



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

EXHIBIT C2

OFFICE OF THE ARKANSAS LOTTERY

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April 30, 2021

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

RE: Proposed Fiscal Year 2023 Annual Budget.

Dear Senator Caldwell and Representative Deffenbaugh:

On behalf of the Arkansas Department of Finance and Administration-Office of the Arkansas Lottery, please accept the attached Proposed FY 2023 Annual Budget pursuant to A.C.A. § 23-115-206(a)(10)(A). The following information is provided:

1. Arkansas Planning Budgeting and Administrative System Form (Enclosure 1);
2. Budget Detail Schedule (Enclosure 2);
3. Compensation and Benefits (Enclosure 3);
4. Detailed Schedule of General and Administrative Expenses (Enclosure 4).

I am available to you if you have any questions or desire additional information.

Respectfully submitted,

J. Eric Hagler
Director

Enclosures

cc: Mr. Larry Walther, Secretary of the Department of Finance and Administration
Mr. Robert Brech, Director of Budget, Office of Budget

ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM

Appropriation Summary

Appropriation: 610U - Lottery Commission - Operations

Funding Sources: 700 - Lottery Commission Fund

		2020-2021	2021-2022	2021-2022	2022-2023		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	\$3,763,298	\$4,031,282	\$4,031,282		\$4,174,831	
	#Positions		68	68		69	
Personal Services Matching	5010003	\$1,761,922	\$1,568,718	\$1,568,718		\$1,625,169	
Operating Expenses	5020002	\$5,495,356	\$3,084,000	\$3,084,000		\$2,468,000	
Conference & Travel Expenses	5050009	\$159,794	\$250,000	\$250,000		\$325,000	
Professional Fees	5060010	\$686,598	\$611,000	\$611,000		\$1,100,000	
Data Processing	5090012	\$218,921	\$235,000	\$235,000		\$438,000	
Instant Games	5900046	\$383,337,055	\$305,083,000	\$305,083,000		\$319,363,000	
On-Line Games	5900047	\$56,809,420	\$47,132,000	\$47,132,000		\$51,699,000	
Retailer Commissions	5900048	\$35,732,276	\$28,742,000	\$28,742,000		\$30,293,000	
Gaming Contracts	5900049	\$34,080,392	\$23,057,000	\$23,057,000		\$26,798,000	
Advertising & Promotions	5900050	\$7,229,142	\$6,700,000	\$6,700,000		\$7,300,000	
Capital Outlay	5120011	\$448,620	\$435,700	\$435,700		\$420,000	
Total		\$529,722,794	\$420,929,700	\$420,929,700		\$446,004,000	
Funding Sources							
Instant Gaming		\$529,369,617	\$423,500,000			\$440,500,000	
Online Games		\$102,565,310	\$85,200,000			\$94,860,000	
Retailer Applications & Fees		\$643,517	\$500,000			\$600,000	
Non Gaming Revenue		\$1,450	\$6,000			\$2,000	
Other Income		\$0	\$0			\$0	
Interest Income		\$835,596	\$330,000			\$1,500,000	
Transfer to Department of Health		\$0	\$0			\$0	
Transfer to ADHE Education Trust		(\$59,210,394)	(\$81,300,000)			(\$84,150,000)	
Transfer to ADHE Workforce Challenge Trust		(\$38,417,224)	\$0			\$0	
Transfer to Unclaimed Prizes Reserve		(\$8,682,301)	(\$7,200,000)			(\$7,200,000)	
Bond Reserve in Excess of \$500,000		(\$107,305)	(\$100,000)			(\$100,000)	
Total Funding		\$526,998,266	\$420,936,000			\$446,012,000	
Excess Appropriation/(Funding)		\$2,724,528	(\$6,300)			(\$8,000)	
Grand Total		\$529,722,794	\$420,929,700			\$446,004,000	

DFA Office of the Arkansas Lottery (BA 0613)
Budget Detail Schedules
For the Fiscal Year Ending June 30, 2023

