



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

**OFFICE OF THE ARKANSAS LOTTERY**

Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2000  
Fax: (501) 683-1878  
<http://myarkansaslottery.com>

August 10, 2022

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

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of July 2022. The reports contain the following information:

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

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

Respectfully submitted,

*Avianca Adrow* for Eric Hagler

J. Eric Hagler  
Director

Enclosures

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



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August 10, 2022

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

RE: Monthly Disclosure Reports

Dear Senator Caldwell and Representative Deffenbaugh:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of July 2022. The reports contain the following information:

1. Contracts Awarded
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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**  
**July 1 through July 31, 2022**

1. On June 23, 2022, Scientific Games International (SGI) granted the Office of the Arkansas Lottery (OAL) the non-exclusive right in the state of Arkansas to reproduce, use, and make copies of the Property in association with the sale, marketing, advertising, and promotion of scratch-off instant-win lottery games to be conducted by the OAL and identified as AR-695 Betty Boop. All rights not specifically granted to the OAL are reserved by SGI and/or Licensor. The following information regarding the agreement is provided.

a. Date of Agreement: June 23, 2022

b. Term of Agreement: the term of this agreement shall commence on the date the Working Papers for the Game are signed and shall expire on the last date for claiming Game Prizes as established by the OAL.

c. Vendor or other parties to the agreement: Scientific Games International

d. Value (cost or savings) projected for this agreement: the base instant game contract price is 1.30% of net sales. There is a price of 1.35% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for OAL instant games. There are no additional costs for the use of Betty Boop.

2. On July 1, 2022 Office of the Arkansas Lottery entered into a Marketing and Sponsorship Agreement with Little Rock Trojan Sports Properties, LLC.

a. The terms date are as follows 07/01/2022 through 06/30/2025.

b. The cost of the Sponsorship would be

2022-2023 \$10,000.00

2023-2024 \$10,500.00

2024-2025 \$11,025.00

3. On July 29<sup>th</sup> Office of the Arkansas Lottery (OAL) entered into a Sponsorship agreement with Arkansas State Fair Arkansas Livestock Show Association.

a. The dates of this agreement are as follows October 14<sup>th</sup> through October 23<sup>rd</sup>.

b. The cost of the sponsorship would be 47,500.00 paid 30-days upon partnership agreement.

Sponsor #: KR169339  
Contract #: 236-233604  
Date: July 01, 2022

Sponsor:  
**Office of the Arkansas Lottery**  
Attn: Ashley McNatt  
124 W. Capitol Ave  
Little Rock, AR 72201

Bill To:  
**Office of the Arkansas Lottery**  
Attn: Ashley McNatt  
124 W. Capitol Ave  
Little Rock, AR 72201

This Marketing and Sponsorship Agreement ("Agreement"), effective as of the date set forth above, between Sponsor and LITTLE ROCK TROJAN SPORTS PROPERTIES, LLC ("Provider"), relates to sponsorship opportunities and specific inventory items at University of Arkansas at Little Rock, solely with respect to its athletics department ("University"). Provider, University's designated multi-media rights holder, appreciates Sponsor's commitment to support and sponsor University. The Parties agree as follows:

*Benefits:* Each Contract Year (as defined below) during the Term (as defined below), Provider will provide Sponsor the benefits described on **Exhibit A** ("Benefits"), which is attached hereto and incorporated herein by reference as though set out word for word.

*Term:* 07/01/2022 through 06/30/2025.

*Sponsorship Fee:*

<u>Contract Year</u>	<u>Cash Amount</u>
2022-2023	\$10,000.00
2023-2024	\$10,500.00
2024-2025	\$11,025.00

*Additional Provisions:*

1. No agency commission(s) or fee(s) are included in the above Cash Amount(s). Sponsor is solely responsible for paying each such Cash Amount(s) pursuant to the below Installment Billing Schedule.
2. "Contract Year" means July 1 through June 30 each year during the Term.
3. This Agreement is governed by the additional Terms and Conditions set forth on **Exhibit B**, which is attached hereto and incorporated herein by reference as though set out word for word.

#### **INSTALLMENT BILLING SCHEDULE**

<u>Invoice Date</u>	<u>Invoice Amount</u>
8/1/2022	\$10,000.00
8/1/2023	\$10,500.00
8/1/2024	\$11,025.00

Sponsor shall submit each payment by check or wire transfer. If Sponsor pays by check, then Sponsor shall send the check, together with a remittance or invoice identifying University and this Agreement, to the following remittance address, unless and until Provider directs otherwise: LITTLE ROCK TROJAN SPORTS PROPERTIES, LLC, c/o Learfield Communications, LLC, P.O. Box 843038, Kansas City, MO 64184-3038. If Sponsor pays by wire or funds transfer, then Sponsor shall request applicable account information from either Provider's chief financial officer or accounting department. With respect to processing Sponsor's payment(s) hereunder, Provider will not engage with any third-party payment processor (e.g., Ariba, PayModeX).

*Terms: Due Net Ten (10) Days*

*Checks made payable to LITTLE ROCK TROJAN SPORTS PROPERTIES, LLC*

**AGREED AND ACCEPTED:**

**Department of Finance and  
Administration Office of the  
Arkansas Lottery**

**Little Rock Trojan Sports Properties,  
LLC**

By:  \_\_\_\_\_

By:  \_\_\_\_\_

Name: J. ERIC HAGLER

Name: Logan Davis

Title: EXECUTIVE DIRECTOR

Title: General Manager

Date: 07.05.2022

Date: 6/30/2022

*Thank you for your business!*

*For billing inquiries, please contact Provider's Office of Accounts Receivable at (336) 831-0737.*

**Exhibit A**

**Benefits**

<b><u>Provider</u></b>	<b><u>Sport</u></b>	<b><u>Product</u></b>	<b><u>Item Name</u></b>	<b><u>Quantity</u></b>	<b><u>Events</u></b>
Little Rock Trojan Sports Properties, LLC	Basketball	Signage	<b>Scoreboard LED Rotational</b> Description: Company logo displayed a minimum of 20 times per game on the two LED fascia boards in Jack Stephens Center during all home men's and women's basketball games	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Print	<b>Roster Cards –</b> *Description- Game Sponsorship Package	1	1
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Promotions	<b>In-Game Promotion</b>	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Promotions	<b>On-Court Recognition</b> *Description- Game Sponsorship Package	1	1
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Radio	<b>In-Game Live Mention</b> Description: Network In-Game Live Mention during each Men's Basketball broadcast	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Radio	<b>In-Game Live Mention</b> *Description: Network In-Game Live Mention during a select Men's Basketball broadcast-Game Sponsorship Package	2	1
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Radio	<b>In-Game Opening/Closing Billboard</b> Description: Network In-Game Opening/Closing Billboard during each Men's Basketball broadcast	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Radio	<b>In-Game Spot (Network) (30 Seconds)</b> Description: :30 Network In-Game Spot during each Men's Basketball broadcast	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Signage	<b>PA Announcement</b> *Description- Game Sponsorship Package	4	1
Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Signage	<b>Pre-Game Videoboard w/ LED Takeover</b> *Description- Game Sponsorship Package	1	1

Little Rock Trojan Sports Properties, LLC	Basketball - Men's	Sponsorship	Game Sponsorship Package	1	1
Little Rock Trojan Sports Properties, LLC	Basketball - Women's	Promotions	In-Game Promotion	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Women's	Radio	In-Game Live Mention Description: Network In-Game Live Mention during each Women's Basketball broadcast	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Women's	Radio	In-Game Opening/Closing Billboard Description: Network In-Game Opening/Closing Billboard during each Women's Basketball broadcast	1	Season
Little Rock Trojan Sports Properties, LLC	Basketball - Women's	Radio	In-Game Spot (Network) (30 Seconds) Description: :30 Network In-Game Spot during each Women's Basketball broadcast	1	Season

### Exhibit B

#### Terms and Conditions

**University Marks.** To the extent Benefits include the right to make use of University's names, logos, trademarks, service marks, trade names or other identifying indicia ("University Marks"), Sponsor shall provide Provider, for prior review and approval, all proposed uses of University Marks and examples thereof. Sponsor shall use University Marks only (i) in the exact form, manner and context Provider approves in writing and (ii) as further detailed on Exhibit A. **Sponsor may not use University Marks in connection with the name, image or likeness ("NIL") of any current student athlete, unless otherwise set forth on Exhibit A and, then, only to the extent explicitly set forth thereon.** Sponsor must obtain all promotional premium products bearing University Marks from a Provider-approved licensed provider, which shall be responsible for assuring such products comply with all applicable University licensing requirements (including, but not limited to, compliance with applicable licensing-royalty payments).

