



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>

April 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 March 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 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,

J. Eric Hagler
Director

Enclosures

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



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>

April 10, 2021

The Honorable Joyce Elliot, Co-Chair
The Honorable Laurie Rushing, Co-Chair
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Senator Elliot and Representative Rushing:

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 March 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 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,

J. Eric Hagler
Director

Enclosures

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

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
March 1 through March 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 March 2021.

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

1. Debt Set-Off Collections:

a. Arkansas Department of Finance and Administration	\$ 26,916.39
b. Arkansas Office of Child Support Enforcement - Child Support	\$ 1,290.00
Total Debt Set-Off:	\$ 28,206.39

2. Retailer Losses: \$0.00

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

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
ARKANSAS	\$17,968.50	\$9,024.50	\$20,111.00	\$650,073.00	\$2,290.00	\$10,923.00	\$5,445.00	\$15,797.00	\$731,632.00
ASHLEY	\$18,058.00	\$18,898.50	\$7,295.00	\$259,519.00	\$1,890.00	\$6,414.00	\$3,413.00	\$11,437.00	\$326,924.50
BAXTER	\$4,574.50	\$2,336.00	\$15,815.00	\$630,449.00	\$6,330.00	\$18,757.00	\$15,102.00	\$28,803.00	\$722,166.50
BENTON	\$12,674.00	\$4,842.00	\$29,064.00	\$1,699,442.00	\$16,270.00	\$83,406.00	\$38,025.00	\$132,364.00	\$2,016,087.00
BOONE	\$1,838.50	\$3,549.00	\$48,234.00	\$707,120.00	\$2,422.00	\$14,268.00	\$7,418.00	\$21,815.00	\$806,664.50
BRADLEY	\$2,935.50	\$5,050.00	\$3,477.00	\$318,361.00	\$1,126.00	\$4,037.00	\$2,270.00	\$5,279.00	\$342,535.50
CALHOUN	\$4,124.00	\$643.00	\$2,426.00	\$89,700.00	\$452.00	\$839.00	\$722.00	\$1,477.00	\$100,383.00
CARROLL	\$814.50	\$962.50	\$22,296.00	\$365,987.00	\$1,744.00	\$8,437.00	\$4,745.00	\$14,158.00	\$419,144.00
CHICOT	\$7,985.00	\$3,525.50	\$11,446.00	\$293,275.00	\$2,886.00	\$7,998.00	\$5,719.00	\$12,015.00	\$344,849.50
CLARK	\$5,417.00	\$1,958.50	\$25,359.00	\$553,018.00	\$1,706.00	\$10,750.00	\$6,191.00	\$14,491.00	\$618,890.50
CLAY	\$1,527.50	\$73.00	\$7,070.00	\$153,838.00	\$652.00	\$3,052.00	\$2,691.00	\$4,007.00	\$172,910.50
CLEBURNE	\$2,432.00	\$856.00	\$33,861.00	\$474,367.00	\$3,280.00	\$13,271.00	\$12,514.00	\$19,137.00	\$559,718.00
CLEVELAND	\$649.50	\$270.00	\$2,905.00	\$105,190.00	\$1,222.00	\$1,252.00	\$749.00	\$1,865.00	\$114,102.50
