



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>

January 10, 2025

The Honorable Sarah Huckabee Sanders
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Report

Dear Governor Sanders:

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 December 2024. The report contains the following:

1. Net Position
2. Revenues and Expenses
3. Lottery Scholarship Trust Account
4. Unclaimed Prizes Report
5. Retailer Losses
6. Debt Set-Off/Taxes Withheld
7. Lottery Sales by County
8. Total Number of Retailers
9. Arkansas Department of Higher Education (ADHE)
10. Instant Ticket Games – Releases
11. Contracts
12. Internal Auditor Reports
13. Minority Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Sharon Strong". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Sharon Strong
Executive Director

cc: Jim Hudson, Secretary of the Department of Finance and Administration



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January 10, 2025

The Honorable Ronald Caldwell, Co-Chair
The Honorable Mindy McAlindon, Co-Chair
Lottery Oversight Subcommittee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Report

Dear Senator Caldwell and Representative McAlindon:

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 December 2024. The report contains the following:

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Sharon Strong
Executive Director

cc: Jim Hudson, Secretary of the Department of Finance and Administration



Arkansas
Scholarship Lottery



NET POSITION

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
December 31, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 10,447,861.88
Restricted assets:	
Cash and cash equivalents	329,110,203.37
Accounts receivable	20,820,946.04
Prepaid items	95,091.19
Total current assets	<u>360,474,102.48</u>

Non-current assets:

Restricted assets:	
Cash and cash equivalents	20,575,534.67
Deposits with Multi-State Lottery Association	1,909,878.17
Net Capital assets	568,611.35
Total non-current assets	<u>23,054,024.19</u>

Total assets	<u>383,528,126.67</u>
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Deferred outflows of resources:

Related to pension	1,876,812.00
Related to OPEB	431,695.74
Total deferred outflows of resources	<u>2,308,507.74</u>

Total assets and deferred outflows of resources	<u>\$ 385,836,634.41</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 5,792.49
Prizes payable	30,995,814.26
Accrued and other liabilities	5,410,496.58
Due to other funds of the State	1,039,271.28
Due to Lottery Scholarship Trust Account	322,187,278.49
Lease Obligation	276,514.60
Compensated absences	437,965.43
Other post employment benefits liability	101,349.28
Unearned revenue	366,045.06
Total current liabilities	<u>360,820,527.47</u>

Long-Term liabilities:

Other post employment benefits liability	2,231,119.69
Total pension liability	5,324,162.00
Lease Obligation	198,919.93
Total long-term liabilities	<u>7,754,201.62</u>

Total liabilities	<u>368,574,729.09</u>
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Deferred inflows of resources:

Related to pension	139,020.00
Related to OPEB	1,116,627.94
Total deferred inflows of resources	<u>1,255,647.94</u>

Total liabilities and deferred inflows of resources	<u>369,830,377.03</u>
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NET POSITION

Net position:

Net investment in capital assets	93,176.82
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	573,242.71
Deposits with Multi-State Lottery Association	1,909,878.17
Unclaimed prizes reserve	6,922,924.88
Unrestricted (deficit)	<u>(13,492,965.20)</u>

Total net position	<u>16,006,257.38</u>
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Total liabilities, deferred inflows of resources and net position	<u>\$ 385,836,634.41</u>
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Arkansas
Scholarship Lottery



REVENUES & EXPENSES

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Six Months Ended December 31, 2024

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 43,316,505.00	\$ 238,658,361.00
Online ticket sales	12,850,695.00	60,773,118.50
Retailer application, fidelity, bond and service fees	58,705.47	347,021.57
Other revenue	<u>1,340.80</u>	<u>6,148.33</u>
 Total operating revenues	 <u>56,227,246.27</u>	 <u>299,784,649.40</u>
 Operating expenses:		
Instant game prizes	32,323,057.64	173,218,472.91
Online game prizes	6,816,387.24	32,929,413.44
Retailer commissions	3,187,935.60	16,961,504.49
Gaming contract costs	2,619,289.78	14,772,490.36
Compensation and benefits	496,369.09	2,871,212.40
Marketing, advertising and promotions	569,949.57	3,057,407.86
General and administrative expenses	80,227.86	467,815.83
Services provided by Arkansas Department of Education - Division of Higher Education	62,500.00	375,000.00
Services provided by Arkansas Legislative Audit	13,800.00	82,800.00
Amortization - GASB 87 Leases	22,652.65	135,915.87
Depreciation	<u>3,112.53</u>	<u>74,916.58</u>
 Total operating expenses	 <u>46,195,281.96</u>	 <u>244,946,949.74</u>
 Operating income (1)	 10,031,964.31	 54,837,699.66
 Non-operating revenue:		
Interest income	1,053,974.82	6,963,195.02
Other income/expense	<u>(640.10)</u>	<u>9,971.72</u>
 Income before transfers	 11,085,299.03	 61,810,866.40
 Transfers to:		
Lottery Scholarship Trust Account (2)	<u>(10,059,490.69)</u>	<u>(49,618,966.08)</u>
 Change in net position	 <u>\$ 1,025,808.34</u>	 12,191,900.32
 Total net position - beginning		 3,814,357.06
Total net position - ending		<u><u>\$ 16,006,257.38</u></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.

UNAUDITED PRELIMINARY DRAFT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Six Months Ended December 31, 2024

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 43,316,505.00	77.04	\$ 40,000,000.00	82.83	\$ 3,316,505.00	\$ 238,658,361.00	79.61	\$ 230,100,000.00	82.22	\$ 8,558,361.00
Online games	12,850,695.00	22.85	8,235,000.00	17.05	4,615,695.00	60,773,118.50	20.27	49,410,000.00	17.65	11,363,118.50
Retailer fees	58,705.47	0.10	58,000.00	0.12	705.47	347,021.57	0.12	359,000.00	0.13	(11,978.43)
Other revenue	1,340.80	0.00	200.00	0.00	1,140.80	6,148.33	0.00	900.00	0.00	5,248.33
				0.00%						
Total operating revenues	<u>56,227,246.27</u>	100.00	<u>48,293,200.00</u>	100.00	<u>7,934,046.27</u>	<u>299,784,649.40</u>	100.00	<u>279,869,900.00</u>	100.00	<u>19,914,749.40</u>
Operating expenses:										
Instant game prizes	32,323,057.64	57.49	29,074,500.00	60.20	3,248,557.64	173,218,472.91	57.78	167,113,000.00	59.71	6,105,472.91
Online game prizes	6,816,387.24	12.12	4,485,500.00	9.29	2,330,887.24	32,929,413.44	10.98	26,913,000.00	9.62	6,016,413.44
Retailer commissions	3,187,935.60	5.67	2,725,000.00	5.64	462,935.60	16,961,504.49	5.66	15,795,000.00	5.64	1,166,504.49
Gaming contract costs	2,619,289.78	4.66	2,436,000.00	5.04	183,289.78	14,772,490.36	4.93	14,116,000.00	5.04	656,490.36
Compensation & benefits	496,369.09	0.88	535,000.00	1.11	(38,630.91)	2,871,212.40	0.96	3,212,000.00	1.15	(340,787.60)
Marketing, advertising & promotions	569,949.57	1.01	496,000.00	1.03	73,949.57	3,057,407.86	1.02	3,483,000.00	1.24	(425,592.14)
General and administrative expenses	80,227.86	0.14	116,000.00	0.24	(35,772.14)	467,815.83	0.16	729,000.00	0.26	(261,184.17)
Services provided by other agencies	76,300.00	0.14	84,000.00	0.17	(7,700.00)	457,800.00	0.15	507,000.00	0.18	(49,200.00)
Amortization - GASB 87 Leases	22,652.65	0.04	22,650.00	0.05	2.65	135,915.87	0.05	135,900.00	0.05	15.87
Depreciation	3,112.53	0.01	15,850.00	0.03	(12,737.47)	74,916.58	0.02	95,100.00	0.03	(20,183.42)
Total operating expenses	<u>46,195,281.96</u>	82.16	<u>39,990,500.00</u>	82.81	<u>6,204,781.96</u>	<u>244,946,949.74</u>	81.71	<u>232,099,000.00</u>	82.93	<u>12,847,949.74</u>
Operating income	10,031,964.31	17.84	8,302,700.00	17.19	1,729,264.31	54,837,699.66	18.29	47,770,900.00	17.07	7,066,799.66
Non-operating revenue:										
Interest income	1,053,974.82	1.87	850,000.00	1.76	203,974.82	6,963,195.02	2.32	5,225,000.00	1.87	1,738,195.02
Interest expense	<u>(640.10)</u>	(0.00)	<u>(1,000.00)</u>	(0.00)	<u>359.90</u>	<u>9,971.72</u>	0.00	<u>(6,000.00)</u>	(0.00)	<u>15,971.72</u>
Income before transfers	<u>\$ 11,085,299.03</u>	19.72	<u>\$ 9,151,700.00</u>	18.95	<u>\$ 1,933,599.03</u>	<u>\$ 61,810,866.40</u>	20.62	<u>\$ 52,989,900.00</u>	18.93	<u>\$ 8,820,966.40</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses - GAAP
For the Six Months Ended December 31, 2024 Compared to December 31, 2023

