



Arkansas

Scholarship Lottery

EXHIBIT C

**Lottery Oversight Subcommittee Meeting
February 20, 2020**

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

Comparative Income Statements

January 2020 vs. January 2019



GAAP Basis Income Statement	<u>January 2020</u>	<u>January 2019</u>	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 32,915,195	\$ 33,513,216	\$ (598,021)	-1.8%
Draw Games	7,838,010	7,008,850	829,160	11.8%
Retailer Fees and Other	48,863	52,748	(3,885)	-7.4%
Total Revenues	40,802,068	40,574,814	227,254	0.6%
Operating Expense				
Instant Game Prizes	23,417,162	23,914,587	497,425	2.1%
Draw Game Prizes	4,219,078	3,767,459	(451,619)	-12.0%
Retailer Commissions	2,276,205	2,262,606	(13,599)	-0.6%
Gaming Contract Costs	2,213,040	1,747,369	(465,671)	-26.6%
Marketing and Advertising	513,660	422,744	(90,916)	-21.5%
General and Administrative	816,660	856,586	39,926	4.7%
Total Operating Expenses	33,455,805	32,971,351	(484,454)	-1.5%
Operating Income	7,346,263	7,603,463	(257,200)	-3.4%
Interest Income and Other Income	218,189	254,528	(36,339)	-14.3%
Income Before Transfers	\$ 7,564,452	\$ 7,857,991	\$ (293,539)	-3.7%
Net Proceeds	\$ 8,239,084	\$ 7,848,496	\$ 390,588	5.0%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

January 20 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	January 2020 <u>Actual</u>	January 2020 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 32,915,195	\$ 33,597,000	\$ (681,805)	-2.0%
Draw Games	7,838,010	7,318,000	520,010	7.1%
Retailer Fees and Other	48,863	41,000	7,863	19.2%
Total Revenues	40,802,068	40,956,000	(153,932)	-0.4%
Operating Expense				
Instant Game Prizes	23,417,162	24,105,000	687,838	2.9%
Draw Game Prizes	4,219,078	3,871,000	(348,078)	-9.0%
Retailer Commissions	2,276,205	2,440,000	163,795	6.7%
Gaming Contract Costs	2,213,040	1,884,000	(329,040)	-17.5%
Marketing and Advertising	513,660	750,000	236,340	31.5%
General and Administrative	816,660	1,006,500	189,840	18.9%
Total Operating Expenses	33,455,805	34,056,500	600,695	1.8%
Operating Income	7,346,263	6,899,500	446,763	6.5%
Interest Income and Other Income	218,189	214,000	4,189	2.0%
Income Before Transfers	\$ 7,564,452	\$ 7,113,500	\$ 450,952	6.3%
Net Proceeds	\$ 8,239,084	\$ 6,563,500	\$ 1,675,584	25.5%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date January 31, 2020 vs. January 31, 2019



GAAP Basis Income Statement	Actual YTD 01/31/20	Actual YTD 01/31/19	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 234,151,853	\$ 232,130,728	\$ 2,021,125	0.9%
Draw Games	45,713,347	67,081,994	(21,368,647)	-31.9%
Retailer Fees and Other	463,557	452,478	11,079	2.4%
Total Revenues	280,328,757	299,665,200	(19,336,443)	-6.5%
Operating Expense				
Instant Game Prizes	167,317,087	166,222,541	(1,094,546)	-0.7%
Draw Game Prizes	25,278,111	35,048,049	9,769,938	27.9%
Retailer Commissions	15,822,607	16,809,898	987,291	5.9%
Gaming Contract Costs	13,099,189	14,704,958	1,605,769	10.9%
Marketing and Advertising	4,503,801	4,938,205	434,404	8.8%
General and Administrative	5,405,026	6,547,644	1,142,618	17.5%
Total Operating Expenses	231,425,821	244,271,295	12,845,474	5.3%
Operating Income	48,902,936	55,393,905	(6,490,969)	-11.7%
Interest Income and Other Income	1,662,900	1,435,216	227,684	15.9%
Income Before Transfers	\$ 50,565,836	\$ 56,829,121	\$ (6,263,285)	-11.0%
Net Proceeds	\$ 42,908,985	\$ 51,605,816	\$ (8,696,831)	-16.9%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date January 31, 2020 Actual vs. Budget