COLUMBIA	\$22,976.50	\$11,820.00	\$12,790.00	\$614,368.00	\$2,136.00	\$7,221.00	\$6,706.00	\$10,768.00	\$688,785.50
CONWAY	\$8,548.50	\$2,999.00	\$17,395.00	\$697,635.00	\$2,442.00	\$12,800.00	\$10,267.00	\$18,152.00	\$770,238.50
CRAIGHEAD	\$21,967.50	\$10,309.00	\$53,104.00	\$2,583,700.00	\$7,130.00	\$37,092.00	\$23,125.00	\$56,996.00	\$2,793,423.50
CRAWFORD	\$1,559.00	\$902.00	\$12,135.00	\$560,387.00	\$3,480.00	\$21,236.00	\$11,702.00	\$32,143.00	\$643,544.00
CRITTENDEN	\$26,355.50	\$21,973.00	\$16,801.00	\$1,056,193.00	\$6,422.00	\$30,844.00	\$16,773.00	\$51,180.00	\$1,226,541.50
CROSS	\$6,548.50	\$2,553.50	\$11,087.00	\$491,898.00	\$992.00	\$5,443.00	\$3,906.00	\$8,610.00	\$531,038.00
DALLAS	\$2,280.50	\$1,234.00	\$5,301.00	\$294,682.00	\$434.00	\$3,332.00	\$2,387.00	\$5,630.00	\$315,280.50
DESHA	\$3,326.50	\$2,208.00	\$9,206.00	\$352,936.00	\$1,110.00	\$7,875.00	\$4,864.00	\$10,276.00	\$391,801.50
DREW	\$5,261.50	\$2,745.00	\$11,501.00	\$537,603.00	\$2,262.00	\$8,763.00	\$4,682.00	\$12,458.00	\$585,275.50
FAULKNER	\$18,863.00	\$8,357.50	\$53,660.00	\$2,027,270.00	\$10,422.00	\$47,244.00	\$37,963.00	\$70,968.00	\$2,274,747.50
FRANKLIN	\$492.00	\$110.50	\$16,890.00	\$288,001.00	\$1,232.00	\$8,268.00	\$4,352.00	\$12,504.00	\$331,849.50
FULTON	\$861.00	\$278.00	\$2,539.00	\$100,986.00	\$1,242.00	\$2,267.00	\$1,633.00	\$3,460.00	\$113,266.00
GARLAND	\$18,761.50	\$10,157.50	\$41,230.00	\$1,693,424.00	\$2,086.00	\$59,695.00	\$52,588.00	\$83,635.00	\$1,971,577.00
GRANT	\$811.00	\$832.00	\$9,281.00	\$207,865.00	\$1,686.00	\$6,596.00	\$4,313.00	\$9,152.00	\$240,536.00
GREENE	\$842.50	\$356.00	\$25,715.00	\$993,299.00	\$2,922.00	\$15,706.00	\$10,022.00	\$24,528.00	\$1,073,390.50
HEMPSTEAD	\$88,180.50	\$30,287.00	\$13,723.00	\$589,213.00	\$1,534.00	\$7,824.00	\$3,675.00	\$11,960.00	\$746,396.50
HOT SPRING	\$1,466.00	\$634.50	\$22,198.00	\$614,552.00	\$2,768.00	\$13,126.00	\$8,144.00	\$18,097.00	\$680,985.50
HOWARD	\$59,135.50	\$17,777.00	\$12,495.00	\$436,197.00	\$1,714.00	\$6,006.00	\$3,118.00	\$8,534.00	\$544,976.50
INDEPENDENCE	\$4,992.00	\$2,610.50	\$68,088.00	\$830,998.00	\$2,190.00	\$14,907.00	\$9,787.00	\$20,292.00	\$953,864.50
IZARD	\$156.50	\$86.50	\$8,407.00	\$145,169.00	\$688.00	\$4,339.00	\$3,516.00	\$5,567.00	\$167,929.00
JACKSON	\$20,896.50	\$13,245.50	\$22,288.00	\$458,684.00	\$2,376.00	\$7,585.00	\$7,355.00	\$10,542.00	\$542,972.00
JEFFERSON	\$72,337.00	\$58,010.50	\$41,850.00	\$2,113,407.00	\$11,458.00	\$46,324.00	\$29,840.00	\$64,827.00	\$2,438,053.50
JOHNSON	\$809.50	\$1,420.50	\$8,686.00	\$410,555.00	\$1,656.00	\$8,382.00	\$5,137.00	\$11,999.00	\$448,645.00
LAFAYETTE	\$16,575.50	\$6,464.50	\$4,012.00	\$141,700.00	\$774.00	\$2,763.00	\$890.00	\$3,638.00	\$176,817.00
LAWRENCE	\$1,087.00	\$246.00	\$21,192.00	\$437,699.00	\$1,294.00	\$6,352.00	\$4,553.00	\$8,670.00	\$481,093.00

