



# Arkansas

## Scholarship Lottery

Lottery Oversight Subcommittee Meeting  
November 16, 2017

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

# Comparative Income Statements

## October 2017 vs. October 2016

GAAP Basis Income Statement	October 2017	October 2016	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 34,015,384	\$ 28,503,180	\$ 5,512,204	19.3%
Draw Games	5,679,853	5,454,375	225,478	4.1%
Retailer Fees and Other	107,504	104,438	3,066	2.9%
<b>Total Revenues</b>	<b>39,802,741</b>	<b>34,061,993</b>	<b>5,740,748</b>	<b>16.9%</b>
<b>Operating Expense</b>				
Instant Game Prizes	24,413,398	20,639,653	(3,773,745)	-18.3%
Draw Game Prizes	3,156,728	2,918,872	(237,856)	-8.1%
Retailer Commissions	2,262,294	1,925,656	(336,638)	-17.5%
Gaming Contract Costs	1,757,049	1,456,992	(300,057)	-20.6%
Marketing and Advertising	646,590	363,614	(282,976)	-77.8%
General and Administrative	756,568	633,706	(122,862)	-19.4%
<b>Total Operating Expenses</b>	<b>32,992,627</b>	<b>27,938,493</b>	<b>(5,054,134)</b>	<b>-18.1%</b>
<b>Operating Income</b>	<b>6,810,114</b>	<b>6,123,500</b>	<b>686,614</b>	<b>11.2%</b>
Interest Income and Other Income	88,114	21,014	67,100	319.3%
<b>Income Before Transfers</b>	<b>\$ 6,898,228</b>	<b>\$ 6,144,514</b>	<b>\$ 753,714</b>	<b>12.3%</b>
<b>Net Proceeds</b>	<b>\$ 5,667,306</b>	<b>\$ 5,165,041</b>	<b>\$ 502,265</b>	<b>9.7%</b>

Note – Net Proceeds does not include unclaimed prize amounts.

# Comparative Income Statements

## October 2017 Actual vs. Budget

GAAP Basis Income Statement	October 2017 Actual	October 2017 Budget	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 34,015,384	\$ 30,231,000	\$ 3,784,384	12.5%
Draw Games	5,679,853	6,367,000	(687,147)	-10.8%
Retailer Fees and Other	107,504	70,000	37,504	53.6%
<b>Total Revenues</b>	<b>39,802,741</b>	<b>36,668,000</b>	<b>3,134,741</b>	<b>8.5%</b>
<b>Operating Expense</b>				
Instant Game Prizes	24,413,398	21,550,000	(2,863,398)	-13.3%
Draw Game Prizes	3,156,728	3,429,000	272,272	7.9%
Retailer Commissions	2,262,294	2,067,000	(195,294)	-9.4%
Gaming Contract Costs	1,757,049	1,601,000	(156,049)	-9.7%
Marketing and Advertising	646,590	539,000	(107,590)	-20.0%
General and Administrative	756,568	866,500	109,932	12.7%
<b>Total Operating Expenses</b>	<b>32,992,627</b>	<b>30,052,500</b>	<b>(2,940,127)</b>	<b>-9.8%</b>
<b>Operating Income</b>	<b>6,810,114</b>	<b>6,615,500</b>	<b>194,614</b>	<b>2.9%</b>
Interest Income and Other Income	88,114	26,000	62,114	238.9%
<b>Income Before Transfers</b>	<b>\$ 6,898,228</b>	<b>\$ 6,641,500</b>	<b>\$ 256,728</b>	<b>3.9%</b>
<b>Net Proceeds</b>	<b>\$ 5,667,306</b>	<b>\$ 6,641,500</b>	<b>\$ (974,194)</b>	<b>-14.7%</b>

Note – Net Proceeds does not include unclaimed prize amounts.

