



Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
April 19, 2018

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

Comparative Income Statements

March 2018 vs. March 2017

GAAP Basis Income Statement	March 2018	March 2017	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 42,843,921	\$ 36,895,379	\$ 5,948,542	16.1%
Draw Games	10,613,707	6,452,660	4,161,047	64.5%
Retailer Fees and Other	65,693	57,503	8,190	14.2%
Total Revenues	53,523,321	43,405,542	10,117,779	23.3%
Operating Expense				
Instant Game Prizes	30,741,820	26,741,138	(4,000,682)	-15.0%
Draw Game Prizes	5,874,002	3,570,283	(2,303,719)	-64.5%
Retailer Commissions	3,019,143	2,459,253	(559,890)	-22.8%
Gaming Contract Costs	2,141,682	1,954,652	(187,030)	-9.6%
Marketing and Advertising	825,046	588,255	(236,791)	-40.3%
General and Administrative	1,227,217	890,136	(337,081)	-37.9%
Total Operating Expenses	43,828,910	36,203,717	(7,625,193)	-21.1%
Operating Income	9,694,411	7,201,825	2,492,586	34.6%
Interest Income and Other Income	105,270	46,153	59,117	128.1%
Income Before Transfers	\$ 9,799,681	\$ 7,247,978	\$ 2,551,703	35.2%
Net Proceeds	\$ 7,945,570	\$ 6,204,705	\$ 1,740,865	28.1%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

March 2018 Actual vs. Budget

GAAP Basis Income Statement	March 2018 Actual	March 2018 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 42,843,921	\$ 36,830,000	\$ 6,013,921	16.3%
Draw Games	10,613,707	7,220,000	3,393,707	47.0%
Retailer Fees and Other	65,693	69,000	(3,307)	-4.8%
Total Revenues	53,523,321	44,119,000	9,404,321	21.3%
Operating Expense				
Instant Game Prizes	30,741,820	26,015,000	(4,726,820)	-18.2%
Draw Game Prizes	5,874,002	4,148,260	(1,725,742)	-41.6%
Retailer Commissions	3,019,143	2,487,900	(531,243)	-21.4%
Gaming Contract Costs	2,141,682	1,928,000	(213,682)	-11.1%
Marketing and Advertising	825,046	522,000	(303,046)	-58.1%
General and Administrative	1,227,217	856,500	(370,717)	-43.3%
Total Operating Expenses	43,828,910	35,957,660	(7,871,250)	-21.9%
Operating Income	9,694,411	8,161,340	1,533,071	18.8%
Interest Income and Other Income	105,270	41,000	64,270	156.8%
Income Before Transfers	\$ 9,799,681	\$ 8,202,340	\$ 1,597,341	19.5%
Net Proceeds	\$ 7,945,570	\$ 7,702,340	\$ 243,230	3.2%

Note – Net Proceeds does not includes unclaimed prize amounts.

Comparative Income Statements

Year to Date March 31, 2018 vs. March 31, 2017



GAAP Basis Income Statement	Actual YTD 03/31/18	Actual YTD 03/31/17	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 305,707,422	\$ 272,178,390	\$ 33,529,032	12.3%
Draw Games	73,965,096	61,753,737	12,211,359	19.8%
Retailer Fees and Other	620,441	610,500	9,941	1.6%
Total Revenues	380,292,959	334,542,627	45,750,332	13.7%
Operating Expense				
Instant Game Prizes	218,970,707	194,054,293	(24,916,414)	-12.8%
Draw Game Prizes	39,761,471	32,765,107	(6,996,364)	-21.4%
Retailer Commissions	21,422,429	18,807,639	(2,614,790)	-13.9%
Gaming Contract Costs	16,857,537	14,300,859	(2,556,678)	-17.9%
Marketing and Advertising	5,322,184	4,658,773	(663,411)	-14.2%
General and Administrative	8,248,850	7,152,810	(1,096,040)	-15.3%
Total Operating Expenses	310,583,178	271,739,481	(38,843,697)	-14.3%
Operating Income	69,709,781	62,803,146	6,906,635	11.0%
Interest Income and Other Income	896,072	307,333	588,739	191.6%
Income Before Transfers	\$ 70,605,853	\$ 63,110,479	\$ 7,495,374	11.9%
Net Proceeds	\$ 63,395,807	\$ 57,169,081	\$ 6,226,726	10.9%

Note – Net Proceeds does not includes unclaimed prize amounts.

Comparative Income Statements

Year to Date March 31, 2018 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	Actual <u>YTD 03/31/18</u>	Budget <u>YTD 03/31/18</u>	Favorable/ <u>Unfavorable</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 305,707,422	\$ 281,972,000	\$ 23,735,422	8.4%
Draw Games	73,965,096	61,426,000	12,539,096	20.4%
Retailer Fees and Other	620,441	698,000	(77,559)	-11.1%
Total Revenues	380,292,959	344,096,000	36,196,959	10.5%
Operating Expense				
Instant Game Prizes	218,970,707	202,349,421	(16,621,286)	-8.2%
Draw Game Prizes	39,761,471	32,209,479	(7,551,992)	-23.4%
Retailer Commissions	21,422,429	19,397,900	(2,024,529)	-10.4%
Gaming Contract Costs	16,857,537	15,526,100	(1,331,437)	-8.6%
Marketing and Advertising	5,322,184	4,906,000	(416,184)	-8.5%
General and Administrative	8,248,850	7,699,500	(549,350)	-7.1%
Total Operating Expenses	310,583,178	282,088,400	(28,494,778)	-10.1%
Operating Income	69,709,781	62,007,600	7,702,181	12.4%
Interest Income and Other Income	896,072	358,000	538,072	150.3%
Income Before Transfers	\$ 70,605,853	\$ 62,365,600	\$ 8,240,253	13.2%
Net Proceeds	\$ 63,395,807	\$ 57,865,600	\$ 5,530,207	9.6%

Note – Net Proceeds does not includes unclaimed prize amounts

ADHE Transfer Analysis

Month	2018 Net Proceeds	2018 Unclaimed Prizes	Total Transfer	2018 Budget	Over/Under Budget	Cumulative Balance
July,2017	\$ 6,661,763	\$ 882,319	\$ 7,544,082	\$ 6,405,860	\$ 1,138,222	\$ 1,138,222
August	8,912,742	738,411	\$ 9,651,153	5,974,400	\$ 3,676,753	\$ 4,814,975
September	6,755,334	91,577	\$ 6,846,911	6,436,500	\$ 410,411	\$ 5,225,385
October	5,667,306	563,677	\$ 6,230,983	6,641,500	\$ (410,517)	\$ 4,814,868
November	6,691,228	107,385	\$ 6,798,613	6,424,500	\$ 374,113	\$ 5,188,981
December	6,583,356	709,544	\$ 7,292,900	7,201,500	\$ 91,400	\$ 5,280,381
January, 2018	8,230,861	1,111,749	\$ 9,342,610	7,212,000	\$ 2,130,610	\$ 7,410,991
February	5,947,648	547,408	\$ 6,495,056	7,867,000	\$ (1,371,944)	\$ 6,039,047
March	7,945,570	765,836	\$ 8,711,406	8,202,340	\$ 509,066	\$ 6,548,113
April						
May						
June						
Sub total	63,395,807	5,517,906	68,913,713	62,365,600		6,548,113
Reserve for GPW						
Total	\$ 63,395,807	\$ 5,517,906	\$ 68,913,713	\$ 62,365,600		\$ 6,548,113