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

COUNTY	CASH3	CASH 4	FAST-PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
LEE	\$8,514.50	\$13,904.50	\$2,677.00	\$116,283.00	\$484.00	\$1,946.00	\$770.00	\$2,758.00	\$147,337.00
LINCOLN	\$535.00	\$739.50	\$3,843.00	\$148,799.00	\$918.00	\$3,377.00	\$2,427.00	\$4,956.00	\$165,594.50
LITTLE RIVER	\$7,739.50	\$3,682.50	\$4,705.00	\$239,799.00	\$966.00	\$4,648.00	\$1,548.00	\$6,503.00	\$269,591.00
LOGAN	\$112.00	\$20.00	\$11,529.00	\$374,434.00	\$1,282.00	\$7,511.00	\$5,643.00	\$11,680.00	\$412,211.00
LONOKE	\$18,195.00	\$10,404.50	\$66,106.00	\$1,615,252.00	\$8,208.00	\$37,497.00	\$26,167.00	\$51,357.00	\$1,833,186.50
MADISON	\$34.50	\$6.00	\$2,430.00	\$133,062.00	\$618.00	\$5,030.00	\$1,957.00	\$6,769.00	\$149,906.50
MARION	\$14,125.50	\$3,492.50	\$11,473.00	\$291,599.00	\$1,856.00	\$7,492.00	\$7,048.00	\$11,242.00	\$348,328.00
MILLER	\$37,117.50	\$18,756.00	\$19,996.00	\$1,005,040.00	\$4,780.00	\$16,653.00	\$8,029.00	\$21,970.00	\$1,132,341.50
MISSISSIPPI	\$72,321.50	\$27,530.50	\$23,401.00	\$927,475.00	\$2,518.00	\$13,299.00	\$6,164.00	\$19,530.00	\$1,092,239.00
MONROE	\$14,351.50	\$4,490.00	\$38,638.00	\$285,262.00	\$990.00	\$6,343.00	\$3,394.00	\$9,182.00	\$362,650.50
MONTGOMERY	\$4.00	\$0.00	\$2,664.00	\$45,673.00	\$260.00	\$1,683.00	\$1,182.00	\$2,888.00	\$54,354.00
NEVADA	\$7,312.00	\$2,597.00	\$2,500.00	\$326,347.00	\$944.00	\$3,416.00	\$1,694.00	\$4,681.00	\$349,491.00
NEWTON	\$31.00	\$24.00	\$3,069.00	\$54,454.00	\$132.00	\$1,072.00	\$595.00	\$1,910.00	\$61,287.00
OUACHITA	\$17,684.50	\$7,991.00	\$34,559.00	\$1,073,219.00	\$2,656.00	\$11,326.00	\$6,713.00	\$17,805.00	\$1,171,953.50
PERRY	\$835.50	\$383.50	\$7,631.00	\$186,367.00	\$672.00	\$3,724.00	\$2,866.00	\$5,351.00	\$207,830.00
PHILLIPS	\$15,116.00	\$7,041.00	\$12,212.00	\$399,690.00	\$2,194.00	\$8,977.00	\$3,806.00	\$13,863.00	\$462,899.00
PIKE	\$462.00	\$194.00	\$21,076.00	\$199,114.00	\$1,172.00	\$4,681.00	\$4,485.00	\$6,554.00	\$237,728.00
POINSETT	\$8,764.00	\$1,206.50	\$36,451.00	\$971,440.00	\$1,242.00	\$8,901.00	\$5,193.00	\$13,465.00	\$1,046,662.50
POLK	\$1,664.50	\$21.50	\$5,639.00	\$256,743.00	\$2,064.00	\$7,835.00	\$5,578.00	\$11,835.00	\$291,380.00
POPE	\$4,329.00	\$1,804.50	\$27,773.00	\$1,196,764.00	\$5,956.00	\$31,026.00	\$21,401.00	\$43,379.00	\$1,332,932.50
PRAIRIE	\$3,819.50	\$1,633.00	\$8,030.00	\$270,973.00	\$462.00	\$3,551.00	\$2,451.00	\$5,464.00	\$295,883.50
PULASKI	\$188,704.00	\$161,937.50	\$315,154.00	\$9,966,261.00	\$94,122.00	\$318,675.00	\$225,819.00	\$437,591.00	\$11,698,263.50
RANDOLPH	\$216.00	\$97.00	\$10,758.00	\$263,997.00	\$1,288.00	\$6,441.00	\$2,886.00	\$10,135.00	\$295,818.00
SAINT FRANCIS	\$30,103.50	\$16,195.00	\$6,930.00	\$619,813.00	\$2,474.00	\$9,982.00	\$6,118.00	\$16,270.00	\$707,885.50
SALINE	\$40,625.50	\$12,628.00	\$80,897.00	\$1,762,588.00	\$12,542.00	\$49,569.00	\$39,187.00	\$72,421.00	\$2,070,457.50
SCOTT	\$190.00	\$108.00	\$5,135.00	\$140,932.00	\$670.00	\$4,245.00	\$1,729.00	\$5,921.00	\$158,930.00
SEARCY	\$229.50	\$588.00	\$3,697.00	\$95,295.00	\$668.00	\$2,513.00	\$1,899.00	\$3,748.00	\$108,637.50
SEBASTIAN	\$11,020.00	\$3,207.50	\$30,310.00	\$1,328,125.00	\$9,790.00	\$53,892.00	\$36,975.00	\$81,808.00	\$1,555,127.50
SEVIER	\$5,049.50	\$781.00	\$844.00	\$270,732.00	\$1,010.00	\$5,165.00	\$2,151.00	\$6,782.00	\$292,514.50
SHARP	\$622.00	\$365.50	\$20,735.00	\$471,254.00	\$1,978.00	\$10,421.00	\$8,123.00	\$14,853.00	\$528,351.50
STONE	\$4,036.00	\$2,635.00	\$16,483.00	\$145,847.00	\$850.00	\$4,975.00	\$5,597.00	\$6,217.00	\$186,740.00
UNION	\$94,277.50	\$45,823.50	\$46,398.00	\$1,425,896.00	\$4,780.00	\$19,439.00	\$10,208.00	\$30,522.00	\$1,677,344.00
VAN BUREN	\$1,794.50	\$794.00	\$11,807.00	\$269,162.00	\$1,364.00	\$6,845.00	\$6,336.00	\$10,126.00	\$308,228.50
WASHINGTON	\$19,728.00	\$9,825.50	\$42,288.00	\$2,258,269.00	\$14,584.00	\$81,694.00	\$43,290.00	\$128,120.00	\$2,597,798.50
WHITE	\$9,176.50	\$3,741.00	\$60,956.00	\$1,562,187.00	\$5,516.00	\$26,304.00	\$18,269.00	\$42,811.00	\$1,728,960.50
WOODRUFF	\$2,028.00	\$1,721.00	\$6,749.00	\$196,664.00	\$552.00	\$2,720.00	\$1,523.00	\$4,093.00	\$216,050.00
YELL	\$787.50	\$1,495.00	\$9,414.00	\$402,915.00	\$1,112.00	\$7,499.00	\$5,375.00	\$10,615.00	\$439,212.50

