



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 10, 2018

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 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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**Department of Finance  
and Administration**

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January 10, 2018

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

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Bishop Weasley  
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, 2017**

1. On November 16, 2017, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Scientific Games International (SGI) entered into a Non-Exclusive Licensing Agreement. The Non-Exclusive Licensing Agreement grants to 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-431 "SCRABBLE™ Crossword" (the "Game"). 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: November 16, 2017.
- 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 day 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 the 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 1.35% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for OAL instant games. Additionally, there is a contractual price of \$4.50 per 1,000 tickets for use of SureMark™, which is a necessity for some instant games of the Crossword/Bingo variety. In addition, the usage of SureMark™ necessitates a one-time setup fee of \$2,250. There are no additional costs for the use of SCRABBLE™.

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

**1. Debt Set-Off Collections:**

a.	Arkansas Department of Finance and Administration	\$3,190.33
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$506.28</u>
	Total Debt Set-Off:	\$3,696.61

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

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**OFFICE OF THE ARKANSAS LOTTERY**  
**RETAIL SALES BY COUNTY**  
**December 1 through December 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	\$11,539.00	\$8,473.50	\$14,100.00	\$509,886.00	\$1,480.00	\$19,038.00	\$4,560.00	\$34,585.00	\$603,661.50
ASHLEY	\$13,439.50	\$13,483.50	\$9,985.00	\$162,777.00	\$884.00	\$9,988.00	\$1,705.00	\$19,556.00	\$231,818.00
BAXTER	\$2,845.50	\$2,237.50	\$11,350.00	\$446,955.00	\$6,628.00	\$29,348.00	\$9,815.00	\$50,118.00	\$559,297.00
BENTON	\$7,336.00	\$3,272.50	\$33,228.00	\$1,132,688.00	\$11,248.00	\$120,045.00	\$21,058.00	\$219,433.00	\$1,548,308.50
BOONE	\$2,183.50	\$2,211.00	\$15,071.00	\$474,251.00	\$2,402.00	\$22,208.00	\$4,190.00	\$40,683.00	\$563,199.50
BRADLEY	\$1,119.00	\$3,055.00	\$2,386.00	\$147,346.00	\$666.00	\$4,580.00	\$1,298.00	\$10,351.00	\$170,801.00