Sponsor acknowledges University Marks are and will remain the exclusive property of University, which is the sole owner of University Marks and their associated goodwill, and Sponsor, by reason of this Agreement or otherwise, has not acquired any right, title, interest or ownership claim to them. Each of Sponsor's uses of University Marks, and any and all goodwill arising from each such use, inures solely to University's benefit.

**Benefits.** Unless otherwise specifically stated on Exhibit A or elsewhere in this Agreement, all Benefits are for the regular season only. If, for any reason other than Sponsor's fault, Provider is unable to provide Sponsor with any Benefit(s), then Provider will notify Sponsor and offer Sponsor make-good benefits in lieu of the Benefit(s) Provider is unable to provide Sponsor ("Alternative Make-Good Benefits"). Alternative Make-Good Benefits will not, however, include tickets, hospitality, catering or similar benefits that involve an out-of-pocket cost to Provider. Alternative Make-Good Benefits will be subject to Sponsor's approval, which approval will not be unreasonably withheld, delayed or conditioned. Until such time as Alternative Make-Good Benefits are agreed upon, Sponsor will continue to pay the full Sponsorship Fee to Provider as set forth above. If the parties are unable to agree on Alternative Make-Good Benefits, then such disagreement will not be considered a breach of

this Agreement and this Agreement will not terminate, but rather the Sponsorship Fee to be paid by Sponsor will be adjusted to reflect the Benefit(s) not available to Sponsor.

**University Notice.** If Provider is advised by University that Provider no longer has the right to provide Sponsor all the Benefits ("University Notice"), then Provider will have the option to terminate this Agreement at the end of the Contract Year for which the University Notice is applicable, with no further liability or obligations of either party under this Agreement thereafter, except for payment of the Sponsorship Fee still owed by Sponsor at the time of termination. If the University Notice requires Provider to terminate this Agreement prior to the end of the then-current Contract Year for which the University Notice is applicable, then this Agreement will terminate upon Provider's written notice to Sponsor and Sponsor will (i) receive a *pro rata* refund of the Sponsorship Fee equal to the value of Benefits not yet received as a result of the termination or (ii) pay Provider for Benefits received but not yet paid for, but in no event will either party have any further liability or obligation to the other party under this Agreement. In the event of this Agreement's termination as a result of a University Notice, Sponsor will have no obligation to pay the Sponsorship Fee for the period after the effective termination date. Notwithstanding the foregoing, in lieu of this Agreement terminating because of a University Notice, Provider and Sponsor may negotiate for a period of thirty (30) days following Provider's receiving the University Notice in order to determine whether alternative benefits can be offered to Sponsor and, if offered, whether they are acceptable to Sponsor ("Alternative Benefits"). If Alternative Benefits are offered and accepted, then this Agreement will not terminate as a result of the University Notice but instead will remain in full force and effect with the Alternative Benefits. Notwithstanding any other provision herein, whether either party agrees to Alternative Benefits or an amendment to this Agreement is within the Party's sole discretion.

**Preparation of Promotional/Sponsorship Materials.** Provider is responsible for providing publication space or spot-advertisement locations for Sponsor-prepared promotional/sponsorship recognitions or advertising. Advertising production, video or graphics production, talent charges and service charges, if any, are not covered under this Agreement and remain Sponsor's sole responsibility, but Sponsor can obtain from Provider any such services for an additional service fee. Sponsor is responsible for timely submitting to Provider its advertisements, promotional/sponsorship recognitions, graphics, LED designs, video-board features, Internet displays and/or any other creative materials, as applicable, for Benefits ("Sponsorship Materials"). Sponsorship Materials (whether provided by Sponsor or on its behalf) are subject to Provider's written approval, which approval will not constitute approval as to conformity with any federal, state or local laws or regulations. If, by the deadline date (which Provider will provide Sponsor), Provider has not received from Sponsor its applicable Sponsorship Materials for publication, distribution or display, or if, after the deadline date, Sponsor submits to Provider copy corrections of applicable Sponsorship Materials, then Provider will not be obligated to publish Sponsorship Materials (or corrected Sponsorship Materials, as the case may be). Provider's failure to publish Sponsorship Materials (or corrected Sponsorship Materials) due to Sponsor's failure to meet the deadline date, however, in no way will relieve Sponsor of any of its obligations and duties under this Agreement, including its obligation to submit payments in full, as set forth in the Installment Billing Schedule. Sponsor shall indemnify, defend and hold harmless Provider and University, and each of their parents, subsidiaries, affiliates, officers, trustees, employees and agents, from and against any and all claims, losses or damages (including reasonable attorneys' fees and expenses) arising or resulting from Provider's publishing Sponsorship Materials, or any parts thereof, in the form or format Sponsor (or its agent) provides, approves or requests.

**Compliance.** In connection with Sponsor's activities hereunder, during the Term, Sponsor shall comply with the policies, rules and regulations of University and any athletics conference to which University belongs (as Provider may provide Sponsor from time to time), as well as the National Collegiate Athletic Association's ("NCAA") constitution, bylaws and rules (publicly available at [www.ncaa.org](http://www.ncaa.org)). Sponsor shall indemnify, defend and hold harmless Provider and University, and each of their parents, subsidiaries, affiliates, officers, trustees, employees and agents, from and against any and all claims, losses or damages (including reasonable attorneys' fees and expenses) arising or resulting from Sponsor's (or its agent's) breach or alleged breach of this section's provisions.

**Effect of Breach.** If Sponsor fails to make a payment by such payment's due date, as set forth in the Installment Billing Schedule (and fails to cure any such non-payment within ten (10) days after receiving from Provider written notice with respect thereto), then Provider reserves the right to suspend delivery (or provision) of Benefits to Sponsor and/or to terminate this Agreement, effective upon written notice from Provider to Sponsor. If Sponsor breaches the **University Marks** section (including, without limitation, any unauthorized use of University Marks) or the **Compliance** section, then Provider reserves the right to terminate this Agreement effective upon written notice from Provider to Sponsor. If Provider terminates this Agreement before the Term concludes due to Sponsor's uncured breach, then Sponsor will remain liable for all payments due under this Agreement whether accruing before or after such termination. Sponsor agrees and acknowledges that, in the event of such uncured breach, Provider will be a lost volume seller and, as such, will have no obligation to mitigate its damages hereunder.

**Cross-Default.** In the event of an uncured breach in any agreement other than this Agreement between Sponsor and Provider or any affiliate of Provider, Provider will have the right to terminate this Agreement effective upon written notice to Sponsor.

**Limitation of Liability.** In no event will either Party be liable for any special, indirect, incidental, consequential, punitive or exemplary damages, including, but not limited to, lost profits, even if such party alleged to be liable has knowledge of the possibility of such damages, whether under contract, tort (including negligence), strict liability or any other theory of liability; provided, however, nothing shall limit Provider's right to seek full payment of the Sponsorship Fee (without any obligation to mitigate) due to Sponsor's material breach hereunder. Provider will not, under any circumstances, be liable for any amount in excess of the total Sponsorship Fee actually paid to Provider in the twelve (12) months prior to the date any claim is asserted.

**Unforeseen Events.** If, due to public emergency or necessity, epidemic or pandemic, legal restrictions, labor disputes, strikes, boycotts, acts of God or similar reasons, including, but not limited to, mechanical or technological breakdowns beyond its control and without its fault, Provider is unable to perform any of its obligations hereunder, then Provider will not be liable to Sponsor, except to the extent of providing Sponsor suitable mutually agreed upon Alternative Make-Good Benefits. Until such time as Alternative Make-Good Benefits are agreed upon, Sponsor will continue to pay the full Sponsorship Fee to Provider as set forth above. If the parties are unable to agree on Alternative Make-Good Benefits, then such disagreement will not be considered a breach of this Agreement and this Agreement will not terminate, but rather the Sponsorship Fee to be paid by Sponsor will be adjusted to reflect the Benefit(s) not available to Sponsor.