	Current Month December 31, 2024	% Sales	Current Month December 31, 2023	% Sales	Variance	Year to Date December 31, 2024	% Sales	Year to Date December 31, 2023	% Sales	Variance
Operating revenues:										
Instant ticket sales	\$ 43,316,505.00	77.0%	\$ 43,917,653.00	81.2%	\$ (601,148.00)	\$ 238,658,361.00	79.6%	\$ 236,652,070.00	76.4%	\$ 2,006,291.00
Online ticket sales	12,850,695.00	22.9%	10,087,847.50	18.7%	2,762,847.50	60,773,118.50	20.3%	72,676,194.00	23.5%	(11,903,075.50)
Retailer fees	58,705.47	0.1%	57,376.77	0.1%	1,328.70	347,021.57	0.1%	353,951.86	0.1%	(6,930.29)
Other revenue	1,340.80	0.0%	11.80	0.0%	1,329.00	6,148.33	0.0%	(1,522.76)	0.0%	7,671.09
										-
Total operating revenues	56,227,246.27	100.0%	54,062,889.07	100.0%	2,164,357.20	299,784,649.40	100.0%	309,680,693.10	100.0%	(9,896,043.70)
Operating expenses:										
Instant game prizes	32,323,057.64	57.5%	32,725,294.78	60.5%	(402,237.14)	173,218,472.91	57.8%	172,415,643.41	55.7%	802,829.50
Online game prizes	6,816,387.24	12.1%	5,364,411.42	9.9%	1,451,975.82	32,929,413.44	11.0%	38,491,813.20	12.4%	(5,562,399.76)
Retailer commissions	3,187,935.60	5.7%	3,092,582.06	5.7%	95,353.54	16,961,504.49	5.7%	17,458,905.31	5.6%	(497,400.82)
Gaming contract costs	2,619,289.78	4.7%	2,580,918.49	4.8%	38,371.29	14,772,490.36	4.9%	15,034,517.27	4.9%	(262,026.91)
Compensation and benefits	496,369.09	0.9%	470,211.38	0.9%	26,157.71	2,871,212.40	1.0%	2,890,042.34	0.9%	(18,829.94)
Marketing, advertising and promotions	569,949.57	1.0%	449,217.20	0.8%	120,732.37	3,057,407.86	1.0%	3,159,603.06	1.0%	(102,195.20)
General and administrative expenses	80,227.86	0.1%	88,314.72	0.2%	(8,086.86)	467,815.83	0.2%	548,035.62	0.2%	(80,219.79)
Services provided by ADE - Division of Higher Education	62,500.00	0.1%	100,000.00	0.2%	(37,500.00)	375,000.00	0.1%	600,000.00	0.2%	(225,000.00)
Services provided by Legislative Audit Agency	13,800.00	0.0%	13,400.00	0.0%	400.00	82,800.00	0.0%	80,400.00	0.0%	2,400.00
Amortization - GASB 87 Leases	22,652.65	0.0%	22,652.65	0.0%	-	135,915.87	0.0%	135,915.89	0.0%	(0.02)
Depreciation	3,112.53	0.0%	33,806.32	0.1%	(30,693.79)	74,916.58	0.0%	207,686.06	0.1%	(132,769.48)
				0.0%						
Total operating expenses	46,195,281.96	82.2%	44,940,809.02	83.1%	1,254,472.94	244,946,949.74	81.7%	251,022,562.16	81.1%	(6,075,612.42)
Operating income	10,031,964.31	17.8%	9,122,080.05	16.9%	909,884.26	54,837,699.66	18.3%	58,658,130.94	18.9%	(3,820,431.28)
Nonoperating revenue:										
Interest income	1,053,974.82	1.9%	1,015,505.19	1.9%	38,469.63	6,963,195.02	2.3%	4,570,222.14	1.5%	2,392,972.88
Other Non Operating Income	(640.10)	-0.1%	(842.75)	-0.2%	202.65	9,971.72	0.3%	(6,344.75)	-0.2%	16,316.47
Income before transfers	\$ 11,085,299.03	19.7%	\$ 10,136,742.49	18.7%	\$ 948,556.54	\$ 61,810,866.40	20.6%	\$ 63,222,008.33	20.4%	\$ (1,411,141.93)
Net Proceeds (1)	\$ 10,059,490.69		\$ 8,851,693.47		\$ 1,207,797.22	\$ 49,618,966.08		\$ 57,878,069.51		\$ (8,259,103.43)

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 Six Months Ended December 31, 2024

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 235,446,341.00
Online ticket sales	60,773,118.50
Retailer application, fidelity and service fees	347,021.57
Other revenue	6,148.33
	<u>296,572,629.40</u>
Total operating revenues	<u>296,572,629.40</u>

Operating expenses:	
Instant game prizes (Settlements)	176,332,607.00
Online game prizes	32,929,413.44
Retailer commissions	16,961,504.49
Gaming contract costs	14,772,490.36
Compensation and benefits	2,871,212.40
Marketing, advertising and promotions	3,057,407.86
General and administrative expenses	467,815.83
Services provided by Arkansas Department of Education - Division of Higher Education	375,000.00
Services provided by Legislative Audit Agency	82,800.00
Amortization - GASB 87 Leases	135,915.87
Current year capital asset cost	21,559.35
Total operating expenses	<u>248,007,726.60</u>

Change in net proceeds from operations 48,564,902.80

Non-operating revenue:	
Interest income	6,963,195.02
Other non-operating income	9,971.72
EDUCATION TRUST FUNDING-Current Year	(39,559,475.39)
Less Act 1180 Unclaimed Prizes	(5,922,924.88)
Less current year Bond Reserve Fees	(73,242.71) restricted reserves
Add Bond Funds in excess of \$500,000	see 23-115-603(a)(5)
Add back Write Off Retailer Bad Debt	
Less current year MUSL Reserves	77,064.13 see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	0.00

NET PROCEEDS EARNED-Current Month	\$ 10,059,490.69
-Year to Date	\$ 49,618,966.08

	Transfer	Interest	Total
Lottery Scholarship Trust Account	\$ 300,335,554.97	\$ 21,851,723.52	\$ 322,187,278.49
September 2023 funding 10/15/23	\$ 9,266,597.78	\$ 864,374.07	\$ 10,130,971.85
October 2023 fundng 11/15/23	\$ 8,615,141.08	\$ 911,767.62	\$ 9,526,908.70
November 2023 funding 12/15/23	\$ 8,313,139.36	\$ 886,147.40	\$ 9,199,286.76
December 2023 funding 1/15/24	\$ 7,958,190.71	\$ 893,502.76	\$ 8,851,693.47
January 2024 funding 2/15/24	\$ 9,688,101.19	\$ 1,043,247.95	\$ 10,731,349.14
Transfer to ADHE for FY 2024 Academic Scholarship Funding 2/28/23	\$ (30,000,000.00)		\$ (30,000,000.00)
February 2024 funding 3/15/24	\$ 6,092,946.95	\$ 940,220.39	\$ 7,033,167.34
Transfer to ADHE for FY 2024 Concurrent Scholarship Funding 3/15/24	\$ (2,500,000.00)		\$ (2,500,000.00)
March 2024 funding 4/15/24	\$ 11,472,242.22	\$ 870,311.23	\$ 12,342,553.45
April 2024 funding 5/15/24	\$ 10,739,878.17	\$ 997,871.23	\$ 11,737,749.40
May 2024 funding 6/15/24	\$ 8,566,636.78	\$ 1,010,742.05	\$ 9,577,378.83
June 2024 funding 7/15/24	\$ 18,930,681.29	\$ 948,333.90	\$ 19,879,015.19
Transfer to ADHE for FY 2025 Concurrent Scholarship Funding 7/26/24	\$ (4,000,000.00)		\$ (4,000,000.00)
Transfer to ADHE for FY 2025 Workforce Scholarship Funding 7/26/24	\$ (1,000,000.00)		\$ (1,000,000.00)
July 2024 funding 8/15/24	\$ 7,206,608.40	\$ 1,175,581.60	\$ 8,382,190.00
Aug 14, 2024 ADHE Refund of FY 24 unused Scholarship Money	\$ 4,753,294.29		\$ 4,753,294.29
August 2024 funding 9/15/24	\$ 8,142,984.91	\$ 1,103,917.87	\$ 9,246,902.78
September 2024 funding 10/15/24	\$ 5,543,212.40	\$ 1,122,821.80	\$ 6,666,034.20
Transfer to ADHE for FY 2025 Academic Scholarship Funding 10/10/24	\$ (30,000,000.00)		\$ (30,000,000.00)
June 24 adjustment to funding 11/15/24	\$ 224,770.00		\$ 224,770.00
October 2024 funding 11/15/24	\$ 5,330,304.17	\$ 998,667.80	\$ 6,328,971.97
Transfer to ADHE for FY 2025 Academic Scholarship Funding 11/14/24	\$ (10,000,000.00)		\$ (10,000,000.00)
November 2024 funding 12/15/24	\$ 8,074,413.62	\$ 860,962.82	\$ 8,935,376.44
December 2024 Funding 1/15/25	\$ 9,140,823.76	\$ 918,666.93	\$ 10,059,490.69