CALHOUN	\$4,158.00	\$845.50	\$2,682.00	\$53,700.00	\$434.00	\$2,543.00	\$744.00	\$3,964.00	\$69,070.50
CARROLL	\$275.00	\$535.00	\$4,395.00	\$247,618.00	\$1,506.00	\$11,893.00	\$3,002.00	\$24,396.00	\$293,620.00
CHICOT	\$9,029.50	\$7,142.50	\$2,360.00	\$162,600.00	\$3,932.00	\$43,643.00	\$6,301.00	\$83,486.00	\$318,494.00
CLARK	\$2,939.50	\$1,237.50	\$16,907.00	\$307,547.00	\$1,074.00	\$15,010.00	\$4,119.00	\$25,952.00	\$374,786.00
CLAY	\$185.00	\$6.00	\$1,764.00	\$98,836.00	\$672.00	\$5,009.00	\$1,694.00	\$9,053.00	\$117,219.00
CLEBURNE	\$3,636.50	\$1,028.50	\$19,416.00	\$260,887.00	\$2,272.00	\$19,516.00	\$7,497.00	\$33,329.00	\$347,582.00
CLEVELAND	\$235.50	\$371.00	\$833.00	\$49,247.00	\$120.00	\$1,872.00	\$729.00	\$3,120.00	\$56,527.50
COLUMBIA	\$19,425.00	\$8,168.50	\$11,069.00	\$345,075.00	\$1,870.00	\$10,356.00	\$2,655.00	\$21,451.00	\$420,069.50
CONWAY	\$5,561.50	\$2,182.00	\$10,162.00	\$439,605.00	\$1,570.00	\$18,463.00	\$5,625.00	\$32,246.00	\$515,414.50
CRAIGHEAD	\$11,707.00	\$6,795.00	\$55,449.00	\$1,605,979.00	\$4,956.00	\$63,963.00	\$13,484.00	\$112,357.00	\$1,874,690.00
CRAWFORD	\$1,977.00	\$678.50	\$11,388.00	\$356,220.00	\$2,956.00	\$32,898.00	\$12,383.00	\$57,115.00	\$475,615.50
CRITTENDEN	\$22,492.00	\$12,866.50	\$10,080.00	\$573,348.00	\$4,794.00	\$52,111.00	\$9,722.00	\$98,864.00	\$784,277.50
CROSS	\$3,874.00	\$1,723.00	\$5,330.00	\$252,000.00	\$752.00	\$10,300.00	\$2,738.00	\$18,332.00	\$295,049.00
DALLAS	\$1,860.00	\$1,157.50	\$3,940.00	\$147,417.00	\$398.00	\$5,321.00	\$1,427.00	\$9,012.00	\$170,532.50
DESHA	\$5,063.00	\$2,843.50	\$2,461.00	\$221,400.00	\$1,024.00	\$11,921.00	\$2,989.00	\$19,550.00	\$267,251.50
DREW	\$1,740.00	\$1,620.00	\$6,870.00	\$209,804.00	\$1,960.00	\$13,163.00	\$3,160.00	\$22,809.00	\$261,126.00
FAULKNER	\$10,570.50	\$5,355.00	\$56,171.00	\$1,262,902.00	\$8,326.00	\$78,134.00	\$25,101.00	\$131,695.00	\$1,578,254.50
FRANKLIN	\$497.50	\$605.00	\$9,225.00	\$166,356.00	\$986.00	\$11,038.00	\$2,842.00	\$20,389.00	\$211,938.50
FULTON	\$332.00	\$195.00	\$3,121.00	\$74,100.00	\$402.00	\$3,483.00	\$953.00	\$6,090.00	\$88,676.00
GARLAND	\$8,876.50	\$5,743.50	\$43,785.00	\$957,566.00	\$11,332.00	\$87,502.00	\$31,361.00	\$147,411.00	\$1,293,577.00
GRANT	\$970.50	\$173.50	\$8,283.00	\$133,119.00	\$1,014.00	\$9,266.00	\$3,079.00	\$16,672.00	\$172,577.00
GREENE	\$785.50	\$479.00	\$11,652.00	\$633,925.00	\$2,902.00	\$28,638.00	\$5,857.00	\$50,832.00	\$735,070.50
HEMPSTEAD	\$37,135.50	\$13,861.00	\$11,253.00	\$348,704.00	\$1,302.00	\$12,225.00	\$2,447.00	\$20,739.00	\$447,666.50
