



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

**OFFICE OF THE ARKANSAS LOTTERY**

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April 30, 2025

The Honorable Ricky Hill, Co-Chair  
The Honorable Justin Gonzales, Co-Chair  
Arkansas Legislative Council, Lottery Oversight Subcommittee  
One Capitol Mall, Room R-501  
Little Rock, AR 72201

Dear Senator Hill and Representative Gonzales:

On behalf of the Arkansas Department of Finance and Administration Office of the Arkansas Lottery, please accept the attached proposed FY2027 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);

The FY2027 request incorporates several areas of meaningful cost savings. Most notably, the Office anticipates approximately \$1 million in reduced costs to our central gaming system and scratch-ticket printing vendors as a result of recently renegotiated major contracts. Additionally, the budget reflects a reduction in advertising and marketing expenses.

General and administrative expenses remain tightly controlled and consistent with the FY2026 budget. This stability is achieved through careful management of supplies, technology needs, and an ongoing emphasis on internal process efficiencies and staffing alignment.

Collectively, these savings help offset revenue uncertainties, ensuring that the Lottery continues to operate efficiently while maximizing funds available for scholarships. We remain committed to delivering strong returns for Arkansas students. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Sharon Strong".

Sharon Strong  
Executive Director

Enclosures

cc: Jim Hudson, Cabinet Secretary Department of Finance and Administration

# ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM

## Appropriation Summary

**Appropriation:**

613U - DFA Ofc of Arkansas Lottery

**Funding Sources:**

Appropriation		2024-2025	2025-2026	2025-2026	2026-2027		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	\$4,075,156	\$4,475,000	\$4,475,000		\$4,520,000	
	<b>#Positions</b>		<b>66</b>	<b>66</b>		<b>66</b>	
Personal Services Matching	5010003	\$1,381,413	\$1,925,000	\$1,925,000		\$1,980,000	
Operating Expenses	5020002	\$508,872	\$748,000	\$748,000		\$767,000	
Conference & Travel Expenses	5050009	\$234,667	\$328,000	\$328,000		\$365,000	
Professional Fees	5060010	\$882,751	\$240,000	\$240,000		\$200,000	
Data Processing	5090012	\$276,834	\$324,000	\$324,000		\$314,000	
Instant Games	5900046	\$341,768,747	\$337,600,000	\$337,600,000		\$336,200,000	
On-Line Games	5900047	\$58,503,827	\$53,800,000	\$53,800,000		\$57,000,000	
Retailer Commissions	5900048	\$32,730,529	\$31,815,000	\$31,815,000		\$32,100,000	
Gaming Contracts	5900049	\$28,630,051	\$28,579,000	\$28,579,000		\$27,613,000	
Advertising & Promotions	5900050	\$6,195,252	\$7,316,000	\$7,316,000		\$7,307,000	
Capital Outlay	5120011	\$362,977	\$314,000	\$314,000		\$319,000	
<b>Total</b>		<b>\$475,551,076</b>	<b>\$467,464,000</b>	<b>\$467,464,000</b>		<b>\$468,685,000</b>	

Funding Sources						
Instant Gaming	\$469,532,982	\$463,800,000			\$462,500,000	
Online Games	\$108,067,205	\$99,300,000			\$105,690,000	
Retailer Applications & Fees	\$678,000	\$687,000			\$700,000	
Non Gaming Revenue	\$8,660	\$2,000			\$12,000	
Other Income	\$0	\$0			\$0	
Interest Income	\$12,753,397	\$9,400,000			\$8,000,000	
Interest Expense	(\$14,137)	(\$4,400)			(\$4,400)	
Transfer to Department of Health	\$0	\$0			\$0	
Transfer to ADHE Scholarship Trust	(\$100,463,245)	(\$96,100,000)			(\$98,300,000)	
Transfer to ADHE Workforce Challenge Trust	\$0	\$0			\$0	
Transfer to Unclaimed Prizes Reserve	(\$11,220,572)	(\$9,600,000)			(\$9,900,000)	
Bond Reserve in Excess of \$500,000	(\$134,080)	\$0			\$0	
<b>Total Funding</b>	<b>\$479,208,210</b>	<b>\$467,484,600</b>			<b>\$468,697,600</b>	
Excess Appropriation/(Funding)	(\$3,657,134)	(\$20,600)			(\$12,600)	
<b>Grand Total</b>	<b>\$475,551,076</b>	<b>\$467,464,000</b>			<b>\$468,685,000</b>	

