



Arkansas

Scholarship Lottery

**Lottery Oversight Subcommittee Meeting
December 20, 2018**

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

Comparative Income Statements

November 2018 vs. November 2017

GAAP Basis Income Statement	<u>November 2018</u>	<u>November 2017</u>	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 30,843,701	\$ 30,625,691	\$ 218,010	0.7%
Draw Games	6,806,385	5,506,412	1,299,973	23.6%
Retailer Fees and Other	49,930	54,005	(4,075)	-7.5%
Total Revenues	37,700,016	36,186,108	1,513,908	4.2%
Operating Expense				
Instant Game Prizes	21,578,276	22,314,328	736,052	3.3%
Draw Game Prizes	3,584,543	3,126,486	(458,057)	-14.7%
Retailer Commissions	2,117,541	2,035,858	(81,683)	-4.0%
Gaming Contract Costs	1,641,993	1,691,429	49,436	2.9%
Marketing and Advertising	499,051	534,407	35,356	6.6%
General and Administrative	855,454	604,162	(251,292)	-41.6%
Total Operating Expenses	30,276,858	30,306,670	29,812	0.1%
Operating Income	7,423,158	5,879,438	1,543,720	26.3%
Interest Income and Other Income	200,989	81,780	119,209	145.8%
Income Before Transfers	\$ 7,624,147	\$ 5,961,218	\$ 1,662,929	27.9%
Net Proceeds	\$ 6,821,411	\$ 6,691,228	\$ 130,183	1.9%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

November 2018 Actual vs. Budget

GAAP Basis Income Statement	November 2018 Actual	November 2018 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 30,843,701	\$ 30,461,000	\$ 382,701	1.3%
Draw Games	6,806,385	6,810,000	(3,615)	-0.1%
Retailer Fees and Other	49,930	60,000	(10,070)	-16.8%
Total Revenues	37,700,016	37,331,000	369,016	1.0%
Operating Expense				
Instant Game Prizes	21,578,276	21,793,000	214,724	1.0%
Draw Game Prizes	3,584,543	3,651,000	66,457	1.8%
Retailer Commissions	2,117,541	2,102,000	(15,541)	-0.7%
Gaming Contract Costs	1,641,993	1,536,000	(105,993)	-6.9%
Marketing and Advertising	499,051	599,000	99,949	16.7%
General and Administrative	855,454	894,500	39,046	4.4%
Total Operating Expenses	30,276,858	30,575,500	298,642	1.0%
Operating Income	7,423,158	6,755,500	667,658	9.9%
Interest Income and Other Income	200,989	93,000	107,989	116.1%
Income Before Transfers	\$ 7,624,147	\$ 6,848,500	\$ 775,647	11.3%
Net Proceeds	\$ 6,821,411	\$ 6,348,500	\$ 472,911	7.4%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

Year to Date November 30, 2018 vs. November 30, 2017



GAAP Basis Income Statement	Actual YTD 11/30/18	Actual YTD 11/30/17	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 160,505,524	\$ 160,124,096	\$ 381,428	0.2%
Draw Games	52,385,661	38,092,857	14,292,804	37.5%
Retailer Fees and Other	339,559	383,483	(43,924)	-11.5%
Total Revenues	213,230,744	198,600,436	14,630,308	7.4%
Operating Expense				
Instant Game Prizes	114,376,735	114,902,442	525,707	0.5%
Draw Game Prizes	27,183,191	20,668,660	(6,514,531)	-31.5%
Retailer Commissions	11,933,883	11,183,083	(750,800)	-6.7%
Gaming Contract Costs	11,101,262	9,388,714	(1,712,548)	-18.2%
Marketing and Advertising	3,873,343	2,793,785	(1,079,558)	-38.6%
General and Administrative	4,778,495	4,009,296	(769,199)	-19.2%
Total Operating Expenses	173,246,909	162,945,980	(10,300,929)	-6.3%
Operating Income	39,983,835	35,654,456	4,329,379	12.1%
Interest Income and Other Income	955,111	470,623	484,488	102.9%
Income Before Transfers	\$ 40,938,946	\$ 36,125,079	\$ 4,813,867	13.3%
Net Proceeds	\$ 37,106,529	\$ 34,688,372	\$ 2,418,157	7.0%

Note – Net Proceeds does not include unclaimed prize amounts.

Comparative Income Statements

Year to Date November 30, 2018 Actual vs. Budget



GAAP Basis Income Statement	Actual YTD 11/30/18	Budget YTD 11/30/18	Favorable/ Unfavorable	Percentage Variance
Revenues				
Instant Games	\$ 160,505,524	\$ 157,687,000	\$ 2,818,524	1.8%
Draw Games	52,385,661	34,169,000	18,216,661	53.3%
Retailer Fees and Other	339,559	386,000	(46,441)	-12.0%
Total Revenues	213,230,744	192,242,000	20,988,744	10.9%
Operating Expense				
Instant Game Prizes	114,376,735	112,889,000	(1,487,735)	-1.3%
Draw Game Prizes	27,183,191	18,322,000	(8,861,191)	-48.4%
Retailer Commissions	11,933,883	10,825,000	(1,108,883)	-10.2%
Gaming Contract Costs	11,101,262	10,536,000	(565,262)	-5.4%
Marketing and Advertising	3,873,343	3,130,000	(743,343)	-23.7%
General and Administrative	4,778,495	4,501,500	(276,995)	-6.2%
Total Operating Expenses	173,246,909	160,203,500	(13,043,409)	-8.1%
Operating Income	39,983,835	32,038,500	7,945,335	24.8%
Interest Income and Other Income	955,111	642,000	313,111	48.8%
Income Before Transfers	\$ 40,938,946	\$ 32,680,500	\$ 8,258,446	25.3%
Net Proceeds	\$ 37,106,529	\$ 30,180,500	\$ 6,926,029	22.9%

Note – Net Proceeds does not include 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	6,175,998	673,614	\$ 6,849,612	6,523,500	\$ 326,112	\$ 1,218,639
September	7,783,451	197,904	\$ 7,981,355	7,114,500	\$ 866,855	\$ 2,085,494
October	11,259,040	697,500	\$ 11,956,540	7,081,500	\$ 4,875,040	\$ 6,960,534
November	6,821,411	953,041	\$ 7,774,452	6,848,500	\$ 925,952	\$ 7,886,486
December						
January, 2019						
February						
March						
April						
May						
June						
Sub total	37,106,529	3,460,457	40,566,986	32,680,500		7,886,486
Reserve for GPW						
Total	\$ 37,106,529	\$ 3,460,457	\$ 40,566,986	\$ 32,680,500		\$ 7,886,486