



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>

November 8, 2018

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

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of October 2018. The reports contain the following information:

1. Contracts Awarded
2. Debt Set-Off Collections
3. Retailer Losses
4. Breakdown of Lottery Sales per County
5. Total Number of Retailers
6. Total Lottery Revenue
7. Prize Disbursements
8. Operating Expenses
9. Net Assets
10. Administrative Expenses
11. Unclaimed Prize Report
12. DFA Office of the Arkansas Lottery Minority- and Female-owned Business Report
13. DFA Office of the Arkansas Lottery Vendor Minority- and Female-owned Business Report
14. DFA Office of the Arkansas Lottery Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bishop Woosley".

Bishop Woosley
Director

Enclosures

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



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**Department of Finance
and Administration**

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November 8, 2018

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

RE: Monthly Disclosure Reports

Gentlemen:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of October 2018. The reports contain the following information:

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Bishop Woolsley
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
October 1 through October 31, 2018

1. On July 19, 2018, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Bank of the Ozarks Now Bank OZK, entered into a Third Amendment to the Agreement for Contractual Services for Comprehensive Banking Services. The following information is provided:

- a. Date of Agreement: July 19, 2018.
- b. Term of Agreement: One (1) year, September 2, 2018 through September 1, 2019.
- c. Terms of Compensation: Interest shall be paid at the Federal Funds Rate plus .20 (or 20 Basis points) with a start rate and floor of .55%.
- d. Value (cost or cost savings projected for the agreement): The estimated net value is one dollar (\$1.00).

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
October 2018**

1. Debt Set-Off Collections:

a.	Arkansas Department of Finance and Administration	\$19,149.83
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$4,610.36</u>
	Total Debt Set-Off:	\$23,760.19

