



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

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

December 10, 2015

The Honorable Asa Hutchinson
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Governor Hutchinson:

On behalf of the Arkansas Department of Finance and Administration and the Office of the Arkansas Lottery, please accept the attached monthly disclosure reports for the month of November 2015, pursuant to A.C.A. §§ 23-115-206 and 23-115-302. The reports contain the following information:

1. Contracts Awarded
2. Debt Set-Off Collections
3. Retailer Losses
4. Breakdown of Lottery Sales per County
5. Total Number of Retailers
6. Total Lottery Revenue
7. Prize Disbursements
8. Operating Expenses
9. Net Assets
10. Administrative Expenses
11. Unclaimed Prize Report
12. DFA Office of the Arkansas Lottery Minority- and Female-owned Business Report
13. DFA Office of the Arkansas Lottery Vendor Minority- and Female-owned Business Report
14. DFA Office of the Arkansas Lottery Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

Please call me if you have any questions or need additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bishop Woosley".

Bishop Woosley
Director

Enclosures

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



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December 10, 2015

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

RE: Monthly Disclosure Reports

Gentlemen:

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Bishop Woosley
Director

Enclosures

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

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Term Contracts for Goods and Services
November 1 through November 30, 2015

1. On October 2, 2015, the Department of Finance and Administration Office of the Arkansas Lottery and Scientific Games International (SGI) entered into a Non-Exclusive Licensing Agreement. The Non-Exclusive Licensing Agreement grants to 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 a scratch-off instant win lottery game to be conducted by the OAL and identified as AR-317 Yahtzee™ (the “Game”). The following information is provided:

- a. Date of Agreement: October 2, 2015.
- 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 day for claiming Game prizes as established by the OAL.
- c. Vendor or other parties to the Agreement: Scientific Games International.
- d. Value (cost or cost savings projected for the agreement): The base instant game contract price is 1.81% of net sales. There is a price of \$1.89 per 1000 tickets for FailSafe Barcode Services and 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 and there are no additional costs for the use of Yahtzee™.

2. On November 14, 2015, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Scientific Games International, Inc. (SGI) entered into the Third Amendment to the Agreement for Contractual Services for Instant Ticket Lottery Game Services. The purpose of the amendment was to effectuate the implementation of an Extension to the Contract, pursuant to the agreement entered into between the parties (the Contract) on August 18, 2009. The proposed amendment was reviewed by the Arkansas Legislative Oversight Subcommittee on October 15, 2015. The following information is provided:

- a. Date of Agreement: November 14, 2015.
- b. Terms of Agreement: OAL exercises the remaining extensions under the original Agreement, with an expiration date of August 18, 2019. The Term shall expire seven years following the completion of the current Term, as extended, with said expiration date on August 18, 2026.

- c. Vendor or other parties to the Agreement: Department of Finance and Administration Office of the Arkansas Lottery and Scientific Games International, Inc.
- d. Value (cost or cost savings projected for the agreement):
 - (1) SGI has agreed to reduce the aggregate percentage of sales from 1.81% to 1.30% of net sales. Both parties agree that should total Net Sales of Lottery instant tickets exceed \$360,000,000 in a contract year, SGI shall receive a one-time bonus payment in the amount equivalent to 4.5% of all such incremental sales exceeding \$360,000,000. During the contract year August 18, 2015, through August 17, 2016, such bonus payment, if any, shall be calculated based on the total Net Sales of instant ticket sales for such contract year, then multiplied by the percentage of the contract year comprised of the period running from the effective date of the Third Amendment through August 17, 2016.
 - (2) SGI agrees to continue to provide, at no additional cost to OAL, an annual SOC 2 Type 2 Audit of the Player's Club pursuant to all applicable AICPA Trust Service principles during the extension term.
 - (3) SGI agrees to provide OAL with an Arkansas-specific Player Segmentation Study in accordance with the schedule and scope to be agreed upon by the parties at no additional cost to OAL.

3. On November 15, 2015, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and the Multi-State Lottery Association (MUSL) entered into a Second Amendment to the Website Hosting/Caching Service Level Agreement. The following information is provided:

- a. Date of Agreement: November 5, 2015.
- b. Term of Agreement: The Term of the initial Agreement dated June 30, 2014, is unchanged.
- c. Vendor of other parties to the Agreement: Department of Finance and Administration Office of the Arkansas Lottery (OAL) and the Multi-State Lottery Association (MUSL).
- d. Value (cost or cost savings projected for the agreement): Two internet domains, *myarkansaslottery.lotto* and *arkansaslottery.lotto*, have been added to the domain registration and maintenance costs. Annual maintenance costs for the two new domains are estimated to be approximately \$4,000 annually.