HOT SPRING	\$1,529.00	\$588.50	\$13,513.00	\$357,347.00	\$2,242.00	\$18,895.00	\$6,032.00	\$30,628.00	\$430,774.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
December 1 through December 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	\$22,147.00	\$10,577.50	\$18,690.00	\$209,767.00	\$970.00	\$8,314.00	\$2,516.00	\$14,349.00	\$287,330.50
INDEPENDENCE	\$3,353.50	\$2,399.00	\$47,536.00	\$614,172.00	\$2,310.00	\$25,832.00	\$6,873.00	\$45,397.00	\$747,872.50
IZARD	\$210.00	\$53.50	\$5,252.00	\$84,335.00	\$734.00	\$6,163.00	\$2,638.00	\$10,267.00	\$109,652.50
JACKSON	\$13,798.50	\$12,013.00	\$19,566.00	\$320,711.00	\$1,396.00	\$13,352.00	\$4,084.00	\$23,195.00	\$408,115.50
JEFFERSON	\$52,760.00	\$36,743.50	\$46,047.00	\$1,451,466.00	\$7,484.00	\$57,715.00	\$20,382.00	\$95,116.00	\$1,767,713.50
JOHNSON	\$882.00	\$262.50	\$6,370.00	\$236,511.00	\$1,158.00	\$11,267.00	\$3,553.00	\$20,545.00	\$280,548.50
LAFAYETTE	\$9,097.00	\$2,106.50	\$3,438.00	\$82,500.00	\$652.00	\$3,045.00	\$637.00	\$4,746.00	\$106,221.50
LAWRENCE	\$1,222.50	\$281.00	\$7,560.00	\$230,700.00	\$774.00	\$8,386.00	\$2,084.00	\$15,060.00	\$266,067.50
LEE	\$3,027.50	\$4,364.00	\$629.00	\$75,829.00	\$362.00	\$3,934.00	\$470.00	\$6,198.00	\$94,813.50
LINCOLN	\$220.50	\$364.00	\$5,276.00	\$93,547.00	\$580.00	\$5,638.00	\$1,923.00	\$8,609.00	\$116,157.50
LITTLE RIVER	\$3,934.00	\$3,300.50	\$4,087.00	\$93,698.00	\$570.00	\$6,401.00	\$804.00	\$10,368.00	\$123,162.50
LOGAN	\$983.50	\$294.50	\$12,572.00	\$184,933.00	\$1,062.00	\$12,459.00	\$2,856.00	\$21,991.00	\$237,151.00
LONOKE	\$11,427.50	\$6,924.00	\$35,972.00	\$961,203.00	\$5,998.00	\$56,496.00	\$15,588.00	\$95,021.00	\$1,188,629.50
MADISON	\$160.00	\$47.00	\$729.00	\$82,128.00	\$686.00	\$7,129.00	\$1,385.00	\$12,300.00	\$104,564.00
MARION	\$1,866.50	\$912.00	\$6,194.00	\$195,826.00	\$2,204.00	\$10,081.00	\$3,529.00	\$18,187.00	\$238,799.50
MILLER	\$22,426.00	\$13,066.50	\$17,537.00	\$543,811.00	\$3,342.00	\$23,235.00	\$4,488.00	\$37,691.00	\$665,596.50
MISSISSIPPI	\$40,160.50	\$16,850.50	\$20,882.00	\$551,566.00	\$1,752.00	\$20,060.00	\$3,536.00	\$39,328.00	\$694,135.00
MONROE	\$3,566.50	\$1,640.50	\$2,789.00	\$157,134.00	\$486.00	\$9,729.00	\$2,556.00	\$17,284.00	\$195,185.00
MONTGOMERY	\$9.00	\$0.00	\$4,529.00	\$28,720.00	\$262.00	\$3,177.00	\$1,057.00	\$6,205.00	\$43,959.00
NEVADA	\$2,360.50	\$2,018.00	\$5,119.00	\$167,092.00	\$924.00	\$5,438.00	\$1,154.00	\$9,107.00	\$193,212.50
NEWTON	\$126.00	\$9.00	\$9,086.00	\$47,372.00	\$342.00	\$2,409.00	\$936.00	\$3,778.00	\$64,058.00
OUACHITA	\$14,481.00	\$5,828.50	\$16,848.00	\$591,120.00	\$1,656.00	\$15,849.00	\$4,949.00	\$27,931.00	\$678,662.50
PERRY	\$983.00	\$650.50	\$1,213.00	\$104,700.00	\$372.00	\$5,041.00	\$1,424.00	\$8,378.00	\$122,761.50
