

WyoLotto FY2021 Q2 Board Report



Financial Update

Financial Update

Balance Sheet

As of December 31, 2020

ASSETS	Dec 31, 20	Dec 31, 19	\$ Change
Current Assets			
Checking/Savings			
Checking Accounts	3,942,090.64	3,013,032.82	929,057.82
Prize Account Petty Cash (Till)	708.74	1,080.98	(372.24)
Restricted Cash			
Unclaimed Prizes	810,476.42	1,053,683.50	(243,207.08)
Responsible Gambling Funds	62,840.78	65,028.78	(2,188.00)
Fidelity Fund	60,111.80	58,982.39	1,129.41
Total Checking/Savings	4,876,228.38	4,191,808.47	684,419.91
Other Current Assets			
Prepaid Expenses	14,520.23	14,545.67	(25.44)
Retail Accounts Receivable	402,547.28	532,163.62	(129,616.34)
Other Receivables	388,724.03	0.00	388,724.03
Total Other Current Assets	805,791.54	546,709.29	259,082.25
Total Current Assets	5,682,019.92	4,738,517.76	943,502.16
Noncurrent Assets			
Capital Assets, Net	261,975.10	239,557.51	22,417.59
Capital Assets, Trademarks	34,700.00	34,700.00	0.00
Work In Progress	0.00	25,600.00	(25,600.00)
Deposits - Building	7,500.00	7,500.00	0.00
Total Noncurrent Assets	304,175.10	307,357.51	(3,182.41)
Deferred Outflows of Resources			
Pension Related Outflows	137,225.72	354,913.30	(217,687.58)
TOTAL ASSETS	6,123,420.74	5,400,788.57	722,632.17
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	356,969.21	396,779.48	(39,810.27)
Jonah Bank Credit Card	9,887.70	9,182.13	705.57
State of Wyoming Transfer Payable	730,000.00	801,156.00	(71,156.00)
Unearned Revenue (net)	475,182.00	399,688.00	75,494.00
Prizes Payable	1,595,629.54	1,332,442.54	263,187.00
Payroll Liabilities	46,873.88	41,429.74	5,444.14
Total Current Liabilities	3,214,542.33	2,980,677.89	233,864.44
Noncurrent Liabilities			
Xerox-Capital Lease	53,428.63	69,709.80	(16,281.17)
Net Pension Liability	986,060.09	1,245,323.46	(259,263.37)
Total Noncurrent Liabilities	1,039,488.72	1,315,033.26	(275,544.54)
Deferred Inflows of Resources			
Pension Related Inflows	168,192.59	38,459.39	129,733.20
Total Liabilities	4,422,223.64	4,334,170.54	88,053.10
Equity			
Retained Earnings	1,294,684.62	990,940.49	303,744.13
Net Income	406,512.48	75,677.54	330,834.94
TOTAL LIABILITIES & EQUITY	6,123,420.74	5,400,788.57	722,632.17

Financial Update

Profit & Loss

October 2020 through December 2020

Operating Income/Expense	Oct - Dec 20	Oct - Dec 19	\$ Change
Income			
Income / Revenues			
Mega Millions Sales (net)	1,256,077.99	1,269,229.20	-11,151.21
Power Ball Sales (net)	1,843,672.59	1,602,177.40	241,495.19
Cowboy Draw Sales (net)	3,045,240.56	2,571,662.80	473,577.76
Lucky For Life (net)	662,822.00	573,032.00	89,790.00
Raffle Sales	0.00	0.00	0.00
Total Income / Revenues	6,809,813.14	6,016,101.40	793,711.74
Other Revenues			
Application Fees (Fidelity-Res)	300.00	700.00	-400.00
Other Revenues	200.00	19,029.00	-18,829.00
Total - Other Revenues	500.00	19,729.00	-19,229.00
Total Income	6,810,313.14	6,035,830.40	774,482.74
Cost of Goods Sold			
Direct Gaming Costs			
Prize Expense - Low Tier/ Hi			
Megamillions Low Tier	125,692.00	113,677.50	12,014.50
Powerball Low Tier	125,367.67	242,533.25	-117,165.58
Cowboy Draw Low Tier	773,755.00	764,783.34	8,971.66
Lucky For Life L-T	225,728.33	193,320.67	32,407.66
Total Prize Expense - Low Tier/ Hi	1,250,543.00	1,314,314.76	-63,771.76
Prize Expense - MUSL	1,541,897.11	1,046,270.12	495,626.99
Prize Expense CD Jackpot	1,267,367.00	1,023,325.00	244,042.00
Prize Expense - Raffle		0.00	
Total Direct Gaming Costs	4,059,807.11	3,383,909.88	675,897.23
Gaming Expenses			
Gaming Retail Commissions	416,850.48	385,005.18	31,845.30
Gaming Retail Validation Bonus	11,100.85	10,716.81	384.04
Vendor Expense - (Intralot)	792,900.55	700,243.83	92,656.72
Total Gaming Expenses	1,220,851.88	1,095,965.82	124,886.06
Total COGS	5,280,658.99	4,479,875.70	800,783.29
Gross Profit	1,529,654.15	1,555,954.70	-26,300.55
Expense			
Operating Expenses			
Bank Fees	0.00	0.00	0.00
Board Expenses	2,671.95	1,800.00	871.95
Employee Recruitment & Relocation	0.00	3,136.60	
Insurance	4,434.00	4,570.47	-136.47
Membership Dues	22,100.00	22,200.00	-100.00
Accounting / Audit Fees	0.00	45,650.00	-45,650.00
Legal Fees	16,077.50	13,403.00	2,674.50
Marketing	137,033.48	236,382.87	-99,349.39

