



# Arkansas

## Scholarship Lottery

### **EXHIBIT D**

**Lottery Oversight Subcommittee Meeting  
August 22, 2019**

**Report from the Office of the Arkansas Lottery  
By Director Bishop Woosley**

# Comparative Income Statements

## July 2019 vs. July 2018

GAAP Basis Income <u>Statement</u>	<u>July 2019</u>	<u>July 2018</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
<b>Revenues</b>				
Instant Games	\$ 34,907,418	\$ 34,454,825	\$ 452,593	1.3%
Draw Games	6,279,568	7,898,359	(1,618,791)	-20.5%
Retailer Fees and Other	52,188	60,169	(7,981)	-13.3%
<b>Total Revenues</b>	<b>41,239,174</b>	<b>42,413,353</b>	<b>(1,174,179)</b>	<b>-2.8%</b>
<b>Operating Expense</b>				
Instant Game Prizes	23,710,320	24,289,791	579,471	2.4%
Draw Game Prizes	3,684,854	3,940,566	255,712	6.5%
Retailer Commissions	2,323,328	2,385,553	62,225	2.6%
Gaming Contract Costs	1,844,261	3,219,137	1,374,876	42.7%
Marketing and Advertising	556,154	658,017	101,863	15.5%
General and Administrative	919,923	802,609	(117,314)	-14.6%
<b>Total Operating Expenses</b>	<b>33,038,840</b>	<b>35,295,673</b>	<b>2,256,833</b>	<b>6.4%</b>
<b>Operating Income</b>	<b>8,200,334</b>	<b>7,117,680</b>	<b>1,082,654</b>	<b>15.2%</b>
Interest Income and Other Income	281,296	169,599	111,697	65.9%
<b>Income Before Transfers</b>	<b>\$ 8,481,630</b>	<b>\$ 7,287,279</b>	<b>\$ 1,194,351</b>	<b>16.4%</b>
<b>Net Proceeds</b>	<b>\$ 4,523,931</b>	<b>\$ 5,066,629</b>	<b>\$ (542,698)</b>	<b>-10.7%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

# Comparative Income Statements

## July 2019 Actual vs. Budget

GAAP Basis Income Statement	July 2019 Actual	July 2019 Budget	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 34,907,418	\$ 31,986,000	\$ 2,921,418	9.1%
Draw Games	6,279,568	7,394,000	(1,114,432)	-15.1%
Retailer Fees and Other	52,188	49,000	3,188	6.5%
<b>Total Revenues</b>	<b>41,239,174</b>	<b>39,429,000</b>	<b>1,810,174</b>	<b>4.6%</b>
<b>Operating Expense</b>				
Instant Game Prizes	23,710,320	22,928,000	(782,320)	-3.4%
Draw Game Prizes	3,684,854	3,878,000	193,146	5.0%
Retailer Commissions	2,323,328	2,229,000	(94,328)	-4.2%
Gaming Contract Costs	1,844,261	1,862,000	17,739	1.0%
Marketing and Advertising	556,154	667,000	110,846	16.6%
General and Administrative	919,923	995,500	75,577	7.6%
<b>Total Operating Expenses</b>	<b>33,038,840</b>	<b>32,559,500</b>	<b>(479,340)</b>	<b>-1.5%</b>
<b>Operating Income</b>	<b>8,200,334</b>	<b>6,869,500</b>	<b>1,330,834</b>	<b>19.4%</b>
Interest Income and Other Income	281,296	137,000	144,296	105.3%
<b>Income Before Transfers</b>	<b>\$ 8,481,630</b>	<b>\$ 7,006,500</b>	<b>\$ 1,475,130</b>	<b>21.1%</b>
<b>Net Proceeds</b>	<b>\$ 4,523,931</b>	<b>\$ 6,456,500</b>	<b>\$ (1,932,569)</b>	<b>-29.9%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

# ADHE Transfer Analysis

ADHE Transfer Analysis						
Month	2020 Net Proceeds	2020 Unclaimed Prizes	Total Transfer	2020 Budget	Over/Under Budget	Cumulative Balance
July, 2019	\$ 4,523,931	\$ 1,997,466	\$ 6,521,397	\$ 7,006,500	\$ (485,103)	\$ (485,103)
August						
September						
October						
November						
December						
January, 2020						
February						
March						
April						
May						
June						
<b>Sub total</b>	<b>4,523,931</b>	<b>1,997,466</b>	<b>6,521,397</b>	<b>7,006,500</b>		<b>\$ (485,103)</b>
Reserve for GPW						

# Comparative Income Statements

## Fiscal Year End June 30, 2019 Compared to June 30, 2018 and Budget



GAAP Basis Income Statement	Actual YTD 06/30/19	Actual YTD 06/30/18	Budget YTD 06/30/19
<b>Revenues</b>			
Instant Games	\$ 407,825,514	\$ 407,604,791	\$ 398,600,000
Draw Games	107,667,993	92,103,185	83,547,000
Retailer Fees and Other	743,316	782,352	812,000
<b>Total Revenues</b>	<b>516,236,823</b>	<b>500,490,328</b>	<b>482,959,000</b>
<b>Operating Expense</b>			
Instant Game Prizes	293,635,992	292,489,286	285,614,000
Draw Game Prizes	56,241,150	49,406,134	44,819,000
Retailer Commissions	29,062,835	28,196,969	27,203,000
Gaming Contract Costs	23,685,862	21,967,840	22,505,000
Marketing and Advertising	7,303,739	6,477,277	7,500,000
General and Administrative	11,364,021	10,744,759	10,786,000
<b>Total Operating Expenses</b>	<b>421,293,599</b>	<b>409,282,265</b>	<b>398,427,000</b>
<b>Operating Income</b>	<b>94,943,224</b>	<b>91,208,063</b>	<b>84,532,000</b>
Interest Income and Other Income	2,569,816	1,269,083	1,380,000
<b>Income Before Transfers</b>	<b>\$ 97,513,040</b>	<b>\$ 92,477,146</b>	<b>\$ 85,912,000</b>
<b>Net Proceeds</b>	<b>\$ 91,616,843</b>	<b>\$ 84,798,054</b>	<b>\$ 79,912,000</b>
<b>Unclaimed Prizes to Net Proceeds</b>	<b>\$ 6,794,904</b>	<b>\$ 7,046,875</b>	<b>\$ 6,000,000</b>
<b>Total Net Proceeds</b>	<b>\$ 98,411,747</b>	<b>\$ 91,844,929</b>	<b>\$ 85,912,000</b>

# Sales and Net Proceeds Fiscal Year Comparison

Fiscal Year	Lottery Ticket Sales	Net Proceeds - Transfer to Trust Account	Net Proceeds as % Total Sales
Total - Inception	4,499,029,826	879,593,474	19.55%
Total FY 2019	515,493,507	98,411,747	19.09%
Total FY 2018	499,707,976	91,844,929	18.38%
Total FY 2017	449,141,028	85,157,060	18.96%
Total FY 2016	455,599,402	85,274,927	18.72%
Total FY 2015	408,663,380	72,619,370	17.77%
Total FY 2014	410,073,126	81,488,844	19.87%
Total FY 2013	439,547,994	90,257,161	20.53%
Total FY 2012	473,085,608	97,510,280	20.61%
Total FY 2011	464,019,351	94,229,348	20.31%
Total FY 2010	383,698,455	82,799,809	21.58%