



Arkansas
Scholarship Lottery

**Arkansas Legislative Council
Arkansas Lottery Subcommittee Meeting
December 17, 2015**

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

Comparative Income Statements

November 2015 vs. November 2014



GAAP Basis Income Statement	November 2015	November 2014	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 26,895,067	\$ 25,087,118	\$ 1,807,949	7.2%
Online Tickets	5,270,598	5,478,090	(207,492)	-3.8%
Retailer App / Fidelity and Other	60,934	52,070	8,864	17.0%
Total Revenues	32,226,599	30,617,278	1,609,321	5.3%
Operating Expense				
Instant Game Prizes	18,834,833	18,326,667	-508,166	-2.8%
On-Line Game Prizes	2,807,857	3,135,619	327,762	10.5%
Retailer Commissions	1,812,095	1,709,794	(102,301)	-6.0%
Gaming Contract Costs	1,351,403	1,549,039	197,636	12.8%
Marketing and Advertising	369,672	597,934	228,262	38.2%
General and Administrative	443,782	553,634	109,852	19.8%
Other Agencies Services	58,000	74,000	16,000	21.6%
Total Operating Expenses	25,677,642	25,946,687	269,045	1.0%
Operating Income	6,548,957	4,670,591	1,878,366	40.2%
Interest Income	15,491	14,266	1,225	8.6%
Other Non Operating Income	-	-	-	-
Income Before Transfers	\$ 6,564,448	\$ 4,684,857	\$ 1,879,591	40.1%
Net Proceeds	\$ 5,725,139	\$ 5,577,035	\$ 148,104	2.7%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

November 2015 Actual vs. Budget



GAAP Basis Income Statement	November 2015 Actual	November 2015 Budget	Favorable/ (Unfavorable)	Percentage Variance
Revenues				
Instant Tickets	\$ 26,895,067	\$ 24,970,953	1,924,114	7.7%
Online Tickets	5,270,598	6,361,747	(1,091,149)	-17.2%
Retailer App / Fidelity and Other	60,934	52,794	8,140	15.4%
Total Revenues	32,226,599	31,385,494	841,105	2.7%
Operating Expense				
Instant Game Prizes	18,834,833	17,616,896	(1,217,937)	-6.9%
On-Line Game Prizes	2,807,857	3,146,834	338,977	10.8%
Retailer Commissions	1,812,095	1,782,496	(25,599)	-1.7%
Gaming Contract Costs	1,351,403	1,469,291	117,888	8.0%
Marketing and Advertising	369,672	416,670	46,998	11.3%
General and Administrative	443,782	522,211	78,429	15.0%
Other Agencies Services	58,000	52,500	(5,500)	-10.5%
Total Operating Expenses	25,677,642	25,006,898	(670,744)	-2.7%
Operating Income	6,548,957	6,378,596	170,361	2.7%
Interest Income	15,491	8,895	6,596	74.2%
Other Non Operating Income	-	-	-	-
Income Before Transfers	\$ 6,564,448	\$ 6,387,491	\$ 176,957	2.8%
Net Proceeds	\$ 5,725,139	\$ 5,963,658	(\$ 238,519)	-4.0%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

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



<u>GAAP Basis Income Statement</u>	<u>Actual YTD 11/30/15</u>	<u>Actual YTD 11/30/14</u>	<u>Favorable/ (Unfavorable)</u>	<u>Percentage Variance</u>
Revenues				
Instant Tickets	\$ 137,749,592	\$ 128,263,086	\$ 9,486,506	7.4%
Online Tickets	28,455,400	28,267,732	187,668	0.7%
Retailer App / Fidelity and Other	348,359	253,172	95,187	37.6%
Total Revenues	166,553,351	156,783,990	9,769,361	6.2%
Operating Expense				
Instant Game Prizes	98,686,856	92,121,047	(6,565,809)	-7.1%
On-Line Game Prizes	14,847,952	14,432,012	(415,940)	-2.9%
Retailer Commissions	9,397,159	8,797,169	(599,990)	-6.8%
Gaming Contract Costs	7,586,824	8,028,751	441,927	5.5%
Marketing and Advertising	2,009,983	1,816,392	(193,591)	-10.7%
General and Administrative	2,417,332	3,023,569	606,237	20.1%
Other Agencies Services	320,980	372,480	51,500	13.8%
Total Operating Expenses	135,267,086	128,591,420	(6,675,666)	-5.2%
Operating Income	31,286,265	28,192,570	3,093,695	11.0%
Interest Income	94,001	103,277	(9,276)	-9.0%
Other Non Operating Income	1,876		1,876	100.0%
Income Before Transfers	\$ 31,382,142	\$ 28,295,847	\$ 3,086,295	10.9%
Net Proceeds	\$ 29,645,526	\$ 27,059,302	\$ 2,586,224	9.6%

Note – Net Proceeds does not include unclaimed prizes.

Comparative Income Statements

November 2015 Actual vs. Budget



Month	2016 Net Proceeds	2016 Unclaimed	Total Transfer	2016 Budget	Over/Under Budget	Cumulative 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	6,020,643	75,504	6,096,147	6,176,121	(79,974)	367,330
November	5,725,139	776,716	6,501,855	6,387,488	114,367	481,697
December						
January, 2016						
February						
March						
April						
May						
June						
Sub total	29,645,526	2,408,571	32,054,097	31,572,400		481,697
Reserve for GPW						
Total	\$29,645,526	\$2,408,571	\$32,054,097	\$31,572,400		\$ 481,697



Arkansas
Scholarship Lottery

- **Camelot contract executed on November 30**
- **Business Plan due March 8 (14 weeks from contract execution)**

Week 1:

- Review of requested data from Arkansas to Camelot
- All data is being reviewed to provide key hypotheses
- Internal workshops have been set up for week two (week commencing December 7, 2015), utilizing the knowledge and expertise of the members of the Camelot Global Network
- Weekly stakeholder meetings via conference calls have commenced, to allow Camelot's team of Subject Matter Experts (SMEs) to align themselves with their counterparts working in Arkansas

Camelot Weeks 2 and 3



Week 2

- Conduct Camelot Global Network workshops
- Continue to analyze existing and new data
- Extrapolate and review hypotheses
- Review data and information gaps

Week 3

- Steve Davidson in Little Rock for stakeholder meetings
- Create a first draft Situation Analysis for discussion with the project group

Week 4 and Beyond

- Key stakeholder meetings both in state and via conference call(s) to be finalized for week ending December 14, 2015, through to end – January 2016