



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>

February 9, 2017

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

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bishop Woosley", with a long, sweeping underline.

Bishop Woosley
Director

Enclosures

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



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

OFFICE OF THE ARKANSAS LOTTERY

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February 9, 2017

Ms. Rebeca Haley
Legislative Analyst
Arkansas Legislative Council Lottery Oversight Subcommittee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Ms. Haley:

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

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Bishop Woosley
Director

Enclosures

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

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
January 1 through January 31, 2017**

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

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

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$8,336.77
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$4,052.90</u>
	Total Debt Set-Off:	\$12,389.67

2. Retailer losses for period January 1 through January 31, 2017: None.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
January 1 through January 31, 2017

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$7,698.00	\$7,259.00	\$11,172.00	\$449,570.00	\$1,728.00	\$13,033.00	\$4,685.00	\$18,262.00	\$513,407.00
ASHLEY	\$10,575.50	\$17,588.00	\$3,853.00	\$105,720.00	\$1,530.00	\$6,322.00	\$2,060.00	\$11,061.00	\$158,709.50
BAXTER	\$2,316.50	\$2,535.50	\$8,009.00	\$359,636.00	\$5,984.00	\$16,522.00	\$9,154.00	\$28,817.00	\$432,974.00
BENTON	\$4,740.50	\$3,220.00	\$22,412.00	\$981,850.00	\$12,330.00	\$75,076.00	\$21,181.00	\$123,142.00	\$1,243,951.50
BOONE	\$2,656.00	\$3,245.50	\$9,551.00	\$422,857.00	\$2,290.00	\$13,496.00	\$3,910.00	\$22,987.00	\$480,992.50
BRADLEY	\$1,017.00	\$2,200.00	\$1,630.00	\$105,000.00	\$484.00	\$2,853.00	\$2,075.00	\$7,136.00	\$122,395.00
CALHOUN	\$3,612.00	\$895.00	\$915.00	\$39,655.00	\$340.00	\$1,362.00	\$705.00	\$1,954.00	\$49,438.00
CARROLL	\$360.50	\$786.50	\$5,175.00	\$254,306.00	\$1,738.00	\$8,818.00	\$2,426.00	\$14,745.00	\$288,355.00
CHICOT	\$8,211.00	\$5,124.50	\$3,443.00	\$143,400.00	\$3,804.00	\$21,745.00	\$5,430.00	\$46,080.00	\$237,237.50
CLARK	\$2,703.50	\$1,597.00	\$11,062.00	\$298,693.00	\$1,454.00	\$9,126.00	\$4,313.00	\$15,912.00	\$344,860.50
CLAY	\$236.00	\$198.00	\$607.00	\$90,280.00	\$364.00	\$2,389.00	\$1,440.00	\$5,047.00	\$100,561.00
CLEBURNE	\$851.00	\$988.00	\$9,829.00	\$265,520.00	\$2,762.00	\$13,187.00	\$8,536.00	\$21,032.00	\$322,705.00
CLEVELAND	\$410.50	\$341.00	\$741.00	\$62,540.00	\$132.00	\$1,651.00	\$586.00	\$2,299.00	\$68,700.50
COLUMBIA	\$14,725.50	\$8,236.50	\$21,471.00	\$383,687.00	\$2,202.00	\$7,222.00	\$2,388.00	\$13,242.00	\$453,174.00
CONWAY	\$4,728.50	\$1,716.50	\$7,824.00	\$432,363.00	\$1,754.00	\$13,488.00	\$6,591.00	\$19,616.00	\$488,081.00
CRAIGHEAD	\$7,659.00	\$4,396.50	\$21,788.00	\$1,238,241.00	\$5,118.00	\$38,388.00	\$13,945.00	\$62,294.00	\$1,391,829.50
CRAWFORD	\$1,562.50	\$691.50	\$10,463.00	\$365,730.00	\$2,600.00	\$22,567.00	\$9,218.00	\$35,861.00	\$448,693.00
CRITTENDEN	\$17,004.00	\$10,721.00	\$6,393.00	\$482,543.00	\$5,378.00	\$31,417.00	\$8,042.00	\$57,011.00	\$618,509.00
