



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, 2016

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 July 2016, 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".

Bishop Woosley
Director

Enclosures

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



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**Department of Finance
and Administration**

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August 10, 2016

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

RE: Monthly Disclosure Reports

Gentlemen:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, please accept the attached monthly disclosure reports for the month of July 2016, 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
July 1, 2016 through July 31, 2016**

1. On July 8, 2016, Mangan Holcomb Partners (“Mangan Holcomb”) and Department of Finance & Administration Office of the Arkansas Lottery (“OAL”) entered into a Second Amendment to the Agreement for Contractual Services for Supplemental Advertising, Marketing, and Media Services. The purpose of the amendment was to extend the agreement for a period of six months, pursuant to the agreement entered into between the parties (the Contract) on July 8, 2014. This Second Amendment was reviewed by the Arkansas Legislative Council Lottery Oversight Subcommittee on June 16, 2016. The following information is provided:

- a. Date of Agreement: July 8, 2016
- b. Terms of Agreement: Six (6) months, commencing on July 8, 2016, and expiring on January 8, 2017
- c. Vendor or other parties to the Agreement: Mangan Holcomb Partners and the Office of the Arkansas Lottery
- d. Value (cost or cost savings projected for the agreement): Five percent (5%) of net media cost:

Creative Director	\$185.00 per hour
Art Director	\$170.00 per hour
Copy Writer	\$100.00 per hour
Account Supervisor	\$120.00 per hour
Account Manager	\$70.00 per hour
Staff Accountant	\$50.00 per hour
Promotional Specialist	\$100.00 per hour
Promotional Staff	\$25.00 per hour
Graphic Designer	\$105.00 per hour
Public Relations Director	\$185.00 per hour
Public Relations Coordinator	\$135.00 per hour
Production Director	\$185.00 per hour

2. On July 15, 2016, a Third Amendment to the Agreement for Contract Services for Outdoor Advertising was executed between the Sunshine Electronic Display Corporation (“Sunshine”) and Mangan Holcomb Corporation (“MGH”) on behalf of the Department of Finance & Administration Office of the Arkansas Lottery (“OAL”). The purpose of the agreement is for the leasing of twenty-eight (28) jackpot displays of various sizes. The displays will be attached by Sunshine to fourteen (14) billboards leased through MGH. The following information is provided:

- a. Date of Agreement: July 15, 2016.
- b. Terms of Agreement: The term of the lease commences on July 15, 2016, and continues through July 17, 2018. MGH will pay Sunshine \$265.00 plus sales tax per month for each display. MGH will then invoice OAL monthly for the jackpot displays.
- c. Vendor or other parties to the Agreement: Sunshine Electronic Display Corporation, Mangan Holcomb Corporation, and Office of the Arkansas Lottery.
- d. Value (cost or cost savings projected for the agreement): \$265.00 per month per display plus sales tax for twenty-eight (28) signs for 24 months, or \$178,080.00 plus sales tax.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
July 2016**

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$8,503.41
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$1,388.50</u>
	Total Debt Set-Off:	\$9,891.91

2. Retailer losses for period July 1 through July 31, 2016: None.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2016

