



Arkansas

Scholarship Lottery

Arkansas Legislative Council
Arkansas Legislative Council
Lottery Oversight Subcommittee Meeting
September 22, 2016

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

Comparative Income Statements For August 2016 vs. August 2015

<u>Statement</u>	<u>August 2016</u>	<u>August 2015</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Games	\$ 29,041,535	\$ 26,042,938	\$ 2,998,597	11.5%
Draw Games	5,989,557	5,165,079	824,478	16.0%
Retailer Fees and Other	59,930	57,160	2,770	4.8%
Total Revenues	35,091,022	31,265,177	3,825,845	12.2%
Operating Expense				
Instant Game Prizes	20,879,332	18,295,708	(2,583,624)	-14.1%
Draw Game Prizes	3,491,981	2,626,859	(865,122)	-32.9%
Retailer Commissions	1,973,019	1,764,192	(208,827)	-11.8%
Gaming Contract Costs	1,820,757	1,417,258	(403,499)	-28.5%
Marketing and Advertising	508,178	383,853	(124,325)	-32.4%
General and Administrative	577,395	634,753	57,358	9.0%
Total Operating Expenses	29,250,662	25,122,623	(4,128,039)	-16.4%
Operating Income	5,840,360	6,142,554	(302,194)	-4.9%
Interest and Other Income	34,225	27,711	6,514	23.5%
Income Before Transfers	\$ 5,874,585	\$ 6,170,265	\$ (295,680)	-4.8%
Net Proceeds	\$ 5,498,715	\$ 5,490,094	\$ 8,621	0.2%

Note-Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

August 2016 Actual vs. Budget



GAAP Basis Income <u>Statement</u>	August 2016 <u>Actual</u>	August 2016 <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 29,041,535	\$ 27,730,000	\$ 1,311,535	4.7%
Draw Games	5,989,557	6,322,000	(332,443)	-5.3%
Retailer Fees and Other	59,930	59,000	930	1.6%
Total Revenues	35,091,022	34,111,000	980,022	2.9%
Operating Expense				
Instant Game Prizes	20,879,332	19,854,997	(1,024,335)	-5.2%
Draw Game Prizes	3,491,981	3,377,403	(114,578)	-3.4%
Retailer Commissions	1,973,019	1,943,400	(29,619)	-1.5%
Gaming Contract Costs	1,820,757	1,591,300	(229,457)	-14.4%
Marketing and Advertising	508,178	474,500	(33,678)	-7.1%
General and Administrative	577,395	872,800	295,405	33.8%
Total Operating Expenses	29,250,662	28,114,400	(1,136,262)	-4.0%
Operating Income	5,840,360	5,996,600	(156,240)	-2.6%
Interest Income	34,225	13,300	20,925	157.3%
Income Before Transfers	\$ 5,874,585	\$ 6,009,900	\$ (135,315)	-2.3%
Net Proceeds	\$ 5,498,715	\$ 5,557,300	\$ (58,585)	-1.1%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

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



GAAP Basis Income <u>Statement</u>	Actual <u>YTD 8/31/16</u>	Actual <u>YTD 8/31/15</u>	Favorable/ <u>(Unfavorable)</u>	Percentage <u>Variance</u>
Revenues				
Instant Games	\$ 56,894,428	\$ 51,845,746	\$ 5,048,682	9.7%
Draw Games	16,315,776	10,985,556	5,330,220	48.5%
Retailer Fees and Other	118,112	99,527	18,585	18.7%
Total Revenues	73,328,316	62,930,829	10,397,487	16.5%
Operating Expense				
Instant Game Prizes	40,406,873	37,138,138	(3,268,735)	-8.8%
Draw Game Prizes	8,250,356	5,682,058	(2,568,298)	-45.2%
Retailer Commissions	4,076,770	3,576,985	(499,785)	-14.0%
Gaming Contract Costs	3,323,391	2,837,201	(486,190)	-17.1%
Marketing and Advertising	939,410	605,534	(333,876)	-55.1%
General and Administrative	1,576,216	1,174,053	(402,163)	-34.3%
Total Operating Expenses	58,573,016	51,013,969	(7,559,047)	-14.8%
Operating Income	14,755,300	11,916,860	2,838,440	23.8%
Interest and Other Income	61,198	50,530	10,668	21.1%
Income Before Transfers	\$ 14,816,498	\$ 11,967,390	\$ 2,849,108	23.8%
Net Proceeds	\$ 14,213,101	\$ 11,274,777	\$ 2,938,324	26.1%

Note – Net Proceeds does 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	5,498,715	109,870	5,608,585	6,009,900	(401,315)	3,600,302
September						
October						
November						
December						
January, 2017						
February						
March						
April						
May						
June						
Sub total	14,213,101	1,615,801	15,828,902	12,228,600		3,600,302
Reserve for GPW						
Total	\$ 14,213,101	\$ 1,615,801	\$ 15,828,902	\$ 12,228,600		\$ 3,600,302