



# Arkansas

## Scholarship Lottery

### **EXHIBIT B**

Lottery Oversight Subcommittee Meeting  
Report from the Office of the Arkansas Lottery for July 2022  
By Executive Director J. Eric Hagler

# Comparative Income Statements

## July 2022 vs. July 2021



GAAP Basis Income Statement	July 2022	July 2021	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 35,496,829	\$ 39,908,503	\$ (4,411,674)	-11.1%
Draw Games	16,616,939	7,622,829	8,994,110	118.0%
Retailer Fees and Other	62,625	60,426	2,199	3.6%
<b>Total Revenues</b>	<b>52,176,392</b>	<b>47,591,758</b>	<b>4,584,634</b>	<b>9.6%</b>
<b>Operating Expense</b>				
Instant Game Prizes	26,349,482	29,538,128	3,188,646	10.8%
Draw Game Prizes	8,614,688	3,690,829	(4,923,859)	-133.4%
Retailer Commissions	2,907,276	2,679,697	(227,579)	-8.5%
Gaming Contract Costs	2,380,645	2,348,567	(32,078)	-1.4%
Marketing and Advertising	419,246	510,498	91,252	17.9%
General and Administrative	844,985	724,116	(120,869)	-16.7%
<b>Total Operating Expenses</b>	<b>41,516,322</b>	<b>39,491,835</b>	<b>(2,024,487)</b>	<b>-5.1%</b>
<b>Operating Income</b>	<b>10,660,070</b>	<b>8,099,923</b>	<b>2,560,147</b>	<b>31.6%</b>
<b>Interest Income and Other Income</b>	<b>175,591</b>	<b>84,524</b>	<b>91,067</b>	<b>107.7%</b>
<b>Income Before Transfers</b>	<b>\$ 10,835,661</b>	<b>\$ 8,184,447</b>	<b>\$ 2,651,214</b>	<b>32.4%</b>
<b>Net Proceeds</b>	<b>\$ 12,465,979</b>	<b>\$ 8,338,564</b>	<b>\$ 4,127,415</b>	<b>49.5%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

# Comparative Income Statements

## July 2022 Actual vs. Budget



GAAP Basis Income Statement	July 2022 Actual	July 2022 Budget	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 35,496,829	\$ 35,000,000	\$ 496,829	1.4%
Draw Games	16,616,939	7,287,000	9,329,939	128.0%
Retailer Fees and Other	62,625	51,100	11,525	22.6%
<b>Total Revenues</b>	<b>52,176,392</b>	<b>42,338,100</b>	<b>9,838,292</b>	<b>23.2%</b>
<b>Operating Expense</b>				
Instant Game Prizes	26,349,482	25,340,583	(1,008,899)	-4.0%
Draw Game Prizes	8,614,688	4,002,417	(4,612,271)	-115.2%
Retailer Commissions	2,907,276	2,390,000	(517,276)	-21.6%
Gaming Contract Costs	2,380,645	2,114,000	(266,645)	-12.6%
Marketing and Advertising	419,246	714,000	294,754	41.3%
General and Administrative	844,985	881,000	36,015	4.1%
<b>Total Operating Expenses</b>	<b>41,516,322</b>	<b>35,442,000</b>	<b>(6,074,322)</b>	<b>-17.1%</b>
<b>Operating Income</b>	<b>10,660,070</b>	<b>6,896,100</b>	<b>3,763,970</b>	<b>54.6%</b>
<b>Interest Income and Other Income</b>	<b>175,591</b>	<b>123,000</b>	<b>52,591</b>	<b>42.8%</b>
<b>Income Before Transfers</b>	<b>\$ 10,835,661</b>	<b>\$ 7,019,100</b>	<b>\$ 3,816,561</b>	<b>54.4%</b>
<b>Net Proceeds</b>	<b>\$ 12,465,979</b>	<b>\$ 6,419,100</b>	<b>\$ 6,046,879</b>	<b>94.2%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