GAAP Basis Income Statement	Actual YTD 01/31/20	Budget YTD 01/31/20	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 234,151,853	\$ 230,879,000	\$ 3,272,853	1.4%
Draw Games	45,713,347	51,741,000	(6,027,653)	-11.6%
Retailer Fees and Other	463,557	341,000	122,557	35.9%
Total Revenues	280,328,757	282,961,000	(2,632,243)	-0.9%
Operating Expense				
Instant Game Prizes	167,317,087	165,594,000	(1,723,087)	-1.0%
Draw Game Prizes	25,278,111	27,270,000	1,991,889	7.3%
Retailer Commissions	15,822,607	16,058,000	235,393	1.5%
Gaming Contract Costs	13,099,189	12,956,000	(143,189)	-1.1%
Marketing and Advertising	4,503,801	4,756,000	252,199	5.3%
General and Administrative	5,405,026	7,012,500	1,607,474	22.9%
Total Operating Expenses	231,425,821	233,646,500	2,220,679	1.0%
Operating Income	48,902,936	49,314,500	(411,564)	-0.8%
Interest Income and Other Income	1,662,900	1,111,000	551,900	49.7%
Income Before Transfers	\$ 50,565,836	\$ 50,425,500	\$ 140,336	0.3%
Net Proceeds	\$ 42,908,985	\$ 46,575,500	\$ (3,666,515)	-7.9%

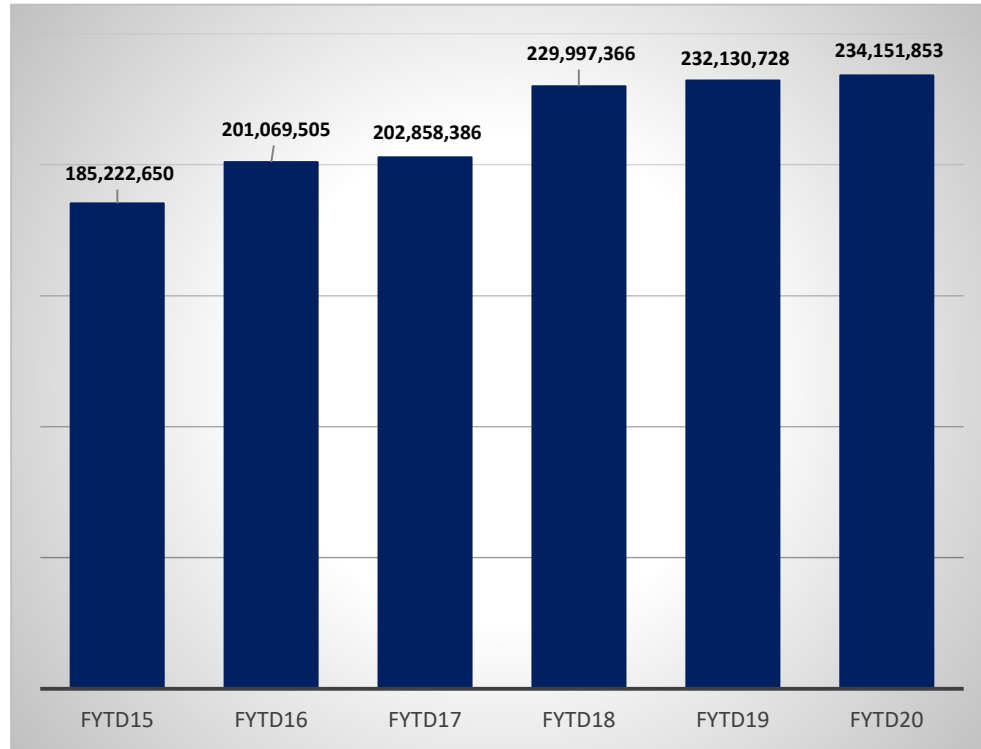
Note – Net Proceeds does not include unclaimed prizes amounts

