



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>

July 10, 2017

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

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, please accept the attached monthly disclosure reports for the month of June 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



STATE OF ARKANSAS
**Department of Finance
and Administration**

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July 10, 2017

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

RE: Monthly Disclosure Reports

Gentlemen:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, please accept the attached monthly disclosure reports for the month of June 2017, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

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Bishop Woosley
Director

Enclosures

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

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
June 1 through June 30, 2017**

No term contracts were entered into by the Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of June 2017.

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

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$5,215.57
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$2,000.00</u>
	Total Debt Set-Off:	\$7,215.57

2. Retailer losses for period June 1 through June 30, 2017: None.

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

June 1 through June 30, 2017

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$9,343.00	\$8,423.00	\$15,219.00	\$478,425.00	\$2,034.00	\$12,758.00	\$5,638.00	\$31,621.00	\$563,461.00
ASHLEY	\$10,548.50	\$10,829.00	\$3,394.00	\$106,339.00	\$1,534.00	\$5,767.00	\$1,640.00	\$17,198.00	\$157,249.50
BAXTER	\$3,766.00	\$1,917.00	\$9,028.00	\$301,756.00	\$6,438.00	\$15,246.00	\$10,460.00	\$39,101.00	\$387,712.00
BENTON	\$5,564.50	\$2,806.00	\$32,346.00	\$954,256.00	\$11,374.00	\$68,711.00	\$25,628.00	\$197,535.00	\$1,298,220.50
BOONE	\$2,067.00	\$1,973.00	\$10,175.00	\$400,326.00	\$2,132.00	\$12,887.00	\$4,284.00	\$30,599.00	\$464,443.00
BRADLEY	\$1,190.50	\$2,286.00	\$3,200.00	\$106,012.00	\$620.00	\$2,474.00	\$1,577.00	\$9,094.00	\$126,453.50
CALHOUN	\$4,137.50	\$930.00	\$1,009.00	\$38,540.00	\$302.00	\$1,477.00	\$844.00	\$2,847.00	\$50,086.50
CARROLL	\$284.00	\$448.00	\$8,161.00	\$221,675.00	\$1,626.00	\$7,975.00	\$2,563.00	\$20,005.00	\$262,737.00
CHICOT	\$8,579.50	\$6,029.00	\$2,406.00	\$144,300.00	\$4,864.00	\$21,639.00	\$6,386.00	\$63,259.00	\$257,462.50
CLARK	\$2,743.50	\$1,560.50	\$16,738.00	\$284,704.00	\$1,640.00	\$8,682.00	\$4,150.00	\$25,345.00	\$345,563.00
CLAY	\$228.00	\$31.00	\$1,767.00	\$83,765.00	\$480.00	\$2,287.00	\$1,574.00	\$7,039.00	\$97,171.00
CLEBURNE	\$1,130.00	\$615.00	\$17,896.00	\$271,529.00	\$3,008.00	\$12,486.00	\$9,156.00	\$32,268.00	\$348,088.00
CLEVELAND	\$249.50	\$242.50	\$681.00	\$36,792.00	\$228.00	\$1,290.00	\$901.00	\$3,686.00	\$44,070.00
COLUMBIA	\$14,517.50	\$7,822.50	\$13,952.00	\$279,882.00	\$2,062.00	\$6,388.00	\$2,774.00	\$15,767.00	\$343,165.00
CONWAY	\$4,684.00	\$1,556.00	\$9,320.00	\$436,392.00	\$2,050.00	\$11,704.00	\$6,645.00	\$30,552.00	\$502,903.00
CRAIGHEAD	\$8,379.00	\$4,521.50	\$34,088.00	\$1,250,019.00	\$5,048.00	\$35,333.00	\$15,157.00	\$87,685.00	\$1,440,230.50
CRAWFORD	\$1,692.00	\$555.00	\$7,820.00	\$289,981.00	\$3,056.00	\$18,992.00	\$8,990.00	\$50,015.00	\$381,101.00
CRITTENDEN	\$19,446.00	\$10,509.50	\$8,333.00	\$491,306.00	\$5,258.00	\$29,765.00	\$9,439.00	\$83,934.00	\$657,990.50
CROSS	\$3,455.00	\$2,198.00	\$13,490.00	\$230,283.00	\$772.00	\$5,050.00	\$2,988.00	\$14,337.00	\$272,573.00
DALLAS	\$848.00	\$402.00	\$3,610.00	\$130,715.00	\$368.00	\$3,099.00	\$1,860.00	\$8,109.00	\$149,011.00
DESHA	\$2,236.00	\$1,577.00	\$4,289.00	\$174,408.00	\$1,134.00	\$7,784.00	\$4,237.00	\$18,979.00	\$214,644.00
DREW	\$1,121.50	\$971.50	\$6,367.00	\$176,346.00	\$1,924.00	\$6,706.00	\$3,240.00	\$19,658.00	\$216,334.00
FAULKNER	\$9,680.00	\$5,074.50	\$47,102.00	\$1,100,659.00	\$9,202.00	\$46,050.00	\$29,401.00	\$121,692.00	\$1,368,860.50
FRANKLIN	\$373.00	\$492.00	\$14,466.00	\$164,837.00	\$1,154.00	\$6,974.00	\$3,096.00	\$19,856.00	\$211,248.00
FULTON	\$221.00	\$180.00	\$3,807.00	\$70,172.00	\$472.00	\$2,073.00	\$1,047.00	\$5,583.00	\$83,555.00
GARLAND	\$8,390.50	\$4,176.00	\$33,488.00	\$777,442.00	\$11,260.00	\$50,971.00	\$36,062.00	\$136,601.00	\$1,058,390.50
GRANT	\$997.50	\$337.00	\$4,485.00	\$133,545.00	\$1,212.00	\$5,552.00	\$3,543.00	\$14,358.00	\$164,029.50
GREENE	\$901.00	\$660.50	\$29,023.00	\$487,952.00	\$3,038.00	\$16,712.00	\$7,236.00	\$42,739.00	\$588,261.50
HEMPSTEAD	\$32,584.00	\$11,658.50	\$5,107.00	\$332,497.00	\$1,154.00	\$7,121.00	\$3,216.00	\$15,622.00	\$408,959.50
HOT SPRING	\$875.00	\$655.50	\$7,753.00	\$287,905.00	\$2,320.00	\$10,830.00	\$6,633.00	\$26,146.00	\$343,117.50

