



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>

March 10, 2015

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 February 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. Arkansas Lottery Commission Minority- and Female-owned Business Report
13. Arkansas Lottery Commission Vendor Minority- and Female-owned Business Report
14. Arkansas Lottery Commission Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

Please call me if you have any questions or need additional information.

Respectfully submitted,



Bishop Woosley
Director

Enclosures

cc: Mr. Larry Walther, Director, Arkansas Department of Finance and Administration



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March 10, 2015

The Honorable Jimmy Hickey, Chair
The Honorable Chris Richey, Chair
Arkansas Lottery Legislative Oversight Committee
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 February 2015, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

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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

**DFA/Office of the Arkansas Lottery
Term Contracts for Goods and Services
February 1 through February 28, 2015**

No term contracts were entered into by the Office of the Arkansas Lottery during the month of February 2015.

DFA/Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
February 2015

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$9,500.52
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$ 7,042.71</u>
	Total Debt Set-Off:	\$16,543.23

2. Retailer losses for period February 1 through February 28, 2015: None.

DFA/OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
February 1 through February 28, 2015

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$15.00	\$7,228.00	\$7,268.00	\$20,117.00	\$454,207.00	\$6,400.00	\$10,770.00	\$10,788.00	\$48,322.00	\$565,115.00
ASHLEY	\$5.00	\$9,873.50	\$9,816.50	\$6,642.00	\$133,071.00	\$2,148.00	\$6,369.00	\$2,423.00	\$28,117.00	\$198,465.00
BAXTER	\$60.00	\$2,600.50	\$1,194.50	\$10,830.00	\$320,061.00	\$3,920.00	\$13,705.00	\$13,299.00	\$72,989.00	\$438,659.00
BENTON	\$125.00	\$3,909.50	\$1,674.00	\$19,253.00	\$852,996.00	\$15,538.00	\$62,750.00	\$26,606.00	\$326,990.00	\$1,309,841.50
BOONE	\$35.00	\$2,746.50	\$5,274.00	\$15,067.00	\$404,869.00	\$3,152.00	\$12,774.00	\$6,803.00	\$59,747.00	\$510,467.50
BRADLEY	\$10.00	\$1,854.00	\$1,677.00	\$2,622.00	\$147,000.00	\$1,846.00	\$3,075.00	\$2,372.00	\$13,407.00	\$173,863.00
CALHOUN	\$0.00	\$1,577.50	\$818.50	\$1,321.00	\$52,270.00	\$624.00	\$1,435.00	\$1,036.00	\$4,996.00	\$64,078.00
CARROLL	\$25.00	\$2,521.50	\$1,786.00	\$5,298.00	\$207,022.00	\$2,566.00	\$8,082.00	\$3,807.00	\$39,285.00	\$270,392.50
CHICOT	\$85.00	\$8,143.00	\$4,920.00	\$1,572.00	\$141,600.00	\$3,946.00	\$24,046.00	\$7,374.00	\$110,316.00	\$302,002.00
CLARK	\$25.00	\$3,129.00	\$1,323.00	\$9,644.00	\$318,275.00	\$3,196.00	\$9,293.00	\$6,901.00	\$41,287.00	\$393,073.00
CLAY	\$30.00	\$145.50	\$66.50	\$590.00	\$83,311.00	\$752.00	\$1,895.00	\$1,194.00	\$12,582.00	\$100,566.00
CLEBURNE	\$15.00	\$754.00	\$379.50	\$6,122.00	\$268,095.00	\$4,922.00	\$11,833.00	\$12,779.00	\$53,898.00	\$358,797.50
CLEVELAND	\$5.00	\$499.00	\$451.00	\$2,656.00	\$49,298.00	\$550.00	\$1,379.00	\$973.00	\$6,711.00	\$62,522.00
COLUMBIA	\$40.00	\$11,716.50	\$11,244.50	\$24,640.00	\$291,404.00	\$2,292.00	\$6,695.00	\$4,122.00	\$31,618.00	\$383,772.00
CONWAY	\$40.00	\$5,614.00	\$2,846.50	\$11,843.00	\$482,572.00	\$4,750.00	\$12,158.00	\$12,467.00	\$52,939.00	\$585,229.50
CRAIGHEAD	\$115.00	\$8,616.00	\$4,030.00	\$40,172.00	\$1,222,704.00	\$9,440.00	\$31,619.00	\$20,936.00	\$179,112.00	\$1,516,744.00
CRAWFORD	\$85.00	\$1,988.00	\$474.50	\$7,879.00	\$276,104.00	\$5,784.00	\$19,546.00	\$13,851.00	\$88,045.00	\$413,756.50
CRITTENDEN	\$125.00	\$16,319.00	\$12,742.00	\$4,941.00	\$560,884.00	\$5,284.00	\$30,604.00	\$13,580.00	\$154,931.00	\$799,410.00
CROSS	\$20.00	\$1,747.00	\$1,350.00	\$9,251.00	\$228,601.00	\$1,256.00	\$5,350.00	\$3,878.00	\$32,164.00	\$283,617.00
DALLAS	\$5.00	\$2,015.50	\$582.50	\$3,627.00	\$122,386.00	\$1,480.00	\$3,375.00	\$2,138.00	\$13,742.00	\$149,351.00
DESHA	\$25.00	\$2,148.00	\$893.00	\$5,028.00	\$143,100.00	\$2,246.00	\$6,415.00	\$4,928.00	\$28,530.00	\$193,313.00
DREW	\$20.00	\$1,194.50	\$1,004.00	\$4,306.00	\$201,639.00	\$2,808.00	\$6,253.00	\$5,067.00	\$32,479.00	\$254,770.50
FAULKNER	\$160.00	\$8,130.00	\$6,047.50	\$26,851.00	\$1,064,035.00	\$17,438.00	\$42,326.00	\$35,431.00	\$201,115.00	\$1,401,533.50
FRANKLIN	\$25.00	\$498.50	\$97.00	\$8,650.00	\$152,572.00	\$1,936.00	\$7,015.00	\$4,396.00	\$29,205.00	\$204,394.50
FULTON	\$40.00	\$339.00	\$252.00	\$1,386.00	\$57,300.00	\$532.00	\$1,634.00	\$987.00	\$9,131.00	\$71,601.00
GARLAND	\$195.00	\$7,080.50	\$6,149.00	\$34,788.00	\$831,411.00	\$21,376.00	\$49,528.00	\$48,540.00	\$215,807.00	\$1,214,874.50
GRANT	\$10.00	\$347.50	\$163.50	\$3,645.00	\$139,769.00	\$2,320.00	\$5,577.00	\$4,472.00	\$25,134.00	\$181,438.00
GREENE	\$70.00	\$763.00	\$577.00	\$5,111.00	\$538,590.00	\$4,330.00	\$13,843.00	\$7,924.00	\$74,155.00	\$645,363.00
HEMPSTEAD	\$5.00	\$25,480.00	\$7,785.00	\$5,198.00	\$388,387.00	\$2,190.00	\$7,787.00	\$4,140.00	\$31,637.00	\$472,609.00
HOT SPRING	\$35.00	\$1,517.00	\$558.50	\$7,505.00	\$328,864.00	\$4,994.00	\$11,316.00	\$10,878.00	\$44,834.00	\$410,501.50

