



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 8, 2017

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 August 2017, 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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September 8, 2017

The Honorable Keith Ingram, 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 August 2017, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

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Respectfully submitted,

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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
August 1 through August 31, 2017

1. On June 28, 2017, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Bank of the Ozarks entered into a Second Amendment to the Agreement for Contractual Services for Comprehensive Banking Services. The following information is provided:

- a. Date of Agreement: June 28, 2017.
- b. Term of Agreement: One (1) year, effective as of September 2, 2017.
- 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. 1. On August 10, 2017, OAL and Advent Systems, Inc. entered into a one year extension of Lottery RFQ-130001, Arkansas Lottery Security System. The purpose of the extension was to ensure the continuity of security system equipment maintenance and service, pursuant to the agreement entered into between the parties (the Contract) on June 4, 2013. The following information is provided:

- a. Date of Agreement: August 10, 2017
- b. Terms of Agreement: One (1) year, effective as of September 1, 2017, with an option for renewal at a mutually agreed-upon price up to three (3) times in one (1) year increments or a portion thereof
- c. Vendor or other parties to the Agreement: Advent Systems, Inc. and OAL
- d. Value (cost or cost savings projected for the agreement): Cost of Service Agreement from September 1, 2017, through August 31, 2018, is \$18,624.83. Service calls for items not listed on the Equipment List or Service Calls that are due to OAL designated representative error or neglect will be billed at \$65.00 per hour. Advent will charge the after-hours rate of \$97.50 per hour for all work performed between the hours of 5:30 p.m. and 7:00 a.m., Monday through Friday and between 8:00 a.m. and 4:30 p.m. Saturday with a minimum charge per call of \$195.00.

3. On August 23, 2017, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Intralot, Inc. (Intralot), entered into *Amendment No. 3 to Contract Dated August 15, 2009 Between the Office of the Arkansas Lottery (Formerly, Arkansas Lottery Commission) and Intralot, Inc.* The purpose of the amendment was to effectuate the implementation of an Extension to the Contract, pursuant to the agreement entered into between the parties (the Contract) on August 15, 2009. This amendment was reviewed by the Arkansas Legislative Council on August 18, 2017. The following information is provided:

- a. Date of Agreement: August 23, 2017.
- b. Vendor or other parties to the Agreement: Intralot, Inc. and OAL
- c. Terms of Agreement: Intralot is granted by the OAL a seven (7) year extension to the Contract, commencing on the expiration of the current Contract (the "Extension Effective Date") on August 14, 2019, thereby extending the Contract through and including August 14, 2026.
- d. Value (cost or cost savings projected for the agreement):
 - (1) Intralot will continue to be compensated at the rate of 2.165% of instant and online sales until December 31, 2017. Thereafter until the extension years expire on August 14, 2026, Intralot will be compensated at the rate of 2.11% of instant and on-line sales.
 - (2) Intralot will provide the following:
 - (a) 2,200 new PHOTON™ terminals and printers to accommodate the reasonable needs of the retailer base. Deployment of the terminals shall be on a mutually agreed upon staggered basis which will commence in August 2019.
 - (b) 1,600 new PADS (Player Advertising Displays), to be deployed upon a mutually agreed upon schedule commencing after January 2018.
 - (c) A new BOS (Back Office System), including necessary upgrades of central systems equipment together with the most current version of ICS software and hardware implemented upon a mutually agreeable schedule during the 2019 calendar year.
 - (d) 400 new and unused Play Stations to include ongoing maintenance commencing in January 2018.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
August 2017**

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$1,000.00
b.	Arkansas Office of Child Support Enforcement - Child Support	\$ 0.00
	Total Debt Set-Off:	<u>\$1,000.00</u>