4. On November 30, 2015, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Camelot Global Services (North America), Inc. (Camelot) entered into an Agreement for Contractual Services for Business Plan and Consultancy Services. The proposed Agreement was reviewed by the Arkansas Legislative Council Lottery Oversight Subcommittee on October 15, 2015. The following information is provided:

- a. Date of Agreement: November 30, 2015.
- b. Terms of Agreement: The effective date of the agreement commenced on November 30, 2015, and will terminate on November 30, 2020 (Initial Term), with two additional optional extension periods of 12 months each (Extension Period). The Agreement will automatically renew for each optional Extension Period upon the same terms and conditions hereof unless either Party informs the other Party, in writing, of its intent not to renew at least 90 days prior to the expiration of the then current Term. Both parties have further agreed that the Agreement may be terminated by either Party with 30 days written notice to the other Party.
- c. Vendor or other parties to the Agreement: Department of Finance and Administration Office of the Arkansas Lottery and Camelot Global Services (North America), Inc.
- d. Value (cost or cost savings projected for the agreement):
 - (1) Camelot will deliver a Business Plan to OAL within 14 weeks of the effective date of the Agreement.
 - (2) No later than five days after the Business Plan is delivered, Camelot shall provide to OAL a price sheet which itemizes the price of each service that Camelot includes in the Business Plan for which Camelot offers consultancy services. OAL may negotiate the parameters and pricing of the consultancy services it accepts. The OAL will only utilize Camelot for consultancy services when both parties agree on pricing for said services.
 - (3) During the fiscal year ending June 30, 2016, the OAL has agreed to pay Camelot a Base Compensation sum of \$650,000 as follows:
 - (a) The OAL shall pay Camelot \$500,000 within 15 days following the delivery of the Business Plan;
 - (b) Beginning in November Of 2015, the OAL shall pay Camelot the remaining amount of \$150,000 in equal monthly installments of \$18,750.00.
 - (4) For each fiscal year following the fiscal year ending June 30, 2016, the OAL shall pay to Camelot as Base Compensation an annual amount not to exceed \$650,000, payable in advance in 12 equal monthly installments.

- (5) There is additional Incentive Compensation consisting of Tier 1, Tier 2, and Tier 3 Incentive Compensation Thresholds:
 - (a) Tier 1: Lower Boundary Threshold: \$72,287,393.00; Upper Boundary Threshold \$80,000,000. Camelot will receive 12.50% of that portion of Adjusted Operation Income in any applicable fiscal year that exceeds \$72,287,393.00 but is equal to or less than \$80,000,000.00 in such fiscal year.
 - (b) Tier 2: Lower Boundary Threshold: \$80,000,000.00; Upper Boundary Threshold \$90,000,000.00. Camelot will receive 13.75% of that portion of Adjusted Operation Income in any applicable fiscal year that exceeds \$80,000,000.00 but is equal to or less than \$90,000,000.00 in such fiscal year.
 - (c) Lower Boundary Threshold: \$90,000,000.00. Camelot will receive 15% of that portion of Adjusted Operation Income in any applicable fiscal year that exceeds \$90,000,000.00 in such fiscal year.
- (6) OAL expects to realize annual savings from the renegotiations of its payment obligations under its contracts. Camelot will assist OAL in renegotiations of those payment obligations.

5. On November 30, 2015, the Department of Finance and Administration Office of the Arkansas Lottery (OAL) and Camelot Global Services (North America), Inc. (Camelot) entered into a First Amendment to the Agreement for Contractual Services for Business Plan and Consultancy Services. The following information is provided:

- a. Date of First Amendment to Agreement: November 30, 2015.
- b. Terms of Agreement: The Terms remain the same as the initial Agreement.
- c. Vendor or other parties to the Agreement: Department of Finance and Administration Office of the Arkansas Lottery and Camelot Global Services (North America), Inc.
- d. Value (cost or cost savings projected for the agreement): Camelot will deliver a Business Plan to OAL within 14 weeks of the effective date of the Agreement. The First Amendment to the Agreement adds that OAL shall provide written notice of its acceptance or rejection of the Business Plan.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Debt Set-Off and Retailer Losses
November 2015**

1. Debt Set-Off:

a.	Arkansas Department of Finance and Administration	\$6,171.07
b.	Arkansas Office of Child Support Enforcement - Child Support	<u>\$1,000.00</u>
	Total Debt Set-Off:	\$7,171.07

2. Retailer losses for period November 1 through November 30, 2015: None.

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
November 1 through November 30, 2015