Financial Update

Profit & Loss, Continued

October 2020 through December 2020

Operating Income/Expense	Oct - Dec 20	Oct - Dec 19	\$ Change
New Game Development	75,500.00	0.00	75,500.00
Outside Contract Services (IT)	30,176.55	21,335.52	8,841.03
Vendor Background Services	0.00	0.00	0.00
Payroll Services	1,349.75	2,097.50	-747.75
Retail Investigation	1,726.00	1,733.00	-7.00
Facilities & Equipment	30,391.92	26,800.15	3,591.77
Communications	3,817.08	3,925.07	-107.99
Office Costs	8,681.91	7,107.94	1,573.97
Outside Services	18,000.00	7,300.00	10,700.00
Petty Cash Over/Short	0.00	3.00	-3.00
Other Types of Expenses	0.00	26.00	-26.00
Retailer Special Incentive	3,000.00	2,000.00	1,000.00
Rent & Janitorial	27,180.42	26,929.50	250.92
Salaries, Wages & Benefits	309,887.08	291,808.14	18,078.94
Travel	6,235.35	9,289.42	-3,054.07
EE Uniforms	0.00	0.00	0.00
Pension Expense	0.00	0.00	0.00
Total Operating Expenses	698,262.99	727,498.18	-29,235.19
Net Operating Income	831,391.16	828,456.52	2,934.64
Other Income			
Interest Income	1,946.39	4,359.14	-2,412.75
Other Expenses			
Gain/Loss on Sale of Assets	0.00	0.00	0.00
Interest Expense	510.55	997.98	-487.43
Total Other Expense	510.55	997.98	-487.43
Net Income before Transfer	832,827.00	831,817.68	1,009.32
State of Wyoming Transfers	730,000.00	801,156.00	-71,156.00
Net Income	102,827.00	30,661.68	72,165.32
Net Income	102,827.00	30,661.68	
Retained Net Proceeds	102,827.00		
State Transfer % of Net Income	87.65%	96.31%	-8.66%
Remaining % of Net Income Allocated to Reserves	12.35%	3.69%	8.66%

Financial Update

Profit & Loss

July 2020 through December 2020

Operating Income/Expense	July - Dec 20	July - Dec 19	\$ Change
Income			
Income / Revenues			
Mega Millions Sales (net)	2,515,914.99	2,527,966.20	-12,051.21
Power Ball Sales (net)	4,056,489.19	3,439,615.44	616,873.75
Cowboy Draw Sales (net)	7,547,287.06	4,972,637.80	2,574,649.26
Lucky For Life (net)	1,335,212.00	1,202,842.24	132,369.76
Raffle Sales	0.00	992,060.00	-992,060.00
Total Income / Revenues	15,454,903.24	13,135,121.68	2,319,781.56
Other Revenues			
Application Fees (Fidelity-Res)	500.00	1,200.00	-700.00
Other Revenues	200.00	22,529.00	-22,329.00
Total - Other Revenues	700.00	23,729.00	-23,029.00
Total Income	15,455,603.24	13,158,850.68	2,296,752.56
Cost of Goods Sold			
Direct Gaming Costs			
Prize Expense - Low Tier/ HI			
MegaMillions Low Tier	272,363.33	231,050.00	41,313.33
Powerball Low Tier	526,518.42	420,022.25	106,496.17
Cowboy Draw Low Tier	2,086,378.33	1,442,314.59	644,063.74
Lucky For Life L-T	464,049.33	405,074.92	58,974.41
Total Prize Expense - Low Tier/ HI	3,349,309.41	2,498,461.76	850,847.65
Prize Expense - MUSL	2,916,492.93	2,342,087.09	574,405.84
Prize Expense CD Jackpot	2,557,367.00	1,946,470.00	610,897.00
Prize Expense - Raffle		905,000.00	
Total Direct Gaming Costs	8,823,169.34	7,692,018.85	1,131,150.49
Gaming Expenses			
Gaming Retail Commissions	947,718.84	827,443.86	120,274.98
Gaming Retail Validation Bonus	25,551.04	20,164.79	5,386.25
Vendor Expense - (Intralot)	1,798,866.34	1,539,933.95	258,932.39
Total Gaming Expenses	2,772,136.22	2,387,542.60	384,593.62
Total COGS	11,595,305.56	10,079,561.45	1,515,744.11
Gross Profit	3,860,297.68	3,079,289.23	781,008.45
Expense			
Operating Expenses			
Bank Fees	-24.16	0.00	-24.16
Board Expenses	5,270.55	12,573.97	-7,303.42
Employee Recruitment & Relocation	0.00	3,136.60	-3,136.60
Insurance	8,837.17	8,572.57	264.60
Membership Dues	23,830.75	23,537.00	293.75
Accounting / Audit Fees	29,500.00	45,650.00	-16,150.00
Legal Fees	35,486.90	29,764.52	5,722.38
Marketing	260,896.89	418,720.23	-157,823.34