2. Retailer losses for period August 1 through August 31, 2017: None.

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY**

August 1 through August 31, 2017

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$8,206.00	\$5,536.00	\$13,023.00	\$501,127.00	\$1,970.00	\$18,873.00	\$5,381.00	\$79,002.00	\$633,118.00
ASHLEY	\$11,634.00	\$10,657.50	\$3,753.00	\$115,970.00	\$1,420.00	\$8,322.00	\$1,968.00	\$39,620.00	\$193,344.50
BAXTER	\$3,267.50	\$2,581.50	\$8,402.00	\$375,260.00	\$7,308.00	\$25,187.00	\$10,693.00	\$130,703.00	\$563,402.00
BENTON	\$6,900.50	\$2,990.50	\$17,326.00	\$1,124,158.00	\$12,434.00	\$114,601.00	\$22,371.00	\$611,935.00	\$1,912,716.00
BOONE	\$2,693.50	\$1,716.50	\$8,770.00	\$431,765.00	\$2,674.00	\$20,947.00	\$4,888.00	\$100,061.00	\$573,515.00
BRADLEY	\$1,264.00	\$2,335.00	\$2,322.00	\$118,740.00	\$670.00	\$4,115.00	\$1,506.00	\$21,926.00	\$152,878.00
CALHOUN	\$5,458.00	\$1,014.50	\$2,302.00	\$46,700.00	\$448.00	\$2,369.00	\$713.00	\$7,910.00	\$66,914.50
CARROLL	\$243.50	\$563.50	\$5,777.00	\$234,838.00	\$1,830.00	\$13,836.00	\$2,766.00	\$63,948.00	\$323,802.00
CHICOT	\$8,666.00	\$6,145.00	\$2,502.00	\$187,500.00	\$4,704.00	\$40,514.00	\$6,813.00	\$177,596.00	\$434,440.00
CLARK	\$2,946.50	\$1,785.50	\$14,299.00	\$312,616.00	\$1,666.00	\$14,630.00	\$4,623.00	\$70,376.00	\$422,942.00
CLAY	\$263.50	\$6.00	\$1,883.00	\$106,340.00	\$688.00	\$3,965.00	\$1,662.00	\$21,698.00	\$136,505.50
CLEBURNE	\$1,623.00	\$777.50	\$15,252.00	\$326,991.00	\$3,390.00	\$19,518.00	\$9,100.00	\$86,396.00	\$463,047.50
CLEVELAND	\$372.50	\$450.50	\$671.00	\$46,415.00	\$266.00	\$2,085.00	\$807.00	\$9,073.00	\$60,140.00
COLUMBIA	\$14,726.50	\$8,044.00	\$14,137.00	\$313,876.00	\$2,146.00	\$10,327.00	\$2,762.00	\$46,990.00	\$413,008.50
CONWAY	\$6,339.00	\$1,938.00	\$10,162.00	\$477,690.00	\$1,918.00	\$18,642.00	\$6,637.00	\$86,026.00	\$609,352.00
CRAIGHEAD	\$8,596.50	\$4,576.00	\$33,495.00	\$1,362,519.00	\$6,044.00	\$60,039.00	\$14,445.00	\$295,148.00	\$1,784,862.50
CRAWFORD	\$1,176.00	\$702.00	\$7,392.00	\$339,979.00	\$3,856.00	\$30,337.00	\$8,863.00	\$149,965.00	\$542,270.00
CRITTENDEN	\$21,358.00	\$12,366.00	\$8,453.00	\$527,558.00	\$5,772.00	\$49,585.00	\$9,032.00	\$215,160.00	\$849,284.00
CROSS	\$4,410.00	\$2,224.00	\$6,029.00	\$227,157.00	\$1,016.00	\$9,474.00	\$2,712.00	\$43,355.00	\$296,377.00
DALLAS	\$1,249.00	\$770.50	\$2,013.00	\$145,863.00	\$370.00	\$4,658.00	\$1,976.00	\$22,910.00	\$179,809.50
DESHA	\$3,634.50	\$1,930.50	\$2,005.00	\$206,209.00	\$1,126.00	\$11,727.00	\$3,411.00	\$45,928.00	\$275,971.00
DREW	\$1,713.00	\$1,113.50	\$4,902.00	\$205,809.00	\$2,012.00	\$11,213.00	\$3,520.00	\$53,416.00	\$283,698.50
FAULKNER	\$11,123.00	\$5,525.00	\$35,914.00	\$1,255,255.00	\$9,022.00	\$74,506.00	\$27,783.00	\$351,895.00	\$1,771,023.00
FRANKLIN	\$699.00	\$333.00	\$7,118.00	\$166,953.00	\$1,276.00	\$10,911.00	\$3,278.00	\$54,238.00	\$244,806.00
FULTON	\$275.50	\$127.00	\$4,517.00	\$74,255.00	\$502.00	\$3,327.00	\$998.00	\$15,664.00	\$99,665.50
GARLAND	\$7,874.50	\$4,745.00	\$28,331.00	\$932,824.00	\$12,566.00	\$83,884.00	\$37,058.00	\$388,895.00	\$1,496,177.50
GRANT	\$1,120.00	\$465.50	\$4,374.00	\$144,145.00	\$1,392.00	\$8,675.00	\$3,927.00	\$41,843.00	\$205,941.50
GREENE	\$930.50	\$661.50	\$11,540.00	\$577,599.00	\$3,784.00	\$29,513.00	\$6,717.00	\$132,566.00	\$763,311.00
HEMPSTEAD	\$39,776.00	\$15,470.50	\$6,261.00	\$389,467.00	\$1,138.00	\$11,908.00	\$3,259.00	\$47,032.00	\$514,311.50
HOT SPRING	\$1,716.50	\$848.50	\$8,002.00	\$324,919.00	\$2,266.00	\$16,856.00	\$6,949.00	\$76,883.00	\$438,440.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY**