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

June 1 through June 30, 2017

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$20,032.50	\$6,498.00	\$17,644.00	\$191,308.00	\$918.00	\$4,930.00	\$2,570.00	\$10,942.00	\$254,842.50
INDEPENDENCE	\$4,116.00	\$781.00	\$33,753.00	\$457,361.00	\$1,906.00	\$12,655.00	\$7,102.00	\$34,907.00	\$552,581.00
IZARD	\$805.50	\$67.50	\$4,589.00	\$68,016.00	\$698.00	\$3,601.00	\$3,322.00	\$8,705.00	\$89,804.00
JACKSON	\$12,648.00	\$6,180.00	\$8,533.00	\$269,439.00	\$1,838.00	\$7,198.00	\$4,737.00	\$18,668.00	\$329,241.00
JEFFERSON	\$41,547.00	\$31,127.50	\$40,134.00	\$1,421,481.00	\$7,610.00	\$38,083.00	\$23,882.00	\$88,783.00	\$1,692,647.50
JOHNSON	\$287.00	\$299.50	\$3,891.00	\$199,977.00	\$1,414.00	\$7,028.00	\$3,996.00	\$21,292.00	\$238,184.50
LAFAYETTE	\$5,841.00	\$1,993.50	\$1,471.00	\$66,600.00	\$830.00	\$1,392.00	\$942.00	\$3,111.00	\$82,180.50
LAWRENCE	\$1,066.50	\$433.00	\$8,152.00	\$197,448.00	\$896.00	\$4,453.00	\$1,931.00	\$13,184.00	\$227,563.50
LEE	\$2,966.00	\$3,059.00	\$762.00	\$75,612.00	\$312.00	\$2,339.00	\$597.00	\$5,982.00	\$91,629.00
LINCOLN	\$176.00	\$606.50	\$5,713.00	\$89,100.00	\$830.00	\$3,424.00	\$2,133.00	\$8,686.00	\$110,668.50
LITTLE RIVER	\$3,815.50	\$3,238.50	\$2,721.00	\$95,264.00	\$674.00	\$3,437.00	\$1,002.00	\$6,915.00	\$117,067.00
LOGAN	\$1,342.00	\$328.00	\$11,196.00	\$176,629.00	\$1,262.00	\$6,927.00	\$2,978.00	\$18,715.00	\$219,377.00
LONOKE	\$8,862.00	\$4,301.50	\$23,565.00	\$841,287.00	\$6,278.00	\$32,977.00	\$18,241.00	\$84,668.00	\$1,020,179.50
MADISON	\$235.50	\$9.00	\$602.00	\$58,109.00	\$564.00	\$4,012.00	\$1,339.00	\$9,812.00	\$74,682.50
MARION	\$2,885.50	\$476.50	\$5,113.00	\$149,756.00	\$1,890.00	\$5,826.00	\$3,843.00	\$13,004.00	\$182,794.00
MILLER	\$18,658.00	\$11,055.00	\$9,539.00	\$472,605.00	\$3,244.00	\$12,746.00	\$4,378.00	\$29,122.00	\$561,347.00
MISSISSIPPI	\$39,142.00	\$17,540.50	\$12,781.00	\$440,761.00	\$2,030.00	\$12,204.00	\$4,092.00	\$34,342.00	\$562,892.50
MONROE	\$2,059.50	\$1,164.00	\$3,508.00	\$133,208.00	\$508.00	\$4,448.00	\$2,220.00	\$12,836.00	\$159,951.50
MONTGOMERY	\$1.00	\$0.00	\$1,241.00	\$22,047.00	\$498.00	\$2,046.00	\$1,454.00	\$6,492.00	\$33,779.00
NEVADA	\$2,159.50	\$1,924.00	\$1,459.00	\$134,767.00	\$1,024.00	\$3,345.00	\$1,603.00	\$7,423.00	\$153,704.50
NEWTON	\$56.00	\$37.00	\$6,229.00	\$44,389.00	\$124.00	\$1,554.00	\$817.00	\$3,306.00	\$56,512.00
OUACHITA	\$10,263.50	\$5,592.00	\$10,099.00	\$486,083.00	\$1,838.00	\$9,394.00	\$4,792.00	\$24,330.00	\$552,391.50
PERRY	\$638.50	\$560.00	\$954.00	\$87,314.00	\$478.00	\$3,435.00	\$1,916.00	\$8,595.00	\$103,890.50
PHILLIPS	\$9,090.50	\$3,952.00	\$1,215.00	\$177,821.00	\$1,986.00	\$15,791.00	\$3,194.00	\$38,089.00	\$251,138.50