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

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
--------	--------	--------	-----------	---------------------	----------------	---------------	---------------------	-----------	-------

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$1,127,736.00	\$627,470.50	\$1,765,890.00	\$56,266,486.00	\$318,494.00	\$1,375,761.00	\$910,898.00	\$2,012,406.00	\$64,405,141.50

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

There were 1972 active retailers as of March 31, 2021.

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

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,046,535.10
Restricted assets:	
Cash and cash equivalents	124,972,721.86
Accounts receivable	21,711,646.69
Prepaid items	936,849.46
Total current assets	<u>149,667,753.11</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,602,768.45
Deposits with Multi-State Lottery Association	2,107,124.39
Capital assets (Net of accumulated depreciation)	1,497,612.09
Total non-current assets	<u>24,207,504.93</u>
Total assets	<u>173,875,258.04</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>\$ 175,772,964.72</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 4,727.90
Prizes payable	23,951,250.80
Accrued and other liabilities	5,299,745.69
Due to other funds of the State	434,769.93
Due to Education Trust Account	34,858,604.74
Due to Workforce Challenge Trust Account	82,474,411.86
Compensated absences	427,442.59
OPEB Obligation	114,672.71
Unearned revenue	244,709.35
Total current liabilities	<u>147,810,335.57</u>
Long-Term liabilities:	
Net other post employment benefits	4,603,389.59
Net pension liability	4,646,795.00
Total long-term liabilities	<u>9,250,184.59</u>
Total liabilities	<u>157,060,520.16</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>157,787,162.59</u>

NET POSITION

Net position:	
Invested in capital assets	1,524,589.59
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	601,861.46
Deposits with Multi-State Lottery Association	2,107,124.39
Unclaimed prizes reserve	7,639,705.26
Unrestricted (deficit)	<u>(13,887,478.57)</u>
Total net position	<u>17,985,802.13</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 175,772,964.72</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change In Net Position
For the Nine Months Ended March 31, 2021**

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 59,757,800.00	\$ 378,102,299.00
Online ticket sales	8,170,316.50	77,476,602.00
Retailer application, fidelity, bond and service fees	46,941.30	503,662.97
Other revenue	<u>0.00</u>	<u>1,374.17</u>
 Total operating revenues	 <u>67,975,057.80</u>	 <u>456,083,938.14</u>
 Operating expenses:		
Instant game prizes	43,221,867.39	273,128,073.64
Online game prizes	4,723,223.39	42,810,441.92
Retailer commissions	3,860,479.76	25,806,985.95
Gaming contract costs	3,058,266.49	21,353,983.90
Compensation and benefits	457,378.20	3,938,440.57
Marketing, advertising and promotions	517,772.92	5,477,887.57
General and administrative expenses	1,157,103.44	4,615,982.41
Services provided by Arkansas Department of Higher Education	42,000.00	378,000.00
Services provided by Arkansas Legislative Audit	0.00	164,800.00
Legal and professional services	200.00	625.05
Depreciation	<u>37,563.98</u>	<u>341,016.50</u>
 Total operating expenses	 <u>57,075,855.57</u>	 <u>378,016,237.51</u>
 Operating income (1)	 10,899,202.23	 78,067,700.63
 Non-operating revenue:		
Interest income	<u>71,541.12</u>	<u>606,717.06</u>
 Income before transfers	 10,970,743.35	 78,674,417.69
 Transfers to:		
Education Trust Account	<u>(8,341,917.38)</u>	<u>(71,620,407.42)</u>
 Change in net position	 <u>\$ 2,628,825.97</u>	 7,054,010.27
 Total net position - beginning		<u>10,931,791.86</u>
Total net position - ending		<u>\$ 17,985,802.13</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 Nine Months Ended March 31, 2021