August 1 through August 31, 2017

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$20,869.50	\$8,285.50	\$8,956.00	\$233,288.00	\$1,096.00	\$7,981.00	\$2,370.00	\$29,617.00	\$312,463.00
INDEPENDENCE	\$5,198.00	\$1,103.00	\$28,514.00	\$572,559.00	\$2,614.00	\$21,097.00	\$7,785.00	\$102,141.00	\$741,011.00
IZARD	\$399.50	\$38.50	\$7,347.00	\$90,740.00	\$706.00	\$5,870.00	\$2,583.00	\$25,294.00	\$132,978.00
JACKSON	\$12,102.50	\$6,420.50	\$11,679.00	\$296,899.00	\$1,982.00	\$12,582.00	\$5,061.00	\$50,676.00	\$397,402.00
JEFFERSON	\$42,824.00	\$32,734.50	\$39,414.00	\$1,526,906.00	\$8,666.00	\$62,985.00	\$25,139.00	\$247,843.00	\$1,986,511.50
JOHNSON	\$606.00	\$346.00	\$4,433.00	\$229,756.00	\$1,300.00	\$10,637.00	\$4,196.00	\$72,771.00	\$324,045.00
LAFAYETTE	\$8,057.00	\$2,603.00	\$1,953.00	\$66,932.00	\$714.00	\$2,399.00	\$659.00	\$10,496.00	\$93,813.00
LAWRENCE	\$941.50	\$284.50	\$5,660.00	\$209,355.00	\$1,018.00	\$8,216.00	\$2,055.00	\$40,091.00	\$267,621.00
LEE	\$2,821.50	\$3,258.50	\$632.00	\$73,129.00	\$344.00	\$3,748.00	\$468.00	\$15,526.00	\$99,927.00
LINCOLN	\$209.00	\$409.50	\$5,038.00	\$107,316.00	\$792.00	\$5,703.00	\$2,649.00	\$24,749.00	\$146,865.50
LITTLE RIVER	\$3,793.00	\$3,525.50	\$3,015.00	\$110,566.00	\$630.00	\$6,145.00	\$1,286.00	\$24,775.00	\$153,735.50
LOGAN	\$778.00	\$255.00	\$11,108.00	\$200,164.00	\$1,204.00	\$12,751.00	\$3,191.00	\$55,669.00	\$285,120.00
LONOKE	\$11,378.00	\$5,160.50	\$20,406.00	\$925,239.00	\$7,304.00	\$52,713.00	\$18,502.00	\$249,109.00	\$1,289,811.50
MADISON	\$74.00	\$5.00	\$374.00	\$67,452.00	\$918.00	\$5,868.00	\$1,570.00	\$28,273.00	\$104,534.00
MARION	\$1,999.50	\$507.50	\$5,085.00	\$188,587.00	\$2,528.00	\$9,080.00	\$4,106.00	\$40,430.00	\$252,323.00
MILLER	\$21,594.00	\$12,417.50	\$8,976.00	\$551,451.00	\$3,640.00	\$21,717.00	\$4,661.00	\$89,600.00	\$714,056.50
MISSISSIPPI	\$36,499.50	\$16,214.00	\$10,341.00	\$471,369.00	\$2,162.00	\$21,819.00	\$3,614.00	\$103,505.00	\$665,523.50
MONROE	\$2,114.50	\$1,311.50	\$1,645.00	\$135,398.00	\$724.00	\$7,009.00	\$2,605.00	\$33,287.00	\$184,094.00
MONTGOMERY	\$10.00	\$1.00	\$1,042.00	\$27,864.00	\$598.00	\$3,375.00	\$1,048.00	\$15,215.00	\$49,153.00
NEVADA	\$2,064.50	\$2,271.50	\$3,041.00	\$155,468.00	\$1,264.00	\$5,274.00	\$1,581.00	\$21,396.00	\$192,360.00
NEWTON	\$46.00	\$31.00	\$4,844.00	\$52,704.00	\$214.00	\$2,129.00	\$944.00	\$9,422.00	\$70,334.00
OUACHITA	\$11,064.50	\$5,417.50	\$11,358.00	\$524,592.00	\$1,804.00	\$15,359.00	\$5,061.00	\$72,056.00	\$646,712.00
PERRY	\$660.50	\$627.00	\$1,284.00	\$104,591.00	\$442.00	\$4,825.00	\$1,477.00	\$24,029.00	\$137,935.50
PHILLIPS	\$8,726.00	\$4,438.00	\$796.00	\$196,742.00	\$2,072.00	\$24,695.00	\$3,428.00	\$102,060.00	\$342,957.00
PIKE	\$426.50	\$57.00	\$12,010.00	\$116,709.00	\$682.00	\$6,484.00	\$2,367.00	\$30,613.00	\$169,348.50
POINSETT	\$5,329.00	\$1,167.50	\$8,102.00	\$379,198.00	\$1,400.00	\$14,917.00	\$3,892.00	\$71,656.00	\$485,661.50
POLK	\$681.50	\$1.00	\$6,347.00	\$136,495.00	\$1,386.00	\$9,720.00	\$3,294.00	\$44,475.00	\$202,399.50
POPE	\$4,124.50	\$2,095.00	\$16,511.00	\$768,459.00	\$5,734.00	\$43,751.00	\$13,913.00	\$198,283.00	\$1,052,870.50
PRAIRIE	\$2,143.50	\$1,315.00	\$5,676.00	\$180,537.00	\$560.00	\$6,035.00	\$1,346.00	\$29,637.00	\$227,249.50
PULASKI	\$113,694.00	\$95,900.00	\$149,540.00	\$6,372,597.00	\$50,912.00	\$346,428.00	\$128,664.00	\$1,520,707.00	\$8,778,442.00
RANDOLPH	\$259.00	\$489.00	\$3,684.00	\$223,578.00	\$1,478.00	\$8,728.00	\$2,493.00	\$39,596.00	\$280,305.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY**