PIKE	\$1,251.50	\$91.00	\$11,820.00	\$91,553.00	\$700.00	\$4,111.00	\$2,700.00	\$10,948.00	\$123,174.50
POINSETT	\$5,171.00	\$1,031.00	\$8,773.00	\$372,495.00	\$1,206.00	\$9,110.00	\$4,396.00	\$23,801.00	\$425,983.00
POLK	\$673.50	\$16.00	\$8,017.00	\$99,673.00	\$1,240.00	\$6,564.00	\$2,995.00	\$16,687.00	\$135,865.50
POPE	\$3,605.50	\$1,708.50	\$18,119.00	\$691,925.00	\$5,434.00	\$27,228.00	\$15,772.00	\$73,995.00	\$837,787.00
PRAIRIE	\$2,507.00	\$1,607.50	\$5,497.00	\$156,220.00	\$560.00	\$3,394.00	\$1,534.00	\$10,213.00	\$181,532.50
PULASKI	\$103,194.00	\$95,471.50	\$206,668.00	\$5,785,074.00	\$49,868.00	\$215,902.00	\$128,942.00	\$538,315.00	\$7,123,434.50
RANDOLPH	\$51.00	\$444.00	\$2,875.00	\$198,154.00	\$1,494.00	\$5,968.00	\$2,495.00	\$13,914.00	\$225,395.00

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

June 1 through June 30, 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	\$11,750.50	\$10,478.50	\$5,245.00	\$275,768.00	\$2,140.00	\$9,742.00	\$4,160.00	\$25,436.00	\$344,720.00
SALINE	\$10,166.00	\$5,942.00	\$40,073.00	\$1,035,760.00	\$9,776.00	\$46,210.00	\$26,880.00	\$126,997.00	\$1,301,804.00
SCOTT	\$94.00	\$124.00	\$4,285.00	\$80,806.00	\$1,118.00	\$3,415.00	\$1,281.00	\$9,666.00	\$100,789.00
SEARCY	\$572.50	\$701.00	\$999.00	\$85,517.00	\$612.00	\$2,412.00	\$1,832.00	\$5,781.00	\$98,426.50
SEBASTIAN	\$13,778.50	\$4,812.50	\$14,649.00	\$648,873.00	\$10,608.00	\$54,222.00	\$25,610.00	\$138,123.00	\$910,676.00
SEVIER	\$1,528.00	\$798.00	\$2,413.00	\$86,747.00	\$904.00	\$4,378.00	\$1,209.00	\$9,324.00	\$107,301.00
SHARP	\$793.50	\$339.00	\$11,506.00	\$203,935.00	\$1,400.00	\$7,245.00	\$4,156.00	\$17,842.00	\$247,216.50
STONE	\$4,412.00	\$2,012.50	\$13,312.00	\$96,669.00	\$1,096.00	\$3,838.00	\$4,522.00	\$9,943.00	\$135,804.50
UNION	\$48,819.00	\$23,953.50	\$19,199.00	\$763,936.00	\$4,120.00	\$17,787.00	\$7,824.00	\$43,873.00	\$929,511.50
VAN BUREN	\$652.50	\$638.50	\$5,876.00	\$139,677.00	\$1,330.00	\$5,818.00	\$3,899.00	\$17,076.00	\$174,967.00
WASHINGTON	\$14,000.50	\$5,038.00	\$25,737.00	\$1,264,577.00	\$14,150.00	\$71,399.00	\$32,244.00	\$187,816.00	\$1,614,961.50
WHITE	\$6,553.00	\$4,819.00	\$44,986.00	\$987,335.00	\$5,564.00	\$28,120.00	\$18,123.00	\$77,680.00	\$1,173,180.00
WOODRUFF	\$4,029.00	\$2,059.00	\$1,738.00	\$85,411.00	\$488.00	\$2,419.00	\$1,821.00	\$6,248.00	\$104,213.00
YELL	\$1,764.00	\$149.50	\$26,523.00	\$224,526.00	\$1,238.00	\$7,907.00	\$4,430.00	\$19,043.00	\$285,580.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$584,293.50	\$354,895.00	\$1,061,694.00	\$29,973,773.00	\$242,460.00	\$1,185,217.00	\$620,271.00	\$3,085,860.00	\$37,108,463.50