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
ARKANSAS	\$6,160.00	\$6,709.50	\$9,220.00	\$376,938.00	\$2,556.00	\$9,616.00	\$6,910.00	\$13,737.00	\$431,846.50
ASHLEY	\$8,624.00	\$8,476.00	\$5,718.00	\$103,200.00	\$1,098.00	\$5,199.00	\$2,017.00	\$9,185.00	\$143,517.00
BAXTER	\$3,761.00	\$1,943.50	\$7,634.00	\$341,801.00	\$4,130.00	\$13,455.00	\$9,716.00	\$22,819.00	\$405,259.50
BENTON	\$4,517.50	\$1,949.00	\$18,755.00	\$841,056.00	\$12,416.00	\$67,722.00	\$21,161.00	\$93,088.00	\$1,060,664.50
BOONE	\$3,043.50	\$4,696.50	\$9,174.00	\$363,072.00	\$2,300.00	\$13,020.00	\$4,357.00	\$19,440.00	\$419,103.00
BRADLEY	\$1,614.00	\$1,768.50	\$2,758.00	\$125,100.00	\$1,146.00	\$3,181.00	\$1,819.00	\$4,081.00	\$141,467.50
CALHOUN	\$2,237.50	\$1,057.50	\$1,279.00	\$47,700.00	\$482.00	\$1,448.00	\$802.00	\$1,751.00	\$56,757.00
CARROLL	\$1,274.50	\$1,152.00	\$7,550.00	\$226,902.00	\$2,248.00	\$9,047.00	\$3,434.00	\$12,916.00	\$264,523.50
CHICOT	\$7,654.00	\$4,020.00	\$2,331.00	\$104,700.00	\$3,512.00	\$18,080.00	\$5,933.00	\$25,426.00	\$171,656.00
CLARK	\$2,614.50	\$1,164.50	\$9,693.00	\$248,468.00	\$2,000.00	\$8,706.00	\$4,936.00	\$12,863.00	\$290,445.00
CLAY	\$154.50	\$35.00	\$988.00	\$71,808.00	\$632.00	\$2,037.00	\$1,478.00	\$3,622.00	\$80,754.50
CLEBURNE	\$1,060.00	\$805.00	\$11,084.00	\$251,725.00	\$3,680.00	\$12,448.00	\$11,270.00	\$15,940.00	\$308,012.00
CLEVELAND	\$337.00	\$600.00	\$749.00	\$43,686.00	\$184.00	\$1,196.00	\$517.00	\$2,383.00	\$49,652.00
COLUMBIA	\$13,537.00	\$10,043.00	\$23,808.00	\$231,222.00	\$2,472.00	\$6,482.00	\$2,513.00	\$9,767.00	\$299,844.00
CONWAY	\$5,921.00	\$1,561.00	\$10,227.00	\$421,924.00	\$2,584.00	\$11,133.00	\$7,208.00	\$16,941.00	\$477,499.00
CRAIGHEAD	\$7,941.00	\$5,685.50	\$17,966.00	\$1,061,401.00	\$6,470.00	\$35,759.00	\$15,859.00	\$46,919.00	\$1,198,000.50
CRAWFORD	\$1,339.50	\$790.50	\$6,720.00	\$286,311.00	\$3,950.00	\$21,787.00	\$11,452.00	\$27,659.00	\$360,009.00
CRITTENDEN	\$14,861.50	\$9,009.00	\$9,833.00	\$450,581.00	\$6,122.00	\$30,111.00	\$11,627.00	\$45,140.00	\$577,284.50
CROSS	\$2,363.50	\$1,668.50	\$10,197.00	\$199,407.00	\$732.00	\$5,528.00	\$2,819.00	\$7,064.00	\$229,779.00
DALLAS	\$2,233.50	\$489.00	\$2,659.00	\$129,465.00	\$730.00	\$3,755.00	\$2,186.00	\$5,115.00	\$146,632.50
DESHA	\$2,157.50	\$1,093.50	\$3,252.00	\$149,023.00	\$1,054.00	\$6,755.00	\$4,012.00	\$10,113.00	\$177,460.00
DREW	\$1,734.00	\$989.00	\$5,578.00	\$174,600.00	\$1,834.00	\$6,336.00	\$4,129.00	\$10,569.00	\$205,769.00
FAULKNER	\$8,620.50	\$5,388.00	\$33,858.00	\$929,780.00	\$9,996.00	\$42,745.00	\$27,650.00	\$61,470.00	\$1,119,507.50
FRANKLIN	\$696.00	\$267.00	\$6,050.00	\$139,217.00	\$1,110.00	\$6,998.00	\$2,679.00	\$9,468.00	\$166,485.00
FULTON	\$423.00	\$185.00	\$1,838.00	\$62,611.00	\$512.00	\$1,952.00	\$1,233.00	\$3,241.00	\$71,995.00
GARLAND	\$5,832.50	\$4,545.00	\$32,596.00	\$797,115.00	\$12,952.00	\$47,419.00	\$36,774.00	\$65,331.00	\$1,002,564.50
GRANT	\$249.00	\$176.50	\$2,321.00	\$94,200.00	\$1,494.00	\$4,724.00	\$2,276.00	\$7,397.00	\$112,837.50
GREENE	\$1,318.00	\$848.50	\$4,294.00	\$498,949.00	\$3,164.00	\$15,028.00	\$6,313.00	\$20,977.00	\$550,891.50
HEMPSTEAD	\$32,830.50	\$9,466.00	\$17,833.00	\$318,497.00	\$1,420.00	\$7,000.00	\$3,372.00	\$9,324.00	\$399,742.50
HOT SPRING	\$2,208.50	\$940.00	\$7,212.00	\$265,552.00	\$3,194.00	\$10,672.00	\$6,528.00	\$14,021.00	\$310,327.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