DFA/OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
February 1 through February 28, 2015

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$5.00	\$19,897.50	\$8,294.50	\$5,706.00	\$205,504.00	\$1,902.00	\$5,385.00	\$3,428.00	\$22,058.00	\$272,180.00
INDEPENDENCE	\$20.00	\$3,246.50	\$903.50	\$34,859.00	\$567,370.00	\$5,550.00	\$13,547.00	\$12,675.00	\$66,255.00	\$704,426.00
IZARD	\$10.00	\$154.50	\$118.50	\$3,331.00	\$60,644.00	\$758.00	\$2,966.00	\$2,293.00	\$13,993.00	\$84,268.00
JACKSON	\$40.00	\$11,306.50	\$5,230.00	\$7,323.00	\$304,398.00	\$3,550.00	\$7,425.00	\$8,077.00	\$33,861.00	\$381,210.50
JEFFERSON	\$185.00	\$37,732.00	\$22,504.00	\$56,291.00	\$1,528,476.00	\$19,078.00	\$39,770.00	\$38,834.00	\$151,179.00	\$1,894,049.00
JOHNSON	\$20.00	\$407.00	\$358.50	\$9,591.00	\$249,608.00	\$1,852.00	\$8,572.00	\$4,822.00	\$39,991.00	\$315,221.50
LAFAYETTE	\$5.00	\$3,747.00	\$1,571.50	\$2,960.00	\$79,250.00	\$636.00	\$1,832.00	\$1,031.00	\$8,670.00	\$99,702.50
LAWRENCE	\$30.00	\$841.00	\$194.00	\$6,192.00	\$221,457.00	\$1,500.00	\$4,190.00	\$2,284.00	\$21,643.00	\$258,331.00
LEE	\$0.00	\$2,564.50	\$1,835.00	\$1,798.00	\$80,842.00	\$696.00	\$2,354.00	\$635.00	\$10,720.00	\$101,444.50
LINCOLN	\$5.00	\$501.00	\$207.50	\$5,258.00	\$81,994.00	\$1,676.00	\$2,800.00	\$3,838.00	\$13,388.00	\$109,667.50
LITTLE RIVER	\$25.00	\$3,778.00	\$2,215.00	\$2,122.00	\$92,693.00	\$1,132.00	\$3,245.00	\$1,642.00	\$13,575.00	\$120,427.00
LOGAN	\$20.00	\$822.00	\$262.00	\$3,651.00	\$183,698.00	\$2,428.00	\$6,825.00	\$4,374.00	\$31,222.00	\$233,302.00
LONOKE	\$75.00	\$7,749.00	\$5,353.50	\$25,082.00	\$915,129.00	\$13,834.00	\$33,582.00	\$27,649.00	\$151,555.00	\$1,180,008.50
MADISON	\$30.00	\$447.50	\$112.50	\$4,593.00	\$61,475.00	\$1,568.00	\$3,284.00	\$1,656.00	\$17,595.00	\$90,761.00
MARION	\$20.00	\$1,200.00	\$534.00	\$4,757.00	\$123,855.00	\$1,610.00	\$4,648.00	\$4,018.00	\$23,151.00	\$163,793.00
MILLER	\$65.00	\$24,031.50	\$9,467.50	\$5,974.00	\$435,672.00	\$2,982.00	\$13,550.00	\$4,872.00	\$57,760.00	\$554,374.00
MISSISSIPPI	\$30.00	\$50,516.00	\$29,574.50	\$5,601.00	\$558,165.00	\$2,886.00	\$13,851.00	\$7,494.00	\$77,715.00	\$745,832.50
MONROE	\$10.00	\$2,169.00	\$1,226.00	\$3,720.00	\$146,319.00	\$2,436.00	\$5,007.00	\$3,069.00	\$22,584.00	\$186,540.00
MONTGOMERY	\$0.00	\$30.00	\$22.00	\$1,952.00	\$17,032.00	\$586.00	\$1,682.00	\$1,156.00	\$7,157.00	\$29,617.00
NEVADA	\$35.00	\$2,798.50	\$780.00	\$4,096.00	\$212,971.00	\$1,566.00	\$3,584.00	\$1,880.00	\$15,597.00	\$243,307.50
NEWTON	\$5.00	\$29.00	\$3.00	\$1,398.00	\$48,251.00	\$442.00	\$1,524.00	\$1,484.00	\$6,121.00	\$59,257.00
OUACHITA	\$25.00	\$11,165.50	\$6,359.50	\$16,639.00	\$555,912.00	\$5,306.00	\$9,799.00	\$8,124.00	\$45,492.00	\$658,822.00
PERRY	\$5.00	\$454.00	\$198.00	\$2,360.00	\$82,234.00	\$1,144.00	\$3,567.00	\$2,148.00	\$15,198.00	\$107,308.00