## ADHE Transfer Analysis

Month	2023 Net Proceeds	2023 Unclaimed Prizes	Total Transfer	2023 Budget	Over/Under Budget	Cumulative Balance
July,2022	\$ 12,465,979	\$ 286,582	\$ 12,752,561	\$ 7,019,100	\$ 5,733,461	\$ 5,733,461
August			\$ -		\$ -	\$ 5,733,461
September			\$ -		\$ -	\$ 5,733,461
October			\$ -		\$ -	\$ 5,733,461
November			\$ -		\$ -	\$ 5,733,461
December			\$ -		\$ -	\$ 5,733,461
January, 2023			\$ -		\$ -	\$ 5,733,461
February			\$ -		\$ -	\$ 5,733,461
March			\$ -		\$ -	\$ 5,733,461
April			\$ -		\$ -	\$ 5,733,461
May			\$ -		\$ -	\$ 5,733,461
June						
Sub total	12,465,979	286,582	12,752,561	7,019,100		\$ 5,733,461
Reserve for GPW						
Total	\$ 12,465,979	\$ 286,582	\$ 12,752,561	\$ 7,019,100		\$ 5,733,461

# Comparative Income Statements

## Fiscal Year End June 30, 2022 Compared to June 30, 2021 and Budget



GAAP Basis Income Statement	Actual YTD 06/30/22	Actual YTD 06/30/21	Budget YTD 06/30/22
<b>Revenues</b>			
Instant Games	\$ 480,101,229	\$ 529,369,617	\$ 423,600,000
Draw Games	99,463,473	102,565,311	85,100,000
Retailer Fees and Other	669,983	644,966	506,000
<b>Total Revenues</b>	<b>580,234,684</b>	<b>632,579,894</b>	<b>509,206,000</b>
<b>Operating Expense</b>			
Instant Game Prizes	347,682,702	383,337,055	305,137,000
Draw Game Prizes	54,723,364	56,809,420	47,078,000
Retailer Commissions	32,801,115	35,732,276	28,742,000
Gaming Contract Costs	29,745,565	34,080,392	23,057,000
Marketing and Advertising	6,605,848	7,229,142	6,700,000
General and Administrative	9,435,216	12,534,510	10,215,700
<b>Total Operating Expenses</b>	<b>480,993,810</b>	<b>529,722,794</b>	<b>420,929,700</b>
<b>Operating Income</b>	<b>99,240,874</b>	<b>102,857,100</b>	<b>88,276,300</b>
<b>Interest Income and Other Income</b>	<b>726,479</b>	<b>835,596</b>	<b>330,000</b>
<b>Income Before Transfers</b>	<b>\$ 99,967,353</b>	<b>\$ 103,692,696</b>	<b>\$ 88,606,300</b>
<b>Net Proceeds</b>	<b>\$ 90,973,874</b>	<b>\$ 97,627,618</b>	<b>\$ 81,300,000</b>
<b>Unclaimed Prizes to Net Proceeds</b>	<b>\$ 8,775,096</b>	<b>\$ 8,682,301</b>	<b>\$ 7,200,000</b>
<b>Transfer of Bond Fees</b>	<b>\$ 13,071</b>	<b>\$ 107,305</b>	<b>\$ 100,000</b>
<b>Total Net Proceeds</b>	<b>\$ 99,762,041</b>	<b>\$ 106,417,224</b>	<b>\$ 88,600,000</b>

Department of Finance & Administration  
Office of the Arkansas Lottery  
Retailer Loss/Debt Set-off/Income Tax



As of 7/31/2022

Retailer losses \$0

Arkansas Debt Set-Off	Jul-22		Total Since Inception
Department of Finance and Administration	\$	5,067.95	\$ 1,592,121.54
Office of Child Support Enforcement	\$	2,000.00	\$ 671,444.59
<b>Total Debt Set-Off</b>	<b>\$</b>	<b>7,067.95</b>	<b>\$ 2,263,566.13</b>

Income Taxes Withheld	Jul-22		Total Since Inception
Federal		882,584.00	122,607,469.00
State		202,259.00	33,791,030.00
<b>Total Income Taxes Withheld</b>		<b>1,084,843.00</b>	<b>156,398,499.00</b>