# Comparative Income Statements

## Year to Date October 31, 2017 vs. October 31, 2016



GAAP Basis Income <u>Statement</u>	Actual <u>YTD 10/31/17</u>	Actual <u>YTD 10/31/16</u>	Favorable/ <u>Unfavorable</u>	Percentage <u>Variance</u>
<b>Revenues</b>				
Instant Games	\$ 129,498,405	\$ 112,561,365	\$ 16,937,040	15.0%
Draw Games	32,586,445	27,609,701	4,976,744	18.0%
Retailer Fees and Other	329,478	332,635	(3,157)	-0.9%
<b>Total Revenues</b>	<b>162,414,328</b>	<b>140,503,701</b>	<b>21,910,627</b>	<b>15.6%</b>
<b>Operating Expense</b>				
Instant Game Prizes	92,588,114	80,139,013	(12,449,101)	-15.5%
Draw Game Prizes	17,542,175	14,285,673	(3,256,502)	-22.8%
Retailer Commissions	9,147,226	7,865,672	(1,281,554)	-16.3%
Gaming Contract Costs	7,697,284	6,179,875	(1,517,409)	-24.6%
Marketing and Advertising	2,259,378	1,807,160	(452,218)	-25.0%
General and Administrative	3,405,133	2,941,887	(463,246)	-15.7%
<b>Total Operating Expenses</b>	<b>132,639,310</b>	<b>113,219,280</b>	<b>(19,420,030)</b>	<b>-17.2%</b>
<b>Operating Income</b>	<b>29,775,018</b>	<b>27,284,421</b>	<b>2,490,597</b>	<b>9.1%</b>
<b>Interest Income and Other Income</b>	<b>388,843</b>	<b>104,375</b>	<b>284,468</b>	<b>272.5%</b>
<b>Income Before Transfers</b>	<b>\$ 30,163,861</b>	<b>\$ 27,388,796</b>	<b>\$ 2,775,065</b>	<b>10.1%</b>
<b>Net Proceeds</b>	<b>\$ 27,997,144</b>	<b>\$ 25,151,218</b>	<b>\$ 2,845,926</b>	<b>11.3%</b>

Note – Net Proceeds does not include unclaimed prize amounts.

# Comparative Income Statements

## Year to Date October 31, 2017 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	Actual <u>YTD 10/31/17</u>	Budget <u>YTD 10/31/17</u>	Favorable/ <u>Unfavorable</u>	Percentage <u>Variance</u>
<b>Revenues</b>				
Instant Games	\$ 129,498,405	\$ 116,373,000	\$ 13,125,405	11.3%
Draw Games	32,586,445	26,354,000	6,232,445	23.6%
Retailer Fees and Other	329,478	373,000	(43,522)	-11.7%
<b>Total Revenues</b>	<b>162,414,328</b>	<b>143,100,000</b>	<b>19,314,328</b>	<b>13.5%</b>
<b>Operating Expense</b>				
Instant Game Prizes	92,588,114	84,005,421	(8,582,693)	-10.2%
Draw Game Prizes	17,542,175	13,359,219	(4,182,956)	-31.3%
Retailer Commissions	9,147,226	8,062,000	(1,085,226)	-13.5%
Gaming Contract Costs	7,697,284	6,744,100	(953,184)	-14.1%
Marketing and Advertising	2,259,378	2,197,000	(62,378)	-2.8%
General and Administrative	3,405,133	3,425,000	19,867	0.6%
<b>Total Operating Expenses</b>	<b>132,639,310</b>	<b>117,792,740</b>	<b>(14,846,570)</b>	<b>-12.6%</b>
<b>Operating Income</b>	<b>29,775,018</b>	<b>25,307,260</b>	<b>4,467,758</b>	<b>17.7%</b>
Interest Income and Other Income	388,843	151,000	237,843	157.5%
<b>Income Before Transfers</b>	<b>\$ 30,163,861</b>	<b>\$ 25,458,260</b>	<b>\$ 4,705,601</b>	<b>18.5%</b>
<b>Net Proceeds</b>	<b>\$ 27,997,144</b>	<b>\$ 25,458,260</b>	<b>\$ 2,538,884</b>	<b>10.0%</b>

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						
December						
January, 2018						
February						
March						
April						
May						
June						
<b>Sub total</b>	<b>27,997,144</b>	<b>2,275,984</b>	<b>30,273,128</b>	<b>25,458,260</b>		<b>4,814,868</b>
<b>Reserve for GPW</b>						
<b>Total</b>	<b>\$ 27,997,144</b>	<b>\$ 2,275,984</b>	<b>\$ 30,273,128</b>	<b>\$ 25,458,260</b>		<b>\$ 4,814,868</b>