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 59,757,800.00	87.91	\$ 41,600,000.00	89.28	\$ 18,157,800.00	\$ 378,102,299.00	82.90	\$ 305,500,000.00	87.18	\$ 72,602,299.00
Online games	8,170,316.50	12.02	4,955,000.00	10.63	3,215,316.50	77,476,602.00	16.99	44,520,000.00	12.71	32,956,602.00
Retailer fees	46,841.30	0.07	40,000.00	0.09	6,841.30	503,662.97	0.11	388,000.00	0.11	115,662.97
Other revenue	-	-	500.00	0.00	(500.00)	1,374.17	0.00	4,500.00	0.00	(3,125.83)
		0.00%		0.00%						
Total operating revenues	67,975,057.80	100.00	46,595,500.00	100.00	21,379,557.80	456,083,938.14	100.00	350,412,500.00	100.00	105,671,438.14
Operating expenses:										
Instant game prizes	43,221,867.39	63.58	29,990,000.00	64.36	13,231,867.39	273,128,073.64	59.89	219,444,000.00	62.62	53,684,073.64
Online game prizes	4,723,223.39	6.95	2,671,000.00	5.73	2,052,223.39	42,810,441.92	9.39	24,162,000.00	6.90	18,648,441.92
Retailer commissions	3,860,479.76	5.68	2,627,000.00	5.64	1,233,479.76	25,806,985.95	5.66	19,797,000.00	5.65	6,009,985.95
Gaming contract costs	3,058,266.49	4.50	2,073,000.00	4.45	985,266.49	21,353,983.90	4.68	16,232,000.00	4.63	5,121,983.90
Compensation & benefits	457,378.20	0.67	445,000.00	0.96	12,378.20	3,938,440.57	0.86	4,070,000.00	1.16	(131,559.43)
Marketing, advertising & promotions	517,772.92	0.76	649,000.00	1.39	(131,227.08)	5,477,887.57	1.20	5,664,000.00	1.62	(186,112.43)
General and administrative expenses	1,157,103.44	1.70	319,000.00	0.68	838,103.44	4,615,982.41	1.01	1,761,000.00	0.50	2,854,982.41
Services provided by other agencies	42,000.00	0.06	38,000.00	0.08	4,000.00	542,800.00	0.12	471,000.00	0.13	71,800.00
Legal and professional service	200.00	0.00	500.00	0.00	(300.00)	625.05	0.00	4,500.00	0.00	(3,874.95)
Depreciation	37,563.98	0.06	32,000.00	0.07	5,563.98	341,016.50	0.07	287,000.00	0.08	54,016.50
Total operating expenses	57,075,855.57	83.97	38,844,500.00	83.37	18,231,355.57	378,016,237.51	82.88	291,892,500.00	83.30	86,123,737.51
Operating income	10,899,202.23	16.03	7,751,000.00	16.63	3,148,202.23	78,067,700.63	17.12	58,520,000.00	16.70	19,547,700.63
Non-operating revenue:										
Interest income	71,541.12	0.11	46,000.00	0.10	25,541.12	606,717.06	0.13	502,000.00	0.14	104,717.06
Income before transfers	\$ 10,970,743.35	16.14	\$ 7,797,000.00	16.73	\$ 3,173,743.35	\$ 78,674,417.69	17.25	\$ 59,022,000.00	16.84	\$ 19,652,417.69

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

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 376,174,534.00
Online ticket sales	77,476,602.00
Retailer application, fidelity and service fees	503,662.97
Other revenue	1,374.17
Total operating revenues	454,156,173.14

Operating expenses:	
Instant game prizes (Settlements)	272,382,208.01
Online game prizes	42,810,441.92
Retailer commissions	25,806,985.95
Gaming contract costs	21,353,983.90
Compensation and benefits	3,938,440.57
Marketing, advertising and promotions	5,477,887.57
General and administrative expenses	4,615,982.41
Services provided by ADHE	378,000.00
Services provided by Legislative Audit Agency	164,800.00
Legal and professional services	625.06
Current year capital asset cost	56,189.50
Total operating expenses	376,985,544.88

Change in net proceeds from operations **77,170,628.26**

Non-operating revenue:	
Interest income	606,717.06
Other non-operating income	0.00
EDUCATION TRUST FUNDING-Current Year	(63,278,490.04)
Less Act 1180 Unclaimed Prizes	(6,639,705.26)
Less current year Bond Reserve Fees	(102,988.45) restricted reserves
Add Bond Funds in excess of \$500,000	see 23-115-603(a)(5)
Add back Write Off Retailer Bad Debt	1,106.99
Less current year MUSL Reserves	408,228.82 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	176,400.00