# Retail Sales by County

## July 1 through July 31, 2022



COUNTY	INSTANT	CASH 3	CASH 4	PB	MM	NSJ	L4L	FP	TOTALS
ARKANSAS	448,977.00	16,900.50	9,728.00	16,804.00	70,752.00	5,216.00	3,356.00	18,507.00	590,240.50
ASHLEY	183,972.00	15,528.00	15,201.00	11,659.00	32,056.00	2,510.00	1,764.00	10,508.00	273,198.00
BAXTER	464,569.00	2,858.00	1,834.00	34,051.00	144,804.00	12,495.00	10,254.00	16,386.00	687,251.00
BENTON	1,520,916.00	10,416.50	4,400.50	149,829.00	787,290.00	30,459.00	26,406.00	28,594.00	2,558,311.00
BOONE	410,484.00	2,578.00	4,151.00	25,327.00	108,239.00	5,844.00	2,548.00	28,132.00	587,303.00
BRADLEY	145,943.00	2,621.00	5,219.50	6,600.00	22,955.00	1,966.00	1,424.00	4,436.00	191,164.50
CALHOUN	49,641.00	3,355.50	685.50	1,819.00	7,461.00	917.00	656.00	1,833.00	66,368.00
CARROLL	270,622.00	412.50	974.50	16,591.00	67,601.00	3,997.00	2,798.00	12,092.00	375,088.00
CHICOT	150,019.00	8,075.00	2,247.00	13,563.00	48,633.00	3,150.00	3,548.00	4,082.00	233,317.00
CLARK	380,367.00	4,861.50	830.00	17,834.00	80,449.00	6,143.00	3,454.00	24,772.00	518,710.50
CLAY	117,036.00	543.00	33.50	5,453.00	20,782.00	2,324.00	1,632.00	3,471.00	151,274.50
CLEBURNE	335,330.00	2,654.50	1,258.00	24,907.00	96,191.00	10,691.00	6,446.00	37,117.00	514,594.50
CLEVELAND	63,559.00	1,241.50	190.00	2,437.00	9,405.00	726.00	918.00	2,026.00	80,502.50
COLUMBIA	339,819.00	15,289.00	6,455.00	12,600.00	52,232.00	3,886.00	3,340.00	13,271.00	446,892.00
CONWAY	392,259.00	7,853.00	2,636.00	17,768.00	78,011.00	10,135.00	4,936.00	12,525.00	526,123.00
CRAIGHEAD	1,742,634.00	15,515.00	7,331.00	63,507.00	296,283.00	15,635.00	10,770.00	41,280.00	2,192,955.00
CRAWFORD	409,910.00	3,478.00	823.50	34,412.00	161,593.00	9,489.00	6,430.00	9,252.00	635,387.50
CRITTENDEN	684,442.00	43,009.50	19,916.00	54,767.00	190,897.00	9,772.00	8,326.00	36,843.00	1,047,972.50
CROSS	324,101.00	7,873.50	2,447.50	9,392.00	42,932.00	2,473.00	1,406.00	9,937.00	400,562.00
DALLAS	180,682.00	2,074.00	1,124.00	6,130.00	21,581.00	1,971.00	1,096.00	4,950.00	219,608.00
DESHA	218,439.00	3,313.00	1,810.00	9,901.00	38,533.00	3,378.00	1,014.00	3,154.00	279,542.00
DREW	373,593.00	4,485.00	2,845.50	14,320.00	51,150.00	4,379.00	3,546.00	15,206.00	469,524.50
FAULKNER	1,312,307.00	14,230.50	5,822.00	76,687.00	354,900.00	28,195.00	17,486.00	47,332.00	1,856,959.50
FRANKLIN	194,822.00	874.50	137.00	14,330.00	56,838.00	4,084.00	1,788.00	13,923.00	286,796.50
FULTON	66,160.00	446.00	665.50	3,818.00	14,729.00	1,279.00	858.00	3,698.00	91,653.50
GARLAND	1,220,588.00	15,009.00	5,261.50	94,541.00	456,790.00	44,142.00	24,220.00	33,971.00	1,894,522.50
GRANT	169,928.00	1,091.00	867.50	11,060.00	51,652.00	4,323.00	3,422.00	9,599.00	251,942.50
GREENE	596,812.00	708.50	365.00	28,015.00	106,994.00	7,362.00	4,234.00	22,725.00	767,215.50
HEMPSTEAD	366,684.00	71,806.00	23,695.00	12,030.00	59,020.00	3,232.00	3,144.00	10,687.00	550,298.00
HOT SPRING	377,097.00	1,189.00	411.50	18,460.00	79,356.00	7,392.00	4,444.00	18,253.00	506,602.50
HOWARD	230,875.00	49,202.00	12,699.00	7,822.00	35,818.00	2,780.00	1,948.00	8,343.00	349,487.00
INDEPENDENCE	590,684.00	3,958.50	1,690.00	24,131.00	98,043.00	7,238.00	5,578.00	56,458.00	787,780.50
IZARD	98,089.00	452.00	454.00	6,623.00	25,307.00	2,312.00	844.00	6,122.00	140,203.00
JACKSON	292,735.00	18,361.00	10,398.50	10,429.00	43,910.00	4,217.00	1,546.00	16,193.00	397,789.50
JEFFERSON	1,361,074.00	69,010.50	40,861.50	78,388.00	284,677.00	31,669.00	24,816.00	39,470.00	1,929,966.00
JOHNSON	262,779.00	1,467.50	1,910.00	15,032.00	56,015.00	4,846.00	2,686.00	5,352.00	350,087.50
LAFAYETTE	97,300.00	18,287.00	4,300.50	3,868.00	13,628.00	720.00	946.00	2,010.00	141,059.50
LAWRENCE	307,172.00	436.00	51.50	10,314.00	40,463.00	2,759.00	2,216.00	11,708.00	375,119.50