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$7,513.00	\$6,291.50	\$9,214.00	\$402,566.00	\$2,062.00	\$25,312.00	\$3,252.00	\$42,167.00	\$498,377.50
ASHLEY	\$8,957.50	\$8,739.00	\$2,544.00	\$109,158.00	\$1,462.00	\$12,272.00	\$1,305.00	\$22,577.00	\$167,014.50
BAXTER	\$3,631.00	\$2,459.00	\$8,998.00	\$329,091.00	\$7,022.00	\$40,240.00	\$9,907.00	\$69,341.00	\$470,689.00
BENTON	\$4,972.00	\$2,123.50	\$24,313.00	\$859,961.00	\$11,516.00	\$159,133.00	\$16,097.00	\$283,458.00	\$1,361,573.50
BOONE	\$3,110.50	\$2,445.00	\$8,934.00	\$445,145.00	\$2,462.00	\$33,029.00	\$3,305.00	\$55,306.00	\$553,736.50
BRADLEY	\$1,766.50	\$2,530.50	\$1,170.00	\$120,900.00	\$1,278.00	\$7,004.00	\$1,599.00	\$14,850.00	\$151,098.00
CALHOUN	\$3,041.50	\$937.00	\$778.00	\$40,500.00	\$446.00	\$3,176.00	\$672.00	\$4,674.00	\$54,224.50
CARROLL	\$558.50	\$838.50	\$2,990.00	\$235,247.00	\$1,828.00	\$19,248.00	\$1,979.00	\$34,948.00	\$297,637.00
CHICOT	\$9,800.00	\$6,226.00	\$1,729.00	\$147,851.00	\$3,934.00	\$51,859.00	\$4,904.00	\$93,451.00	\$319,754.00
CLARK	\$2,839.00	\$1,555.50	\$10,193.00	\$276,579.00	\$1,750.00	\$22,757.00	\$2,928.00	\$40,134.00	\$358,735.50
CLAY	\$127.00	\$19.50	\$743.00	\$74,100.00	\$618.00	\$6,712.00	\$1,111.00	\$11,406.00	\$94,836.50
CLEBURNE	\$1,146.00	\$1,231.50	\$14,630.00	\$259,810.00	\$2,898.00	\$34,117.00	\$6,818.00	\$55,321.00	\$375,971.50
CLEVELAND	\$298.00	\$397.00	\$681.00	\$53,100.00	\$146.00	\$3,539.00	\$535.00	\$5,815.00	\$64,511.00
COLUMBIA	\$14,832.50	\$7,200.50	\$16,509.00	\$237,993.00	\$2,040.00	\$13,302.00	\$2,085.00	\$24,399.00	\$318,361.00
CONWAY	\$4,158.00	\$1,431.00	\$13,014.00	\$433,978.00	\$1,704.00	\$30,014.00	\$4,823.00	\$51,373.00	\$540,495.00
CRAIGHEAD	\$7,598.00	\$4,691.00	\$23,157.00	\$1,124,078.00	\$5,948.00	\$90,831.00	\$10,436.00	\$158,498.00	\$1,425,237.00
CRAWFORD	\$1,376.50	\$877.50	\$8,216.00	\$316,647.00	\$3,168.00	\$48,042.00	\$7,300.00	\$82,107.00	\$467,734.00
CRITTENDEN	\$15,223.50	\$8,659.00	\$4,524.00	\$463,463.00	\$5,962.00	\$65,282.00	\$7,564.00	\$131,367.00	\$702,044.50
CROSS	\$3,259.00	\$1,902.50	\$7,152.00	\$227,380.00	\$866.00	\$15,659.00	\$2,076.00	\$26,462.00	\$284,756.50
DALLAS	\$1,419.50	\$782.50	\$2,312.00	\$149,400.00	\$498.00	\$9,075.00	\$1,405.00	\$13,384.00	\$178,276.00
DESHA	\$2,187.00	\$1,107.50	\$2,304.00	\$156,300.00	\$996.00	\$17,287.00	\$2,831.00	\$27,602.00	\$210,614.50
DREW	\$2,006.00	\$1,664.50	\$4,994.00	\$162,300.00	\$2,310.00	\$17,625.00	\$2,558.00	\$28,920.00	\$222,377.50
FAULKNER	\$7,149.50	\$4,246.50	\$21,851.00	\$925,214.00	\$8,758.00	\$113,631.00	\$19,312.00	\$187,997.00	\$1,288,159.00
FRANKLIN	\$333.50	\$274.00	\$10,077.00	\$155,164.00	\$1,098.00	\$16,094.00	\$2,363.00	\$29,339.00	\$214,742.50
FULTON	\$374.50	\$170.00	\$2,687.00	\$77,868.00	\$506.00	\$5,025.00	\$871.00	\$8,950.00	\$96,451.50
GARLAND	\$6,879.50	\$4,661.50	\$22,577.00	\$848,037.00	\$11,454.00	\$136,944.00	\$27,342.00	\$228,206.00	\$1,286,101.00
GRANT	\$1,041.00	\$155.00	\$2,171.00	\$116,700.00	\$1,562.00	\$14,067.00	\$2,397.00	\$23,953.00	\$162,046.00
GREENE	\$979.50	\$656.00	\$5,962.00	\$484,393.00	\$3,098.00	\$37,939.00	\$5,049.00	\$69,002.00	\$607,078.50
HEMPSTEAD	\$31,789.00	\$9,818.00	\$10,237.00	\$325,200.00	\$1,470.00	\$16,867.00	\$2,877.00	\$26,644.00	\$424,902.00
HOT SPRING	\$1,195.50	\$1,031.50	\$3,764.00	\$305,675.00	\$2,560.00	\$26,045.00	\$5,031.00	\$45,915.00	\$391,217.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2016