*Estimates

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

There were 1,934 active retailers as of June 30, 2017.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
June 30, 2017

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4,225,292.51
Restricted assets:	
Cash and cash equivalents	46,515,527.76
Accounts receivable	12,037,291.51
Prepaid items	189,842.59
Total current assets	<u>62,967,954.37</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,158,354.98
Deposits with Multi-State Lottery Association	1,948,070.69
Capital assets (Net of accumulated depreciation)	384,288.15
Total non-current assets	<u>22,490,713.82</u>
 Total assets	 85,458,668.19
Deferred outflows of resources:	
Related to pension	<u>1,130,744.92</u>
 Total assets and deferred outflows of resources	 <u>\$ 86,589,413.11</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 96,721.13
Prizes payable	19,084,125.33
Accrued and other liabilities	1,881,709.67
Due to other funds of the State	536,535.92
Payable to ADHE for Education Trust Account	45,515,527.76
Compensated absences	338,539.56
Unearned revenue	322,744.35
Total current liabilities	<u>67,775,903.72</u>
Long-Term liabilities:	
Net other post employment benefits	2,453,637.19
Net pension liability	4,144,582.00
Total long-term liabilities	<u>6,598,219.19</u>
 Total liabilities	 74,374,122.91
Deferred inflows of resources:	
Related to pension	<u>665,543.75</u>
 Total liabilities and deferred inflows of resources	 <u>75,039,666.66</u>

NET POSITION

Net position:	
Invested in capital assets	384,288.15
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	158,354.98
Retailer bond reserve	373,312.55
Deposits with Multi-State Lottery Association	1,948,070.69
Unclaimed prizes reserve	1,000,000.00
Unrestricted (deficit)	<u>(12,314,279.92)</u>
 Total net position	 <u>11,549,746.45</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 86,589,413.11</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Year Ended June 30, 2017

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 31,413,673.00	\$ 368,454,561.00
Online ticket sales	7,049,276.00	80,686,467.00
Retailer application, fidelity, bond and service fees	54,021.58	769,959.17
Other revenue	<u>257.27</u>	<u>5,748.84</u>
 Total operating revenues	 <u>38,517,227.85</u>	 <u>449,916,736.01</u>
 Operating expenses:		
Instant game prizes	22,795,041.72	263,190,872.57
Online game prizes	3,792,184.02	43,238,514.93
Retailer commissions	2,172,360.89	25,350,019.69
Gaming contract costs	1,596,786.63	19,089,217.43
Compensation and benefits	547,615.70	5,243,259.59
Marketing, advertising and promotions	430,109.82	5,776,698.55
General and administrative expenses	337,087.28	3,779,585.94
Services provided by Arkansas Department of Higher Education	36,666.00	439,992.00
Audit services provided by Arkansas Legislative Audit	12,000.00	144,000.00
Legal and professional services	390.05	1,864.26
Depreciation	<u>8,226.50</u>	<u>96,916.51</u>
 Total operating expenses	 <u>31,728,468.61</u>	 <u>366,350,941.47</u>
 Operating income (1)	 6,788,759.24	 83,565,794.54
 Non-operating revenue:		
Interest income	<u>66,616.18</u>	<u>489,045.82</u>
 Income before transfers	 6,855,375.42	 84,054,840.36
 Transfers to:		
Education Trust Account (2)	<u>(13,193,652.18)</u>	<u>(85,277,330.44)</u>
 Change in net position	 <u>\$ (6,338,276.76)</u>	 <u>(1,222,490.08)</u>
 Total net position - beginning		 <u>12,772,236.53</u>
Total net position - ending		<u>\$ 11,549,746.45</u>

