



# Arkansas

## Scholarship Lottery

**Arkansas Legislative Council  
Arkansas Lottery Subcommittee Meeting  
January 14, 2016**

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

# Comparative Income Statements

## December 2015 vs. December 2014



GAAP Basis Income Statement	December 2015	December 2014	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Tickets	\$ 32,030,082	\$ 28,982,078	\$ 3,048,004	10.5%
Online Tickets	6,587,678	5,481,417	1,106,261	20.2%
Retailer App / Fidelity and Other	52,986	44,237	8,749	19.8%
<b>Total Revenues</b>	<b>38,670,746</b>	<b>34,507,732</b>	<b>4,163,014</b>	<b>12.1%</b>
<b>Operating Expense</b>				
Instant Game Prizes	23,354,022	20,501,988	(2,852,034)	-13.9%
On-Line Game Prizes	3,668,450	2,903,948	(764,502)	-26.3%
Retailer Commissions	2,192,495	1,944,675	(247,820)	-12.7%
Gaming Contract Costs	1,658,041	1,663,294	5,253	0.3%
Marketing and Advertising	326,756	533,191	206,435	38.7%
General and Administrative	493,827	587,346	93,519	15.9%
Other Agencies Services	58,000	74,000	16,000	21.6%
<b>Total Operating Expenses</b>	<b>31,751,591</b>	<b>28,208,442</b>	<b>(3,543,149)</b>	<b>-12.6%</b>
<b>Operating Income</b>	<b>6,919,155</b>	<b>6,299,290</b>	<b>619,865</b>	<b>9.8%</b>
Interest and Other Income	18,397	19,711	(1,314)	-6.7%
<b>Income Before Transfers</b>	<b>\$ 6,937,552</b>	<b>\$ 6,319,001</b>	<b>\$ 618,551</b>	<b>9.8%</b>
<b>Net Proceeds</b>	<b>\$ 6,725,755</b>	<b>\$ 5,474,319</b>	<b>\$ 1,251,436</b>	<b>22.9%</b>

Note – Net Proceeds does not include unclaimed prizes.

# Comparative Income Statements

## December 2015 Actual vs. Budget



GAAP Basis Income <u>Statement</u>	December 2015 <u>Actual</u>	December 2015 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
<b>Revenues</b>				
Instant Tickets	\$ 32,030,082	\$ 28,847,877	\$ 3,182,205	11.0%
Online Tickets	6,587,678	6,338,776	248,902	3.9%
Retailer App / Fidelity and Other	52,986	44,952	8,034	17.9%
<b>Total Revenues</b>	<b>38,670,746</b>	<b>35,231,605</b>	<b>3,439,141</b>	<b>9.8%</b>
<b>Operating Expense</b>				
Instant Game Prizes	23,354,022	20,408,272	(2,945,750)	-14.4%
On-Line Game Prizes	3,668,450	3,244,421	(424,029)	-13.1%
Retailer Commissions	2,192,495	2,001,745	(190,750)	-9.5%
Gaming Contract Costs	1,658,041	1,650,016	(8,025)	-0.5%
Marketing and Advertising	326,756	416,670	89,914	21.6%
General and Administrative	493,827	571,467	77,640	13.6%
Other Agencies Services	58,000	52,500	(5,500)	-10.5%
<b>Total Operating Expenses</b>	<b>31,751,591</b>	<b>28,345,091</b>	<b>(3,406,500)</b>	<b>-12.0%</b>
<b>Operating Income</b>	<b>6,919,155</b>	<b>6,886,514</b>	<b>32,641</b>	<b>0.5%</b>
Interest Income	18,397	12,288	6,109	49.7%
<b>Income Before Transfers</b>	<b>\$ 6,937,552</b>	<b>\$ 6,898,802</b>	<b>\$ 38,750</b>	<b>0.6%</b>
<b>Net Proceeds</b>	<b>\$ 6,725,755</b>	<b>\$ 6,474,964</b>	<b>\$ 250,791</b>	<b>3.9%</b>

Note – Net Proceeds does not include unclaimed prizes.

# Comparative Income Statements

## Year to Date December 31, 2015 vs. December 31, 2015



GAAP Basis Income Statement	Actual YTD 12/31/15	Actual YTD 12/31/14	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Tickets	\$ 169,779,674	\$ 157,245,165	\$ 12,534,509	8.0%
Online Tickets	35,043,078	33,749,149	1,293,929	3.8%
Retailer App / Fidelity and Other	401,345	297,408	103,937	34.9%
<b>Total Revenues</b>	<b>205,224,097</b>	<b>191,291,722</b>	<b>13,932,375</b>	<b>7.3%</b>
<b>Operating Expense</b>				
Instant Game Prizes	122,040,878	112,623,035	(9,417,843)	-8.4%
On-Line Game Prizes	18,516,402	17,335,960	(1,180,442)	-6.8%
Retailer Commissions	11,589,654	10,741,844	(847,810)	-7.9%
Gaming Contract Costs	9,244,865	9,692,045	447,180	4.6%
Marketing and Advertising	2,336,738	2,349,583	12,845	0.5%
General and Administrative	2,911,160	3,610,915	699,755	19.4%
Other Agencies Services	378,980	446,480	67,500	15.1%
<b>Total Operating Expenses</b>	<b>167,018,677</b>	<b>156,799,862</b>	<b>(10,218,815)</b>	<b>-6.5%</b>
<b>Operating Income</b>	<b>38,205,420</b>	<b>34,491,860</b>	<b>3,713,560</b>	<b>10.8%</b>
<b>Interest and Other Income</b>	<b>114,274</b>	<b>122,989</b>	<b>(8,715)</b>	<b>-7.1%</b>
<b>Income Before Transfers</b>	<b>\$ 38,319,694</b>	<b>\$ 34,614,849</b>	<b>\$ 3,704,845</b>	<b>10.7%</b>
<b>Net Proceeds</b>	<b>\$ 36,071,280</b>	<b>\$ 32,533,620</b>	<b>\$ 3,537,660</b>	<b>10.9%</b>

Note – Net Proceeds does not include unclaimed prizes.

# ADHE Transfer Analysis



Month	2016 Net Proceeds	2016 Unclaimed	Total Transfer	2016 Budget	Over/Under Budget	Cumulative Balance
July, 2015	\$ 5,784,683	\$ 121,937	\$ 5,906,620	\$ 6,321,857	(\$415,237)	(\$415,237)
August	5,490,094	694,112	6,184,206	6,447,435	(263,229)	(678,466)
September	6,624,967	740,302	7,365,269	6,239,499	1,125,770	447,304
October	6,020,643	75,504	6,096,147	6,176,121	(79,974)	367,330
November	5,725,139	776,716	6,501,855	6,387,488	114,367	481,697
December	6,425,755	87,708	6,513,463	6,898,804	(385,341)	96,356
January, 2016						
February						
March						
April						
May						
June						
Sub total	36,071,280	2,496,279	38,567,560	38,471,204		96,356
Reserve for GPW						
Total	\$36,071,280	\$2,496,279	\$38,567,560	\$38,471,204		\$ 96,356