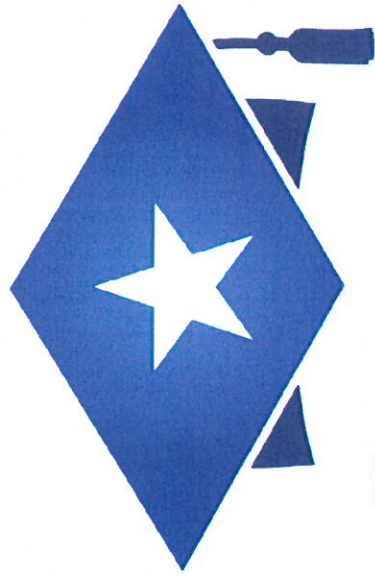




Arkansas

Scholarship Lottery

Report from the Director

October 15, 2015

Comparative Income Statements For September 2015 vs. September 2014

GAAP Basis Income Statement	September 2015	September 2014	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 29,252,125	\$ 24,766,827	\$ 4,485,298	18.1%
Online Tickets	6,796,270	5,896,543	899,727	15.3%
Retailer App / Fidelity and Other	85,995	47,123	38,872	82.5%
Total Revenues	36,134,390	30,710,493	5,423,897	17.7%
Operating Expense				
Instant Game Prizes	20,989,841	18,110,763	(2,879,078)	-15.9%
On-Line Game Prizes	3,499,880	3,133,069	(366,811)	-11.7%
Retailer Commissions	2,025,587	1,734,484	(291,103)	-16.8%
Gaming Contract Costs	1,671,283	1,569,872	(101,411)	-6.5%
Marketing and Advertising	419,700	568,709	149,009	26.2%
General and Administrative	485,067	621,281	136,214	21.9%
Other Agencies Services	68,000	76,480	8,480	11.1%
Total Operating Expenses	29,159,358	25,814,658	(3,344,700)	-13.0%
Operating Income	6,975,032	4,895,835	2,079,197	42.5%
Interest Income	17,825	20,827	(3,002)	-14.4%
Other Non Operating Income	-	-	-	-
Income Before Transfers	\$ 6,992,857	\$ 4,916,662	\$2,076,195	42.2%
Net Proceeds	\$ 6,624,967	\$ 4,317,227	\$ 2,307,740	53.5%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements September 2015 Actual vs. Budget

GAAP Basis Income Statement	September 2015 Actual	September 2015 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 29,252,125	\$ 24,652,145	4,599,980	18.7%
Online Tickets	6,796,270	6,436,779	359,491	5.6%
Retailer App / Fidelity and Other	85,995	48,615	37,380	76.9%
Total Revenues	36,134,390	31,137,539	4,996,851	16.0%
Operating Expense				
Instant Game Prizes	20,989,841	17,387,344	(3,602,497)	-20.7%
On-Line Game Prizes	3,499,880	3,254,798	(245,082)	-7.5%
Retailer Commissions	2,025,587	1,768,628	(256,959)	-14.5%
Gaming Contract Costs	1,671,283	1,457,860	(213,423)	-14.6%
Marketing and Advertising	419,700	416,670	(3,030)	-0.7%
General and Administrative	485,067	573,224	88,157	15.4%
Other Agencies Services	68,000	52,500	(15,500)	-29.5%
Total Operating Expenses	29,159,358	24,911,024	(4,248,334)	-17.1%
Operating Income	6,975,032	6,226,515	748,517	12.0%
Interest Income	17,825	12,984	4,841	37.3%
Other Non Operating Income	-	-	-	-
Income Before Transfers	\$ 6,992,857	\$ 6,239,499	\$ 753,358	12.1%
Net Proceeds	\$ 6,624,967	\$ 5,815,659	\$ 809,308	13.9%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

Year to Date September 30, 2015 vs. September 30, 2014

GAAP Basis Income Statement	Actual YTD 9/30/15	Actual YTD 9/30/14	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 81,097,871	\$ 76,596,087	\$ 4,501,784	5.9%
Online Tickets	17,781,826	16,453,639	1,328,187	8.1%
Retailer App / Fidelity and Other	185,521	157,247	28,274	18.0%
Total Revenues	99,065,218	93,206,973	5,858,245	6.3%
Operating Expense				
Instant Game Prizes	58,127,979	54,787,315	(3,340,664)	-6.1%
On-Line Game Prizes	9,181,938	8,661,824	(520,114)	-6.0%
Retailer Commissions	5,602,572	5,241,771	(360,801)	-6.9%
Gaming Contract Costs	4,508,484	4,787,295	278,811	5.8%
Marketing and Advertising	1,025,234	790,638	(234,596)	-29.7%
General and Administrative	1,532,139	1,810,545	278,406	15.4%
Other Agencies Services	194,980	224,480	29,500	13.1%
Total Operating Expenses	80,173,326	76,303,868	(3,869,458)	-5.1%
Operating Income	18,891,892	16,903,105	1,988,787	11.8%
Interest Income	66,480	74,853	(8,373)	-11.2%
Other Non Operating Income	1,876		1,876	-100.0
Income Before Transfers	\$ 18,960,248	\$ 16,977,958	\$ 1,982,290	11.7%
Net Proceeds	\$ 17,899,744	\$ 15,542,641	\$ 2,357,103	15.2%

ADHE Transfer Analysis

Month	2016 Net		2016		Over/Under		Cumulative
	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							
November							
December							
January, 2016							
February							
March							
April							
May							
June							
Sub total	\$17,899,744	\$1,556,351	\$19,456,095	\$19,008,791		\$447,304	
Reserve for GPW							
Total	\$17,899,744	\$1,556,351	\$19,456,095	\$19,008,791		\$447,304	