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

2) Reflects adjustment of sales and prizes expense to a modified cash basis and does not include unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Year Ended June 30, 2017

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 31,413,673.00	81.56	\$ 30,370,000.00	81.98	\$ 1,043,673.00	\$ 368,454,561.00	81.89	\$ 383,380,000.00	82.73	\$ (14,925,439.00)
Online games	7,049,276.00	18.30	6,615,000.00	17.86	434,276.00	80,686,467.00	17.93	79,238,000.00	17.10	1,448,467.00
Retailer fees	54,021.58	0.14	59,000.00	0.16	(4,978.42)	769,959.17	0.17	788,000.00	0.17	(18,040.83)
Other revenue	<u>257.27</u>	0.00	<u>1,000.00</u>	0.00	<u>(742.73)</u>	<u>5,748.84</u>	0.00	<u>12,000.00</u>	0.00	<u>(6,251.16)</u>
Total operating revenues	<u>38,517,227.85</u>	100.00	<u>37,045,000.00</u>	100.00	<u>1,472,227.85</u>	<u>449,916,736.01</u>	100.00	<u>463,418,000.00</u>	100.00	<u>(13,501,263.99)</u>
Operating expenses:										
Instant game prizes	22,795,041.72	59.18	21,779,199.00	58.79	1,015,842.72	263,190,872.57	58.50	275,150,134.00	59.37	(11,959,261.43)
Online game prizes	3,792,184.02	9.85	3,527,301.00	9.52	264,883.02	43,238,514.93	9.61	42,549,866.00	9.18	688,648.93
Retailer commissions	2,172,360.89	5.64	2,110,600.00	5.70	61,760.89	25,350,019.69	5.63	26,400,000.00	5.70	(1,049,980.31)
Gaming contract costs	1,596,786.63	4.15	1,742,700.00	4.70	(145,913.37)	19,089,217.43	4.24	22,000,000.00	4.75	(2,910,782.57)
Compensation & benefits	547,615.70	1.42	638,300.00	1.72	(90,684.30)	5,243,259.59	1.17	5,400,000.00	1.17	(156,740.41)
Marketing, advertising & promotions	430,109.82	1.12	462,400.00	1.25	(32,290.18)	5,776,698.55	1.28	6,000,000.00	1.29	(223,301.45)
General and administrative expenses	337,087.28	0.88	387,800.00	1.05	(50,712.72)	3,779,585.94	0.84	4,448,000.00	0.96	(668,414.06)
Services provided by other agencies	48,666.00	0.13	35,000.00	0.09	13,666.00	583,992.00	0.13	550,000.00	0.12	33,992.00
Legal and professional service	390.05	0.00	1,700.00	0.00	(1,309.95)	1,864.26	0.00	20,000.00	0.00	(18,135.74)
Depreciation	<u>8,226.50</u>	0.02	<u>11,600.00</u>	0.03	<u>(3,373.50)</u>	<u>96,916.51</u>	0.02	<u>120,000.00</u>	0.03	<u>(23,083.49)</u>
Total operating expenses	<u>31,728,468.61</u>	82.37	<u>30,696,600.00</u>	82.86	<u>1,031,868.61</u>	<u>366,350,941.47</u>	81.43	<u>382,638,000.00</u>	82.57	<u>(16,287,058.53)</u>
Operating income	6,788,759.24	17.63	6,348,400.00	17.14	440,359.24	83,565,794.54	18.57	80,780,000.00	17.43	2,785,794.54
Non-operating revenue:										
Interest income	<u>66,616.18</u>	0.17	<u>12,700.00</u>	0.03	<u>53,916.18</u>	<u>489,045.82</u>	0.11	<u>120,000.00</u>	0.03	<u>369,045.82</u>
Income before transfers	<u>\$ 6,855,375.42</u>	17.80	<u>\$ 6,361,100.00</u>	17.17	<u>\$ 494,275.42</u>	<u>\$ 84,054,840.36</u>	18.68	<u>\$ 80,900,000.00</u>	17.46	<u>\$ 3,154,840.36</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Year Ended June 30, 2017

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 367,672,236.00
Online ticket sales	80,686,467.00
Retailer application, fidelity and service fees	769,959.17
Other revenue	5,748.84
	449,134,411.01
 Total operating revenues	 449,134,411.01

