



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>

August 10, 2021

The Honorable Asa Hutchinson
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of July 2021. 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 Demographics
14. Internal Auditor Reports

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

Respectfully submitted,

J. Eric Hagler
Director

Enclosures

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



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**Department of Finance
and Administration**

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August 10, 2021

The Honorable Ronald Caldwell, Co-Chair
The Honorable Mathew Pitsch, Co-Chair
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Caldwell and Representative Pitsch:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of July 2021. The reports contain the following information:

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J. Eric Hagler
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**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
July 1 through July 31, 2021**

There were no term contracts entered into by Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of July 2021.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
July 31, 2021

1. Debt Set-Off Collections:

a. Arkansas Department of Finance and Administration	\$ 4,731.10
b. Arkansas Office of Child Support Enforcement - Child Support	\$ 0.00
Total Debt Set-Off:	\$ 4,731.10

2. Retailer Losses: \$0.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2021

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
ARKANSAS	\$25,437.00	\$10,559.50	\$14,732.00	\$493,695.00	\$3,062.00	\$10,395.00	\$5,331.00	\$13,388.00	\$576,599.50
ASHLEY	\$16,432.00	\$14,332.50	\$9,151.00	\$170,567.00	\$2,214.00	\$5,503.00	\$3,197.00	\$10,840.00	\$232,236.50
BAXTER	\$4,847.50	\$2,537.00	\$28,362.00	\$473,427.00	\$7,074.00	\$16,331.00	\$14,358.00	\$25,328.00	\$572,264.50
BENTON	\$8,702.50	\$4,396.00	\$26,816.00	\$1,495,899.00	\$19,008.00	\$76,400.00	\$34,969.00	\$114,546.00	\$1,780,736.50
BOONE	\$1,838.00	\$1,480.50	\$32,339.00	\$519,521.00	\$2,594.00	\$12,972.00	\$6,364.00	\$19,570.00	\$596,678.50
BRADLEY	\$2,250.50	\$3,516.50	\$3,236.00	\$196,062.00	\$1,178.00	\$3,156.00	\$2,212.00	\$4,307.00	\$215,918.00
CALHOUN	\$4,675.00	\$1,417.50	\$1,678.00	\$74,400.00	\$692.00	\$949.00	\$1,026.00	\$1,449.00	\$86,286.50
CARROLL	\$1,201.50	\$1,234.00	\$9,854.00	\$328,039.00	\$1,998.00	\$8,681.00	\$4,888.00	\$13,169.00	\$369,064.50
CHICOT	\$10,743.00	\$4,457.50	\$8,386.00	\$209,283.00	\$3,524.00	\$7,637.00	\$4,486.00	\$11,958.00	\$260,474.50
CLARK	\$4,326.00	\$1,074.50	\$31,473.00	\$410,338.00	\$2,782.00	\$10,171.00	\$6,572.00	\$12,847.00	\$479,583.50
CLAY	\$1,395.50	\$60.00	\$5,284.00	\$155,269.00	\$1,136.00	\$2,597.00	\$2,277.00	\$3,782.00	\$171,800.50
CLEBURNE	\$2,747.50	\$1,076.00	\$23,803.00	\$334,681.00	\$3,706.00	\$12,855.00	\$12,514.00	\$18,945.00	\$410,327.50