DFA Office of the Arkansas Lottery (BA 0613)  
Budget Detail Schedule  
For the Fiscal Year Ending June 30, 2027

	<u>FY 2025 Audited</u>	% of Revenue	<u>FY 2026 Budget</u>	% of Revenue	<u>FY 2027 Budget</u>	% of Revenue	Explanation for Changes
<b>Operating Revenues:</b>							
Instant ticket revenues	\$ 469,535,232	81.19%	\$ 463,800,000	82.26%	\$ 462,500,000	81.30%	Decrease based on FY2026 trending
Draw ticket revenues	108,215,957	18.71%	99,800,000	17.70%	106,190,000	18.67%	Increase based on FY2026 trending
Less: Promotions discount	(151,002)	-0.03%	(500,000)	-0.09%	(500,000)	-0.09%	Consistent with FY2026 budget
Retailer application and bonding fees	678,000	0.12%	687,000	0.12%	700,000	0.12%	Consistent with FY2026 budget
Other revenue	8,660	0.01%	2,000	0.00%	12,000	0.00%	Increase due to in-kind assets from sponsorships
<b>Total Operating Revenues</b>	<u>578,286,847</u>	<u>100.01%</u>	<u>563,789,000</u>	<u>100.00%</u>	<u>568,902,000</u>	<u>100.00%</u>	
<b>Operating Expenses:</b>							
Instant games prizes	341,768,747	59.10%	337,600,000	59.88%	336,200,000	59.10%	Decrease is consistent with the expected decrease in instant ticket revenues
Draw games prizes	58,503,827	10.12%	53,800,000	9.54%	57,000,000	10.02%	Increase is consistent with the expected increase in draw ticket revenues
Retailer commissions	32,730,529	5.66%	31,815,000	5.64%	32,100,000	5.64%	Slight increase is consistent with the expected increase in ticket revenues
Gaming contract costs	28,630,051	4.95%	28,579,000	5.07%	27,613,000	4.85%	Decrease due to new gaming contracts which are effective August 2026
Staff compensation & benefits	5,456,569	0.94%	6,400,000	1.14%	6,500,000	1.14%	Slight increase reflects an estimated merit of 3%
Advertising and marketing	6,195,252	1.07%	7,316,000	1.30%	7,307,000	1.28%	Decrease due new advertising agency contract which is effective July 2026
General and administrative expenses	1,020,373	0.18%	1,400,000	0.25%	1,446,000	0.25%	Consistent with FY2026 budget
Services provided by other agencies:	882,751	0.15%	240,000	0.04%	200,000	0.04%	Consistent with FY2026 budget
Depreciation and amortization	362,977	0.06%	314,000	0.06%	319,000	0.06%	Consistent with FY2026 budget
<b>Total Operating Expenses</b>	<u>475,551,076</u>	<u>82.23%</u>	<u>467,464,000</u>	<u>82.91%</u>	<u>468,685,000</u>	<u>82.38%</u>	
<b>Operating Income</b>	102,735,771	17.77%	96,325,000	17.09%	100,217,000	17.62%	
<b>Non-Operating Revenue (Expense):</b>							
Interest income	12,753,397	2.21%	9,400,000	1.67%	8,000,000	1.41%	Decrease due to expected decrease in interest rates for FY2027
Interest expense	(14,137)	0.00%	(4,400)	0.00%	(4,400)	(0.00)	Consistent with FY2026 budget for operating lease
<b>Income before Transfers</b>	<u>\$ 115,475,031</u>	<u>19.97%</u>	<u>\$ 105,720,600</u>	<u>18.75%</u>	<u>\$ 108,212,600</u>	<u>19.02%</u>	
Transfers To:							
Scholarship Trust Account	(100,465,887)	-17.37%	(96,100,000)	-17.05%	(98,300,000)	-17.28%	This is the expected amount of monthly transfers of Net Proceeds for scholarships in FY2027
Unclaimed Prizes (transferred at June 30)	(11,220,572)	-1.94%	(9,600,000)	-1.70%	(9,900,000)	-1.74%	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	(131,438)	(0.00)	-	0.00%	-	0.00%	Per OAL rules, on June 30 of each fiscal year, any Bond Reserve excess over \$500,000, is transferred to Net Proceeds
<b>Total Transfers to Scholarship Trust Account</b>	<u>(111,817,897)</u>	<u>-19.34%</u>	<u>(105,700,000)</u>	<u>-18.75%</u>	<u>(108,200,000)</u>	<u>-19.02%</u>	
<b>Change in Net Assets</b>	<u>\$ 3,657,134</u>	<u>0.63%</u>	<u>\$ 20,600</u>	<u>0.00%</u>	<u>\$ 12,600</u>	<u>0.00%</u>	

