.50
FRANKLIN	\$346.00	\$187.00	\$9,849.00	\$176,517.00	\$1,242.00	\$6,546.00	\$3,482.00	\$10,009.00	\$208,178.00
FULTON	\$432.00	\$190.50	\$2,303.00	\$71,295.00	\$842.00	\$1,542.00	\$1,518.00	\$3,023.00	\$81,145.50
GARLAND	\$19,360.00	\$9,304.50	\$32,842.00	\$974,333.00	\$12,060.00	\$57,780.00	\$43,839.00	\$79,598.00	\$1,229,116.50
GRANT	\$901.00	\$206.50	\$10,923.00	\$161,526.00	\$1,556.00	\$6,481.00	\$4,055.00	\$9,426.00	\$195,074.50
GREENE	\$923.50	\$398.00	\$28,822.00	\$670,654.00	\$3,198.00	\$15,550.00	\$7,457.00	\$23,456.00	\$750,458.50
HEMPSTEAD	\$43,665.50	\$14,610.50	\$9,569.00	\$329,788.00	\$1,234.00	\$6,814.00	\$2,764.00	\$10,408.00	\$418,853.00
HOT SPRING	\$1,518.00	\$575.00	\$11,107.00	\$368,051.00	\$2,768.00	\$12,587.00	\$7,593.00	\$16,704.00	\$420,903.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2019**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$29,863.00	\$10,351.00	\$6,843.00	\$209,467.00	\$1,584.00	\$4,509.00	\$2,387.00	\$6,415.00	\$271,419.00
INDEPENDENCE	\$1,846.50	\$988.50	\$39,454.00	\$588,852.00	\$2,140.00	\$14,233.00	\$10,160.00	\$20,499.00	\$678,173.00
IZARD	\$106.50	\$45.00	\$4,153.00	\$75,113.00	\$620.00	\$3,637.00	\$3,061.00	\$5,142.00	\$91,877.50
JACKSON	\$15,905.50	\$7,121.00	\$21,774.00	\$292,596.00	\$1,892.00	\$6,773.00	\$5,859.00	\$9,593.00	\$361,513.50
JEFFERSON	\$58,243.50	\$42,580.50	\$38,701.00	\$1,591,984.00	\$7,832.00	\$39,198.00	\$23,405.00	\$55,927.00	\$1,857,871.00
JOHNSON	\$572.00	\$896.00	\$4,333.00	\$254,834.00	\$1,540.00	\$7,836.00	\$4,720.00	\$12,080.00	\$286,811.00
LAFAYETTE	\$9,205.50	\$1,709.00	\$2,194.00	\$69,018.00	\$452.00	\$1,855.00	\$859.00	\$3,025.00	\$88,317.50
LAWRENCE	\$976.00	\$391.50	\$11,018.00	\$237,531.00	\$1,150.00	\$6,000.00	\$2,544.00	\$8,498.00	\$268,108.50
LEE	\$3,496.50	\$6,627.00	\$1,765.00	\$78,766.00	\$374.00	\$1,855.00	\$658.00	\$2,797.00	\$96,338.50
LINCOLN	\$361.00	\$589.00	\$3,671.00	\$95,100.00	\$722.00	\$3,376.00	\$2,973.00	\$4,466.00	\$111,258.00
LITTLE RIVER	\$5,592.00	\$2,837.50	\$5,479.00	\$120,429.00	\$556.00	\$3,349.00	\$1,257.00	\$5,088.00	\$144,587.50
LOGAN	\$748.50	\$164.00	\$6,654.00	\$183,889.00	\$930.00	\$7,034.00	\$3,959.00	\$10,928.00	\$214,306.50
LONOKE	\$10,437.00	\$5,245.50	\$27,651.00	\$919,691.00	\$6,616.00	\$32,795.00	\$19,970.00	\$47,420.00	\$1,069,825.50
MADISON	\$11.50	\$38.00	\$685.00	\$84,504.00	\$568.00	\$4,275.00	\$1,840.00	\$7,101.00	\$99,022.50
MARION	\$2,328.50	\$1,049.50	\$4,734.00	\$197,161.00	\$2,552.00	\$6,458.00	\$6,508.00	\$9,826.00	\$230,617.00
MILLER	\$29,348.00	\$11,475.00	\$11,015.00	\$545,729.00	\$4,156.00	\$14,109.00	\$5,188.00	\$19,081.00	\$640,101.00
MISSISSIPPI	\$46,458.00	\$18,399.00	\$10,836.00	\$556,462.00	\$2,000.00	\$11,581.00	\$4,582.00	\$18,215.00	\$668,533.00
MONROE	\$4,890.00	\$1,992.50	\$3,745.00	\$156,780.00	\$674.00	\$5,224.00	\$2,617.00	\$7,757.00	\$183,679.50
MONTGOMERY	\$78.00	\$189.00	\$1,126.00	\$25,114.00	\$262.00	\$1,818.00	\$808.00	\$2,823.00	\$32,218.00
NEVADA	\$3,109.50	\$2,680.50	\$3,897.00	\$204,632.00	\$982.00	\$2,708.00	\$1,304.00	\$3,816.00	\$223,129.00