CLEVELAND	\$956.00	\$294.50	\$4,099.00	\$74,450.00	\$1,100.00	\$1,125.00	\$707.00	\$1,857.00	\$84,588.50
COLUMBIA	\$16,966.00	\$8,162.50	\$10,821.00	\$424,253.00	\$3,388.00	\$6,448.00	\$5,383.00	\$9,911.00	\$485,332.50
CONWAY	\$7,467.50	\$3,039.50	\$15,198.00	\$449,265.00	\$4,522.00	\$10,820.00	\$13,055.00	\$15,837.00	\$519,204.00
CRAIGHEAD	\$23,975.50	\$12,953.50	\$66,156.00	\$1,872,157.00	\$8,480.00	\$34,150.00	\$22,334.00	\$50,316.00	\$2,090,522.00
CRAWFORD	\$1,683.50	\$1,094.50	\$12,731.00	\$442,792.00	\$4,994.00	\$20,224.00	\$11,837.00	\$28,775.00	\$524,131.00
CRITTENDEN	\$28,016.00	\$16,892.50	\$11,541.00	\$819,754.00	\$5,838.00	\$25,806.00	\$10,155.00	\$39,639.00	\$957,641.50
CROSS	\$5,384.50	\$2,433.50	\$14,587.00	\$335,161.00	\$1,090.00	\$4,692.00	\$3,811.00	\$7,312.00	\$374,471.00
DALLAS	\$1,915.00	\$907.50	\$7,414.00	\$244,715.00	\$640.00	\$2,784.00	\$1,956.00	\$4,264.00	\$264,595.50
DESHA	\$3,082.00	\$1,761.00	\$13,791.00	\$240,413.00	\$1,118.00	\$6,361.00	\$3,674.00	\$9,209.00	\$279,409.00
DREW	\$5,268.00	\$2,492.00	\$9,738.00	\$392,839.00	\$2,900.00	\$8,378.00	\$4,237.00	\$10,578.00	\$436,430.00
FAULKNER	\$16,447.00	\$7,707.00	\$41,699.00	\$1,437,814.00	\$12,742.00	\$46,603.00	\$33,658.00	\$62,123.00	\$1,658,793.00
FRANKLIN	\$598.00	\$218.00	\$18,217.00	\$215,394.00	\$1,668.00	\$7,276.00	\$4,264.00	\$11,030.00	\$258,665.00
FULTON	\$186.00	\$726.50	\$3,722.00	\$72,479.00	\$584.00	\$2,016.00	\$1,810.00	\$3,183.00	\$84,706.50
GARLAND	\$14,728.50	\$7,469.00	\$47,564.00	\$1,313,073.00	\$17,296.00	\$57,054.00	\$51,324.00	\$75,551.00	\$1,584,059.50
GRANT	\$840.00	\$971.00	\$8,113.00	\$171,518.00	\$2,210.00	\$5,976.00	\$4,681.00	\$8,271.00	\$202,580.00
GREENE	\$3,109.50	\$1,416.00	\$28,195.00	\$725,755.00	\$3,736.00	\$14,425.00	\$9,337.00	\$22,218.00	\$808,191.50
HEMPSTEAD	\$107,537.00	\$25,328.50	\$7,982.00	\$414,773.00	\$2,098.00	\$7,495.00	\$3,601.00	\$10,682.00	\$579,496.50
HOT SPRING	\$1,306.50	\$442.00	\$19,830.00	\$493,895.00	\$2,698.00	\$12,035.00	\$6,880.00	\$15,856.00	\$552,942.50
HOWARD	\$58,473.00	\$19,624.00	\$13,529.00	\$322,610.00	\$1,814.00	\$4,790.00	\$2,919.00	\$6,734.00	\$430,493.00
INDEPENDENCE	\$4,279.00	\$1,616.50	\$54,754.00	\$656,322.00	\$3,280.00	\$13,209.00	\$8,426.00	\$17,309.00	\$759,195.50
IZARD	\$172.00	\$48.50	\$6,973.00	\$113,409.00	\$936.00	\$3,674.00	\$3,675.00	\$4,563.00	\$133,450.50
JACKSON	\$18,287.00	\$10,898.00	\$21,590.00	\$304,855.00	\$1,764.00	\$6,287.00	\$7,012.00	\$8,538.00	\$379,231.00
JEFFERSON	\$81,944.00	\$57,468.00	\$39,062.00	\$1,571,853.00	\$17,762.00	\$39,703.00	\$28,856.00	\$54,091.00	\$1,890,739.00
JOHNSON	\$1,120.50	\$1,529.00	\$8,465.00	\$320,620.00	\$1,710.00	\$7,492.00	\$5,236.00	\$10,863.00	\$357,035.50
LAFAYETTE	\$15,999.00	\$4,778.50	\$3,448.00	\$96,540.00	\$854.00	\$2,283.00	\$1,002.00	\$3,578.00	\$128,482.50
LAWRENCE	\$988.50	\$240.50	\$16,356.00	\$308,932.00	\$1,252.00	\$5,579.00	\$3,483.00	\$7,664.00	\$344,495.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2021