# Retail Sales by County (Cont.)

## July 1 through July 31, 2022

COUNTY	INSTANT	CASH 3	CASH 4	PB	MM	NSJ	L4L	FP	TOTALS
LEE	78,836.00	4,779.00	9,121.50	4,087.00	15,806.00	923.00	968.00	1,910.00	116,430.50
LINCOLN	111,842.00	558.00	319.50	5,798.00	21,861.00	2,548.00	1,794.00	3,759.00	148,479.50
LITTLE RIVER	130,377.00	8,851.00	2,871.00	7,587.00	31,763.00	1,555.00	676.00	4,071.00	187,751.00
LOGAN	241,154.00	748.00	47.00	12,858.00	51,788.00	3,830.00	1,946.00	12,535.00	324,906.00
LONOKE	1,100,353.00	16,360.50	9,346.50	61,267.00	264,366.00	21,899.00	12,986.00	52,003.00	1,538,581.00
MADISON	107,755.00	31.50	263.50	8,602.00	35,815.00	1,814.00	1,650.00	964.00	156,895.00
MARION	215,325.00	7,695.00	1,410.50	10,949.00	39,336.00	4,884.00	3,456.00	11,821.00	294,876.50
MILLER	568,019.00	33,210.00	12,058.50	25,273.00	120,960.00	8,256.00	8,032.00	14,754.00	790,562.50
MISSISSIPPI	688,051.00	52,884.50	24,158.00	24,721.00	105,386.00	4,214.00	2,598.00	16,672.00	918,684.50
MONROE	206,086.00	32,556.50	12,826.00	10,506.00	39,546.00	2,855.00	1,638.00	25,610.00	331,623.50
MONTGOMERY	32,572.00	352.00	129.00	3,604.00	16,533.00	1,024.00	476.00	2,622.00	57,312.00
NEVADA	170,505.00	5,048.50	2,021.50	5,796.00	24,418.00	1,085.00	1,330.00	1,635.00	211,839.00
NEWTON	33,711.00		22.00	2,267.00	6,857.00	756.00	420.00	2,200.00	46,233.00
OUACHITA	554,352.00	17,867.00	8,203.00	17,845.00	71,391.00	5,922.00	3,984.00	16,041.00	695,605.00
PERRY	118,783.00	1,472.00	1,043.00	6,474.00	27,015.00	2,246.00	1,588.00	5,614.00	164,235.00
PHILLIPS	229,977.00	17,543.00	5,004.50	15,235.00	43,554.00	3,602.00	3,032.00	4,265.00	322,212.50
PIKE	129,341.00	201.50	99.50	6,193.00	31,425.00	3,111.00	1,664.00	7,635.00	179,670.00
POINSETT	487,778.00	3,901.50	1,131.00	14,921.00	63,725.00	3,504.00	1,992.00	19,956.00	596,908.50
POLK	186,023.00	973.00	65.50	12,513.00	48,278.00	4,721.00	2,404.00	8,536.00	263,513.50
POPE	801,654.00	3,373.50	1,669.00	46,454.00	209,103.00	15,710.00	8,644.00	22,660.00	1,109,267.50
PRAIRIE	189,911.00	3,167.00	1,411.00	5,840.00	26,875.00	1,874.00	756.00	5,320.00	235,154.00