	<u>FY2021 Audited</u>	% of Revenue	<u>FY 2022 Budget</u>	% of Revenue	<u>FY 2023 Budget</u>	% of Revenue	Explanation for Changes
Operating Revenues:							
Instant ticket revenues	\$ 529,377,652	83.69%	\$ 423,600,000	83.19%	\$ 440,700,000	82.23%	Increase based on FY2022 actual, adjusted for decreasing sales for 3Q and 4Q 2022.
Online ticket revenues	103,134,178	16.30%	85,600,000	16.81%	95,160,000	17.75%	Increase based on FY2022 actual and additional sales for new AR Lotto game.
Less: Promotions discount	(576,903)	-0.09%	(500,000)	-0.10%	(500,000)	-0.09%	No change expected for promotional discounts
Retailer application and bonding fees	643,517	0.10%	500,000	0.10%	600,000	0.11%	Increase based on FY2022 actual
Other revenue	1,450	0.00%	6,000	0.00%	2,000	0.00%	Decrease based on FY2022 actual
Total Operating Revenues	<u>632,579,894</u>	<u>100.00%</u>	<u>509,206,000</u>	<u>100.00%</u>	<u>535,962,000</u>	<u>100.00%</u>	
Operating Expenses:							
Instant games prizes	383,337,055	60.60%	305,083,000	59.91%	319,363,000	59.59%	Increase is consistent with the expected increase in instant ticket revenues
Online games prizes	56,809,420	8.98%	47,132,000	9.26%	51,699,000	9.65%	Increase is consistent with the expected increase in online ticket revenues
Retailer commissions	35,732,276	5.65%	28,742,000	5.64%	30,293,000	5.65%	Increase is consistent with the expected overall increase in ticket revenues
Gaming contract costs	34,080,392	5.39%	23,057,000	4.53%	26,798,000	5.00%	Increase is consistent with the expected overall increase in ticket revenues
Staff compensation & benefits	5,525,220	0.87%	5,600,000	1.10%	5,800,000	1.08%	Increase reflects an estimated merit increase of 2%.
Advertising and marketing	7,229,142	1.14%	6,700,000	1.32%	7,300,000	1.36%	Increase is consistent with the sales increase, launch of the new AR Lotto game and social media campaigns.
General and administrative expenses	5,874,746	0.93%	3,575,000	0.70%	3,231,000	0.60%	Decrease due smaller consulting contract.
Services provided by other agencies:	685,923	0.11%	605,000	0.12%	1,100,000	0.21%	Increase due to system change expected for ADHE.
Depreciation and amortization	448,620	0.07%	435,700	0.09%	420,000	0.08%	Decrease is consistent with decrease in acquired capital assets
Total Operating Expenses	<u>529,722,794</u>	<u>83.74%</u>	<u>420,929,700</u>	<u>82.66%</u>	<u>446,004,000</u>	<u>83.22%</u>	
Operating Income	102,857,100	16.26%	88,276,300	17.34%	89,958,000	16.78%	
Non-Operating Revenue (Expense):							
Interest income	835,596	0.13%	330,000	0.06%	1,500,000	0.28%	Increase is due to expected Federal Reserve rate increases.
Income before Transfers	<u>\$ 103,692,696</u>	<u>16.39%</u>	<u>\$ 88,606,300</u>	<u>17.40%</u>	<u>\$ 91,458,000</u>	<u>17.06%</u>	
Transfers To:							
Scholarship Trust Account	(97,627,618)	-15.43%	(81,300,000)	-15.97%	(84,150,000)	-15.70%	This is the expected amount of monthly transfers of Net Proceeds for scholarships in FY 2023.
Unclaimed Prizes Reserve-transferred at June 30	(8,682,301)	-1.37%	(7,200,000)	-1.41%	(7,200,000)	-1.34%	This amount is for Unclaimed Prizes, which by statute, are transferred to Net Proceeds on June 30 of each fiscal year.
Bond Reserve in Excess of \$500,000	(107,305)	(0.00)	(100,000)	-0.02%	(100,000)	-0.02%	Per ASL rules, on June 30 of each fiscal year, any Bond Reserve excess over \$500,000, is transferred to Net Proceeds
Total Transfers to ADHE	<u>(106,417,224)</u>	<u>-16.82%</u>	<u>(88,600,000)</u>	<u>-17.40%</u>	<u>(91,450,000)</u>	<u>-17.06%</u>	
Change in Net Assets	<u>(\$ 2,724,528)</u>	<u>-0.43%</u>	<u>\$ 6,300</u>	<u>0.00%</u>	<u>\$ 8,000</u>	<u>0.00%</u>	

