



Arkansas

Scholarship Lottery

Lottery Oversight Subcommittee Meeting
August 18, 2016

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

Comparative Income Statements For July 2016 vs. July 2015

<u>Statement</u>	<u>July 2016</u>	<u>July 2015</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Games	\$ 27,852,893	\$ 25,802,808	\$ 2,050,085	7.9%
Draw Games	10,326,218	5,820,477	4,505,741	77.4%
Retailer Fees and Other	58,183	42,366	15,817	37.3%
Total Revenues	38,237,294	31,665,651	6,571,643	20.8%
Operating Expense				
Instant Game Prizes	19,527,542	18,842,430	(685,112)	-3.6%
Draw Game Prizes	4,758,375	3,055,199	(1,703,176)	-55.7%
Retailer Commissions	2,103,751	1,812,793	(290,958)	-16.1%
Gaming Contract Costs	1,502,634	1,419,943	(82,691)	-5.8%
Marketing and Advertising	431,232	221,681	(209,551)	-94.5%
General and Administrative	998,820	539,299	(459,521)	-85.2%
Total Operating Expenses	29,322,354	25,891,345	(3,431,009)	-13.3%
Operating Income	8,914,940	5,774,306	3,140,634	54.4%
Interest and Other Income	26,973	22,819	4,154	18.2%
Income Before Transfers	\$ 8,941,913	\$ 5,797,125	\$ 3,144,788	54.2%
Net Proceeds	\$ 8,714,386	\$ 5,784,683	\$ 2,929,703	50.6%

Note-Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

July 2016 Actual vs. Budget

GAAP Basis Income Statement	July 2016 Actual	July 2016 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 27,852,893	\$ 27,480,000	\$ 372,893	1.4%
Draw Games	10,326,218	6,353,000	3,973,218	62.5%
Retailer Fees and Other	58,183	59,000	(817)	-1.4%
Total Revenues	38,237,294	33,892,000	4,345,294	12.8%
Operating Expense				
Instant Game Prizes	19,527,542	19,673,370	145,828	0.7%
Draw Game Prizes	4,758,375	3,398,630	(1,359,745)	-40.0%
Retailer Commissions	2,103,751	1,930,900	(172,851)	-9.0%
Gaming Contract Costs	1,502,634	1,576,900	74,266	4.7%
Marketing and Advertising	431,232	274,000	(157,232)	-57.4%
General and Administrative	998,820	831,300	(167,520)	-20.2%
Total Operating Expenses	29,322,354	27,685,100	(1,637,254)	-5.9%
Operating Income	8,914,940	6,206,900	2,708,040	43.6%
Interest Income	26,973	11,800	15,173	128.6%
Income Before Transfers	\$ 8,941,913	\$ 6,218,700	\$ 2,723,213	43.8%
Net Proceeds	\$ 8,714,386	\$ 5,766,100	\$ 2,948,286	51.1%

Note – Net Proceeds does not include unclaimed prizes.

ADHE Transfer Analysis

Month	2017 Net Proceeds	Unclaimed Prizes	Total Transfer	2017 Budget	Over/Under Budget	Cumulative Balance
July, 2016	\$ 8,714,386	\$ 1,505,931	\$ 10,220,317	\$ 6,218,700	\$4,001,617	\$4,001,617
August						
September						
October						
November						
December						
January, 2017						
February						
March						
April						
May						
June						
Sub total	8,714,386	1,505,931	10,220,317	6,218,700		4,001,617
Reserve for GPW						
Total	\$ 8,714,386	\$ 1,505,931	\$ 10,220,317	\$ 6,218,700		\$ 4,001,617