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Analysis**

Month	2025 Net Proceeds	2025 Unclaimed Prizes	Total Net Proceeds	2025 Budget	Over/Under Budget	Cumulative Balance
July, 2024	\$ 8,382,190.00	\$ 121,702.00	\$ 8,503,892.00	\$ 8,991,600.00	\$ (487,708.00)	\$ (487,708.00)
August	9,246,902.78	1,410,361.00	10,657,263.78	9,223,700.00	1,433,563.78	945,855.78
September	6,666,034.20	2,581,571.87	9,247,606.07	8,358,600.00	889,006.07	1,834,861.85
October	6,328,971.97	1,513,803.01	7,842,774.98	8,775,600.00	(932,825.02)	902,036.83
November	8,935,376.44	175,571.00	9,110,947.44	8,488,700.00	622,247.44	1,524,284.27
December	10,059,490.69	119,916.00	10,179,406.69	\$ 9,151,700.00	1,027,706.69	2,551,990.96
January, 2025			-		-	
February			-		-	
March			-		-	
April			-		-	
May			-		-	
June			-		-	
Sub Total	\$ 49,618,966.08	\$ 5,922,924.88	\$ 55,541,890.96	\$ 52,989,900.00		
Reserve GPW						
Total	<u>\$ 49,618,966.08</u>	<u>\$ 5,922,924.88</u>	<u>\$ 55,541,890.96</u>	<u>\$ 52,989,900.00</u>		<u>\$ 2,551,990.96</u>



Arkansas
Scholarship Lottery



LOTTERY SCHOLARSHIP TRUST ACCOUNT

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Lottery Scholarship Trust Account**

			Fiscal Year June 30,2024	Fiscal Year June 30,2025 (YTD Dec 31, 2024)
Beginning Balance			\$ 249,160,965	\$ 317,568,312
Net Proceeds			129,404,053	49,618,966 (1)
Transfers to ADHE:	FY24	FY25		
Academic Challenge Scholarships - Fall	9/28/23	10/10/24	(30,000,000)	(30,000,000)
- Fall Add'l		11/24/24		(10,000,000)
Academic Challenge Scholarships - Spring	2/28/24		(30,000,000)	
Concurrent Challenge Scholarships	7/14/23	7/26/24	(2,500,000)	(4,000,000)
Concurrent Challenge Scholarships	3/15/24		(2,500,000)	
Workforce Scholarships	9/28/23	7/26/24	(750,000)	(1,000,000)
			<u>(65,750,000)</u>	<u>(45,000,000)</u>
Refund of Unused Scholarship Proceeds Requested:	FY24	FY25		
	8/14/2024		4,753,294	
Ending Balance			<u>\$ 317,568,312</u>	<u>\$ 322,187,278</u>

Note 1 - Does not include Unclaimed Prizes.



Arkansas
Scholarship Lottery



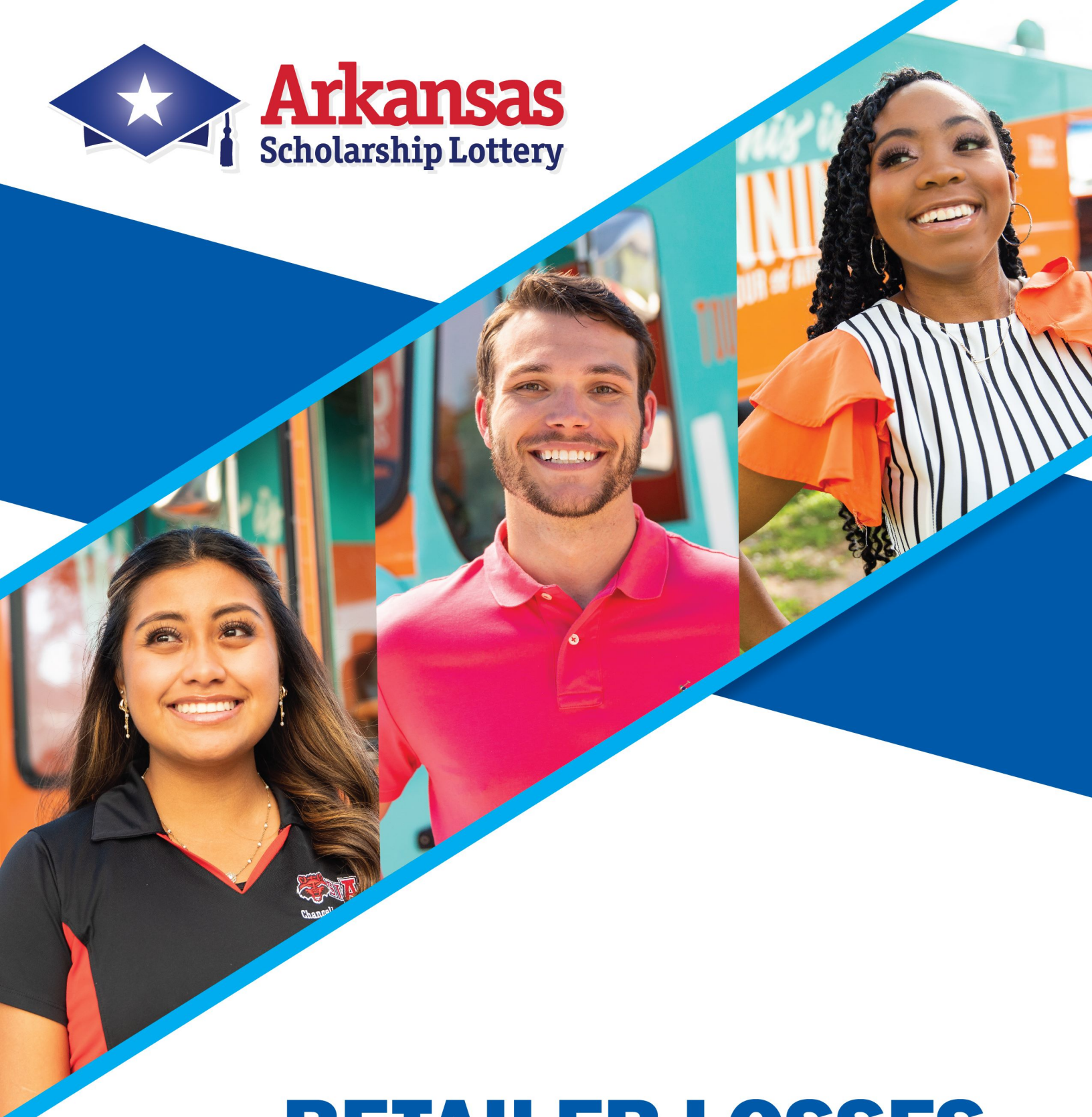
UNCLAIMED PRIZES REPORT

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
December 31, 2024

	Monthly	Year to Date
Reserve Balance July 1, 2024		\$1,000,000.00
1. Unclaimed lottery prize money:	\$119,916.00	5,922,924.88
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	119,916.00	5,922,924.88
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance December 31, 2024		\$6,922,924.88



Arkansas
Scholarship Lottery



RETAILER LOSSES

RETAILER LOSSES
(December 2024)

Retailer	Loss
None	\$0.00
Total Retailers = 2,053 (a/o 12/31/2024)	Total Loss = \$0.00

This is
WINNING!