PHILLIPS	\$60.00	\$7,864.50	\$3,742.50	\$2,461.00	\$201,030.00	\$2,302.00	\$15,317.00	\$3,312.00	\$68,844.00	\$304,933.00
PIKE	\$10.00	\$496.50	\$132.50	\$9,085.00	\$95,922.00	\$1,996.00	\$3,536.00	\$3,763.00	\$17,091.00	\$132,032.00
POINSETT	\$50.00	\$4,923.50	\$1,539.00	\$24,816.00	\$391,921.00	\$2,860.00	\$8,816.00	\$7,782.00	\$49,230.00	\$491,937.50
POLK	\$20.00	\$292.50	\$49.00	\$3,167.00	\$123,905.00	\$2,492.00	\$6,574.00	\$3,715.00	\$25,697.00	\$165,911.50
POPE	\$45.00	\$5,074.50	\$2,327.50	\$11,672.00	\$782,071.00	\$8,896.00	\$26,529.00	\$19,472.00	\$127,200.00	\$983,287.00
PRAIRIE	\$15.00	\$1,899.50	\$510.50	\$3,524.00	\$163,248.00	\$1,540.00	\$3,667.00	\$2,588.00	\$19,350.00	\$196,342.00
PULASKI	\$595.00	\$96,997.00	\$65,284.50	\$200,033.00	\$5,592,837.00	\$90,622.00	\$219,099.00	\$196,732.00	\$930,713.00	\$7,392,912.50
RANDOLPH	\$10.00	\$202.00	\$300.00	\$3,615.00	\$182,521.00	\$1,438.00	\$3,687.00	\$2,657.00	\$21,977.00	\$216,407.00

DFA/OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
February 1 through February 28, 2015

COUNTY	ARKANSAS 50/50	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$65.00	\$7,444.50	\$5,922.50	\$5,207.00	\$266,487.00	\$2,394.00	\$9,714.00	\$4,419.00	\$51,018.00	\$352,671.00
SALINE	\$145.00	\$8,296.50	\$4,327.00	\$46,525.00	\$967,101.00	\$15,976.00	\$42,116.00	\$40,378.00	\$194,892.00	\$1,319,756.50
SCOTT	\$30.00	\$230.50	\$168.00	\$2,323.00	\$102,600.00	\$1,204.00	\$3,267.00	\$1,863.00	\$14,931.00	\$126,616.50
SEARCY	\$0.00	\$288.00	\$432.00	\$9,951.00	\$78,630.00	\$880.00	\$2,311.00	\$1,878.00	\$9,605.00	\$103,975.00
SEBASTIAN	\$320.00	\$14,157.00	\$5,083.00	\$16,628.00	\$659,475.00	\$16,206.00	\$51,682.00	\$27,611.00	\$232,723.00	\$1,023,885.00
SEVIER	\$0.00	\$3,383.00	\$461.50	\$3,571.00	\$125,618.00	\$1,334.00	\$5,726.00	\$2,138.00	\$20,705.00	\$162,936.50
SHARP	\$65.00	\$575.50	\$198.00	\$11,388.00	\$201,836.00	\$2,316.00	\$5,529.00	\$5,109.00	\$29,617.00	\$256,633.50
STONE	\$5.00	\$768.00	\$305.50	\$4,364.00	\$82,737.00	\$1,642.00	\$3,599.00	\$2,721.00	\$15,102.00	\$111,243.50
UNION	\$90.00	\$52,602.00	\$23,897.00	\$21,514.00	\$892,258.00	\$5,122.00	\$19,469.00	\$10,651.00	\$79,770.00	\$1,105,373.00
VAN BUREN	\$15.00	\$1,214.00	\$323.00	\$6,391.00	\$152,910.00	\$2,028.00	\$5,620.00	\$4,914.00	\$25,928.00	\$199,343.00
WASHINGTON	\$260.00	\$15,336.50	\$5,643.00	\$27,611.00	\$1,284,427.00	\$22,430.00	\$73,410.00	\$38,038.00	\$341,737.00	\$1,808,892.50
WHITE	\$110.00	\$5,605.00	\$3,430.50	\$43,793.00	\$1,059,186.00	\$12,928.00	\$26,844.00	\$24,623.00	\$125,770.00	\$1,302,289.50
WOODRUFF	\$10.00	\$4,275.00	\$530.00	\$680.00	\$100,868.00	\$1,414.00	\$2,586.00	\$2,440.00	\$13,074.00	\$125,877.00
YELL	\$30.00	\$709.00	\$98.50	\$7,827.00	\$202,350.00	\$2,610.00	\$6,665.00	\$6,308.00	\$28,899.00	\$255,496.50