August 1 through August 31, 2017

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SAINT FRANCIS	\$11,359.00	\$9,779.50	\$1,933.00	\$277,836.00	\$2,106.00	\$14,141.00	\$3,235.00	\$64,969.00	\$385,358.50
SALINE	\$10,118.00	\$6,231.00	\$34,273.00	\$1,180,813.00	\$10,758.00	\$75,133.00	\$27,220.00	\$345,237.00	\$1,689,783.00
SCOTT	\$154.50	\$48.00	\$1,360.00	\$75,141.00	\$668.00	\$5,224.00	\$1,204.00	\$23,504.00	\$107,303.50
SEARCY	\$14.00	\$298.00	\$520.00	\$90,000.00	\$482.00	\$3,468.00	\$1,283.00	\$16,859.00	\$112,924.00
SEBASTIAN	\$16,059.00	\$5,772.00	\$12,696.00	\$785,997.00	\$9,722.00	\$85,214.00	\$22,787.00	\$398,150.00	\$1,336,397.00
SEVIER	\$1,495.00	\$401.50	\$392.00	\$99,033.00	\$1,162.00	\$6,796.00	\$1,251.00	\$29,631.00	\$140,161.50
SHARP	\$1,116.00	\$625.50	\$12,380.00	\$276,983.00	\$1,604.00	\$12,438.00	\$4,844.00	\$52,769.00	\$362,759.50
STONE	\$2,723.00	\$850.50	\$9,180.00	\$90,721.00	\$1,254.00	\$5,747.00	\$3,473.00	\$25,857.00	\$139,805.50
UNION	\$48,456.50	\$23,273.00	\$23,117.00	\$816,947.00	\$3,892.00	\$27,774.00	\$7,306.00	\$121,612.00	\$1,072,377.50
VAN BUREN	\$971.50	\$946.00	\$4,678.00	\$167,158.00	\$1,286.00	\$10,102.00	\$3,746.00	\$44,350.00	\$233,237.50
WASHINGTON	\$17,327.00	\$6,814.50	\$23,600.00	\$1,510,569.00	\$14,312.00	\$118,045.00	\$29,152.00	\$577,487.00	\$2,297,306.50
WHITE	\$6,187.00	\$4,646.50	\$52,774.00	\$1,153,423.00	\$6,600.00	\$48,429.00	\$17,235.00	\$224,751.00	\$1,514,045.50
WOODRUFF	\$3,048.00	\$1,960.50	\$1,115.00	\$95,943.00	\$510.00	\$4,080.00	\$1,592.00	\$20,676.00	\$128,924.50
YELL	\$1,930.00	\$209.50	\$17,668.00	\$272,729.00	\$1,458.00	\$10,708.00	\$4,037.00	\$50,281.00	\$359,020.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$622,703.00	\$368,946.50	\$885,424.00	\$33,790,430.00	\$258,376.00	\$1,931,883.00	\$606,991.00	\$8,907,288.00	\$47,372,041.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
August 2017**

There were 1,933 active retailers as of August 31, 2017.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
August 31, 2017**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 6,673,999.91
Restricted assets:	
Cash and cash equivalents	63,710,762.21
Accounts receivable	11,252,959.15
Prepaid items	<u>78,723.37</u>
Total current assets	<u>81,716,444.64</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,160,836.26
Deposits with Multi-State Lottery Association	1,846,088.37
Capital assets (Net of accumulated depreciation)	<u>403,879.68</u>
Total non-current assets	<u>22,410,804.31</u>
 Total assets	 104,127,248.95
Deferred outflows of resources:	
Related to pension	<u>1,717,009.16</u>
 Total assets and deferred outflows of resources	 <u>\$ 105,844,258.11</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 64,931.89
