



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

OFFICE OF THE ARKANSAS LOTTERY

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August 9, 2019

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

RE: Monthly Disclosure Reports

Dear Senator Elliot and Representative Richey:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, pursuant to A.C.A. §§ 23-115-206 and 23-115-302, please accept the attached disclosure reports for the month of July 2019. 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, Secretary of the Department of Finance and Administration

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
July 1 through July 31, 2019**

No term contracts were entered into by the Arkansas Department of Finance and Administration Office of the Arkansas Lottery during the month of July 2019.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses as of July 31, 2019**

1. Debt Set-Off Collections:

a.	Arkansas Department of Finance and Administration	\$8,901.94
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$1,000.00</u>
	Total Debt Set-Off:	\$9,901.94

2. Retailer Losses: \$0.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2019

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$11,835.50	\$7,529.00	\$11,191.00	\$451,656.00	\$2,184.00	\$12,251.00	\$4,657.00	\$15,731.00	\$517,034.50
ASHLEY	\$16,911.50	\$13,752.50	\$4,169.00	\$146,948.00	\$1,006.00	\$6,301.00	\$2,266.00	\$10,094.00	\$201,448.00
BAXTER	\$2,654.00	\$1,552.00	\$9,492.00	\$425,664.00	\$6,854.00	\$18,557.00	\$11,957.00	\$27,286.00	\$504,016.00
BENTON	\$7,537.50	\$4,772.50	\$24,568.00	\$1,203,615.00	\$13,988.00	\$81,282.00	\$20,220.00	\$115,260.00	\$1,471,243.00
BOONE	\$1,878.50	\$2,037.50	\$31,679.00	\$499,147.00	\$2,198.00	\$14,146.00	\$4,991.00	\$21,054.00	\$577,131.00
BRADLEY	\$1,916.50	\$2,571.00	\$1,751.00	\$139,986.00	\$830.00	\$2,913.00	\$1,387.00	\$3,871.00	\$155,225.50
CALHOUN	\$4,099.50	\$1,302.00	\$1,760.00	\$43,081.00	\$350.00	\$1,274.00	\$584.00	\$1,824.00	\$54,274.50
CARROLL	\$115.50	\$458.00	\$6,393.00	\$228,881.00	\$1,408.00	\$9,177.00	\$3,443.00	\$14,939.00	\$264,814.50
CHICOT	\$9,172.00	\$6,985.00	\$3,793.00	\$193,567.00	\$3,882.00	\$24,486.00	\$6,504.00	\$38,959.00	\$287,348.00
CLARK	\$4,355.00	\$1,579.50	\$22,398.00	\$368,435.00	\$1,248.00	\$9,656.00	\$4,245.00	\$13,402.00	\$425,318.50
CLAY	\$164.00	\$44.00	\$1,613.00	\$105,233.00	\$554.00	\$3,429.00	\$1,374.00	\$4,295.00	\$116,706.00
CLEBURNE	\$2,057.50	\$406.50	\$24,019.00	\$277,931.00	\$2,408.00	\$13,193.00	\$6,730.00	\$18,536.00	\$345,281.00
CLEVELAND	\$1,053.50	\$332.00	\$1,718.00	\$79,516.00	\$880.00	\$1,396.00	\$582.00	\$2,186.00	\$87,663.50
COLUMBIA	\$13,255.50	\$5,864.50	\$13,895.00	\$305,129.00	\$1,978.00	\$7,003.00	\$2,640.00	\$9,772.00	\$359,537.00
CONWAY	\$5,307.00	\$2,781.00	\$10,910.00	\$384,701.00	\$1,826.00	\$11,635.00	\$5,362.00	\$16,023.00	\$438,545.00
CRAIGHEAD	\$12,340.00	\$7,647.50	\$40,358.00	\$1,453,888.00	\$5,506.00	\$36,074.00	\$13,584.00	\$48,928.00	\$1,618,325.50
CRAWFORD	\$1,530.00	\$554.00	\$6,710.00	\$311,266.00	\$3,336.00	\$22,191.00	\$7,324.00	\$31,436.00	\$384,347.00
CRITTENDEN	\$17,915.00	\$12,491.50	\$6,901.00	\$543,351.00	\$5,550.00	\$30,338.00	\$8,302.00	\$44,412.00	\$669,260.50
CROSS	\$4,713.00	\$2,042.50	\$5,325.00	\$200,977.00	\$1,130.00	\$5,462.00	\$1,897.00	\$7,502.00	\$229,048.50
DALLAS	\$2,119.50	\$1,368.50	\$4,047.00	\$152,536.00	\$794.00	\$3,907.00	\$1,747.00	\$4,976.00	\$171,495.00
DESHA	\$3,031.00	\$2,687.00	\$2,257.00	\$188,544.00	\$756.00	\$7,870.00	\$2,336.00	\$10,158.00	\$217,639.00
DREW	\$3,151.50	\$3,346.00	\$7,456.00	\$259,085.00	\$2,686.00	\$8,565.00	\$2,914.00	\$11,678.00	\$298,881.50
FAULKNER	\$9,497.00	\$5,230.00	\$49,436.00	\$1,261,895.00	\$8,992.00	\$50,904.00	\$23,523.00	\$67,737.00	\$1,477,214.00
FRANKLIN	\$395.50	\$159.50	\$10,570.00	\$191,071.00	\$1,186.00	\$8,116.00	\$2,493.00	\$10,606.00	\$224,597.00
FULTON	\$396.50	\$275.00	\$3,671.00	\$85,356.00	\$776.00	\$1,875.00	\$891.00	\$2,884.00	\$96,124.50
GARLAND	\$15,434.50	\$8,049.50	\$32,055.00	\$1,033,660.00	\$12,456.00	\$63,031.00	\$33,708.00	\$81,087.00	\$1,279,481.00
GRANT	\$877.50	\$224.00	\$12,416.00	\$153,729.00	\$1,372.00	\$7,080.00	\$3,134.00	\$8,878.00	\$187,710.50
GREENE	\$976.00	\$294.00	\$28,915.00	\$617,916.00	\$3,466.00	\$17,282.00	\$5,534.00	\$23,939.00	\$698,322.00
HEMPSTEAD	\$44,190.50	\$12,773.50	\$9,388.00	\$338,256.00	\$1,412.00	\$7,043.00	\$2,342.00	\$10,150.00	\$425,555.00
HOT SPRING	\$959.50	\$404.50	\$20,539.00	\$348,835.00	\$2,594.00	\$12,703.00	\$5,735.00	\$16,265.00	\$408,035.00