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$19,765.50	\$7,905.00	\$5,408.00	\$184,500.00	\$1,114.00	\$11,001.00	\$1,695.00	\$17,086.00	\$248,474.50
INDEPENDENCE	\$4,198.50	\$737.50	\$44,339.00	\$501,743.00	\$2,922.00	\$38,974.00	\$6,733.00	\$59,843.00	\$659,490.00
IZARD	\$259.00	\$327.00	\$5,562.00	\$80,146.00	\$676.00	\$9,508.00	\$1,818.00	\$13,574.00	\$111,870.00
JACKSON	\$10,493.00	\$4,228.50	\$9,673.00	\$290,400.00	\$1,752.00	\$18,512.00	\$3,572.00	\$32,500.00	\$371,130.50
JEFFERSON	\$40,744.50	\$32,050.00	\$31,478.00	\$1,310,258.00	\$9,206.00	\$89,869.00	\$18,000.00	\$140,981.00	\$1,672,586.50
JOHNSON	\$738.00	\$545.00	\$3,474.00	\$226,030.00	\$1,500.00	\$17,584.00	\$3,227.00	\$36,863.00	\$289,961.00
LAFAYETTE	\$4,753.00	\$1,772.50	\$1,634.00	\$62,100.00	\$526.00	\$3,572.00	\$680.00	\$5,612.00	\$80,649.50
LAWRENCE	\$1,427.00	\$335.50	\$8,577.00	\$210,597.00	\$942.00	\$12,978.00	\$1,497.00	\$21,478.00	\$257,831.50
LEE	\$2,604.50	\$2,921.00	\$792.00	\$69,000.00	\$374.00	\$5,650.00	\$339.00	\$9,318.00	\$90,998.50
LINCOLN	\$256.50	\$199.50	\$3,378.00	\$84,000.00	\$588.00	\$8,238.00	\$2,395.00	\$13,758.00	\$112,813.00
LITTLE RIVER	\$4,477.50	\$3,717.50	\$927.00	\$90,000.00	\$478.00	\$7,714.00	\$1,007.00	\$12,393.00	\$120,714.00
LOGAN	\$937.50	\$259.50	\$5,199.00	\$179,972.00	\$1,018.00	\$16,243.00	\$2,359.00	\$29,127.00	\$235,115.00
LONOKE	\$10,100.50	\$5,754.00	\$23,445.00	\$857,007.00	\$6,892.00	\$82,524.00	\$13,677.00	\$140,444.00	\$1,139,843.50
MADISON	\$178.00	\$26.50	\$1,489.00	\$70,784.00	\$610.00	\$9,177.00	\$1,014.00	\$14,504.00	\$97,782.50
MARION	\$2,005.50	\$534.50	\$4,248.00	\$147,800.00	\$2,614.00	\$13,323.00	\$3,103.00	\$22,730.00	\$196,358.00
MILLER	\$21,183.00	\$11,399.00	\$8,278.00	\$476,109.00	\$2,352.00	\$28,481.00	\$3,763.00	\$48,684.00	\$600,249.00
MISSISSIPPI	\$41,724.00	\$14,125.50	\$7,872.00	\$445,888.00	\$2,314.00	\$36,670.00	\$3,132.00	\$64,932.00	\$616,657.50
MONROE	\$2,355.00	\$945.50	\$665.00	\$135,180.00	\$662.00	\$12,832.00	\$1,659.00	\$24,351.00	\$178,649.50
MONTGOMERY	\$114.00	\$3.00	\$1,462.00	\$22,382.00	\$522.00	\$6,479.00	\$901.00	\$11,144.00	\$43,007.00
NEVADA	\$1,154.00	\$1,350.50	\$2,714.00	\$157,500.00	\$950.00	\$8,727.00	\$1,225.00	\$14,327.00	\$187,947.50
NEWTON	\$70.00	\$26.00	\$1,259.00	\$39,681.00	\$244.00	\$3,911.00	\$646.00	\$4,801.00	\$50,638.00
OUACHITA	\$9,859.00	\$4,906.50	\$5,447.00	\$485,824.00	\$1,854.00	\$25,461.00	\$3,492.00	\$41,562.00	\$578,405.50
PERRY	\$719.50	\$499.00	\$540.00	\$82,377.00	\$384.00	\$8,824.00	\$1,244.00	\$15,090.00	\$109,677.50