Arkansas
Scholarship Lottery



DEBT SET-OFF AND WITHHOLDINGS



**Department of Finance & Administration
Office of the Arkansas Lottery
Debt Set-off/Collections
And Retailer Losses
(December 2024)**

Arkansas Debt Set-Off	Dec-24	Total Since Inception
Department of Finance and Administration	\$ 13,308	\$ 1,930,345
Office of Child Support Enforcement	\$ 14,396	\$ 765,302
Total Debt Set-Off	\$ 27,704	\$ 2,695,647

Income Taxes Withheld	Dec-24	Total Since Inception
Federal	\$ 718,416	\$ 144,293,170
State	\$ 116,713	\$ 37,982,264
Total Income Taxes Withheld	\$ 835,129	\$ 182,275,434

As of 12/31/2024

Retailer losses \$0

This is
WINNING!



Arkansas
Scholarship Lottery



LOTTERY SALES BY COUNTY

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION

OFFICE OF THE ARKANSAS LOTTERY

RETAIL SALES BY COUNTY

December 1 through December 31, 2024



COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LOTTO	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
ARKANSAS	\$28,092.50	\$11,973.00	\$17,396.00	\$496,716.00	\$8,268.00	\$3,684.00	\$27,833.00	\$4,953.00	\$12,610.00	\$611,525.50
ASHLEY	\$15,732.50	\$20,801.00	\$6,380.00	\$286,705.00	\$3,214.00	\$1,918.00	\$17,853.00	\$1,673.00	\$8,515.00	\$362,791.50
BAXTER	\$3,241.50	\$1,783.50	\$15,883.00	\$494,122.00	\$15,668.00	\$11,334.00	\$74,125.00	\$13,023.00	\$28,233.00	\$657,413.00
BENTON	\$9,428.50	\$4,061.00	\$24,333.00	\$1,689,554.00	\$72,526.00	\$25,116.00	\$396,476.00	\$35,317.00	\$128,264.00	\$2,385,075.50
BOONE	\$473.00	\$1,059.50	\$21,835.00	\$423,547.00	\$7,116.00	\$3,282.00	\$48,906.00	\$5,641.00	\$18,614.00	\$530,473.50
BRADLEY	\$2,560.00	\$1,614.00	\$3,240.00	\$193,270.00	\$2,332.00	\$1,022.00	\$9,205.00	\$1,569.00	\$4,260.00	\$219,072.00
CALHOUN	\$2,452.50	\$415.00	\$2,822.00	\$69,900.00	\$1,212.00	\$542.00	\$3,601.00	\$710.00	\$1,849.00	\$83,503.50
CARROLL	\$1,902.00	\$538.00	\$15,811.00	\$280,396.00	\$5,482.00	\$2,718.00	\$30,393.00	\$4,170.00	\$12,621.00	\$354,031.00
CHICOT	\$7,086.50	\$2,533.50	\$10,644.00	\$147,375.00	\$3,830.00	\$2,620.00	\$21,122.00	\$3,134.00	\$9,986.00	\$208,331.00
CLARK	\$3,777.00	\$2,381.00	\$12,029.00	\$432,695.00	\$7,298.00	\$2,674.00	\$28,135.00	\$4,588.00	\$10,444.00	\$504,021.00
CLAY	\$1,201.00	\$22.50	\$2,356.00	\$124,592.00	\$2,146.00	\$1,136.00	\$11,325.00	\$1,941.00	\$3,874.00	\$148,593.50
CLEBURNE	\$2,465.00	\$2,617.00	\$24,601.00	\$286,631.00	\$14,372.00	\$5,654.00	\$41,266.00	\$8,969.00	\$17,255.00	\$403,830.00
CLEVELAND	\$797.50	\$271.50	\$1,473.00	\$55,514.00	\$978.00	\$728.00	\$4,286.00	\$408.00	\$1,970.00	\$66,426.00
COLUMBIA	\$14,025.50	\$7,902.50	\$17,023.00	\$396,202.00	\$5,174.00	\$3,036.00	\$19,649.00	\$4,010.00	\$10,249.00	\$477,271.00
CONWAY	\$13,369.00	\$2,789.00	\$14,523.00	\$474,805.00	\$15,512.00	\$4,806.00	\$34,386.00	\$8,513.00	\$14,828.00	\$583,531.00
CRAIGHEAD	\$34,999.00	\$18,665.50	\$48,855.00	\$1,932,630.00	\$34,852.00	\$14,430.00	\$150,143.00	\$19,719.00	\$51,089.00	\$2,305,382.50
CRAWFORD	\$2,244.00	\$1,071.00	\$18,424.00	\$435,440.00	\$18,504.00	\$6,238.00	\$73,210.00	\$10,316.00	\$27,528.00	\$592,975.00
CRITTENDEN	\$68,478.00	\$36,805.50	\$18,339.00	\$812,555.00	\$10,272.00	\$10,514.00	\$97,856.00	\$13,428.00	\$47,149.00	\$1,115,396.50
CROSS	\$5,244.50	\$4,449.50	\$5,972.00	\$361,232.00	\$3,564.00	\$1,460.00	\$19,954.00	\$2,813.00	\$7,432.00	\$412,121.00
DALLAS	\$2,851.50	\$1,457.00	\$5,553.00	\$198,614.00	\$3,630.00	\$658.00	\$8,810.00	\$1,734.00	\$3,963.00	\$227,270.50
DESHA	\$4,934.00	\$2,355.50	\$5,211.00	\$265,609.00	\$3,040.00	\$1,160.00	\$16,087.00	\$3,129.00	\$8,603.00	\$310,128.50
DEW	\$5,062.00	\$3,093.00	\$7,244.00	\$414,943.00	\$6,442.00	\$3,392.00	\$22,540.00	\$4,150.00	\$10,815.00	\$477,681.00
FAULKNER	\$13,032.00	\$8,253.00	\$36,643.00	\$1,514,729.00	\$48,914.00	\$16,630.00	\$150,225.00	\$29,190.00	\$60,941.00	\$1,878,557.00
FRANKLIN	\$776.50	\$101.00	\$9,049.00	\$213,527.00	\$6,876.00	\$1,440.00	\$27,006.00	\$3,561.00	\$9,094.00	\$271,430.50
FULTON	\$320.00	\$536.50	\$5,686.00	\$61,128.00	\$1,318.00	\$1,244.00	\$8,766.00	\$1,043.00	\$3,179.00	\$83,220.50
GARLAND	\$12,273.00	\$5,911.50	\$35,792.00	\$1,291,436.00	\$48,884.00	\$18,066.00	\$189,905.00	\$53,368.00	\$70,661.00	\$1,726,296.50
GRANT	\$4,206.50	\$2,664.50	\$5,603.00	\$222,196.00	\$7,856.00	\$3,282.00	\$22,126.00	\$5,353.00	\$8,166.00	\$281,453.00
GREENE	\$955.00	\$533.50	\$24,964.00	\$744,373.00	\$12,166.00	\$4,256.00	\$54,209.00	\$7,778.00	\$22,170.00	\$871,404.50
HEMPSTEAD	\$77,914.50	\$32,524.50	\$8,332.00	\$421,460.00	\$4,238.00	\$3,700.00	\$24,327.00	\$2,938.00	\$10,048.00	\$585,482.00
HOT SPRING	\$3,658.50	\$922.00	\$12,444.00	\$397,484.00	\$10,104.00	\$4,078.00	\$34,460.00	\$5,934.00	\$13,736.00	\$482,820.50
HOWARD	\$61,017.00	\$17,675.50	\$5,459.00	\$223,463.00	\$2,822.00	\$2,782.00	\$13,089.00	\$2,023.00	\$5,705.00	\$334,035.50
INDEPENDENCE	\$2,633.50	\$703.50	\$43,131.00	\$678,454.00	\$10,894.00	\$4,304.00	\$47,965.00	\$6,557.00	\$18,790.00	\$813,432.00
IZARD	\$18.00	\$16.00	\$6,320.00	\$87,002.00	\$2,572.00	\$592.00	\$8,850.00	\$1,734.00	\$3,991.00	\$111,095.00
JACKSON	\$22,803.00	\$13,088.00	\$15,082.00	\$344,304.00	\$5,160.00	\$1,538.00	\$18,989.00	\$3,914.00	\$8,199.00	\$433,077.00
JEFFERSON	\$48,594.00	\$45,937.00	\$53,108.00	\$1,534,156.00	\$34,716.00	\$21,778.00	\$95,854.00	\$28,154.00	\$47,179.00	\$1,909,476.00
JOHNSON	\$958.00	\$751.00	\$3,369.00	\$290,154.00	\$6,838.00	\$2,860.00	\$25,608.00	\$4,668.00	\$12,009.00	\$347,215.00
LAFAYETTE	\$9,620.50	\$4,957.50	\$2,871.00	\$88,400.00	\$828.00	\$944.00	\$7,051.00	\$595.00	\$3,546.00	\$118,813.00
LAWRENCE	\$747.00	\$255.00	\$15,016.00	\$252,955.00	\$4,720.00	\$2,080.00	\$20,736.00	\$4,711.00	\$7,732.00	\$308,952.00
LEE	\$3,728.00	\$11,653.00	\$5,791.00	\$79,910.00	\$654.00	\$1,274.00	\$6,904.00	\$408.00	\$3,051.00	\$113,373.00
LINCOLN	\$488.50	\$478.00	\$1,796.00	\$92,319.00	\$2,564.00	\$1,772.00	\$8,550.00	\$1,978.00	\$3,508.00	\$113,453.50