Prizes payable	20,242,492.56
Accrued and other liabilities	2,428,782.12
Due to other funds of the State	625,561.86
Payable to ADHE for Education Trust Account	61,090,032.29
Compensated absences	331,421.87
Unearned revenue	<u>301,346.01</u>
Total current liabilities	<u>85,084,568.60</u>
Long-Term liabilities:	
Net other post employment benefits	2,242,180.34
Net pension liability	<u>4,732,352.00</u>
Total long-term liabilities	<u>6,974,532.34</u>
 Total liabilities	 92,059,100.94
Deferred inflows of resources:	
Related to pension	<u>703,066.00</u>
 Total liabilities and deferred inflows of resources	 <u>92,762,166.94</u>

NET POSITION

Net position:	
Invested in capital assets	403,879.68
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	160,836.26
Retailer bond reserve	393,912.55
Deposits with Multi-State Lottery Association	1,846,088.37
Unclaimed prizes reserve	2,620,729.92
Unrestricted (deficit)	<u>(12,343,355.61)</u>
 Total net position	 <u>13,082,091.17</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 105,844,258.11</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For Two Months Ended August 31, 2017

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 35,608,135.00	\$ 65,177,345.00
Online ticket sales	13,654,445.00	20,908,918.50
Retailer application, fidelity, bond and service fees	57,243.73	117,051.84
Other revenue	<u>635.50</u>	<u>2,540.70</u>
Total operating revenues	<u>49,320,459.23</u>	<u>86,205,856.04</u>
Operating expenses:		
Instant game prizes	25,421,197.95	46,028,626.43
Online game prizes	7,132,406.15	11,108,772.13
Retailer commissions	2,772,352.97	4,830,046.03
Gaming contract costs	2,668,736.48	4,387,686.47
Compensation and benefits	423,434.85	844,803.13
Marketing, advertising and promotions	477,839.70	1,118,439.60
General and administrative expenses	733,153.81	1,034,367.10
Services provided by Arkansas Department of Higher Education	37,000.00	73,666.00
Audit services provided by Arkansas Legislative Audit	11,300.00	22,550.00
Legal and professional services	303.49	303.49
Depreciation	<u>8,478.55</u>	<u>16,705.02</u>
Total operating expenses	<u>39,686,203.95</u>	<u>69,465,965.40</u>
Operating income (1)	9,634,255.28	16,739,890.64
Non-operating revenue:		
Interest income	<u>102,423.04</u>	<u>194,667.87</u>
Income before transfers	9,736,678.32	16,934,558.51
Transfers to:		
Education Trust Account (2)	<u>(8,912,741.54)</u>	<u>(15,574,504.53)</u>
Change in net position	<u>\$ 823,936.78</u>	1,360,053.98
Total net position - beginning		11,722,037.19
Total net position - ending		<u>\$ 13,082,091.17</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 Two Months Ended August 31, 2017

