



Arkansas

Scholarship Lottery

EXHIBIT C1

Lottery Oversight Subcommittee Meeting
November 2020

Report from the Office of the Arkansas Lottery
By Director J. Eric Hagler

Comparative Income Statements

November 2020 vs. November 2020

GAAP Basis Income Statement	November 2020	November 2019	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 36,499,336	\$ 30,015,685	\$ 6,483,651	21.6%
Draw Games	6,560,236	6,055,725	504,511	8.3%
Retailer Fees and Other	55,943	47,231	8,712	18.4%
Total Revenues	43,115,515	36,118,641	6,996,874	19.4%
Operating Expense				
Instant Game Prizes	26,931,948	21,354,855	(5,577,093)	-26.1%
Draw Game Prizes	3,616,526	3,238,676	(377,850)	-11.7%
Retailer Commissions	2,439,995	2,033,202	(406,793)	-20.0%
Gaming Contract Costs	2,073,272	1,424,480	(648,792)	-45.5%
Marketing and Advertising	536,247	701,883	165,636	23.6%
General and Administrative	714,113	724,121	10,008	1.4%
Total Operating Expenses	36,312,101	29,477,217	(6,834,884)	-23.2%
Operating Income	6,803,414	6,641,424	161,990	2.4%
Interest Income and Other Income	64,400	181,070	(116,670)	-64.4%
Income Before Transfers	\$ 6,867,814	\$ 6,822,494	\$ 45,320	0.7%
Net Proceeds	\$ 8,207,599	\$ 5,947,177	\$ 2,260,422	38.0%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

November 2020 Actual vs. Budget

GAAP Basis Income Statement	November 2020 Actual	November 2020 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 36,499,336	\$ 30,000,000	\$ 6,499,336	21.7%
Draw Games	6,560,236	4,925,000	1,635,236	33.2%
Retailer Fees and Other	55,943	37,500	18,443	49.2%
Total Revenues	43,115,515	34,962,500	8,153,015	23.3%
Operating Expense				
Instant Game Prizes	26,931,948	21,494,000	(5,437,948)	-25.3%
Draw Game Prizes	3,616,526	2,654,000	(962,526)	-36.3%
Retailer Commissions	2,439,995	1,978,000	(461,995)	-23.4%
Gaming Contract Costs	2,073,272	1,531,000	(542,272)	-35.4%
Marketing and Advertising	536,247	639,000	102,753	16.1%
General and Administrative	714,113	695,500	(18,613)	-2.7%
Total Operating Expenses	36,312,101	28,991,500	(7,320,601)	-25.3%
Operating Income	6,803,414	5,971,000	832,414	13.9%
Interest Income and Other Income	64,400	46,000	18,400	40.0%
Income Before Transfers	\$ 6,867,814	\$ 6,017,000	\$ 850,814	14.1%
Net Proceeds	\$ 8,207,599	\$ 5,417,000	\$ 2,790,599	51.5%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date November 30, 2020 vs. November 30, 2019



GAAP Basis Income Statement	Actual YTD 11/30/20	Actual YTD 11/30/19	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 198,656,826	\$ 162,346,421	\$ 36,310,405	22.4%
Draw Games	33,725,079	30,756,922	2,968,157	9.7%
Retailer Fees and Other	303,150	288,877	14,273	4.9%
Total Revenues	232,685,055	193,392,220	39,292,835	20.3%
Operating Expense				
Instant Game Prizes	146,014,197	115,305,640	(30,708,557)	-26.6%
Draw Game Prizes	18,617,479	16,881,023	(1,736,456)	-10.3%
Retailer Commissions	13,176,067	10,922,758	(2,253,309)	-20.6%
Gaming Contract Costs	11,246,550	8,852,499	(2,394,051)	-27.0%
Marketing and Advertising	2,824,355	3,397,649	573,294	16.9%
General and Administrative	4,121,429	3,819,093	(302,336)	-7.9%
Total Operating Expenses	196,000,077	159,178,662	(36,821,415)	-23.1%
Operating Income	36,684,978	34,213,558	2,471,420	7.2%
Interest Income and Other Income	333,320	1,232,027	(898,707)	-72.9%
Income Before Transfers	\$ 37,018,298	\$ 35,445,585	\$ 1,572,713	4.4%
Net Proceeds	\$ 40,802,004	\$ 28,297,918	\$ 12,504,086	44.2%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date November 30, 2020 Actual vs. Budget

GAAP Basis Income Statement	Actual YTD 11/30/20	Budget YTD 11/30/20	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 198,656,826	\$ 159,200,000	\$ 39,456,826	24.8%
Draw Games	33,725,079	24,680,000	9,045,079	36.6%
Retailer Fees and Other	303,150	229,500	73,650	32.1%
Total Revenues	232,685,055	184,109,500	48,575,555	26.4%
Operating Expense				
Instant Game Prizes	146,014,197	114,206,000	(31,808,197)	-27.9%
Draw Game Prizes	18,617,479	13,297,000	(5,320,479)	-40.0%
Retailer Commissions	13,176,067	10,407,000	(2,769,067)	-26.6%
Gaming Contract Costs	11,246,550	8,692,000	(2,554,550)	-29.4%
Marketing and Advertising	2,824,355	3,186,000	361,645	11.4%
General and Administrative	4,121,429	3,676,500	(444,929)	-12.1%
Total Operating Expenses	196,000,077	153,464,500	(42,535,577)	-27.7%
Operating Income	36,684,978	30,645,000	6,039,978	19.7%
Interest Income and Other Income	333,320	290,000	43,320	14.9%
Income Before Transfers	\$ 37,018,298	\$ 30,935,000	\$ 6,083,298	19.7%
Net Proceeds	\$ 40,802,004	\$ 27,935,000	\$ 12,867,004	46.1%

Note – Net Proceeds does not include unclaimed prizes amounts.

ADHE Transfer Analysis

ADHE Transfer Analysis						
Month	2021 Net Proceeds	2021 Unclaimed Prizes	Total Transfer	2021 Budget	Over/Under Budget	Cumulative Balance
July, 2020	\$ 8,592,574	\$ 138,541	\$ 8,731,115	\$ 5,825,000	\$ 2,906,115	\$ 2,906,115
August	7,862,917	653,444	\$ 8,516,361	6,746,000	\$ 1,770,361	\$ 4,676,476
September	7,691,577	167,166	\$ 7,858,743	6,333,000	\$ 1,525,743	\$ 6,202,219
October	8,447,337	89,981	\$ 8,537,318	6,014,000	\$ 2,523,318	\$ 8,725,537
November	8,207,599	143,919	\$ 8,351,518	6,017,000	\$ 2,334,518	\$ 11,060,055
December						
January, 2021						
February						
March						
April						
May						
June						
Sub total	40,802,004	1,193,051	41,995,055	30,935,000		\$ 11,060,055
Reserve for GPW						
Total	<u>\$ 40,802,004</u>	<u>\$ 1,193,051</u>	<u>\$ 41,995,055</u>	<u>\$ 30,935,000</u>		<u>\$ 11,060,055</u>