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2019

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$29,300.50	\$7,574.50	\$5,391.00	\$201,976.00	\$1,480.00	\$4,315.00	\$2,021.00	\$6,086.00	\$258,144.00
INDEPENDENCE	\$2,297.50	\$1,094.00	\$40,671.00	\$553,329.00	\$2,404.00	\$16,068.00	\$7,349.00	\$21,704.00	\$644,916.50
IZARD	\$103.50	\$39.50	\$4,810.00	\$74,737.00	\$656.00	\$3,654.00	\$2,312.00	\$5,001.00	\$91,313.00
JACKSON	\$16,691.50	\$7,061.50	\$28,317.00	\$321,413.00	\$1,968.00	\$7,190.00	\$4,291.00	\$9,009.00	\$395,941.00
JEFFERSON	\$57,504.50	\$36,359.00	\$51,484.00	\$1,532,961.00	\$8,310.00	\$42,152.00	\$18,572.00	\$56,479.00	\$1,803,821.50
JOHNSON	\$535.50	\$1,316.00	\$4,605.00	\$226,372.00	\$1,504.00	\$7,909.00	\$3,713.00	\$12,020.00	\$257,974.50
LAFAYETTE	\$9,003.50	\$2,220.00	\$2,844.00	\$68,706.00	\$380.00	\$1,908.00	\$848.00	\$3,010.00	\$88,919.50
LAWRENCE	\$1,296.00	\$548.50	\$10,694.00	\$259,200.00	\$1,316.00	\$6,691.00	\$1,918.00	\$8,202.00	\$289,865.50
LEE	\$4,069.50	\$6,934.50	\$1,523.00	\$83,117.00	\$676.00	\$2,184.00	\$442.00	\$2,908.00	\$101,854.00
LINCOLN	\$306.00	\$740.00	\$3,494.00	\$86,278.00	\$786.00	\$3,479.00	\$2,567.00	\$4,982.00	\$102,632.00
LITTLE RIVER	\$5,615.50	\$2,636.50	\$5,496.00	\$127,248.00	\$658.00	\$3,691.00	\$922.00	\$4,870.00	\$151,137.00
LOGAN	\$626.50	\$103.50	\$7,897.00	\$192,416.00	\$1,004.00	\$7,914.00	\$3,237.00	\$11,575.00	\$224,773.00
LONOKE	\$9,676.50	\$5,008.50	\$29,229.00	\$919,135.00	\$6,444.00	\$37,405.00	\$15,559.00	\$47,823.00	\$1,070,280.00
MADISON	\$97.50	\$63.00	\$1,119.00	\$92,485.00	\$508.00	\$4,388.00	\$1,519.00	\$6,882.00	\$107,061.50
MARION	\$3,328.50	\$868.00	\$6,222.00	\$190,780.00	\$2,350.00	\$6,897.00	\$4,737.00	\$9,968.00	\$225,150.50
MILLER	\$29,573.50	\$12,390.50	\$11,289.00	\$532,257.00	\$3,612.00	\$14,136.00	\$4,244.00	\$18,273.00	\$625,775.00
MISSISSIPPI	\$45,061.00	\$17,343.50	\$10,574.00	\$526,591.00	\$1,762.00	\$12,932.00	\$3,435.00	\$19,520.00	\$637,218.50
MONROE	\$5,314.50	\$1,798.00	\$2,457.00	\$162,385.00	\$640.00	\$5,821.00	\$2,323.00	\$7,810.00	\$188,548.50
MONTGOMERY	\$45.00	\$1,350.50	\$2,108.00	\$30,262.00	\$310.00	\$1,858.00	\$767.00	\$2,836.00	\$39,536.50
NEVADA	\$2,890.50	\$2,680.00	\$3,741.00	\$222,947.00	\$1,066.00	\$3,655.00	\$1,272.00	\$4,581.00	\$242,832.50
NEWTON	\$8.00	\$24.00	\$3,140.00	\$47,114.00	\$288.00	\$1,440.00	\$671.00	\$2,014.00	\$54,699.00
OUACHITA	\$14,278.00	\$5,342.50	\$13,066.00	\$485,368.00	\$2,102.00	\$9,801.00	\$4,375.00	\$14,317.00	\$548,649.50
PERRY	\$683.00	\$321.50	\$2,644.00	\$95,701.00	\$608.00	\$3,775.00	\$1,487.00	\$4,481.00	\$109,700.50