NEWTON	\$12.50	\$89.00	\$2,669.00	\$38,760.00	\$202.00	\$1,431.00	\$690.00	\$2,158.00	\$46,011.50
OUACHITA	\$16,119.00	\$5,695.50	\$13,521.00	\$532,322.00	\$2,146.00	\$9,047.00	\$5,256.00	\$15,192.00	\$599,298.50
PERRY	\$697.50	\$284.50	\$2,083.00	\$107,622.00	\$530.00	\$3,497.00	\$1,939.00	\$4,816.00	\$121,469.00
PHILLIPS	\$8,884.00	\$6,157.50	\$3,848.00	\$178,303.00	\$2,230.00	\$13,165.00	\$4,397.00	\$19,822.00	\$236,806.50
PIKE	\$150.50	\$141.00	\$14,193.00	\$123,554.00	\$980.00	\$4,444.00	\$3,268.00	\$5,959.00	\$152,689.50
POINSETT	\$8,037.00	\$1,348.50	\$13,916.00	\$473,551.00	\$1,098.00	\$7,316.00	\$4,409.00	\$11,971.00	\$521,646.50
POLK	\$852.50	\$44.50	\$9,934.00	\$138,267.00	\$1,302.00	\$6,673.00	\$4,722.00	\$10,311.00	\$172,106.00
POPE	\$4,701.50	\$1,805.50	\$12,394.00	\$810,781.00	\$5,392.00	\$27,123.00	\$14,412.00	\$38,446.00	\$915,055.00
PRAIRIE	\$2,268.00	\$1,867.00	\$6,663.00	\$195,252.00	\$458.00	\$3,827.00	\$1,633.00	\$5,942.00	\$217,910.00
PULASKI	\$127,082.00	\$100,678.50	\$197,623.00	\$6,588,273.00	\$50,244.00	\$222,514.00	\$133,856.00	\$309,580.00	\$7,729,850.50
RANDOLPH	\$233.50	\$525.50	\$5,303.00	\$138,505.00	\$1,306.00	\$4,808.00	\$2,139.00	\$7,222.00	\$160,042.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
August 1 through August 31, 2019**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$18,262.50	\$11,404.50	\$5,800.00	\$263,721.00	\$1,632.00	\$8,798.00	\$3,589.00	\$14,042.00	\$327,249.00
SALINE	\$20,172.50	\$6,010.50	\$122,285.00	\$1,098,017.00	\$12,578.00	\$46,815.00	\$31,848.00	\$67,383.00	\$1,405,109.00
SCOTT	\$81.50	\$27.50	\$6,982.00	\$76,824.00	\$670.00	\$3,336.00	\$1,259.00	\$5,519.00	\$94,699.00
SEARCY	\$171.00	\$658.50	\$1,664.00	\$89,100.00	\$870.00	\$2,867.00	\$1,872.00	\$4,212.00	\$101,414.50
SEBASTIAN	\$9,603.50	\$4,090.00	\$11,551.00	\$753,089.00	\$11,732.00	\$51,705.00	\$28,198.00	\$77,796.00	\$947,764.50
SEVIER	\$2,152.00	\$249.00	\$1,348.00	\$119,856.00	\$1,016.00	\$4,757.00	\$1,501.00	\$5,349.00	\$136,228.00
SHARP	\$1,595.00	\$280.00	\$12,806.00	\$210,444.00	\$1,856.00	\$7,949.00	\$5,646.00	\$11,974.00	\$252,550.00
STONE	\$809.50	\$266.50	\$4,400.00	\$105,979.00	\$1,022.00	\$4,392.00	\$3,853.00	\$6,263.00	\$126,985.00
UNION	\$57,120.00	\$26,625.50	\$25,043.00	\$768,230.00	\$4,338.00	\$16,181.00	\$7,448.00	\$24,471.00	\$929,456.50
VAN BUREN	\$704.50	\$584.50	\$4,837.00	\$140,778.00	\$1,146.00	\$6,539.00	\$4,457.00	\$9,080.00	\$168,126.00
WASHINGTON	\$12,967.50	\$6,505.00	\$24,666.00	\$1,419,083.00	\$14,524.00	\$70,877.00	\$32,125.00	\$108,862.00	\$1,689,609.50
WHITE	\$4,186.50	\$3,049.50	\$49,958.00	\$958,796.00	\$5,220.00	\$27,389.00	\$16,908.00	\$38,785.00	\$1,104,292.00
WOODRUFF	\$2,777.50	\$1,951.00	\$2,216.00	\$115,443.00	\$560.00	\$2,740.00	\$1,232.00	\$4,207.00	\$131,126.50
YELL	\$393.50	\$174.00	\$6,663.00	\$272,672.00	\$1,012.00	\$6,854.00	\$4,847.00	\$9,427.00	\$302,042.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$730,489.00	\$409,410.50	\$1,127,809.00	\$34,396,734.00	\$255,648.00	\$1,193,543.00	\$671,876.00	\$1,760,232.00	\$40,545,741.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
August 2019**