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 35,608,135.00	72.20	\$ 28,911,000.00	81.15	\$ 6,697,135.00	\$ 65,177,345.00	75.61	\$ 57,231,000.00	80.96	\$ 7,946,345.00
Online games	13,654,445.00	27.69	6,602,000.00	18.53	7,052,445.00	20,908,918.50	24.25	13,256,000.00	18.75	7,652,918.50
Retailer fees	57,243.73	0.12	112,000.00	0.31	(54,756.27)	117,051.84	0.14	202,000.00	0.29	(84,948.16)
Other revenue	<u>635.50</u>	0.00	<u>1,000.00</u>	0.00	<u>(364.50)</u>	<u>2,540.70</u>	0.00	<u>2,000.00</u>	0.00	<u>540.70</u>
Total operating revenues	<u>49,320,459.23</u>	100.00	<u>35,626,000.00</u>	100.00	<u>13,694,459.23</u>	<u>86,205,856.04</u>	100.00	<u>70,691,000.00</u>	100.00	<u>15,514,856.04</u>
Operating expenses:										
Instant game prizes	25,421,197.95	51.54	20,900,000.00	58.67	4,521,197.95	46,028,626.43	53.39	41,477,421.00	58.67	4,551,205.43
Online game prizes	7,132,406.15	14.46	3,321,000.00	9.32	3,811,406.15	11,108,772.13	12.89	6,594,219.00	9.33	4,514,553.13
Retailer commissions	2,772,352.97	5.62	2,006,000.00	5.63	766,352.97	4,830,046.03	5.60	3,982,000.00	5.63	848,046.03
Gaming contract costs	2,668,736.48	5.41	2,053,100.00	5.76	615,636.48	4,387,686.47	5.09	3,583,100.00	5.07	804,586.47
Compensation & benefits	423,434.85	0.86	481,000.00	1.35	(57,565.15)	844,803.13	0.98	866,000.00	1.23	(21,196.87)
Marketing, advertising & promotions	477,839.70	0.97	542,000.00	1.52	(64,160.30)	1,118,439.60	1.30	1,084,000.00	1.53	34,439.60
General and administrative expenses	733,153.81	1.49	325,000.00	0.91	408,153.81	1,034,367.10	1.20	668,000.00	0.94	366,367.10
Services provided by other agencies	48,300.00	0.10	62,000.00	0.17	(13,700.00)	96,216.00	0.11	125,000.00	0.18	(28,784.00)
Legal and professional service	303.49	0.00	500.00	0.00	(196.51)	303.49	0.00	1,000.00	0.00	(696.51)
Depreciation	<u>8,478.55</u>	0.02	<u>10,000.00</u>	0.03	<u>(1,521.45)</u>	<u>16,705.02</u>	0.02	<u>21,000.00</u>	0.03	<u>(4,294.98)</u>
Total operating expenses	<u>39,686,203.95</u>	80.47	<u>29,700,600.00</u>	83.37	<u>9,985,603.95</u>	<u>69,465,965.40</u>	80.58	<u>58,401,740.00</u>	82.62	<u>11,064,225.40</u>
Operating income	9,634,255.28	19.53	5,925,400.00	16.63	3,708,855.28	16,739,890.64	19.42	12,289,260.00	17.38	4,450,630.64
Non-operating revenue:										
Interest income	<u>102,423.04</u>	0.21	<u>49,000.00</u>	0.14	<u>53,423.04</u>	<u>194,667.87</u>	0.23	<u>91,000.00</u>	0.13	<u>103,667.87</u>
Income before transfers	<u>\$ 9,736,678.32</u>	19.74	<u>\$ 5,974,400.00</u>	16.77	<u>\$ 3,762,278.32</u>	<u>\$ 16,934,558.51</u>	19.64	<u>\$ 12,380,260.00</u>	17.51	<u>\$ 4,554,298.51</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Two Months Ended August 31, 2017**