PHILLIPS	\$11,089.00	\$5,584.50	\$2,147.00	\$210,300.00	\$1,946.00	\$24,761.00	\$2,899.00	\$45,865.00	\$304,591.50
PIKE	\$434.00	\$91.00	\$13,194.00	\$111,600.00	\$690.00	\$6,464.00	\$2,238.00	\$11,408.00	\$146,119.00
POINSETT	\$7,996.00	\$1,020.00	\$15,195.00	\$458,391.00	\$1,166.00	\$15,591.00	\$3,952.00	\$28,323.00	\$531,634.00
POLK	\$601.00	\$38.00	\$9,233.00	\$117,570.00	\$1,174.00	\$10,601.00	\$3,487.00	\$19,797.00	\$162,501.00
POPE	\$7,027.50	\$4,246.50	\$15,036.00	\$762,411.00	\$5,298.00	\$47,895.00	\$12,668.00	\$81,942.00	\$936,524.00
PRAIRIE	\$1,882.50	\$1,268.00	\$8,218.00	\$189,228.00	\$380.00	\$7,019.00	\$1,313.00	\$12,700.00	\$222,008.50
PULASKI	\$114,132.50	\$98,958.00	\$240,102.00	\$6,438,743.00	\$44,988.00	\$362,084.00	\$114,598.00	\$581,950.00	\$7,995,555.50
RANDOLPH	\$196.00	\$426.50	\$9,136.00	\$194,700.00	\$1,504.00	\$8,559.00	\$1,832.00	\$16,263.00	\$232,616.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
December 1 through December 31, 2017**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$12,059.50	\$9,018.50	\$3,862.00	\$287,795.00	\$1,876.00	\$15,198.00	\$2,215.00	\$30,838.00	\$362,862.00
SALINE	\$16,501.50	\$6,755.50	\$57,507.00	\$1,147,179.00	\$9,514.00	\$77,873.00	\$25,982.00	\$130,375.00	\$1,471,687.00
SCOTT	\$314.00	\$106.50	\$1,443.00	\$82,230.00	\$612.00	\$5,411.00	\$1,298.00	\$10,077.00	\$101,491.50
SEARCY	\$60.50	\$463.00	\$1,290.00	\$93,778.00	\$414.00	\$4,554.00	\$1,311.00	\$7,809.00	\$109,679.50
SEBASTIAN	\$15,094.50	\$4,988.50	\$15,914.00	\$767,923.00	\$8,470.00	\$84,798.00	\$23,431.00	\$154,863.00	\$1,075,482.00
SEVIER	\$1,226.00	\$917.50	\$584.00	\$124,496.00	\$996.00	\$7,652.00	\$1,218.00	\$12,380.00	\$149,469.50
SHARP	\$1,125.50	\$560.50	\$10,607.00	\$237,589.00	\$1,134.00	\$12,182.00	\$4,497.00	\$21,343.00	\$289,038.00
STONE	\$1,827.50	\$552.00	\$6,222.00	\$90,794.00	\$744.00	\$6,589.00	\$3,204.00	\$11,436.00	\$121,368.50
UNION	\$57,261.00	\$25,757.50	\$26,758.00	\$819,451.00	\$3,676.00	\$28,963.00	\$7,032.00	\$52,475.00	\$1,021,373.50
VAN BUREN	\$640.00	\$629.00	\$5,878.00	\$140,400.00	\$866.00	\$9,698.00	\$3,342.00	\$16,981.00	\$178,434.00
WASHINGTON	\$13,229.50	\$6,147.00	\$35,524.00	\$1,499,012.00	\$12,944.00	\$124,839.00	\$25,580.00	\$223,359.00	\$1,940,634.50
WHITE	\$5,742.50	\$5,024.00	\$60,662.00	\$1,116,509.00	\$4,840.00	\$52,200.00	\$15,521.00	\$87,885.00	\$1,348,383.50
WOODRUFF	\$2,993.00	\$1,536.00	\$5,594.00	\$102,329.00	\$490.00	\$5,220.00	\$1,361.00	\$9,348.00	\$128,871.00
YELL	\$1,686.50	\$105.50	\$12,189.00	\$243,777.00	\$1,346.00	\$12,218.00	\$3,769.00	\$22,006.00	\$297,097.00