There were 1,914 active retailers as of August 31, 2019.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
August 31, 2019

ASSETS

Current assets:	
Cash and cash equivalents	\$ 3,108,116.93
Restricted assets:	
Cash and cash equivalents	106,275,301.57
Accounts receivable	13,727,221.60
Inter-Agency Receivables	
Prepaid items	1,942,041.86
Total current assets	<u>125,052,681.96</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,959,397.47
Deposits with Multi-State Lottery Association	2,594,777.00
Capital assets (Net of accumulated depreciation)	1,227,669.06
Total non-current assets	<u>24,781,843.53</u>
 Total assets	 149,834,525.49
Deferred outflows of resources:	
Related to pension	<u>1,671,766.67</u>
 Total assets and deferred outflows of resources	 <u>\$ 151,506,292.16</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 22,258.54
Prizes payable	19,097,789.10
Accrued and other liabilities	2,859,105.55
Due to other funds of the State	605,690.40
Due to Education Trust Account	64,116,612.17
Due to Workforce Challenge Trust Account	38,099,665.97
Compensated absences	365,788.94
OPEB Obligation	105,120.06
Unearned revenue	213,599.74
Total current liabilities	<u>125,485,630.47</u>
Long-Term liabilities:	
Net other post employment benefits	3,540,545.99
Net pension liability	5,110,275.00
Total long-term liabilities	<u>8,650,820.99</u>
 Total liabilities	 134,136,451.46
Deferred inflows of resources:	
Related to pension	466,356.00
Related to OPEB	147,211.58
Total deferred inflows of resources	<u>613,567.58</u>
 Total liabilities and deferred inflows of resources	 <u>134,750,019.04</u>

NET POSITION

Net position:	
Invested in capital assets	1,227,669.06
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	961,797.47
Deposits with Multi-State Lottery Association	2,594,777.00
Unclaimed prizes reserve	4,059,023.43
Unrestricted (deficit)	<u>(12,086,993.84)</u>
 Total net position	 <u>16,756,273.12</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 151,506,292.16</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Two Months Ended August 31, 2019

