



# Arkansas Scholarship Lottery

**Lottery Oversight Subcommittee Meeting  
December 2019**

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



# Comparative Income Statements

## November 2019 vs. November 2018



	GAAP Basis Income Statement		Favorable/ (Unfavorable)		Percentage Variance
	November 2019	November 2018			
<b>Revenues</b>					
Instant Games	\$ 30,015,685	\$ 30,843,701	\$ (828,016)		-2.7%
Draw Games	6,055,724	6,806,385	(750,661)		-11.0%
Retailer Fees and Other	47,232	49,930	(2,698)		-5.4%
<b>Total Revenues</b>	<b>36,118,641</b>	<b>37,700,016</b>	<b>(1,581,375)</b>		<b>-4.2%</b>
<b>Operating Expense</b>					
Instant Game Prizes	21,354,855	21,578,276	223,421		1.0%
Draw Game Prizes	3,238,676	3,584,543	345,867		9.6%
Retailer Commissions	2,033,202	2,117,541	84,339		4.0%
Gaming Contract Costs	1,424,480	1,641,993	217,513		13.2%
Marketing and Advertising	701,883	499,051	(202,832)		-40.6%
General and Administrative	724,121	855,454	131,333		15.4%
<b>Total Operating Expenses</b>	<b>29,477,217</b>	<b>30,276,858</b>	<b>799,641</b>		<b>2.6%</b>
<b>Operating Income</b>	<b>6,641,424</b>	<b>7,423,158</b>	<b>(781,734)</b>		<b>-10.5%</b>
Interest Income and Other Income	181,070	200,989	(19,919)		-9.9%
<b>Income Before Transfers</b>	<b>\$ 6,822,494</b>	<b>\$ 7,624,147</b>	<b>\$ (801,653)</b>		<b>-10.5%</b>
<b>Net Proceeds</b>	<b>\$ 5,947,178</b>	<b>\$ 6,821,411</b>	<b>\$ (874,233)</b>		<b>-12.8%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

# Comparative Income Statements

## November 2019 Actual vs. Budget



GAAP Basis Income Statement	November 2019	November 2019	Favorable/	Percentage
	Actual	Budget	(Unfavorable)	Variance
<b>Revenues</b>				
Instant Games	\$ 30,015,685	\$ 30,710,000	\$ (694,315)	-2.3%
Draw Games	6,055,724	7,300,000	(1,244,276)	-17.0%
Retailer Fees and Other	47,232	40,000	7,232	18.1%
<b>Total Revenues</b>	<b>36,118,641</b>	<b>38,050,000</b>	<b>(1,931,359)</b>	<b>-5.1%</b>
<b>Operating Expense</b>				
Instant Game Prizes	21,354,855	21,996,000	641,145	2.9%
Draw Game Prizes	3,238,676	3,861,000	622,324	16.1%
Retailer Commissions	2,033,202	2,167,000	133,798	6.2%
Gaming Contract Costs	1,424,480	1,760,000	335,520	19.1%
Marketing and Advertising	701,883	638,000	(63,883)	-10.0%
General and Administrative	724,121	978,000	253,879	26.0%
<b>Total Operating Expenses</b>	<b>29,477,217</b>	<b>31,400,000</b>	<b>1,922,783</b>	<b>6.1%</b>
<b>Operating Income</b>	<b>6,641,424</b>	<b>6,650,000</b>	<b>(8,576)</b>	<b>-0.1%</b>
Interest Income and Other Income	181,070	147,000	34,070	23.2%
<b>Income Before Transfers</b>	<b>\$ 6,822,494</b>	<b>\$ 6,797,000</b>	<b>\$ 25,494</b>	<b>0.4%</b>
<b>Net Proceeds</b>	<b>\$ 5,947,178</b>	<b>\$ 6,247,000</b>	<b>\$ (299,822)</b>	<b>-4.8%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.