**Late Payments/Sales or Other Taxes.** All late payments are subject to a late payment fee of two percent (2%) per month or the highest rate allowed by law together with all costs and expenses of collection, including attorneys' fees and court costs. If any sales tax, use tax, gross receipts tax, service tax or other tax (other than Provider's income tax) is imposed in connection with any Benefits or payment hereunder, then Sponsor will pay such tax on or before the due date thereof and, if not otherwise paid, any unpaid amount thereof will be added to the invoice for the period that includes such due date.

**Assignment.** This Agreement is personal to Sponsor. Sponsor shall not sell, transfer or assign this Agreement, or any of Sponsor's rights hereunder, without Provider's prior written approval, and no rights will devolve by operation of law or otherwise upon any Sponsor assignee, receiver, liquidator, trustee or other third party. Any unauthorized assignment will be void and of no effect unless approved by Provider in writing. Subject to the foregoing, this Agreement will be binding upon any approved Sponsor assignee or successor, and this Agreement will inure to the benefit of Provider, its successors and permitted assigns.

**Miscellaneous.** This Agreement (i) sets forth the Parties' entire understanding with respect to its subject matter, (ii) supersedes all prior negotiations and agreements, whether written or oral, between the parties concerning such subject matter and (iii) may be modified or amended only by a written instrument each party signs. Each party represents and warrants to the other party (a) the individual signing this Agreement on its behalf is duly

authorized to do so and (b) no representations have been made or relied upon other than those expressly provided for herein. This Agreement may be executed via delivery of a facsimile transmission or other commonly used electronic means (e.g., via a PDF attachment) in one (1) or more counterpart, each of which will be deemed an original, but all of which, taken together, constitute one (1) and the same agreement. No Party's agent, employee or other representative is empowered to alter any of this Agreement's terms unless via written instrument signed by the appropriate Party's authorized officer or agent. A waiver by either Party of any of this Agreement's terms or conditions in any instance will not be deemed or construed to be a waiver of such term or condition for the future, or of any subsequent breach thereof. Notwithstanding the University Notice section, Provider may terminate this Agreement, effective immediately upon delivering to Sponsor written notice thereof, if Provider's University rights agreement is terminated for any reason; provided, however, Provider shall provide Sponsor a *pro rata* refund of any amounts paid for Benefits not yet received as of such effective termination date. This Agreement is governed by and construed in accordance with the laws of the State of Arkansas, without giving effect to its conflict of law rules.

**ARKANSAS STATE FAIR**  
**ARKANSAS LIVESTOCK SHOW ASSOCIATION**

**2022 SPONSORSHIP AGREEMENT**

This agreement is between:

**Arkansas Livestock Show Association**  
2600 Howard Street  
Little Rock, AR 72206  
(501) 372-8341

and

**Arkansas Scholarship Lottery**  
124 W. Capitol Ave, Suite 1400  
Little Rock, AR 72201  
(501) 683-1866

The Arkansas Scholarship Lottery will receive the following benefits at the 2022 Arkansas State Fair Livestock Show that will be held October 14-23, 2022:

- 1) **Arkansas Scholarship Lottery** will be a Major Sponsor status of the Arkansas State Fair
  - a. Name, logo inclusion in all State Fair advertising
  - b. Media campaign included radio, TV, print, outdoor boards, digital media, etc.
  - c. Inclusion on cover of media guides as major sponsor
  
- 2) Establishment of the **Arkansas Scholarship Lottery** Livestock Scholarship Program
  - a. Two (2) \$1,000 scholarships will be allocated and distributed to deserving Grand Champion division winners
  - b. ALSA will award scholarship/prize money to selected division winners based on need and comparison allocation with other division winners OR a representative from the Arkansas Scholarship Lottery may select the winners of the scholarships.
  - c. Name and logo inclusion on large check posters to be presented to winners
  - d. Inclusion in promotion and media releases surrounding livestock show and Arkansas Scholarship Lottery scholarship program.
  
- 3) Naming Rights to the Main Concert Stage at the 2022 State Fair
  - a. Stage to be renamed the **Lotto Main Stage**
  - b. Exclusive naming rights to the stage
  - c. Inclusion in all stage specific media campaigns (TV, radio, OTT, social, digital, print)
  - d. Lotto logo placement on top and side scrims of stage
  - e. Lotto logo digital placed on stage video screens prior to all concerts
  - f. Name/logo inclusion in all maps, information towers and literature highlighting location of stage
  
- 4) State Fair Video Screen Advertising Package
  - a. Lotto logo placed on Main Stage video screens minimum of 20 times per day
  - b. :30 TV commercial placed in rotation to show on Main Stage video screens minimum of 30 times per day
  - c. May include multiple versions of TV commercials for insertion into rotation package

5) Sponsorship of the **Lotto Day at the Fair**

- a. Date set as Saturday, October 15, 2022
- b. Space to display one 3'x6' banner at all main entrances on your sponsored day
- c. Name/logo inclusion of all day-specific advertising
- d. All patrons who present a Lotto ticket at the entrance gate on this day shall receive \$2 off their admission to the Fair.
- e. Any Lottery Scholarship Winner who presents proof of scholarship award shall receive \$2 off their admission to the Fair on this day.

6) Activation Space:

- a. 20x30 activation space on Saturday, October 15, 2022
- b. Space to display Lottery "bread truck" on this day
- c. Opportunity to have activation tent for purpose of selling lottery tickets, distributing promotional items, interacting with patrons, etc.

7) VIP ticket package to include:

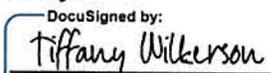
- a. 200 single use gate admission passes
- b. 100 single use parking passes
- c. 10 Blue Ribbon Club VIP memberships
- d. 10 Vendor Credentials for activation team use

8) Logo inclusion on Sponsors Page of State Fair website

**Arkansas Scholarship Lottery agrees to provide the Arkansas Livestock Show Association with the following:**

- 1. Sponsorship contribution of \$47,500 to be paid 30-days upon partnership agreement.
- 2. Provision of approved logos for above signage and promotional inclusion.
- 3. All signage and banner production will be responsibility of ALSA.

**Agreed to by:**

DocuSigned by:  
  
 Tiffany Wilkerson  
 Arkansas Livestock Show Association  
 Date: 7/29/2022

**Eric Hagler**  
 Digitally signed by Eric Hagler  
 Date: 2022.07.27 14:22:04 -05'00'  
 J. Eric Hagler  
 Arkansas Scholarship Lottery  
 Date

  
 Dan Sawyer  
 ProFusion Marketing, Inc.  
 Date: 7/29/22

Department of Finance & Administration  
Office of the Arkansas Lottery  
Retailer Loss/Debt Set-off/Income Tax  
(July 2022)

As of 7/31/2022

Retailer losses \$0

<b>Arkansas Debt Set-Off</b>	<b>Jul-22</b>	<b>Total Since Inception</b>
Department of Finance and Administration	\$ 5,067.95	\$ 1,592,121.54
Office of Child Support Enforcement	\$ 2,000.00	\$ 671,444.59
<b>Total Debt Set-Off</b>	<b>\$ 7,067.95</b>	<b>\$ 2,263,566.13</b>

<b>Income Taxes Withheld</b>	<b>Jul-22</b>	<b>Total Since Inception</b>
Federal	\$ 882,584.00	\$ 122,607,469.00
State	\$ 202,259.00	\$ 33,791,030.00
<b>Total Income Taxes Withheld</b>	<b>\$ 1,084,843.00</b>	<b>\$ 156,398,499.00</b>

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
July 1 through July 31, 2022