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
LEE	\$5,469.50	\$14,550.50	\$1,912.00	\$93,200.00	\$486.00	\$1,921.00	\$864.00	\$2,803.00	\$121,206.00
LINCOLN	\$423.00	\$540.50	\$3,691.00	\$116,600.00	\$1,172.00	\$3,217.00	\$2,145.00	\$4,263.00	\$132,051.50
LITTLE RIVER	\$9,818.00	\$4,445.50	\$3,156.00	\$157,404.00	\$1,172.00	\$3,933.00	\$2,162.00	\$6,105.00	\$188,195.50
LOGAN	\$40.50	\$50.00	\$10,480.00	\$263,369.00	\$1,484.00	\$7,238.00	\$4,740.00	\$10,843.00	\$298,244.50
LONOKE	\$16,950.50	\$9,190.50	\$61,721.00	\$1,230,572.00	\$9,664.00	\$34,369.00	\$25,699.00	\$46,400.00	\$1,434,566.00
MADISON	\$13.50	\$29.50	\$1,954.00	\$92,029.00	\$912.00	\$4,563.00	\$1,844.00	\$5,902.00	\$107,247.00
MARION	\$11,907.00	\$3,144.50	\$9,965.00	\$195,144.00	\$2,640.00	\$6,175.00	\$5,634.00	\$9,033.00	\$243,642.50
MILLER	\$32,060.00	\$15,001.50	\$14,315.00	\$711,283.00	\$5,724.00	\$15,291.00	\$7,706.00	\$19,533.00	\$820,913.50
MISSISSIPPI	\$68,122.50	\$28,400.50	\$23,565.00	\$909,533.00	\$2,380.00	\$12,415.00	\$5,087.00	\$17,515.00	\$1,067,018.00
MONROE	\$15,329.50	\$14,877.50	\$14,420.00	\$201,601.00	\$1,486.00	\$5,733.00	\$3,244.00	\$8,558.00	\$265,249.00
MONTGOMERY	\$109.00	\$6.00	\$4,268.00	\$40,097.00	\$260.00	\$1,814.00	\$1,196.00	\$2,713.00	\$50,463.00
NEVADA	\$6,381.00	\$3,088.00	\$1,367.00	\$208,655.00	\$954.00	\$3,300.00	\$1,757.00	\$4,246.00	\$229,748.00
NEWTON	\$165.00	\$62.50	\$2,893.00	\$37,804.00	\$310.00	\$1,109.00	\$953.00	\$1,714.00	\$45,010.50
OUACHITA	\$21,059.50	\$9,806.50	\$31,791.00	\$759,073.00	\$3,272.00	\$9,843.00	\$7,205.00	\$15,216.00	\$857,266.00
PERRY	\$1,007.50	\$552.00	\$4,791.00	\$140,718.00	\$810.00	\$3,947.00	\$3,286.00	\$5,186.00	\$160,297.50
PHILLIPS	\$12,961.00	\$5,735.00	\$6,117.00	\$340,009.00	\$2,326.00	\$8,428.00	\$4,086.00	\$11,431.00	\$391,093.00
PIKE	\$407.50	\$180.50	\$12,853.00	\$163,033.00	\$1,294.00	\$3,802.00	\$3,927.00	\$5,384.00	\$190,881.00
POINSETT	\$5,895.50	\$1,224.00	\$27,994.00	\$662,484.00	\$1,278.00	\$8,244.00	\$6,170.00	\$11,894.00	\$725,183.50
POLK	\$2,275.00	\$216.00	\$11,286.00	\$203,275.00	\$2,178.00	\$6,947.00	\$5,636.00	\$10,059.00	\$241,872.00