GRAND TOTALS	*Arkansas 50/50	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$4,065.00	\$558,717.50	\$315,474.50	\$987,955.00	\$30,985,284.00	\$415,764.00	\$1,167,199.00	\$854,685.00	\$5,373,578.00	\$40,662,722.00

*Estimates

**DFA/Office of the Arkansas Lottery
Total Number of Active Retailers
February 2015**

There were 1,901 active retailers as of February 28, 2015.

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Net Position
February 28, 2015

ASSETS

Current assets:	
Cash and Cash Equivalents	\$ 3,738,838.98
Restricted Assets:	
Cash and cash equivalents	3,867,096.20
Accounts receivable	12,222,922.87
Prepaid items	<u>67,471.14</u>
Total current assets	<u>19,896,329.19</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	15,608,256.94
Deposits with Multi-State Lottery Association	1,784,450.38
Capital assets:	
Equipment	648,832.23
Leasehold Improvements	498,416.68
Less accumulated depreciation	<u>(965,816.30)</u>
Total non-current assets	<u>17,574,139.93</u>
Total assets	<u>\$ 37,470,469.12</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 1,321,694.71
Prizes payable	20,802,534.07
Accrued and other liabilities	1,346,904.05
Due to other funds of the State	498,066.66
Payable to Arkansas Department of Higher Education	
Compensated absences	293,467.32
Unearned revenue	<u>246,980.38</u>
Total current liabilities	<u>24,509,647.19</u>
Long-Term liabilities:	
Net other post employment benefits	<u>1,526,507.76</u>
Total long-term liabilities	<u>1,526,507.76</u>
Total liabilities	<u>26,036,154.95</u>

NET POSITION

Net position:	
Invested in capital assets	181,432.61
Restricted for:	
Scholarship shortfall reserve trust fund	15,498,261.69
Retailer fidelity fund	109,995.25
Deposits with Multi-State Lottery Assn.	1,784,450.38
Unclaimed prizes reserve	3,867,096.20
Unrestricted	<u>(10,006,921.96)</u>
Total net position	<u>11,434,314.17</u>
Total liabilities & net position	<u>\$ 37,470,469.12</u>

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Revenues, Expenses, and Change in Net Position
For Eight Months Ended February 28, 2015

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 32,054,268.00	\$ 217,276,918.50
Online ticket sales	9,673,639.00	50,836,377.00
Retailer application, fidelity and service fees	41,934.46	365,312.78
Other revenue	<u>473.00</u>	<u>17,047.80</u>
 Total operating revenues	 <u>41,770,314.46</u>	 <u>268,495,656.08</u>
 Operating expenses:		
Instant game prizes	23,514,434.11	156,725,857.07
Online game prizes	4,921,350.28	26,330,400.18
Retailer commissions	2,366,077.57	15,087,721.76
Gaming contract costs	1,968,916.90	13,543,855.14
Compensation and benefits	438,335.21	3,832,606.51
Marketing, advertising and promotions	348,290.46	3,178,887.50
General and administrative expenses	90,994.02	909,795.76
Services provided by ADHE	62,500.00	500,000.00
Services provided by Legislative Audit Agency	19,493.33	110,466.66
Legal and professional services	2,370.41	7,545.09
Depreciation	<u>11,421.20</u>	<u>110,836.28</u>
 Total operating expenses	 <u>33,744,183.49</u>	 <u>220,337,971.95</u>
 Operating income	 8,026,130.97	 48,157,684.13
 Non-operating revenue (expense):		
Interest income	<u>14,403.21</u>	<u>158,467.71</u>
 Income before transfers	 8,040,534.18	 48,316,151.84
 Transfers to:		
Education Trust Account	(6,161,343.01)	(45,982,736.70)
Shortfall Account to Trust Account for ADHE	(4,501,738.31)	(4,501,738.31)
Arkansas Department of Human Services	<u>(200,000.00)</u>	<u>(200,000.00)</u>
 Change in net position	 <u>\$ (2,622,547.14)</u>	 (2,368,323.17)
 Total net position - beginning		 <u>13,802,637.34</u>
Total net position - ending		<u>\$ 11,434,314.17</u>