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
ARKANSAS	\$16,900.50	\$9,728.00	\$18,507.00	\$448,977.00	\$3,356.00	\$70,752.00	\$5,216.00	\$16,804.00	\$590,240.50
ASHLEY	\$15,528.00	\$15,201.00	\$10,508.00	\$183,972.00	\$1,764.00	\$32,056.00	\$2,510.00	\$11,659.00	\$273,198.00
BAXTER	\$2,858.00	\$1,834.00	\$16,386.00	\$464,569.00	\$10,254.00	\$144,804.00	\$12,495.00	\$34,051.00	\$687,251.00
BENTON	\$10,416.50	\$4,400.50	\$28,594.00	\$1,520,916.00	\$26,406.00	\$787,290.00	\$30,459.00	\$149,829.00	\$2,558,311.00
BOONE	\$2,578.00	\$4,151.00	\$28,132.00	\$410,484.00	\$2,548.00	\$108,239.00	\$5,844.00	\$25,327.00	\$587,303.00
BRADLEY	\$2,621.00	\$5,219.50	\$4,436.00	\$145,943.00	\$1,424.00	\$22,955.00	\$1,966.00	\$6,600.00	\$191,164.50
CALHOUN	\$3,355.50	\$685.50	\$1,833.00	\$49,641.00	\$656.00	\$7,461.00	\$917.00	\$1,819.00	\$66,368.00
CARROLL	\$412.50	\$974.50	\$12,092.00	\$270,622.00	\$2,798.00	\$67,601.00	\$3,997.00	\$16,591.00	\$375,088.00
CHICOT	\$8,075.00	\$2,247.00	\$4,082.00	\$150,019.00	\$3,548.00	\$48,633.00	\$3,150.00	\$13,563.00	\$233,317.00
CLARK	\$4,861.50	\$830.00	\$24,772.00	\$380,367.00	\$3,454.00	\$80,449.00	\$6,143.00	\$17,834.00	\$518,710.50
CLAY	\$543.00	\$33.50	\$3,471.00	\$117,036.00	\$1,632.00	\$20,782.00	\$2,324.00	\$5,453.00	\$151,274.50
CLEBURNE	\$2,654.50	\$1,258.00	\$37,117.00	\$335,330.00	\$6,446.00	\$96,191.00	\$10,691.00	\$24,907.00	\$614,594.50
CLEVELAND	\$1,241.50	\$190.00	\$2,026.00	\$63,559.00	\$918.00	\$9,405.00	\$726.00	\$2,437.00	\$80,502.50
COLUMBIA	\$15,289.00	\$6,455.00	\$13,271.00	\$339,819.00	\$3,340.00	\$52,232.00	\$3,886.00	\$12,600.00	\$446,892.00
CONWAY	\$7,853.00	\$2,636.00	\$12,525.00	\$392,259.00	\$4,936.00	\$78,011.00	\$10,135.00	\$17,768.00	\$526,123.00
CRAIGHEAD	\$15,515.00	\$7,331.00	\$41,280.00	\$1,742,634.00	\$10,770.00	\$296,283.00	\$15,635.00	\$63,507.00	\$2,192,955.00
CRAWFORD	\$3,478.00	\$823.50	\$9,252.00	\$409,910.00	\$6,430.00	\$161,593.00	\$9,489.00	\$34,412.00	\$635,387.50
CRITTENDEN	\$43,009.50	\$19,916.00	\$36,843.00	\$684,442.00	\$8,326.00	\$190,897.00	\$9,772.00	\$54,767.00	\$1,047,972.50
CROSS	\$7,873.50	\$2,447.50	\$9,937.00	\$324,101.00	\$1,406.00	\$42,932.00	\$2,473.00	\$9,392.00	\$400,562.00
DALLAS	\$2,074.00	\$1,124.00	\$4,950.00	\$180,682.00	\$1,096.00	\$21,581.00	\$1,971.00	\$6,130.00	\$219,608.00
DESHA	\$3,313.00	\$1,810.00	\$3,154.00	\$218,439.00	\$1,014.00	\$38,533.00	\$3,378.00	\$9,901.00	\$279,542.00
DREW	\$4,485.00	\$2,845.50	\$15,206.00	\$373,593.00	\$3,546.00	\$51,150.00	\$4,379.00	\$14,320.00	\$469,524.50
FAULKNER	\$14,230.50	\$5,822.00	\$47,332.00	\$1,312,307.00	\$17,486.00	\$354,900.00	\$28,195.00	\$76,687.00	\$1,856,959.50
FRANKLIN	\$874.50	\$137.00	\$13,923.00	\$194,822.00	\$1,788.00	\$56,838.00	\$4,084.00	\$14,330.00	\$286,796.50
FULTON	\$446.00	\$665.50	\$3,698.00	\$66,160.00	\$858.00	\$14,729.00	\$1,279.00	\$3,818.00	\$91,653.50
GARLAND	\$15,009.00	\$5,261.50	\$33,971.00	\$1,220,588.00	\$24,220.00	\$456,790.00	\$44,142.00	\$94,541.00	\$1,894,522.50
GRANT	\$1,091.00	\$867.50	\$9,599.00	\$169,928.00	\$3,422.00	\$51,652.00	\$4,323.00	\$11,060.00	\$251,942.50
GREENE	\$708.50	\$365.00	\$22,725.00	\$596,812.00	\$4,234.00	\$106,994.00	\$7,362.00	\$28,015.00	\$767,215.50
HEMPSTEAD	\$71,806.00	\$23,695.00	\$10,687.00	\$366,684.00	\$3,144.00	\$59,020.00	\$3,232.00	\$12,030.00	\$550,298.00
HOT SPRING	\$1,189.00	\$411.50	\$18,253.00	\$377,097.00	\$4,444.00	\$79,356.00	\$7,392.00	\$18,460.00	\$506,602.50
HOWARD	\$49,202.00	\$12,699.00	\$8,343.00	\$230,875.00	\$1,948.00	\$35,818.00	\$2,780.00	\$7,822.00	\$349,487.00
INDEPENDENCE	\$3,958.50	\$1,690.00	\$56,458.00	\$590,684.00	\$5,578.00	\$98,043.00	\$7,238.00	\$24,131.00	\$787,780.50
IZARD	\$452.00	\$454.00	\$6,122.00	\$98,089.00	\$844.00	\$25,307.00	\$2,312.00	\$6,623.00	\$140,203.00
JACKSON	\$18,361.00	\$10,398.50	\$16,193.00	\$292,735.00	\$1,546.00	\$43,910.00	\$4,217.00	\$10,429.00	\$397,789.50
JEFFERSON	\$69,010.50	\$40,861.50	\$39,470.00	\$1,361,074.00	\$24,816.00	\$284,677.00	\$31,669.00	\$78,388.00	\$1,929,966.00
JOHNSON	\$1,467.50	\$1,910.00	\$5,352.00	\$262,779.00	\$2,686.00	\$56,015.00	\$4,846.00	\$15,032.00	\$350,087.50
LAFAYETTE	\$18,287.00	\$4,300.50	\$2,010.00	\$97,300.00	\$946.00	\$13,628.00	\$720.00	\$3,868.00	\$141,059.50
LAWRENCE	\$436.00	\$51.50	\$11,708.00	\$307,172.00	\$2,216.00	\$40,463.00	\$2,759.00	\$10,314.00	\$375,119.50

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
RETAIL SALES BY COUNTY  
July 1 through July 31, 2022