# Comparative Income Statements

## Year to Date November 30, 2019 vs. November 30, 2018



GAAP Basis Income Statement	Actual		Actual		Favorable/Unfavorable		Percentage Variance	
	YTD 11/30/19		YTD 11/30/18					
<b>Revenues</b>								
Instant Games	\$	162,346,421	\$	160,505,524	\$	1,840,897		1.1%
Draw Games		30,756,922		52,385,661		(21,628,739)		-41.3%
Retailer Fees and Other		288,877		339,559		(50,682)		-14.9%
<b>Total Revenues</b>		<b>193,392,220</b>		<b>213,230,744</b>		<b>(19,838,524)</b>		<b>-9.3%</b>
<b>Operating Expense</b>								
Instant Game Prizes		115,305,640		114,376,735		(928,905)		-0.8%
Draw Game Prizes		16,881,023		27,183,191		10,302,168		37.9%
Retailer Commissions		10,922,758		11,933,883		1,011,125		8.5%
Gaming Contract Costs		8,852,499		11,101,262		2,248,763		20.3%
Marketing and Advertising		3,397,649		3,873,343		475,694		12.3%
General and Administrative		3,819,093		4,778,495		959,402		20.1%
<b>Total Operating Expenses</b>		<b>159,178,662</b>		<b>173,246,909</b>		<b>14,068,247</b>		<b>8.1%</b>
<b>Operating Income</b>		<b>34,213,558</b>		<b>39,983,835</b>		<b>(5,770,277)</b>		<b>-14.4%</b>
Interest Income and Other Income		1,232,027		955,111		276,916		29.0%
<b>Income Before Transfers</b>	<b>\$</b>	<b>35,445,585</b>	<b>\$</b>	<b>40,938,946</b>	<b>\$</b>	<b>(5,493,361)</b>		<b>-13.4%</b>
<b>Net Proceeds</b>	<b>\$</b>	<b>28,297,918</b>	<b>\$</b>	<b>37,106,529</b>	<b>\$</b>	<b>(8,808,611)</b>		<b>-23.7%</b>

Note – Net Proceeds does not include unclaimed prizes amounts.

# Comparative Income Statements

## Year to Date November 30, 2019 Actual vs. Budget



GAAP Basis Income Statement	Actual	Budget	Favorable/ Unfavorable	Percentage Variance
	YTD 11/30/19	YTD 11/30/19		
<b>Revenues</b>				
Instant Games	\$ 162,346,421	\$ 160,186,000	\$ 2,160,421	1.3%
Draw Games	30,756,922	36,864,000	(6,107,078)	-16.6%
Retailer Fees and Other	288,877	251,000	37,877	15.1%
<b>Total Revenues</b>	<b>193,392,220</b>	<b>197,301,000</b>	<b>(3,908,780)</b>	<b>-2.0%</b>
<b>Operating Expense</b>				
Instant Game Prizes	115,305,640	114,827,000	(478,640)	-0.4%
Draw Game Prizes	16,881,023	19,399,000	2,517,977	13.0%
Retailer Commissions	10,922,758	11,226,000	303,242	2.7%
Gaming Contract Costs	8,852,499	9,158,000	305,501	3.3%
Marketing and Advertising	3,397,649	3,241,000	(156,649)	-4.8%
General and Administrative	3,819,093	5,025,500	1,206,407	24.0%
<b>Total Operating Expenses</b>	<b>159,178,662</b>	<b>162,876,500</b>	<b>3,697,838</b>	<b>2.3%</b>
<b>Operating Income</b>	<b>34,213,558</b>	<b>34,424,500</b>	<b>(210,942)</b>	<b>-0.6%</b>
Interest Income and Other Income	1,232,027	744,000	488,027	65.6%
<b>Income Before Transfers</b>	<b>\$ 35,445,585</b>	<b>\$ 35,168,500</b>	<b>\$ 277,085</b>	<b>0.8%</b>
<b>Net Proceeds</b>	<b>\$ 28,297,918</b>	<b>\$ 32,418,500</b>	<b>\$ (4,120,582)</b>	<b>-12.7%</b>

Note – Net Proceeds does not include unclaimed prizes amounts



## ADHE Transfer Analysis

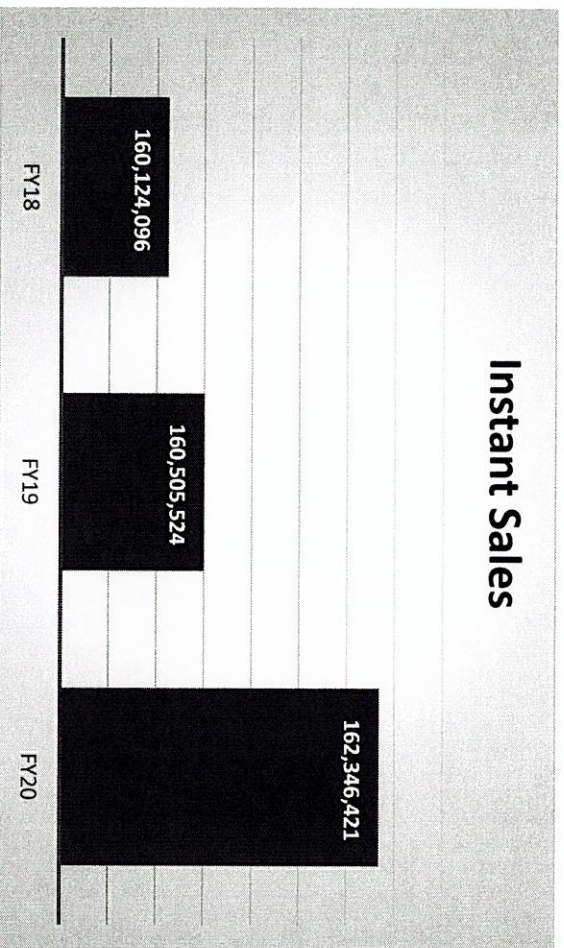
ADHE Transfer Analysis						
	2020 Net Proceeds	2020 Unclaimed Prizes	Total Transfer	2020 Budget	Over/Under Budget	Cumulative Balance
Month						
July, 2019	\$ 4,523,931	\$ 1,997,466	\$ 6,521,397	\$ 7,006,500	\$ (485,103)	\$ (485,103)
August	4,942,737	1,061,557	\$ 6,004,294	7,641,500	\$(1,637,206)	\$ (2,122,309)
September	6,565,973	247,474	\$ 6,813,447	6,495,000	\$ 318,447	\$ (1,803,862)
October	6,318,099	780,461	\$ 7,098,560	7,228,500	\$ (129,940)	\$ (1,933,802)
November	5,947,178	864,775	\$ 6,811,953	6,797,000	\$ 14,953	\$ (1,918,849)
December						
January, 2020						
February						
March						
April						
May						
June						
Sub total	28,297,918	4,951,733	33,249,651	35,168,500		\$ (1,918,849)