November 1 through November 30, 2015**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
HOWARD	\$20,122.50	\$7,346.00	\$3,715.00	\$162,440.00	\$1,564.00	\$4,678.00	\$2,503.00	\$5,317.00	\$207,685.50
INDEPENDENCE	\$2,464.00	\$607.00	\$30,493.00	\$475,379.00	\$3,792.00	\$13,036.00	\$9,340.00	\$19,994.00	\$555,105.00
IZARD	\$87.00	\$89.00	\$3,101.00	\$61,469.00	\$592.00	\$3,288.00	\$2,211.00	\$5,052.00	\$75,889.00
JACKSON	\$9,564.00	\$4,398.00	\$9,453.00	\$232,200.00	\$2,452.00	\$7,675.00	\$5,694.00	\$10,202.00	\$281,638.00
JEFFERSON	\$40,245.50	\$26,896.50	\$38,752.00	\$1,269,003.00	\$10,142.00	\$35,258.00	\$27,637.00	\$49,231.00	\$1,497,165.00
JOHNSON	\$678.50	\$492.50	\$3,475.00	\$218,392.00	\$1,500.00	\$6,670.00	\$3,723.00	\$10,570.00	\$245,501.00
LAFAYETTE	\$4,119.50	\$1,488.50	\$1,653.00	\$57,900.00	\$572.00	\$1,682.00	\$769.00	\$2,848.00	\$71,032.00
LAWRENCE	\$832.50	\$139.00	\$5,881.00	\$231,684.00	\$750.00	\$4,774.00	\$2,042.00	\$6,895.00	\$252,997.50
LEE	\$1,653.50	\$2,292.50	\$684.00	\$67,500.00	\$464.00	\$2,074.00	\$372.00	\$2,238.00	\$77,278.00
LINCOLN	\$545.00	\$230.50	\$2,050.00	\$68,670.00	\$554.00	\$2,524.00	\$3,118.00	\$3,698.00	\$81,389.50
LITTLE RIVER	\$4,506.50	\$2,689.00	\$2,118.00	\$76,567.00	\$708.00	\$3,480.00	\$1,043.00	\$3,257.00	\$94,368.50
LOGAN	\$1,212.00	\$200.50	\$3,960.00	\$192,432.00	\$3,166.00	\$7,289.00	\$4,269.00	\$10,917.00	\$223,445.50
LONOKE	\$8,297.00	\$5,729.00	\$19,418.00	\$737,718.00	\$7,226.00	\$32,477.00	\$18,501.00	\$45,201.00	\$874,567.00
MADISON	\$45.00	\$43.00	\$2,259.00	\$68,793.00	\$1,006.00	\$3,907.00	\$1,386.00	\$5,575.00	\$83,014.00
MARION	\$2,241.00	\$355.50	\$2,922.00	\$153,938.00	\$2,296.00	\$4,752.00	\$3,921.00	\$8,164.00	\$178,589.50
MILLER	\$21,453.50	\$9,601.00	\$5,922.00	\$399,433.00	\$2,930.00	\$12,879.00	\$5,221.00	\$16,388.00	\$473,827.50
MISSISSIPPI	\$44,767.50	\$23,016.00	\$4,591.00	\$430,117.00	\$2,488.00	\$14,041.00	\$5,268.00	\$18,580.00	\$542,868.50
MONROE	\$2,310.00	\$1,014.50	\$1,511.00	\$124,474.00	\$818.00	\$5,416.00	\$2,234.00	\$8,176.00	\$145,953.50
MONTGOMERY	\$0.00	\$4.00	\$2,246.00	\$19,842.00	\$442.00	\$1,903.00	\$1,326.00	\$2,460.00	\$28,223.00
NEVADA	\$1,729.00	\$824.50	\$3,033.00	\$174,000.00	\$1,058.00	\$3,506.00	\$1,646.00	\$4,713.00	\$190,509.50
NEWTON	\$65.00	\$42.00	\$1,697.00	\$48,015.00	\$234.00	\$1,818.00	\$982.00	\$1,966.00	\$54,819.00
OUACHITA	\$9,592.50	\$4,826.50	\$9,442.00	\$460,251.00	\$3,248.00	\$8,758.00	\$6,681.00	\$13,665.00	\$516,464.00
PERRY	\$725.50	\$489.50	\$989.00	\$72,900.00	\$564.00	\$3,389.00	\$1,472.00	\$4,497.00	\$85,026.00
PHILLIPS	\$7,830.50	\$3,951.50	\$1,845.00	\$165,550.00	\$2,486.00	\$12,709.00	\$2,629.00	\$19,136.00	\$216,137.00
PIKE	\$609.50	\$78.50	\$11,412.00	\$72,480.00	\$950.00	\$3,518.00	\$2,659.00	\$4,631.00	\$96,338.00
POINSETT	\$4,880.50	\$1,469.00	\$9,740.00	\$350,328.00	\$1,580.00	\$8,473.00	\$5,475.00	\$12,046.00	\$393,991.50
POLK	\$668.00	\$28.00	\$3,448.00	\$128,797.00	\$1,764.00	\$5,871.00	\$2,882.00	\$9,976.00	\$153,434.00
POPE	\$6,154.00	\$2,268.00	\$15,787.00	\$643,820.00	\$5,538.00	\$25,745.00	\$14,413.00	\$35,973.00	\$749,698.00
PRAIRIE	\$1,546.00	\$793.00	\$7,528.00	\$155,394.00	\$530.00	\$3,217.00	\$1,494.00	\$4,540.00	\$175,042.00
PULASKI	\$99,012.00	\$67,809.00	\$129,473.00	\$4,906,539.00	\$58,020.00	\$214,558.00	\$144,751.00	\$285,530.00	\$5,905,692.00
RANDOLPH	\$102.50	\$455.00	\$4,520.00	\$162,300.00	\$1,536.00	\$4,498.00	\$2,177.00	\$5,771.00	\$181,359.50

