



Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
February 18, 2016

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

Comparative Income Statements For January 2016 vs. January 2015

<u>Statement</u>	<u>January 2016</u>	<u>January 2015</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Tickets	\$ 31,289,831	\$ 27,977,486	\$ 3,312,345	11.8%
Online Tickets	27,400,255	7,413,589	19,986,666	269.6%
Retailer Fees and Other	56,163	42,545	13,618	32.0%
Total Revenues	58,746,249	35,433,620	23,312,629	65.8%
Operating Expense				
Instant Game Prizes	22,457,233	20,588,388	(1,868,845)	-9.1%
On-Line Game Prizes	14,110,588	4,073,090	(10,037,498)	-246.4%
Retailer Commissions	3,205,777	1,979,800	(1,225,977)	-61.9%
Gaming Contract Costs	2,038,830	1,882,894	(155,936)	-8.3%
Marketing and Advertising	630,946	481,014	(149,932)	-31.2%
General and Administrative	2,079,820	788,741	(1,291,079)	-163.7%
Total Operating Expenses	44,523,194	29,793,927	(14,729,267)	-49.4%
Operating Income	14,223,055	5,639,693	8,583,362	152.2%
Interest and Other Income	22,438	21,076	1,362	6.5%
Income Before Transfers	\$ 14,245,493	\$ 5,660,769	\$ 8,584,724	151.7%
Net Proceeds	\$ 13,831,360	\$ 7,287,773	\$ 6,543,587	89.8%

Comparative Income Statements

January 2016 Actual vs. Budget

GAAP Basis Income <u>Statement</u>	January 2016 <u>Actual</u>	January 2016 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Tickets	\$ 31,289,831	\$ 27,847,937	\$ 3,441,894	12.4%
Online Tickets	27,400,255	6,851,568	20,548,687	299.9%
Retailer Fees and Other	56,163	43,395	12,768	29.4%
Total Revenues	58,746,249	34,742,900	24,003,349	69.1%
Operating Expense				
Instant Game Prizes	22,457,233	19,688,325	(2,768,908)	-14.1%
On-Line Game Prizes	14,110,588	3,854,787	(10,255,801)	-266.1%
Retailer Commissions	3,205,777	1,974,032	(1,231,745)	-62.4%
Gaming Contract Costs	2,038,830	1,627,172	(411,658)	-25.3%
Marketing and Advertising	630,946	416,660	(214,286)	-51.4%
General and Administrative	2,079,820	945,561	(1,134,259)	-120.0%
Total Operating Expenses	44,523,194	28,506,537	(16,016,657)	-56.2%
Operating Income	14,223,055	6,236,363	7,986,692	128.1%
Interest Income	22,438	13,140	9,298	70.8%
Income Before Transfers	\$ 14,245,493	\$ 6,249,503	\$ 7,995,990	127.9%
Net Proceeds	\$ 13,831,360	\$ 5,825,675	\$ 8,005,685	137.4%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

Year to Date January 31, 2016 vs. January 31, 2015



GAAP Basis Income <u>Statement</u>	Actual <u>YTD 1/31/16</u>	Actual <u>YTD 1/31/15</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Tickets	\$ 201,069,505	\$ 185,222,651	\$ 15,846,854	8.6%
Online Tickets	62,443,333	41,162,738	21,280,595	51.7%
Retailer Fees and Other	457,508	339,953	117,555	34.6%
Total Revenues	263,970,346	226,725,342	37,245,004	16.4%
Operating Expense				
Instant Game Prizes	144,498,111	133,211,423	(11,286,688)	-8.5%
On-Line Game Prizes	32,626,989	21,409,050	(11,217,939)	-52.4%
Retailer Commissions	14,795,431	12,721,644	(2,073,787)	-16.3%
Gaming Contract Costs	11,283,695	11,574,938	291,243	2.5%
Marketing and Advertising	2,967,684	2,830,597	(137,087)	-4.8%
General and Administrative	5,369,961	4,846,137	(523,824)	-10.8%
Total Operating Expenses	211,541,871	186,593,789	(24,948,082)	-13.4%
Operating Income	52,428,475	40,131,553	12,296,922	30.6%
Interest and Other Income	136,712	144,065	(7,353)	-5.1%
Income Before Transfers	\$ 52,565,187	\$ 40,275,618	\$ 12,289,569	30.5%
Net Proceeds	\$ 49,902,640	\$ 39,821,394	\$ 10,081,246	25.3%

Note – Net Proceeds does not include unclaimed prizes.

ADHE Transfer Analysis



Month	Proceeds	Unclaimed	Total Transfer	2016 Budget	Budget	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	6,020,642	75,505	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	13,831,360	506,730	14,338,090	6,249,505	8,088,585	8,184,941
February						
March						
April						
May						
June						
Sub total	49,902,640	3,003,010	52,905,650	44,720,709		8,184,941
Reserve for GPW						
Total	\$49,902,640	\$3,003,010	\$52,905,650	\$44,720,709		\$ 8,184,941