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 34,686,908.00	\$ 69,594,326.00
Online ticket sales	6,160,217.50	12,439,785.00
Retailer application, fidelity, bond and service fees	51,916.00	104,104.29
Other revenue	<u>45.25</u>	<u>45.25</u>
 Total operating revenues	 <u>40,899,086.75</u>	 <u>82,138,260.54</u>
 Operating expenses:		
Instant game prizes	24,654,792.55	48,365,112.99
Online game prizes	3,326,486.35	7,011,340.35
Retailer commissions	2,339,365.42	4,662,693.78
Gaming contract costs	1,939,733.32	3,783,994.41
Compensation and benefits	425,674.51	861,638.77
Marketing, advertising and promotions	569,846.11	1,126,000.18
General and administrative expenses	279,616.91	704,089.19
Services provided by Arkansas Department of Higher Education	35,398.55	73,398.55
Services provided by Arkansas Legislative Audit	23,316.00	33,816.00
Legal and professional services	224.06	224.06
Depreciation	<u>10,687.57</u>	<u>21,673.48</u>
 Total operating expenses	 <u>33,605,141.35</u>	 <u>66,643,981.76</u>
 Operating income (1)	 7,293,945.40	 15,494,278.78
 Non-operating revenue:		
Interest income	<u>259,298.51</u>	<u>540,594.25</u>
 Income before transfers	 7,553,243.91	 16,034,873.03
 Transfers to:		
Education Trust Account (2)	<u>(4,942,736.97)</u>	<u>(9,466,667.72)</u>
 Change in net position	 <u>\$ 2,610,506.94</u>	 6,568,205.31
 Total net position - beginning		<u>10,188,067.81</u>
Total net position - ending		<u>\$ 16,756,273.12</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 does not include unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Two Months Ended August 31, 2019

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 34,686,908.00	84.81	\$ 34,565,000.00	82.21	\$ 121,908.00	\$ 69,594,326.00	84.73	\$ 66,551,000.00	81.69	\$ 3,043,326.00
Online games	6,160,217.50	15.06	7,436,000.00	17.69	(1,275,782.50)	12,439,785.00	15.14	14,830,000.00	18.20	(2,390,215.00)
Retailer fees	51,916.00	0.13	41,000.00	0.10	10,916.00	104,104.29	0.13	89,000.00	0.11	15,104.29
Other revenue	<u>45.25</u>	0.00	<u>1,000.00</u>	0.00	<u>(954.75)</u>	<u>45.25</u>	0.00	<u>2,000.00</u>	0.00	<u>(1,954.75)</u>
				0.00%						
Total operating revenues	<u>40,899,086.75</u>	100.00	<u>42,043,000.00</u>	100.00	<u>(1,143,913.25)</u>	<u>82,138,260.54</u>	100.00	<u>81,472,000.00</u>	100.00	<u>666,260.54</u>
Operating expenses:										
Instant game prizes	24,654,792.55	60.28	24,812,000.00	59.02	(157,207.45)	48,365,112.99	58.88	47,740,000.00	58.60	625,112.99
Online game prizes	3,326,486.35	8.13	3,900,000.00	9.28	(573,513.65)	7,011,340.35	8.54	7,778,000.00	9.55	(766,659.65)
Retailer commissions	2,339,365.42	5.72	2,331,000.00	5.54	8,365.42	4,662,693.78	5.68	4,560,000.00	5.60	102,693.78
Gaming contract costs	1,939,733.32	4.74	1,862,000.00	4.43	77,733.32	3,783,994.41	4.61	3,724,000.00	4.57	59,994.41
Compensation & benefits	425,674.51	1.04	473,000.00	1.13	(47,325.49)	861,638.77	1.05	944,000.00	1.16	(82,361.23)
Marketing, advertising & promotions	569,846.11	1.39	602,000.00	1.43	(32,153.89)	1,126,000.18	1.37	1,269,000.00	1.56	(142,999.82)
General and administrative expenses	279,616.91	0.68	466,000.00	1.11	(186,383.09)	704,089.19	0.86	901,000.00	1.11	(196,910.81)
Services provided by other agencies	58,714.55	0.14	63,000.00	0.15	(4,285.45)	107,214.55	0.13	127,000.00	0.16	(19,785.45)
Legal and professional service	224.06	0.00	500.00	0.00	(275.94)	224.06	0.00	1,000.00	0.00	(775.94)
Depreciation	<u>10,687.57</u>	0.03	<u>38,000.00</u>	0.09	<u>(27,312.43)</u>	<u>21,673.48</u>	0.03	<u>63,000.00</u>	0.08	<u>(41,326.52)</u>
Total operating expenses	<u>33,605,141.35</u>	82.17	<u>34,547,500.00</u>	82.17	<u>(942,358.65)</u>	<u>66,643,981.76</u>	81.14	<u>67,107,000.00</u>	82.37	<u>(463,018.24)</u>
Operating income	7,293,945.40	17.83	7,495,500.00	17.83	(201,554.60)	15,494,278.78	18.86	14,365,000.00	17.63	1,129,278.78
Non-operating revenue:										
Interest income	<u>259,298.51</u>	0.63	<u>146,000.00</u>	0.35	<u>113,298.51</u>	<u>540,594.25</u>	0.66	<u>283,000.00</u>	0.35	<u>257,594.25</u>
Income before transfers	<u>\$ 7,553,243.91</u>	18.47	<u>\$ 7,641,500.00</u>	18.18	<u>\$ (88,256.09)</u>	<u>\$ 16,034,873.03</u>	19.52	<u>\$ 14,648,000.00</u>	17.98	<u>\$ 1,386,873.03</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Two Months Ended August 31, 2019**