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 65,214,627.00
Online ticket sales	20,908,918.50
Retailer application, fidelity and service fees	117,051.84
Other revenue	<u>2,540.70</u>
 Total operating revenues	 <u>86,243,138.04</u>
 Operating expenses:	
Instant game prizes SETTLEMENTS	45,923,885.00
Online game prizes	11,108,772.13
Retailer commissions	4,830,046.03
Gaming contract costs	4,387,686.47
Compensation and benefits	844,803.13
Marketing, advertising and promotions	1,118,439.60
General and administrative expenses	1,034,367.10
Services provided by ADHE	73,666.00
Services provided by Legislative Audit Agency	22,550.00
Legal and professional services	303.49
Current year Capital Asset cost	<u>36,296.55</u>
Total operating expenses	<u>69,380,815.50</u>
 Change in net proceeds from operations	 16,862,322.54
 Nonoperating revenue (expense):	
Interest Income	194,667.87
Other Non-Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(6,661,762.99)
Less Act 1180 Unclaimed Prizes	(1,620,729.92)
Less Current year Fidelity Reserve Fees	(2,481.28) restricted reserves
Less Current year Bond Reserve Fees	(20,600.00) restricted reserves
Less Current year MUSL Reserves (additions) / reductions	101,982.32 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>59,343.00</u>
 NET PROCEEDS EARNED-Current Month	 <u>\$ 8,912,741.54</u>

	Transfer	Interest	Total
Totals	\$ 59,832,976.80	\$ 1,257,055.49	\$ 61,090,032.29
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
November 2016 funding - 12/15/16	\$ 6,562,384.25	\$ 8,595.26	\$ 6,570,979.51
December 2016 funding - 1/15/17	\$ 4,576,676.57	\$ 19,855.65	\$ 4,596,532.22
January 2017 funding - 2/15/17	\$ 7,922,573.49	\$ 24,972.72	\$ 7,947,546.21
Transfer to ADHE 2/10/16	\$ (35,000,000.00)		\$ (35,000,000.00)
February 2017 funding - 3/15/17	\$ 6,688,267.91	\$ 9,831.71	\$ 6,698,099.62
March 2017 funding - 4/15/17	\$ 6,195,046.44	\$ 9,658.31	\$ 6,204,704.75
April 2017 funding - 5/15/17	\$ 7,831,636.38	\$ 14,191.18	\$ 7,845,827.56
May 2017 funding - 6/15/17	\$ 7,043,689.60	\$ 25,080.58	\$ 7,068,770.18
June 2017 funding - 7/15/17	\$ 13,163,625.66	\$ 30,026.52	\$ 13,193,652.18
July 2017 funding - 8/15/17	\$ 6,610,939.69	\$ 50,823.30	\$ 6,661,762.99
August 2017 funding - 9/15/17	\$ 8,850,323.23	\$ 62,418.31	\$ 8,912,741.54

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
August 31, 2017

	Monthly	Year to Date
Reserve Balance July 1, 2016		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 738,410.82	1,620,729.92
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 738,410.82	1,620,729.92
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance August 31, 2017		 \$2,620,729.92

**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, 2017**

Vendors	Goods or Services	Diversity Classification	August 2017	FY 2018 Total
Goddess Products	Office Furniture/Supplies	CMBE	\$1,477.44	\$1,869.02
Totals			\$1,477.44	1,869.02