**DFA - Office of Arkansas Lottery  
Compensation and Benefits  
Budget FY 2027**

Career Grades	Position Title	Race	Adj Budgeted			
			Gross	Annual Taxes (7.65%)	Annual APERS (15.32%)	Total Compensation <sup>1</sup>
SPC06	OAL CONTROLLER	CF	97,373.15	7,449.05	14,917.57	119,739.76
SPC06	OAL TREASURER	CM	94,537.04	7,232.08	14,483.07	116,252.20
SPC09	OAL CHIEF FISCAL OFFICER	CF	125,828.98	9,625.92	19,277.00	154,731.90
SGS05	ADMINISTRATIVE ANALYST	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS09	OAL OFFICE CAMPAIGN COORDINATOR	BF	71,476.89	5,467.98	10,950.26	87,895.13
SGS06	OAL COLLECTIONS SPECIALIST	CM	65,374.90	5,001.18	10,015.44	80,391.52
SGS04	ADMINISTRATIVE COORDINATOR	CF	46,909.56	3,588.58	7,186.54	57,684.68
SGS04	OAL FISCAL SPECIALIST	BF	44,380.67	3,395.12	6,799.12	54,574.91
SPC02	OAL ACCOUNTANT	CF	66,507.16	5,087.80	10,188.90	81,783.86
SPC07	OAL DIR SECURITY & COMPLIANCE	CM	107,110.79	8,193.98	16,409.37	131,714.14
EXE01	OAL GAMING DIRECTOR	CM	214,493.87	16,408.78	32,860.46	263,763.12
IST01	OAL COMPUTER OPERATOR	BM	42,502.86	3,251.47	6,511.44	52,265.76
IST01	OAL COMPUTER OPERATOR	BM	42,502.86	3,251.47	6,511.44	52,265.76
SGS10	OAL PRODUCT MANAGER	CM	79,012.57	6,044.46	12,104.73	97,161.75
IST06	OAL QA SYSTEMS ANALYST	OM	90,159.05	6,897.17	13,812.37	110,868.59
IST06	IT SECURITY ANALYST I	BM	69,954.08	5,351.49	10,716.96	86,022.53
IST09	IT SUPERVISOR/EXPERT	CM	91,108.56	6,969.80	13,957.83	112,036.19
IST08	OAL SR. DATABASE ADMINISTRATOR	CM	96,061.79	7,348.73	14,716.67	118,127.18
SGS10	OAL REGIONAL SALES MANAGER	BF	78,625.01	6,014.81	12,045.35	96,685.17
SGS10	OAL REGIONAL SALES MANAGER	CM	86,825.68	6,642.16	13,301.69	106,769.54
SGS09	OAL FINANCIAL ANALYST	CM	71,476.89	5,467.98	10,950.26	87,895.13
SGS10	OAL PRODUCT MANAGER	CF	78,625.01	6,014.81	12,045.35	96,685.17
SPC07	OAL MARKETING & ADVERTISING DIR	CF	107,110.79	8,193.98	16,409.37	131,714.14
SPC07	OAL SALES DIRECTOR	CF	103,991.06	7,955.32	15,931.43	127,877.81
SGS07	EXECUTIVE ASSISTANT	CF	66,095.40	5,056.30	10,125.82	81,277.51
IST10	OAL DEPUTY IT GAMING DIRECTOR	BF	105,093.51	8,039.65	16,100.33	129,233.48
SGS07	OAL GRAPHIC SPECIALIST	CM	59,071.54	4,518.97	9,049.76	72,640.27