	Year to date																																																																																				
Operating revenues:																																																																																					
Instant ticket (Settlements)	\$ 68,090,126.00																																																																																				
Online ticket sales	12,439,785.00																																																																																				
Retailer application, fidelity and service fees	104,104.29																																																																																				
Other revenue	45.25																																																																																				
	80,634,060.54																																																																																				
 Operating expenses:																																																																																					
Instant game prizes (Settlements)	50,372,337.00																																																																																				
Online game prizes	7,011,340.35																																																																																				
Retailer commissions	4,662,693.78																																																																																				
Gaming contract costs	3,783,994.41																																																																																				
Compensation and benefits	861,638.77																																																																																				
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General and administrative expenses	704,089.19																																																																																				
Services provided by ADHE	73,398.55																																																																																				
Services provided by Legislative Audit Agency	33,816.00																																																																																				
Legal and professional services	224.06																																																																																				
Current year capital asset cost	0.00																																																																																				
	68,629,532.29																																																																																				
 Total operating revenues	 80,634,060.54																																																																																				
 Total operating expenses	 68,629,532.29																																																																																				
 Change in net proceeds from operations	 12,004,528.25																																																																																				
 Non-operating revenue:																																																																																					
Interest income	540,594.25																																																																																				
Other non-operating income	0.00																																																																																				
EDUCATION TRUST FUNDING-Current Year	(4,523,930.75)																																																																																				
Less Act 1180 Unclaimed Prizes	(3,059,023.43)																																																																																				
Less current year Bond Reserve Fees	(21,904.02) restricted reserves																																																																																				
Add back Write Off Retailer Bad Debt																																																																																					
Less current year MUSL Reserves	(15,527.33) see 23-115-103(17) and (19)(A)&(B)																																																																																				
Add OPEB expense in Comp and Benefits	18,000.00																																																																																				
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 NET PROCEEDS EARNED-Current Month	 <u>\$ 4,942,736.97</u>																																																																																				
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Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
August 31, 2019

	Monthly	Year to Date
Reserve Balance July 1, 2019		\$1,000,000.00
1. Unclaimed lottery prize money:	\$1,061,556.96	3,059,023.43
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	1,061,556.96	3,059,023.43
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance August 31, 2019		\$4,059,023.43

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY**

**OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2019**

Vendors	Goods or Services	Diversity Classification	August 2019	FY 2020 Total
Arkansas Business Publishing Group	News Service	WBE		\$64.95
Buds Graphics Sales & Service	Printing Equipment & Service	MBE	\$410.01	\$410.01
Government Supply Services	Office Furniture/Supplies	MBE	\$581.20	\$1,082.78
Totals			\$991.21	\$1,557.74