NET PROCEEDS EARNED-Current Month **\$ 8,341,917.38**

	Transfer	Interest	Total
Academic Challenge Scholarship Trust	\$ 31,653,970.69	\$ 3,204,634.05	\$ 34,858,604.74
February 2020 funding - 3/15/20	\$ 7,201,704.36	\$ 31,852.41	\$ 7,233,556.77
March 2020 funding - 4/15/20	\$ 7,381,962.30	\$ 4,535.00	\$ 7,386,497.30
April 2020 funding - 5/15/20	\$ 8,312,074.87	\$ 6,237.77	\$ 8,318,312.64
May 2020 funding - 6/15/20	\$ 8,609,833.84	\$ 9,272.55	\$ 8,619,106.39
June 2020 funding - 7/15/20	\$ 14,969,860.90	\$ 14,602.28	\$ 14,984,463.18
June 2020 Final Adjustments funding - 10/22/20	\$ (185,527.29)		\$ (185,527.29)
Transfer excess net proceeds to Workforce Trust Fund 10/22/20	\$ (16,265,393.95)		\$ (16,265,393.95)
July 2020 funding - 8/15/20	\$ 8,573,004.11	\$ 19,569.82	\$ 8,592,573.93
August 2020 funding - 9/15/20	\$ 7,837,402.04	\$ 25,515.40	\$ 7,862,917.44
Transfer to ADHE for FY 2021 Fall Funding 9/24/20	\$ (38,000,000.00)		\$ (38,000,000.00)
September 2020 funding - 10/15/20	\$ 7,667,415.02	\$ 24,161.97	\$ 7,691,576.99
October 2020 funding - 11/15/20	\$ 8,435,196.50	\$ 12,140.50	\$ 8,447,337.00
November 2020 funding - 12/15/20	\$ 8,196,802.93	\$ 10,795.95	\$ 8,207,598.88
December 2020 funding - 1/15/21	\$ 5,956,009.67	\$ 14,912.86	\$ 5,970,922.53
January 2021 funding - 2/15/21	\$ 10,896,695.24	\$ 16,497.08	\$ 10,913,192.32
Transfer to ADHE for FY2021 Spring Funding 2/17/20	\$ (30,000,000.00)		\$ (30,000,000.00)
February 2021 funding - 3/15/21	\$ 5,577,047.59	\$ 15,323.36	\$ 5,592,370.95
March 2021 funding - 4/15/21	\$ 8,329,488.02	\$ 12,428.36	\$ 8,341,917.38
Workforce Challenge Scholarship Trust	\$ 82,474,411.86		\$ 82,474,411.86
FY 2017 Excess Net Proceeds transferred from Edu Trust 12/1/17	\$ 14,157,060.23		\$ 14,157,060.23
ADHE Refund from FY 2017 - 11/30/17	\$ 4,887,236.92		\$ 4,887,236.92
ADHE Refund from FY 2018 - 9/6/18	\$ 11,710,439.46		\$ 11,710,439.46
Transfer excess net proceeds to Workforce Trust Fund 10/16/18	\$ 8,344,929.36		\$ 8,344,929.36
Transfer to ADHE for FY 2019 fall funding 11/7/18 Workforce Challenge	\$ (1,000,000.00)		\$ (1,000,000.00)
FY 2019 Excess Net Proceeds transferred from Edu Trust 9/5/19	\$ 3,904,288.48		\$ 3,904,288.48
Transfer excess net proceeds to Workforce Trust Fund 11/08/19	\$ 23,639,040.28		\$ 23,639,040.28
Transfer to ADHE for FY 2020 fall funding 4/24/20 Concurrent Challenge	\$ (1,000,000.00)		\$ (1,000,000.00)
Transfer to ADHE for FY 2020 spring funding 7/24/20 Concurrent Challenge	\$ (400,000.00)		\$ (400,000.00)
ADHE Refund from FY 2020 / 8/14/20	\$ 4,466,023.18		\$ 4,466,023.18
Transfer excess net proceeds to Workforce Trust Fund 10/22/20	\$ 16,265,393.95		\$ 16,265,393.95
Transfer to ADHE for FY 2021 Fall funding 11/10/20 Concurrent Challenge	\$ (1,000,000.00)		\$ (1,000,000.00)
Transfer to ADHE for FY 2021 Spring funding 2/17/21 Concurrent Challenge	\$ (1,500,000.00)		\$ (1,500,000.00)

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

	Monthly	Year to Date
Reserve Balance July 1, 2020		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 1,024,607.33	6,639,705.26
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	1,024,607.33	6,639,705.26
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance March 31, 2021		\$7,639,705.26

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY

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

Vendors	Goods or Services	Diversity Classification	March 2021	FY 2021 Total
Government Supply Services	Office Furniture/Supplies	CMBE	\$ 334.83	\$ 2,709.56
A-Absolute Moving & Hauling	Moving Office Furniture	CMBE	-	\$ 1,753.63
Totals \$			334.83 \$	4,463.19