PHILLIPS	\$11,004.50	\$3,977.00	\$1,051.00	\$192,713.00	\$2,064.00	\$32,340.00	\$3,290.00	\$58,930.00	\$305,369.50
PIKE	\$2,032.50	\$163.00	\$11,397.00	\$89,100.00	\$692.00	\$10,299.00	\$1,628.00	\$16,590.00	\$131,901.50
POINSETT	\$7,027.00	\$1,019.50	\$7,751.00	\$354,936.00	\$1,436.00	\$23,129.00	\$3,440.00	\$42,302.00	\$441,040.50
POLK	\$887.00	\$53.00	\$6,534.00	\$110,100.00	\$1,400.00	\$16,871.00	\$2,246.00	\$26,478.00	\$164,569.00
POPE	\$3,009.00	\$1,509.00	\$10,024.00	\$669,301.00	\$5,038.00	\$64,565.00	\$10,402.00	\$109,477.00	\$873,325.00
PRAIRIE	\$1,807.50	\$1,035.00	\$4,609.00	\$143,817.00	\$600.00	\$10,173.00	\$1,013.00	\$17,395.00	\$180,449.50
PULASKI	\$105,755.50	\$78,877.00	\$137,430.00	\$5,379,869.00	\$49,686.00	\$531,392.00	\$94,909.00	\$874,783.00	\$7,252,701.50
RANDOLPH	\$40.00	\$445.00	\$4,852.00	\$177,693.00	\$1,546.00	\$11,158.00	\$1,912.00	\$20,579.00	\$218,225.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2016**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$9,416.00	\$6,901.50	\$3,856.00	\$244,107.00	\$1,842.00	\$23,770.00	\$2,299.00	\$41,585.00	\$333,776.50
SALINE	\$11,565.50	\$5,282.50	\$43,496.00	\$956,787.00	\$9,768.00	\$117,723.00	\$21,488.00	\$203,262.00	\$1,369,372.00
SCOTT	\$149.00	\$140.00	\$2,145.00	\$85,800.00	\$710.00	\$7,965.00	\$850.00	\$13,254.00	\$111,013.00
SEARCY	\$198.00	\$641.00	\$2,069.00	\$105,678.00	\$704.00	\$5,847.00	\$911.00	\$10,850.00	\$126,898.00
SEBASTIAN	\$17,334.50	\$5,352.50	\$9,557.00	\$701,259.00	\$9,746.00	\$116,711.00	\$16,619.00	\$212,455.00	\$1,089,034.00
SEVIER	\$1,960.00	\$668.00	\$1,379.00	\$115,755.00	\$658.00	\$11,190.00	\$981.00	\$17,630.00	\$150,221.00
SHARP	\$1,211.50	\$517.50	\$9,855.00	\$220,078.00	\$1,404.00	\$18,313.00	\$3,418.00	\$30,921.00	\$285,718.00
STONE	\$1,132.50	\$216.00	\$2,086.00	\$96,600.00	\$966.00	\$9,419.00	\$2,253.00	\$15,841.00	\$128,513.50
UNION	\$49,032.50	\$22,851.50	\$8,616.00	\$796,779.00	\$4,522.00	\$36,890.00	\$6,089.00	\$67,408.00	\$992,188.00
VAN BUREN	\$1,004.00	\$565.50	\$5,738.00	\$145,524.00	\$1,212.00	\$17,428.00	\$2,787.00	\$27,250.00	\$201,508.50
WASHINGTON	\$12,950.00	\$6,192.00	\$22,473.00	\$1,191,055.00	\$12,752.00	\$162,529.00	\$21,539.00	\$284,323.00	\$1,713,813.00
WHITE	\$5,533.50	\$4,084.00	\$26,873.00	\$1,024,701.00	\$5,960.00	\$75,921.00	\$11,980.00	\$124,010.00	\$1,279,062.50
WOODRUFF	\$2,164.00	\$1,172.00	\$848.00	\$98,646.00	\$468.00	\$6,334.00	\$1,171.00	\$11,844.00	\$122,647.00
YELL	\$870.50	\$265.50	\$4,426.00	\$239,011.00	\$958.00	\$17,735.00	\$3,209.00	\$29,125.00	\$295,600.00