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	4,942,737	1,061,557	\$ 6,004,294	7,641,500	\$(1,637,206)	\$ (2,122,309)
September	6,565,973	247,474	\$ 6,813,447	6,495,000	\$ 318,447	\$ (1,803,862)
October	6,318,099	780,461	\$ 7,098,560	7,228,500	\$ (129,940)	\$ (1,933,802)
November	5,947,178	864,775	\$ 6,811,953	6,797,000	\$ 14,953	\$ (1,918,849)
December	6,371,983	156,312	\$ 6,528,295	8,143,500	\$(1,615,205)	\$ (3,534,054)
January, 2020	8,239,084	1,006,865	\$ 9,245,949	7,113,500	\$ 2,132,449	\$ (1,401,605)
February						
March						
April						
May						
June						
Sub total	42,908,985	6,114,910	49,023,895	50,425,500		\$ (1,401,605)

Instant Sales Comparison

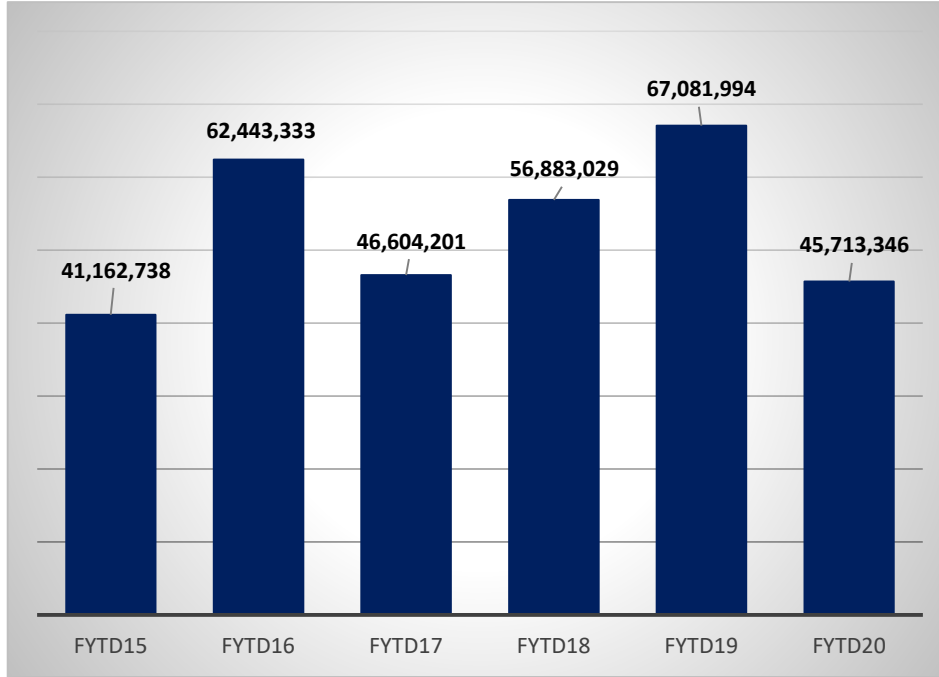
Fiscal Year to Date as of January 31



	FYTD20	FYTD19	FYTD18	FYTD17	FYTD16	FYTD15
\$1	9,301,600	11,685,533	12,018,968	12,069,440	13,802,891	12,786,726
\$2	15,256,276	16,749,426	19,350,084	18,088,362	19,282,536	22,700,370
\$3	17,652,792	18,732,024	16,892,724	16,833,054	15,018,678	16,903,644
\$5	57,934,005	57,633,755	58,286,520	59,558,530	56,828,890	48,562,340
\$10	72,588,300	72,381,990	73,481,730	50,687,900	49,556,210	44,485,170
\$20	61,418,880	54,948,000	49,967,340	45,621,100	46,580,300	39,784,400
Instant Sales	234,151,853	232,130,728	229,997,366	202,858,386	201,069,505	185,222,650