Comparative Income Statements

Year to Date June 30, 2016 vs. June 30, 2015



GAAP Basis Income Statement	Actual YTD 6/30/16	Actual YTD 6/30/15	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Games	\$ 360,007,743	\$ 335,000,613	\$ 25,007,130	7.5%
Draw Games	95,591,659	73,662,767	21,928,892	29.8%
Retailer Fees and Other	726,409	571,298	155,111	27.2%
Total Revenues	456,325,811	409,234,678	47,091,133	11.5%
Operating Expense				
Instant Game Prizes	258,461,952	241,758,220	(16,703,732)	-6.9%
Draw Game Prizes	50,485,363	38,708,574	(11,776,789)	-30.4%
Retailer Commissions	25,654,177	23,253,196	(2,400,981)	-10.3%
Gaming Contract Costs	19,384,575	20,622,707	1,238,132	6.0%
Marketing and Advertising	4,853,401	5,032,317	178,916	3.6%
General and Administrative	8,848,691	7,495,885	(1,352,806)	-18.0%
Total Operating Expenses	367,688,159	336,870,899	(30,817,260)	-9.1%
Operating Income	88,637,652	72,363,779	16,273,873	22.5%
Interest and Other Income	234,150	224,546	9,604	4.3%
Income Before Transfers	\$ 88,871,802	\$ 72,588,325	\$ 16,283,477	22.4%
Net Proceeds	\$ 85,384,111	\$ 72,619,369	\$ 12,764,742	17.6%

Note – Net Proceeds does include unclaimed prizes.

SALES ANALYSIS

YTD June 2016 versus YTD June 2015

Total Sales

Product	YTD June 2016	YTD June 2015	Increase / (Decrease)	Percentage Variance
Instant	360,007,743	335,000,612	25,007,131	7%
Draw/Terminal	95,591,659	73,662,768	21,928,892	30%
Total	455,599,402	408,663,380	46,936,023	11%

Instant Sales

Price	YTD June 2016	YTD June 2015	Increase / (Decrease)	Percentage Variance
\$1	24,376,361	22,807,803	1,568,558	7%
\$2	34,720,162	38,920,734	(4,200,572)	-11%
\$3	26,514,750	28,941,405	(2,426,655)	-8%
\$5	99,144,340	90,863,770	8,280,570	9%
\$10	95,510,230	83,285,260	12,224,970	15%
\$20	79,741,900	70,181,640	9,560,260	14%
Total	360,007,743	335,000,612	25,007,131	7%

Draw\Terminal Sales

Game	YTD June 2016	YTD June 2015	Increase / (Decrease)	Percentage Variance
Powerball	48,073,339	27,099,705	20,973,634	77%
Mega Millions	14,632,244	15,158,385	(526,141)	-3%
Cash 3	7,184,616	6,712,770	471,847	7%
Cash 4	3,823,987	3,832,385	(8,398)	0%
Fast Play	10,993,360	10,770,484	222,876	2%
Natural State Jackpot	7,567,005	7,035,843	531,162	8%
Lucky for Life	3,317,108	2,013,064	1,304,044	65%
50/50 Raffle	-	38,210	(38,210)	-100%
Monopoly	-	388,990	(388,990)	-100%
Decades for Dollars	-	612,932	(612,932)	-100%
Total	95,591,659	73,662,768	21,928,892	30%

YTD June 2016 versus YTD June 2014

Total Sales

Product	YTD June 2016	YTD June 2014	Increase / (Decrease)	Percentage Variance
Instant	360,007,743	322,415,276	37,592,467	12%
Draw/Terminal	95,591,659	87,657,851	7,933,808	9%
Total	455,599,402	410,073,127	45,526,275	11%

Instant Sales

Price	YTD June 2016	YTD June 2014	Increase / (Decrease)	Percentage Variance
\$1	24,376,361	23,193,768	1,182,593	5%
\$2	34,720,162	41,917,110	(7,196,948)	-17%
\$3	26,514,750	28,109,013	(1,594,263)	-6%
\$5	99,144,340	86,950,305	12,194,035	14%
\$10	95,510,230	64,958,760	30,551,470	47%
\$20	79,741,900	77,286,320	2,455,580	3%
Total	360,007,743	322,415,276	37,592,467	12%

Draw\Terminal Sales

Game	YTD June 2016	YTD June 2014	Increase / (Decrease)	Percentage Variance
Powerball	48,073,339	35,042,460	13,030,879	37%
Mega Millions	14,632,244	19,847,674	(5,215,430)	-26%
Cash 3	7,184,616	6,255,741	928,875	15%
Cash 4	3,823,987	3,606,991	216,996	6%
Fast Play	10,993,360	10,126,554	866,806	9%
Natural State Jackpot	7,567,005	8,863,034	(1,296,029)	-15%
Lucky for Life	3,317,108	-	3,317,108	100%
50/50 Raffle	-	1,569,865	(1,569,865)	-100%
Decades for Dollars	-	2,345,532	(2,345,532)	-100%
Total	95,591,659	87,657,851	7,933,808	9%