



Arkansas
Scholarship Lottery

**Arkansas Legislative Council
Lottery Oversight Subcommittee Meeting
December 15, 2016**

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

Comparative Income Statements

November 2016 vs. November 2015

GAAP Basis Income Statement	<u>November 2016</u>	<u>November 2015</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Games	\$ 29,735,217	\$ 26,895,067	\$ 2,840,150	10.6%
Draw Games	7,253,420	5,270,598	1,982,822	37.6%
Retailer Fees and Other	53,443	60,934	(7,491)	-12.3%
Total Revenues	37,042,080	32,226,599	4,815,481	14.9%
Operating Expense				
Instant Game Prizes	21,050,019	18,834,833	(2,215,186)	-11.8%
Draw Game Prizes	3,758,240	2,807,857	(950,383)	-33.8%
Retailer Commissions	2,070,576	1,812,095	(258,481)	-14.3%
Gaming Contract Costs	1,479,792	1,351,403	(128,389)	-9.5%
Marketing and Advertising	781,427	369,672	(411,755)	-111.4%
General and Administrative	828,158	501,782	(326,376)	-65.0%
Total Operating Expenses	29,968,212	25,677,642	(4,290,570)	-16.7%
Operating Income	7,073,868	6,548,957	524,911	8.0%
Interest Income and Other Income	22,987	15,491	7,496	48.4%
Income Before Transfers	\$ 7,096,855	\$ 6,564,448	\$ 532,407	8.1%
Net Proceeds	\$ 6,570,980	\$ 5,725,139	\$ 845,841	14.8%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements November 2016 Actual vs. Budget

GAAP Basis Income Statement	November 2016 Actual	November 2016 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 29,735,217	\$ 30,500,000	\$ (764,783)	-2.5%
Draw Games	7,253,420	6,422,000	831,420	12.9%
Retailer Fees and Other	53,443	66,000	(12,557)	-19.0%
Total Revenues	37,042,080	36,988,000	54,080	0.1%
Operating Expense				
Instant Game Prizes	21,050,019	21,872,511	822,492	3.8%
Draw Game Prizes	3,758,240	3,439,289	(318,951)	-9.3%
Retailer Commissions	2,070,576	2,107,100	36,524	1.7%
Gaming Contract Costs	1,479,792	1,750,200	270,408	15.5%
Marketing and Advertising	781,427	457,000	(324,427)	-71.0%
General and Administrative	828,158	869,900	41,742	4.8%
Total Operating Expenses	29,968,212	30,496,000	527,788	1.7%
Operating Income	7,073,868	6,492,000	581,868	9.0%
Interest Income and Other Income	22,987	8,000	14,987	187.3%
Income Before Transfers	\$ 7,096,855	\$ 6,500,000	\$ 596,855	9.2%
Net Proceeds	\$ 6,570,980	\$ 6,047,300	\$ 523,680	8.7%

Note – Net Proceeds does not includes unclaimed prizes.

Comparative Income Statements

Year to Date November 30, 2016 vs. November 30, 2015



GAAP Basis Income Statement	Actual YTD 11/30/16	Actual YTD 11/30/15	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 142,296,582	\$ 137,749,592	\$ 4,546,990	3.3%
Draw Games	34,863,121	28,455,400	6,407,721	22.5%
Retailer Fees and Other	386,078	348,359	37,719	10.8%
Total Revenues	177,545,781	166,553,351	10,992,430	6.6%
Operating Expense				
Instant Game Prizes	101,189,032	98,686,856	(2,502,176)	-2.5%
Draw Game Prizes	18,043,912	14,847,952	(3,195,960)	-21.5%
Retailer Commissions	9,936,248	9,397,159	(539,089)	-5.7%
Gaming Contract Costs	7,659,667	7,586,823	(72,844)	-1.0%
Marketing and Advertising	2,588,587	2,009,983	(578,604)	-28.8%
General and Administrative	3,770,046	2,738,313	(1,031,733)	-37.7%
Total Operating Expenses	143,187,492	135,267,086	(7,920,406)	-5.9%
Operating Income	34,358,289	31,286,265	3,072,024	9.8%
Interest Income and Other Income	127,362	95,877	31,485	32.8%
Income Before Transfers	\$ 34,485,651	\$ 31,382,142	\$ 3,103,509	9.9%
Net Proceeds	\$ 31,722,198	\$ 29,645,526	\$ 2,076,672	7.0%

Note – Net Proceeds does includes unclaimed prizes.

ADHE Transfer Analysis

Month	2017 Net Proceeds	2017 Unclaimed Prizes	Total Transfer	2017 Budget	Over/Under Budget	Cumulative Balance
July,2016	\$ 8,714,386	\$ 1,505,931	\$10,220,317	\$ 6,218,700	\$ 4,001,617	\$ 4,001,617
August	5,498,715	109,870	\$ 5,608,585	6,009,900	\$ (401,315)	\$ 3,600,302
September	5,773,076	834,696	\$ 6,607,772	6,526,000	\$ 81,772	\$ 3,682,074
October	5,165,041	115,123	\$ 5,280,164	6,402,700	\$ (1,122,536)	\$ 2,559,538
November	6,570,980	563,541	\$ 7,134,521	6,500,000	\$ 634,521	\$ 3,194,059
December						
January, 2017						
February						
March						
April						
May						
June						
Sub total	31,722,198	3,129,161	34,851,359	31,657,300		3,194,059
Reserve for GPW						
Total	<u>\$ 31,722,198</u>	<u>\$ 3,129,161</u>	<u>\$ 34,851,359</u>	<u>\$ 31,657,300</u>		<u>\$ 3,194,059</u>