POPE	\$6,100.50	\$1,613.00	\$29,328.00	\$912,843.00	\$7,114.00	\$28,631.00	\$18,712.00	\$38,465.00	\$1,042,806.50
PRAIRIE	\$2,536.50	\$1,444.00	\$5,176.00	\$204,086.00	\$612.00	\$3,328.00	\$2,252.00	\$4,652.00	\$224,086.50
PULASKI	\$172,519.50	\$141,232.50	\$310,006.00	\$7,388,504.00	\$127,216.00	\$295,055.00	\$218,034.00	\$391,664.00	\$9,044,231.00
RANDOLPH	\$218.50	\$102.00	\$5,924.00	\$170,176.00	\$1,746.00	\$6,871.00	\$3,606.00	\$9,886.00	\$198,529.50
SAINT FRANCIS	\$31,761.00	\$15,884.50	\$6,119.00	\$439,700.00	\$2,938.00	\$9,348.00	\$5,343.00	\$15,002.00	\$526,095.50
SALINE	\$29,472.50	\$8,134.00	\$69,326.00	\$1,328,539.00	\$17,228.00	\$47,260.00	\$37,147.00	\$63,842.00	\$1,600,948.50
SCOTT	\$347.00	\$124.50	\$3,074.00	\$102,169.00	\$824.00	\$3,205.00	\$1,550.00	\$5,397.00	\$116,690.50
SEARCY	\$151.00	\$321.00	\$2,885.00	\$97,124.00	\$970.00	\$2,761.00	\$1,869.00	\$3,544.00	\$109,625.00
SEBASTIAN	\$9,788.50	\$4,493.50	\$37,269.00	\$1,113,990.00	\$14,344.00	\$49,579.00	\$36,122.00	\$74,396.00	\$1,339,982.00
SEVIER	\$6,023.00	\$601.00	\$2,019.00	\$191,505.00	\$1,230.00	\$5,390.00	\$2,594.00	\$6,521.00	\$215,883.00
SHARP	\$1,185.00	\$489.00	\$14,493.00	\$316,375.00	\$1,944.00	\$9,105.00	\$6,244.00	\$13,252.00	\$363,087.00
STONE	\$556.00	\$86.00	\$2,258.00	\$96,429.00	\$746.00	\$3,604.00	\$3,667.00	\$4,567.00	\$111,913.00
UNION	\$93,637.00	\$46,411.50	\$40,444.00	\$1,039,285.00	\$5,478.00	\$15,995.00	\$9,653.00	\$23,727.00	\$1,274,630.50
VAN BUREN	\$1,121.50	\$732.50	\$9,442.00	\$219,930.00	\$1,872.00	\$6,438.00	\$6,230.00	\$9,001.00	\$254,767.00
WASHINGTON	\$19,767.50	\$7,822.00	\$39,415.00	\$1,735,338.00	\$19,278.00	\$75,903.00	\$42,127.00	\$112,206.00	\$2,051,856.50
WHITE	\$7,278.50	\$4,372.00	\$48,432.00	\$1,070,687.00	\$7,234.00	\$24,646.00	\$17,937.00	\$35,373.00	\$1,215,959.50
WOODRUFF	\$1,656.50	\$1,452.50	\$6,423.00	\$147,426.00	\$898.00	\$2,686.00	\$2,095.00	\$3,734.00	\$166,371.00
YELL	\$619.00	\$371.50	\$7,819.00	\$288,885.00	\$1,416.00	\$6,362.00	\$4,980.00	\$8,974.00	\$319,426.50