**DFA - Office of Arkansas Lottery
Compensation
Budget F2023**

Career Grades	Position Title	Race	Adj Budgeted Gross	Annual Taxes	Annual APERS	Total Compensation
GS03	OAL RECEPTIONIST	BF	\$ 33,505.63	\$ 2,563.18	\$ 5,133.06	\$ 41,201.88
GS04	OAL CLAIMS ASSISTANT	BF	\$ 36,686.89	\$ 2,806.55	\$ 5,620.43	\$ 45,113.87
GS05	OAL LICENSING SPECIALIST	CF	\$ 40,139.57	\$ 3,070.68	\$ 6,149.38	\$ 49,359.63
GS05	OAL LICENSING SPECIALIST	CM	\$ 37,821.50	\$ 2,893.34	\$ 5,794.25	\$ 46,509.09
GS05	OAL LICENSING SPECIALIST	BM	\$ 39,761.66	\$ 3,041.77	\$ 6,091.49	\$ 48,894.91
GS06	ADMINISTRATIVE ANALYST	CF	\$ 39,124.08	\$ 2,992.99	\$ 5,993.81	\$ 48,110.88
GS06	OAL SECURITY SPECIALIST	CM	\$ 41,353.68	\$ 3,163.56	\$ 6,335.38	\$ 50,852.62
GS07	OAL GRAPHIC SPECIALIST	CM	\$ 48,371.75	\$ 3,700.44	\$ 7,410.55	\$ 59,482.74
GS07	OAL OFFICE CAMPAIGN COORDINATOR	CF	\$ 52,837.79	\$ 4,042.09	\$ 8,094.75	\$ 64,974.64
GS07	OAL PUBLICATION SPECIALIST	BF	\$ 50,485.44	\$ 3,862.14	\$ 7,734.37	\$ 62,081.95
GS07	OAL CLAIMS CENTER MANAGER	BF	\$ 44,612.91	\$ 3,412.89	\$ 6,834.70	\$ 54,860.49
GS07	OAL MARKETING SALES REP	BF	\$ 44,419.45	\$ 3,398.09	\$ 6,805.06	\$ 54,622.60
GS07	OAL MARKETING SALES REP	BF	\$ 49,456.02	\$ 3,783.39	\$ 7,576.66	\$ 60,816.06
GS07	OAL MARKETING SALES REP	CF	\$ 46,962.48	\$ 3,592.63	\$ 7,194.65	\$ 57,749.76
GS07	OAL MARKETING SALES REP	CF	\$ 42,381.17	\$ 3,242.16	\$ 6,492.80	\$ 52,116.13
GS07	OAL MARKETING SALES REP	CF	\$ 46,226.35	\$ 3,536.32	\$ 7,081.88	\$ 56,844.54
GS07	OAL MARKETING SALES REP	CF	\$ 46,962.48	\$ 3,592.63	\$ 7,194.65	\$ 57,749.76
GS07	OAL MARKETING SALES REP	CM	\$ 43,557.13	\$ 3,332.12	\$ 6,672.95	\$ 53,562.21
GS07	OAL MARKETING SALES REP	CF	\$ 42,381.17	\$ 3,242.16	\$ 6,492.80	\$ 52,116.13
GS07	OAL MARKETING SALES REP	CF	\$ 49,485.59	\$ 3,785.65	\$ 7,581.19	\$ 60,852.43