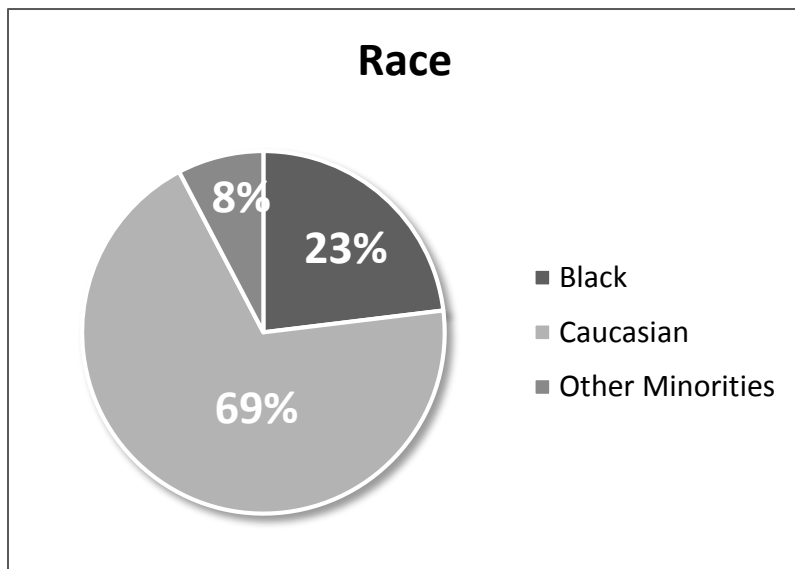
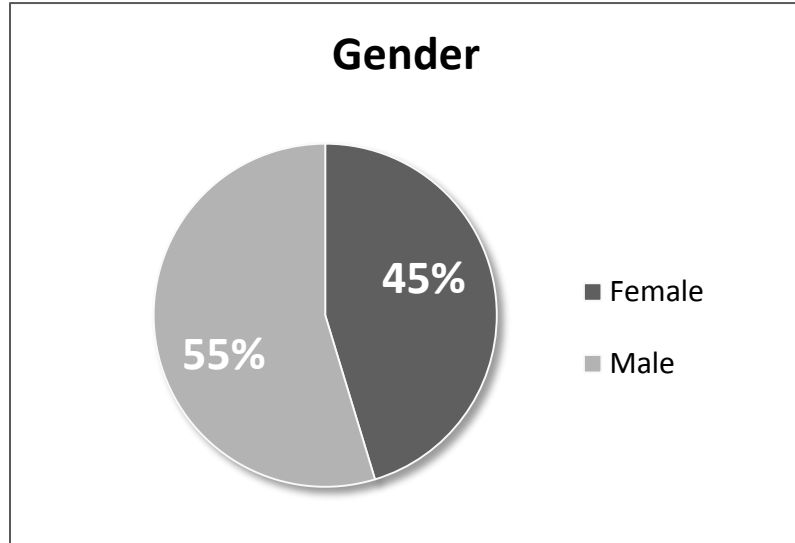
**INTRALOT MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2017**

Vendors	Goods or Services	Diversity Classification	August 2017	FY 2018 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$12,693.00	\$21,155.00
Totals			\$12,693.00	\$21,155.00

**SCIENTIFIC GAMES MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
August 1 through August 31, 2017**

Vendors	Goods or Services	Diversity Classification	August 2017	FY 2018 Total
Expedited Transportation Services	Transportation Services	FOB		\$2,720.42
Ingage, LLC	Fulfillment Services and Prizes	FOB	\$48,173.05	\$94,537.65
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE	\$396.00	\$792.00
Totals				\$98,050.07

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – August 2017**



Total Number of Employees as of August 31, 2017: 64

Gender:

Females – 29
Males – 35

Race:

Black – 15
Caucasian – 45
Other – 4

Female -- 7	Male -- 8
Female -- 20	Male -- 25
Female -- 2	Male -- 2

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

The Office of Arkansas Lottery Internal Audit position was vacated on June 30, 2017 and a replacement has not been hired; therefore, no internal audit reports were issued in the month of August, 2017.

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
August 2017

Sales for the following instant games began August 1, 2017. No ending dates have been determined for these games.

\$1 5X the Cash
\$2 10X the Cash
\$5 25X the Cash
\$20 \$50K Cash

Sales for the following instant games began August 29, 2017. No ending dates have been determined for these games.

\$1 Fast Money
\$2 \$20 Grand
\$3 10X Extra! Crossword
\$5 \$100,000 Triple Play
\$10 \$300,000 Fortune

Sales for the following Fast Play games began August 28, 2017. No ending dates have been determined for these games.

\$1 Tic Tac Rock
\$1 3 Times Lucky