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Statement of Revenues, Expenses, and Change in Net Position
For Eight Months Ended February 28, 2015

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating Revenues										
Instant Games	\$ 32,054,268.00	76.74	\$ 31,798,933.74	80.67	\$ 255,334.26	\$ 217,276,918.50	80.92	\$ 213,278,920.70	79.30	\$ 3,997,997.80
OnLine Games	9,673,639.00	23.16	7,573,236.26	19.21	2,100,402.74	50,836,377.00	18.93	55,289,877.30	20.56	(4,453,500.30)
Retailer application, fidelity	41,934.46	0.10	47,000.00	0.12	(5,065.54)	365,312.78	0.14	373,000.00	0.14	(7,687.22)
Other Revenue	<u>473.00</u>	0.00	<u>800.00</u>	0.00	<u>(327.00)</u>	<u>17,047.80</u>	0.01	<u>6,600.00</u>	0.00	<u>10,447.80</u>
Total Operating Revenues	<u>41,770,314.46</u>	100.00	<u>39,419,970.00</u>	100.00	<u>2,350,344.46</u>	<u>268,495,656.08</u>	100.00	<u>268,948,398.00</u>	100.00	<u>(452,741.92)</u>
Operating Expenses										
Instant Game Prizes	23,514,434.11	56.29	22,700,126.30	57.59	814,307.81	156,725,857.07	58.37	151,747,163.31	56.42	4,978,693.76
On-Line Game Prizes	4,921,350.28	11.78	3,993,552.70	10.13	927,797.58	26,330,400.18	9.81	29,203,129.69	10.86	(2,872,729.51)
Retailer Commissions	2,366,077.57	5.66	2,204,847.00	5.59	161,230.57	15,087,721.76	5.62	15,039,893.00	5.59	47,828.76
Gaming Contract Costs	1,968,916.90	4.71	1,939,376.00	4.92	29,540.90	13,543,855.14	5.04	13,229,036.00	4.92	314,819.14
Staff Compensation & Benefits	438,335.21	1.05	488,602.00	1.24	(50,266.79)	3,832,606.51	1.43	4,173,336.00	1.55	(340,729.49)
Marketing, Advertising & Promo	348,290.46	0.83	416,667.00	1.06	(68,376.54)	3,178,887.50	1.18	3,333,333.00	1.24	(154,445.50)
General and administrative ex	90,994.02	0.22	114,167.00	0.29	(23,172.98)	909,795.76	0.34	938,333.00	0.35	(28,537.24)
Services Provided by Other Age	81,993.33	0.20	66,667.00	0.17	15,326.33	610,466.66	0.23	533,333.00	0.20	77,133.66
Legal and Professional Service	2,370.41	0.01	800.00	0.00	1,570.41	7,545.09	0.00	6,700.00	0.00	845.09
Capital asset depreciation	<u>11,421.20</u>	0.03	<u>17,600.00</u>	0.04	<u>(6,178.80)</u>	<u>110,836.28</u>	0.04	<u>139,600.00</u>	0.05	<u>(28,763.72)</u>
Total Operating Expenses	<u>33,744,183.49</u>	80.79	<u>31,942,405.00</u>	81.03	<u>1,801,778.49</u>	<u>220,337,971.95</u>	82.06	<u>218,343,857.00</u>	81.18	<u>1,994,114.95</u>
Operating Income	8,026,130.97	19.21	7,477,565.00	18.97	548,565.97	48,157,684.13	17.94	50,604,541.00	18.82	(2,446,856.87)
Interest Income	14,403.21	0.03	11,667.00	0.03	2,736.21	158,467.71	0.06	93,333.00	0.03	65,134.71
Non-Operating Revenue (Expense)	<u>-</u>		<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>		<u>-</u>
Income before transfers	<u>\$ 8,040,534.18</u>	19.25	<u>\$ 7,489,232.00</u>	19.00	<u>\$ 551,302.18</u>	<u>\$ 48,316,151.84</u>	18.00	<u>\$ 50,697,874.00</u>	18.85	<u>\$ (2,381,722.16)</u>

Office of the Arkansas Lottery
(a division of Arkansas Department of Finance and Administration)
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Eight Months Ended February 28, 2015

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 215,694,849.50
Online ticket sales	50,836,377.00
Retailer application, fidelity and service fees	365,312.78
Other revenue	<u>17,047.80</u>
 Total operating revenues	 <u>266,913,587.08</u>
 Operating expenses:	
Instant game prizes SETTLEMENTS	154,665,554.00
Online game prizes	26,330,400.18
Retailer commissions	15,087,721.76
Gaming contract costs	13,543,855.14
Compensation and benefits	3,832,606.51
Marketing, advertising and promotions	3,178,887.50
General and administrative expenses	909,795.76
Services provided by ADHE	500,000.00
Services provided by Legislative Audit Agency	110,466.66
Legal and professional services	7,545.09
Current year Capital Asset cost	<u>46,155.88</u>
Total operating expenses	<u>218,212,988.48</u>
 Change in net proceeds from operations	 48,700,598.60
 Nonoperating revenue (expense):	
Interest Income	158,467.71
Other Non Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(39,821,393.69)
Less Act 1180 Unclaimed Prizes	(2,867,096.20)
Less Transfer to ADHS	(200,000.00)
Less Current year Fidelity Fund fees	(18,862.23) restricted fund
Less Current year MUSL Reserves (additions) / reductions	9,628.82 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>200,000.00</u>