<b>GRAND TOTALS</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Fast Play</b>	<b>*Instant Settlements</b>	<b>*Lucky for Life</b>	<b>*Mega Millions</b>	<b>*Natural State Jackpot</b>	<b>*Powerball</b>	<b>*Total Sales</b>
	\$675,640.50	\$403,833.50	\$1,262,445.00	\$34,484,251.00	\$223,248.00	\$2,023,889.00	\$550,737.00	\$3,514,692.00	\$43,138,736.00

\*Estimates

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

There were 1,929 active retailers as of December 31, 2017.



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

**ASSETS**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 4,296,670.43
Restricted assets:	
Cash and cash equivalents	57,247,127.57
Accounts receivable	14,677,346.66
Prepaid items	62,425.87
Total current assets	<u>76,283,570.53</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,589,423.18
Deposits with Multi-State Lottery Association	1,901,912.94
Capital assets (Net of accumulated depreciation)	368,957.19
Total non-current assets	<u>22,860,293.31</u>
 Total assets	 99,143,863.84
<b>Deferred outflows of resources:</b>	
Related to pension	<u>1,717,009.16</u>
 Total assets and deferred outflows of resources	 <u>\$ 100,860,873.00</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 538,959.58
Prizes payable	20,930,044.61
Accrued and other liabilities	2,419,352.42
Due to other funds of the State	268,803.87
Due to Education Trust Account	34,009,925.29
Due to Workforce Challenge Trust Account	19,044,297.15
Compensated absences	311,148.11
Unearned revenue	437,992.74
Total current liabilities	<u>77,960,523.77</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	2,302,180.34
Net pension liability	4,732,352.00
Total long-term liabilities	<u>7,034,532.34</u>
 Total liabilities	 84,995,056.11
<b>Deferred inflows of resources:</b>	
Related to pension	<u>703,066.00</u>
 Total liabilities and deferred inflows of resources	 <u>85,698,122.11</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	368,957.19
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	173,785.63
Retailer bond reserve	515,637.55
Deposits with Multi-State Lottery Association	1,901,912.94
Unclaimed prizes reserve	4,092,913.13
Unrestricted (deficit)	<u>(11,890,455.55)</u>
 Total net position	 <u>15,162,750.89</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 100,860,873.00</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, 2017**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 36,138,792.00	\$ 196,262,888.00
Online ticket sales	8,514,371.50	46,607,228.50
Retailer application, fidelity, bond and service fees	63,055.82	442,237.61
Other revenue	<u>0.00</u>	<u>4,300.70</u>
Total operating revenues	<u>44,716,219.32</u>	<u>243,316,654.81</u>
<b>Operating expenses:</b>		
Instant game prizes	25,805,153.18	140,707,595.11
Online game prizes	4,484,079.30	25,152,739.66
Retailer commissions	2,529,610.74	13,712,694.06
Gaming contract costs	1,805,015.77	11,193,729.28
Compensation and benefits	391,983.62	2,464,662.89
Marketing, advertising and promotions	613,119.25	3,406,904.57
General and administrative expenses	537,879.57	2,190,015.19
Services provided by Arkansas Department of Higher Education	37,000.00	221,666.00
Services provided by Arkansas Legislative Audit	82,750.00	139,200.00
Legal and professional services	499.90	967.78
Depreciation	<u>8,730.60</u>	<u>51,627.51</u>
Total operating expenses	<u>36,295,821.93</u>	<u>199,241,802.05</u>
Operating income (1)	8,420,397.39	44,074,852.76
<b>Non-operating revenue:</b>		
Interest income	<u>68,456.67</u>	<u>539,079.80</u>
Income before transfers	8,488,854.06	44,613,932.56
<b>Transfers to:</b>		
Education Trust Account (2)	<u>(6,583,355.77)</u>	<u>(41,271,727.97)</u>
Change in net position	<u>\$ 1,905,498.29</u>	3,342,204.59
Total net position - beginning		11,820,546.30
Total net position - ending		<u>\$ 15,162,750.89</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 Six Months Ended December 31, 2017**