2. Retailer Losses: \$0.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 31, 2018

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$10,627.50	\$6,722.50	\$14,409.00	\$445,535.00	\$2,382.00	\$117,982.00	\$9,937.00	\$67,030.00	\$674,625.00
ASHLEY	\$12,833.00	\$12,403.50	\$7,706.00	\$132,893.00	\$1,156.00	\$46,050.00	\$2,866.00	\$29,734.00	\$245,641.50
BAXTER	\$2,882.00	\$1,931.00	\$18,267.00	\$396,859.00	\$5,928.00	\$172,119.00	\$17,622.00	\$106,819.00	\$722,427.00
BENTON	\$6,749.50	\$3,256.00	\$25,348.00	\$1,116,919.00	\$13,968.00	\$1,016,444.00	\$37,556.00	\$516,447.00	\$2,736,687.50
BOONE	\$2,328.50	\$1,707.50	\$26,421.00	\$453,259.00	\$2,202.00	\$128,615.00	\$7,503.00	\$75,850.00	\$697,886.00
BRADLEY	\$1,874.00	\$2,115.50	\$4,704.00	\$156,798.00	\$940.00	\$32,670.00	\$2,338.00	\$22,206.00	\$223,645.50
CALHOUN	\$4,644.50	\$964.50	\$2,923.00	\$50,700.00	\$470.00	\$11,960.00	\$1,110.00	\$7,117.00	\$79,889.00
CARROLL	\$242.00	\$206.50	\$6,828.00	\$237,189.00	\$1,844.00	\$84,367.00	\$5,220.00	\$49,168.00	\$385,064.50
CHICOT	\$7,361.00	\$6,583.50	\$2,300.00	\$180,600.00	\$4,974.00	\$239,917.00	\$9,153.00	\$168,699.00	\$619,587.50
CLARK	\$1,656.50	\$1,350.50	\$21,026.00	\$298,210.00	\$1,802.00	\$109,518.00	\$7,641.00	\$53,534.00	\$494,738.00
CLAY	\$278.00	\$120.00	\$5,378.00	\$112,338.00	\$688.00	\$32,533.00	\$2,300.00	\$20,651.00	\$174,286.00
CLEBURNE	\$2,665.00	\$534.00	\$24,271.00	\$271,353.00	\$2,788.00	\$118,302.00	\$13,701.00	\$67,951.00	\$501,565.00
CLEVELAND	\$528.00	\$494.50	\$1,749.00	\$51,900.00	\$580.00	\$15,224.00	\$1,329.00	\$9,023.00	\$80,827.50
COLUMBIA	\$16,240.50	\$6,789.50	\$14,735.00	\$289,906.00	\$2,224.00	\$62,629.00	\$4,128.00	\$34,768.00	\$431,420.00
CONWAY	\$5,483.50	\$2,006.50	\$17,891.00	\$384,359.00	\$2,174.00	\$104,967.00	\$11,329.00	\$61,702.00	\$589,912.00
CRAIGHEAD	\$13,143.00	\$6,919.50	\$52,860.00	\$1,446,164.00	\$6,974.00	\$475,013.00	\$28,017.00	\$240,050.00	\$2,269,140.50
CRAWFORD	\$1,808.00	\$658.50	\$10,581.00	\$347,640.00	\$3,488.00	\$244,377.00	\$18,503.00	\$126,754.00	\$753,809.50
CRITTENDEN	\$20,016.00	\$11,955.50	\$8,416.00	\$568,056.00	\$6,982.00	\$279,927.00	\$14,432.00	\$173,648.00	\$1,083,432.50
CROSS	\$4,905.00	\$3,123.00	\$12,623.00	\$244,570.00	\$1,106.00	\$60,891.00	\$4,011.00	\$33,073.00	\$364,302.00
DALLAS	\$1,744.00	\$1,003.00	\$4,275.00	\$142,394.00	\$866.00	\$33,734.00	\$3,013.00	\$20,608.00	\$207,637.00
DESHA	\$1,960.50	\$1,910.50	\$5,247.00	\$174,300.00	\$1,400.00	\$64,898.00	\$6,301.00	\$38,984.00	\$295,001.00
DREW	\$2,115.50	\$1,265.50	\$7,368.00	\$241,677.00	\$2,848.00	\$77,268.00	\$5,683.00	\$44,576.00	\$382,801.00
FAULKNER	\$8,240.50	\$4,498.50	\$66,765.00	\$1,134,390.00	\$9,696.00	\$501,127.00	\$47,089.00	\$265,924.00	\$2,037,730.00
FRANKLIN	\$689.00	\$164.50	\$9,428.00	\$175,353.00	\$2,020.00	\$80,599.00	\$4,996.00	\$43,333.00	\$316,582.50
FULTON	\$290.00	\$244.00	\$5,439.00	\$80,139.00	\$710.00	\$17,359.00	\$2,248.00	\$11,801.00	\$118,230.00