Financial Update

Profit & Loss, Continued

July 2020 through December 2020

Operating Income/Expense	July - Dec 20	July - Dec 19	\$ Change
New Game Development	75,500.00	0.00	75,500.00
Outside Contract Services (IT)	61,497.78	51,959.27	9,538.51
Vendor Background Services	0.00	672.00	-672.00
Payroll Services	2,756.00	3,723.75	-967.75
Retail Investigation	1,726.00	3,083.00	-1,357.00
Facilities & Equipment	59,825.05	60,194.18	-369.13
Communications	6,196.97	5,924.41	272.56
Office Costs	13,197.42	12,213.88	983.54
Outside Services	18,000.00	7,300.00	10,700.00
Petty Cash Over/Short	1.00	137.00	-136.00
Other Types of Expenses	5.00	41.00	-36.00
Retailer Special Incentive	5,500.00	5,000.00	500.00
Rent & Janitorial	54,360.84	53,859.00	501.84
Salaries, Wages & Benefits	608,731.69	582,834.44	25,897.25
Travel	9,904.76	29,524.02	-19,619.26
Total Operating Expenses	1,281,000.61	1,358,420.84	-77,420.23
Net Operating Income	2,579,297.07	1,720,868.39	858,428.68
Other Income			
Interest Income	4,443.29	12,051.70	-7,608.41
Other Expenses			
Interest Expense	1,327.88	2,054.55	-726.67
Total Other Expense	1,327.88	2,054.55	-726.67
Net Income before Transfer	2,582,412.48	1,730,865.54	851,546.94
State of Wyoming Transfers	2,175,900.00	1,655,188.00	520,712.00
Net Income	406,512.48	75,677.54	330,834.94
Net Income	406,512.48	75,677.54	
Retained Net Proceeds	406,512.48		
State Transfer % of Net Income	84.26%	95.63%	-11.37%
Remaining % of Net Income Allocated to Reserves	15.74%	4.37%	11.37%

Financial Update

Profit & Loss Budget vs Actual

October 2020 through December 2020

FY 21 QTR 2				
TOTAL				
	Oct - Dec 20	Budget	- Favorable	% of Budget
Ordinary Income/Expense				
Total 40000 - Income / Revenues	6,809,813.14	5,811,000.00	998,813.14	117.19%
Total 48000 - Other Revenues	500.00	0.00	500.00	100.0%
Total Income	6,810,313.14	5,811,000.00	999,313.14	117.2%
Cost of Goods Sold				
Total 50000 - A Direct Gaming Costs	4,059,807.11	3,336,449.00	723,358.11	121.68%
Total 51000 - B Gaming Expenses	1,220,851.88	1,034,358.00	186,493.88	118.03%
Total COGS	5,280,658.99	4,370,807.00	909,851.99	120.82%
Gross Profit	1,529,654.15	1,440,193.00	89,461.15	106.21%
	Oct - Dec 20	Budget	+ Favorable	% of Budget
Expense				
Total 60000 - Business Expenses	29,205.95	44,645.00	-15,439.05	65.42% *
Total 61000 - Contract Services	261,863.28	295,170.03	-33,306.75	88.72% **
Total 62000 - Facilities and Equipment	30,391.92	40,250.00	-9,858.08	75.51% ***
Total 63000 - Operations	60,679.41	58,027.50	2,651.91	104.57% ****
Total 64000 - Personnel Salaries, Benefits & Travel	316,122.43	323,189.22	-7,066.79	97.81% *****
Total Expense	698,262.99	761,281.75	-63,018.76	91.72%
Net Ordinary Income	831,391.16	678,911.25	152,479.91	122.46%
Other Income/Expense				
70000 - Interest Income	1,946.39	3,000.00	-1,053.61	64.88%
81000 - Interest Expense	510.55	778.00	-267.45	65.62%
82000 - Gain/Loss on Discarded Assets	0.00			
Total Other Expense	510.55	778.00	-267.45	65.62%
Net Other Income	1,435.84	2,222.00	-786.16	64.62%
	Oct - Dec 20	Budget	- Favorable	% of Budget
Net Income before Transfer to State of Wyoming	832,827.00	681,133.25	151,693.75	122.27%
Transfer to State of Wyoming	730,000.00			
Net Income	102,827.00			