Operating expenses:	
Instant game prizes SETTLEMENTS	261,319,262.00
Online game prizes	43,238,514.93
Retailer commissions	25,350,019.69
Gaming contract costs	19,089,217.43
Compensation and benefits	5,243,259.59
Marketing, advertising and promotions	5,776,698.55
General and administrative expenses	3,779,585.94
Services provided by ADHE	439,992.00
Services provided by Legislative Audit Agency	144,000.00
Legal and professional services	1,864.26
Current year Capital Asset cost	104,787.40
	364,487,201.79
 Change in net proceeds from operations	 84,647,209.22

Nonoperating revenue (expense):		
Interest Income	489,045.82	
Other Non-Operating Income	0.00	
EDUCATION TRUST FUNDING-Current Year	(72,083,678.26)	
Less Act 1180 Unclaimed Prizes		
Less Current year Fidelity Reserve Fees	(21,454.80)	restricted reserves
Less Current year Bond Reserve Fees	(209,440.00)	restricted reserves
Less Current year MUSL Reserves (additions) / reductions	(100,459.80)	see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	472,430.00	
	472,430.00	

NET PROCEEDS EARNED-Current Month **\$ 13,193,652.18**

	Transfer	Interest	Total
Totals	\$ 44,371,713.88	\$ 1,143,813.88	\$ 45,515,527.76
July 2015 funding - 8/15/15	\$ 5,776,292.31	\$ 8,390.78	\$ 5,784,683.09
June 2015 Audit Adjustments - funding 9/15/15	\$ (31,903.86)		\$ (31,903.86)
August 2015 funding - 9/15/15	\$ 5,478,001.52	\$ 12,092.48	\$ 5,490,094.00
September transfer to ADHE 9/11/15	\$ (33,000,000.00)		\$ (33,000,000.00)
Transfer from Shortfall Reserve 9/28/15	\$ 9,000,000.00		\$ 9,000,000.00
September transfer to ADHE 9/30/15	\$ (9,000,000.00)		\$ (9,000,000.00)
September 2015 funding - 10/15/15	\$ 6,620,285.47	\$ 4,681.64	\$ 6,624,967.11
June 2015 Final Adjustment - funding 10/15/15	\$ 201,027.87		\$ 201,027.87
Transfer to Shortfall Reserve 10/15/15	\$ (7,034,638.82)		\$ (7,034,638.82)
October 2015 funding - 11/15/15	\$ 6,020,616.60	\$ 25.72	\$ 6,020,642.32
ADHE Refund for excess scholarship funding 11/14	\$ 286,177.97		\$ 286,177.97
Transfer to Shortfall Reserve 11/15/15	\$ (1,965,361.18)		\$ (1,965,361.18)
November 2015 funding - 12/15/15	\$ 5,723,851.53	\$ 1,287.56	\$ 5,725,139.09
December 2015 funding - 1/15/16	\$ 6,421,742.32	\$ 4,012.34	\$ 6,425,754.66
January 2016 funding - 2/15/16	\$ 13,825,217.24	\$ 6,142.51	\$ 13,831,359.75
Transfer From Shortfall Reserve 2/8/16	\$ 4,676,287.39		\$ 4,676,287.39
Transfer to ADHE 2/9/16	\$ (35,000,000.00)		\$ (35,000,000.00)
February 2016 funding - 3/15/16	\$ 4,471,591.20	\$ 2,764.86	\$ 4,474,356.06
Transfer to Shortfall Reserve - 3/15/16	\$ (4,474,356.06)		\$ (4,474,356.06)
March 2016 funding - 4/15/16	\$ 5,758,892.51	\$ 0.33	\$ 5,758,892.84
Transfer to Shortfall Reserve - 4/15/16	\$ (201,931.33)		\$ (201,931.33)
April 2016 funding - 5/15/16	\$ 7,391,329.77	\$ 1,507.23	\$ 7,392,837.00
May 2016 funding - 6/15/16	\$ 6,601,034.42	\$ 5,130.52	\$ 6,606,164.94
June 2016 funding - 7/15/16	\$ 11,241,076.28	\$ 8,144.09	\$ 11,249,220.37
July 2016 funding - 8/15/16	\$ 8,702,788.19	\$ 11,598.20	\$ 8,714,386.39
August 2016 funding - 9/15/16	\$ 5,480,243.59	\$ 18,471.27	\$ 5,498,714.86
Transfer to ADHE 9/9/16	\$ (36,000,000.00)		\$ (36,000,000.00)
September 2016 funding - 10/15/16	\$ 5,765,568.30	\$ 7,508.12	\$ 5,773,076.42
ADHE Refund for excess scholarship funding for FY 2016	\$ 542,198.00		\$ 542,198.00
Transfer from ADHE (final 2016 Adj) -10/28/16	\$ (109,184.50)		\$ (109,184.50)
October 2016 funding - 11/15/16	\$ 5,158,748.07	\$ 6,292.47	\$ 5,165,040.54
November 2016 funding - 12/15/16	\$ 6,562,384.25	\$ 8,595.26	\$ 6,570,979.51
December 2016 funding - 1/15/17	\$ 4,576,676.57	\$ 19,855.65	\$ 4,596,532.22
January 2017 funding - 2/15/17	\$ 7,922,573.49	\$ 24,972.72	\$ 7,947,546.21
Transfer to ADHE 2/10/16	\$ (35,000,000.00)		\$ (35,000,000.00)
February 2017 funding - 3/15/17	\$ 6,688,267.91	\$ 9,831.71	\$ 6,698,099.62
March 2017 funding - 4/15/17	\$ 6,195,046.44	\$ 9,658.31	\$ 6,204,704.75
April 2017 funding - 5/15/17	\$ 7,831,636.38	\$ 14,191.18	\$ 7,845,827.56
May 2017 funding - 6/15/17	\$ 7,043,689.60	\$ 25,080.58	\$ 7,068,770.18
June 2017 funding - 7/15/17	\$ 13,163,625.66	\$ 30,026.52	\$ 13,193,652.18