CROSS	\$2,736.00	\$1,827.00	\$8,252.00	\$241,870.00	\$868.00	\$6,045.00	\$2,167.00	\$10,937.00	\$274,702.00
DALLAS	\$1,171.50	\$582.50	\$1,143.00	\$126,439.00	\$398.00	\$3,317.00	\$1,972.00	\$5,427.00	\$140,450.00
DESHA	\$2,102.00	\$1,570.00	\$8,193.00	\$171,600.00	\$1,230.00	\$7,324.00	\$3,462.00	\$11,710.00	\$207,191.00
DREW	\$1,423.50	\$1,314.00	\$5,898.00	\$174,900.00	\$2,342.00	\$7,440.00	\$2,946.00	\$13,356.00	\$209,619.50
FAULKNER	\$10,040.50	\$5,709.00	\$38,755.00	\$1,116,274.00	\$8,850.00	\$49,362.00	\$27,191.00	\$83,160.00	\$1,339,341.50
FRANKLIN	\$515.00	\$290.00	\$10,853.00	\$137,839.00	\$1,310.00	\$8,314.00	\$2,599.00	\$12,782.00	\$174,502.00
FULTON	\$309.00	\$159.00	\$2,337.00	\$82,431.00	\$524.00	\$2,367.00	\$813.00	\$4,299.00	\$93,239.00
GARLAND	\$8,100.50	\$4,018.50	\$34,381.00	\$920,535.00	\$10,672.00	\$56,571.00	\$32,353.00	\$89,061.00	\$1,155,692.00
GRANT	\$761.00	\$133.50	\$1,875.00	\$119,621.00	\$1,578.00	\$6,162.00	\$2,996.00	\$9,940.00	\$143,066.50
GREENE	\$891.50	\$553.50	\$17,096.00	\$533,231.00	\$3,218.00	\$19,206.00	\$7,053.00	\$29,318.00	\$610,567.00
HEMPSTEAD	\$33,852.00	\$10,998.00	\$3,422.00	\$325,404.00	\$1,220.00	\$8,111.00	\$2,365.00	\$11,911.00	\$397,283.00
HOT SPRING	\$667.50	\$787.00	\$6,399.00	\$276,906.00	\$2,318.00	\$11,518.00	\$6,220.00	\$18,330.00	\$323,145.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
January 1 through January 31, 2017**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$17,665.00	\$7,744.00	\$3,245.00	\$191,626.00	\$1,088.00	\$5,606.00	\$2,183.00	\$8,570.00	\$237,727.00
INDEPENDENCE	\$4,018.50	\$1,014.50	\$29,203.00	\$511,693.00	\$2,010.00	\$15,847.00	\$7,185.00	\$25,782.00	\$596,753.00
IZARD	\$164.50	\$53.50	\$7,402.00	\$76,200.00	\$600.00	\$4,090.00	\$2,163.00	\$6,876.00	\$97,549.00
JACKSON	\$11,579.50	\$5,920.00	\$5,872.00	\$270,838.00	\$1,786.00	\$9,252.00	\$4,145.00	\$14,243.00	\$323,635.50
JEFFERSON	\$43,898.50	\$29,665.50	\$25,873.00	\$1,376,904.00	\$8,194.00	\$39,423.00	\$22,108.00	\$59,422.00	\$1,605,488.00
JOHNSON	\$478.50	\$390.50	\$5,521.00	\$237,422.00	\$1,770.00	\$8,268.00	\$3,814.00	\$13,480.00	\$271,144.00
LAFAYETTE	\$6,059.00	\$2,984.00	\$1,671.00	\$64,500.00	\$914.00	\$1,838.00	\$650.00	\$3,075.00	\$81,691.00
LAWRENCE	\$1,410.00	\$407.00	\$6,287.00	\$214,427.00	\$1,078.00	\$5,576.00	\$1,734.00	\$8,891.00	\$239,810.00
LEE	\$2,391.00	\$3,244.00	\$1,116.00	\$62,681.00	\$266.00	\$2,565.00	\$524.00	\$3,507.00	\$76,294.00
LINCOLN	\$171.50	\$294.00	\$2,999.00	\$93,866.00	\$664.00	\$3,284.00	\$2,180.00	\$5,221.00	\$108,679.50
LITTLE RIVER	\$4,015.00	\$2,976.00	\$5,504.00	\$89,192.00	\$482.00	\$4,449.00	\$1,062.00	\$5,919.00	\$113,599.00
LOGAN	\$976.00	\$226.50	\$5,796.00	\$202,394.00	\$1,258.00	\$8,102.00	\$3,424.00	\$14,091.00	\$236,267.50
LONOKE	\$11,905.00	\$5,205.50	\$17,449.00	\$944,747.00	\$6,858.00	\$37,061.00	\$16,724.00	\$60,441.00	\$1,100,390.50
MADISON	\$98.00	\$43.00	\$843.00	\$75,847.00	\$634.00	\$4,651.00	\$1,316.00	\$6,867.00	\$90,299.00
MARION	\$2,410.00	\$476.50	\$5,049.00	\$139,350.00	\$1,624.00	\$5,858.00	\$3,359.00	\$10,427.00	\$168,553.50
MILLER	\$19,709.00	\$11,064.50	\$13,571.00	\$457,034.00	\$2,688.00	\$14,711.00	\$5,179.00	\$21,647.00	\$545,603.50
MISSISSIPPI	\$36,780.00	\$14,503.00	\$6,055.00	\$411,381.00	\$1,866.00	\$12,229.00	\$3,528.00	\$22,291.00	\$508,633.00