GARLAND	\$9,729.50	\$5,704.00	\$36,275.00	\$973,225.00	\$12,770.00	\$575,209.00	\$60,423.00	\$314,838.00	\$1,988,173.50
GRANT	\$786.50	\$193.00	\$10,712.00	\$154,698.00	\$1,698.00	\$68,876.00	\$6,169.00	\$38,337.00	\$281,469.50
GREENE	\$933.50	\$407.00	\$34,296.00	\$613,621.00	\$3,950.00	\$189,736.00	\$11,052.00	\$106,334.00	\$960,329.50
HEMPSTEAD	\$44,028.50	\$12,323.00	\$15,671.00	\$326,834.00	\$1,502.00	\$71,245.00	\$4,032.00	\$37,266.00	\$512,901.50
HOT SPRING	\$649.50	\$391.50	\$10,962.00	\$283,918.00	\$3,016.00	\$112,603.00	\$11,101.00	\$61,921.00	\$484,562.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 31, 2018**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$21,691.50	\$7,572.50	\$12,927.00	\$193,130.00	\$1,504.00	\$48,615.00	\$3,485.00	\$25,146.00	\$314,071.00
INDEPENDENCE	\$3,517.50	\$1,464.00	\$51,231.00	\$553,480.00	\$2,744.00	\$166,754.00	\$14,497.00	\$89,265.00	\$882,952.50
IZARD	\$125.00	\$52.50	\$7,966.00	\$83,297.00	\$904.00	\$33,933.00	\$4,645.00	\$20,516.00	\$151,438.50
JACKSON	\$16,203.00	\$6,844.00	\$24,824.00	\$305,528.00	\$2,028.00	\$71,878.00	\$7,718.00	\$40,037.00	\$475,060.00
JEFFERSON	\$46,402.00	\$31,712.50	\$48,425.00	\$1,376,800.00	\$11,070.00	\$365,849.00	\$38,579.00	\$215,209.00	\$2,134,046.50
JOHNSON	\$569.50	\$1,096.50	\$6,414.00	\$245,960.00	\$1,800.00	\$82,392.00	\$6,615.00	\$46,399.00	\$391,246.00
LAFAYETTE	\$6,251.50	\$1,983.50	\$3,688.00	\$71,012.00	\$604.00	\$15,031.00	\$886.00	\$8,985.00	\$108,441.00
LAWRENCE	\$1,027.00	\$352.00	\$11,241.00	\$222,172.00	\$1,106.00	\$66,138.00	\$3,736.00	\$38,207.00	\$343,979.00
LEE	\$2,669.50	\$5,319.00	\$6,029.00	\$71,700.00	\$496.00	\$22,620.00	\$1,068.00	\$13,354.00	\$123,255.50
LINCOLN	\$201.00	\$443.00	\$7,379.00	\$111,545.00	\$960.00	\$33,800.00	\$3,755.00	\$19,005.00	\$177,088.00
LITTLE RIVER	\$4,558.50	\$2,896.50	\$2,208.00	\$84,001.00	\$744.00	\$40,929.00	\$2,194.00	\$20,132.00	\$157,663.00
LOGAN	\$1,600.50	\$208.50	\$9,785.00	\$191,091.00	\$1,624.00	\$82,020.00	\$5,148.00	\$45,498.00	\$336,975.00
LONOKE	\$8,456.50	\$5,189.00	\$36,527.00	\$869,465.00	\$7,634.00	\$352,856.00	\$31,316.00	\$194,042.00	\$1,505,485.50
MADISON	\$109.00	\$76.00	\$811.00	\$73,223.00	\$800.00	\$42,344.00	\$2,759.00	\$25,486.00	\$145,608.00
MARION	\$2,958.50	\$525.50	\$14,693.00	\$206,346.00	\$3,356.00	\$49,531.00	\$8,198.00	\$33,162.00	\$318,770.00
MILLER	\$22,238.50	\$10,628.00	\$18,042.00	\$500,401.00	\$4,808.00	\$159,902.00	\$7,629.00	\$75,251.00	\$798,899.50
MISSISSIPPI	\$41,671.50	\$15,141.50	\$13,624.00	\$538,581.00	\$2,084.00	\$161,536.00	\$6,002.00	\$86,352.00	\$864,992.00
MONROE	\$3,658.50	\$1,843.50	\$4,749.00	\$148,824.00	\$668.00	\$47,099.00	\$3,538.00	\$28,991.00	\$239,371.00
MONTGOMERY	\$148.50	\$362.00	\$4,024.00	\$25,964.00	\$458.00	\$22,056.00	\$1,584.00	\$12,076.00	\$66,672.50
NEVADA	\$1,702.50	\$1,912.50	\$6,066.00	\$192,484.00	\$1,036.00	\$38,167.00	\$2,179.00	\$19,514.00	\$263,061.00