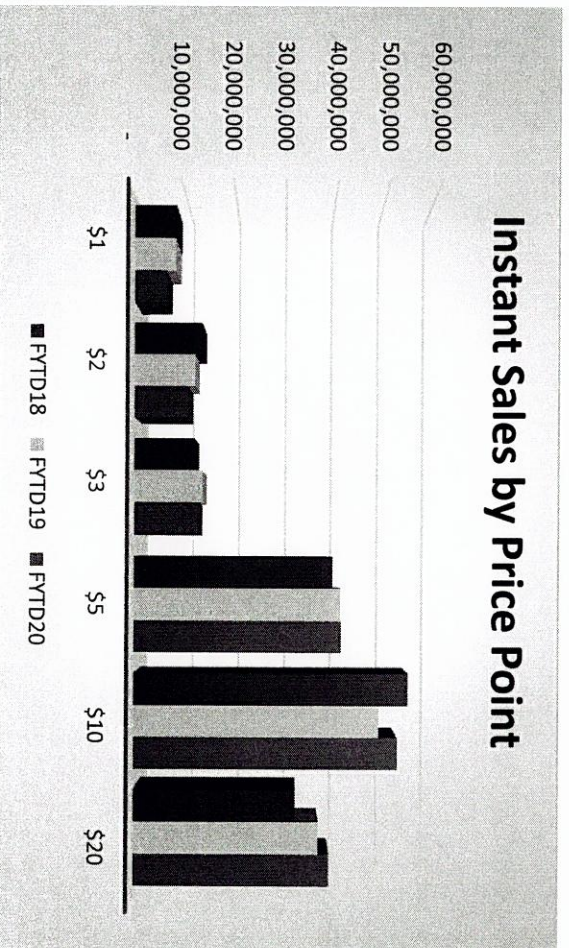
## Instant Sales

### Fiscal Year to Date as of November 30, 2019

#### Instant Sales



#### Instant Sales by Price Point



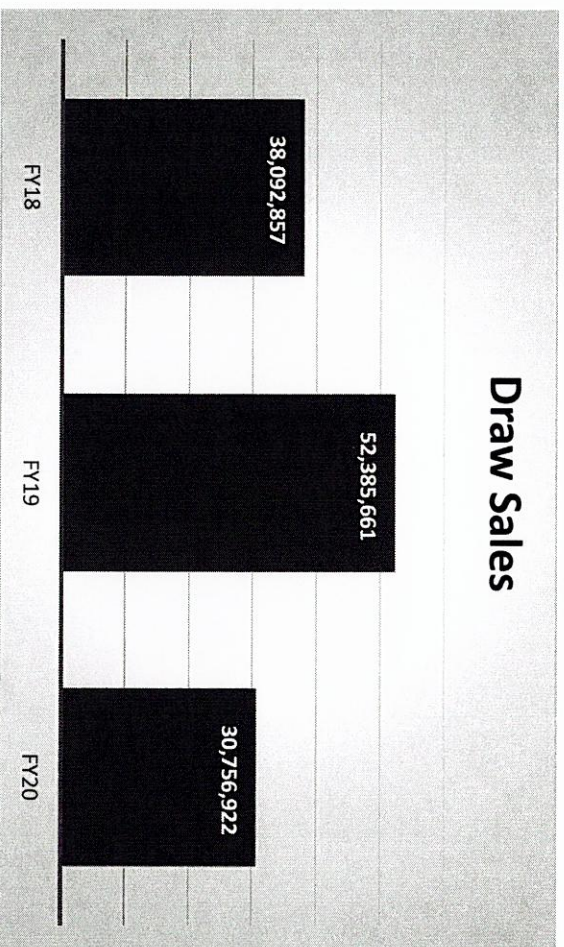


# Draw Sales

Fiscal Year to Date as of November 30, 2019



## Draw Sales



## Draw Sales by Game