SGS09	OAL OFFICE CAMPAIGN COORDINATOR	CF	71,476.89	5,467.98	10,950.26	87,895.13
SGS06	PUBLIC INFORMATION SPECIALIST	BF	53,701.18	4,108.14	8,227.02	66,036.34
SGS10	OAL PRODUCT MANAGER	CF	78,625.01	6,014.81	12,045.35	96,685.17
IST05	OAL APPLICATION SUPP SPECIALIST	CM	69,795.11	5,339.33	10,692.61	85,827.04
EXE02	OAL DIRECTOR	CF	169,744.06	12,985.42	26,004.79	208,734.27
SGS10	OAL KEY CHAIN ACCOUNT MANAGER	BM	83,967.94	6,423.55	12,863.89	103,255.38
SGS04	OAL LICENSING SPECIALIST	CF	44,380.67	3,395.12	6,799.12	54,574.91
SGS04	OAL LICENSING SPECIALIST	CM	44,380.67	3,395.12	6,799.12	54,574.91
SGS03	OAL CLAIMS ASSISTANT	BF	40,346.11	3,086.48	6,181.02	49,613.61
SGS06	OAL SENIOR SECURITY SPECIALIST	CM	53,701.18	4,108.14	8,227.02	66,036.34
IST04	USER SUPPORT ANALYST	CM	56,571.78	4,327.74	8,666.80	69,566.32
SGS04	OAL SECURITY SPECIALIST	CM	44,380.67	3,395.12	6,799.12	54,574.91
SGS05	OAL MARKETING SALES REP	BF	49,005.26	3,748.90	7,507.61	60,261.77
SGS05	OAL MARKETING SALES REP	BF	56,744.04	4,340.92	8,693.19	69,778.14
SGS05	OAL MARKETING SALES REP	CF	53,882.86	4,122.04	8,254.85	66,259.76
SGS05	OAL MARKETING SALES REP	CM	48,818.87	3,734.64	7,479.05	60,032.56
SGS07	PROCUREMENT COORDINATOR	CF	63,036.05	4,822.26	9,657.12	77,515.43
SGS05	OAL MARKETING SALES REP	CF	50,998.76	3,901.41	7,813.01	62,713.18
SGS05	OAL MARKETING SALES REP	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CM	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CM	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CM	57,594.99	4,406.02	8,823.55	70,824.56
SGS05	OAL MARKETING SALES REP	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	CF	48,818.87	3,734.64	7,479.05	60,032.56
SGS05	OAL MARKETING SALES REP	BM	53,473.45	4,090.72	8,192.13	65,756.30
SGS05	OAL MARKETING SALES REP	BF	47,396.96	3,625.87	7,261.21	58,284.04
SGS05	OAL MARKETING SALES REP	CM	57,594.99	4,406.02	8,823.55	70,824.56
SGS05	OAL MARKETING SALES REP	CM	53,701.18	4,108.14	8,227.02	66,036.34
SGS03	OAL CLAIMS ASSISTANT	CF	40,346.11	3,086.48	6,181.02	49,613.61
<b>Total</b>			<b>4,085,244.29</b>	<b>312,521.19</b>	<b>625,859.43</b>	<b>5,023,624.91</b>