NEWTON	\$25.00	\$34.00	\$12,028.00	\$52,301.00	\$404.00	\$13,312.00	\$1,144.00	\$8,021.00	\$87,269.00
OUACHITA	\$11,254.00	\$4,795.50	\$26,364.00	\$534,875.00	\$1,796.00	\$103,792.00	\$7,814.00	\$57,049.00	\$747,739.50
PERRY	\$611.50	\$455.00	\$3,150.00	\$106,716.00	\$470.00	\$34,520.00	\$3,090.00	\$19,192.00	\$168,204.50
PHILLIPS	\$9,931.00	\$6,620.50	\$3,626.00	\$182,028.00	\$2,688.00	\$132,551.00	\$5,086.00	\$93,207.00	\$435,737.50
PIKE	\$243.00	\$58.50	\$9,318.00	\$116,321.00	\$1,026.00	\$47,182.00	\$4,097.00	\$24,755.00	\$203,000.50
POINSETT	\$6,102.50	\$1,376.50	\$22,544.00	\$427,605.00	\$1,540.00	\$104,876.00	\$7,389.00	\$58,300.00	\$629,733.00
POLK	\$755.00	\$56.00	\$10,730.00	\$112,929.00	\$1,588.00	\$59,862.00	\$5,204.00	\$36,172.00	\$227,296.00
POPE	\$5,329.00	\$1,905.50	\$19,334.00	\$744,718.00	\$6,592.00	\$304,409.00	\$25,887.00	\$164,231.00	\$1,272,405.50
PRAIRIE	\$2,852.50	\$1,687.00	\$8,277.00	\$154,186.00	\$632.00	\$42,145.00	\$3,110.00	\$24,299.00	\$237,188.50
PULASKI	\$107,580.00	\$89,145.50	\$303,825.00	\$6,131,228.00	\$58,376.00	\$2,235,986.00	\$206,889.00	\$1,190,914.00	\$10,323,943.50
RANDOLPH	\$399.00	\$684.00	\$5,938.00	\$131,329.00	\$1,588.00	\$53,413.00	\$3,521.00	\$29,805.00	\$226,677.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
October 1 through October 31, 2018**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$16,126.00	\$9,718.00	\$7,991.00	\$297,282.00	\$2,254.00	\$91,697.00	\$5,525.00	\$55,106.00	\$485,699.00
SALINE	\$11,448.00	\$6,595.50	\$127,215.00	\$1,033,472.00	\$12,218.00	\$503,618.00	\$49,071.00	\$271,286.00	\$2,014,923.50
SCOTT	\$80.00	\$31.00	\$5,490.00	\$86,329.00	\$726.00	\$41,379.00	\$2,359.00	\$21,953.00	\$158,347.00
SEARCY	\$50.50	\$538.50	\$1,600.00	\$78,373.00	\$882.00	\$23,939.00	\$2,268.00	\$15,242.00	\$122,893.00
SEBASTIAN	\$12,236.00	\$5,302.00	\$21,515.00	\$790,712.00	\$10,718.00	\$630,217.00	\$40,649.00	\$321,439.00	\$1,832,788.00
SEVIER	\$1,061.50	\$573.50	\$1,686.00	\$116,587.00	\$878.00	\$46,062.00	\$2,242.00	\$23,630.00	\$192,720.00
SHARP	\$785.00	\$343.00	\$11,713.00	\$204,015.00	\$1,308.00	\$66,481.00	\$6,933.00	\$44,981.00	\$336,559.00
STONE	\$969.50	\$190.50	\$8,579.00	\$106,090.00	\$1,012.00	\$37,210.00	\$4,519.00	\$24,380.00	\$182,950.00
UNION	\$49,528.50	\$23,506.00	\$27,961.00	\$762,775.00	\$4,180.00	\$176,556.00	\$11,631.00	\$98,181.00	\$1,154,318.50
VAN BUREN	\$1,180.50	\$695.50	\$4,890.00	\$153,456.00	\$1,256.00	\$57,981.00	\$5,526.00	\$36,810.00	\$261,795.00
WASHINGTON	\$10,180.50	\$6,042.50	\$28,396.00	\$1,351,742.00	\$14,272.00	\$945,606.00	\$48,274.00	\$479,372.00	\$2,883,885.00
WHITE	\$4,920.50	\$3,583.00	\$58,582.00	\$987,197.00	\$7,018.00	\$309,727.00	\$28,622.00	\$165,570.00	\$1,565,219.50
WOODRUFF	\$3,036.00	\$1,663.00	\$1,898.00	\$97,247.00	\$834.00	\$28,995.00	\$1,934.00	\$17,008.00	\$152,615.00
YELL	\$689.00	\$78.00	\$15,697.00	\$236,576.00	\$1,732.00	\$71,994.00	\$7,618.00	\$39,246.00	\$373,630.00