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$575,764.00	\$321,618.50	\$753,350.00	\$29,212,385.00	\$246,046.00	\$2,896,081.00	\$452,344.00	\$4,948,960.00	\$39,406,548.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
July 2016**

There were 1,917 active retailers as of July 31, 2016.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
July 31, 2016

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4,104,121.97
Restricted assets:	
Cash and cash equivalents	42,025,500.54
Accounts receivable	11,870,339.60
Prepaid items	51,477.75
Total current assets	<u>58,051,439.86</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,137,590.01
Deposits with Multi-State Lottery Association	1,807,885.41
Capital assets:	
Assets under construction	68,452.00
Equipment	801,038.94
Leasehold improvements	492,795.71
Less accumulated depreciation	(993,885.09)
Total non-current assets	<u>22,313,876.98</u>
Deferred outflows of resources:	
Related to pension	<u>992,965.00</u>
Total assets and deferred outflows of resources	<u>\$ 81,358,281.84</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 58,964.85
Prizes payable	17,610,695.11
Accrued and other liabilities	3,493,732.55
Due to other funds of the State	656,206.13
Payable to Arkansas Department of Higher Education	39,519,570.21
Compensated absences	290,470.96
Unearned revenue	305,079.17
Total current liabilities	<u>61,934,718.98</u>
Long-Term liabilities:	
Net other post employment benefits	1,707,778.58
Net pension liability	3,407,594.00
Total long-term liabilities	<u>5,115,372.58</u>
Deferred inflows of resources:	
Related to pension	<u>1,020,498.75</u>
Total liabilities and deferred inflows of resources	<u>68,070,590.31</u>

NET POSITION

Net position:	
Invested in capital assets	368,401.56
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	137,590.01
Retailer bond reserve	170,277.55
Deposits with Multi-State Lottery Assn.	1,807,885.41
Unclaimed prizes reserve	2,505,930.33
Unrestricted (deficit)	<u>(11,702,393.33)</u>
Total net position	<u>13,287,691.53</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 81,358,281.84</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses
For Month Ended July 31, 2016