PHILLIPS	\$8,277.00	\$5,826.50	\$9,043.00	\$171,998.00	\$2,180.00	\$13,408.00	\$3,489.00	\$20,221.00	\$234,442.50
PIKE	\$175.50	\$148.50	\$14,187.00	\$133,411.00	\$1,010.00	\$4,610.00	\$2,289.00	\$5,994.00	\$161,825.00
POINSETT	\$7,601.00	\$1,508.00	\$18,011.00	\$440,420.00	\$1,334.00	\$8,965.00	\$3,523.00	\$12,924.00	\$494,286.00
POLK	\$714.00	\$33.00	\$7,477.00	\$150,838.00	\$1,420.00	\$7,508.00	\$3,418.00	\$10,664.00	\$182,072.00
POPE	\$5,025.00	\$2,069.00	\$14,221.00	\$782,754.00	\$4,938.00	\$30,076.00	\$11,328.00	\$38,196.00	\$888,607.00
PRAIRIE	\$2,331.00	\$1,757.50	\$8,633.00	\$199,526.00	\$416.00	\$3,865.00	\$1,104.00	\$5,348.00	\$222,980.50
PULASKI	\$126,606.50	\$99,485.00	\$208,305.00	\$6,248,835.00	\$52,288.00	\$244,860.00	\$101,241.00	\$311,298.00	\$7,392,918.50
RANDOLPH	\$192.00	\$472.00	\$6,085.00	\$133,042.00	\$1,286.00	\$5,224.00	\$1,592.00	\$7,560.00	\$155,453.00

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
July 1 through July 31, 2019**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$18,529.00	\$11,456.00	\$3,373.00	\$275,496.00	\$1,532.00	\$9,927.00	\$2,391.00	\$14,883.00	\$337,587.00
SALINE	\$14,702.50	\$6,532.00	\$128,161.00	\$1,096,264.00	\$12,334.00	\$51,597.00	\$25,874.00	\$66,292.00	\$1,401,756.50
SCOTT	\$118.00	\$16.00	\$5,331.00	\$70,872.00	\$550.00	\$3,714.00	\$1,063.00	\$5,733.00	\$87,397.00
SEARCY	\$152.50	\$498.50	\$1,821.00	\$93,250.00	\$912.00	\$2,704.00	\$1,294.00	\$4,070.00	\$104,702.00
SEBASTIAN	\$10,677.00	\$6,799.50	\$11,558.00	\$785,155.00	\$12,302.00	\$53,728.00	\$21,812.00	\$77,745.00	\$979,776.50
SEVIER	\$3,833.00	\$474.50	\$1,056.00	\$139,782.00	\$1,086.00	\$5,113.00	\$1,204.00	\$5,776.00	\$158,324.50
SHARP	\$1,441.50	\$171.00	\$12,390.00	\$226,362.00	\$1,718.00	\$8,749.00	\$4,656.00	\$12,459.00	\$267,946.50
STONE	\$716.00	\$171.00	\$7,389.00	\$111,600.00	\$1,006.00	\$4,932.00	\$3,544.00	\$6,365.00	\$135,723.00
UNION	\$62,624.50	\$27,462.00	\$27,120.00	\$790,326.00	\$4,110.00	\$18,108.00	\$6,609.00	\$25,513.00	\$961,872.50
VAN BUREN	\$764.00	\$669.00	\$6,317.00	\$159,987.00	\$904.00	\$6,906.00	\$3,378.00	\$9,151.00	\$188,076.00
WASHINGTON	\$14,128.00	\$6,021.00	\$23,720.00	\$1,366,016.00	\$15,000.00	\$79,864.00	\$27,363.00	\$113,960.00	\$1,646,072.00
WHITE	\$4,636.00	\$2,624.00	\$47,111.00	\$926,719.00	\$4,896.00	\$29,682.00	\$13,155.00	\$38,515.00	\$1,067,338.00
WOODRUFF	\$2,825.00	\$2,119.00	\$2,486.00	\$120,670.00	\$494.00	\$2,888.00	\$1,001.00	\$4,071.00	\$136,554.00
YELL	\$401.00	\$62.00	\$8,262.00	\$250,532.00	\$1,048.00	\$6,771.00	\$4,068.00	\$9,717.00	\$280,861.00