Total employees = 59	<u>By group/gender</u>	Employer Health Premium	See assumptions	\$	523,000.00
		Unemployment Compensation	See assumptions	\$	10,000.00
Employee breakdown		Workers' Compensation	See assumptions	\$	1,200.00
BF=black female	9	Workers' Compensation Premium Tax	See assumptions	\$	1,000.00
BM=black male	5	Other Post Employment Benefits		\$	300,000.00
CF=caucasian female	22	Vacant Positions	See Assumptions	\$	535,000.00
CM=caucasian male	22	Career Service Bonuses	Career Service tab	\$	25,000.00
OM=other minority	1	Subtotal		\$	6,418,824.91
	<u>59</u>				
			Use for Budget	\$	<b>6,500,000.00</b>

<sup>1</sup> Based on staff positions as of 04/20/2026

**Other Compensation Benefits**

Employer Health Premiums= \$660 per covered employee (referred to as State Match)

Budgeted positions = 66 employees @ \$660= \$43,560 (\$43,560 x 12 months)= \$522,720; (Rounded for budget \$523,000)

Unemployment Compensation = None in FY25; None in FY26

FY27 Budgeted amount = \$10,000

Worker's Compensation = \$1,007 paid in FY25

FY27 Budgeted amount = \$1,007 + 20% = \$1,208 (Rounded for budget \$1,200)

WC Premium Tax Calendar Year 2025= \$4,059,247 x .000228= \$926 (annual fee)

FY27 Budgeted amount = \$926 + 10% = \$1,018 (Rounded for budget \$1,000)

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

25 full time employees

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

**Vacant Positions (Included in FY2027 Compensation)<sup>1</sup>**

Career Grade	Position Title	Base	Midpoint	Max
SPC09	OAL Chief Legal Counsel	\$ 125,829.00	\$ 156,028.00	\$ 186,228.00
SGS05	OAL Marketing Sales Rep	\$ 47,397.00	\$ 58,773.00	\$ 70,148.00
SGS05	OAL Marketing Sales Rep	\$ 47,397.00	\$ 58,773.00	\$ 70,148.00
SGS05	OAL Marketing Sales Rep	\$ 47,397.00	\$ 58,773.00	\$ 70,148.00
SPC04	OAL Security Deputy Dir	\$ 78,130.00	\$ 96,881.00	\$ 115,632.00
SGS04	OAL Security Specialist	\$ 43,088.00	\$ 53,429.00	\$ 63,770.00
SGS04	OAL Security Specialist	\$ 43,088.00	\$ 53,429.00	\$ 63,770.00
		<u>\$ 432,326.00</u>	<u>\$ 536,086.00</u>	<u>\$ 639,844.00</u>

Salaries	\$ 432,326.00
Employer taxes	\$ 33,072.94
APERS	\$ 66,232.34
<b>Total budget</b>	<b><u>\$ 531,631.28</u></b>

**\$ 535,000.00 Use for Budget**

<sup>1</sup> Based on staff positions as of 04/20/2026

**23-115-306. Special Salary allowances**

(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 Date	Position	Years of Service	Eligibility Date	Career Service Payment
03/26/17	OAL MARKETING SALES REP	10	03/26/17	800.00
02/21/17	OAL GRAPHIC SPECIALIST	10	02/21/17	800.00
02/13/17	OAL MARKETING SALES REP	10	02/13/17	800.00
09/25/16	OAL CHIEF FISCAL OFFICER	10	09/25/16	800.00
01/14/15	OAL PRODUCT MANAGER	12	01/14/15	800.00
12/21/14	OAL OFFICE CAMPAIGN COORDINATOR	12	12/21/14	800.00
03/31/14	OAL MARKETING SALES REP	13	03/31/14	800.00
05/26/13	OAL FISCAL SPECIALIST	14	05/26/13	800.00
05/31/11	IT SECURITY ANALYST I	16	05/31/11	1,000.00
11/24/10	IT SUPERVISOR/EXPERT	16	11/24/10	1,000.00
08/16/10	OAL MARKETING SALES REP	16	08/16/10	1,000.00
04/19/10	OAL PRODUCT MANAGER	17	04/19/10	1,000.00
02/08/10	OAL COLLECTIONS SPECIALIST	17	02/08/10	1,000.00
09/10/09	OAL MARKETING SALES REP	17	09/10/09	1,000.00
09/08/09	OAL APPLICATION SUPP SPECIALIST	17	09/08/09	1,000.00
09/07/09	OAL QA SYSTEMS ANALYST	17	09/07/09	1,000.00
08/31/09	OAL DEPUTY IT GAMING DIRECTOR	17	08/31/09	1,000.00
08/26/09	OAL MARKETING SALES REP	17	08/26/09	1,000.00
08/19/09	OAL REGIONAL SALES MANAGER	17	08/19/09	1,000.00
07/24/09	OAL GAMING DIRECTOR	17	07/24/09	1,000.00
07/17/06	USER SUPPORT ANALYST	20	07/17/06	1,200.00
06/06/05	EXECUTIVE ASSISTANT	22	06/06/05	1,200.00
09/06/04	OAL CONTROLLER	22	09/06/04	1,200.00
12/10/03	OAL REGIONAL SALES MANAGER	23	12/10/03	1,200.00
01/21/02	OAL SR. DATABASE ADMINISTRATOR	25	01/21/02	1,500.00
	FY27 Total:			24,700.00
	<b>Amount for FY27 Budget:</b>			<b>25,000.00</b>