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION

OFFICE OF THE ARKANSAS LOTTERY

RETAIL SALES BY COUNTY

December 1 through December 31, 2024



COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LOTTO	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
LITTLE RIVER	\$5,659.50	\$3,679.00	\$3,295.00	\$139,220.00	\$1,614.00	\$1,022.00	\$13,504.00	\$1,353.00	\$4,802.00	\$174,148.50
LOGAN	\$430.50	\$42.00	\$20,587.00	\$320,887.00	\$7,350.00	\$2,114.00	\$23,994.00	\$4,479.00	\$9,633.00	\$389,516.50
LONOKE	\$17,663.00	\$11,942.50	\$47,739.00	\$1,156,861.00	\$37,170.00	\$10,992.00	\$111,757.00	\$23,839.00	\$45,430.00	\$1,463,393.50
MADISON	\$37.00	\$10.50	\$2,420.00	\$94,749.00	\$4,454.00	\$1,784.00	\$17,894.00	\$1,737.00	\$6,884.00	\$129,969.50
MARION	\$1,792.50	\$2,339.50	\$10,011.00	\$197,389.00	\$5,054.00	\$2,422.00	\$21,410.00	\$5,698.00	\$9,724.00	\$255,840.00
MILLER	\$34,253.50	\$17,735.50	\$14,764.00	\$570,862.00	\$8,784.00	\$8,562.00	\$49,532.00	\$9,271.00	\$18,062.00	\$731,826.00
MISSISSIPPI	\$68,384.50	\$29,875.00	\$12,003.00	\$781,528.00	\$6,428.00	\$4,182.00	\$49,156.00	\$5,483.00	\$21,309.00	\$978,348.50
MONROE	\$15,312.00	\$9,997.50	\$9,376.00	\$207,250.00	\$3,872.00	\$1,288.00	\$16,124.00	\$2,297.00	\$6,723.00	\$272,239.50
MONTGOMERY	\$15.00	\$0.00	\$3,962.00	\$34,760.00	\$1,798.00	\$584.00	\$6,306.00	\$841.00	\$2,452.00	\$50,718.00
NEVADA	\$3,438.00	\$3,082.00	\$1,379.00	\$153,971.00	\$1,482.00	\$794.00	\$9,138.00	\$1,192.00	\$3,878.00	\$178,354.00
NEWTON	\$62.00	\$160.00	\$5,124.00	\$64,405.00	\$1,596.00	\$546.00	\$5,784.00	\$1,111.00	\$3,083.00	\$81,871.00
OUACHITA	\$18,268.00	\$11,559.50	\$21,405.00	\$836,607.00	\$14,588.00	\$4,550.00	\$32,279.00	\$5,967.00	\$13,653.00	\$958,876.50
PERRY	\$606.50	\$812.50	\$4,374.00	\$111,824.00	\$4,296.00	\$1,446.00	\$11,396.00	\$2,471.00	\$5,009.00	\$142,235.00
PHILLIPS	\$26,838.00	\$8,420.50	\$3,403.00	\$162,450.00	\$2,128.00	\$2,682.00	\$20,868.00	\$3,186.00	\$10,679.00	\$240,654.50
PIKE	\$134.00	\$86.00	\$4,697.00	\$125,935.00	\$5,514.00	\$1,480.00	\$13,235.00	\$3,258.00	\$5,208.00	\$159,547.00
POINSETT	\$6,582.00	\$2,327.00	\$19,796.00	\$527,500.00	\$5,794.00	\$1,780.00	\$30,698.00	\$3,192.00	\$11,054.00	\$608,723.00
POLK	\$1,934.50	\$585.00	\$13,563.00	\$202,135.00	\$5,154.00	\$2,352.00	\$22,388.00	\$5,464.00	\$10,818.00	\$264,393.50
POPE	\$4,499.50	\$1,375.00	\$34,202.00	\$922,001.00	\$25,608.00	\$8,494.00	\$89,730.00	\$15,982.00	\$37,665.00	\$1,139,556.50
PRAIRIE	\$987.50	\$536.00	\$4,081.00	\$134,483.00	\$2,380.00	\$786.00	\$11,130.00	\$1,269.00	\$3,833.00	\$159,485.50
PULASKI	\$221,286.00	\$164,412.50	\$283,922.00	\$7,076,405.00	\$395,956.00	\$308,890.00	\$1,516,437.00	\$324,600.00	\$597,399.00	\$10,889,307.50
RANDOLPH	\$396.00	\$35.00	\$6,559.00	\$210,712.00	\$5,128.00	\$1,812.00	\$20,484.00	\$3,390.00	\$7,751.00	\$256,267.00
SAINT FRANCIS	\$33,428.50	\$13,682.00	\$12,211.00	\$352,309.00	\$3,568.00	\$2,770.00	\$29,259.00	\$4,199.00	\$13,615.00	\$465,041.50
SALINE	\$32,742.00	\$13,985.50	\$54,908.00	\$1,370,853.00	\$52,980.00	\$20,426.00	\$156,528.00	\$29,590.00	\$59,859.00	\$1,791,871.50
SCOTT	\$146.50	\$121.00	\$1,050.00	\$139,300.00	\$2,350.00	\$526.00	\$13,042.00	\$1,146.00	\$5,474.00	\$163,155.50
SEARCY	\$50.50	\$86.00	\$2,257.00	\$75,980.00	\$2,582.00	\$416.00	\$8,744.00	\$893.00	\$3,866.00	\$94,874.50
SEBASTIAN	\$13,252.00	\$4,430.00	\$31,439.00	\$950,883.00	\$42,722.00	\$20,398.00	\$194,299.00	\$31,647.00	\$72,607.00	\$1,361,677.00
SEVIER	\$8,704.50	\$243.00	\$1,849.00	\$177,006.00	\$2,480.00	\$1,106.00	\$17,923.00	\$2,623.00	\$6,359.00	\$218,293.50
SHARP	\$2,020.00	\$631.00	\$23,610.00	\$412,596.00	\$8,570.00	\$3,838.00	\$38,776.00	\$8,489.00	\$15,753.00	\$514,283.00
STONE	\$2,879.00	\$1,166.00	\$4,764.00	\$89,565.00	\$5,008.00	\$1,586.00	\$12,978.00	\$3,137.00	\$5,835.00	\$126,918.00
UNION	\$91,013.50	\$49,891.00	\$23,636.00	\$866,663.00	\$10,260.00	\$6,680.00	\$46,389.00	\$8,082.00	\$22,237.00	\$1,124,851.50
VAN BUREN	\$1,497.50	\$1,134.50	\$10,689.00	\$275,966.00	\$8,400.00	\$2,188.00	\$28,492.00	\$5,504.00	\$10,923.00	\$344,794.00
WASHINGTON	\$24,370.00	\$11,113.50	\$35,279.00	\$1,823,332.00	\$69,044.00	\$28,332.00	\$321,850.00	\$37,753.00	\$115,796.00	\$2,466,869.50
WHITE	\$14,339.50	\$6,788.50	\$67,468.00	\$1,058,107.00	\$29,138.00	\$8,268.00	\$95,530.00	\$16,948.00	\$37,335.00	\$1,333,922.00
WOODRUFF	\$2,192.00	\$1,237.00	\$7,941.00	\$135,510.00	\$2,648.00	\$940.00	\$9,023.00	\$1,110.00	\$3,911.00	\$164,512.00
YELL	\$216.00	\$413.00	\$5,804.00	\$288,749.00	\$7,794.00	\$2,160.00	\$22,730.00	\$4,302.00	\$9,067.00	\$341,235.00