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$630,566.50	\$359,247.00	\$1,523,874.00	\$32,546,890.00	\$285,562.00	\$13,213,119.00	\$1,006,736.00	\$7,224,922.00	\$56,790,916.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
October 2018**

There were 1,929 active retailers as of October 31, 2018.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
October 31, 2018

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,216,337.88
Restricted assets:	
Cash and cash equivalents	69,230,397.60
Accounts receivable	20,671,790.73
Prepaid items	128,554.92
Total current assets	<u>92,247,081.13</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,758,410.38
Deposits with Multi-State Lottery Association	2,515,584.97
Capital assets (Net of accumulated depreciation)	412,418.33
Total non-current assets	<u>23,686,413.68</u>
Total assets	115,933,494.81
Deferred outflows of resources:	
Related to pension	<u>1,671,766.67</u>
Total assets and deferred outflows of resources	<u>\$ 117,605,261.48</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 615,973.92
Prizes payable	22,729,494.20
Accrued and other liabilities	3,869,906.34
Due to other funds of the State	730,801.59
Due to Education Trust Account	26,523,315.58
Due to Workforce Challenge Trust Account	39,099,665.97
Compensated absences	336,078.63
OPEB Obligation	105,120.06
Unearned revenue	304,061.19
Total current liabilities	<u>94,314,417.48</u>
Long-Term liabilities:	
Net other post employment benefits	3,450,545.99
Net pension liability	5,110,275.00
Total long-term liabilities	<u>8,560,820.99</u>
Total liabilities	102,875,238.47
Deferred inflows of resources:	
Related to pension	466,356.00
Related to OPEB	147,211.58
Total deferred inflows of resources	<u>613,567.58</u>
Total liabilities and deferred inflows of resources	<u>103,488,806.05</u>

NET POSITION

Net position:	
Invested in capital assets	412,418.33
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	194,725.32
Retailer bond reserve	663,685.06
Deposits with Multi-State Lottery Association	2,515,584.97
Unclaimed prizes reserve	3,507,416.05
Unrestricted (deficit)	<u>(13,177,374.30)</u>
Total net position	<u>14,116,455.43</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 117,605,261.48</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For Four Months Ended October 31, 2018

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 33,248,088.00	\$ 129,661,823.00
Online ticket sales	24,245,277.00	45,579,275.50
Retailer application, fidelity, bond and service fees	81,920.62	289,629.16
Other revenue	<u>0.00</u>	<u>0.00</u>
 Total operating revenues	 <u>57,575,285.62</u>	 <u>175,530,727.66</u>
 Operating expenses:		
Instant game prizes	23,692,272.58	92,798,459.43
Online game prizes	12,573,333.86	23,598,647.41
Retailer commissions	3,186,102.96	9,816,342.05
Gaming contract costs	2,058,572.03	9,459,269.73
Compensation and benefits	438,384.35	1,706,482.84
Marketing, advertising and promotions	1,555,147.08	3,374,291.54
General and administrative expenses	1,235,710.23	1,934,662.49
Services provided by Arkansas Department of Higher Education	38,000.00	151,000.00
Services provided by Arkansas Legislative Audit	23,333.00	93,332.00
Legal and professional services	0.00	338.45
Depreciation	<u>10,438.94</u>	<u>37,224.93</u>
 Total operating expenses	 <u>44,811,295.03</u>	 <u>142,970,050.87</u>
 Operating income (1)	 12,763,990.59	 32,560,676.79
 Non-operating revenue:		
Interest income	<u>218,044.77</u>	<u>754,121.93</u>
 Income before transfers	 12,982,035.36	 33,314,798.72
 Transfers to:		
Education Trust Account (2)	<u>(11,259,040.31)</u>	<u>(30,285,118.26)</u>
 Change in net position	 <u>\$ 1,722,995.05</u>	 3,029,680.46
 Total net position - beginning		 11,086,774.97
Total net position - ending		<u>\$ 14,116,455.43</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 Four Months Ended October 31, 2018