PULASKI	6,690,129.00	183,243.00	141,921.50	596,269.00	2,252,892.00	224,959.00	226,790.00	242,167.00	10,558,370.50
RANDOLPH	162,962.00	144.50	86.50	10,858.00	37,364.00	2,673.00	2,604.00	17,593.00	234,285.00
SAINT FRANCIS	349,860.00	31,493.00	12,531.50	18,929.00	59,161.00	3,644.00	2,838.00	5,890.00	484,346.50
SALINE	1,240,664.00	20,702.50	6,857.50	81,454.00	399,559.00	32,758.00	21,078.00	59,864.00	1,862,937.00
SCOTT	87,959.00	450.50	126.00	7,049.00	28,203.00	1,515.00	1,018.00	2,899.00	129,219.50
SEARCY	102,906.00	116.50	336.50	5,425.00	19,690.00	1,525.00	794.00	5,778.00	136,571.00
SEBASTIAN	878,421.00	12,361.00	3,507.00	88,110.00	415,849.00	28,345.00	18,148.00	19,400.00	1,464,141.00
SEVIER	179,002.00	5,172.00	468.50	8,123.00	38,315.00	2,359.00	7,518.00	2,320.00	243,277.50
SHARP	328,665.00	1,134.50	212.00	18,068.00	64,022.00	6,400.00	2,638.00	16,702.00	437,841.50
STONE	107,957.00	745.00	231.50	6,291.00	24,303.00	3,015.00	930.00	3,753.00	147,225.50
UNION	887,885.00	87,190.00	37,420.00	34,099.00	132,138.00	9,360.00	6,506.00	41,564.00	1,236,162.00
VAN BUREN	208,404.00	1,013.00	828.00	13,091.00	54,089.00	5,659.00	2,224.00	10,743.00	296,051.00
WASHINGTON	1,740,043.00	21,888.00	8,891.50	146,032.00	689,891.00	35,802.00	26,758.00	36,837.00	2,706,142.50
WHITE	964,443.00	8,592.00	2,695.00	45,091.00	209,464.00	15,340.00	8,644.00	48,756.00	1,303,025.00
WOODRUFF	125,604.00	2,077.50	1,192.50	5,732.00	19,084.00	1,039.00	756.00	2,877.00	158,362.00
YELL	212,921.00	369.00	651.00	10,481.00	46,344.00	4,005.00	1,976.00	5,434.00	282,181.00



**Retail Sales Totals – All Counties**  
**July 1 through July 31, 2022**

<b>INSTANT</b>	<b>\$</b>	<b>37,402,650.00</b>
<b>CASH 3</b>	<b>\$</b>	<b>1,029,729.50</b>
<b>CASH 4</b>	<b>\$</b>	<b>512,908.50</b>
<b>PB</b>	<b>\$</b>	<b>2,369,111.00</b>
<b>MM</b>	<b>\$</b>	<b>9,994,139.00</b>
<b>NSJ</b>	<b>\$</b>	<b>778,837.00</b>
<b>L4L</b>	<b>\$</b>	<b>599,498.00</b>
<b>FP</b>	<b>\$</b>	<b>1,407,378.00</b>
<b>TOTALS</b>	<b>\$</b>	<b>54,094,251.00</b>