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 27,852,893.00	72.84	\$ 27,480,000.00	81.08	\$ 372,893.00	\$ 27,852,893.00	72.84	\$ 27,480,000.00	81.08	\$ 372,893.00
Online games	10,326,218.00	27.01	6,353,000.00	18.74	3,973,218.00	10,326,218.00	27.01	6,353,000.00	18.74	3,973,218.00
Retailer fees	57,762.85	0.15	58,000.00	0.17	(237.15)	57,762.85	0.15	58,000.00	0.17	(237.15)
Other revenue	<u>420.07</u>	0.00	<u>1,000.00</u>	0.00	<u>(579.93)</u>	<u>420.07</u>	0.00	<u>1,000.00</u>	0.00	<u>(579.93)</u>
Total operating revenues	<u>38,237,293.92</u>	100.00	<u>33,892,000.00</u>	100.00	<u>4,345,293.92</u>	<u>38,237,293.92</u>	100.00	<u>33,892,000.00</u>	100.00	<u>4,345,293.92</u>
Operating expenses:										
Instant game prizes	19,527,541.59	51.07	19,673,370.00	58.05	(145,828.41)	19,527,541.59	51.07	19,673,370.00	58.05	(145,828.41)
Online game prizes	4,758,374.72	12.44	3,398,630.00	10.03	1,359,744.72	4,758,374.72	12.44	3,398,630.00	10.03	1,359,744.72
Retailer commissions	2,103,750.85	5.50	1,930,900.00	5.70	172,850.85	2,103,750.85	5.50	1,930,900.00	5.70	172,850.85
Gaming contract costs	1,502,634.26	3.93	1,576,900.00	4.65	(74,265.74)	1,502,634.26	3.93	1,576,900.00	4.65	(74,265.74)
Compensation & benefits	339,388.64	0.89	418,400.00	1.23	(79,011.36)	339,388.64	0.89	418,400.00	1.23	(79,011.36)
Marketing, advertising & promotions	431,232.00	1.13	274,000.00	0.81	157,232.00	431,232.00	1.13	274,000.00	0.81	157,232.00
General and administrative expenses	602,595.48	1.58	342,300.00	1.01	260,295.48	602,595.48	1.58	342,300.00	1.01	260,295.48
Services provided by other agencies	48,666.00	0.13	61,000.00	0.18	(12,334.00)	48,666.00	0.13	61,000.00	0.18	(12,334.00)
Legal and professional service	154.72	0.00	1,600.00	0.00	(1,445.28)	154.72	0.00	1,600.00	0.00	(1,445.28)
Depreciation	<u>8,015.70</u>	0.02	<u>8,000.00</u>	0.02	<u>15.70</u>	<u>8,015.70</u>	0.02	<u>8,000.00</u>	0.02	<u>15.70</u>
Total operating expenses	<u>29,322,353.96</u>	76.69	<u>27,685,100.00</u>	81.69	<u>1,637,253.96</u>	<u>29,322,353.96</u>	76.69	<u>27,685,100.00</u>	81.69	<u>1,637,253.96</u>
Operating income	8,914,939.96	23.31	6,206,900.00	18.31	2,708,039.96	8,914,939.96	23.31	6,206,900.00	18.31	2,708,039.96
Non-operating revenue:										
Interest income	<u>26,972.82</u>	0.07	<u>11,800.00</u>	0.03	<u>15,172.82</u>	<u>26,972.82</u>	0.07	<u>11,800.00</u>	0.03	<u>15,172.82</u>
Income before transfers	<u>\$ 8,941,912.78</u>	23.39	<u>\$ 6,218,700.00</u>	18.35	<u>\$ 2,723,212.78</u>	<u>\$ 8,941,912.78</u>	23.39	<u>\$ 6,218,700.00</u>	18.35	<u>\$ 2,723,212.78</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Month Ended July 31, 2016**