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Total Sales
	\$724,616.00	\$399,706.50	\$1,234,265.00	\$33,700,488.00	\$257,202.00	\$1,311,602.00	\$526,383.00	\$1,784,674.00	\$39,938,936.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
July 2019**

There were 1,912 active retailers as of July 31, 2019.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
July 31, 2019

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,893,327.37
Restricted assets:	
Cash and cash equivalents	100,271,007.64
Accounts receivable	15,486,414.75
Inter-Agency Receivables	
Prepaid items	1,234,712.88
Total current assets	<u>119,885,462.64</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,949,844.26
Deposits with Multi-State Lottery Association	2,594,104.11
Capital assets (Net of accumulated depreciation)	1,238,356.63
Total non-current assets	<u>24,782,305.00</u>
 Total assets	 144,667,767.64
Deferred outflows of resources:	
Related to pension	<u>1,671,766.67</u>
 Total assets and deferred outflows of resources	 <u>\$ 146,339,534.31</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 552,744.53
Prizes payable	20,339,858.90
Accrued and other liabilities	3,496,987.55
Due to other funds of the State	592,952.77
Due to Education Trust Account	59,173,875.20
Due to Workforce Challenge Trust Account	38,099,665.97
Compensated absences	352,356.84
OPEB Obligation	105,120.06
Unearned revenue	224,817.74
Total current liabilities	<u>122,938,379.56</u>
Long-Term liabilities:	
Net other post employment benefits	3,531,545.99
Net pension liability	5,110,275.00
Total long-term liabilities	<u>8,641,820.99</u>
 Total liabilities	 131,580,200.55
Deferred inflows of resources:	
Related to pension	466,356.00
Related to OPEB	147,211.58
Total deferred inflows of resources	<u>613,567.58</u>
 Total liabilities and deferred inflows of resources	 <u>132,193,768.13</u>

NET POSITION

Net position:	
Invested in capital assets	1,238,356.63
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer bond reserve	950,134.26
Deposits with Multi-State Lottery Association	2,594,104.11
Unclaimed prizes reserve	2,997,466.47
Unrestricted (deficit)	<u>(13,634,295.29)</u>
 Total net position	 <u>14,145,766.18</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 146,339,534.31</u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For the Month Ended July 31, 2019

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 34,907,418.00	\$ 34,907,418.00
Online ticket sales	6,279,567.50	6,279,567.50
Retailer application, fidelity, bond and service fees	52,188.29	52,188.29
Other revenue	<u>0.00</u>	<u>0.00</u>
Total operating revenues	<u>41,239,173.79</u>	<u>41,239,173.79</u>
Operating expenses:		
Instant game prizes	23,710,320.44	23,710,320.44
Online game prizes	3,684,854.00	3,684,854.00
Retailer commissions	2,323,328.36	2,323,328.36
Gaming contract costs	1,844,261.09	1,844,261.09
Compensation and benefits	435,964.26	435,964.26
Marketing, advertising and promotions	556,154.07	556,154.07
General and administrative expenses	424,472.28	424,472.28
Services provided by Arkansas Department of Higher Education	38,000.00	38,000.00
Services provided by Arkansas Legislative Audit	10,500.00	10,500.00
Legal and professional services	0.00	0.00
Depreciation	<u>10,985.91</u>	<u>10,985.91</u>
Total operating expenses	<u>33,038,840.41</u>	<u>33,038,840.41</u>
Operating income (1)	8,200,333.38	8,200,333.38
Non-operating revenue:		
Interest income	<u>281,295.74</u>	<u>281,295.74</u>
Income before transfers	8,481,629.12	8,481,629.12
Transfers to:		
Education Trust Account (2)	<u>(4,523,930.75)</u>	<u>(4,523,930.75)</u>
Change in net position	<u>\$ 3,957,698.37</u>	3,957,698.37
Total net position - beginning		10,188,067.81
Total net position - ending		<u>\$ 14,145,766.18</u>