	<b>CM Actual</b>	<b>%</b>	<b>CM Budget</b>	<b>%</b>	<b>CM Variance</b>	<b>YTD Actual</b>	<b>%</b>	<b>YTD Budget</b>	<b>%</b>	<b>YTD Variance</b>
<b>Operating revenues:</b>										
Instant games	\$ 36,138,792.00	80.82	\$ 32,192,000.00	82.30	\$ 3,946,792.00	\$ 196,262,888.00	80.66	\$ 177,665,000.00	81.53	\$ 18,597,888.00
Online games	8,514,371.50	19.04	6,863,000.00	17.55	1,651,371.50	46,607,228.50	19.15	39,749,000.00	18.24	6,858,228.50
Retailer fees	63,055.82	0.14	58,000.00	0.15	5,055.82	442,237.61	0.18	485,000.00	0.22	(42,762.39)
Other revenue	-	-	1,000.00	0.00	(1,000.00)	4,300.70	0.00	6,000.00	0.00	(1,699.30)
				0.00%						
Total operating revenues	<u>44,716,219.32</u>	100.00	<u>39,114,000.00</u>	100.00	<u>5,602,219.32</u>	<u>243,316,654.81</u>	100.00	<u>217,905,000.00</u>	100.00	<u>25,411,654.81</u>
<b>Operating expenses:</b>										
Instant game prizes	25,805,153.18	57.71	23,022,000.00	58.86	2,783,153.18	140,707,595.11	57.83	127,999,421.00	58.74	12,708,174.11
Online game prizes	4,484,079.30	10.03	3,666,000.00	9.37	818,079.30	25,152,739.66	10.34	20,359,219.00	9.34	4,793,520.66
Retailer commissions	2,529,610.74	5.66	2,206,000.00	5.64	323,610.74	13,712,694.06	5.64	12,281,000.00	5.64	1,431,694.06
Gaming contract costs	1,805,015.77	4.04	1,709,000.00	4.37	96,015.77	11,193,729.28	4.60	10,012,100.00	4.59	1,181,629.28
Compensation & benefits	391,983.62	0.88	464,000.00	1.19	(72,016.38)	2,464,662.89	1.01	2,759,000.00	1.27	(294,337.11)
Marketing, advertising & promotions	613,119.25	1.37	521,000.00	1.33	92,119.25	3,406,904.57	1.40	3,260,000.00	1.50	146,904.57
General and administrative expenses	537,879.57	1.20	325,000.00	0.83	212,879.57	2,190,015.19	0.90	1,968,000.00	0.90	222,015.19
Services provided by other agencies	119,750.00	0.27	37,000.00	0.09	82,750.00	360,866.00	0.15	348,000.00	0.16	12,866.00
Legal and professional service	499.90	0.00	500.00	0.00	(0.10)	967.78	0.00	3,000.00	0.00	(2,032.22)
Depreciation	8,730.60	0.02	8,000.00	0.02	730.60	51,627.51	0.02	57,000.00	0.03	(5,372.49)
Total operating expenses	<u>36,295,821.93</u>	81.17	<u>31,958,500.00</u>	81.71	<u>4,337,321.93</u>	<u>199,241,802.05</u>	81.89	<u>179,046,740.00</u>	82.17	<u>20,195,062.05</u>
Operating income	8,420,397.39	18.83	7,155,500.00	18.29	1,264,897.39	44,074,852.76	18.11	38,858,260.00	17.83	5,216,592.76
<b>Non-operating revenue:</b>										
Interest income	<u>68,456.67</u>	0.15	<u>46,000.00</u>	0.12	<u>22,456.67</u>	<u>539,079.80</u>	0.22	<u>226,000.00</u>	0.10	<u>313,079.80</u>
Income before transfers	<u>\$ 8,488,854.06</u>	18.98	<u>\$ 7,201,500.00</u>	18.41	<u>\$ 1,287,354.06</u>	<u>\$ 44,613,932.56</u>	18.34	<u>\$ 39,084,260.00</u>	17.94	<u>\$ 5,529,672.56</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, 2017**