GS07	OAL MARKETING SALES REP	CF	\$ 50,197.72	\$ 3,840.13	\$ 7,690.29	\$ 61,728.14
GS07	OAL MARKETING SALES REP	CM	\$ 42,381.17	\$ 3,242.16	\$ 6,492.80	\$ 52,116.13
GS07	OAL MARKETING SALES REP	CF	\$ 46,140.44	\$ 3,529.74	\$ 7,068.71	\$ 56,738.89
GS07	OAL MARKETING SALES REP	CF	\$ 46,962.48	\$ 3,592.63	\$ 7,194.65	\$ 57,749.76
GS07	OAL MARKETING SALES REP	OM	\$ 50,197.72	\$ 3,840.13	\$ 7,690.29	\$ 61,728.14
GS07	OAL MARKETING SALES REP	CF	\$ 42,381.17	\$ 3,242.16	\$ 6,492.80	\$ 52,116.13
GS07	OAL MARKETING SALES REP	BF	\$ 50,197.72	\$ 3,840.13	\$ 7,690.29	\$ 61,728.14
GS07	OAL MARKETING SALES REP	BM	\$ 48,954.27	\$ 3,745.00	\$ 7,499.79	\$ 60,199.07
GS07	OAL MARKETING SALES REP	CM	\$ 50,197.72	\$ 3,840.13	\$ 7,690.29	\$ 61,728.14
GS07	OAL MARKETING SALES REP	CF	\$ 46,962.48	\$ 3,592.63	\$ 7,194.65	\$ 57,749.76
GS07	OAL MARKETING SALES REP	CF	\$ 41,550.20	\$ 3,178.59	\$ 6,365.49	\$ 51,094.28
GS07	OAL LICENSING MANAGER	BM	\$ 44,443.45	\$ 3,399.92	\$ 6,808.74	\$ 54,652.11
GS08	OAL SENIOR SECURITY SPECIALIST	CM	\$ 56,791.11	\$ 4,344.52	\$ 8,700.40	\$ 69,836.03
GS08	OAL COLLECTIONS SPECIALIST	CM	\$ 54,524.72	\$ 4,171.14	\$ 8,353.19	\$ 67,049.05
GS08	OAL ACCOUNTANT	CF	\$ 51,786.09	\$ 3,961.64	\$ 7,933.63	\$ 63,681.36
GS08	PROCUREMENT COORDINATOR	CF	\$ 56,011.12	\$ 4,284.85	\$ 8,580.90	\$ 68,876.88
GS10	OAL FINANCIAL ANALYST	CM	\$ 57,720.17	\$ 4,415.59	\$ 8,842.73	\$ 70,978.49
GS10	OAL PRODUCT MANAGER	CM	\$ 68,534.74	\$ 5,242.91	\$ 10,499.52	\$ 84,277.17
GS10	OAL PRODUCT MANAGER	CF	\$ 62,852.02	\$ 4,808.18	\$ 9,628.93	\$ 77,289.13
GS10	OAL PRODUCT MANAGER	CF	\$ 58,874.44	\$ 4,503.89	\$ 9,019.56	\$ 72,397.90
GS11	OAL REGIONAL SALES MANAGER	CF	\$ 67,665.78	\$ 5,176.43	\$ 10,366.40	\$ 83,208.61
GS11	OAL REGIONAL SALES MANAGER	CM	\$ 74,259.87	\$ 5,680.88	\$ 11,376.61	\$ 91,317.36