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
RETAIL SALES BY COUNTY
November 1 through November 30, 2015**

COUNTY	CASH 3	CASH 4	FAST PLAY	INSTANT SETTLEMENTS	LUCKY FOR LIFE	MEGA MILLIONS	NATURAL STATE JACKPOT	POWERBALL	TOTAL SALES FOR COUNTY
SAINT FRANCIS	\$12,259.00	\$6,714.00	\$2,209.00	\$213,900.00	\$2,040.00	\$9,563.00	\$3,103.00	\$12,754.00	\$262,542.00
SALINE	\$9,957.50	\$5,392.00	\$31,867.00	\$881,235.00	\$11,456.00	\$42,003.00	\$30,500.00	\$62,307.00	\$1,074,717.50
SCOTT	\$224.00	\$62.00	\$1,398.00	\$79,291.00	\$796.00	\$3,759.00	\$1,444.00	\$5,042.00	\$92,016.00
SEARCY	\$186.00	\$416.00	\$1,379.00	\$94,373.00	\$486.00	\$2,241.00	\$1,474.00	\$3,554.00	\$104,109.00
SEBASTIAN	\$14,785.50	\$5,430.50	\$15,712.00	\$592,871.00	\$10,700.00	\$53,660.00	\$22,716.00	\$72,907.00	\$788,782.00
SEVIER	\$2,359.00	\$577.50	\$2,292.00	\$97,392.00	\$750.00	\$4,506.00	\$1,423.00	\$6,117.00	\$115,416.50
SHARP	\$893.00	\$208.50	\$20,697.00	\$202,225.00	\$1,402.00	\$6,704.00	\$4,789.00	\$9,632.00	\$246,550.50
STONE	\$1,363.50	\$220.50	\$7,688.00	\$84,600.00	\$1,158.00	\$3,311.00	\$2,384.00	\$4,671.00	\$105,396.00
UNION	\$51,255.50	\$19,725.50	\$10,292.00	\$720,457.00	\$4,922.00	\$19,134.00	\$7,427.00	\$27,442.00	\$860,655.00
VAN BUREN	\$1,184.50	\$399.50	\$3,339.00	\$148,353.00	\$1,216.00	\$5,734.00	\$3,427.00	\$8,294.00	\$171,947.00
WASHINGTON	\$18,545.00	\$4,972.50	\$22,321.00	\$1,142,840.00	\$14,114.00	\$75,429.00	\$27,865.00	\$98,975.00	\$1,405,061.50
WHITE	\$6,432.50	\$4,137.50	\$38,090.00	\$868,226.00	\$6,746.00	\$27,235.00	\$18,399.00	\$36,646.00	\$1,005,912.00
WOODRUFF	\$3,933.50	\$691.00	\$507.00	\$78,815.00	\$490.00	\$2,477.00	\$1,655.00	\$3,655.00	\$92,223.50
YELL	\$679.50	\$124.00	\$4,784.00	\$199,662.00	\$1,246.00	\$6,282.00	\$3,902.00	\$8,632.00	\$225,311.50

GRAND TOTALS	*Cash 3	*Cash 4	*Fast Play	*Instant Settlements	*Lucky for Life	*Mega Millions	*Natural State Jackpot	*Powerball	*Totals
	\$569,436.00	\$306,259.50	\$788,868.00	\$27,148,576.00	\$274,666.00	\$1,155,240.00	\$641,327.00	\$1,605,602.00	\$32,489,974.50

*Estimates

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Total Number of Active Retailers
November 2015**

There were 1,903 active retailers as of November 30, 2015.

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Net Position
November 30, 2015**

ASSETS

Current assets:	
Cash and cash Equivalents	\$ 2,408,820.86
Restricted assets:	
Cash and cash equivalents	13,475,169.63
Accounts receivable	10,604,067.50
Prepaid items	49,871.96
Total current assets	<u>26,537,929.95</u>
Non-current assets:	
Restricted assets:	
Cash and cash equivalents	20,126,818.78
Deposits with Multi-State Lottery Association	1,743,122.99
Capital assets:	
Equipment	621,188.94
Leasehold improvements	492,795.71
Less accumulated depreciation	(938,504.13)
Total non-current assets	<u>22,045,422.29</u>
Deferred outflows of resources	
Related to pension	<u>992,965.00</u>
Total assets and deferred outflows of resources	<u><u>\$ 49,576,317.24</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 466,350.42
Prizes payable	18,925,149.34
Accrued and other liabilities	1,540,495.91
Due to other funds of the State	409,540.13
Payable to Arkansas Department of Higher Education	10,066,598.20
Compensated absences	290,648.06
Unearned revenue	286,122.89
Total current liabilities	<u>31,984,904.95</u>
Long-Term liabilities:	
Net other post employment benefits	1,591,778.58
Net pension liability	3,407,594.00
Total long-term liabilities	<u>4,999,372.58</u>
Deferred inflows of resources	
Related to pension	<u>1,282,949.10</u>
Total liabilities and deferred inflows of resources	<u>38,267,226.63</u>