	Year to date	
Operating revenues:		
Instant ticket SETTLEMENTS	\$ 29,214,068.00	
Online ticket sales	10,326,218.00	
Retailer application, fidelity and service fees	57,762.85	
Other revenue	<u>420.07</u>	
 Total operating revenues	 <u>39,598,468.92</u>	
 Operating expenses:		
Instant game prizes SETTLEMENTS	19,665,459.00	
Online game prizes	4,758,374.72	
Retailer commissions	2,103,750.85	
Gaming contract costs	1,502,634.26	
Compensation and benefits	339,388.64	
Marketing, advertising and promotions	431,232.00	
General and administrative expenses	602,595.48	
Services provided by ADHE	36,666.00	
Services provided by Legislative Audit Agency	12,000.00	
Legal and professional services	154.72	
Current year Capital Asset cost	<u>0.00</u>	
 Total operating expenses	 <u>29,452,255.67</u>	
 Change in net proceeds from operations	 10,146,213.25	
 Nonoperating revenue (expense):		
Interest Income	26,972.82	
Other Non-Operating Income	0.00	
EDUCATION TRUST FUNDING-Current Year	0.00	
Less Act 1180 Unclaimed Prizes	(1,505,930.33)	
Less Current year Fidelity Reserve Fees	(689.83)	restricted reserves
Less Current year Bond Reserve Fees	(6,405.00)	restricted reserves
Less Current year MUSL Reserves (additions) / reductions	39,725.48	see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>14,500.00</u>	

NET PROCEEDS EARNED-Current Month

\$ 8,714,386.39

Totals	Transfer	Interest	Total
	\$ 38,550,240.12	\$ 969,330.09	\$ 39,519,570.21
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 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

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
July 31, 2016

	Monthly	Year to Date
Reserve Balance July 1, 2015		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 1,505,930.33	1,505,930.33
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves: \$ 1,505,930.33		1,505,930.33
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance July 31, 2016		 \$2,505,930.33

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2016**

Vendors	Goods or Services	Diversity Classification	July 2016	FY 2017 Total
A-Absolute Moving & Hauling	Moving/Hauling	Minority-Owned	\$344.45	\$344.45
Goddess Products	Office Furniture/Supplies	Minority-owned	\$631.40	\$631.40
Government Supply Services	Office Products	Minority-owned	\$77.64	\$77.64
Totals			\$1,053.49	\$1,053.49

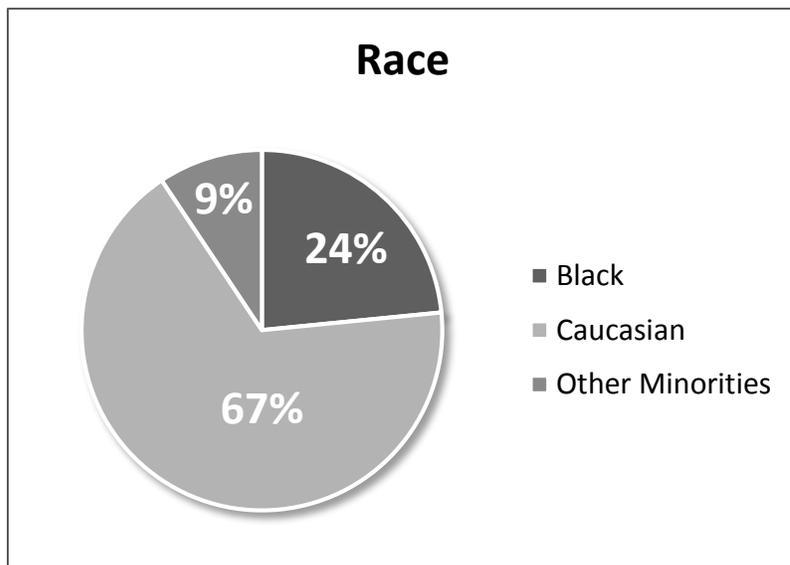
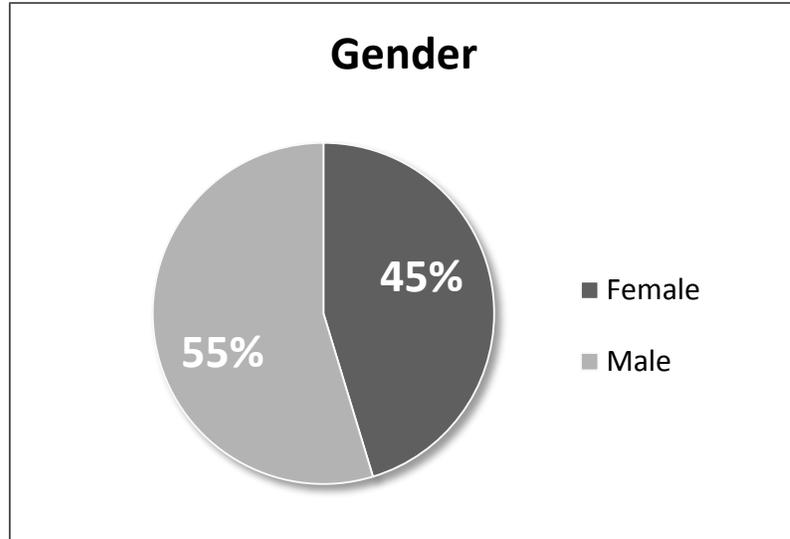
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2016**