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 33,248,088.00	57.75	\$ 32,361,000.00	82.34	\$ 887,088.00	\$ 129,661,823.00	73.87	\$ 127,226,000.00	82.13	\$ 2,435,823.00
Online games	24,245,277.00	42.11	6,838,000.00	17.40	17,407,277.00	45,579,275.50	25.97	27,359,000.00	17.66	18,220,275.50
Retailer fees	81,920.62	0.14	102,000.00	0.26	(20,079.38)	289,629.16	0.17	322,000.00	0.21	(32,370.84)
Other revenue	-	-	1,000.00	0.00	(1,000.00)	-	0.00	4,000.00	0.00	(4,000.00)
				0.00%						
Total operating revenues	<u>57,575,285.62</u>	100.00	<u>39,302,000.00</u>	100.00	<u>18,273,285.62</u>	<u>175,530,727.66</u>	100.00	<u>154,911,000.00</u>	100.00	<u>20,619,727.66</u>
Operating expenses:										
Instant game prizes	23,692,272.58	41.15	23,178,000.00	58.97	514,272.58	92,798,459.43	52.87	91,096,000.00	58.81	1,702,459.43
Online game prizes	12,573,333.86	21.84	3,667,000.00	9.33	8,906,333.86	23,598,647.41	13.44	14,671,000.00	9.47	8,927,647.41
Retailer commissions	3,186,102.96	5.53	2,210,000.00	5.62	976,102.96	9,816,342.05	5.59	8,723,000.00	5.63	1,093,342.05
Gaming contract costs	2,058,572.03	3.58	1,616,000.00	4.11	442,572.03	9,459,269.73	5.39	9,000,000.00	5.81	459,269.73
Compensation & benefits	438,384.35	0.76	452,000.00	1.15	(13,615.65)	1,706,482.84	0.97	1,818,000.00	1.17	(111,517.16)
Marketing, advertising & promotions	1,555,147.08	2.70	723,000.00	1.84	832,147.08	3,374,291.54	1.92	2,531,000.00	1.63	843,291.54
General and administrative expenses	1,235,710.23	2.15	373,000.00	0.95	862,710.23	1,934,662.49	1.10	1,474,000.00	0.95	460,662.49
Services provided by other agencies	61,333.00	0.11	64,000.00	0.16	(2,667.00)	244,332.00	0.14	256,000.00	0.17	(11,668.00)
Legal and professional service	-	-	500.00	0.00	(500.00)	338.45	0.00	2,000.00	0.00	(1,661.55)
Depreciation	10,438.94	0.02	16,000.00	0.04	(5,561.06)	37,224.93	0.02	57,000.00	0.04	(19,775.07)
Total operating expenses	<u>44,811,295.03</u>	77.83	<u>32,299,500.00</u>	82.18	<u>12,511,795.03</u>	<u>142,970,050.87</u>	81.45	<u>129,628,000.00</u>	83.68	<u>13,342,050.87</u>
Operating income	12,763,990.59	22.17	7,002,500.00	17.82	5,761,490.59	32,560,676.79	18.55	25,283,000.00	16.32	7,277,676.79
Non-operating revenue:										
Interest income	<u>218,044.77</u>	0.38	<u>79,000.00</u>	0.20	<u>139,044.77</u>	<u>754,121.93</u>	0.43	<u>549,000.00</u>	0.35	<u>205,121.93</u>
Income before transfers	<u>\$ 12,982,035.36</u>	22.55	<u>\$ 7,081,500.00</u>	18.02	<u>\$ 5,900,535.36</u>	<u>\$ 33,314,798.72</u>	18.98	<u>\$ 25,832,000.00</u>	16.68	<u>\$ 7,482,798.72</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Four Months Ended October 31, 2018**

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 129,088,454.00
Online ticket sales	45,579,275.50
Retailer application, fidelity and service fees	289,629.16
Other revenue	0.00
Total operating revenues	174,957,358.66

Operating expenses:	
Instant game prizes (Settlements)	92,279,288.00
Online game prizes	23,598,647.41
Retailer commissions	9,816,342.05
Gaming contract costs	9,459,269.73
Compensation and benefits	1,706,482.84
Marketing, advertising and promotions	3,374,291.54
General and administrative expenses	1,934,662.49
Services provided by ADHE	151,000.00
Services provided by Legislative Audit Agency	93,332.00
Legal and professional services	338.45
Current year capital asset cost	104,548.53
Total operating expenses	142,518,203.04

Change in net proceeds from operations 32,439,155.62

Non-operating revenue:	
Interest income	754,121.93
Other non-operating income	0.00
EDUCATION TRUST FUNDING-Current Year	(19,026,077.95)
Less Act 1180 Unclaimed Prizes	(2,507,416.05)
Less current year Fidelity Reserve Fees	(12,211.19) restricted reserves
Less current year Bond Reserve Fees	(89,600.00) restricted reserves
Add back Write Off Retailer Bad Debt	9,080.60
Less current year MUSL Reserves	(350,012.65) see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	42,000.00