NET POSITION

Net position:	
Invested in capital assets	175,480.52
Restricted for:	
Scholarship shortfall reserve	20,000,000.00
Retailer fidelity reserve	126,818.78
Retailer bond reserve	100,770.00
Deposits with Multi-State Lottery Assn.	1,743,122.99
Unclaimed prizes reserve	3,408,571.43
Unrestricted	<u>(14,245,673.11)</u>
Total net position	<u>11,309,090.61</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 49,576,317.24</u></u>

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues, Expenses and Change in Net Position
For Five Months Ended November 30, 2015

	Current month	Year to date
Operating revenues:		
Instant ticket sales	\$ 26,895,067.00	\$ 137,749,592.00
Online ticket sales	5,270,598.50	28,455,400.00
Retailer application, fidelity, bond and service fees	60,152.88	343,591.91
Other revenue	<u>780.90</u>	<u>4,767.49</u>
 Total operating revenues	 <u>32,226,599.28</u>	 <u>166,553,351.40</u>
 Operating expenses:		
Instant game prizes	18,834,832.53	98,686,855.71
Online game prizes	2,807,857.28	14,847,952.03
Retailer commissions	1,812,094.53	9,397,159.31
Gaming contract costs	1,351,403.48	7,586,823.46
Compensation and benefits	353,491.40	1,931,062.45
Marketing, advertising and promotions	369,672.10	2,009,982.55
General and administrative expenses	83,583.83	437,328.11
Services provided by Arkansas Department of Higher Education	35,000.00	213,300.00
Audit services provided by Arkansas Division of Legislative Audit	23,000.00	107,680.00
Legal and professional services	740.99	1,245.16
Depreciation	<u>5,966.13</u>	<u>47,697.40</u>
 Total operating expenses	 <u>25,677,642.27</u>	 <u>135,267,086.18</u>
 Operating income (1)	 6,548,957.01	 31,286,265.22
 Non-operating revenue (expense):		
Interest income	15,490.92	94,001.16
Other non-operating Income	<u> </u>	<u>1,875.61</u>
 Income before transfers	 6,564,447.93	 31,382,141.99
 Transfers to:		
Education Trust Account (2)	<u>(5,725,139.09)</u>	<u>(29,645,525.61)</u>
 Change in net position	 <u>\$ 839,308.84</u>	 1,736,616.38
 Total net position - beginning		 9,572,474.23
Total net position - ending		<u>\$ 11,309,090.61</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 excludes unclaimed prizes.

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Statement of Revenues and Expenses
For Five Months Ended November 30, 2015

	CM Actual	%	CM Budget	%	CM Variance	YTD Actual	%	YTD Budget	%	YTD Variance
Operating revenues:										
Instant games	\$ 26,895,067.00	83.46	\$ 24,970,953.00	79.56	\$ 1,924,114.00	\$ 137,749,592.00	82.71	\$ 127,669,169.00	80.06	\$ 10,080,423.00
Online games	5,270,598.50	16.35	6,361,747.00	20.27	(1,091,148.50)	28,455,400.00	17.08	31,557,555.00	19.79	(3,102,155.00)
Retailer fees	60,152.88	0.19	51,961.00	0.17	8,191.88	343,591.91	0.21	242,583.00	0.15	101,008.91
Other revenue	780.90	0.00	833.00	0.00	(52.10)	4,767.49	0.00	4,166.00	0.00	601.49
Total operating revenues	32,226,599.28	100.00	31,385,494.00	100.00	841,105.28	166,553,351.40	100.00	159,473,473.00	100.00	7,079,878.40
Operating expenses:										
Instant game prizes	18,834,832.53	58.44	17,616,896.00	56.13	1,217,936.53	98,686,855.71	59.25	90,110,840.00	56.51	8,576,015.71
On-line game prizes	2,807,857.28	8.71	3,146,834.00	10.03	(338,976.72)	14,847,952.03	8.91	16,209,022.00	10.16	(1,361,069.97)
Retailer commissions	1,812,094.53	5.62	1,782,496.00	5.68	29,598.53	9,397,159.31	5.64	9,058,301.00	5.68	338,858.31
Gaming Contract Costs	1,351,403.48	4.19	1,469,291.00	4.68	(117,887.52)	7,586,823.46	4.56	7,466,655.00	4.68	120,168.46
Staff compensation & benefits	353,491.40	1.10	398,981.00	1.27	(45,489.60)	1,931,062.45	1.16	2,158,650.00	1.35	(227,587.55)
Marketing, advertising & promo	369,672.10	1.15	416,670.00	1.33	(46,997.90)	2,009,982.55	1.21	2,083,330.00	1.31	(73,347.45)
General and administrative exp	83,583.83	0.26	109,400.00	0.35	(25,816.17)	437,328.11	0.26	547,000.00	0.34	(109,671.89)
Services provided by other agency	58,000.00	0.18	52,500.00	0.17	5,500.00	320,980.00	0.19	262,500.00	0.16	58,480.00
Legal and professional service	740.99	0.00	830.00	0.00	(89.01)	1,245.16	0.00	4,160.00	0.00	(2,914.84)
Capital asset depreciation	5,966.13	0.02	13,000.00	0.04	(7,033.87)	47,697.40	0.03	65,000.00	0.04	(17,302.60)
Total Operating Expenses	25,677,642.27	79.68	25,006,898.00	79.68	670,744.27	135,267,086.18	81.22	127,965,458.00	80.24	7,301,628.18
Operating Income	6,548,957.01	20.32	6,378,596.00	20.32	170,361.01	31,286,265.22	18.78	31,508,015.00	19.76	(221,749.78)
Non-operating revenue:										
Interest income	15,490.92	0.05	8,895.00	0.03	6,595.92	94,001.16	0.06	64,387.00	0.04	29,614.16
Non-operating revenue	-		-		-	1,875.61		-		1,875.61
Income before transfers	\$ 6,564,447.93	20.37	\$ 6,387,491.00	20.35	\$ 176,956.93	\$ 31,382,141.99	18.84	\$ 31,572,402.00	19.80	\$ (190,260.01)

**Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For Five Months Ended November 30, 2015**

	Year to date	
Operating revenues:		
Instant ticket SETTLEMENTS	\$ 139,014,486.00	
Online ticket sales	28,455,400.00	
Retailer application, fidelity and service fees	343,591.91	
Other revenue	<u>4,767.49</u>	
 Total operating revenues	 <u>167,818,245.40</u>	
 Operating expenses:		
Instant game prizes SETTLEMENTS	99,315,749.00	
Online game prizes	14,847,952.03	
Retailer commissions	9,397,159.31	
Gaming contract costs	7,586,823.46	
Compensation and benefits	1,931,062.45	
Marketing, advertising and promotions	2,009,982.55	
General and administrative expenses	437,328.11	
Services provided by ADHE	213,300.00	
Services provided by Legislative Audit Agency	107,680.00	
Legal and professional services	1,245.16	
Current year Capital Asset cost		
Total operating expenses	<u>135,848,282.07</u>	
 Change in net proceeds from operations	 31,969,963.33	
 Nonoperating revenue (expense):		
Interest Income	94,001.16	
Other Non-Operating Income	1,875.61	
EDUCATION TRUST FUNDING-Current Year	(23,920,386.52)	
Less Act 1180 Unclaimed Prizes	(2,408,571.43)	
Less Current year Fidelity Reserve Fees	(13,236.44)	restricted reserves
Less Current year Bond Reserve Fees	(100,770.00)	restricted reserves
Less Current year MUSL Reserves (additions) / reductions	19,263.38	see 23-115-103(17) and (19)(A)&(B)
Add OPEB expense in Comp and Benefits	<u>83,000.00</u>	

NET PROCEEDS EARNED-Current Month **\$ 5,725,139.09**

Totals	Transfer	Interest	Total
	\$ 9,136,568.19	\$ 930,030.01	\$ 10,066,598.20
July 2015 funding - 8/15/15	\$ 5,776,292.31	\$ 8,390.78	\$ 5,784,683.09
June 2015 Audit Adjustments - funding 9/15/15	\$ (31,903.86)		\$ (31,903.86)
August 2015 funding - 9/15/15	\$ 5,478,001.52	\$ 12,092.48	\$ 5,490,094.00
September transfer to ADHE 9/11/15	\$ (33,000,000.00)		\$ (33,000,000.00)
Transfer from Shortfall Reserve 9/28/15	\$ 9,000,000.00		\$ 9,000,000.00
September transfer to ADHE 9/30/16	\$ (9,000,000.00)		\$ (9,000,000.00)
September 2015 funding - 10/15/15	\$ 6,620,285.47	\$ 4,681.64	\$ 6,624,967.11
June 2015 Final Adjustment - funding 10/15/15	\$ 201,027.87		\$ 201,027.87
Transfer to Shortfall Reserve 10/15/15	\$ (7,034,638.82)		\$ (7,034,638.82)
October 2015 funding - 11/15/15	\$ 6,020,616.60	\$ 25.72	\$ 6,020,642.32
ADHE Refund for excess funding 11/14	\$ 286,177.97		\$ 286,177.97
Transfer to Shortfall Reserve 11/15/15	\$ (1,965,361.18)		\$ (1,965,361.18)
November 2015 funding - 12/15/15	\$ 5,723,851.53	\$ 1,287.56	\$ 5,725,139.09

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Unclaimed Prizes
November 30, 2015