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

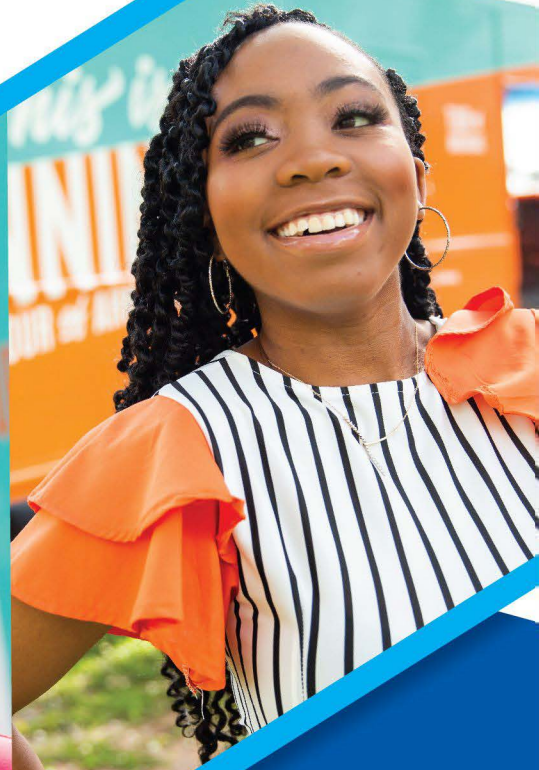


December 1 through December 31, 2024

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LOTTO	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE STATE	POWERBALL	TOTAL
GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lotto	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$1,149,591.50	\$649,554.50	\$1,399,970.00	\$40,859,250.00	\$1,251,248.00	\$668,938.00	\$5,010,588.00	\$899,318.00	\$1,969,542.00	\$53,858,000.00



Arkansas
Scholarship Lottery



**TOTAL NUMBER
OF RETAILERS**

December 2024

Retailer Count by Status	
Active	1,979
Renewal	74
Total	2,053

Terminal Count by Type	
Photon	2,132
TVM	125
DreamTouch Smart	84
Total	2,341

Monthly Highlights

- ▶ 5,299,061 Total transactions processed through the Arkansas Scholarship Lottery System in December
- ▶ 636 service tickets resolved by Field Service and the Call Center for the month of December
- ▶ 376 Preventative Maintenance Actions completed by Field Service Technicians for the month of December



Arkansas
Scholarship Lottery



**ARKANSAS
DEPARTMENT OF
HIGHER EDUCATION**

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
ADHE Requests
December 1 through December 31, 2024**

There were no requests from the Arkansas Department of Higher Education (ADHE) during the month of December 2024.



Arkansas
Scholarship Lottery



**INSTANT TICKET
RELEASES**

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
December 2024

Sales for the following instant games began December 3, 2024. No ending dates have been determined for these games.

\$2 X the Money
\$5 Mega Bucks
\$10 Multiplier Bonus
\$10 \$50 or \$100! 2025 Edition

Sales for the following Fast Play games began December 2, 2024. No ending dates have been determined for these games.

\$1 Bingo
\$2 Snowflake Melt

Sales for the following Fast Play games began December 30, 2024. No ending dates have been determined for these games.

\$1 Cash Count Up
\$1 7's



Arkansas
Scholarship Lottery



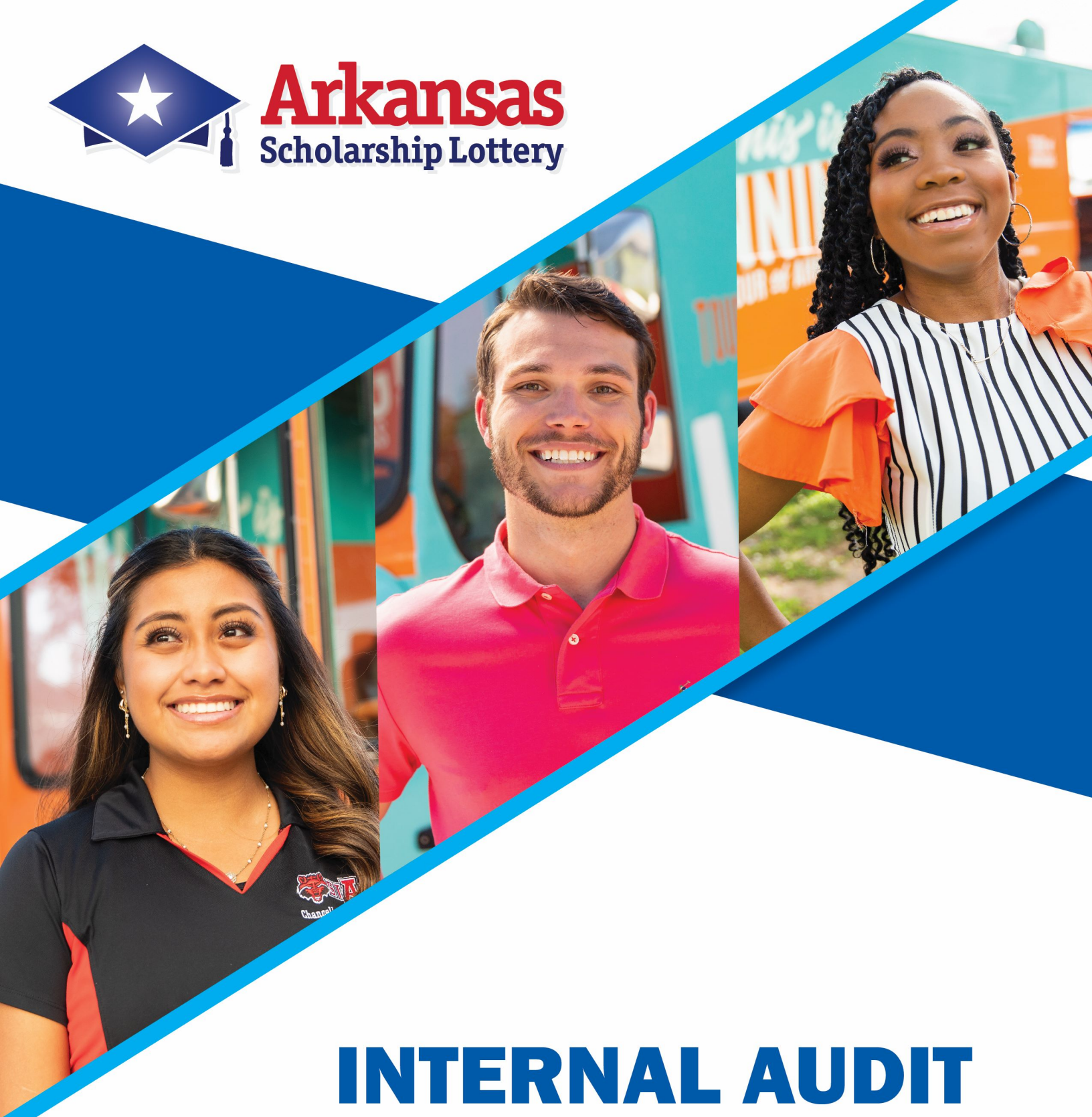
CONTRACTS

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Contracts
December 1 through December 31, 2024**

There were no contracts entered into in excess of \$20,000 by Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of December 2024.