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
June 30, 2017

	Monthly	Year to Date
Reserve Balance July 1, 2016		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 81,516.52	6,370,941.24
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 81,516.52	6,370,941.24
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		(6,370,941.24)
 Reserve Balance June 30, 2017		 \$1,000,000.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
June 1 through June 30, 2017**

Vendors	Goods or Services	Diversity Classification	June 2017	FY 2017 Total
A-Absolute Moving & Hauling	Moving/Hauling	CMBE		\$1,073.35
Allegra Print & Imaging	Advertising/Public Relations	FOB		\$11,511.39
BSW Advertising	Advertising/Public Relations	FOB		\$36,561.33
Goddess Products	Office Furniture/Supplies	CMBE	\$1,731.57	\$20,566.90
Government Supply Services	Office Products	MBE		\$1,606.80
Party Prints	Advertising/Public Relations	CMBE		\$32,492.90
Trivia Marketing	Advertising/Public Relations	WBE	\$6,641.13	\$7,322.38
Totals			\$8,372.70	\$111,135.05

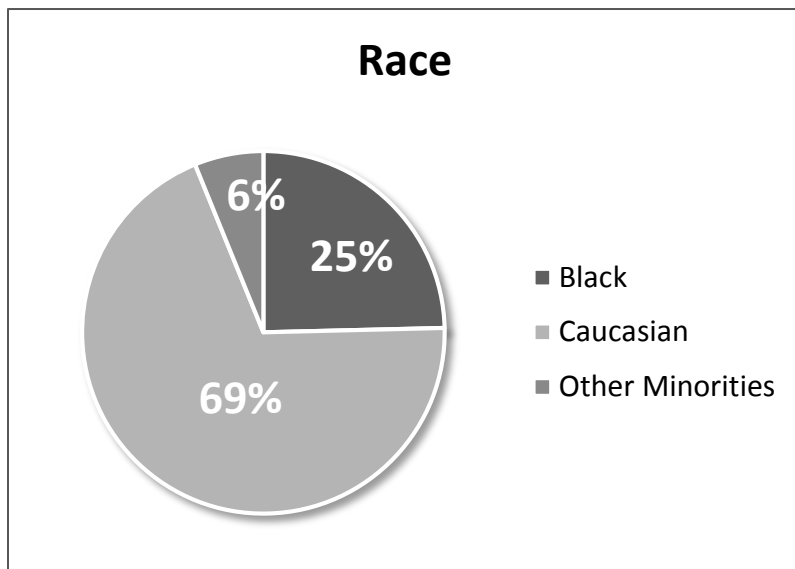
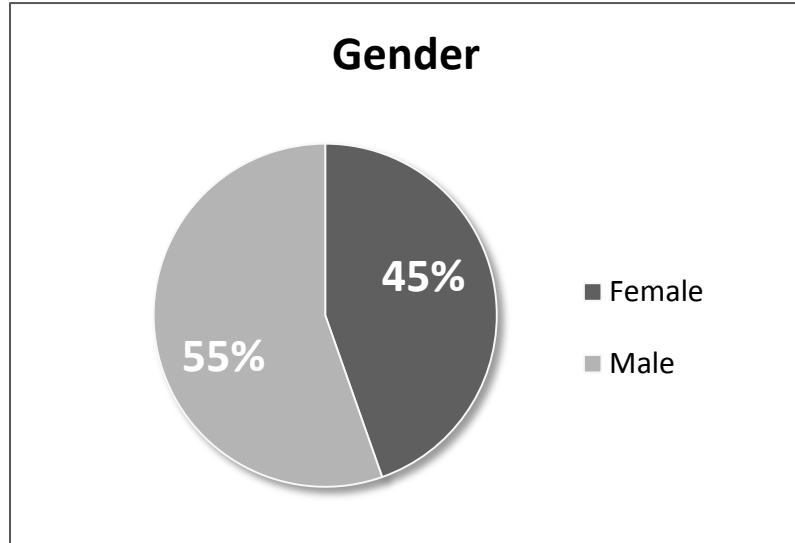
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
June 1 through June 30, 2017**