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
LEE	\$4,779.00	\$9,121.50	\$1,910.00	\$78,836.00	\$968.00	\$15,806.00	\$923.00	\$4,087.00	\$116,430.50
LINCOLN	\$558.00	\$319.50	\$3,759.00	\$111,842.00	\$1,794.00	\$21,861.00	\$2,548.00	\$5,798.00	\$148,479.50
LITTLE RIVER	\$8,851.00	\$2,871.00	\$4,071.00	\$130,377.00	\$676.00	\$31,763.00	\$1,555.00	\$7,587.00	\$187,751.00
LOGAN	\$748.00	\$47.00	\$12,535.00	\$241,154.00	\$1,946.00	\$51,788.00	\$3,830.00	\$12,858.00	\$324,906.00
LONOKE	\$16,360.50	\$9,346.50	\$52,003.00	\$1,100,353.00	\$12,986.00	\$264,366.00	\$21,899.00	\$61,267.00	\$1,538,581.00
MADISON	\$31.50	\$263.50	\$984.00	\$107,755.00	\$1,650.00	\$35,815.00	\$1,814.00	\$8,602.00	\$156,895.00
MARION	\$7,695.00	\$1,410.50	\$11,821.00	\$215,325.00	\$3,456.00	\$39,336.00	\$4,884.00	\$10,949.00	\$294,876.50
MILLER	\$33,210.00	\$12,058.50	\$14,754.00	\$568,019.00	\$8,032.00	\$120,960.00	\$8,256.00	\$25,273.00	\$790,562.50
MISSISSIPPI	\$52,884.50	\$24,158.00	\$16,672.00	\$688,051.00	\$2,598.00	\$105,386.00	\$4,214.00	\$24,721.00	\$918,684.50
MONROE	\$32,556.50	\$12,826.00	\$25,610.00	\$206,086.00	\$1,638.00	\$39,546.00	\$2,855.00	\$10,506.00	\$331,623.50
MONTGOMERY	\$362.00	\$129.00	\$2,622.00	\$32,572.00	\$476.00	\$16,533.00	\$1,024.00	\$3,604.00	\$57,312.00
NEVADA	\$5,048.50	\$2,021.50	\$1,635.00	\$170,505.00	\$1,330.00	\$24,418.00	\$1,085.00	\$5,796.00	\$211,839.00
NEWTON	\$0.00	\$22.00	\$2,200.00	\$33,711.00	\$420.00	\$6,857.00	\$756.00	\$2,267.00	\$46,233.00
OJACHITA	\$17,867.00	\$8,203.00	\$16,041.00	\$554,352.00	\$3,984.00	\$71,391.00	\$5,922.00	\$17,845.00	\$695,605.00
PERRY	\$1,472.00	\$1,043.00	\$5,614.00	\$118,783.00	\$1,588.00	\$27,015.00	\$2,246.00	\$6,474.00	\$164,235.00
PHILLIPS	\$17,543.00	\$5,004.50	\$4,265.00	\$229,977.00	\$3,032.00	\$43,554.00	\$3,602.00	\$15,235.00	\$322,212.50
PIKE	\$201.50	\$99.50	\$7,635.00	\$129,341.00	\$1,664.00	\$31,425.00	\$3,111.00	\$6,193.00	\$179,670.00
POINSETT	\$3,901.50	\$1,131.00	\$19,956.00	\$487,778.00	\$1,992.00	\$63,725.00	\$3,504.00	\$14,921.00	\$596,908.50
POLK	\$973.00	\$65.50	\$8,536.00	\$186,023.00	\$2,404.00	\$48,278.00	\$4,721.00	\$12,513.00	\$263,513.50
POPE	\$3,373.50	\$1,669.00	\$22,660.00	\$801,654.00	\$8,644.00	\$209,103.00	\$15,710.00	\$46,454.00	\$1,109,267.50
PRAIRIE	\$3,167.00	\$1,411.00	\$5,320.00	\$189,911.00	\$756.00	\$26,875.00	\$1,874.00	\$5,840.00	\$235,154.00
PULASKI	\$183,243.00	\$141,921.50	\$242,167.00	\$6,690,129.00	\$226,790.00	\$2,252,892.00	\$224,959.00	\$596,269.00	\$10,558,370.50
RANDOLPH	\$144.50	\$86.50	\$17,593.00	\$162,962.00	\$2,604.00	\$37,364.00	\$2,673.00	\$10,858.00	\$234,285.00
SAINT FRANCIS	\$31,493.00	\$12,531.50	\$5,890.00	\$349,860.00	\$2,838.00	\$59,161.00	\$3,644.00	\$18,929.00	\$484,346.50
SALINE	\$20,702.50	\$6,857.50	\$59,864.00	\$1,240,664.00	\$21,078.00	\$399,559.00	\$32,758.00	\$81,454.00	\$1,862,937.00
SCOTT	\$450.50	\$126.00	\$2,899.00	\$87,959.00	\$1,018.00	\$28,203.00	\$1,515.00	\$7,049.00	\$129,219.50
SEARCY	\$116.50	\$336.50	\$5,778.00	\$102,906.00	\$794.00	\$19,690.00	\$1,525.00	\$5,425.00	\$136,571.00
SEBASTIAN	\$12,361.00	\$3,507.00	\$19,400.00	\$878,421.00	\$18,148.00	\$415,849.00	\$28,345.00	\$88,110.00	\$1,464,141.00
SEVIER	\$5,172.00	\$468.50	\$2,320.00	\$179,002.00	\$7,518.00	\$38,315.00	\$2,359.00	\$8,123.00	\$243,277.50
SHARP	\$1,134.50	\$212.00	\$16,702.00	\$328,665.00	\$2,638.00	\$64,022.00	\$6,400.00	\$18,068.00	\$437,841.50
STONE	\$745.00	\$231.50	\$3,753.00	\$107,957.00	\$930.00	\$24,303.00	\$3,015.00	\$6,291.00	\$147,225.50
UNION	\$87,190.00	\$37,420.00	\$41,564.00	\$887,885.00	\$6,506.00	\$132,138.00	\$9,360.00	\$34,099.00	\$1,236,162.00
VAN BUREN	\$1,013.00	\$828.00	\$10,743.00	\$208,404.00	\$2,224.00	\$54,089.00	\$5,659.00	\$13,091.00	\$296,051.00
WASHINGTON	\$21,888.00	\$8,891.50	\$36,837.00	\$1,740,043.00	\$26,758.00	\$689,891.00	\$35,802.00	\$146,032.00	\$2,706,142.50
WHITE	\$8,592.00	\$2,695.00	\$48,756.00	\$964,443.00	\$8,644.00	\$209,464.00	\$15,340.00	\$45,091.00	\$1,303,025.00
WOODRUFF	\$2,077.50	\$1,192.50	\$2,877.00	\$125,604.00	\$756.00	\$19,084.00	\$1,039.00	\$5,732.00	\$158,362.00
YELL	\$369.00	\$651.00	\$5,434.00	\$212,921.00	\$1,976.00	\$46,344.00	\$4,005.00	\$10,481.00	\$282,181.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
 OFFICE OF THE ARKANSAS LOTTERY  
 RETAIL SALES BY COUNTY  
 July 1 through July 31, 2022

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
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<b>GRAND TOTALS</b>	<b>*Cash 3</b>	<b>*Cash 4</b>	<b>*Fast Play</b>	<b>*Instant Settlements</b>	<b>*Lucky for Life</b>	<b>*Mega Millions</b>	<b>*Natural State Jackpot</b>	<b>*Powerball</b>	<b>*Total Sales</b>
	\$1,029,729.50	\$512,908.50	\$1,407,378.00	\$37,402,650.00	\$599,498.00	\$9,994,139.00	\$778,837.00	\$2,369,111.00	\$54,094,251.00

# ARKANSAS SCHOLARSHIP LOTTERY RETAILER, TERMINAL COUNTS, AND VENDOR SERVICE HIGHLIGHTS

July 31, 2022



Retailer Count by Status	
Active	1989

Terminal Count by Type	
Photon	2,092
TVM	126
DreamTouch Smart	85
<b>Total</b>	<b>2,303</b>

## Monthly Highlights

- 5,711,451 Total transactions processed through the Arkansas Scholarship Lottery System in July.
- 998 Service tickets resolved by Field Service and the Call Center for the month of July.
- 611 Preventative Maintenance Actions completed by Field Service Technicians for the month of July.