	Monthly	Year to Date
Reserve Balance July 1, 2015		\$1,000,000.00
1. Unclaimed lottery prize money:	\$ 776,715.86	2,408,571.43
2. Expenditures from unclaimed lottery prize money:		
3. Reserved for future prizes, promotions or reserves:	776,715.86	2,408,571.43
4. Less Deposits to net lottery proceeds from unclaimed Lottery prize money:		
 Reserve Balance November 30, 2015		 \$3,408,571.43

**ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION
OFFICE OF THE ARKANSAS LOTTERY
MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
November 1 through November 30, 2015**

Vendors	Goods or Services	Diversity Classification	November 2015	FY 2016 Total
BSW Advertising	Advertising/Public Relations	Female-Owned	\$1,853.00	\$1,853.00
Goddess Products	Office Furniture/Supplies	Minority-owned	\$1,108.22	\$8,245.20
Government Supply Services	Office Products	Minority-owned	\$418.22	\$1,680.23
Party Prints	Advertising/Public Relations	Minority/Female-owned		\$14,927.55
Totals			\$3,379.44	\$26,705.98

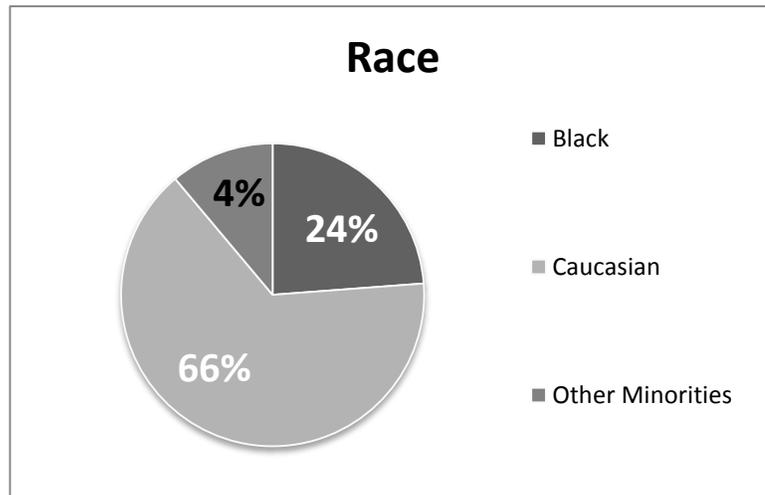
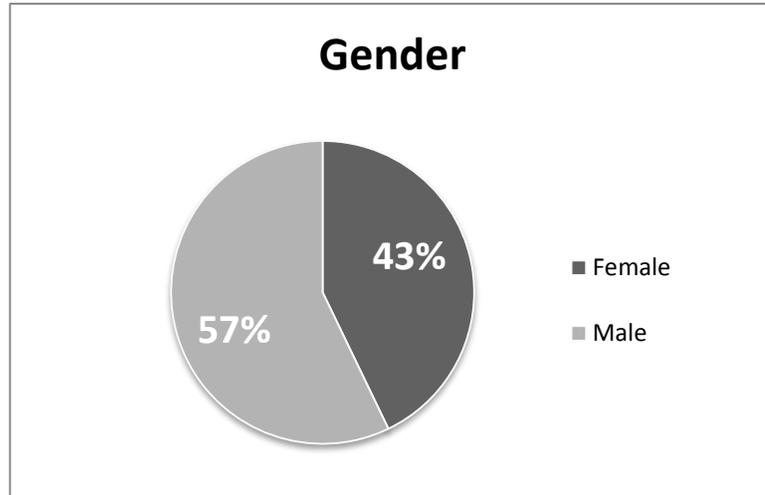
**INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
November 1 through November 30, 2015**

Vendors	Goods or Services	Diversity Classification	November 2015	FY 2016 Total
J Kelly Referrals and Information Services	Call Center/Information Services	Minority-owned	\$10,194.42	\$56,069.31
Totals			\$10,194.42	\$56,069.31

**SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT
November 1 through November 30, 2015**

Vendors	Goods or Services	Diversity Classification	November 2015	FY 2016 Total
Central Copiers	Office Products/Supplies	Not Classified		\$780.87
Expedited Transportation Services	Transportation Services	Female-owned	\$999.74	\$6,031.26
Mr. Klean's Carpet and Janitorial Service	Janitorial Services	Minority-owned	\$396.00	\$1,518.60
Premier Staffing	Staffing Services	Female-owned		\$3,125.90
Totals			\$1,395.74	\$11,456.63

Arkansas Department of Finance and Administration
Office of the Arkansas Lottery
Demographics – November 2015



Total Number of Employees as of November 30, 2015: 63

Gender:

Females – 27
Males – 36

Race:

Black – 15
Caucasian – 41
Other – 7

Female -- 8	Male -- 7
Female -- 15	Male -- 26
Female -- 4	Male -- 3

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

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

DFA/Office of the Arkansas Lottery
Instant & Fast Play Games
November 2015

Sales for the following instant games began November 3, 2015. No ending dates have been determined for these games.

\$1 Holiday Luck

\$2 Electric 8's

\$5 Strike It Rich

\$10 Diamond Mine

Sales for the following Fast Play games began November 2, 2015. No ending dates have been determined for this game.

\$1 Holiday Cash

\$2 Snowflake Melt