



Arkansas
Scholarship Lottery

Arkansas Legislative Council
Lottery Oversight Subcommittee Meeting
May 2017

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

Comparative Income Statements

April 2017 vs. April 2016



GAAP Basis Income Statement	April 2017	April 2016	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 33,062,490	\$ 30,895,116	\$ 2,167,374	7.0%
Draw Games	5,552,196	6,573,086	(1,020,890)	-15.5%
Retailer Fees and Other	56,931	48,601	8,330	17.1%
Total Revenues	38,671,617	37,516,803	1,154,814	3.1%
Operating Expense				
Instant Game Prizes	24,068,290	22,506,056	(1,562,234)	-6.9%
Draw Game Prizes	3,199,930	3,450,721	250,791	7.3%
Retailer Commissions	2,224,702	2,109,003	(115,699)	-5.5%
Gaming Contract Costs	1,603,441	1,560,973	(42,468)	-2.7%
Marketing and Advertising	224,094	288,227	64,133	22.3%
General and Administrative	733,561	684,549	(49,012)	-7.2%
Total Operating Expenses	32,054,018	30,599,529	(1,454,489)	-4.8%
Operating Income	6,617,599	6,917,274	(299,675)	-4.3%
Interest Income and Other Income	50,551	16,845	33,706	200.1%
Income Before Transfers	\$ 6,668,150	\$ 6,934,119	\$ (265,969)	-3.8%
Net Proceeds	\$ 7,845,828	\$ 7,392,837	\$ 452,991	6.1%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

April 2017 Actual vs. Budget

GAAP Basis Income Statement	April 2017 Actual	April 2017 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 33,062,490	\$ 33,000,000	\$ 62,490	0.2%
Draw Games	5,552,196	6,873,000	(1,320,804)	-19.2%
Retailer Fees and Other	56,931	60,000	(3,069)	-5.1%
Total Revenues	38,671,617	39,933,000	(1,261,383)	-3.2%
Operating Expense				
Instant Game Prizes	24,068,290	23,697,293	(370,997)	-1.6%
Draw Game Prizes	3,199,930	3,717,907	517,977	13.9%
Retailer Commissions	2,224,702	2,275,400	50,698	2.2%
Gaming Contract Costs	1,603,441	1,893,700	290,259	15.3%
Marketing and Advertising	224,094	356,300	132,206	37.1%
General and Administrative	733,561	821,800	88,239	10.7%
Total Operating Expenses	32,054,018	32,762,400	708,382	2.2%
Operating Income	6,617,599	7,170,600	(553,001)	-7.7%
Interest Income and Other Income	50,551	8,700	41,851	481.0%
Income Before Transfers	\$ 6,668,150	\$ 7,179,300	\$ (511,150)	-7.1%
Net Proceeds	\$ 7,845,828	\$ 6,726,600	\$ 1,119,228	16.6%

Note – Net Proceeds does not includes unclaimed prizes.

Comparative Income Statements

Year to Date April 30, 2017 vs. April 30, 2016

GAAP Basis Income Statement	Actual YTD 04/30/17	Actual YTD 04/30/16	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 305,240,880	\$ 301,094,185	\$ 4,146,695	1.4%
Draw Games	67,305,933	81,146,687	(13,840,754)	-17.1%
Retailer Fees and Other	667,432	615,842	51,590	8.4%
Total Revenues	373,214,245	382,856,714	(9,642,469)	-2.5%
Operating Expense				
Instant Game Prizes	218,122,583	216,554,063	(1,568,520)	-0.7%
Draw Game Prizes	35,965,038	42,747,610	6,782,572	15.9%
Retailer Commissions	21,032,342	21,507,691	475,349	2.2%
Gaming Contract Costs	15,904,300	16,366,900	462,600	2.8%
Marketing and Advertising	4,882,866	3,886,342	(996,524)	-25.6%
General and Administrative	7,886,369	7,288,375	(597,994)	-8.2%
Total Operating Expenses	303,793,498	308,350,981	4,557,483	1.5%
Operating Income	69,420,747	74,505,733	(5,084,986)	-6.8%
Interest Income and Other Income	357,883	187,221	170,662	91.2%
Income Before Transfers	\$ 69,778,630	\$ 74,692,954	\$ (4,914,324)	-6.6%
Net Proceeds	\$ 65,014,908	\$ 67,528,726	\$ (2,513,818)	-3.7%

Note – Net Proceeds does not includes unclaimed prizes.

Comparative Income Statements

Year to Date April 30, 2017 Actual vs. Budget

GAAP Basis Income Statement	Actual YTD 04/30/17	Budget YTD 04/30/17	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 305,240,880	\$ 320,310,000	\$ (15,069,120)	-4.7%
Draw Games	67,305,933	65,729,000	1,576,933	2.4%
Retailer Fees and Other	667,432	680,000	(12,568)	-1.8%
Total Revenues	373,214,245	386,719,000	(13,504,755)	-3.5%
Operating Expense				
Instant Game Prizes	218,122,583	229,891,899	11,769,316	5.1%
Draw Game Prizes	35,965,038	35,294,201	(670,837)	-1.9%
Retailer Commissions	21,032,342	22,030,000	997,658	4.5%
Gaming Contract Costs	15,904,300	18,380,800	2,476,500	13.5%
Marketing and Advertising	4,882,866	4,804,500	(78,366)	-1.6%
General and Administrative	7,886,369	8,583,100	696,731	8.1%
Total Operating Expenses	303,793,498	318,984,500	15,191,002	4.8%
Operating Income	69,420,747	67,734,500	1,686,247	2.5%
Interest Income and Other Income	357,883	95,700	262,183	274.0%
Income Before Transfers	\$ 69,778,630	\$ 67,830,200	\$ 1,948,430	2.9%
Net Proceeds	\$ 65,014,908	\$ 63,303,600	\$ 1,711,308	2.7%

Note – Net Proceeds does not 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	4,596,532	904,455	5,500,987	6,967,600	(1,466,613)	1,727,446
January, 2017	7,947,546	218,304	8,165,850	6,680,100	1,485,750	3,213,196
February	6,698,100	802,147	7,500,247	7,714,800	(214,553)	2,998,643
March	6,204,705	429,635	6,634,340	7,631,100	(996,760)	2,001,883
April	7,845,828	67,803	7,913,631	7,179,300	734,331	2,736,214
May						
June						
Sub total	65,014,909	5,551,505	70,566,414	67,830,200		2,736,214
Reserve for GPW						
Total	\$ 65,014,909	\$ 5,551,505	\$ 70,566,414	\$ 67,830,200		\$ 2,736,214