MONROE	\$2,003.00	\$1,131.50	\$1,934.00	\$105,418.00	\$510.00	\$4,615.00	\$1,975.00	\$9,255.00	\$126,841.50
MONTGOMERY	\$16.00	\$6.00	\$1,035.00	\$23,707.00	\$584.00	\$1,974.00	\$940.00	\$3,149.00	\$31,411.00
NEVADA	\$1,744.50	\$1,650.00	\$4,371.00	\$143,249.00	\$656.00	\$3,327.00	\$1,288.00	\$4,959.00	\$161,244.50
NEWTON	\$12.00	\$10.00	\$1,618.00	\$43,065.00	\$180.00	\$1,623.00	\$648.00	\$2,110.00	\$49,266.00
OUACHITA	\$10,201.00	\$6,378.00	\$9,322.00	\$510,322.00	\$1,666.00	\$10,272.00	\$4,705.00	\$17,163.00	\$570,029.00
PERRY	\$545.00	\$542.50	\$867.00	\$78,358.00	\$328.00	\$3,951.00	\$1,446.00	\$6,261.00	\$92,298.50
PHILLIPS	\$6,200.50	\$3,658.50	\$652.00	\$163,214.00	\$1,776.00	\$14,689.00	\$2,621.00	\$25,914.00	\$218,725.00
PIKE	\$276.50	\$60.50	\$9,771.00	\$87,262.00	\$646.00	\$4,390.00	\$2,389.00	\$7,366.00	\$112,161.00
POINSETT	\$5,551.50	\$1,113.50	\$10,500.00	\$386,591.00	\$1,216.00	\$10,904.00	\$3,905.00	\$18,674.00	\$438,455.00
POLK	\$605.50	\$26.00	\$7,707.00	\$106,954.00	\$1,446.00	\$7,498.00	\$3,121.00	\$11,960.00	\$139,317.50
POPE	\$2,758.50	\$1,585.00	\$16,157.00	\$708,268.00	\$4,854.00	\$29,650.00	\$11,945.00	\$48,706.00	\$823,923.50
PRAIRIE	\$2,089.00	\$1,074.50	\$3,938.00	\$184,056.00	\$482.00	\$4,259.00	\$1,357.00	\$7,309.00	\$204,564.50
PULASKI	\$98,499.50	\$84,294.00	\$132,562.00	\$5,728,530.00	\$49,466.00	\$235,902.00	\$120,856.00	\$358,910.00	\$6,809,019.50
RANDOLPH	\$45.50	\$230.00	\$4,360.00	\$176,700.00	\$1,440.00	\$6,344.00	\$1,739.00	\$8,846.00	\$199,704.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
January 1 through January 31, 2017**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$11,390.00	\$10,924.00	\$3,203.00	\$289,204.00	\$1,838.00	\$10,547.00	\$2,896.00	\$18,086.00	\$348,088.00
SALINE	\$8,492.00	\$4,909.50	\$35,623.00	\$1,090,981.00	\$9,590.00	\$50,885.00	\$25,787.00	\$83,624.00	\$1,309,891.50
SCOTT	\$243.00	\$39.00	\$1,325.00	\$81,000.00	\$710.00	\$3,741.00	\$1,242.00	\$6,666.00	\$94,966.00
SEARCY	\$16.00	\$303.00	\$1,101.00	\$91,500.00	\$600.00	\$2,258.00	\$1,249.00	\$4,206.00	\$101,233.00
SEBASTIAN	\$20,509.00	\$7,149.50	\$10,767.00	\$761,774.00	\$8,676.00	\$61,382.00	\$21,210.00	\$96,749.00	\$988,216.50
SEVIER	\$2,086.50	\$696.00	\$1,103.00	\$121,720.00	\$718.00	\$5,346.00	\$1,054.00	\$8,045.00	\$140,768.50
SHARP	\$690.50	\$169.00	\$13,269.00	\$216,655.00	\$1,576.00	\$7,423.00	\$3,824.00	\$12,598.00	\$256,204.50
STONE	\$1,876.50	\$518.50	\$3,630.00	\$76,937.00	\$890.00	\$3,794.00	\$3,133.00	\$6,533.00	\$97,312.00
UNION	\$58,450.50	\$23,454.00	\$18,859.00	\$784,898.00	\$4,686.00	\$19,817.00	\$6,745.00	\$32,386.00	\$949,295.50
VAN BUREN	\$593.50	\$603.50	\$4,949.00	\$133,137.00	\$1,020.00	\$6,074.00	\$3,146.00	\$10,039.00	\$159,562.00
WASHINGTON	\$14,146.00	\$5,755.00	\$19,440.00	\$1,341,928.00	\$12,970.00	\$82,213.00	\$25,962.00	\$132,325.00	\$1,634,739.00
WHITE	\$7,444.50	\$4,174.00	\$40,268.00	\$940,639.00	\$4,754.00	\$30,428.00	\$15,016.00	\$49,045.00	\$1,091,768.50
WOODRUFF	\$2,477.00	\$1,143.00	\$1,128.00	\$72,664.00	\$442.00	\$2,954.00	\$1,318.00	\$4,964.00	\$87,090.00
YELL	\$849.50	\$168.00	\$16,581.00	\$257,053.00	\$1,098.00	\$8,578.00	\$3,137.00	\$12,632.00	\$300,096.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$577,179.00	\$347,660.00	\$814,438.00	\$30,834,527.00	\$235,118.00	\$1,302,047.00	\$554,754.00	\$2,105,959.00	\$36,771,682.00