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

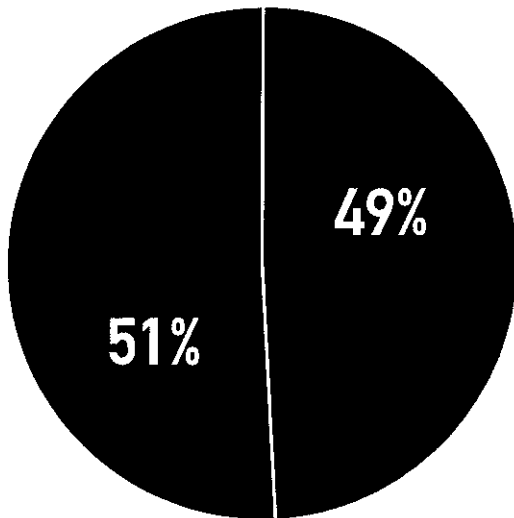
Vendors	Goods or Services	Diversity Classification	March 2021	FY 2021 Total
J Kelly Referrals and Informations Services	Call Center/Information Services	CMBE	\$ 14,000.00	\$ 133,000.00
Totals \$			14,000.00 \$	133,000.00

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

Vendors	Goods or Services	Diversity Classification	March 2021	FY 2021 Total
Expedited Transportation Service	Transportation Services	DBE	\$ 1,365.68	\$ 14,103.64
Pure Cleaning Services	Janitorial Services	MBE	\$ 2,452.52	\$ 9,708.82
Engage, LLC	Fulfillment Services and Prizes	WBE	\$ 162,541.00	\$ 422,584.43
Totals \$			166,359.20 \$	446,396.89

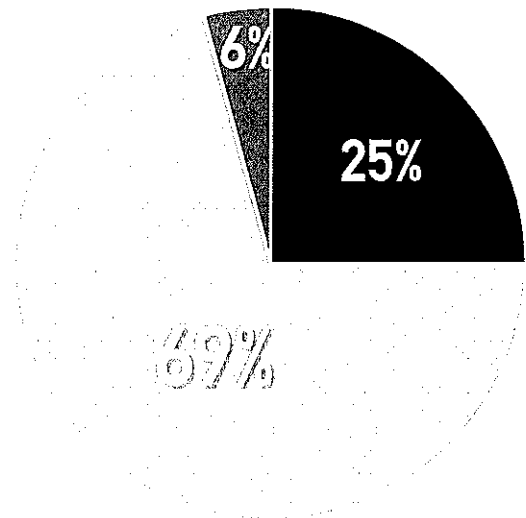
ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
 OFFICE OF THE ARKANSAS LOTTERY
 MARCH 2021

GENDER



- FEMALE
- MALE

RACE



- BLACK
- CAUCASIAN
- OTHER MINORITIES

▼ TOTAL NUMBER OF EMPLOYEES AS OF MARCH 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>Periodic Review:</u>	2021-11 Instant Ticket Quality	<u>Report Date:</u> March 22, 2021
<u>Report Distribution:</u>	Larry Walther, Secretary Department of Finance and Administration	<u>For Fiscal Year:</u> June 30, 2021
	Office of the Arkansas Lottery Eric Hagler, Executive Director Jerry Fetzer, Chief Fiscal Office Mike Smith, Director of Gaming	

Introduction

A scheduled periodic review of Instant Ticket Quality reports for fiscal year ended June 30, 2021 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

On an annual basis, Scientific Games International, Inc. (Scientific Games) selects three instant ticket games produced on behalf of the OAL for independent testing designed to assess the selected tickets' security and durability. Scientific Games compensates the independent lab, Evaluations, Inc. (EVAL), of Reynoldsburg, Ohio, for completing the security and durability tests. Evaluations, Inc. issues three individual reports to the OAL. Each report includes a summary report of its findings and detailed information and exhibits regarding the selected instant ticket performed.

Evaluations, Inc. was formed as a C-Corp, incorporated in the State of Ohio, December 1994 and opened for business on February 13, 1995. Since opening, they have provided client independent security, integrity and quality examinations of scratch-off and pull-tab products. Other areas in which they have provided services within the lottery industry include audits of "live" lottery drawings, examinations of all sets and drawing equipment, and quasi-statistical analysis of the randomly drawn numbers for lottery games.

EVAL uses four different subjective ratings for the quality, security, and protective coating characteristics when evaluating instant lottery tickets. The subjective ratings used by EVAL are good, relatively good, fair and poor. There overall security rating is usually a "balance" of four subcategory rating. The security subcategories are (1) surreptitious reading, (2) data removal or concealment and replacement alterations, (3) "cut and paste" alterations, and (4) color copier reproduction/alteration. Basic definitions/descriptions of ticket characteristics and test results which would result in the above ratings are provided below. *With respect to "acceptable" as provided for Quality in reports, that would be equivalent to either "good" or "relatively good" as described below.*

Background (Continued)

Good

With respect to quality, a good rating implies that there are no consistent or readily noticeable flaws throughout the ticket submission.

A good overall security rating would imply that none of the evaluated compromise or alteration methods presented a threat to ticket security, and that all or most of the cover material/paper card stock compromise methods resulted in no data read out.

If the ticket components are not noticeably affected during the various water exposure evaluations (i.e. submersions and water puddling), then the protective coating integrity is usually given a good rating.