**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Net Position**  
**July 31, 2022**

**ASSETS**

<b>Current assets:</b>	
Cash and cash equivalents	\$ 4,495,803.88
Restricted assets:	
Cash and cash equivalents	190,894,435.36
Accounts receivable	20,337,173.09
Prepaid items	1,384,936.93
Total current assets	<u>217,112,349.26</u>
<b>Non-current assets:</b>	
Restricted assets:	
Cash and cash equivalents	20,507,789.30
Deposits with Multi-State Lottery Association	2,034,648.09
Capital assets (Net of accumulated depreciation)	928,032.67
Total non-current assets	<u>23,470,470.06</u>
Total assets	<u>240,582,819.32</u>
<b>Deferred outflows of resources:</b>	
Related to pension	1,285,278.28
Related to OPEB	759,944.04
Total deferred outflows of resources	<u>2,045,222.32</u>
Total assets and deferred outflows of resources	<u>\$ 242,628,041.64</u>

**LIABILITIES**

<b>Current liabilities:</b>	
Accounts payable	\$ 75,652.42
Prizes payable	26,567,277.76
Accrued and other liabilities	7,270,088.26
Due to other funds of the State	651,118.81
Due to Lottery Scholarship Trust Account	189,607,853.36
Compensated absences	405,539.21
OPEB Obligation	123,791.78
Unearned revenue	382,770.55
Total current liabilities	<u>225,084,092.15</u>
<b>Long-Term liabilities:</b>	
Net other post employment benefits	4,778,957.34
Net pension liability	5,317,319.00
Total long-term liabilities	<u>10,096,276.34</u>
Total liabilities	<u>235,180,368.49</u>
<b>Deferred inflows of resources:</b>	
Related to pension	258,159.00
Related to OPEB	407,256.30
Total deferred inflows of resources	<u>665,415.30</u>
Total liabilities and deferred inflows of resources	<u>235,845,783.79</u>

**NET POSITION**

<b>Net position:</b>	
Invested in capital assets	928,032.67
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	509,939.30
Deposits with Multi-State Lottery Association	2,034,648.09
Unclaimed prizes reserve	1,286,582.00
Unrestricted (deficit)	<u>(17,976,944.21)</u>
Total net position	<u>6,782,257.85</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 242,628,041.64</u>

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Statement of Revenues, Expenses and Change in Net Position**  
**For the Month Ended July 31, 2022**

	Current month	Year to date
<b>Operating revenues:</b>		
Instant ticket sales	\$ 35,496,829.00	\$ 35,496,829.00
Online ticket sales	16,616,938.50	16,616,938.50
Retailer application, fidelity, bond and service fees	62,623.66	62,623.66
Other revenue	<u>1.02</u>	<u>1.02</u>
 Total operating revenues	 <u>52,176,392.18</u>	 <u>52,176,392.18</u>
 <b>Operating expenses:</b>		
Instant game prizes	26,349,482.34	26,349,482.34
Online game prizes	8,614,688.05	8,614,688.05
Retailer commissions	2,907,276.02	2,907,276.02
Gaming contract costs	2,380,645.07	2,380,645.07
Compensation and benefits	453,752.00	453,752.00
Marketing, advertising and promotions	419,245.60	419,245.60
General and administrative expenses	297,827.44	297,827.44
Services provided by Arkansas Department of Higher Education	44,300.00	44,300.00
Services provided by Arkansas Legislative Audit	13,200.00	13,200.00
Depreciation	<u>35,905.24</u>	<u>35,905.24</u>
 Total operating expenses	 <u>41,516,321.76</u>	 <u>41,516,321.76</u>
 Operating income (1)	 10,660,070.42	 10,660,070.42
 <b>Non-operating revenue:</b>		
Interest income	<u>175,590.61</u>	<u>175,590.61</u>
 Income before transfers	 10,835,661.03	 10,835,661.03
 <b>Transfers to:</b>		
Lottery Scholarship Trust Account	<u>(12,465,979.31)</u>	<u>(12,465,979.31)</u>
 Change in net position	 <u>\$ (1,630,318.28)</u>	 <u>(1,630,318.28)</u>
 Total net position - beginning		<u>8,412,576.13</u>
Total net position - ending		<u>\$ 6,782,257.85</u>

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

Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Statement of Revenues and Expenses Budget Comparisons  
For the Month Ended July 31, 2022

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
<b>Operating revenues:</b>										
Instant games	\$ 35,496,829.00	68.03	\$ 35,000,000.00	82.67	\$ 496,829.00	\$ 35,496,829.00	68.03	\$ 35,000,000.00	82.67	\$ 496,829.00
Online games	16,616,938.50	31.85	7,287,000.00	17.21	9,329,938.50	16,616,938.50	31.85	7,287,000.00	17.21	9,329,938.50
Retailer fees	62,623.66	0.12	51,000.00	0.12	11,623.66	62,623.66	0.12	51,000.00	0.12	11,623.66
Other revenue	1.02	0.00	100.00	0.00	(98.98)	1.02	0.00	100.00	0.00	(98.98)
Total operating revenues	52,176,392.18	100.00	42,338,100.00	100.00	9,838,292.18	52,176,392.18	100.00	42,338,100.00	100.00	9,838,292.18
<b>Operating expenses:</b>										
Instant game prizes	26,349,482.34	50.50	25,340,583.00	59.85	1,008,899.34	26,349,482.34	50.50	25,340,583.00	59.85	1,008,899.34
Online game prizes	8,614,688.05	16.51	4,002,417.00	9.45	4,612,271.05	8,614,688.05	16.51	4,002,417.00	9.45	4,612,271.05
Retailer commissions	2,907,276.02	5.57	2,390,000.00	5.65	517,276.02	2,907,276.02	5.57	2,390,000.00	5.65	517,276.02
Gaming contract costs	2,380,645.07	4.56	2,114,000.00	4.99	266,645.07	2,380,645.07	4.56	2,114,000.00	4.99	266,645.07
Compensation & benefits	453,752.00	0.87	485,000.00	1.15	(31,248.00)	453,752.00	0.87	485,000.00	1.15	(31,248.00)
Marketing, advertising & promotions	419,245.60	0.80	714,000.00	1.69	(294,754.40)	419,245.60	0.80	714,000.00	1.69	(294,754.40)
General and administrative expenses	297,827.44	0.57	269,000.00	0.64	28,827.44	297,827.44	0.57	269,000.00	0.64	28,827.44
Services provided by other agencies	57,500.00	0.11	92,000.00	0.22	(34,500.00)	57,500.00	0.11	92,000.00	0.22	(34,500.00)
Depreciation	35,905.24	0.07	35,000.00	0.08	905.24	35,905.24	0.07	35,000.00	0.08	905.24
Total operating expenses	41,516,321.76	79.57	35,442,000.00	83.71	6,074,321.76	41,516,321.76	79.57	35,442,000.00	83.71	6,074,321.76
Operating income	10,660,070.42	20.43	6,896,100.00	16.29	3,763,970.42	10,660,070.42	20.43	6,896,100.00	16.29	3,763,970.42
<b>Non-operating revenue:</b>										
Interest income	175,590.61	0.34	123,000.00	0.29	52,590.61	175,590.61	0.34	123,000.00	0.29	52,590.61
Income before transfers	\$ 10,835,661.03	20.77	\$ 7,019,100.00	16.58	\$ 3,816,561.03	\$ 10,835,661.03	20.77	\$ 7,019,100.00	16.58	\$ 3,816,561.03

Arkansas Department of Finance and Administration  
Office of the Arkansas Lottery  
Net Proceeds Computation to Transfer to Lottery Scholarship Trust  
Modified Cash Basis  
For the Month Ended July 31, 2022

	Year to date
<b>Operating revenues:</b>	
Instant ticket (Settlements)	\$ 37,402,872.00
Online ticket sales	16,616,938.50
Retailer application, fidelity and service fees	62,623.66
Other revenue	<u>1.02</u>
<b>Total operating revenues</b>	<u>54,082,435.18</u>
<b>Operating expenses:</b>	
Instant game prizes (Settlements)	26,386,591.00
Online game prizes	8,614,688.05
Retailer commissions	2,907,276.02
Gaming contract costs	2,380,645.07
Compensation and benefits	453,752.00
Marketing, advertising and promotions	419,245.60
General and administrative expenses	297,827.44
Services provided by ADHE	44,300.00
Services provided by Legislative Audit Agency	13,200.00
Current year capital asset cost	<u>0.00</u>
<b>Total operating expenses</b>	<u>41,517,525.18</u>
<b>Change in net proceeds from operations</b>	<b>12,564,910.00</b>
<b>Non-operating revenue:</b>	
Interest income	175,590.61
Other non-operating income	0.00
EDUCATION TRUST FUNDING-Current Year	0.00
Less Act 1180 Unclaimed Prizes	(286,582.00)
Less current year Bond Reserve Fees	(9,939.30) restricted reserves
Add Bond Funds in excess of \$500,000	0.00 see 23-115-603(a)(5)
Add back Write Off Retailer Bad Debt	0.00
Less current year MUSL Reserves	0.00 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>22,000.00</u>
<b>NET PROCEEDS EARNED-Current Month</b>	<b>\$ 12,465,979.31</b>
<b>-Year to Date</b>	<b>\$ 12,465,979.31</b>

