



**Arkansas**  
Scholarship Lottery

**Lottery Oversight Subcommittee Meeting  
October 19, 2017**

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

# Comparative Income Statements

## September 2017 vs. September 2016

GAAP Basis Income Statement	<u>September 2017</u>	<u>September 2016</u>	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 30,305,676	\$ 27,163,757	\$ 3,141,919	11.6%
Draw Games	5,997,674	5,839,551	158,123	2.7%
Retailer Fees and Other	102,381	110,084	(7,703)	-7.0%
<b>Total Revenues</b>	<b>36,405,731</b>	<b>33,113,392</b>	<b>3,292,339</b>	<b>9.9%</b>
<b>Operating Expense</b>				
Instant Game Prizes	22,146,090	19,092,487	(3,053,603)	-16.0%
Draw Game Prizes	3,276,675	3,116,445	(160,230)	-5.1%
Retailer Commissions	2,054,886	1,863,247	(191,639)	-10.3%
Gaming Contract Costs	1,552,549	1,399,492	(153,057)	-10.9%
Marketing and Advertising	494,349	504,136	9,787	1.9%
General and Administrative	656,168	731,964	75,796	10.4%
<b>Total Operating Expenses</b>	<b>30,180,717</b>	<b>26,707,771</b>	<b>(3,472,946)</b>	<b>-13.0%</b>
<b>Operating Income</b>	<b>6,225,014</b>	<b>6,405,621</b>	<b>(180,607)</b>	<b>-2.8%</b>
Interest Income and Other Income	106,061	22,163	83,898	378.5%
<b>Income Before Transfers</b>	<b>\$ 6,331,075</b>	<b>\$ 6,427,784</b>	<b>\$ (96,709)</b>	<b>-1.5%</b>
<b>Net Proceeds</b>	<b>\$ 6,755,334</b>	<b>\$ 5,773,076</b>	<b>\$ 982,258</b>	<b>17.0%</b>

Note – Net Proceeds does not include unclaimed prize amounts.

# Comparative Income Statements

## September 2017 Actual vs. Budget

GAAP Basis Income Statement	September 2017 Actual	September 2017 Budget	Favorable/ (Unfavorable)	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 30,305,676	\$ 28,911,000	\$ 1,394,676	4.8%
Draw Games	5,997,674	6,731,000	(733,326)	-10.9%
Retailer Fees and Other	102,381	99,000	3,381	3.4%
<b>Total Revenues</b>	<b>36,405,731</b>	<b>35,741,000</b>	<b>664,731</b>	<b>1.9%</b>
<b>Operating Expense</b>				
Instant Game Prizes	22,146,090	20,978,000	(1,168,090)	-5.6%
Draw Game Prizes	3,276,675	3,336,000	59,325	1.8%
Retailer Commissions	2,054,886	2,013,000	(41,886)	-2.1%
Gaming Contract Costs	1,552,549	1,560,000	7,451	0.5%
Marketing and Advertising	494,349	574,000	79,651	13.9%
General and Administrative	656,168	877,500	221,332	25.2%
<b>Total Operating Expenses</b>	<b>30,180,717</b>	<b>29,338,500</b>	<b>(842,217)</b>	<b>-2.9%</b>
<b>Operating Income</b>	<b>6,225,014</b>	<b>6,402,500</b>	<b>(177,486)</b>	<b>-2.8%</b>
Interest Income and Other Income	106,061	34,000	72,061	211.9%
<b>Income Before Transfers</b>	<b>\$ 6,331,075</b>	<b>\$ 6,436,500</b>	<b>\$ (105,425)</b>	<b>-1.6%</b>
<b>Net Proceeds</b>	<b>\$ 6,755,334</b>	<b>\$ 6,436,500</b>	<b>\$ 318,834</b>	<b>5.0%</b>

Note – Net Proceeds does not include unclaimed prize amounts.