NET PROCEEDS EARNED-Current Month **\$ 11,259,040.31**

	Transfer	Interest	Total
Academic Challenge Scholarship Trust	\$ 24,595,387.40	\$ 1,927,928.18	\$ 26,523,315.58
July 2017 funding - 8/15/17	\$ 6,610,939.69	\$ 50,823.30	\$ 6,661,762.99
August 2017 funding - 9/15/17	\$ 8,850,323.23	\$ 62,418.31	\$ 8,912,741.54
September 2017 funding - 10/15/17	\$ 6,688,470.75	\$ 66,863.18	\$ 6,755,333.93
Transfer from ADHE (final 2017 Adj) -10/15/17	\$ (120,270.21)	\$ -	\$ (120,270.21)
Transfer to ADHE 10/6/17	\$ (35,000,000.00)	\$ -	\$ (35,000,000.00)
October 2017 funding - 11/15/17	\$ 5,619,710.41	\$ 47,595.33	\$ 5,667,305.74
Transfer to ADHE 11/21/17	\$ (3,500,000.00)	\$ -	\$ (3,500,000.00)
November 2017 funding - 12/15/17	\$ 6,648,202.58	\$ 43,025.42	\$ 6,691,228.00
Transfer to Workforce Challenge Trust 12/1/17	\$ (14,157,060.23)	\$ -	\$ (14,157,060.23)
December 2017 funding - 1/15/18	\$ 6,555,192.25	\$ 28,163.52	\$ 6,583,355.77
January 2018 funding - 2/15/18	\$ 8,181,641.65	\$ 49,219.69	\$ 8,230,861.34
Transfer to ADHE 2/9/18	\$ (30,000,000.00)	\$ -	\$ (30,000,000.00)
February 2018 funding - 3/15/18	\$ 5,923,173.53	\$ 24,473.97	\$ 5,947,647.50
March 2018 funding - 4/15/18	\$ 7,920,841.38	\$ 24,728.64	\$ 7,945,570.02
Transfer to ADHE 4/9/18	\$ (15,000,000.00)	\$ -	\$ (15,000,000.00)
April 2018 funding - 5/15/18	\$ 7,171,153.54	\$ 21,843.56	\$ 7,192,997.10
May 2018 funding - 6/15/18	\$ 8,010,337.20	\$ 27,287.60	\$ 8,037,624.80
June 2018 funding - 7/15/18	\$ 13,323,691.32	\$ 40,921.32	\$ 13,364,612.64
July 2018 funding - 8/15/18	\$ 4,998,834.07	\$ 67,794.66	\$ 5,066,628.73
Aug 2018 funding - 9/15/18	\$ 6,094,406.73	\$ 81,591.67	\$ 6,175,998.40
Sept 2018 funding - 10/15/18	\$ 7,699,685.71	\$ 83,765.11	\$ 7,783,450.82
Transfer from ADHE (final 2018 Adj) -10/10/18	\$ (146,112.01)	\$ -	\$ (146,112.01)
Transfer to ADHE 10/10/18	\$ (35,000,000.00)	\$ -	\$ (35,000,000.00)
Transfer excess net proceeds to Workforce Trust Fund 10/16/18	\$ (8,344,929.36)	\$ -	\$ (8,344,929.36)
Oct 2018 funding - 11/15/18	\$ 11,195,441.29	\$ 63,599.02	\$ 11,259,040.31

	Transfer	Total
Workforce Challenge Scholarship Trust	\$ 39,099,665.97	\$ 39,099,665.97
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

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
October 31, 2018

	Monthly	Year to Date
Reserve Balance July 1, 2018		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 697,499.70	2,507,416.05
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	697,499.70	2,507,416.05
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance October 31, 2018		 \$3,507.416.05

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

**OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
October 1 through October 31, 2018**

Vendors	Goods or Services	Diversity Classification	October 2018	FY 2019 Total
Allegra Print & Imaging	Advertising/Public Relations	FOB		\$5,074.77
Goddess Products	Office Furniture/Supplies	CMBE	\$277.06	\$849.80
Government Supply Services	Office Furniture/Supplies	MBE	\$1,041.97	\$4,581.33
Party Prints	Advertising/Public Relations	CMBE	\$1,798.50	\$1,798.50
Trivia Marketing	Advertising/Public Relations	WBE		\$11,990.00
Totals			\$3,117.53	\$24,294.40

