



Arkansas
Scholarship Lottery

Lottery Oversight Subcommittee Meeting
Report from the Office of the Arkansas Lottery for December 2021
By Director J. Eric Hagler

Comparative Income Statements December 2021 vs. December 2020



GAAP Basis Income Statement	December 2021	December 2020	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 42,564,623	\$ 41,647,954	\$ 916,669	2.2%
Draw Games	9,416,917	8,633,671	783,246	9.1%
Retailer Fees and Other	47,754	48,019	(265)	-0.6%
Total Revenues	52,029,294	50,329,644	1,699,650	3.4%
Operating Expense				
Instant Game Prizes	30,637,967	28,977,902	(1,660,065)	-5.7%
Draw Game Prizes	5,253,395	4,683,269	(570,126)	-12.2%
Retailer Commissions	2,966,693	2,858,748	(107,945)	-3.8%
Gaming Contract Costs	2,500,133	2,261,989	(238,144)	-10.5%
Marketing and Advertising	325,685	642,733	317,048	49.3%
General and Administrative	886,885	1,355,236	468,351	34.6%
Total Operating Expenses	42,570,758	40,779,877	(1,790,881)	-4.4%
Operating Income	9,458,536	9,549,767	(91,231)	-1.0%
Interest Income and Other Income	25,831	68,571	(42,740)	-62.3%
Income Before Transfers	\$ 9,484,367	\$ 9,618,338	\$ (133,971)	-1.4%
Net Proceeds	\$ 7,405,348	\$ 5,970,923	\$ 1,434,425	24.0%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements December 2021 Actual vs. Budget



GAAP Basis Income Statement	December 2021 Actual	December 2021 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 42,564,623	\$ 36,000,000	\$ 6,564,623	18.2%
Draw Games	9,416,917	7,092,000	2,324,917	32.8%
Retailer Fees and Other	47,754	39,500	8,254	20.9%
Total Revenues	52,029,294	43,131,500	8,897,794	20.6%
Operating Expense				
Instant Game Prizes	30,637,967	25,942,000	(4,695,967)	-18.1%
Draw Game Prizes	5,253,395	4,017,000	(1,236,395)	-30.8%
Retailer Commissions	2,966,693	2,434,000	(532,693)	-21.9%
Gaming Contract Costs	2,500,133	1,953,000	(547,133)	-28.0%
Marketing and Advertising	325,685	558,000	232,315	41.6%
General and Administrative	886,885	793,500	(93,385)	-11.8%
Total Operating Expenses	42,570,758	35,697,500	(6,873,258)	-19.3%
Operating Income	9,458,536	7,434,000	2,024,536	27.2%
Interest Income and Other Income	25,831	25,000	831	3.3%
Income Before Transfers	\$ 9,484,367	\$ 7,459,000	\$ 2,025,367	27.2%
Net Proceeds	\$ 7,405,348	\$ 6,859,000	\$ 546,348	8.0%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date December 31, 2021 vs. December 31, 2020



GAAP Basis Income Statement	Actual YTD 12/31/21	Actual YTD 12/31/20	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 238,710,828	\$ 240,304,780	\$ (1,593,952)	-0.7%
Draw Games	50,983,841	42,358,751	8,625,090	20.4%
Retailer Fees and Other	361,014	351,168	9,846	2.8%
Total Revenues	290,055,683	283,014,699	7,040,984	2.5%
Operating Expense				
Instant Game Prizes	173,233,663	174,992,099	1,758,436	1.0%
Draw Game Prizes	27,778,211	23,300,748	(4,477,463)	-19.2%
Retailer Commissions	16,412,258	16,034,815	(377,443)	-2.4%
Gaming Contract Costs	13,928,461	13,508,538	(419,923)	-3.1%
Marketing and Advertising	3,292,625	3,467,089	174,464	5.0%
General and Administrative	4,774,963	5,476,665	701,702	12.8%
Total Operating Expenses	239,420,181	236,779,954	(2,640,227)	-1.1%
Operating Income	50,635,502	46,234,745	4,400,757	9.5%
Interest Income and Other Income	271,732	401,891	(130,159)	-32.4%
Income Before Transfers	\$ 50,907,234	\$ 46,636,636	\$ 4,270,598	9.2%
Net Proceeds	\$ 46,681,660	\$ 46,772,927	\$ (91,267)	-0.2%

Note – Net Proceeds does not include unclaimed prizes amounts.

Comparative Income Statements

Year to Date December 31, 2021 Actual vs. Budget



GAAP Basis Income Statement	Actual YTD 12/31/21	Budget YTD 12/31/21	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 238,710,828	\$ 198,100,000	\$ 40,610,828	20.5%
Draw Games	50,983,841	42,549,000	8,434,841	19.8%
Retailer Fees and Other	361,014	259,000	102,014	39.4%
Total Revenues	290,055,683	240,908,000	49,147,683	20.4%
Operating Expense				
Instant Game Prizes	173,233,663	142,506,000	(30,727,663)	-21.6%
Draw Game Prizes	27,778,211	23,536,000	(4,242,211)	-18.0%
Retailer Commissions	16,412,258	13,607,000	(2,805,258)	-20.6%
Gaming Contract Costs	13,928,461	10,908,000	(3,020,461)	-27.7%
Marketing and Advertising	3,292,625	3,414,000	121,375	3.6%
General and Administrative	4,774,963	4,975,000	200,037	4.0%
Total Operating Expenses	239,420,181	198,946,000	(40,474,181)	-20.3%
Operating Income	50,635,502	41,962,000	8,673,502	20.7%
Interest Income and Other Income	271,732	167,000	104,732	62.7%
Income Before Transfers	\$ 50,907,234	\$ 42,129,000	\$ 8,778,234	20.8%
Net Proceeds	\$ 46,681,660	\$ 38,529,000	\$ 8,152,660	21.2%

Note – Net Proceeds does not include unclaimed prizes amounts.

ADHE Transfer Analysis

ADHE Transfer Analysis						
Month	2022 Net Proceeds	2022 Unclaimed Prizes	Total Transfer	2022 Budget	Over/Under Budget	Cumulative Balance
July,2021	\$ 8,338,564	\$ 645,750	\$ 8,984,314	\$ 7,025,000	\$ 1,959,314	\$ 1,959,314
August	6,786,604	913,988	\$ 7,700,592	7,105,000	\$ 595,592	\$ 2,554,906
September	9,160,216	126,066	\$ 9,286,282	6,834,000	\$ 2,452,282	\$ 5,007,188
October	7,762,150	127,936	\$ 7,890,086	6,789,000	\$ 1,101,086	\$ 6,108,274
November	7,228,778	915,181	\$ 8,143,959	6,917,000	\$ 1,226,959	\$ 7,335,233
December	7,405,348	1,069,444	\$ 8,474,792	7,459,000	\$ 1,015,792	\$ 8,351,025
January, 2022						
February						
March						
April						
May						
June						
Sub total	46,681,660	3,798,365	50,480,025	42,129,000		\$ 8,351,025
Reserve for GPW						
Total	\$ 46,681,660	\$ 3,798,365	\$ 50,480,025	\$ 42,129,000		\$ 8,351,025