*Estimates

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

There were 1,933 active retailers as of January 31, 2017.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
January 31, 2017

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,054,904.93
Restricted assets:	
Cash and cash equivalents	44,756,393.70
Accounts receivable	13,070,453.69
Prepaid items	31,144.13
Total current assets	<u>59,912,896.45</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,152,430.32
Deposits with Multi-State Lottery Association	1,912,932.64
Capital assets (Net of accumulated depreciation)	406,263.04
Total non-current assets	<u>22,471,626.00</u>
Total assets	82,384,522.45
Deferred outflows of resources:	
Related to pension	<u>1,130,744.92</u>
Total assets and deferred outflows of resources	<u>\$ 83,515,267.37</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 71,509.53
Prizes payable	17,189,908.56
Accrued and other liabilities	2,121,562.90
Due to other funds of the State	391,647.21
Payable to ADHE for Education Trust Account	39,504,473.47
Compensated absences	320,456.92
Unearned revenue	367,055.79
Total current liabilities	<u>59,966,614.38</u>
Long-Term liabilities:	
Net other post employment benefits	2,231,922.19
Net pension liability	4,144,582.00
Total long-term liabilities	<u>6,376,504.19</u>
Total liabilities	66,343,118.57
Deferred inflows of resources:	
Related to pension	<u>665,543.75</u>
Total liabilities and deferred inflows of resources	<u>67,008,662.32</u>

NET POSITION

Net position:	
Invested in capital assets	406,263.04
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	152,430.32
Retailer bond reserve	320,812.55
Deposits with Multi-State Lottery Association	1,912,932.64
Unclaimed prizes reserve	5,251,920.23
Unrestricted (deficit)	<u>(11,537,753.73)</u>
Total net position	<u>16,506,605.05</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 83,515,267.37</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses
For the Seven Months Ended January 31, 2017