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

2) Reflects adjustment of sales and prizes expense to a modified cash basis and does not include unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses Budget Comparisons
For the Month Ended July 31, 2019

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 34,907,418.00	84.65	\$ 31,986,000.00	81.12	\$ 2,921,418.00	\$ 34,907,418.00	84.65	\$ 31,986,000.00	81.12	\$ 2,921,418.00
Online games	6,279,567.50	15.23	7,394,000.00	18.75	(1,114,432.50)	6,279,567.50	15.23	7,394,000.00	18.75	(1,114,432.50)
Retailer fees	52,188.29	0.13	48,000.00	0.12	4,188.29	52,188.29	0.13	48,000.00	0.12	4,188.29
Other revenue	-	-	1,000.00	0.00	(1,000.00)	-	0.00	1,000.00	0.00	(1,000.00)
				0.00%						
Total operating revenues	<u>41,239,173.79</u>	100.00	<u>39,429,000.00</u>	100.00	<u>1,810,173.79</u>	<u>41,239,173.79</u>	100.00	<u>39,429,000.00</u>	100.00	<u>1,810,173.79</u>
Operating expenses:										
Instant game prizes	23,710,320.44	57.49	22,928,000.00	58.15	782,320.44	23,710,320.44	57.49	22,928,000.00	58.15	782,320.44
Online game prizes	3,684,854.00	8.94	3,878,000.00	9.84	(193,146.00)	3,684,854.00	8.94	3,878,000.00	9.84	(193,146.00)
Retailer commissions	2,323,328.36	5.63	2,229,000.00	5.65	94,328.36	2,323,328.36	5.63	2,229,000.00	5.65	94,328.36
Gaming contract costs	1,844,261.09	4.47	1,862,000.00	4.72	(17,738.91)	1,844,261.09	4.47	1,862,000.00	4.72	(17,738.91)
Compensation & benefits	435,964.26	1.06	471,000.00	1.19	(35,035.74)	435,964.26	1.06	471,000.00	1.19	(35,035.74)
Marketing, advertising & promotions	556,154.07	1.35	667,000.00	1.69	(110,845.93)	556,154.07	1.35	667,000.00	1.69	(110,845.93)
General and administrative expenses	424,472.28	1.03	435,000.00	1.10	(10,527.72)	424,472.28	1.03	435,000.00	1.10	(10,527.72)
Services provided by other agencies	48,500.00	0.12	64,000.00	0.16	(15,500.00)	48,500.00	0.12	64,000.00	0.16	(15,500.00)
Legal and professional service	-	-	500.00	0.00	(500.00)	-	0.00	500.00	0.00	(500.00)
Depreciation	10,985.91	0.03	25,000.00	0.06	(14,014.09)	10,985.91	0.03	25,000.00	0.06	(14,014.09)
Total operating expenses	<u>33,038,840.41</u>	80.12	<u>32,559,500.00</u>	82.58	<u>479,340.41</u>	<u>33,038,840.41</u>	80.12	<u>32,559,500.00</u>	82.58	<u>479,340.41</u>
Operating income	8,200,333.38	19.88	6,869,500.00	17.42	1,330,833.38	8,200,333.38	19.88	6,869,500.00	17.42	1,330,833.38
Non-operating revenue:										
Interest income	<u>281,295.74</u>	0.68	<u>137,000.00</u>	0.35	<u>144,295.74</u>	<u>281,295.74</u>	0.68	<u>137,000.00</u>	0.35	<u>144,295.74</u>
Income before transfers	<u>\$ 8,481,629.12</u>	20.57	<u>\$ 7,006,500.00</u>	17.77	<u>\$ 1,475,129.12</u>	<u>\$ 8,481,629.12</u>	20.57	<u>\$ 7,006,500.00</u>	17.77	<u>\$ 1,475,129.12</u>

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Month Ended July 31, 2019**

	Year to date
Operating revenues:	
Instant ticket (Settlements)	\$ 33,699,008.00
Online ticket sales	6,279,567.50
Retailer application, fidelity and service fees	52,188.29
Other revenue	<u>0.00</u>
 Total operating revenues	 <u>40,030,763.79</u>