Vendors	Goods or Services	Diversity Classification	July 2016	FY 2017 Total
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$8,462.00	\$8,462.00
Totals			\$8,462.00	\$8,462.00

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2016**

Vendors	Goods or Services	Diversity Classification	July 2016	FY 2017 Total
Expedited Transportation Services	Transportation Services	Female-owned	\$3,939.99	\$3,939.99
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$396.00	\$396.00
Totals			\$4,335.99	\$4,335.99

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – July 2016**



Total Number of Employees as of July 31, 2016: 64

Gender:

Females – 29
Males – 35

Race:

Black – 15
Caucasian – 43
Other – 6

Female -- 9	Male -- 6
Female -- 17	Male -- 26
Female -- 3	Male -- 3

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

On July 28, 2016, the Office of the Arkansas Lottery (OAL) Internal Auditor (Internal Audit) issued a report to the Director of the Department of Finance and Administration (DFA Director) as follows:

Education Trust Fund Follow-Up Audit

The follow-up audit centered on controls and procedures surrounding the OAL's calculation of net lottery proceeds, use and replenishment of the Scholarship Shortfall Reserve Account, and funding of the Education Trust Fund Account, which represents funds the OAL holds in trust for the benefit of the Arkansas Academic Challenge Scholarship Program, administered by the Department of Higher Education. Fieldwork included review of documentation and information generated July 1, 2015 through July 14, 2016.

The following observation and recommendation was reported:

- *Under-Collateralization of OAL's December 31, 2015 Cash Balances* – OAL cash account balances were not collateralized at 105% at the end of the month of December 2015, as required by Arkansas State Board of Finance rule. The issue was identified by OAL Management and referred to the OAL's banking partner for immediate action.

Internal Audit recommended that OAL Management continue to independently monitor OAL cash balances to ensure pledged collateral is adequate to meet the Arkansas State Board of Finance rule that requires 105% collateralization of its cash balances, after consideration of FDIC insurance. Internal Audit noted that cash balances were adequately collateralized at 105% at each month end during fiscal year 2016 before and after December 31, 2015. OAL Management stated its concurrence with the Internal Audit recommendation.

Internal Audit will continue to periodically monitor collateralization of OAL account balances to ensure controls implemented by OAL Management continue to function effectively and that the OAL's banking partner maintains pledged collateral in accordance with its agreement with the OAL.

No additional issues or problems resulting from internal audits have been reported to the Director of the Department of Finance and Administration for the reporting period.

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
July 2016

There were no new Instant games that started sales in July, 2016.

There were no new Fast Play games that started sales in July, 2016.