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 31,211,397.00	84.21	\$ 33,000,000.00	82.97	\$ (1,788,603.00)	\$ 202,858,386.00	81.16	\$ 213,810,000.00	82.37	\$ (10,951,614.00)
Online games	5,791,721.50	15.63	6,713,000.00	16.88	(921,278.50)	46,604,200.50	18.64	45,268,000.00	17.44	1,336,200.50
Retailer fees	57,873.89	0.16	59,000.00	0.15	(1,126.11)	494,184.73	0.20	493,000.00	0.19	1,184.73
Other revenue	<u>1,299.00</u>	0.00	<u>1,000.00</u>	0.00	<u>299.00</u>	<u>3,460.02</u>	0.00	<u>7,000.00</u>	0.00	<u>(3,539.98)</u>
Total operating revenues	<u>37,062,291.39</u>	100.00	<u>39,773,000.00</u>	100.00	<u>(2,710,708.61)</u>	<u>249,960,231.25</u>	100.00	<u>259,578,000.00</u>	100.00	<u>(9,617,768.75)</u>
Operating expenses:										
Instant game prizes	22,716,998.19	61.29	23,695,738.00	59.58	(978,739.81)	144,376,419.38	57.76	153,337,965.00	59.07	(8,961,545.62)
Online game prizes	3,018,540.97	8.14	3,609,162.00	9.07	(590,621.03)	24,346,242.25	9.74	24,263,635.00	9.35	82,607.25
Retailer commissions	2,092,266.16	5.65	2,266,300.00	5.70	(174,033.84)	14,025,924.69	5.61	14,785,100.00	5.70	(759,175.31)
Gaming contract costs	1,556,206.99	4.20	1,893,700.00	4.76	(337,493.01)	10,669,184.77	4.27	12,269,400.00	4.73	(1,600,215.23)
Compensation & benefits	464,497.11	1.25	438,300.00	1.10	26,197.11	2,964,614.55	1.19	3,048,200.00	1.17	(83,585.45)
Marketing, advertising & promotions	403,209.52	1.09	780,000.00	1.96	(376,790.48)	3,496,015.77	1.40	3,668,800.00	1.41	(172,784.23)
General and administrative expenses	233,611.26	0.63	374,700.00	0.94	(141,088.74)	1,909,078.09	0.76	2,518,900.00	0.97	(609,821.91)
Services provided by other agencies	48,666.00	0.13	35,000.00	0.09	13,666.00	340,662.00	0.14	375,000.00	0.14	(34,338.00)
Legal and professional service	630.00	0.00	1,600.00	0.00	(970.00)	1,124.44	0.00	11,600.00	0.00	(10,475.56)
Depreciation	<u>7,965.83</u>	0.02	<u>10,000.00</u>	0.03	<u>(2,034.17)</u>	<u>56,174.97</u>	0.02	<u>64,000.00</u>	0.02	<u>(7,825.03)</u>
Total operating expenses	<u>30,542,592.03</u>	82.41	<u>33,104,500.00</u>	83.23	<u>(2,561,907.97)</u>	<u>202,185,440.91</u>	80.89	<u>214,342,600.00</u>	82.57	<u>(12,157,159.09)</u>
Operating income	6,519,699.36	17.59	6,668,500.00	16.77	(148,800.64)	47,774,790.34	19.11	45,235,400.00	17.43	2,539,390.34
Non-operating revenue:										
Interest income	<u>53,376.89</u>	0.14	<u>11,600.00</u>	0.03	<u>41,776.89</u>	<u>225,854.33</u>	0.09	<u>69,600.00</u>	0.03	<u>156,254.33</u>
Income before transfers	<u>\$ 6,573,076.25</u>	17.74	<u>\$ 6,680,100.00</u>	16.80	<u>\$ (107,023.75)</u>	<u>\$ 48,000,644.67</u>	19.20	<u>\$ 45,305,000.00</u>	17.45	<u>\$ 2,695,644.67</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses - GAAP
For the Seven Months Ended January 31, 2017 Compared to January 31, 2016

