



Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
May 17, 2018

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

Comparative Income Statements

April 2018 vs. April 2017

GAAP Basis Income Statement	April 2018	April 2017	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 36,082,786	\$ 33,062,490	\$ 3,020,296	9.1%
Draw Games	5,924,143	5,552,196	371,947	6.7%
Retailer Fees and Other	57,266	56,931	335	0.6%
Total Revenues	42,064,195	38,671,617	3,392,578	8.8%
Operating Expense				
Instant Game Prizes	26,404,333	24,068,290	(2,336,043)	-9.7%
Draw Game Prizes	3,328,867	3,199,930	(128,937)	-4.0%
Retailer Commissions	2,380,223	2,224,702	(155,521)	-7.0%
Gaming Contract Costs	1,844,604	1,603,441	(241,163)	-15.0%
Marketing and Advertising	591,469	224,094	(367,375)	-163.9%
General and Administrative	741,261	733,561	(7,700)	-1.0%
Total Operating Expenses	35,290,757	32,054,018	(3,236,739)	-10.1%
Operating Income	6,773,438	6,617,599	155,839	2.4%
Interest Income and Other Income	116,775	50,551	66,224	131.0%
Income Before Transfers	\$ 6,890,213	\$ 6,668,150	\$ 222,063	3.3%
Net Proceeds	\$ 7,192,997	\$ 7,845,828	\$ (652,831)	-8.3%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

April 2018 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	April 2018 <u>Actual</u>	April 2018 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 36,082,786	\$ 32,946,000	\$ 3,136,786	9.5%
Draw Games	5,924,143	6,727,000	(802,857)	-11.9%
Retailer Fees and Other	57,266	69,000	(11,734)	-17.0%
Total Revenues	42,064,195	39,742,000	2,322,195	5.8%
Operating Expense				
Instant Game Prizes	26,404,333	23,393,000	(3,011,333)	-12.9%
Draw Game Prizes	3,328,867	3,727,000	398,133	10.7%
Retailer Commissions	2,380,223	2,241,000	(139,223)	-6.2%
Gaming Contract Costs	1,844,604	1,736,000	(108,604)	-6.3%
Marketing and Advertising	591,469	542,000	(49,469)	-9.1%
General and Administrative	741,261	831,500	90,239	10.9%
Total Operating Expenses	35,290,757	32,470,500	(2,820,257)	-8.7%
Operating Income	6,773,438	7,271,500	(498,062)	-6.8%
Interest Income and Other Income	116,775	46,000	70,775	153.9%
Income Before Transfers	\$ 6,890,213	\$ 7,317,500	\$ (427,287)	-5.8%
Net Proceeds	\$ 7,192,997	\$ 6,817,500	\$ 375,497	5.5%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

Year to Date April 30, 2018 vs. April 30, 2017

GAAP Basis Income Statement	Actual YTD 04/30/18	Actual YTD 04/30/17	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 341,790,208	\$ 305,240,880	\$ 36,549,328	12.0%
Draw Games	79,889,239	67,305,933	12,583,306	18.7%
Retailer Fees and Other	677,707	667,432	10,275	1.5%
Total Revenues	422,357,154	373,214,245	49,142,909	13.2%
Operating Expense				
Instant Game Prizes	245,375,039	218,122,583	(27,252,456)	-12.5%
Draw Game Prizes	43,090,338	35,965,038	(7,125,300)	-19.8%
Retailer Commissions	23,802,652	21,032,341	(2,770,311)	-13.2%
Gaming Contract Costs	18,702,141	15,904,300	(2,797,841)	-17.6%
Marketing and Advertising	5,913,653	4,882,866	(1,030,787)	-21.1%
General and Administrative	8,990,112	7,886,370	(1,103,742)	-14.0%
Total Operating Expenses	345,873,935	303,793,498	(42,080,437)	-13.9%
Operating Income	76,483,219	69,420,747	7,062,472	10.2%
Interest Income and Other Income	1,012,847	357,883	654,964	183.0%
Income Before Transfers	\$ 77,496,066	\$ 69,778,630	\$ 7,717,436	11.1%
Net Proceeds	\$ 70,588,804	\$ 65,014,908	\$ 5,573,896	8.6%

Note – Net Proceeds does not includes unclaimed prize amounts.

Comparative Income Statements

Year to Date April 30, 2018 Actual vs. Budget

GAAP Basis Income Statement	Actual YTD 04/30/18	Budget YTD 04/30/18	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 341,790,208	\$ 314,918,000	\$ 26,872,208	8.5%
Draw Games	79,889,239	68,153,000	11,736,239	17.2%
Retailer Fees and Other	677,707	767,000	(89,293)	-11.6%
Total Revenues	422,357,154	383,838,000	38,519,154	10.0%
Operating Expense				
Instant Game Prizes	245,375,039	225,742,421	(19,632,618)	-8.7%
Draw Game Prizes	43,090,338	35,936,479	(7,153,859)	-19.9%
Retailer Commissions	23,802,652	21,638,900	(2,163,752)	-10.0%
Gaming Contract Costs	18,702,141	17,262,100	(1,440,041)	-8.3%
Marketing and Advertising	5,913,653	5,448,000	(465,653)	-8.5%
General and Administrative	8,990,112	8,531,000	(459,112)	-5.4%
Total Operating Expenses	345,873,935	314,558,900	(31,315,035)	-10.0%
Operating Income	76,483,219	69,279,100	7,204,119	10.4%
Interest Income and Other Income	1,012,847	404,000	608,847	150.7%
Income Before Transfers	\$ 77,496,066	\$ 69,683,100	\$ 7,812,966	11.2%
Net Proceeds	\$ 70,588,804	\$ 64,683,100	\$ 5,905,704	9.1%

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	7,192,997	93,450	7,286,447	7,317,500	(31,053)	6,517,060
May						
June						
Sub total	70,588,804	5,611,356	76,200,160	69,683,100		6,517,060
Reserve for GPW						
Total	\$ 70,588,804	\$ 5,611,356	\$ 76,200,160	\$ 69,683,100		\$ 6,517,060