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2021

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
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GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$1,100,459.50	\$583,441.50	\$1,589,080.00	\$42,085,696.00	\$408,332.00	\$1,262,788.00	\$865,010.00	\$1,773,082.00	\$49,667,889.00

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
July 2021**

There were 1959 active retailers as of July 31, 2021.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
July 31, 2021**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 7,818,262.25
Restricted assets:	
Cash and cash equivalents	162,306,363.70
Accounts receivable	14,377,197.13
Prepaid items	1,726,854.83
Total current assets	<u>186,228,677.91</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,507,367.54
Deposits with Multi-State Lottery Association	2,151,639.33
Capital assets (Net of accumulated depreciation)	1,358,791.59
Total non-current assets	<u>24,017,798.46</u>
Total assets	<u>210,246,476.37</u>
Deferred outflows of resources:	
Related to pension	931,661.70
Related to OPEB	966,044.98
Total deferred outflows of resources	<u>1,897,706.68</u>
Total assets and deferred outflows of resources	<u>\$ 212,144,183.05</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 532,635.45
Prizes payable	23,190,567.01
Accrued and other liabilities	8,220,302.23
Due to other funds of the State	645,936.60
Lottery Scholarship Trust Account	160,660,613.21
Compensated absences	427,442.59
OPEB Obligation	114,672.71
Unearned revenue	176,012.11
Total current liabilities	<u>193,968,181.91</u>
Long-Term liabilities:	
Net other post employment benefits	4,709,089.59
Net pension liability	4,646,795.00
Total long-term liabilities	<u>9,355,884.59</u>
Total liabilities	<u>203,324,066.50</u>
Deferred inflows of resources:	
Related to pension	338,626.00
Related to OPEB	388,016.43
Total deferred inflows of resources	<u>726,642.43</u>
Total liabilities and deferred inflows of resources	<u>204,050,708.93</u>

NET POSITION

Net position:	
Invested in capital assets	1,358,791.59
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	517,845.55
Deposits with Multi-State Lottery Association	2,151,639.33
Unclaimed prizes reserve	1,645,750.49
Unrestricted (deficit)	<u>(17,580,552.84)</u>
Total net position	<u>8,093,474.12</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 212,144,183.05</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Month Ended July 31, 2021**

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 39,908,503.00	\$ 39,908,503.00
Online ticket sales	7,622,829.00	7,622,829.00
Retailer application, fidelity, bond and service fees	60,425.56	60,425.56
Other revenue	<u>0.00</u>	<u>0.00</u>
 Total operating revenues	 <u>47,591,757.56</u>	 <u>47,591,757.56</u>
 Operating expenses:		
Instant game prizes	29,538,127.79	29,538,127.79
Online game prizes	3,690,828.87	3,690,828.87
Retailer commissions	2,679,696.56	2,679,696.56
Gaming contract costs	2,348,566.57	2,348,566.57
Compensation and benefits	448,816.49	448,816.49
Marketing, advertising and promotions	510,497.51	510,497.51
General and administrative expenses	169,105.19	169,105.19
Services provided by Arkansas Department of Higher Education	44,300.00	44,300.00
Services provided by Arkansas Legislative Audit	26,000.00	26,000.00
Legal and professional services	0.00	0.00
Depreciation	<u>35,896.21</u>	<u>35,896.21</u>
 Total operating expenses	 <u>39,491,835.19</u>	 <u>39,491,835.19</u>
 Operating income (1)	 8,099,922.37	 8,099,922.37
 Non-operating revenue:		
Interest income	<u>84,524.21</u>	<u>84,524.21</u>
 Income before transfers	 8,184,446.58	 8,184,446.58
 Transfers to:		
Lottery Scholarship Trust Account	<u>(8,338,564.13)</u>	<u>(8,338,564.13)</u>
 Change in net position	 <u>\$ (154,117.55)</u>	 <u>(154,117.55)</u>
 Total net position - beginning		<u>8,247,591.67</u>
Total net position - ending		<u>\$ 8,093,474.12</u>

1) Includes all GAAP related accounting items including unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Month Ended July 31, 2021