Operating expenses:	
Instant game prizes (Settlements)	24,457,033.00
Online game prizes	3,684,854.00
Retailer commissions	2,323,328.36
Gaming contract costs	1,844,261.09
Compensation and benefits	435,964.26
Marketing, advertising and promotions	556,154.07
General and administrative expenses	424,472.28
Services provided by ADHE	38,000.00
Services provided by Legislative Audit Agency	10,500.00
Legal and professional services	0.00
Current year capital asset cost	<u>0.00</u>
Total operating expenses	<u>33,774,567.06</u>

Change in net proceeds from operations 6,256,196.73

Non-operating revenue:	
Interest income	281,295.74
Other non-operating income	0.00
EDUCATION TRUST FUNDING-Current Year	0.00
Less Act 1180 Unclaimed Prizes	(1,997,466.47)
Less current year Bond Reserve Fees	(10,240.81) restricted reserves
Add back Write Off Retailer Bad Debt	
Less current year MUSL Reserves	(14,854.44) see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>9,000.00</u>

NET PROCEEDS EARNED-Current Month **\$ 4,523,930.75**

	Transfer	Interest	Total
Academic Challenge Scholarship Trust	\$ 56,647,534.78	\$ 2,526,340.42	\$ 59,173,875.20
July 2018 funding - 8/15/18	\$ 4,998,834.07	\$ 67,794.66	\$ 5,066,628.73
Aug 2018 funding - 9/15/18	\$ 6,094,406.73	\$ 81,591.67	\$ 6,175,998.40
Sept 2018 funding - 10/15/18	\$ 7,699,685.71	\$ 83,765.11	\$ 7,783,450.82
Transfer from ADHE (final 2018 Adj) -10/10/18	\$ (146,112.01)	\$ -	\$ (146,112.01)
Transfer to ADHE 10/10/18	\$ (35,000,000.00)	\$ -	\$ (35,000,000.00)
Transfer excess net proceeds to Workforce Trust Fund 10/16/18	\$ (8,344,929.36)	\$ -	\$ (8,344,929.36)
Oct 2018 funding - 11/15/18	\$ 11,195,441.29	\$ 63,599.02	\$ 11,259,040.31
Transfer to ADHE 11/30/18	\$ (3,000,000.00)	\$ -	\$ (3,000,000.00)
Nov 2018 funding - 12/15/18	\$ 6,774,214.21	\$ 47,196.80	\$ 6,821,411.01
Dec 2018 funding - 1/15/19	\$ 6,589,040.01	\$ 61,751.53	\$ 6,650,791.54
Jan 2019 funding - 2/15/19	\$ 7,767,558.59	\$ 80,937.03	\$ 7,848,495.62
Transfer to ADHE 2/19/18	\$ (37,000,000.00)	\$ -	\$ (37,000,000.00)
Feb 2019 funding - 3/15/19	\$ 8,147,140.24	\$ 51,117.07	\$ 8,198,257.31
Mar 2019 funding - 4/15/19	\$ 8,521,509.06	\$ 30,797.98	\$ 8,552,307.04
Apr 2019 funding - 5/15/19	\$ 8,121,947.09	\$ 54,436.25	\$ 8,176,383.34
May 2019 funding - 6/15/19	\$ 8,325,250.28	\$ 70,943.14	\$ 8,396,193.42
June 2019 funding - 7/15/19	\$ 13,403,065.39	\$ 79,724.20	\$ 13,482,789.59
July 2019 funding - 8/15/19	\$ 4,402,422.51	\$ 121,508.24	\$ 4,523,930.75

	Transfer	Total
Workforce Challenge Scholarship Trust	\$ 38,099,665.97	\$ 38,099,665.97
FY 2017 Excess Net Proceeds transferred from Edu Trust 12/1/17	\$ 14,157,060.23	\$ 14,157,060.23
ADHE Refund from FY 2017 - 11/30/17	\$ 4,887,236.92	\$ 4,887,236.92
ADHE Refund from FY 2018 - 9/6/18	\$ 11,710,439.46	\$ 11,710,439.46
Transfer excess net proceeds to Workforce Trust Fund 10/16/18	\$ 8,344,929.36	\$ 8,344,929.36
Transfer to ADHE for 2018 fall funding 11/7/18	\$ (1,000,000.00)	\$ (1,000,000.00)

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
July 31, 2019

	Monthly	Year to Date
Reserve Balance July 1, 2019		\$1,000,000.00
1. Unclaimed lottery prize money:	\$1,997,466.47	1,997,466.47
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	1,997,466.47	1,997,466.47
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
Reserve Balance July 31, 2019		\$2,997,466.47