GS11	OAL KEY CHAIN ACCOUNT MANAGER	CF	\$ 65,694.99	\$ 5,025.67	\$ 10,064.47	\$ 80,785.12
GS12	OAL CONTROLLER	CM	\$ 82,381.27	\$ 6,302.17	\$ 12,620.81	\$ 101,304.25
GS12	OAL SECURITY DEPUTY DIR	CM	\$ 73,306.50	\$ 5,607.95	\$ 11,230.56	\$ 90,145.00
GS12	OAL TREASURER	CF	\$ 89,991.13	\$ 6,884.32	\$ 13,786.64	\$ 110,662.09
GS14	OAL DIR SECURITY & COMPLIANCE	BF	\$ 122,860.85	\$ 9,398.86	\$ 18,822.28	\$ 151,081.99
GS14	OAL MARKETING & ADVERTISING DIR	CF	\$ 100,857.55	\$ 7,715.60	\$ 15,451.38	\$ 124,024.53
GS15	OAL CHIEF FISCAL OFFICER	OM	\$ 126,440.16	\$ 9,672.67	\$ 19,370.63	\$ 155,483.47
GS15	OAL CHIEF LEGAL COUNSEL	CM	\$ 120,660.18	\$ 9,230.50	\$ 18,485.14	\$ 148,375.83
GS15	OAL SALES DIRECTOR	BM	\$ 95,382.22	\$ 7,296.74	\$ 14,612.56	\$ 117,291.52
IT01	OAL COMPUTER OPERATOR	BM	\$ 43,051.31	\$ 3,293.43	\$ 6,595.46	\$ 52,940.20
IT01	OAL COMPUTER OPERATOR	CM	\$ 34,404.80	\$ 2,631.97	\$ 5,270.82	\$ 42,307.58
IT02	OAL APPLICATION SUPP SPECIALIST	CM	\$ 47,722.18	\$ 3,650.75	\$ 7,311.04	\$ 58,683.96
IT04	OAL LEAD COMPUTER OPERATOR	CM	\$ 59,407.68	\$ 4,544.69	\$ 9,101.26	\$ 73,053.63
IT06	OAL IT SECURITY ANALYST	BM	\$ 60,677.49	\$ 4,641.83	\$ 9,295.79	\$ 74,615.10
IT07	OAL QA SYSTEMS ANALYST	OM	\$ 81,722.06	\$ 6,251.74	\$ 12,519.82	\$ 100,493.62
IT07	INFORMATION SYSTEMS SECURITY SPECIALIST	CM	\$ 74,286.65	\$ 5,682.93	\$ 11,380.71	\$ 91,350.29
IT07	OAL SR. DATABASE ADMINISTRATOR	CM	\$ 81,765.77	\$ 6,255.08	\$ 12,526.52	\$ 100,547.36
IT08	OAL DEPUTY IT GAMING DIRECTOR	BF	\$ 89,453.13	\$ 6,843.16	\$ 13,704.22	\$ 110,000.52
SE01	OAL INTERNAL AUDITOR	CM	\$ 121,651.68	\$ 9,306.35	\$ 18,637.04	\$ 149,595.07
SE04	OAL GAMING DIRECTOR	CM	\$ 186,944.97	\$ 14,301.29	\$ 28,639.97	\$ 229,886.23
SE04	OAL DIRECTOR	CM	\$ 181,027.01	\$ 13,848.57	\$ 27,733.34	\$ 222,608.92
Total			\$ 3,985,808.92	\$ 304,914.38	\$ 610,625.93	\$ 4,901,349.23