	Current Month January 31, 2017	% Sales	Current Month January 31, 2016	% Sales	Variance	Year to date January 31, 2017	% Sales	Year to date January 31, 2016	% Sales	Variance
Operating revenues:										
Instant ticket sales	\$ 31,211,397.00	84.2%	\$ 31,289,831.00	53.3%	\$ (78,434.00)	\$ 202,858,386.00	81.2%	\$ 201,069,505.00	76.2%	\$ 1,788,881.00
Online ticket sales	5,791,721.50	15.6%	27,400,255.00	46.6%	(21,608,533.50)	46,604,200.50	18.6%	62,443,333.00	23.7%	(15,839,132.50)
Retailer fees	57,873.89	0.2%	55,549.60	0.1%	2,324.29	494,184.73	0.2%	451,543.98	0.2%	42,640.75
Other revenue	1,299.00	0.0%	613.40	0.0%	685.60	3,460.02	0.0%	5,964.51	0.0%	(2,504.49)
										-
Total operating revenues	<u>37,062,291.39</u>	100.0%	<u>58,746,249.00</u>	100.0%	<u>(21,683,957.61)</u>	<u>249,960,231.25</u>	100.0%	<u>263,970,346.49</u>	100.0%	<u>(14,010,115.24)</u>
Operating expenses:										
Instant game prizes	22,716,998.19	61.3%	22,457,233.37	38.2%	259,764.82	144,376,419.38	57.8%	144,498,111.49	54.7%	(121,692.11)
Online game prizes	3,018,540.97	8.1%	14,110,588.28	24.0%	(11,092,047.31)	24,346,242.25	9.7%	32,626,989.89	12.4%	(8,280,747.64)
Retailer commissions	2,092,266.16	5.6%	3,205,776.94	5.5%	(1,113,510.78)	14,025,924.69	5.6%	14,795,430.80	5.6%	(769,506.11)
Gaming contract costs	1,556,206.99	4.2%	2,038,830.11	3.5%	(482,623.12)	10,669,184.77	4.3%	11,283,694.73	4.3%	(614,509.96)
Compensation and benefits	464,497.11	1.3%	374,914.89	0.6%	89,582.22	2,964,614.55	1.2%	2,694,094.80	1.0%	270,519.75
Marketing, advertising and promotions	403,209.52	1.1%	630,946.04	1.1%	(227,736.52)	3,496,015.77	1.4%	2,967,684.26	1.1%	528,331.51
General and administrative expenses	233,611.26	0.6%	1,646,245.65	2.8%	(1,412,634.39)	1,909,078.09	0.8%	2,183,885.34	0.8%	(274,807.25)
Services provided by ADHE	36,666.00	0.1%	35,000.00	0.1%	1,666.00	256,662.00	0.1%	283,300.00	0.1%	(26,638.00)
Services provided by Legislative Audit Agency	12,000.00	0.0%	17,860.00	0.0%	(5,860.00)	84,000.00	0.0%	148,540.00	0.1%	(64,540.00)
Legal and professional services	630.00	0.0%	400.00	0.0%	230.00	1,124.44	0.0%	1,645.16	0.0%	(520.72)
Depreciation	7,965.83	0.0%	5,398.60	0.0%	2,567.23	56,174.97	0.0%	58,494.60	0.0%	(2,319.63)
Total operating expenses	<u>30,542,592.03</u>	82.4%	<u>44,523,193.88</u>	75.8%	<u>(13,980,601.85)</u>	<u>202,185,440.91</u>	80.9%	<u>211,541,871.07</u>	80.1%	<u>(9,356,430.16)</u>
Operating income	6,519,699.36	17.6%	14,223,055.12	24.2%	(7,703,355.76)	47,774,790.34	19.1%	52,428,475.42	19.9%	(4,653,685.08)
Nonoperating revenue:										
Interest income	53,376.89	0.1%	22,437.93	0.0%	30,938.96	225,854.33	0.1%	134,835.92	0.1%	91,018.41
Other Non Operating Income	-		-		-	-		1,875.61		(1,875.61)
Income before transfers	<u>\$ 6,573,076.25</u>	17.7%	<u>\$ 14,245,493.05</u>	24.2%	<u>\$ (7,672,416.80)</u>	<u>\$ 48,000,644.67</u>	19.2%	<u>\$ 52,565,186.95</u>	19.9%	<u>\$ (4,564,542.28)</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Seven Months Ended January 31, 2017**

	Year to date
Operating revenues:	
Instant ticket SETTLEMENTS	\$ 202,829,961.00
Online ticket sales	46,604,200.50
Retailer application, fidelity and service fees	494,184.73
Other revenue	<u>3,460.02</u>
Total operating revenues	<u>249,931,806.25</u>
Operating expenses:	
Instant game prizes SETTLEMENTS	143,813,520.00
Online game prizes	24,346,242.25
Retailer commissions	14,025,924.69
Gaming contract costs	10,669,184.77
Compensation and benefits	2,964,614.55
Marketing, advertising and promotions	3,496,015.77
General and administrative expenses	1,909,078.09
Services provided by ADHE	256,662.00
Services provided by Legislative Audit Agency	84,000.00
Legal and professional services	1,124.44
Current year Capital Asset cost	<u>86,020.75</u>
Total operating expenses	<u>201,652,387.31</u>
 Change in net proceeds from operations	 48,279,418.94
Nonoperating revenue (expense):	
Interest Income	225,854.33
Other Non-Operating Income	0.00
EDUCATION TRUST FUNDING-Current Year	(36,318,729.94)
Less Act 1180 Unclaimed Prizes	(4,251,920.23)
Less Current year Fidelity Reserve Fees	(15,530.14) restricted reserves
Less Current year Bond Reserve Fees	(156,940.00) restricted reserves
Less Current year MUSL Reserves (additions) / reductions	(65,321.75) see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>250,715.00</u>

