



Arkansas Scholarship Lottery

Arkansas Legislative Council
Lottery Oversight Subcommittee Meeting
March 17, 2016

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

Comparative Income Statements For February 2016 vs. February 2015

<u>Statement</u>	<u>February 2016</u>	<u>February 2015</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Games	\$ 34,413,584	\$ 32,054,268	\$ 2,359,316	7.4%
Draw Games	6,322,121	9,673,639	(3,351,518)	-34.6%
Retailer Fees and Other	54,439	42,407	12,032	28.4%
Total Revenues	40,790,144	41,770,314	(980,170)	-2.3%
Operating Expense				
Instant Game Prizes	24,597,925	23,514,434	(1,083,491)	-4.6%
Draw Game Prizes	3,406,945	4,921,350	1,514,405	30.8%
Retailer Commissions	2,311,919	2,366,078	54,159	2.3%
Gaming Contract Costs	1,746,358	1,968,917	222,559	11.3%
Marketing and Advertising	271,535	348,290	76,755	22.0%
General and Administrative	533,055	625,114	92,059	14.7%
Total Operating Expenses	32,867,737	33,744,183	876,446	2.6%
Operating Income	7,922,407	8,026,131	(103,724)	-1.3%
Interest and Other Income	18,118	14,403	3,715	25.8%
Income Before Transfers	\$ 7,940,525	\$ 8,040,534	\$ (100,009)	-1.2%
Net Proceeds	\$ 4,474,356	\$ 6,161,343	\$ (1,686,987)	-27.4%

Comparative Income Statements

February 2016 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	February 2016 <u>Actual</u>	February 2016 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 34,413,584	\$ 31,905,842	\$ 2,507,742	7.9%
Draw Games	6,322,121	6,752,483	(430,362)	-6.4%
Retailer Fees and Other	54,439	43,344	11,095	25.6%
Total Revenues	40,790,144	38,701,669	2,088,475	5.4%
Operating Expense				
Instant Game Prizes	24,597,925	22,610,016	(1,987,909)	-8.8%
Draw Game Prizes	3,406,945	3,553,609	146,664	4.1%
Retailer Commissions	2,311,919	2,199,246	(112,673)	-5.1%
Gaming Contract Costs	1,746,358	1,812,814	66,456	3.7%
Marketing and Advertising	271,535	416,670	145,135	34.8%
General and Administrative	533,055	597,713	64,658	10.8%
Total Operating Expenses	32,867,737	31,190,068	(1,677,669)	-5.4%
Operating Income	7,922,407	7,511,601	410,806	5.5%
Interest Income	18,118	8,988	9,130	101.6%
Income Before Transfers	\$ 7,940,525	\$ 7,520,589	\$ 419,936	5.6%
Net Proceeds	\$ 4,474,356	\$ 7,096,759	\$ (2,622,403)	-37.0%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

Year to Date February 29, 2016 vs. February 28, 2015

GAAP Basis Income <u>Statement</u>	Actual <u>YTD 2/29/16</u>	Actual <u>YTD 2/28/15</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 235,483,089	\$ 217,276,919	\$ 18,206,170	8.4%
Draw Games	68,765,454	50,836,377	17,929,077	35.3%
Retailer Fees and Other	511,948	382,360	129,588	33.9%
Total Revenues	304,760,491	268,495,656	36,264,835	13.5%
Operating Expense				
Instant Game Prizes	169,096,037	156,725,857	(12,370,180)	-7.9%
Draw Game Prizes	36,033,935	26,330,400	(9,703,535)	-36.9%
Retailer Commissions	17,107,350	15,087,722	(2,019,628)	-13.4%
Gaming Contract Costs	13,030,052	13,543,855	513,803	3.8%
Marketing and Advertising	3,239,220	3,178,888	(60,332)	-1.9%
General and Administrative	5,903,014	5,471,250	(431,764)	-7.9%
Total Operating Expenses	244,409,608	220,337,972	(24,071,636)	-10.9%
Operating Income	60,350,883	48,157,684	12,193,199	25.3%
Interest and Other Income	154,829	158,468	(3,639)	-2.3%
Income Before Transfers	\$ 60,505,712	\$ 48,316,152	\$ 12,189,560	25.2%
Net Proceeds	\$ 54,376,996	\$ 45,982,737	\$ 8,394,259	18.3%

Note – Net Proceeds does not include unclaimed prizes.

ADHE Transfer Analysis

Month	2016 Net Proceeds	2016 Unclaimed	Total Transfer	2016 Budget	Over/Under Budget	Cumulative Balance
July, 2015	\$ 5,784,683	\$ 121,937	\$ 5,906,620	\$ 6,321,857	(\$415,237)	(\$415,237)
August	5,490,094	694,112	6,184,206	6,447,435	(263,229)	(678,466)
September	6,624,967	740,302	7,365,269	6,239,499	1,125,770	447,304
October	6,020,643	75,504	6,096,147	6,176,121	(79,974)	367,330
November	5,725,139	776,716	6,501,855	6,387,488	114,367	481,697
December	6,425,755	87,708	6,513,463	6,898,804	(385,341)	96,356
January, 2016	13,831,359	506,731	14,338,090	6,249,505	8,088,585	8,184,941
February	4,474,356	561,499	5,035,855	7,520,589	(2,484,734)	5,700,207
March						
April						
May						
June						
Sub total	54,376,996	3,564,509	57,941,505	52,241,298		5,700,207
Reserve for GPW						
Total	\$ 54,376,996	\$ 3,564,509	\$ 57,941,505	\$ 52,241,298		\$ 5,700,207