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

**OFFICE OF THE ARKANSAS LOTTERY MINORITY AND FEMALE OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2019**

Vendors	Goods or Services	Diversity Classification	July 2019	FY 2020 Total
Arkansas Business Publishing Group	News Service	WBE	\$64.95	\$64.95
Government Supply Services	Office Furniture/Supplies	MBE	\$501.58	\$501.58
Totals			\$566.53	\$566.53

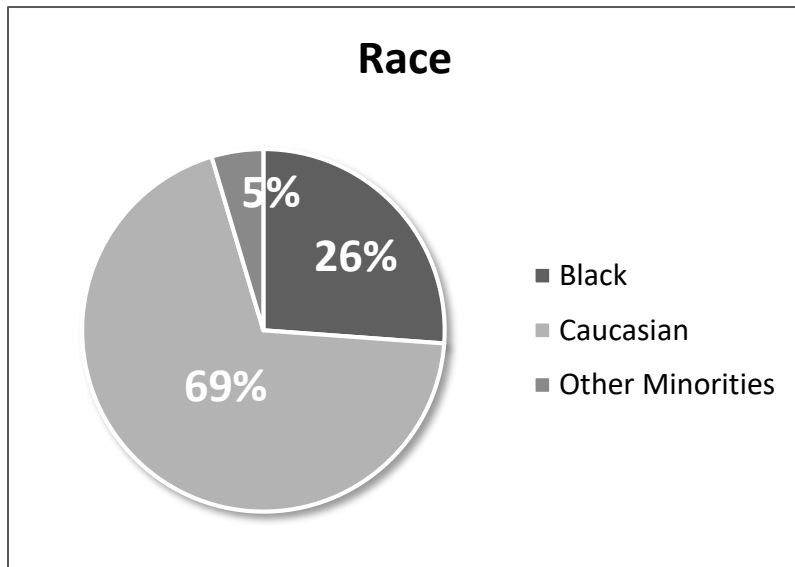
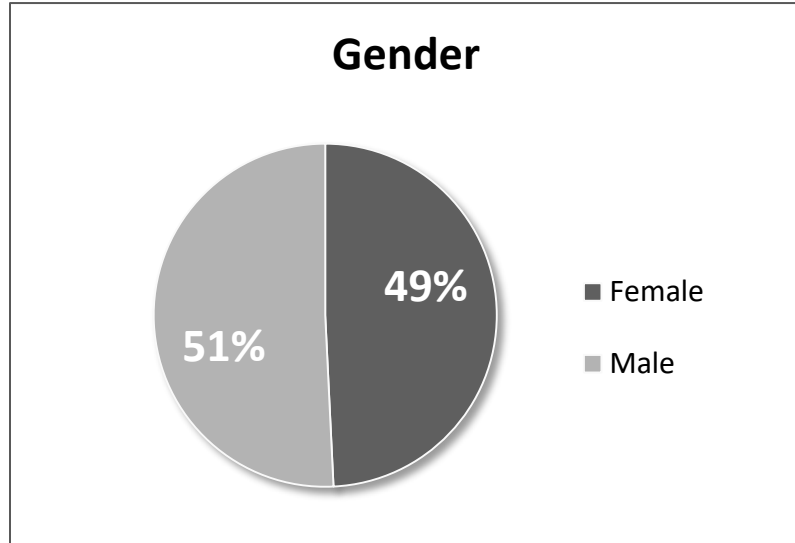
**INTRALOT MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2019**

Vendors	Goods or Services	Diversity Classification	July 2019	FY 2020 Total
J Kelly Referrals and Information Services	Call Center/Information Services	CMBE	\$21,030.53	\$21,030.53
Totals			\$21,030.53	\$21,030.53

**SCIENTIFIC GAMES MINORITY AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
July 1 through July 31, 2019**

Vendors	Goods or Services	Diversity Classification	July 2019	FY 2020 Total
Ingage, LLC	Fulfillment Services and Prizes	WBE	\$37,816.19	\$37,816.19
Pure Cleaning Services	Janitorial Services	MBE	\$872.00	\$872.00
Totals			\$38,688.19	\$38,688.19

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – July 2019**



Total Number of Employees as of July 2019: 65

Gender:

Females – 32
Males – 33

Race:

Black – 17
Caucasian – 45
Other – 3

Female -- 10	Male - 7
Female -- 22	Male -- 23
Female -- 0	Male -- 3

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

During the reporting period, the Office of the Arkansas Lottery (OAL) Internal Audit Department (IA) issued the following reports to the Director of the Department of Finance and Administration (DFA Director):

Office Vehicles

The audit centered on controls and procedures related to the management of OAL's office vehicles. The audit also calculated the difference between the current mileage reimbursement of Marketing Sales Representatives (MSRs) and Regional Sales Managers (RSMs). The following observations and recommendations were reported:

- IA calculated that the OAL spent \$212,366.44 last year in mileage reimbursements to its Marketing Sales Representatives (MSR) and Regional Sales Manager (RSM). IA compared the cost of paying mileage reimbursement against the cost of purchasing and utilizing state vehicles. IA determined that OAL could save \$43,904.12 annually, if they purchased their own vehicles and those vehicles had a service life of 7 years, or 128,000 miles. OAL Management disputed this recommendation and their response is provided.
- IA contacted Marketing and Reutilization (M&R) and discovered that four vehicles turned into M&R were sold for a total of \$11,656.97. The proceeds from those sales were deposited into the State's Motor Vehicle Fund (MMV) fund, even though OAL is not authorized to utilize MMV funds. Melanie Hazeslip, DFA Office of Administrative Services' Administrator explained that OAL is not authorized to utilize MMV funds to procure state vehicles, because they are self-funded. M&R has since added OAL to the MMV exempt list and created a warrant to return the \$11,656.97 of proceeds back to OAL. OAL Management concurs with this recommendation.
- IA observed two transactions on WEX statements for fuel, but these transactions were not reflected on the vehicle logs. On June 1, 2018, \$23.31 of fuel was purchased for the 2010 Jeep Liberty, but this transaction is not documented on the vehicle's drivers log. The transaction is documented on the WEX statement for June 2018. On September 21, 2018, \$24.03 was purchased for the 2017 Ford Fusion, but this transaction is not documented on the vehicle's drivers log. The transaction is documented on the WEX statement for October 2018. According to *State of Arkansas: Vehicle Use and Management Handbook*, vehicle logs must record the cost and amount of fuel purchased. OAL Management concurs with this recommendation.

OAL Management stated the following on response to the mileage reimbursement savings recommendation made by Internal Audit.

- *OAL Management's Response:* The OAL has periodically evaluated the efficiency of paying mileage reimbursements to MSRs and the RSMs versus purchasing state vehicles for their use. Most recently, in preparation for the FY 2020 budget submission, a cost analysis was performed relating to the two RSMs, as they are consistently among the higher mileage reimbursement submissions. Also, the MSRs can be re-assigned to new territories, which can change their routes and the amounts they are reimbursed, significantly. The analysis related to the RSM mileage indicated that the total operating costs of providing a vehicle to use versus the cost of their annual mileage reimbursements, was approximately the same. Since there was no significant cost savings identified, it was decided to continue using mileage reimbursements for the use of their personal vehicle use by the RSMs and

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

consequently, the MSRs, for FY 2020. Since the IA schedule in **Appendix A** provides no detail as to how the Annual Cost of Procured Vehicle was calculated, we could find no basis for comparison as to why the OAL's calculated cost and IA calculated cost differ?

- An additional factor to be considered in this evaluation is if vehicles are purchased and added to the OAL vehicle fleet, it will require additional administrative support to meet the administrative requirements related to a vehicle fleet, such as the required monthly reporting in the SAVA system. In addition regular vehicle support duties such as the proper purchase of vehicles; the proper disposal of vehicles; the review of maintenance and proper reporting of the vehicle mileage logs; review to assure that all personal use of state vehicles is properly reported and that IRS regulations are met; review of the adequacy of insurance coverages; monitoring of proper accident reporting, if any occur; monitoring fuel card use and reporting; scheduling and payment of required vehicle maintenance and repairs; assuring proper tire replacement; assuring annual vehicle licensing and all other functions required for vehicle ownership and operations, would all require much more time and effort. As the OAL vehicle fleet is currently only three vehicles, most of these duties are currently being handled by the OAL Chief Fiscal Officer, as part of his duties. However, any significant additions to the OAL vehicle fleet would result in the CFO no longer being able to handle the vehicle administration, due to the additional volume of work required. And there are no other OAL employees that could handle these additional requirements, as all OAL administrative support positions and extra accountant positions were eliminated when the OAL became part of DFA.

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
July 2019

Sales for the following instant games began July 2, 2019. No ending dates have been determined for these games.

\$1 Hot \$100's
\$2 Hot \$200's
\$3 5X Crossword Bonus Match
\$5 Cash Payout
\$10 Multiplier Mania

Sales for the following instant games began July 30, 2019. No ending dates have been determined for these games.

\$1 10X Bonus
\$2 20X Bonus
\$5 50X Bonus
\$20 Win \$100 or \$200

Sales for the following Fast Play games began July 1, 2019. No ending dates have been determined for these games.

\$1 Quick Cards
\$2 Bingo

Sales for the following Fast Play games began July 29, 2019. No ending dates have been determined for these games.

\$1 Jumbo Bucks
\$1 In Between