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 39,908,503.00	83.86	\$ 33,000,000.00	82.23	\$ 6,908,503.00	\$ 39,908,503.00	83.86	\$ 33,000,000.00	82.23	\$ 6,908,503.00
Online games	7,622,829.00	16.02	7,092,000.00	17.67	530,829.00	7,622,829.00	16.02	7,092,000.00	17.67	530,829.00
Retailer fees	60,425.56	0.13	41,000.00	0.10	19,425.56	60,425.56	0.13	41,000.00	0.10	19,425.56
Other revenue	-	-	500.00	0.00	(500.00)	-	0.00	500.00	0.00	(500.00)
				0.00%						
Total operating revenues	47,591,757.56	100.00	40,133,500.00	100.00	7,458,257.56	47,591,757.56	100.00	40,133,500.00	100.00	7,458,257.56
Operating expenses:										
Instant game prizes	29,538,127.79	62.07	23,739,000.00	59.15	5,799,127.79	29,538,127.79	62.07	23,739,000.00	59.15	5,799,127.79
Online game prizes	3,690,828.87	7.76	3,904,000.00	9.73	(213,171.13)	3,690,828.87	7.76	3,904,000.00	9.73	(213,171.13)
Retailer commissions	2,679,696.56	5.63	2,267,000.00	5.65	412,696.56	2,679,696.56	5.63	2,267,000.00	5.65	412,696.56
Gaming contract costs	2,348,566.57	4.93	1,818,000.00	4.53	530,566.57	2,348,566.57	4.93	1,818,000.00	4.53	530,566.57
Compensation & benefits	448,816.49	0.94	496,000.00	1.24	(47,183.51)	448,816.49	0.94	496,000.00	1.24	(47,183.51)
Marketing, advertising & promotions	510,497.51	1.07	542,000.00	1.35	(31,502.49)	510,497.51	1.07	542,000.00	1.35	(31,502.49)
General and administrative expenses	169,105.19	0.36	266,000.00	0.66	(96,894.81)	169,105.19	0.36	266,000.00	0.66	(96,894.81)
Services provided by other agencies	70,300.00	0.15	67,000.00	0.17	3,300.00	70,300.00	0.15	67,000.00	0.17	3,300.00
Legal and professional service	-	-	500.00	0.00	(500.00)	-	0.00	500.00	0.00	(500.00)
Depreciation	35,896.21	0.08	36,000.00	0.09	(103.79)	35,896.21	0.08	36,000.00	0.09	(103.79)
Total operating expenses	39,491,835.19	82.98	33,135,500.00	82.56	6,356,335.19	39,491,835.19	82.98	33,135,500.00	82.56	6,356,335.19
Operating income	8,099,922.37	17.02	6,998,000.00	17.44	1,101,922.37	8,099,922.37	17.02	6,998,000.00	17.44	1,101,922.37
Non-operating revenue:										
Interest income	84,524.21	0.18	27,000.00	0.07	57,524.21	84,524.21	0.18	27,000.00	0.07	57,524.21
Income before transfers	\$ 8,184,446.58	17.20	\$ 7,025,000.00	17.50	\$ 1,159,446.58	\$ 8,184,446.58	17.20	\$ 7,025,000.00	17.50	\$ 1,159,446.58

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Month Ended July 31, 2021**

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 42,086,400.00
Online ticket sales	7,622,829.00
Retailer application, fidelity and service fees	60,425.56
Other revenue	0.00
	<u>49,769,654.56</u>
Total operating revenues	<u>49,769,654.56</u>
Operating expenses:	
Instant game prizes (Settlements)	30,935,544.00
Online game prizes	3,690,828.87
Retailer commissions	2,679,696.56
Gaming contract costs	2,348,566.57
Compensation and benefits	448,816.49
Marketing, advertising and promotions	510,497.51
General and administrative expenses	169,105.19
Services provided by ADHE	44,300.00
Services provided by Legislative Audit Agency	26,000.00
Legal and professional services	0.00
Current year capital asset cost	0.00
	<u>40,853,355.19</u>
Total operating expenses	<u>40,853,355.19</u>
Change in net proceeds from operations	8,916,299.37
Non-operating revenue:	
Interest income	84,524.21
Other non-operating income	0.00
EDUCATION TRUST FUNDING-Current Year	0.00
Less Act 1180 Unclaimed Prizes	(645,750.49)
Less current year Bond Reserve Fees	(17,845.55) restricted reserves
Add Bond Funds in excess of \$500,000	see 23-115-603(a)(B)
Add back Write Off Retailer Bad Debt	0.00
Less current year MUSL Reserves	(20,663.41) see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	22,000.00
	<u>22,000.00</u>
NET PROCEEDS EARNED-Current Month	\$ 8,338,564.13