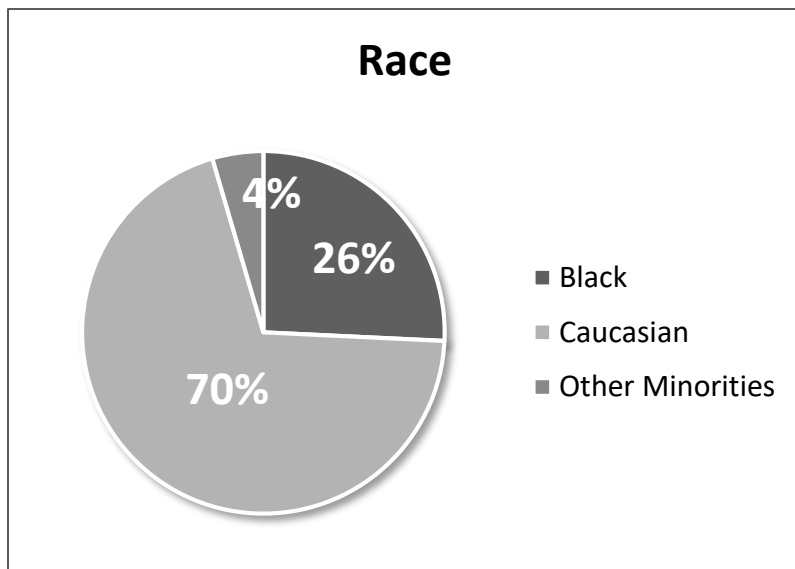
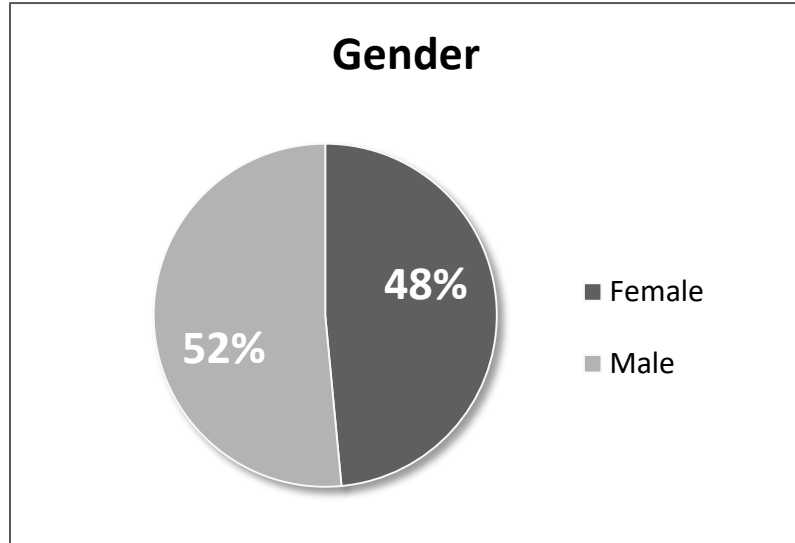
**INTRALOT MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2019**

Vendors	Goods or Services	Diversity Classification	August 2019	FY 2020 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$14,089.30	\$35,119.83
Totals				\$35,119.83

**SCIENTIFIC GAMES MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2019**

Vendors	Goods or Services	Diversity Classification	August 2019	FY 2020 Total
Expedited Transportation Service	Transportation Services	DBE	\$1,478.97	\$4,608.79
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$115,404.28	\$190,088.36
Premier Staffing	Employment Services	MBE	\$6,554.03	\$9,783.73
Pure Cleaning Services	Janitorial Services	MBE		\$872.00
Totals			\$123,437.28	\$205,352.88

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – August 2019**



Total Number of Employees as of August 2019: 66

Gender:

Females – 32
Males – 34

Race:

Black – 17
Caucasian – 46
Other – 3

Female -- 10	Male - 7
Female -- 22	Male -- 24
Female -- 0	Male -- 3

**Department of Finance and Administration
Office of the Arkansas Lottery – Internal Audit
August 1 through August 31, 2019**

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

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
August 2019

Sales for the following instant games began August 27, 2019. No ending dates have been determined for these games.

\$1 Tic Tac Toe

\$2 Triple Win

\$3 Lucky 777

\$5 RAZORBACKS^{®1}

\$10 Cash Club

¹RAZORBACKS[®] is a licensed property game. There is a license fee in the amount of one hundred forty-one thousand dollars (\$141,000) for the game.

Sales for the following Fast Play games began August 26, 2019. No ending dates have been determined for these games.

\$1 Tic Tac Rock

\$1 3 Times Lucky