NET PROCEEDS EARNED-Current Month **\$ 6,161,343.01**

	Transfer	Interest	Total
Totals	\$ (894,283.74)	\$ 894,283.74	\$ (0.00)
February transfer to ADHE 2/3/14	\$ (27,000,000.00)		\$ (27,000,000.00)
February transfer to ADHE 2/12/14	\$ (6,000,000.00)		\$ (6,000,000.00)
Transfer from Shortfall Reserve 2/24/14	\$ 12,000,000.00		\$ 12,000,000.00
February transfer to ADHE 2/25/14	\$ (12,000,000.00)		\$ (12,000,000.00)
February 2014 funding - 3/15/14	\$ 5,908,720.60	\$ 1,234.90	\$ 5,909,955.50
February transfer to Shortfall Reserve 3/15/13	\$ (5,923,925.49)		\$ (5,923,925.49)
March 2014 funding - 4/15/14	\$ 7,324,141.28	\$ 91.78	\$ 7,324,233.06
March transfer to Shortfall Reserve 3/15/13	\$ (6,076,074.51)		\$ (6,076,074.51)
April 2014 funding - 5/15/14	\$ 7,475,645.50	\$ 505.34	\$ 7,476,150.84
May 2014 funding - 6/15/14	\$ 6,509,958.59	\$ 3,286.80	\$ 6,513,245.39
June 2014 funding - 7/15/14	\$ 11,921,510.53	\$ 6,103.45	\$ 11,927,613.98
ADHE Refund for excess funding 7/18/14	\$ 2,319,467.65		\$ 2,319,467.65
July 2014 funding - 8/15/14	\$ 5,917,170.44	\$ 11,277.55	\$ 5,928,447.99
August 2014 funding - 9/15/15	\$ 5,282,380.92	\$ 14,584.88	\$ 5,296,965.80
June 2014 Audit Adjustments funding - 9/10/14	\$ 30,888.58		\$ 30,888.58
September transfer to ADHE 9/1/14	\$ (40,000,000.00)		\$ (40,000,000.00)
September 2014 funding - 10/15/14	\$ 4,310,517.64	\$ 6,709.46	\$ 4,317,227.10
October transfer to ADHE 10/15/14	\$ (5,000,000.00)		\$ (5,000,000.00)
October 2014 funding - 11/15/14	\$ 5,939,388.01	\$ 237.58	\$ 5,939,625.59
November 2014 funding - 12/15/14	\$ 5,575,489.06	\$ 1,546.10	\$ 5,577,035.16
December 2014 funding - 1/15/15	\$ 5,469,403.21	\$ 4,915.56	\$ 5,474,318.77
January 2015 funding - 2/15/15	\$ 7,280,972.70	\$ 6,800.58	\$ 7,287,773.28
February transfer to ADHE 2/12/15	\$ (35,000,000.00)		\$ (35,000,000.00)
Transfer from Shortfall Reserve 2/10/15	\$ 10,663,081.32		\$ 10,663,081.32
February 2015 funding - 3/15/15	\$ 6,157,718.14	\$ 3,624.87	\$ 6,161,343.01
February transfer to Shortfall Reserve 3/15/15	\$ (6,161,343.01)		\$ (6,161,343.01)

DFA/Office of the Arkansas Lottery
Unclaimed Prizes
February 28, 2015

	Monthly	Year to Date
Reserve Balance July 1, 2014		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 59,085.00	3,085,261.13
2. Expenditures from unclaimed lottery prize money:		218,164.93
3. Reserved for future prizes, promotions or reserves:	59,085.00	2,867,096.20
4. Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance February 28, 2015		\$3,867,096.20

**DFA/OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2015**

Vendors	Goods or Services	Diversity Classification	February 2015	FY 2015 Total
A-Absolute Moving & Hauling	Trucking/Hauling	Minority-owned		\$669.90
Goddess Products	Office Furniture/Supplies	Minority-owned	\$1,838.05	\$26,321.55
Government Supply Services	Office Products	Minority-owned	\$64.19	\$890.78
Northeast Arkansas Cleaning Service	Janitorial Services	Female-owned		\$1,215.35
Ride N Shine Detail	Auto Servicing	Minority-owned		\$54.50
Trivia Marketing	Advertising/Public Relations	Female-owned		\$253.05
Totals			\$1,902.24	\$29,405.13