NET PROCEEDS EARNED-Current Month **\$ 7,947,546.21**

Totals	Transfer	Interest	Total
	\$ 38,449,447.89	\$ 1,055,025.58	\$ 39,504,473.47
July 2015 funding - 8/15/15	\$ 5,776,292.31	\$ 8,390.78	\$ 5,784,683.09
June 2015 Audit Adjustments - funding 9/15/15	\$ (31,903.86)		\$ (31,903.86)
August 2015 funding - 9/15/15	\$ 5,478,001.52	\$ 12,092.48	\$ 5,490,094.00
September transfer to ADHE 9/11/15	\$ (33,000,000.00)		\$ (33,000,000.00)
Transfer from Shortfall Reserve 9/28/15	\$ 9,000,000.00		\$ 9,000,000.00
September transfer to ADHE 9/30/15	\$ (9,000,000.00)		\$ (9,000,000.00)
September 2015 funding - 10/15/15	\$ 6,620,285.47	\$ 4,681.64	\$ 6,624,967.11
June 2015 Final Adjustment - funding 10/15/15	\$ 201,027.87		\$ 201,027.87
Transfer to Shortfall Reserve 10/15/15	\$ (7,034,638.82)		\$ (7,034,638.82)
October 2015 funding - 11/15/15	\$ 6,020,616.60	\$ 25.72	\$ 6,020,642.32
ADHE Refund for excess scholarship funding 11/14	\$ 286,177.97		\$ 286,177.97
Transfer to Shortfall Reserve 11/15/15	(1,965,361.18)		(1,965,361.18)
November 2015 funding - 12/15/15	\$ 5,723,851.53	\$ 1,287.56	\$ 5,725,139.09
December 2015 funding - 1/15/16	\$ 6,421,742.32	\$ 4,012.34	\$ 6,425,754.66
January 2016 funding - 2/15/16	\$ 13,825,217.24	\$ 6,142.51	\$ 13,831,359.75
Transfer From Shortfall Reserve 2/8/16	\$ 4,676,287.39		\$ 4,676,287.39
Transfer to ADHE 2/9/16	\$ (35,000,000.00)		\$ (35,000,000.00)
February 2016 funding - 3/15/16	\$ 4,471,591.20	\$ 2,764.86	\$ 4,474,356.06
Transfer to Shortfall Reserve - 3/15/16	\$ (4,474,356.06)		\$ (4,474,356.06)
March 2016 funding - 4/15/16	\$ 5,758,892.51	\$ 0.33	\$ 5,758,892.84
Transfer to Shortfall Reserve - 4/15/16	\$ (201,931.33)		\$ (201,931.33)
April 2016 funding - 5/15/16	\$ 7,391,329.77	\$ 1,507.23	\$ 7,392,837.00
May 2016 funding - 6/15/16	\$ 6,601,034.42	\$ 5,130.52	\$ 6,606,164.94
June 2016 funding - 7/15/16	\$ 11,241,076.28	\$ 8,144.09	\$ 11,249,220.37
July 2016 funding - 8/15/16	\$ 8,702,788.19	\$ 11,598.20	\$ 8,714,386.39
August 2016 funding - 9/15/16	\$ 5,480,243.59	\$ 18,471.27	\$ 5,498,714.86
Transfer to ADHE 9/9/16	\$ (36,000,000.00)		\$ (36,000,000.00)
September 2016 funding - 10/15/16	\$ 5,765,568.30	\$ 7,508.12	\$ 5,773,076.42
ADHE Refund for excess scholarship funding for FY 2016	\$ 542,198.00		\$ 542,198.00
Transfer from ADHE (final 2016 Adj) -10/28/16	\$ (109,184.50)		\$ (109,184.50)
October 2016 funding - 11/15/16	\$ 5,158,748.07	\$ 6,292.47	\$ 5,165,040.54
November 2016 funding - 12/15/16	\$ 6,562,384.25	\$ 8,595.26	\$ 6,570,979.51
December 2016 funding - 1/15/17	\$ 4,576,676.57	19,855.65	4,596,532.22
January 2017 funding - 2/15/17	\$ 7,922,573.49	24,972.72	7,947,546.21

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
January 31, 2017

	Monthly	Year to Date
Reserve Balance July 1, 2016		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 218,304.08	4,251,920.23
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	\$ 218,304.08	4,251,920.23
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance January 31, 2017		 \$5,251,920.23

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
January 1 through January 31, 2017**

Vendors	Goods or Services	Diversity Classification	January 2017	FY 2017 Total
A-Absolute Moving & Hauling	Moving/Hauling	CMBE		\$1,073.35
Allegra Print & Imaging	Advertising/Public Relations	FOB	\$1,916.15	\$1,916.15
BSW Advertising	Advertising/Public Relations	FOB		\$36,561.33
Goddess Products	Office Furniture/Supplies	CMBE	\$1,577.36	\$15,004.16
Government Supply Services	Office Products	MBE		\$835.68
Party Prints	Advertising/Public Relations	CMBE		\$20,486.55
Trivia Marketing	Advertising/Public Relations	WBE	\$681.25	\$681.25
Totals			\$4,174.76	\$76,558.47