	Transfer	Interest	Total
Lottery Scholarship Trust Account	\$	\$	\$
July 2020 funding - 8/15/20	157,368,062.41	3,292,550.80	160,660,613.21
August 2020 funding - 9/15/20	8,573,004.11	19,569.82	8,592,573.93
Transfer to ADHE for FY 2021 Fall Funding 9/24/20	7,837,402.04	25,515.40	7,862,917.44
September 2020 funding - 10/15/20	(38,000,000.00)	-	(38,000,000.00)
October 2020 funding - 11/15/20	7,667,415.02	24,161.97	7,691,576.99
November 2020 funding - 12/15/20	8,435,196.50	12,140.50	8,447,337.00
December 2020 fundng - 1/15/21	8,196,802.93	10,795.95	8,207,598.88
January 2021 fundng - 2/15/21	5,956,009.67	14,912.86	5,970,922.53
Transfer to ADHE for FY2021 Spring Funding 2/17/20	10,896,695.24	16,497.08	10,913,192.32
February 2021 funding - 3/15/21	(30,000,000.00)	-	(30,000,000.00)
March 2021 funding - 4/15/21	5,577,047.59	15,323.36	5,592,370.95
April 2021 funding - 5/15/21	8,329,488.02	12,429.36	8,341,917.38
May 2021 funding - 6/15/21	12,285,184.74	14,753.90	12,299,938.64
June 2021 funding - 7/15/21	7,570,133.41	18,230.96	7,588,364.37
July 2021 funding - 8/15/21	15,074,646.71	26,082.76	15,100,729.47
Transfer Workforce Challenge Scholarship Trust Balance 7/1/21	8,309,715.00	28,849.13	8,338,564.13
	<u>82,474,411.86</u>	<u>-</u>	<u>82,474,411.86</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
July 31, 2021

	Monthly	Year to Date
Reserve Balance July 1, 2021		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 645,750.49	645,750.49
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	645,750.49	645,750.49
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance July 31, 2021		\$1,645,750.49

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

**OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2021**

Vendors	Goods or Services	Diversity Classification	July 2021	FY 2022 Total
Government Supply Services	Office Furniture/Supplies	CMBE	\$ 184.89	\$ 184.89
A-Absolute Moving & Hauling	Moving Office Furniture	CMBE	\$ -	\$ -
Totals			\$ 184.89	\$ 184.89

**INTRALOT MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2021**

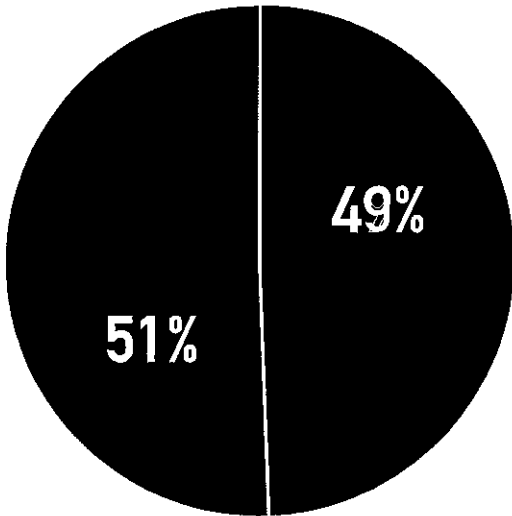
Vendors	Goods or Services	Diversity Classification	July 2021	FY 2022 Total
J Kelly Referrals and Informations Services	Call Center/Information Services	CMBE	\$ 21,390.00	\$ 21,390.00
Totals			\$ 21,390.00	\$ 21,390.00

**SCIENTIFIC GAMES MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2021**

Vendors	Goods or Services	Diversity Classification	July 2021	FY 2022 Total
Expedited Transportation Service	Transportation Services	DBE	\$ 6,828.32	\$ 6,828.32
Pure Cleaning Services	Janitorial Servies	MBE	\$ 1,226.26	\$ 1,226.26
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$ 43,227.63	\$ 43,227.63
Totals			\$ 51,282.21	\$ 51,282.21

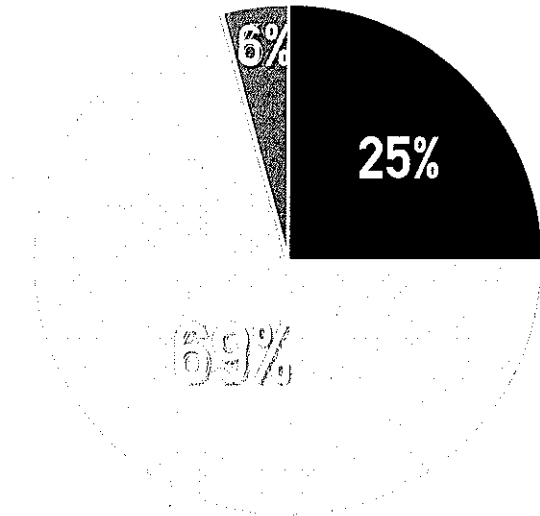
**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
JULY 2021**