Relatively Good

A relatively good quality rating usually is given when minor, but easily noticeable, quality flaws are present which do not affect ticket security or integrity or data legibility.

With respect to overall security, a relatively good rating may be given if some minor threats are present with respect to ticket security.

Noticeable effects during the various water exposure evaluations, which do not result in the data becoming illegible, typically result in a relatively good rating for protective coating integrity.

Fair

With respect to quality, a fair rating may be given when numerous minor flaws are present, or when quality flaws are present (e.g. in the overprinting) which adversely affect ticket security or integrity, but do not result in a serious threat to security or integrity. In addition, difficult cover removal, severe cover material dusting, and ticket-to-ticket variations in appearance or test results, may result in a fair quality rating.

An overall security rating of fair usually implies that several compromise/alteration methods were considered to present threats to ticket security. While these threats should be taken seriously and corrective action is usually recommended, these threats typically are not "serious." An overall security rating of fair may be assigned, even in the presence of a serious threat, depending on other test results (i.e. a serious threat is present with respect to color copier reproduction, but the surreptitious readout, data removal/concealment and replacement, and "cut and paste" subcategories have good or relatively good ratings).

A fair protective coating integrity rating typically implies that damage to the game data area inks and coatings occurred during the various water exposure evaluations, and some data may not fully

Background (Continued)

legible. The damage may result in a perceived threat to ticket security, but the threat typically is not considered serious.

Poor

A poor quality rating is indicated when quality flaws in the tickets result in some of the following effects: illegible data, cover removal which results in damage to the data, or overprinting flaws which disguise cover material compromise.

Poor ratings are rarely assigned to the overall security category, since this area is defined by four subcategories. However, in the event that a very simple compromise method (which may be accidentally discovered and requires little hands-on time) is highly successful with little or no noticeable ticket damage, the overall security rating may be reported as poor.

With respect to the protective coating integrity, a poor rating is usually assigned when various exposures to liquids result in complete (or nearly complete) loss of legible data and/or removal of the data inks with no other noticeable damage, or when cover removal results in damage to the data which causes it to be illegible.

They do not provide a rating for the overall integrity of the tickets but do indicate in the report, and in the report conclusions, if possible, threats to the integrity of the tickets were noted during the evaluation.

Purpose, Objectives, and Scope

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

Purpose

The purpose of this periodic review was to ensure that independent forensic testing reports obtained by the OAL provide reasonable assurance that instant tickets sold by the OAL to the public are secure and durable.

Objectives

Review independent laboratory reports to ensure OAL instant tickets subjected to testing passed all durability and security tests.

Scope

The procedures included reviewing the reports issued by Evaluations, Inc. relative to three (3) instant ticket games submitted to Evaluations, Inc. for testing procedures to ensure they passed all durability and security tests performed. The three (3) instant ticket games tested by Evaluations, Inc. were "X10 Multiplier" (Game #570), "X20 Multiplier" (Game #571), "\$10,000,000 Cash Extravaganza" (Game #583). Given that the review was limited to the reports issued for these games, there were no other games selected, by Scientific Games International, Inc., for testing, after January 5, 2021 (the Evaluations, Inc. report dates).

Observation

The results of Evaluations, Inc. was as follows:

"X10 Multiplier" Game 570

The quality of these "X10 Multiplier" tickets was judged to be acceptable. No quality flaws were identified which adversely affected ticket security or integrity.

The overall security of the "X10 Multiplier" tickets was judged to be relatively good.

The integrity of the game data area protective coating was judged to be relatively good.

"X20 Multiplier" Game 571

The quality of these "X20 Multiplier" tickets was judged to be acceptable. No quality flaws were identified which adversely affected ticket security or integrity.

The overall security of the "X20 Multiplier" tickets was judged to be relatively good.

The integrity of the game data area protective coating was judged to be relatively good.

"\$10,000,000 Cash Extravaganza" Game 583

The quality of these "\$10,000,000 Cash Extravaganza" tickets was judged to be acceptable. No quality flaws were identified which adversely affected ticket security or integrity.

The overall security of the "\$10,000,000 Cash Extravaganza" tickets was judged to be relatively good.

The integrity of the game data area protective coating was judged to be relatively good.

Internal Audit has no observations or recommendations.

William C Miller, CPA

William C Miller, Internal Auditor

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

Sales for the following instant games began March 2, 2021. No ending dates have been determined for these games.

\$1 10X the Prize
\$2 20X the Prize
\$5 50X the Prize
\$10 100X the Prize
\$20 200X the Prize

Sales for the following instant games began March 30, 2021. No ending dates have been determined for these games.

\$1 Wild Dough
\$2 Triple Winning 7's
\$3 Loteria™¹
\$5 \$100,000 Money Game
\$10 Mega Buck\$

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

Sales for the following Fast Play games began March 1, 2021. No ending dates have been determined for these games.

\$1 Tic Tac Toe
\$2 Hot Dice