



Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
August 17, 2017

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

Comparative Income Statements

Fiscal Year End June 30, 2017 Compared to June 30, 2016 and Budget



GAAP Basis Income Statement	Actual YTD 06/30/17	Actual YTD 06/30/16	Budget YTD 06/30/17
Revenues			
Instant Games	\$ 368,454,561	\$ 360,007,743	\$ 383,380,000
Draw Games	80,686,467	95,591,659	79,238,000
Retailer Fees and Other	775,708	726,409	800,000
Total Revenues	449,916,736	456,325,811	463,418,000
Operating Expense			
Instant Game Prizes	263,190,873	258,461,952	275,150,134
Draw Game Prizes	43,238,515	50,485,363	42,549,866
Retailer Commissions	25,350,020	25,704,177	26,400,000
Gaming Contract Costs	19,089,217	19,384,187	22,000,000
Marketing and Advertising	5,776,698	4,798,502	6,000,000
General and Administrative	9,705,618	9,251,092	10,538,000
Total Operating Expenses	366,350,941	368,085,273	382,638,000
Operating Income	83,565,795	88,240,538	80,780,000
Interest Income and Other Income	489,045	234,151	120,000
Income Before Transfers	\$ 84,054,840	\$ 88,474,689	\$ 80,900,000
Net Proceeds	\$ 85,277,330	\$ 85,274,927	\$ 80,900,000

Comparative Income Statements

July 2017 vs. July 2016

GAAP Basis Income Statement	July 2017	July 2016	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 29,569,210	\$ 27,852,893	\$ 1,716,317	6.2%
Draw Games	7,254,473	10,326,218	(3,071,745)	-29.7%
Retailer Fees and Other	61,713	58,183	3,530	6.1%
Total Revenues	36,885,396	38,237,294	(1,351,898)	-3.5%
Operating Expense				
Instant Game Prizes	20,607,428	19,527,542	(1,079,886)	-5.5%
Draw Game Prizes	3,976,366	4,758,375	782,009	16.4%
Retailer Commissions	2,057,693	2,103,751	46,058	2.2%
Gaming Contract Costs	1,718,950	1,502,634	(216,316)	-14.4%
Marketing and Advertising	640,600	431,232	(209,368)	-48.6%
General and Administrative	778,724	998,820	220,096	22.0%
Total Operating Expenses	29,779,761	29,322,354	(457,407)	-1.6%
Operating Income	7,105,635	8,914,940	(1,809,305)	-20.3%
Interest Income and Other Income	92,245	26,973	65,272	242.0%
Income Before Transfers	\$ 7,197,880	\$ 8,941,913	\$ (1,744,033)	-19.5%
Net Proceeds	\$ 6,661,763	\$ 8,714,386	\$ (2,052,623)	-23.6%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

July 2017 Actual vs. Budget

GAAP Basis Income Statement	July 2017 Actual	July 2017 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 29,569,210	\$ 28,320,000	\$ 1,249,210	4.4%
Draw Games	7,254,473	6,654,000	600,473	9.0%
Retailer Fees and Other	61,713	91,000	(29,287)	-32.2%
Total Revenues	36,885,396	35,065,000	1,820,396	5.2%
Operating Expense				
Instant Game Prizes	20,607,428	20,577,421	(30,007)	-0.1%
Draw Game Prizes	3,976,366	3,273,219	(703,147)	-21.5%
Retailer Commissions	2,057,693	1,976,000	(81,693)	-4.1%
Gaming Contract Costs	1,718,950	1,530,000	(188,950)	-12.3%
Marketing and Advertising	640,600	542,000	(98,600)	-18.2%
General and Administrative	778,724	802,500	23,776	3.0%
Total Operating Expenses	29,779,761	28,701,140	(1,078,621)	-3.8%
Operating Income	7,105,635	6,363,860	741,775	11.7%
Interest Income and Other Income	92,245	42,000	50,245	119.6%
Income Before Transfers	\$ 7,197,880	\$ 5,905,860	\$ 1,292,020	21.9%
Net Proceeds	\$ 6,661,763	\$ 5,905,860	\$ 755,903	12.8%

Note – Net Proceeds does not include 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						
September						
October						
November						
December						
January, 2018						
February						
March						
April						
May						
June						
Sub total	6,661,763	882,319	7,544,082	6,405,860		1,138,222
Reserve for GPW						
Total	\$ 6,661,763	\$ 882,319	\$ 7,544,082	\$ 6,405,860		\$ 1,138,222