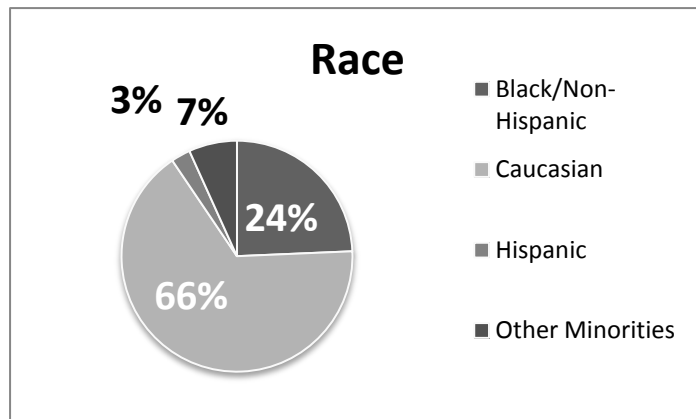
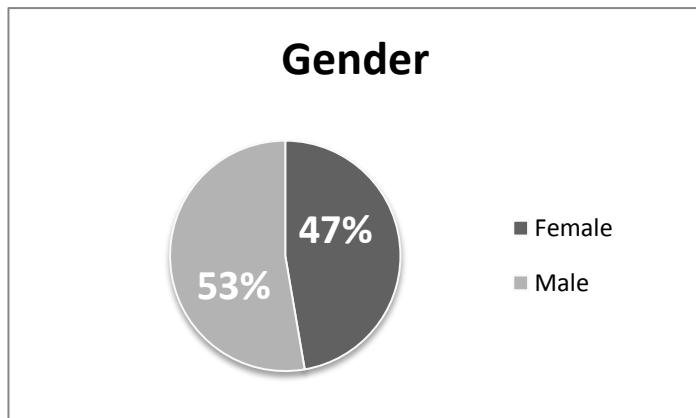
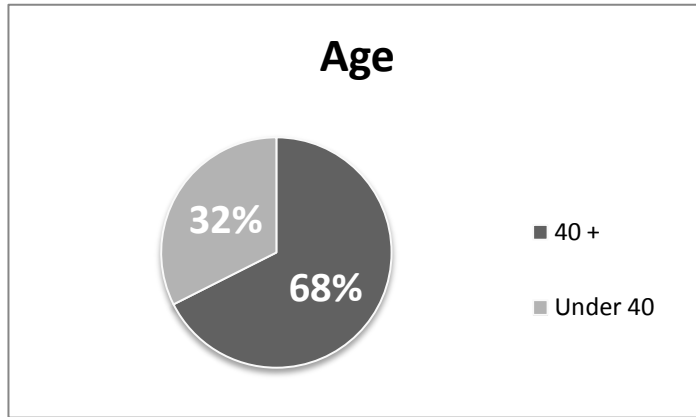
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2015**

Vendors	Goods or Services	Diversity Classification	February 2015	FY 2015 Total
Goddess Products	Office Furniture/Supplies	Minority-owned		\$1,454.60
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,194.42	\$83,158.15
Totals			\$10,194.42	\$84,612.75

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
February 1 through February 28, 2015**

Vendors	Goods or Services	Diversity Classification	February 2015	FY 2015 Total
Expedited Transportation Service	Transportation Services	Female-owned	\$2,081.53	\$16,536.36
Mr. Klean Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$363.30	\$2,906.40
Premier Staffing	Staffing Services	Female-owned	\$2,539.69	\$23,334.78
Totals			\$4,984.52	\$42,777.54

**DFA-Office of the Arkansas Lottery
Demographics – February 2015**



Total Number of Employees as of February 28, 2015: 74

Gender:

Females – 35
Males – 39

Age:

Under 40 – 24
40 + – 50

Race:

Black/Non-Hispanic – 18
Female – 11
Male - 7

Caucasian – 49
Female - 20
Male - 29

Hispanic – 2
Female - 2
Male - 0

Other – 5
Female - 2
Male - 3

**Department of Finance and Administration
Office of the Arkansas Lottery – Internal Audit
Arkansas Lottery Legislative Oversight Committee Monthly Report
March 10, 2015**

Note: Given that Act 218 of the 90th General Assembly, which dissolved the Arkansas Lottery Commission and created the Office of the Arkansas Lottery within the Department of Finance and Administration, was signed into law on February 26, 2015, some of the Division of Legislative Audit’s findings noted below and related management responses include references to “Arkansas Lottery Commission” or “ALC,” and may relate to policy updates that may no longer be needed upon the full transition of lottery operations to the Department of Finance and Administration’s operating structure.

Division of Legislative Audit Findings Update

Per Arkansas Code Annotated § 23-115-212 (c) (1) (B), the Internal Auditor employed by the Office of the Arkansas Lottery (OAL) is required to update the Arkansas Lottery Legislative Oversight Committee regarding resolution of the Division of Legislative Audit’s findings included in the annual financial report for the OAL. On December 29, 2014, the Division of Legislative Audit (DLA) released its report for Arkansas Lottery Commission for the fiscal year ended June 30, 2014 under early release procedures. The report has not yet been formally presented to the Legislative Joint Auditing Committee.