Arkansas
Scholarship Lottery



INTERNAL AUDIT REPORTS



STATE OF ARKANSAS
Department of Finance and Administration

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2010

William C. Miller, CPA, CGMA
Internal Auditor

<u>Audit:</u>	2025-51 Procedure for Tickets Distributed at No Cost	<u>Report Date:</u> December 4, 2024
<u>Report Distribution:</u>	Jim Hudson, Secretary Department of Finance and Administration Office of the Arkansas Lottery Sharon Strong, Executive Director Jerry Fetzer, Chief Fiscal Office Karen Reynolds, Marketing & Advertising Director Brent Standridge, Chief Legal Counsel	<u>For Fiscal Year:</u> June 30, 2025

Introduction

A scheduled audit of the Procedure used for Tickets Distributed at No Costs, for January 1, 2024 – August 31, 2024, has been completed by Internal Audit (IA). The audit 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

The OAL Marketing and Advertising (MA) Division maintains partnerships with several institutions of higher learning and sporting organizations throughout the state where the Arkansas Scholarship Lottery is promoted at various events, games and matches throughout the year. The MA Division often runs contests and gives away swag and lottery tickets at no cost at these events, such as the annual Downtown Little Rock Food Truck Festival. At this event, OAL conducted a Downtown Food Truck Festival Lottery Prize Pack giveaway, where attendees could scan a bar code to register to win free scratch off lottery tickets. The OAL also contracts with various Arkansas colleges and universities where OAL MA conducts On-Field Activation Contest at their sporting events, where free scratch off lottery tickets are utilized as prizes. These types of contests are only played by one or two contestants, per event. Additionally, the OAL maintains a social media presence. As a part of the marketing campaign, the OAL conducts contests where participants have a chance to win free scratch off lottery tickets. Each of these games are contests has rules that have been established and approved by the OAL's Legal Counsel prior to the event, ensuring that all activities are conducted in a fair and ethical manner. An Instant Ticket Request Form must be used with approvals from the OAL Director of MA, OAL Executive Director and the OAL CFO. The form documents the event name, the name of the instant ticket games, and the number and valuation of the tickets. The ticket exchange is monitored by the OAL Investigations and Enforcement Division (IED), with sign offs from Claim Center personnel, IED personnel, and the person receiving the tickets.

Throughout the year, the OAL's Executive Director speaks at various organizations around the State of Arkansas. In prior years' Executive Directors would occasionally give away free scratch off lottery tickets at such events. The internal OAL procedure used in these instances was the same procedure that had been used by the Marketing Department for the events described above. An Instant Request Form must be used with approvals from the OAL CFO, and the OAL Director of the IED for Executive Director speaking events, or the Executive Director's approval for the Director of Sales speaking events. The form documents the event name, the name of the instant ticket games, and the number and valuation of the tickets. The ticket exchange is monitored by the IED, with sign offs from the Claim Center personnel, IED personnel, and the person receiving the tickets.

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 there are adequate policies and procedures in place to assure proper approval and accounting for tickets distributed at no cost used for marketing events, sales events or speaking events.

Objectives

- Ensure the OAL has policies and procedures designed and implemented to ensure that only authorized personnel can request tickets to be distributed at no cost.
- Ensure the OAL has policies and procedures designed and implemented to ensure that requests are properly approved.
- Ensure the OAL has policies and procedures designed and implemented to ensure that contests or giveaway rules are created and approved prior to event.
- Ensure that the denominations and values of requested tickets received from OAL's Claim Center agrees to the number and values approved.
- Ensure the tickets distributed at no cost transactions are properly recorded in the OAL's general ledger.
- Ensure the OAL has policies and procedures designed and implemented to ensure that tickets not utilized during a giveaways/contest or speaking event are properly returned to the OAL's Claim Center.
- Ensure that tickets to be distributed at no cost ticket return transactions are properly recorded in the OAL's general ledger.

Scope

Perform an audit of the Office of the Arkansas Lottery's Procedure for Tickets Distributed at No Cost, including performing procedures to determine proper requests and approvals, approved rules for contests or giveaways, proper number and valuation of tickets to be disbursed, and proper accounting for unused tickets. All events occurring between January 1, 2024, and August 31, 2024, will be selected for testing.

Observations***Observation #: 1***

Observation Title: Tickets Distributed at No Cost Returns

Internal Audit Observation: Non-utilized tickets to be distributed at no cost were not properly returned to OAL's Investigation and Enforcement Division.

Discussion and Background: IA selected one hundred percent of tickets to be distributed at no cost returns that occurred during the scope period for further testing. IA developed an internal control walkthrough, obtained policies and procedures, obtained documentation from Treasury and Accounting Division, and obtained electronic files from the IED to conduct audit procedures. Number six of the policy and procedures states, "any tickets not used should be returned to the OAL Security & Compliance (now IED) authorized personnel." IA noted that tickets released from the Claim Center for the Department of Finance and Administration University speaking event, that were not fully utilized, were not returned to the IED, as required by policies and procedures.

Cause: Management override of internal controls.

Effect: Tickets that were to be distributed at no cost, that were not utilized at the Department of Finance and Administration University speaking event were used at other events, where prior approval was not obtained, and proper documentation was not maintained.

Internal Audit Recommendations: IA recommends expanding on policies and procedures to include an Instant Ticket Return Form. IA recommends the form reflect who is returning the tickets, the date of the return, ticket details by name, ticket number, and total value. Recommendations also include, the form being signed by the returners and the designated employee in the IED. IA also recommends that future usage of tickets, that are maintained by the IED, should follow the same process where an Instant Ticket Request Form is utilized, so that proper personnel and approvals are noted. (Management could modify the existing Instant Ticket Request Form to reflect and/or Claim Center/IED signatures or create a new form to be utilized for retrievals from the IED.) For tickets that will not be utilized at future events, the Ticket Request Form should indicate they were inactivated and returned to the Claim Center to be placed back in Inventory.

Observation #: 2

Observation Title: Incomplete Tickets to be Distributed at No Cost Logs and Missing Case Files

Internal Audit Observation: IED Case Files and the accompanying attachments of the Instant Ticket Request Forms serve as the log and receipt, respectively. IA noted that two events did not have Case Files created by the IED personnel. One Case File had the incorrect Instant Ticket Request Form attached.

Discussion and Background: IA utilized the same scope and supporting documentation described in the Discussion and Background Section as observation one. Number four of the policies and procedures states, “on the delivery date, Security (IED) will prepare the promotional tickets receipt and pick up the tickets from the OAL Claim Center Manager. Reports containing attached receipts will be used to keep a log of the tickets given out during the year. Receipt will reflect the date of event/contest/giveaway, specific tickets needed, game number, pack number, and number of tickets. Receipt will be signed by OAL Claim Center Manager, OAL Ticket Requester, OAL Chief Fiscal Officer or Treasurer, and OAL Security & Compliance (IED) authorized personnel.”

Number seven of the policies and procedures states, “OAL Security & Compliance personnel will maintain a record of ticket request and ticket receipt by report in Laser Fisch.” IA noted that two events did not have a Case File created and maintained by the IED. IA further noted that one event’s Case file did not contain the correct Instant Ticket Request Form attached. IA also noted that all responsible parties in the process do not have access to IED’s Laserfiche (LF) Case Files.

Cause: IA noted that best practices of utilizing chain of command for work performance and supervision and approval of work could have led to the oversight. Best practices indicates that work should be performed by personnel within the division and approved by supervisors within the division.

Effect: Failure to properly maintain logs led to incomplete record retention.

Internal Audit Recommendations: IA recommends that proper segregation of duties be maintained, and that supervisors approve all work performed. IA further recommends modifying the policies and procedures, to designate a central location for all documentation to be stored outside of IED’s LF files.

Observation #: 3

Observation Title: Incorrect Stated Policies and Procedures

Internal Audit Observation: IA noted that the policies and procedures do not properly state that the Instant Ticket Request Form is utilized at the origination of the process.

Discussion and Background: IA utilized the same scope and supporting documentation described in the Discussion and Background Section as observation one and two. Procedure for policies and procedures number four states, “on the delivery date, Security (IED) will prepare the promotional tickets receipt and pick up the tickets from the OAL Claim Center Manager. Reports containing attached receipts will be used to keep a log of the tickets given out during the year. Receipt will reflect the date of event/contest/giveaway, specific tickets needed, game number, pack number, and number of tickets. Receipt will be signed by OAL Claim Center Manager, OAL Ticket Requester, OAL Chief Fiscal Officer or Treasurer, and OAL Security & Compliance (IED) authorized personnel.”

IA noted that the policies and procedures did not clearly state the Instant Ticket Request Form, as the means to request tickets distributed at no cost. Instead, the policies and procedures used the term “receipt” in substitution for the Instant Ticket Request Form. Furthermore, the Instant Ticket Request Form is first

utilized by the requestor at the beginning of the process, not in step four as outlined in the policies and procedures.

Cause: Failure to properly identify and document key documentation utilized in the process while writing and finalizing policies and procedures related to use of tickets distributed at no cost.

Effect: Could lead to confusion amongst staff, as well as a breakdown of the internal control process.

Internal Audit Recommendations: IA recommends modifying policies and procedures to clearly state documentation utilized and origination in the process.

Management's Response

See attached for Management Response and revised policy and procedures.