25 employees eligible  
25 full time  
0 part time

**DFA Office of the Arkansas Lottery**  
**Detail Schedule of General & Administrative Expenses**  
**For Budget Fiscal Year 2027**

<u>Account</u>	<b>Estimated FY2027 Budget</b>	<b>General Description</b>
<b><u>Operating &amp; Admin. Expenses</u></b>		
Lease expense (GASB 87)	\$ 172,000	Expense portion of GASB 87 lease accounting
Office parking	26,000	LR building parking
Retailer background checks	15,000	Background checks for retailers and others
Maintenance & repairs	30,000	Building maintenance
Lottery vehicle expenses	14,000	Vehicle operating costs
Postage & freight	8,000	Postage & package delivery
Office supplies	30,000	Common office supplies
Office expense	8,000	Office furn, equip and other expense
Dues and memberships- lottery industry	36,000	Annual Dues for NASPL & World Lottery Assoc.
Dues and memberships	14,000	Professional licenses and association dues
Subscriptions and publications	11,000	Industry & Professional Publications
Insurance	13,000	Property, Vehicle & Crime Insurance
Responsible gambling expense	24,000	Problem gambling hotline costs
Legal and professional services	2,000	Court filing fees, etc.
Other operating expenses	2,000	Miscellaneous
Est. DFA expense charge back	60,000	DFA allocation for support services
Uniforms	10,000	Uniforms for public facing groups
Research & Development	35,000	Research & Development
<b>Sub-total for Oper. &amp; Admin. Exp.</b>	<b>\$ 510,000</b>	
<b><u>Data Processing Expenses</u></b>		
Equipment maintenance	7,000	Copier maintenance agreements
Data processing supplies	7,000	Data supplies - toner
Data Processing support other	207,000	DIS and other data processing support and laptops
Software licenses and fees	45,000	Data processing licenses & software
Telephone (VOIP)	12,000	Cisco WebEx
Mobile Telephones	36,000	Cell phones & Ipads
<b>Sub-total for Data Processing Expenses</b>	<b>\$ 314,000</b>	
<b><u>Conferences &amp; Travel Expenses</u></b>		
Travel and mileage expense	110,000	Travel for conferences and other trips
MSR mileage expense	210,000	MSR mileage reimbursements
Education and training	45,000	Conference registration and training costs
<b>Sub-total for Oper. &amp; Admin. Exp.</b>	<b>\$ 365,000</b>	
<b><u>Retailer Support/Events</u></b>		
Retailer promotions	2,000	Retailer promotional events
Retailer support	60,000	Other retailer costs
Signage / Street Talkers	100,000	Signage & Street talkers
<b>Sub-total for Retailer Support/Events</b>	<b>\$ 162,000</b>	
<b><u>Consulting Costs</u></b>		
Consulting services	95,000	Gaming and marketing consulting/research
<b>Sub-total for Consulting Costs</b>	<b>\$ 95,000</b>	
<b>Total General &amp; Administrative Expenses</b>	<b>\$ 1,446,000</b>	