# ARKANSAS SCHOLARSHIP LOTTERY MINORITY FIRMS REPORT

July 31, 2022



Vendors	J Kelly*	Actual Monthly Spending Total
Business Type	Small, disadvantaged, minority, woman, owned business AEDC ID: 71110	
Cert Expires	10/2023	
4 <sup>th</sup> Quarter	-	
Jul-21	\$21,390.00	\$21,390.00
Aug-21	\$27,762.25	\$27,762.25
Sep-21	\$49,005.31	\$49,005.31
1 <sup>st</sup> Quarter Total	\$98,157.56	\$98,157.56
Oct-21	\$49,551.68	\$49,551.68
Nov-21	\$51,267.91	\$51,267.91
Dec-21	\$74,327.52	\$74,327.52
2 <sup>nd</sup> Quarter Total to Date	\$175,147.11	\$175,147.11
Jan-22	\$50,929.00	\$50,929.00
Feb-22	\$52,870.08	\$52,870.08
Mar-22	\$50,731.68	\$50,731.68
3 <sup>rd</sup> Quarter Total to Date	\$154,530.76	\$154,530.76
Apr-22	\$50,731.68	\$50,731.68
May-22	\$50,731.68	\$50,731.68
Jun-22	\$76,097.52	\$76,097.52
4 <sup>th</sup> Quarter Total to Date	\$177,560.88	\$177,560.88
Overall Total to Date	\$605,396.31	\$605,396.31

\* J. Kelly has 8 fulltime employees working in the Intralot offices, providing Call Center, Retailer Monitoring, and Administrative Support Services.



## Division of Higher Education

423 Main Street, Suite 400 • Little Rock, Arkansas • 72201-3818 • (501) 371-2000 • Fax (501) 371-2001

Johnny Key  
Secretary

Maria Markham, Ph.D.  
Director

July 28, 2022

Mr. Eric Hagler, Director  
Arkansas Scholarship Lottery  
P.O. Box 3238  
Little Rock, AR 72203-3238

Dear Mr. Hagler:

Pursuant A.C.A 23-115-801(d)(2)(B), I am requesting reimbursement in the amount of \$1,723,995.31 for the Arkansas Division of Higher Education FY 2022 reimbursable administrative direct costs associated with the scholarships awarded funded with the net proceeds of the Arkansas Scholarship Lottery. Please find attached a breakdown of these costs.

Upon receipt of the reimbursement, the funds will be deposited to the Higher Education Grants Fund. If you require additional information or have questions, please contact Nick Fuller at 501.371.2026.

Thanks you for your consideration in this matter.

Sincerely,

Maria Markham, Ph.D.  
Director

Arkansas Department of Higher Education  
Academic Challenge Scholarship Administrative Expense  
Fiscal 2022 Expenses



Regular Salaries	\$	352,314.18
Personal Services Matching	\$	80,556.35
Operating Expense	\$	131,399.78
Professional Fees	\$	1,159,725.00
Capital Outlay	\$	-
<hr/>		
Total	\$	1,723,995.31
<hr/>		