William C Miller, CPA

William C Miller, CPA, CGMA
Director of Internal Audit

2025-51 Procedure for Tickets Distributed at No Cost Audit

Management Response

Observation #1:

Tickets were not properly returned to OAL's Investigation and Enforcement Division after distributing a portion at an event.

Management Response:

For clarification, this occurrence has happened one time since the inception of the Arkansas Scholarship Lottery in 2009, resulting in an approximate loss of \$48 worth of scratch off lottery tickets, whereby former Executive Director, Eric Hagler, took scratch off tickets to give away at events, did not give all of them away, returned some to the OAL but did not properly follow the policy to document the ticket return to the Director of Security. Hagler did document the return of the tickets via email to former Director of Marketing and Advertising Ashley McNatt. It is unclear if the former Director of Security Justin Webb inactivated the tickets at the time of their return.

In March 2024, Eric Hagler, Ashley McNatt and Justin Webb resigned their employment from the OAL. Due to the staff changeover, some of the details regarding the return of the outstanding 48 tickets are unclear.

The current OAL Executive Director Sharon Strong, Director of Investigations and Enforcement Blake Hudson and Director of Marketing and Advertising Karen Reynolds have worked together to analyze and revise this policy to create a best practice around Complementary Ticket Requests. (*see Procedure for Complementary Ticket Requests rev. 11/17/2024*). The revised policy requires completion of a Ticket Disposition Report within 2 business days of the event conclusion. It also requires that any surplus tickets be immediately turned in to the Director of Investigations and Enforcement, removed from activated status and placed into secure storage. The Ticket Disposition Report will be attached to both the original and digital copies of the original request form, leading to a “closed loop” process documenting origination to conclusion of all requests.

Observation #2:

Two events did not have casefiles, and one casefile had an incorrect form attached.

Management Response:

The current OAL Executive Director Sharon Strong, Director of Investigations and Enforcement Blake Hudson and Director of Marketing and Advertising Karen Reynolds have worked together to analyze and revise this policy to create a best practice around Complementary Ticket Requests. (*see Procedure for Complementary Ticket Requests rev. 11/17/2024*). We have now implemented a traditional log that is kept at the Claims Center to document complementary ticket distribution. This log will have sequential request numbers that will be added to the corresponding ticket request form by the claim center manager to ensure accurate record keeping and request form integrity. A digital copy of the completed Ticket Disposition Reports will be stored in a shared folder in a locked format to eliminate unauthorized revisions and can be accessed by all responsible parties.

Observation #3:

The applicable policy did not clearly state the Instant Ticket Request Form as the means to request tickets distributed at no cost and instead used the word "receipt."

Management Response:

The current OAL Executive Director Sharon Strong, Director of Investigations and Enforcement Blake Hudson and Director of Marketing and Advertising Karen Reynolds have worked together to analyze and revise this policy to create a best practice around Complementary Ticket Requests. (*see Procedure for Complementary Ticket Requests rev. 11/17/2024*). The revised procedure for Complementary Ticket Requests has the ticket request form embedded into the procedure as a fillable pdf form. The revised policy amended the language to clarify that the complimentary ticket request form originates the process and further defines that the fully executed form (including the requestor's signature confirming pickup of tickets) shall serve as a receipt.



Office of the Arkansas Lottery

PROCEDURE FOR COMPLEMENTARY TICKET REQUESTS

As administrator of the Arkansas Scholarship Lottery (“ASL”), the Office of Arkansas Lottery (“OAL”) is responsible for the distribution and tracking of lottery tickets utilized for public relation events, contests, giveaways, etc. It is the mission of the Arkansas Scholarship to “*Maximize Net Proceeds in a Responsible Manner.*”

OAL has established the following Procedure to request and maintain accountability for tickets distributed at public relation events, contests and used for other giveaways. The goal of this procedure is to define a step-by-step process for acquiring tickets from the OAL Claim Center for distribution to promote the ASL.

1. Lottery ticket requests shall utilize the standard Instant Ticket Request Form:



Complimentary
Ticket Request.pdf

Double Click to Open

2. . The request shall then be electronically forwarded to the applicable Division Director for review. After review/approval, the Division Director shall forward the request to the Executive Director for final approval. All requests must receive final approval from the Executive Director**. *Note: If tickets are being requested for a contest or as part of a giveaway, OAL Chief Legal Counsel must approve the rules before the ticket request is made.*

****If ticket request is made by OAL Executive Director, request will be sent to OAL Chief Fiscal Officer (CFO) and a secondary Division Director for approval utilizing the alternate approval section. In this case, the Division Director review section should be marked N/A.**

- a. If tickets are requested for a contest or giveaway, the reviewing Division Director shall forward the request to the OAL Chief Fiscal Officer (CFO), or in his/her absence, the OAL Treasurer. The CFO will verify the request conforms to the ticket denominations and values specified in the contest/giveaway rules as approved by the OAL Chief Legal Counsel. When the CFO has verified the ticket request, he/she shall place a digital signature at the bottom of the form and forward the request to the OAL Executive Director for his/her final approval.

3. After approval, the Executive Director should forward the approved request to the OAL Treasurer and OAL Claim Center Manager. Copy OAL Chief Fiscal Officer, OAL Controller, OAL Director of Investigations & Enforcement and initial requestor.
 4. On the delivery date, the person who initiated the request shall coordinate a pickup time with the Claim Center Manger and report to take possession of the tickets. The requestor shall then sign a printed copy of the approved request form verifying pickup and assuming responsibility for the tickets. **All tickets under this SOP should be picked up from the Claim Center by the initial requestor to ensure accountability.*
 5. After the request form is fully executed, the Claim Center Manger shall assign the request form a number from the ticket request logbook which will be housed in the Claim Center and fully complete the required fields. This logbook will become the primary log for all ticket requests. The completed request form should then be scanned and saved to a dedicated folder in OneDrive and file names shall mirror the logbook request number assigned to the form, ensuring any irregularity is easily recognizable. The Claim Center shall retain the physical request form in a file in accordance with the Claim Center record retention procedure. The fully executed request form shall also serve as the receipt.
 6. **Every effort** shall be made to request an appropriate number of tickets so that the requestor is not left with a surplus of tickets after the event. However, in the event that there is a surplus of tickets after the event, they shall be returned to the OAL Investigations & Enforcement Director immediately.
 7. The requestor shall complete a Ticket Disposition Report within (2) business days of the event conclusion. The report shall display the same request number as the request form and detail the number of tickets received and the number disbursed and will be signed by the requestor. This form should be turned in to the Claim Center Manager. In the event that surplus tickets are returned, the form shall also be signed by the Director of Investigations & Enforcement confirming the number of tickets returned. A digital copy of this form shall be placed in OneDrive with the request form, and the original shall be filed with the request form in the Claim Center. If surplus tickets have been returned, a copy of the form shall be provided to the OAL CFO, Controller, and Treasurer.
-
- Complimentary
Ticket Disposition R
Double Click to Open
8. Any surplus tickets returned to Investigations and Enforcement shall immediately be removed from “activated” status utilizing BOS and placed into secure storage. Tickets will remain secured until the “end of game” date has passed, at which time the tickets will be disposed of following the same process as other excess or unsold tickets.

Surplus tickets shall NOT be used for a secondary event not listed on the request form without initiating the request process again.

The Executive Director reserves the right to alter this procedure at any time for operational contingencies.





Arkansas
Scholarship Lottery



ARKANSAS LOTTERY MINORITY REPORT

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

OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT

December 1 through December 31, 2024

Vendors	Goods or Services	Diversity Classification	December 2024	FY 2025 Total
Government Supply Services	Office Furniture/Supplies	CMBE	\$ 256.10	\$ 1,428.15
A-Absolute Moving & Hauling	Moving Office Furniture	CMBE	\$ 103.74	\$ 1,363.34
Totals			\$ 359.84	\$ 2,791.49

INTRALOT MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT

December 1 through December 31, 2024

Vendors	Goods or Services	Diversity Classification	December 2024	FY 2025 Total
J Kelly Referrals and Informations Services	Call Center/Information Services	CMBE	\$ 30,895.68	\$ 198,184.74
Totals			\$ 30,895.68	\$ 198,184.74

SCIENTIFIC GAMES MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT

December 1 through December 31, 2024

Vendors	Goods or Services	Diversity Classification	December 2024	FY 2025 Total
Expedited Transportation Service	Transportation Services	DBE	\$ -	\$ 22,107.46
Pure Cleaning Services	Janitorial Servies	MBE	\$ -	\$ 7,771.78
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$ 268.50	\$ 7,169.11
Totals			\$ 268.50	\$ 37,048.35