DLA’s *Report on Internal Control over Financial Reporting and on Compliance and Other Matters* includes the following findings:

DLA Finding 2014-1:	<p>During review of payroll and other related items, we noted seven employees working schedules that fall outside the Agency’s normal business hours. Six employees had either an offer letter or some other form in their personnel file documenting their scheduled working hours; however, there was no documented working schedule for the Agency Director. We also noted that the Agency does not have a Commission approved policy for alternate work schedules, and none of the alternate working schedules appear to have been approved by the Governor. Governor’s Policy Directive #5 states, “All State offices shall be open for business between 8:00 a.m. and 4:30 p.m. However, department directors shall have flexibility to establish other working hours for their department personnel so long as all employees work an eight-hour day. Deviations from the five day, 40-hour work week shall be approved by the Governor.”</p> <p>We recommend the Agency seek an Attorney General's opinion as to whether the Agency is exempt from Governor’s Policy Directive #5. We further recommend the Agency adopt a written policy regarding alternate working schedules and obtain approval from the Commission and/or the Governor.</p>
Management Response:	The ALC will review the finding and determine whether to change policy to conform with the finding or to seek an Attorney General’s opinion.

**Department of Finance and Administration
Office of the Arkansas Lottery – Internal Audit
Arkansas Lottery Legislative Oversight Committee Monthly Report
March 10, 2015**

<p>Internal Audit Update:</p>	<p>On January 21, 2015, members of the Arkansas Lottery Commission voted to adopt a formal, written “Hours of Work Policy” and “Flexible Work Hours Policy” that were modeled after similar policies in place at other State of Arkansas agencies, and are designed to conform with the spirit of Governor’s Policy Directive #5, that was cited in the DLA’s finding. The policies establish normal working hours to be 8:00 a.m. to 4:30 p.m. and identify specific steps to be taken when variations to this policy are necessary, based on functional needs. Additionally, the policies outline the protocol for reporting time out of the office (both work and non-work related purposes) for the Lottery Director and Internal Auditor.</p> <p>Internal Audit considers adoption of the policies noted to effectively address DLA’s finding and related recommendation, and obtained agreement from DLA with Internal Audit’s assessment. As such, <u>this finding is considered resolved</u>; however, Internal Audit will continue to monitor this issue to ensure that appropriate policies remain in place to address the concerns raised by DLA.</p>
<p>DLA Finding 2014-2:</p>	<p>Travel regulation R1-19-4-903 states that when privately-owned motor vehicles are used for official business travel, the traveler may claim reimbursement at the rate per mile established by the Chief Fiscal Officer (CFO) of the State in effect during the time the travel occurred. On January 15, 2014, the Commission authorized an increase in the mileage reimbursement rate for Agency employees from \$0.42 per mile to \$0.56 per mile. During review of travel reimbursements, we selected five marketing sales representatives for testing. For those five employees, the increased rate in mileage reimbursement for the period of January 15 - June 27, 2014, resulted in a total additional cost to the Agency of \$6,535.</p> <p>We recommend the Agency seek an Attorney General's opinion as to whether the Agency is exempt from the reimbursement rate per mile established by the CFO of the State. If the Attorney General opines that travel regulation R1-19-4-903 applies to the Agency, we recommend the Agency reduce the mileage reimbursement rate to \$0.42 per mile, as established by the CFO of the State. We further recommend the Agency seek reimbursement from all affected employees for all amounts reimbursed above the authorized rate.</p>
<p>Management Response:</p>	<p>The ALC will review the finding and determine whether to change policy to conform with the finding or to seek an Attorney General’s opinion.</p>

**Department of Finance and Administration
Office of the Arkansas Lottery – Internal Audit
Arkansas Lottery Legislative Oversight Committee Monthly Report
March 10, 2015**

Internal Audit Update:	<p>On January 21, 2015, members of the Arkansas Lottery Commission voted to empower the ALC Director to seek an opinion from the Attorney General regarding the issue raised in the DLA's finding. Further, the Commission instituted an immediate policy of reverting to a mileage reimbursement rate of \$0.42 per mile, with the difference between the \$0.56 per mile rate being held in escrow (\$0.14 per mile) until receipt of the Attorney General's opinion on the issue. On January 27, 2015, ALC Management submitted the request for an opinion to the Attorney General's office, and receipt of such request was acknowledged by Attorney General Leslie Rutledge on January 29, 2015. As of the date of this report, no opinion has been issued by the Attorney General related to this matter.</p> <p>Effective February 26, 2015 with the signing of Act 218, the mileage reimbursement rate for the OAL became \$0.42 per mile, consistent with the travel regulation outlined in DLA's finding.</p> <p>Internal Audit will continue to monitor the pending opinion request and any necessary actions that will be required after its issuance before concluding on resolution of the issue raised in DLA's finding.</p>
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No additional issues or problems resulting from internal audits have been reported to the Director of the Department of Finance and Administration since the previous report submitted to the Arkansas Lottery Commission Legislative Oversight Committee on February 10, 2015.

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

Sales for the following instant games began February 3, 2015. No ending dates have been determined for these games.

\$1 Cash Cow

\$2 10X The Money

\$3 Crossword!

\$5 25X The Money

\$10 Gold Mine

Sales for the following Fast Play games began February 2, 2015. No ending dates have been determined for these games.

\$1 Bingo

\$1 Crazy 8's