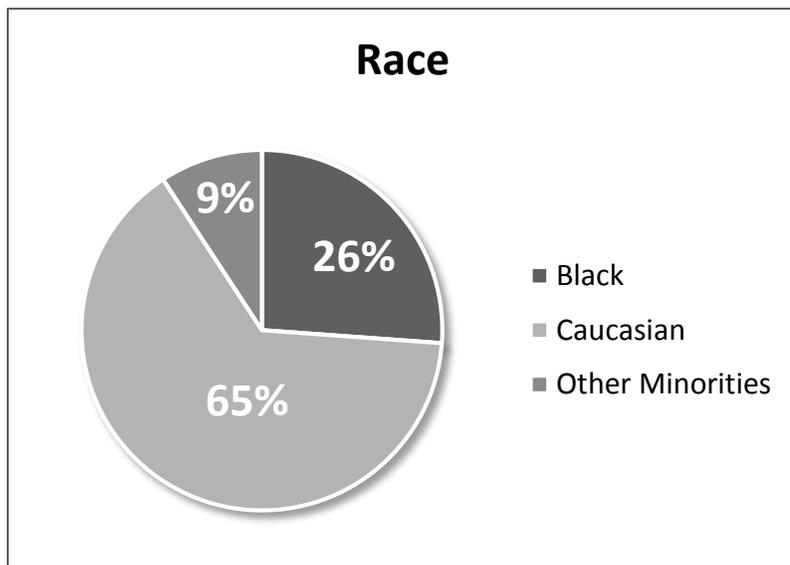
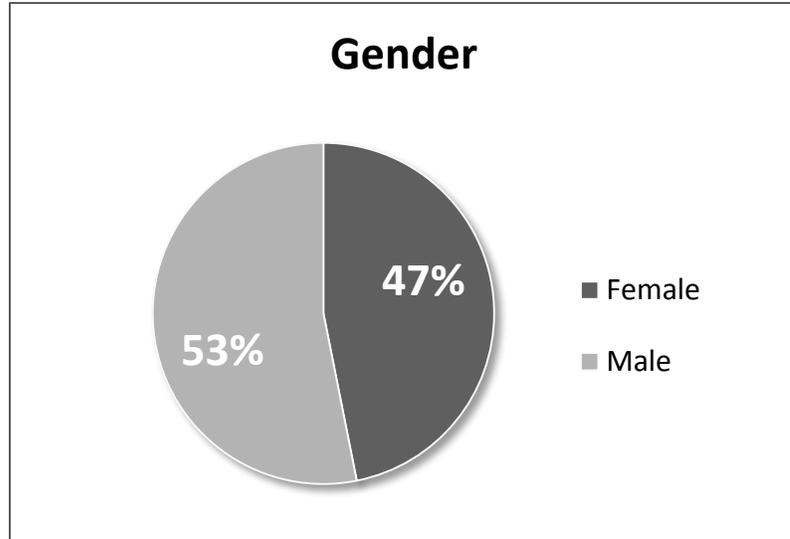
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
January 1 through January 31, 2017**

Vendors	Goods or Services	Diversity Classification	January 2017	FY 2017 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$0.00	\$55,003.00
Totals			\$0.00	\$55,003.00

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
January 1 through January 31, 2017**

Vendors	Goods or Services	Diversity Classification	January 2017	FY 2017 Total
Expedited Transportation Services	Transportation Services	FOB	\$2,087.60	\$17,290.59
Ingage, LLC	Fulfillment Services and Prizes	FOB	\$50,148.47	\$159,575.14
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	MBE	\$792.00	\$2,772.00
Totals			\$53,028.07	\$179,637.73

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



Total Number of Employees as of January 31, 2017: 65

Gender:

Females – 30
Males – 35

Race:

Black – 17
Caucasian – 42
Other – 6

Female -- 10	Male -- 7
Female -- 17	Male -- 25
Female -- 3	Male -- 3

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

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

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

Sales for the following instant games began January 3, 2017. No ending dates have been determined for these games.

\$1 \$100 in a Flash
\$2 \$200 in a Flash
\$5 \$500 in a Flash
\$20 Arkansas Millions

Sales for the following instant games began January 31, 2017. No ending dates have been determined for these games.

\$1 3 Times Lucky
\$2 Royal Jumbo Bucks
\$3 Crossword Multiplier
\$5 The Cash Wheel
\$10 Big Money Game

Sales for the following Fast Play games began January 9, 2017. No ending dates have been determined for this game.

\$1 Bingo
\$1 Cash Count Up