# ADHE FY22 Expense Detail



Ledger Code	Description	Expense
	501:00:00 Regular Salaries	\$ 352,314.18
5010001000	00 Regular Salaries	\$ 352,314.18
	501:00:03 Personal Services Matching	\$ 80,556.35
5010005000	03 FICA & Medic Exp	\$ 24,610.58
5010007000	03 Retirement Exp	\$ 53,458.21
5010008000	03 Unemploy Comp Exp	\$ 32.51
5010010000	03 WORKERS COMPENSATION PREMIUM TAX	\$ 94.61
5010006500	Agency Cost of ARCAP	\$ 2,360.44
	502:00:02 Operating Expenses	\$ 131,399.78
5020004200	Internet Serv-Tech	\$ 467.00
5030017000	Software Maintenance	\$ 128,689.00
5050017000	02 Conf Seminar Fees	\$ 999.00
5050001000	02 Mileage	\$ 397.36
5050003100	02 - Meals	\$ 88.50
5050003200	02 - Lodging	\$ 123.99
5090006000	Office Supplies	\$ 295.59
5080006000	Assoc Member Dues	\$ 100.00
5020002000	Telecomm Wired	\$ 239.34
	506:00:10 Professional Fees	\$ 1,159,725.00
5060001000	Professional Adm Fee	\$ 1,159,725.00
	512:00:11 Capital Outlay	\$ -



1. On June 23, 2022, Scientific Games International (SGI) granted the Office of the Arkansas Lottery (OAL) the non-exclusive right in the state of Arkansas to reproduce, use, and make copies of the Property in association with the sale, marketing, advertising, and promotion of scratch-off instant-win lottery games to be conducted by the OAL and identified as AR-695 Betty Boop. All rights not specifically granted to the OAL are reserved by SGI and/or Licensor. The following information regarding the agreement is provided.

a. Date of Agreement: June 23, 2022

b. Term of Agreement: the term of this agreement shall commence on the date the Working Papers for the Game are signed and shall expire on the last date for claiming Game Prizes as established by the OAL.

c. Vendor or other parties to the agreement: Scientific Games International

d. Value (cost or savings) projected for this agreement: the base instant game contract price is 1.30% of net sales. There is a price of 1.35% of the prize fund for Points for Prizes Rewards/Merchandise Prizes and Fulfillment. The preceding costs are standard for OAL instant games. There are no additional costs for the use of Betty Boop.

2. On July 1, 2022 Office of the Arkansas Lottery entered into a Marketing and Sponsorship Agreement with Little Rock Trojan Sports Properties, LLC.

a. The terms date are as follows 07/01/2022 through 06/30/2025.

b. The cost of the Sponsorship would be

2022-2023 \$10,000.00

2023-2024 \$10,500.00

2024-2025 \$11,025.00

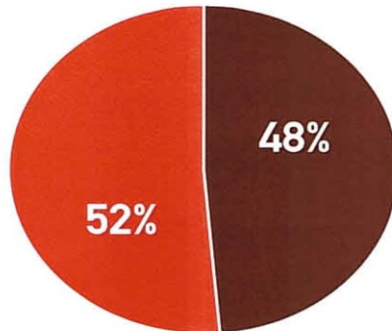
3. On July 29<sup>th</sup> Office of the Arkansas Lottery (OAL) entered into a Sponsorship agreement with Arkansas State Fair Arkansas Livestock Show Association.

a. The dates of this agreement are as follows October 14<sup>th</sup> through October 23<sup>rd</sup>.

b. The cost of the sponsorship would be 47,500.00 paid 30-days upon partnership agreement.

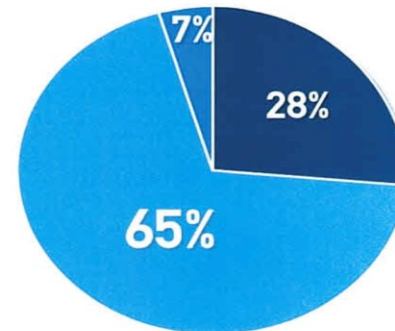
ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF THE ARKANSAS LOTTERY  
JULY 2022

## GENDER



● FEMALE  
● MALE

## RACE



● BLACK  
● CAUCASIAN  
● OTHER MINORITIES



TOTAL NUMBER OF EMPLOYEES AS OF JULY 2022: 67



### GENDER

Females - 32

Males - 35

### RACE

Black - 19 ----- Female - 10 Male - 9

Caucasian - 43 ----- Female - 21 Male - 22

Other - 5 ----- Female - 1 Male - 4

# Internal Audit Report



STATE OF ARKANSAS  
Department of Finance and Administration

William C. Miller, CPA, CGMA  
Internal Auditor

OFFICE OF THE ARKANSAS LOTTERY  
Post Office Box 3238  
Little Rock, Arkansas 72203-3238  
Phone: (501) 683-2010