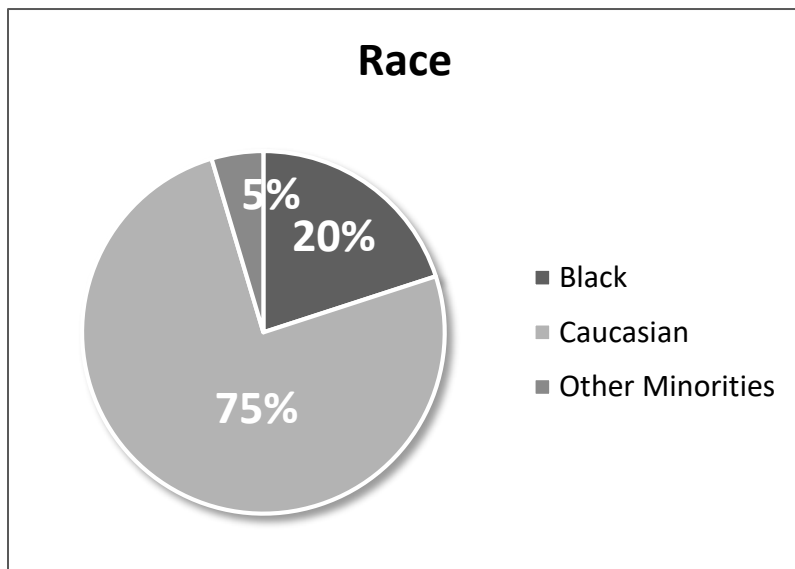
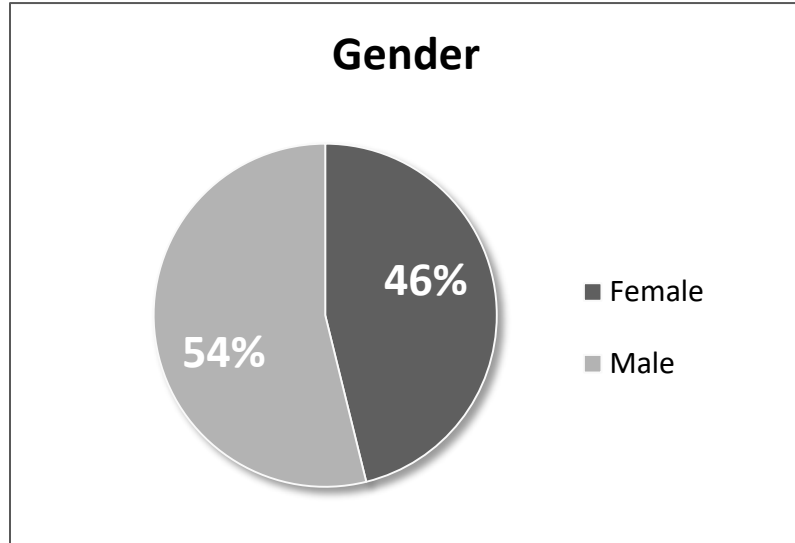
**INTRALOT MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
October 1 through October 31, 2018**

Vendors	Goods or Services	Diversity Classification	October 2018	FY 2019 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$8,462.00	\$29,617.00
Totals			\$8,462.00	\$38,079.00

**SCIENTIFIC GAMES MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
October 1 through October 31, 2018**

Vendors	Goods or Services	Diversity Classification	October 2018	FY 2019 Total
Expedited Transportation Services	Transportation Services	DBE	\$6,506.52	\$12,788.04
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$75,935.08	\$275,751.62
Premier Staffing	Employment Agency	MBE	\$710.80	\$6,198.69
Pure Cleaning Services	Janitorial Services	MBE	\$1,744.00	\$2,616.00
Totals			\$84,896.40	\$297,354.35

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – October 2018**



Total Number of Employees as of October 2018: 65

Gender:

Females – 30
Males – 35

Race:

Black – 13
Caucasian – 49
Other – 3

Female -- 7	Male - 6
Female -- 23	Male -- 26
Female -- 0	Male -- 3

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

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

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
October 2018

Sales for the following instant games began October 2, 2018. No ending dates have been determined for these games.

\$1 Cash on the Spot
\$2 \$20,000 Money Bag
\$5 Black and Gold
\$10 Big Multiplier

Sales for the following Fast Play games began October 2, 2018. No ending dates have been determined for these games.

\$1 Hunting for Hundreds
\$2 Shopping Spree