Total employees = 63

Employee breakdown

BF=black female
BM=black male
CF=caucasian female
CM=caucasian male
OM=other minority

By group/gender

9
6
22
23
3
63

Employer Health Premium	\$ 360,000.00	See assumptions
Unemployment Compensation	\$ 7,000.00	Based on FY22 + 20%
Workers' Compensation Premium Tax	\$ 1,200.00	Calendar 2021 + 10%
Other Post Employment Benefits	\$ 250,000.00	Based on FY 2022
Vacant positions	\$ 232,440.60	See Assumptions
Career Service bonuses	\$ 24,700.00	Career Service tab
Subtotal	<u>\$ 5,776,689.83</u>	

\$ 5,800,000.00 Use for Budget

Other Compensation Benefits

Unemployment Compensation FY22 (\$1,446 paid quarterly)

Worker's Comp Contribution Rate= 0.0%

WC Premium Tax Calendar Year 2021= \$3,774,080.98 x .000279= \$1,052.97 (annual fee)

Employer Health Premiums= \$500 per covered employee (referred to as State Match)

Avg monthly= 60 employees @ \$500= \$30,000 (\$30,000 x 12 months)= \$360,000

Career Service is given to employees with at least 10 years of service.

28 full time employees

0 part time employees. Part time employees are based on a % of hours worked.

Vacant Positions (Included in FY2023 Compensation)

	Position Titles	Base	Midpoint	Max
GS04	OAL CLAIMS ASSISTANT	\$ 29,046.00	\$ 35,581.00	\$ 42,117.00
GS06	OAL FISCAL SPECIALIST	\$ 36,155.00	\$ 44,290.00	\$ 52,425.00
GS08	OAL OFFICE COORDINATOR	\$ 45,010.00	\$ 55,137.00	\$ 65,265.00
GS08	OAL COLLECTIONS SPECIALIST	\$ 45,010.00	\$ 55,137.00	\$ 65,265.00
GS08	OAL ACCOUNTANT	\$ 45,010.00	\$ 55,137.00	\$ 65,265.00
GS08	OAL AUDITOR	\$ 45,010.00	\$ 55,137.00	\$ 65,265.00
		\$ 245,241.00	\$ 300,419.00	\$ 355,602.00
Employer taxes		\$ 18,760.94	\$ 22,982.05	\$ 27,203.55
APERS		\$ 37,570.92	\$ 46,024.19	\$ 54,478.23
Total budget		\$ 301,572.86	\$ 369,425.24	\$ 437,283.78

(a) With the approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the Governor may establish the salary of the Director of the Office of the Arkansas Lottery, the salary of the office's gaming director, and the salary of the office's internal auditor that is up to fifty percent (50%) above the maximum pay level for the grade assigned to the title.

(b) With approval of the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, the Director of the Office of the Arkansas Lottery may establish salaries that exceed the maximum pay level for the grade assigned to the title by no more than twenty-five percent (25%) for no more than ten percent (10%) of the positions authorized in 23-115-305.

(c) Salaries established under this section above the maximum pay level for the grade assigned to the title shall be approved by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

(d) (1) The requirement of approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, before granting a special salary allowance under this section is not a severable part of this section.

(d) (2) If the requirement of approval by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, is ruled unconstitutional by a court of competent jurisdiction, this section is void.

Career Service	Position	Years of Service	Eligibility Date	Career Service Payment
11/29/11	OAL CHIEF FISCAL OFFICER	11	11/29/11	800.00
08/16/10	OAL MARKETING SALES REP	12	08/16/10	800.00
05/31/11	OAL IT SECURITY ANALYST	12	05/31/11	800.00
10/18/10	OAL MARKETING & ADVERTISING DIR	12	10/18/10	800.00
11/24/10	OAL NETWORK ENGINEER	12	11/24/10	800.00
07/24/09	OAL GAMING DIRECTOR	13	07/24/09	800.00
08/07/09	OAL SALES DIRECTOR	13	08/07/09	800.00
08/19/09	OAL REGIONAL SALES MANAGER	13	08/19/09	800.00
08/26/09	OAL MARKETING SALES REP	13	08/26/09	800.00
08/26/09	OAL MARKETING SALES REP	13	08/26/09	800.00
08/26/09	OAL MARKETING SALES REP	13	08/26/09	800.00
08/24/09	OAL REGIONAL SALES MANAGER	13	08/24/09	800.00
08/31/09	OAL DEPUTY IT GAMING DIRECTOR	13	08/31/09	800.00
09/10/09	OAL MARKETING SALES REP	13	09/10/09	800.00
09/08/09	OAL LEAD COMPUTER OPERATOR	13	09/08/09	800.00
09/07/09	OAL QA SYSTEMS ANALYST	13	09/07/09	800.00
09/10/09	OAL MARKETING SALES REP	13	09/10/09	800.00
02/08/10	OAL ACCOUNTANT	13	02/08/10	800.00
04/19/10	OAL PRODUCT MANAGER	13	04/19/10	800.00
07/27/08	OAL CHIEF LEGAL COUNSEL	14	07/27/08	800.00
09/17/07	OAL DIR SECURITY & COMPLIANCE	15	09/17/07	1,000.00
03/24/08	OAL CONTROLLER	15	03/24/08	1,000.00
07/17/06	OAL APPLICATION SUPP SPECIALIST	16	07/17/06	1,000.00
12/05/04	OAL MARKETING SALES REP	18	12/05/04	1,000.00
04/25/05	OAL SECURITY DEPUTY DIR	18	04/25/05	1,000.00
12/10/03	OAL MARKETING SALES REP	19	12/10/03	1,000.00
01/21/02	OAL SR. DATABASE ADMINISTRATOR	21	01/21/02	1,200.00
03/23/96	OAL MARKETING SALES REP	27	03/23/96	1,500.00
FY 2023 Total:				24,700.00