	Year to date																																																
<b>Operating revenues:</b>																																																	
Instant ticket (Settlements)	\$ 195,388,168.00																																																
Online ticket sales	46,607,228.50																																																
Retailer application, fidelity and service fees	442,237.61																																																
Other revenue	<u>4,300.70</u>																																																
 Total operating revenues	 <u>242,441,934.81</u>																																																
 <b>Operating expenses:</b>																																																	
Instant game prizes (Settlements)	140,105,242.63																																																
Online game prizes	25,152,739.66																																																
Retailer commissions	13,712,694.06																																																
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General and administrative expenses	2,190,015.19																																																
Services provided by ADHE	221,666.00																																																
Services provided by Legislative Audit Agency	139,200.00																																																
Legal and professional services	967.78																																																
Current year capital asset cost	<u>36,296.55</u>																																																
Total operating expenses	198,624,118.61																																																
 Change in net proceeds from operations	 43,817,816.20																																																
 <b>Non-operating revenue:</b>																																																	
Interest income	539,079.80																																																
Other non-operating income	0.00																																																
EDUCATION TRUST FUNDING-Current Year	(34,688,372.20)																																																
Less Act 1180 Unclaimed Prizes	(3,092,913.13)																																																
Less current year Fidelity Reserve Fees	(15,430.65) restricted reserves																																																
Less current year Bond Reserve Fees	(142,325.00) restricted reserves																																																
Less current year MUSL Reserves	46,157.75 see 23-115-103(17) and (19)(A)&(B)																																																
Add OPEB expense in Comp and Benefits	<u>119,343.00</u>																																																
 <b>NET PROCEEDS EARNED-Current Month</b>	 <b><u>\$ 6,583,355.77</u></b>																																																
 <b>Academic Challenge Scholarship Trust</b>																																																	
	<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;">\$ 32,567,222.35</td> <td style="text-align: right;">\$ 1,442,702.94</td> <td style="text-align: right;">\$ 34,009,925.29</td> </tr> <tr> <td>July 2017 funding - 8/15/17</td> <td style="text-align: right;">\$ 6,610,939.69</td> <td style="text-align: right;">\$ 50,823.30</td> <td style="text-align: right;">\$ 6,661,762.99</td> </tr> <tr> <td>August 2017 funding - 9/15/17</td> <td style="text-align: right;">\$ 8,850,323.23</td> <td style="text-align: right;">\$ 62,418.31</td> <td style="text-align: right;">\$ 8,912,741.54</td> </tr> <tr> <td>September 2017 funding - 10/15/17</td> <td style="text-align: right;">\$ 6,688,470.75</td> <td style="text-align: right;">\$ 66,863.18</td> <td style="text-align: right;">\$ 6,755,333.93</td> </tr> <tr> <td>Transfer from ADHE (final 2017 Adj) -10/15/17</td> <td style="text-align: right;">\$ (120,270.21)</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ (120,270.21)</td> </tr> <tr> <td>Transfer to ADHE 10/6/17</td> <td style="text-align: right;">\$ (35,000,000.00)</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ (35,000,000.00)</td> </tr> <tr> <td>October 2017 funding - 11/15/17</td> <td style="text-align: right;">\$ 5,619,710.41</td> <td style="text-align: right;">\$ 47,595.33</td> <td style="text-align: right;">\$ 5,667,305.74</td> </tr> <tr> <td>Transfer to ADHE 11/21/17</td> <td style="text-align: right;">\$ (3,500,000.00)</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ (3,500,000.00)</td> </tr> <tr> <td>November 2017 funding - 12/15/17</td> <td style="text-align: right;">\$ 6,648,202.58</td> <td style="text-align: right;">\$ 43,025.42</td> <td style="text-align: right;">\$ 6,691,228.00</td> </tr> <tr> <td>Transfer to Workforce Challenge Trust 12/1/17</td> <td style="text-align: right;">\$ (14,157,060.23)</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ (14,157,060.23)</td> </tr> <tr> <td>December 2017 funding - 1/15/18</td> <td style="text-align: right;">\$ 6,555,192.25</td> <td style="text-align: right;">\$ 28,163.52</td> <td style="text-align: right;">\$ 6,583,355.77</td> </tr> </tbody> </table>		Transfer	Interest	Total		\$ 32,567,222.35	\$ 1,442,702.94	\$ 34,009,925.29	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	September 2017 funding - 10/15/17	\$ 6,688,470.75	\$ 66,863.18	\$ 6,755,333.93	Transfer from ADHE (final 2017 Adj) -10/15/17	\$ (120,270.21)	\$ -	\$ (120,270.21)	Transfer to ADHE 10/6/17	\$ (35,000,000.00)	\$ -	\$ (35,000,000.00)	October 2017 funding - 11/15/17	\$ 5,619,710.41	\$ 47,595.33	\$ 5,667,305.74	Transfer to ADHE 11/21/17	\$ (3,500,000.00)	\$ -	\$ (3,500,000.00)	November 2017 funding - 12/15/17	\$ 6,648,202.58	\$ 43,025.42	\$ 6,691,228.00	Transfer to Workforce Challenge Trust 12/1/17	\$ (14,157,060.23)	\$ -	\$ (14,157,060.23)	December 2017 funding - 1/15/18	\$ 6,555,192.25	\$ 28,163.52	\$ 6,583,355.77
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**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Unclaimed Prizes**  
**December 31, 2017**

	Monthly	Year to Date
Reserve Balance July 1, 2017		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 709,544.38	3,092,913.13
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 709,544.38	3,092,913.13
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance December 31, 2017		 \$4,092,913.13

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

**OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT  
December 1 through December 31, 2017**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2017</b>	<b>FY 2018 Total</b>
Allegra Print & Imaging	Advertising/Public Relations	FOB		\$3,870.54
Goddess Products	Office Furniture/Supplies	CMBE	\$602.87	\$4,242.72
Government Supply Services	Office Furniture/Supplies	MBE	\$354.09	\$1,055.01
Party Prints	Advertising/Public Relations	CMBE		\$3,749.60
Trivia Marketing	Advertising/Public Relations	WBE	\$-185.56	\$59,630.74
<b>Totals</b>			<b>\$771.40</b>	<b>\$72,548.61</b>

