

# Arkansas



## Scholarship Lottery

**Arkansas Lottery Commission**  
**Legislative Oversight Committee Meeting**  
**June 5, 2012**

# Comparative Income Statements

## Actual Versus Budget April 2013

GAAP Basis Income <u>Statement</u>	April 2013 <u>Actual</u>	April 2013 <u>Budget</u>	<u>Favorable/</u> <u>(Unfavorable)</u>	<u>Percentage</u> <u>Variance</u>
<b>Revenues</b>				
Instant tickets	\$ 32,334,854	\$ 31,732,200	\$ 602,654	1.9%
Online Tickets	5,806,093	7,196,600	(1,390,507)	-19.3%
Retailer App/Fidelity	<u>41,440</u>	<u>41,000</u>	<u>440</u>	<u>1.1%</u>
<b>TOTAL Revenues</b>	<b><u>38,182,387</u></b>	<b><u>38,969,800</u></b>	<b><u>(787,413)</u></b>	<b><u>-2.0%</u></b>
<b>Operating Expense</b>				
Instant Game Prizes	22,948,331	21,978,770	(969,561)	-4.4%
Online Game Prizes	3,059,022	3,630,530	571,508	15.7%
Retailer Commissions	2,136,230	2,202,300	66,070	3.0%
Gaming Contract Cost	1,927,473	2,045,600	118,127	5.8%
Advertising	534,462	399,418	(135,044)	-33.8%
General and Admin.	604,046	623,921	19,875	3.2%
Other Agency Service	<u>110,000</u>	<u>129,200</u>	<u>19,200</u>	<u>14.9%</u>
<b>TOTAL Operating Expenses</b>	<b><u>31,319,564</u></b>	<b><u>31,009,739</u></b>	<b><u>(309,825)</u></b>	<b><u>-1.0%</u></b>
<b>Operating Income</b>	<b>6,862,823</b>	<b>7,960,061</b>	<b>(1,097,238)</b>	<b>-13.8%</b>
Interest Income	<u>19,772</u>	<u>26,600</u>	<u>(6,828)</u>	<u>-25.7%</u>
<b>Income before transfers</b>	<b>\$ <u>6,882,595</u></b>	<b>\$ <u>7,986,661</u></b>	<b>\$ <u>(1,104,066)</u></b>	<b><u>-13.8%</u></b>
<b>Net Proceeds</b>	<b>\$ <u>8,143,467</u></b>	<b>\$ <u>7,986,661</u></b>	<b>\$ <u>156,806</u></b>	<b><u>2.0%</u></b>

Note A – 2013 Net Proceeds excludes unclaimed prize expense of \$383,745 that will be recognized at year end June 30, 2013 and 2013 Budget includes unclaimed prize expense.

# Comparative Income Statements

## YTD April 31, 2013 Compared to April 31, 2012

<u>Statement</u>	<u>Actual YTD 4/30/13</u>	<u>Actual YTD 4/30/12</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
<b>Revenues</b>				
Instant tickets	\$ 299,298,014	\$ 331,704,411	\$ (32,406,397)	-9.8%
Online Tickets	66,056,982	70,025,212	(3,968,230)	-5.7%
Retailer app. fidelity	<u>468,774</u>	<u>514,897</u>	<u>(46,123)</u>	<u>-9.0%</u>
<b>TOTAL Revenues</b>	<b><u>365,823,770</u></b>	<b><u>402,244,520</u></b>	<b><u>(36,420,750)</u></b>	<b><u>-9.1%</u></b>
<b>Operating Expense</b>				
Instant Prizes Net	210,465,240	232,040,242	21,575,002	9.3%
Online Prizes Net	32,406,871	34,717,017	2,310,146	6.7%
Retailer Commissions	20,458,513	22,551,831	2,093,318	9.3%
Gaming Contract Costs	18,320,260	20,661,927	2,341,667	11.3%
Advertising	3,293,524	3,375,044	81,520	2.4%
General and Admin.	5,805,066	5,886,981	81,915	1.4%
Other Agency Services	<u>1,238,880</u>	<u>1,253,840</u>	<u>14,960</u>	<u>1.2%</u>
<b>TOTAL Operating Expenses</b>	<b><u>291,988,354</u></b>	<b><u>320,486,882</u></b>	<b><u>28,498,528</u></b>	<b><u>8.9%</u></b>
<b>Operating Income</b>	<b>73,835,416</b>	<b>81,757,638</b>	<b>(7,922,222)</b>	<b>-9.7%</b>
Interest Income	<u>269,276</u>	<u>286,188</u>	<u>(16,912)</u>	<u>-5.9%</u>
<b>Income before transfers</b>	<b>\$ <u>74,104,692</u></b>	<b>\$ <u>82,043,826</u></b>	<b>\$ <u>(7,939,134)</u></b>	<b><u>-9.7%</u></b>
<b>Net Proceeds</b>	<b>\$ <u>71,426,619</u></b>	<b>\$ <u>80,831,649</u></b>	<b>\$ <u>(9,435,030)</u></b>	<b><u>-11.7%</u></b>

Note A – 2013 Net Proceeds excludes unclaimed prize expense of \$4,172,763 that will be recognized at year end June 30, 2013 and 2012 includes unclaimed prize expense.

# May Sales Comparison

- May 2013: \$42,313,617
- May 2012: \$36,845,740

# ADHE Transfer Analysis

<u>Month</u>	<u>2013 Transfers</u>	<u>2013 Unclaimed Prizes</u>	<u>2013 Budget</u>	<u>Over/Under Budget</u>	<u>Cumulative Balance</u>
July, 2012	\$4,752,502	475,984	\$ 7,522,865	-\$2,294,379	-\$2,294,379
August	7,193,286	339,013	7,451,392	80,907	-2,213,472
September	6,584,957	736,068	7,058,362	262,663	-1,950,809
October	6,632,866	445,361	7,756,011	-677,784	-2,628,593
November	8,443,936	80,425	7,473,772	1,050,589	-1,578,005
December	6,914,261	445,555	8,809,750	-1,449,934	-3,027,939
January, 2013	6,538,953	997,935	8,675,137	-1,138,249	-4,166,188
February	6,447,119	130,658	8,911,452	-2,333,675	-6,499,863
March	9,775,273	138,019	9,887,846	25,446	-6,474,417
April	8,143,467	383,745	7,986,661	540,551	-5,933,866
May			9,158,268		
June			<u>7,808,484</u>		
Totals	<u>\$71,426,619</u>	<u>\$4,172,763</u>	<u>\$98,500,000</u>		

# Comparative Annual Budget FY2014 to FY2013

	2014 Budget	2013 Budget
Projected Online Sales	\$ 84,500,000	\$ 83,760,000
Projected Online Prizes	\$ 42,461,250	\$ 42,150,000
Projected Instant Sales	\$ 375,000,000	\$ 397,065,000
Projected Instant Prizes	\$ 264,200,000	\$ 274,787,000
Projected Vendor Costs	\$ 23,664,250	\$ 24,990,000
Projected Retailer Commissions	\$ 25,982,000	\$ 27,152,000
Staff Compensation	\$ 6,350,000	\$ 5,800,000
Marketing and Advertising	\$ 4,500,000	\$ 4,500,000
Services Provided by Other Agencies	*\$ 1,550,000	*\$ 1,550,000
Projected Net Proceeds	\$ 89,500,000	\$ 98,000,000

**\*ADHE: \$1,300,000/Legislative Audit: \$250,000**