Vendors	Goods or Services	Diversity Classification	June 2017	FY 2017 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$8,462.00	\$110,006.00
Totals			\$8,462.00	\$110,006.00

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
June 1 through June 30, 2017**

Vendors	Goods or Services	Diversity Classification	June 2017	FY 2017 Total
Central Copiers	Office Products	FOB		\$111.18
Expedited Transportation Services	Transportation Services	FOB	\$1,360.21	\$26,372.27
Ingage, LLC	Fulfillment Services and Prizes	FOB	\$31,443.83	\$310,497.10
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE	\$396.00	\$4,752.00
Premier Staffing	Employment Agency	MBE	\$710.80	\$7,587.61
Totals			\$33,910.84	\$349,320.16

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



Total Number of Employees as of June 30, 2017: 66

Gender:

Females – 30
Males – 36

Race:

Black – 16
Caucasian – 45
Other – 5

Female -- 8	Male -- 8
Female -- 20	Male -- 25
Female -- 2	Male -- 3

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

During the reporting period, the Office of the Arkansas Lottery (OAL) Internal Auditor (Internal Audit) issued the following report:

Fixed Assets Audit

The audit centered on controls and procedures related to the management of OAL fixed assets. Fieldwork included review of documentation and information generated through May 4, 2017.

The following observation and recommendation was reported:

- *Accuracy of Fixed Asset Tracking and Location Information* – Asset tag numbers and the physical location of fixed assets listed in the Arkansas Administrative Statewide Information System (AASIS) detailed fixed asset records were inaccurate or not up to date for selected assets, specifically certain Ticket Vending Machines (TVMs) that were purchased by the OAL in fiscal years 2015 and 2016. Internal Audit's testing was limited to TVMs located in Central Arkansas. The OAL's online gaming system vendor Intralot, Inc. manages the TVMs on the OAL's behalf under the terms of its contract.

Internal Audit recommended that OAL Management work with appropriate DFA personnel to update existing fixed asset records for the issues noted, that Management create a notification protocol with Intralot where any future movements or deployments of OAL-owned TVMs are communicated to a contact within the OAL Accounting function so that the proper steps can be taken to update TVM locations in AASIS, and that the OAL Accounting function work with Intralot to verify that tag number, serial number, and location are accurate and up to date for all TVMs owned by the OAL. OAL Management responded that a protocol with Intralot to provide TVM asset records updates twice yearly (in May and in November) has been arranged, that no later than the November 2017 update, Intralot has agreed to perform an inventory of TVMs deployed throughout the State to assure tag and location information match the AASIS records, and that any necessary updates will be provided to DFA personnel as appropriate so that AASIS records can be updated.

Follow-up work will be necessary to verify that the actions outlined by OAL Management have occurred as planned.

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

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

Sales for the following instant games began June 6, 2017. No ending dates have been determined for these games.

\$1 Tic Tac Dough
\$2 Money Stacks
\$5 \$500 Bonus
\$10 All the Money

Sales for the following instant games began June 27, 2017. No ending dates have been determined for these games.

\$1 Lots of \$100's
\$2 \$200 Mania
\$3 Loteria™¹
\$5 \$125,000 Payout
\$10 Willy Wonka Golden Ticket™²

¹Loteria™ is a licensed property game. There are no additional costs for this game.

²Willy Wonka Golden Ticket™ is a licensed property game. There is a linked game fee in the amount of one hundred eighty thousand dollars (\$180,000), and there is a linked prize fee of 1.1625% of net sales for the game.

Sales for the following Fast Play games began June 5, 2017. No ending dates have been determined for these games.

\$1 Crazy 8's
\$2 Lucky Loot

Sales for the following Fast Play games began June 26, 2017. No ending dates have been determined for these games.

\$1 Quick Cards
\$2 Bingo