	Transfer	Interest	Total
<b>Lottery Scholarship Trust Account</b>	<b>\$ 185,660,281.83</b>	<b>\$ 3,947,571.53</b>	<b>\$ 189,607,853.36</b>
September 2021 funding - 10/15/21	\$ 9,142,317.81	\$ 17,898.41	\$ 9,160,216.22
June 2021 adjustment to funding	\$ (192,215.82)		\$ (192,215.82)
Transfers to ADHE for FY 2022 Concurrent & Workforce Funding 10/8/21	\$ (3,000,000.00)		\$ (3,000,000.00)
October 2021 funding - 11/15/21	\$ 7,744,993.46	\$ 17,156.95	\$ 7,762,150.41
November 2021 funding - 12/15/21	\$ 7,209,024.86	\$ 19,752.98	\$ 7,228,777.84
December 2021 funding - 1/15/22	\$ 7,385,162.18	\$ 20,185.94	\$ 7,405,348.12
January 2022 funding - 2/15/22	\$ 7,741,727.84	\$ 21,088.96	\$ 7,762,816.80
February 2022 funding - 3/15/22	\$ 7,444,508.46	\$ 20,051.05	\$ 7,464,559.51
Transfer to ADHE for FY 2022 Spring Funding 3/4/22	\$ (33,000,000.00)		\$ (33,000,000.00)
March 2022 funding - 4/15/22	\$ 7,384,136.30	\$ 34,227.62	\$ 7,418,363.92
April 2022 funding - 5/15/22	\$ 8,012,114.84	\$ 47,454.08	\$ 8,059,568.92
May 2022 funding - 6/15/22	\$ 7,872,154.05	\$ 114,192.35	\$ 7,986,346.40
Transfer to ADHE for FY 2022 Concurrent Scholarship Funding 6/9/22	\$ (500,000.00)		\$ (500,000.00)
Transfer to ADHE for FY 2022 Workforce Scholarship Funding 6/9/22	\$ (250,000.00)		\$ (250,000.00)
June 2022 funding - 7/15/22	\$ 14,261,993.91	\$ 126,730.86	\$ 14,388,724.77
July 2022 funding - 8/15/22	\$ 12,323,427.00	\$ 142,552.31	\$ 12,465,979.31



Vendors	Expedited Transportation	Pure Cleaning Services	Ingage	Actual Monthly Spending Total
Business Type	DBE	MBE - SERVICE DISABLED VETERAN	Woman owned / Unified DBE certified	
Cert Expires	active on website - requested copy of certification letter	active on website as Vet - no expiration listed	10/20/2022	
Jul-22	\$12,548.98	\$1,226.26	\$83,184.32	\$96,959.56
Aug-22				\$0.00
Sep-22				\$0.00
<b>1st Quarter</b>	<b>\$12,548.98</b>	<b>\$1,226.26</b>	<b>\$83,184.32</b>	<b>\$96,959.56</b>
Oct-22				\$0.00
Nov-22				\$0.00
Dec-22				\$0.00
<b>2nd Quarter</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Jan-23				\$0.00
Feb-23				\$0.00
Mar-23				\$0.00
<b>3rd Quarter</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Apr-23				\$0.00
May-23				\$0.00
Jun-23				\$0.00
<b>4th Quarter</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0.00</b>
<b>Total to Date</b>	<b>\$ 12,548.98</b>	<b>\$ 1,226.26</b>	<b>\$ 83,184.32</b>	<b>\$96,959.56</b>



Contract Term: 08/2009 - 08/2026

**Arkansas Department of Finance and Administration**  
**Office of the Arkansas Lottery**  
**Unclaimed Prizes**  
**July 31, 2022**

	Monthly	Year to Date
Reserve Balance July 1, 2022		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 286,582.00	286,582.00
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotion or reserves:	286,582.00	286,582.00
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance July 31, 2022		\$1,286,582.00

**Minority Report - July 2022**

**Arkansas Scholarship Lottery**

VENDORS		July	FY to Date Total
A-ABSOLUTE MOVING & HAULING	CMBE		
ADVANTAGE COMMUNICATIONS	MBE		
AFRICAN AMERICAN PERSPECTIVES	MBE		
AJP FARM, LLC	MBE		
BEST BANNER AND SIGNS			
BSW ADVERTISING	FOB		
BUDS GRAPHICS SALES & SERVICE	MBE		
BYRD ENTERPRISE,INC	NAI		
CCI OF ARKANSAS	CMBE		
CHOICE PROMOTION	MBE		
CREATIVE GRAPICS, INC	MBE		
CRENSHAW SIGNS	MBE		
DE'LISA BALENTINE	WBE		
DR. B'S WINDSHIELD REPAIR COMPANY	MBE		
GATHRIGHT VAN AND STORAGE			
GODDESS PRODUCTS	CMBE		
GOVERNMENT SUPPLY SERVICES	CMBE	\$0.00	
HOG WASH DETAIL DENT & TINT	MBE		
HOLA! ARKANSAS	MBE		
INCLUSION MAGAZINE	MBE		
LA DESIGNS	WBE		
LAHARPE'S OFFICE FURNITURE	WBE		
LAF PRODUCTION, INC	MBE		
MICKEY'S SPECIAL AFFAIRS	MBE		
MR. B'S 2 MOBILE HAND WASH & WAX	MBE		
NORTHEAST ARKANSAS CLEANING SERVICE	WBE		
PARTY PRINTS	CMBE		
PREMIER STAFFING	WBE		
RIDE N SHINE DETAIL	MOB		
RU-MEL & ASSOCIATES, INC	MBE		
S & P SERVICES	MBE		
STAND NEWS	MBE		
THE AMERICAN BANNER PUBLISHING, LLC	MBE		
TRIVIA MARKETING	WBE		
<b>Total</b>		<b>\$0.00</b>	<b>\$0.00</b>
MBE = Minority Business Enterprise CMBE = Certified Minority Business Enterprise			

# ARKANSAS SCHOLARSHIP LOTTERY MINORITY FIRMS REPORT

July 31, 2022



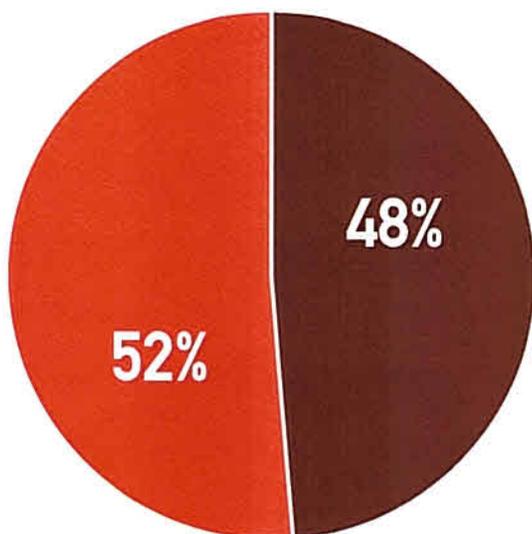
Vendors	J Kelly*	
Business Type	Small, disadvantaged, minority, woman, owned business AEDC ID: 71110	Actual Monthly Spending Total
Cert Expires	10/2023	
4 <sup>th</sup> Quarter	-	-
Jul-21	\$21,390.00	\$21,390.00
Aug-21	\$27,762.25	\$27,762.25
Sep-21	\$49,005.31	\$49,005.31
1 <sup>st</sup> Quarter Total	\$98,157.56	\$98,157.56
Oct-21	\$49,551.68	\$49,551.68
Nov-21	\$51,267.91	\$51,267.91
Dec-21	\$74,327.52	\$74,327.52
2 <sup>nd</sup> Quarter Total to Date	\$175,147.11	\$175,147.11
Jan-22	\$50,929.00	\$50,929.00
Feb-22	\$52,870.08	\$52,870.08
Mar-22	\$50,731.68	\$50,731.68
3 <sup>rd</sup> Quarter Total to Date	\$154,530.76	\$154,530.76
Apr-22	\$50,731.68	\$50,731.68
May-22	\$50,731.68	\$50,731.68
Jun-22	\$76,097.52	\$76,097.52
4 <sup>th</sup> Quarter Total to Date	\$177,560.88	\$177,560.88
Overall Total to Date	\$605,396.31	\$605,396.31

\* J. Kelly has 8 fulltime employees working in the Intralot offices, providing Call Center, Retailer Monitoring, and Administrative Support Services.