Draw Sales Comparison

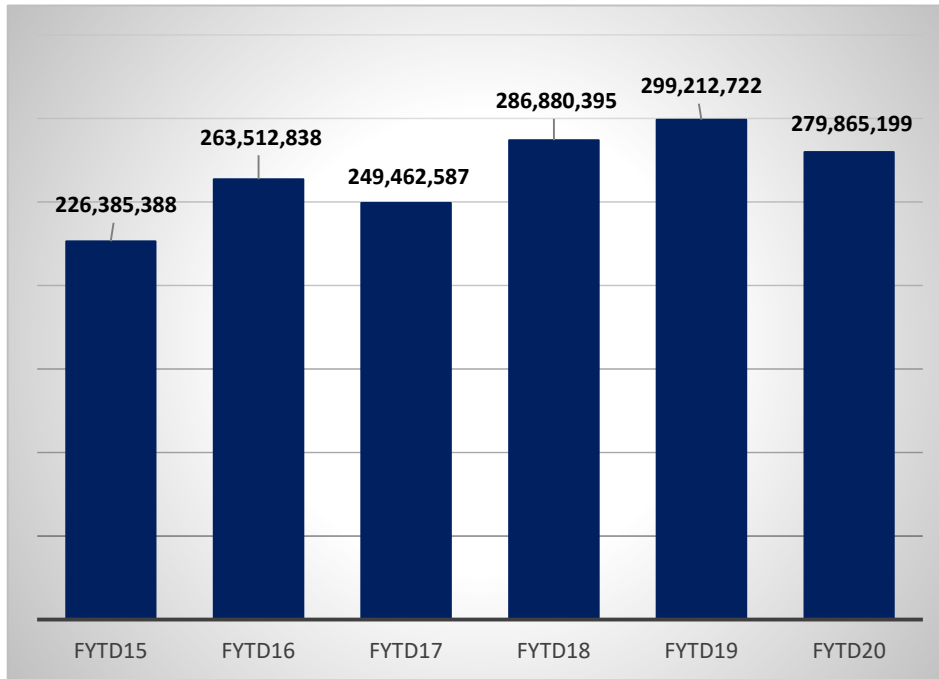
Fiscal Year to Date as of January 31



	FYTD20	FYTD19	FYTD18	FYTD17	FYTD16	FYTD15
Powerball	13,168,290	19,272,855	25,104,433	18,755,482	35,367,238	14,774,881
Mega Millions	9,935,454	24,842,347	10,789,874	8,998,050	7,947,646	9,440,239
Cash 3	4,889,700	4,367,834	4,353,928	4,118,075	4,132,321	3,793,342
Cash 4	2,828,121	2,547,232	2,608,405	2,407,250	2,202,573	2,200,416
Fast Play	8,765,209	8,795,309	7,196,132	6,601,178	6,042,494	6,189,813
Natural State Jackpot	4,374,126	5,445,011	5,191,197	4,038,940	4,758,355	3,687,915
Lucky for Life	1,752,446	1,811,406	1,639,060	1,685,226	1,992,706	43,550
Other	-	-	-	-	-	1,032,582
Draw Sales	45,713,346	67,081,994	56,883,029	46,604,201	62,443,333	41,162,738

Sales Comparison

Fiscal Year to Date as of January 31



	FYTD20	FYTD19	FYTD18	FYTD17	FYTD16	FYTD15
Instant Sales	45,713,346	67,081,994	56,883,029	46,604,201	62,443,333	42,195,320
Draw Sales	93,179,138	135,975,394	115,405,118	94,893,627	126,879,372	84,434,190
Total Sales	279,865,199	299,212,722	286,880,395	249,462,587	263,512,838	226,385,388