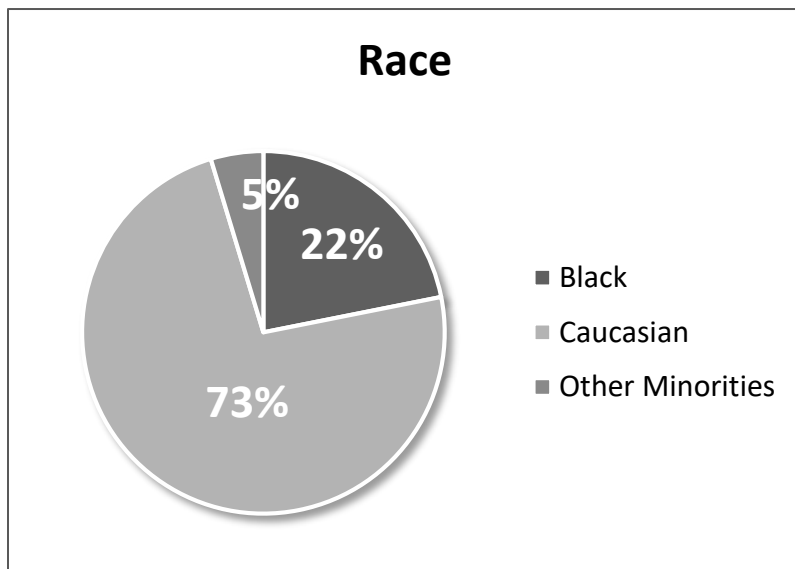
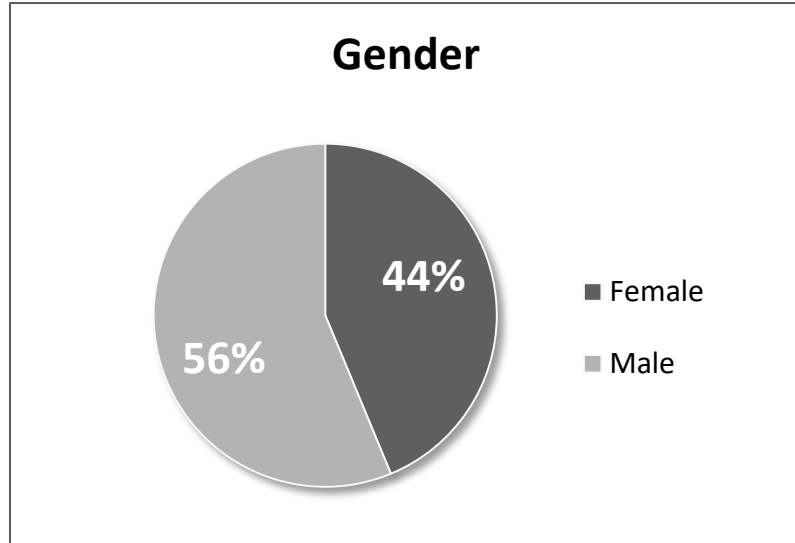
**INTRALOT MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT  
December 1 through December 31, 2017**

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2017</b>	<b>FY 2018 Total</b>
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$8,462.00	\$55,003.00
<b>Totals</b>			<b>\$8,462.00</b>	<b>\$55,003.00</b>

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

<b>Vendors</b>	<b>Goods or Services</b>	<b>Diversity Classification</b>	<b>December 2017</b>	<b>FY 2018 Total</b>
Central Copiers, Inc.	Office Products	FOB	\$780.87	\$780.87
Expedited Transportation Services	Transportation Services	DBE	\$1,076.62	\$13,759.96
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$49,210.71	\$277,876.11
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE	\$396.00	\$2,376.00
<b>Totals</b>			<b>\$51,464.20</b>	<b>\$294,792.94</b>

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



**Total Number of Employees as of December 2017: 64**

**Gender:**

Females – 28  
Males – 36

**Race:**

Black – 14  
Caucasian – 47  
Other – 3

Female -- 7	Male -- 7
Female -- 20	Male -- 27
Female -- 1	Male -- 2

**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 for the reporting period.



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

Sales for the following instant games began December 5, 2017. No ending dates have been determined for these games.

**\$1 \$1 Lottery Ticket**

**\$2 Cash Money**

**\$3 Bingo Bonus**

**\$5 Multiplier Money**

**\$20 Million Dollar Winner**

Sales for the following Fast Play games began December 4, 2017. No ending dates have been determined for this game.

**\$1 Bingo**

**\$2 Snowflake Melt**