GENDER



- FEMALE
- MALE

RACE



- BLACK
- CAUCASIAN
- OTHER MINORITIES

▼ **TOTAL NUMBER OF EMPLOYEES AS OF JULY 2021: 65** ▼

GENDER

Females - 32

Males - 33

RACE

Black - 16 ----- Female - 9 Male - 7

Caucasian - 45 ----- Female - 22 Male - 23

Other - 4 ----- Female - 1 Male - 3



STATE OF ARKANSAS
Department of Finance and Administration

OFFICE OF THE ARKANSAS LOTTERY
Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2010

William C. Miller, CPA, CGMA
Internal Auditor

<u>Audit:</u>	2021-29 Beneficiary Trust Fund	<u>Report Date:</u> July 29, 2021
<u>Report Distribution:</u>	Larry Walther, Secretary Department of Finance and Administration	<u>For Fiscal Year:</u> June 30, 2021
	<u>Office of the Arkansas Lottery</u> Eric Hagler, OAL Executive Director Jerry Fetzer, Chief Financial Officer Timothy Parrish, Treasurer Brent Standridge, Chief Legal Counsel	

Introduction

A scheduled periodic audit for Beneficiary Trust Fund for fiscal year ended June 30, 2021 and has been completed by Internal Audit. The periodic review was conducted in accordance with the Office of the Arkansas Lottery (OAL) Internal Audit Charter, which governs the types and objectives of engagements performed by the OAL Internal Audit function.

Background

Arkansas Code Annotated (ACA) § 23-115-801 establishes procedures surrounding and distribution of lottery proceeds, including net proceeds held by the OAL in trust for the Arkansas Department of Higher Education (ADHE). Such funds are held in the Education Trust Fund Account or Workforce Challenge account. ACA § 23-115-802 establishes the Scholarship Shortfall Reserve Trust Account, designed for use when Education Trust Fund Account balances are not adequate to meet funding requests by ADHE for the Arkansas Academic Challenge Scholarship Program. Education Trust Fund, Scholarship Shortfall Reserve Trust and Workforce Challenge balances are deposited at Bank OZK, under an agreement established at the inception of the Arkansas Lottery. Balances held by the OAL are subject to investment policy guidelines established by the State Board of Finance per ACA § 23-115-801 (b) (2).

Purpose, Objectives, and Scope

The overall purpose, objectives, and scope of the audit were as follows:

Purpose

The purpose of this audit was to ensure that the appropriate controls and procedures are in place to provide reasonable assurance that lottery proceeds are appropriately deposited to and withdrawn from the Education Trust Fund, Scholarship Shortfall Trust and Workforce Challenge accounts in accordance with the Arkansas Scholarship Lottery Act (The Act).

Objectives

- Ensure that the Education Trust Fund deposits and withdrawals are in accordance with The Act.
- Ensure that the Scholarship Shortfall Trust Fund deposits and withdrawals are in accordance with The Act.
- Ensure that the Workforce Challenge deposits and withdrawals are in accordance with The Act.
- Independently confirm the balance of the Education Trust Fund and the Workforce Challenge Bank OZK statements against the balances provided in Sage.
- Ensure all of the OAL's bank accounts are properly collateralized by Bank OZK as month-end for each month in the fiscal year.
- Ensure the wire transfers to Arkansas Department of Higher Education (ADHE) have supporting documentation and signatures required for all wire transfers

Scope

The procedures performed included reviewing bank statements, internally prepared calculations, and other supporting documentation.

Observations

Internal Audit (IA) had no observations or recommendations to report.

William C. Miller

William C Miller, Internal Auditor

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
July 2021

There were no new Instant games that started sales in July 2021.

There were no new Fast play games that started sales in July 2021.