

The logo for the Arkansas Scholarship Lottery. The word "Arkansas" is written in a large, bold, red serif font. Below it, the words "Scholarship Lottery" are written in a smaller, bold, dark blue sans-serif font. To the left of the text is a dark blue silhouette of a graduation cap with a tassel hanging down.

Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
August 16, 2018

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

Comparative Income Statements

Fiscal Year End June 30, 2018 Compared to June 30, 2017 and Budget



GAAP Basis Income Statement	Actual YTD 06/30/18	Actual YTD 06/30/17	Budget YTD 06/30/18
Revenues			
Instant Games	\$ 407,604,791	\$ 368,454,561	\$ 376,600,000
Draw Games	92,103,185	80,686,467	82,000,000
Retailer Fees and Other	782,236	775,708	900,000
Total Revenues	500,490,212	449,916,736	459,500,000
Operating Expense			
Instant Game Prizes	292,489,286	263,190,873	270,241,421
Draw Game Prizes	49,406,134	43,238,515	43,020,479
Retailer Commissions	28,196,969	25,315,020	25,905,900
Gaming Contract Costs	21,966,750	19,090,228	20,567,100
Marketing and Advertising	6,502,482	5,861,130	6,500,000
General and Administrative	10,702,274	9,504,646	10,156,000
Total Operating Expenses	409,263,895	366,200,412	376,390,900
Operating Income	91,226,317	83,716,324	83,109,100
Interest Income and Other Income	1,269,083	489,046	500,000
Income Before Transfers	\$ 92,495,400	\$ 84,205,370	\$ 83,609,100
Net Proceeds	\$ 84,944,166	\$ 78,786,119	\$ 77,609,100
Unclaimed Prizes to Net Proceeds	\$ 7,046,875	\$ 6,370,941	\$ 6,000,000
Total Net Proceeds	\$ 91,991,041	\$ 85,157,060	\$ 83,609,100

Comparative Income Statements

July 2018 vs. July 2017

GAAP Basis Income Statement	July 2018	July 2017	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 34,454,825	\$ 29,569,210	\$ 4,885,615	16.5%
Draw Games	7,898,359	7,254,474	643,885	8.9%
Retailer Fees and Other	60,169	61,713	(1,544)	-2.5%
Total Revenues	42,413,353	36,885,397	5,527,956	15.0%
Operating Expense				
Instant Game Prizes	24,289,791	20,607,428	(3,682,363)	-17.9%
Draw Game Prizes	3,940,566	3,976,366	35,800	0.9%
Retailer Commissions	2,385,553	2,057,693	(327,860)	-15.9%
Gaming Contract Costs	3,219,137	1,718,950	(1,500,187)	-87.3%
Marketing and Advertising	658,017	640,600	(17,417)	-2.7%
General and Administrative	802,609	778,724	(23,885)	-3.1%
Total Operating Expenses	35,295,673	29,779,761	(5,515,912)	-18.5%
Operating Income	7,117,680	7,105,636	12,044	0.2%
Interest Income and Other Income	169,599	92,245	77,354	83.9%
Income Before Transfers	\$ 7,287,279	\$ 7,197,881	\$ 89,398	1.2%
Net Proceeds	\$ 5,066,629	\$ 6,661,763	\$ (1,595,134)	-23.9%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

July 2018 Actual vs. Budget

GAAP Basis Income Statement	July 2018 Actual	July 2018 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 34,454,825	\$ 30,618,000	\$ 3,836,825	12.5%
Draw Games	7,898,359	6,881,000	1,017,359	14.8%
Retailer Fees and Other	60,169	61,000	(831)	-1.4%
Total Revenues	42,413,353	37,560,000	4,853,353	12.9%
Operating Expense				
Instant Game Prizes	24,289,791	21,908,000	(2,381,791)	-10.9%
Draw Game Prizes	3,940,566	3,690,000	(250,566)	-6.8%
Retailer Commissions	2,385,553	2,118,000	(267,553)	-12.6%
Gaming Contract Costs	3,219,137	3,252,000	32,863	1.0%
Marketing and Advertising	658,017	716,000	57,983	8.1%
General and Administrative	802,609	898,500	95,891	10.7%
Total Operating Expenses	35,295,673	32,582,500	(2,713,173)	-8.3%
Operating Income	7,117,680	4,977,500	2,140,180	43.0%
Interest Income and Other Income	169,599	135,000	34,599	25.6%
Income Before Transfers	\$ 7,287,279	\$ 5,112,500	\$ 2,174,779	42.5%
Net Proceeds	\$ 5,066,629	\$ 4,612,500	\$ 454,129	9.8%

Note – Net Proceeds does not includes unclaimed prize amounts.

ADHE Transfer Analysis

Month	2019 Net Proceeds	2019 Unclaimed Prizes	Total Transfer	2019 Budget	Over/Under Budget	Cumulative Balance
July,2018	\$ 5,066,629	\$ 938,398	\$ 6,005,027	\$ 5,112,500	\$ 892,527	\$ 892,527
August						
September						
October						
November						
December						
January, 2019						
February						
March						
April						
May						
June						
Sub total	5,066,629	938,398	6,005,027	5,112,500		892,527
Reserve for GPW						
Total	\$ 5,066,629	\$ 938,398	\$ 6,005,027	\$ 5,112,500		\$ 892,527