28 employees eligible

28 full time

0 part time

DFA Office of the Arkansas Lottery
Detail Schedule of General & Administrative Expenses
For Budget Fiscal Year 2023

Account	Estimated FY2023 Budget	General Description
<u>Operating & Admin. Expenses</u>		
Lease Amortization (GASB 87)	\$ 430,000	Building Lease
Lease Interest (GASB 87)	15,000	Accrued interest (lease)
Office Parking	29,000	LR building parking
Retailer background checks	3,000	Background checks for new retailers
Maintenance & Repairs	40,000	Building maintenance and repair
Lottery Vehicle expenses	6,000	Add 2 vehicles & increased travel
Postage & Freight	11,000	Postage & Package Delivery
Office Supplies & Expense	45,000	Office supplies, small furn & equip, PPE
Office Expense	14,000	General Office Expense
Dues and Memberships-Lottery Industry	28,000	Lottery Organization Memberships
Dues and Memberships	10,000	Professional licenses and association dues
Subscriptions and Publications	6,000	Thomson-Reuters, Demozette, etc.
Insurance	12,000	Includes Property and Liability Insurance
Problem Gambling Expense	20,000	Problem gambling hotline costs
Legal and professional services	3,000	Legal fees
Other Operating Expenses	4,000	Other administrative expenses
Est. DFA Expense Charge Back	42,000	DFA allocation for support services
Sub-total for Oper. & Admin. Exp.	<u>\$ 718,000</u>	
<u>Data Processing Expenses</u>		
Equipment-Low Value (Data Proc.)	100,000	Primarily PCs, laptops, Ipads replacement
IMACS & Macbooks (Marketing)	20,000	IMACs (Marketing)
Equipment Lease	22,000	Copiers
Data processing supplies	10,000	Data supplies-toner
Data Processing support other	82,000	DIS and other data processing support
Software licenses and fees	104,000	Data processing licenses & software
Telephone (VOIP)	40,000	Paid to DIS for phones and Communications
Mobil Telephones	50,000	Cell phones & Ipads
IT training	10,000	Training
Sub-total for Data Processing Expenses	<u>\$ 438,000</u>	
<u>Conferences & Travel Expenses</u>		
Travel and Mileage expense	60,000	Airfare, lodging, meals, etc.
MSR Mileage expense	250,000	MSR mileage reimbursements
Education and Training	15,000	Conferences and training costs
Sub-total for Oper. & Admin. Exp.	<u>\$ 325,000</u>	
<u>Retailer Support/Events</u>		
Retailer events	100,000	Retailer promotional products
Retailer support	150,000	Other retailer costs
Sub-total for Retailer Support/Events	<u>\$ 250,000</u>	
<u>Consulting Costs</u>		
Camelot Global base fee	500,000	Base comp per contract
Camelot Global incentive	1,000,000	Incentive compensation
Sub-total for Consulting Costs	<u>\$ 1,500,000</u>	
Total General & Administrative Expenses	<u>\$ 3,231,000</u>	