2022-29 Beneficiary Trust Fund | FY 2022  
Audit

<b>Audit:</b>	2022-29 Beneficiary Trust Fund	<b>Report Date:</b> July 29, 2022
<b>Report Distribution:</b>	Larry Walther, Secretary Department of Finance and Administration	<b>For Fiscal Year:</b> June 30, 2022
	Office of the Arkansas Lottery Eric Hagler, OAL Executive Director Jerry Fetzer, Chief Financial Officer Brandi Ratcliff, Treasurer Brent Standridge, Chief Legal Counsel	

## Introduction

A scheduled periodic audit for Beneficiary Trust Fund for fiscal year ended June 30, 2022, and has been completed by Internal Audit. The periodic review was conducted in accordance with the Office of the Arkansas Lottery (OAL) Internal Audit Charter, which governs the types and objectives of engagements performed by the OAL Internal Audit function.

## Background

Arkansas Code Annotated (ACA) § 23-115-801 establishes procedures surrounding and distribution of lottery proceeds, including net proceeds held by the OAL in trust for the Arkansas Department of Higher Education (ADHE). Such funds prior to the September 1, 2021, were held in the Education Trust Fund Account or Workforce Challenge account. ACA § 06-85-202 established the Arkansas Academic Challenge Scholarship Program. ACA § 23-115-115-801(b)(1)(B)(i) provided that the Office of the Arkansas Lottery establish the Lottery Scholarship Trust Account and all funds held in the Education Trust Fund and Workforce Challenge accounts were transferred on September 1, 2021, into the Lottery Scholarship Trust Account. ACA § 23-115-802 establishes the Scholarship Shortfall Reserve Trust Account, designed for use when Education Trust Fund Account, now the Lottery Scholarship Trust Account, balances are not adequate to meet funding requests by ADHE for the Arkansas Academic Challenge Scholarship Program. Education Trust Fund, Scholarship Shortfall Reserve Trust, Workforce Challenge, and the Lottery Scholarship Trust Account balances were and are deposited at Bank OZK, under contractual basis. Balances held by the OAL are subject to investment policy guidelines established by the State Board of Finance per ACA § 23-115-801 (b) (2).

## Purpose, Objectives, and Scope

The overall purpose, objectives, and scope of the audit were as follows:

### Purpose

The purpose of this audit was to ensure that the appropriate controls and procedures are in place to provide reasonable assurance that lottery proceeds are appropriately deposited to and withdrawn from

## Purpose, Objectives, and Scope (Continued)

### Purpose (Continued)

the Lottery Scholarship Trust Account, Education Trust Fund, Scholarship Shortfall Trust and Workforce Challenge accounts in accordance with the Arkansas Scholarship Lottery Act (The Act).

### Objectives

- Ensure that the Lottery Scholarship Trust Account deposits and withdrawals are in accordance with The Act.
- Ensure that the Education Trust Fund deposits and withdrawals are in accordance with The Act.
- Ensure that the Scholarship Shortfall Trust Fund deposits and withdrawals are in accordance with The Act.
- Ensure that the Workforce Challenge deposits and withdrawals are in accordance with The Act.
- Independently confirm the balance of the Lottery Scholarship Trust Account, Education Trust Fund and the Workforce Challenge Bank OZK statements against the balances provided in Sage.
- Ensure all the OAL's bank accounts are properly collateralized by Bank OZK as month-end for each month in the fiscal year.
- Ensure the wire transfers to Arkansas Department of Higher Education (ADHE) have supporting documentation and signatures required for all wire transfers

### Scope

The procedures performed included reviewing bank statements, internally prepared calculations, and other supporting documentation.

## Observations

Internal Audit (IA) had no observations or recommendations to report.

*William C. Miller, CPA*

William C Miller, Internal Auditor