# Comparative Income Statements

## Year to Date September 30, 2017 vs. September 30, 2016



GAAP Basis Income <u>Statement</u>	Actual <u>YTD 09/30/17</u>	Actual <u>YTD 09/30/16</u>	Favorable/ <u>Unfavorable</u>	Percentage <u>Variance</u>
<b>Revenues</b>				
Instant Games	\$ 95,483,021	\$ 84,058,185	\$ 11,424,836	13.6%
Draw Games	26,906,593	22,155,327	4,751,266	21.4%
Retailer Fees and Other	221,973	228,196	(6,223)	-2.7%
<b>Total Revenues</b>	<b>122,611,587</b>	<b>106,441,708</b>	<b>16,169,879</b>	<b>15.2%</b>
<b>Operating Expense</b>				
Instant Game Prizes	68,174,716	59,499,360	(8,675,356)	-14.6%
Draw Game Prizes	14,385,447	11,366,801	(3,018,646)	-26.6%
Retailer Commissions	6,884,932	5,940,016	(944,916)	-15.9%
Gaming Contract Costs	5,940,236	4,722,883	(1,217,353)	-25.8%
Marketing and Advertising	1,612,789	1,443,546	(169,243)	-11.7%
General and Administrative	2,648,563	2,308,181	(340,382)	-14.7%
<b>Total Operating Expenses</b>	<b>99,646,683</b>	<b>85,280,787</b>	<b>(14,365,896)</b>	<b>-16.8%</b>
<b>Operating Income</b>	<b>22,964,904</b>	<b>21,160,921</b>	<b>1,803,983</b>	<b>8.5%</b>
Interest Income and Other Income	300,729	83,361	217,368	260.8%
<b>Income Before Transfers</b>	<b>\$ 23,265,633</b>	<b>\$ 21,244,282</b>	<b>\$ 2,021,351</b>	<b>9.5%</b>
<b>Net Proceeds</b>	<b>\$ 22,329,838</b>	<b>\$ 19,986,178</b>	<b>\$ 2,343,660</b>	<b>11.7%</b>

Note – Net Proceeds does not includes unclaimed prize amounts.

# Comparative Income Statements

## Year to Date September 30, 2017 Actual vs. Budget

GAAP Basis Income Statement	Actual YTD 09/30/17	Budget YTD 09/30/17	Favorable/ Unfavorable	Percentage Variance
<b>Revenues</b>				
Instant Games	\$ 95,483,021	\$ 86,142,000	\$ 9,341,021	10.8%
Draw Games	26,906,593	19,987,000	6,919,593	34.6%
Retailer Fees and Other	221,973	303,000	(81,027)	-26.7%
<b>Total Revenues</b>	<b>122,611,587</b>	<b>106,432,000</b>	<b>16,179,587</b>	<b>15.2%</b>
<b>Operating Expense</b>				
Instant Game Prizes	68,174,716	62,455,421	(5,719,295)	-9.2%
Draw Game Prizes	14,385,447	9,930,219	(4,455,228)	-44.9%
Retailer Commissions	6,884,932	5,995,000	(889,932)	-14.8%
Gaming Contract Costs	5,940,236	5,143,100	(797,136)	-15.5%
Marketing and Advertising	1,612,789	1,658,000	45,211	2.7%
General and Administrative	2,648,563	2,558,500	(90,063)	-3.5%
<b>Total Operating Expenses</b>	<b>99,646,683</b>	<b>87,740,240</b>	<b>(11,906,443)</b>	<b>-13.6%</b>
<b>Operating Income</b>	<b>22,964,904</b>	<b>18,691,760</b>	<b>4,273,144</b>	<b>22.9%</b>
<b>Interest Income and Other Income</b>	<b>300,729</b>	<b>125,000</b>	<b>175,729</b>	<b>140.6%</b>
<b>Income Before Transfers</b>	<b>\$ 23,265,633</b>	<b>\$ 18,816,760</b>	<b>\$ 4,448,873</b>	<b>23.6%</b>
<b>Net Proceeds</b>	<b>\$ 22,329,838</b>	<b>\$ 18,816,760</b>	<b>\$ 3,513,078</b>	<b>18.7%</b>

Note – Net Proceeds does not includes unclaimed prize amounts

## ADHE Transfer Analysis

Month	2018 Net Proceeds	2018 Unclaimed Prizes	Total Transfer	2018 Budget	Over/Under Budget	Cumulative Balance
July,2017	\$ 6,661,763	\$ 882,319	\$ 7,544,082	\$ 6,405,860	\$ 1,138,222	\$ 1,138,222
August	8,912,742	738,411	\$ 9,651,153	5,974,400	\$ 3,676,753	\$ 4,814,975
September	6,755,334	91,577	\$ 6,846,911	6,436,500	\$ 410,411	\$ 5,225,385
October						
November						
December						
January, 2018						
February						
March						
April						
May						
June						
Sub total	22,329,838	1,712,307	24,042,145	18,816,760		5,225,385
Reserve for GPW						
Total	\$ 22,329,838	\$ 1,712,307	\$ 24,042,145	\$ 18,816,760		\$ 5,225,385