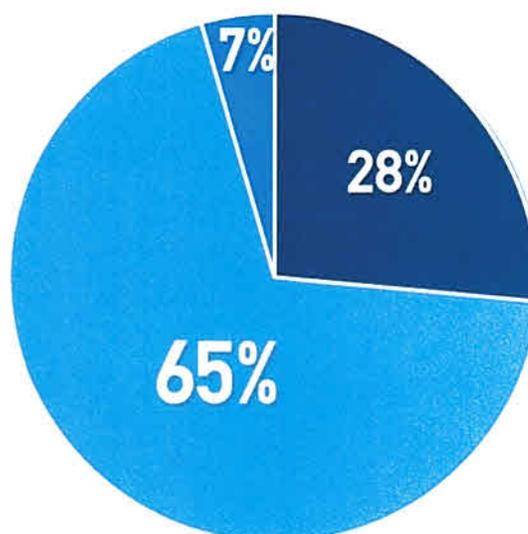
ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
 OFFICE OF THE ARKANSAS LOTTERY  
 JULY 2022

## GENDER



- FEMALE
- MALE

## RACE



- BLACK
- CAUCASIAN
- OTHER MINORITIES

▼ TOTAL NUMBER OF EMPLOYEES AS OF JULY 2022: 67 ▼

### GENDER

Females - 32

Males - 35

### RACE

Black - 19 ----- Female - 10 Male - 9

Caucasian - 43 ----- Female - 21 Male - 22

Other - 5 ----- Female - 1 Male - 4



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

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<u>Audit:</u>	2022-29 Beneficiary Trust Fund	<u>Report Date:</u> July 29, 2022
<u>Report Distribution:</u>	Larry Walther, Secretary Department of Finance and Administration	<u>For Fiscal Year:</u> June 30, 2022
	<u>Office of the Arkansas Lottery</u> Eric Hagler, OAL Executive Director Jerry Fetzer, Chief Financial Officer Brandi Ratcliff, Treasurer Brent Standridge, Chief Legal Counsel	

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### **Introduction**

A scheduled periodic audit for Beneficiary Trust Fund for fiscal year ended June 30, 2022, and has been completed by Internal Audit. The periodic review was conducted in accordance with the Office of the Arkansas Lottery (OAL) Internal Audit Charter, which governs the types and objectives of engagements performed by the OAL Internal Audit function.

### **Background**

Arkansas Code Annotated (ACA) § 23-115-801 establishes procedures surrounding and distribution of lottery proceeds, including net proceeds held by the OAL in trust for the Arkansas Department of Higher Education (ADHE). Such funds prior to the September 1, 2021, were held in the Education Trust Fund Account or Workforce Challenge account. ACA § 06-85-202 established the Arkansas Academic Challenge Scholarship Program. ACA § 23-115-115-801(b)(1)(B)(i) provided that the Office of the Arkansas Lottery establish the Lottery Scholarship Trust Account and all funds held in the Education Trust Fund and Workforce Challenge accounts were transferred on September 1, 2021, into the Lottery Scholarship Trust Account. ACA § 23-115-802 establishes the Scholarship Shortfall Reserve Trust Account, designed for use when Education Trust Fund Account, now the Lottery Scholarship Trust Account, balances are not adequate to meet funding requests by ADHE for the Arkansas Academic Challenge Scholarship Program. Education Trust Fund, Scholarship Shortfall Reserve Trust, Workforce Challenge, and the Lottery Scholarship Trust Account balances were and are deposited at Bank OZK, under contractual basis. Balances held by the OAL are subject to investment policy guidelines established by the State Board of Finance per ACA § 23-115-801 (b) (2).

### **Purpose, Objectives, and Scope**

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

#### **Purpose**

The purpose of this audit was to ensure that the appropriate controls and procedures are in place to provide reasonable assurance that lottery proceeds are appropriately deposited to and withdrawn from

**Purpose, Objectives, and Scope (Continued)**

**Purpose (Continued)**

the Lottery Scholarship Trust Account, Education Trust Fund, Scholarship Shortfall Trust and Workforce Challenge accounts in accordance with the Arkansas Scholarship Lottery Act (The Act).

**Objectives**

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

**Scope**

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

**Observations**

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

*William C Miller, CPA*

William C Miller, Internal Auditor

**DFA/Office of the Arkansas Lottery**  
**Instant & Fast Play Games**  
**July 2022**

There were no new Instant games that started sales in July 2022.

There were no new Fast play games that started sales in July 2022.



## Division of Higher Education

423 Main Street, Suite 400 • Little Rock, Arkansas • 72201-3818 • (501) 371-2000 • Fax (501) 371-2001

Johnny Key  
Secretary

Maria Markham, Ph.D.  
Director

July 28, 2022

Mr. Eric Hagler, Director  
Arkansas Scholarship Lottery  
P.O. Box 3238  
Little Rock, AR 72203-3238

Dear Mr. Hagler:

Pursuant A.C.A 23-115-801(d)(2)(B), I am requesting reimbursement in the amount of \$1,723,995.31 for the Arkansas Division of Higher Education FY 2022 reimbursable administrative direct costs associated with the scholarships awarded funded with the net proceeds of the Arkansas Scholarship Lottery. Please find attached a breakdown of these costs.

Upon receipt of the reimbursement, the funds will be deposited to the Higher Education Grants Fund. If you require additional information or have questions, please contact Nick Fuller at 501.371.2026.

Thanks you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads 'Maria Markham'.

Maria Markham, Ph.D.  
Director

**Arkansas Department of Higher Education  
Academic Challenge Scholarship Administrative Expense  
Fiscal 2022 Expenses**

Regular Salaries	\$	352,314.18
Personal Services Matching	\$	80,556.35
Operating Expense	\$	131,399.78
Professional Fees	\$	1,159,725.00
Capital Outlay	\$	-
<b>Total</b>		<b>\$1,723,995.31</b>

## ADHE FY22 Expense Detail

Ledger Code	Description	Expense
	<b>501:00:00 Regular Salaries</b>	<b>\$ 352,314.18</b>
5010001000	00 Regular Salaries	\$ 352,314.18
	<b>501:00:03 Personal Services Matching</b>	<b>\$ 80,556.35</b>
5010005000	03 FICA & Medic Exp	\$ 24,610.58
5010007000	03 Retirement Exp	\$ 53,458.21
5010008000	03 Unemploy Comp Exp	\$ 32.51
5010010000	03 WORKERS COMPENSATION PREMIUM TAX	\$ 94.61
5010006500	Agency Cost of ARCAP	\$ 2,360.44
	<b>502:00:02 Operating Expenses</b>	<b>\$ 131,399.78</b>
5020004200	Internet Serv-Tech	\$ 467.00
5030017000	Software Maintenance	\$ 128,689.00
5050017000	02 Conf Seminar Fees	\$ 999.00
5050001000	02 Mileage	\$ 397.36
5050003100	02 - Meals	\$ 88.50
5050003200	02 - Lodging	\$ 123.99
5090006000	Office Supplies	\$ 295.59
5080006000	Assoc Member Dues	\$ 100.00
5020002000	Telecomm Wired	\$ 239.34
	<b>506:00:10 Professional Fees</b>	<b>\$ 1,159,725.00</b>
5060001000	Professional Adm Fee	\$ 1,159,725.00
	<b>512:00:11 Capital Outlay</b>	<b>\$ -</b>