* Under \$9,700 Board Expenses; Under \$5,500 Dues

** Under \$12,000 Marketing; Under \$18,000 Accounting

*** Under \$9,000 Equipment

**** Over \$2,600 Office Costs (Quarter Only)

***** Over \$7,000 Benefits; Under \$14,000 Travel

Net Income Allocation:

Retained Net Proceeds Allocation (12.35%)

102,827.00

Net Income:

102,827.00

Financial Update

Profit & Loss Budget vs. Actual

July 2020 through December 2020

	FY 21 QTR 2			
	TOTAL			
	Jul - Dec 20	Budget	- Favorable	% of Budget
Ordinary Income/Expense				
Total 40000 - Income / Revenues	15,454,903.24	11,622,000.00	3,832,903.24	132.98%
Total 48000 - Other Revenues	700.00	0.00	700.00	100.0%
Total Income	15,455,603.24	11,622,000.00	3,833,603.24	132.99%
Cost of Goods Sold				
Total 50000 - A Direct Gaming Costs	8,823,169.34	6,672,896.00	2,150,273.34	132.22%
Total 51000 - B Gaming Expenses	2,772,136.22	2,068,716.00	703,420.22	134.0%
Total COGS	11,595,305.56	8,741,612.00	2,853,693.56	132.65%
Gross Profit	3,860,297.68	2,880,388.00	979,909.68	134.02%
	Jul - Dec 20	Budget	+ Favorable	% of Budget
Expense				
Total 60000 - Business Expenses	37,914.31	55,415.00	-17,500.69	68.42% *
Total 61000 - Contract Services	467,363.57	508,589.98	-41,226.41	91.89% **
Total 62000 - Facilities and Equipment	59,825.05	71,250.00	-11,424.95	83.97% ***
Total 63000 - Operations	97,261.23	97,930.00	-668.77	99.32%
Total 64000 - Personnel Salaries, Benefits & Travel	618,636.45	642,172.44	-23,535.99	96.34% ****
Total Expense	1,281,000.61	1,375,357.42	-94,356.81	93.14%
Net Ordinary Income	2,579,297.07	1,505,030.58	1,074,266.49	171.38%
Other Income/Expense				
70000 - Interest Income	4,443.29	7,500.00	-3,056.71	59.24%
81000 - Interest Expense	1,327.88	1,623.00	-295.12	81.82%
82000 - Gain/Loss on Discarded Assets	0.00			
Total Other Expense	1,327.88	1,623.00	-295.12	81.82%
Net Other Income	3,115.41	5,877.00	-2,761.59	53.01%
	Jul - Dec 20	Budget	- Favorable	% of Budget
Net Income before Transfer to State of Wyoming	2,582,412.48	1,510,907.58	1,071,504.90	170.92%
Transfer to State of Wyoming	2,175,900.00			
Net Income	406,512.48			

* Under \$11,000 Board Expenses; Under \$5,900 Dues

** Under \$19,400 Marketing; Under \$18,000 Accounting; Under \$3,500 Legal

*** Under \$11,400 Equipment

**** Under \$4,500 Wages & Benefits; Under \$18,900 Travel

Net Income Allocation:

Retained Net Proceeds Allocation (15.74%)

406,512.48

Net Income:

406,512.48

Financial Update

Profit & Loss Responsible Gambling Budget vs. Actual

July 2020 through December 2020

	FY 21 QTR 2 YTD		
	TOTAL		
	July 20 - Dec 20	FY21 Budget	- Favorable
Responsible Gambling Expenses			
Tracker Study Follow Up Research	0.00	15,000.00	-15,000.00
Certifications - University of Minnesota	0.00	12,410.00	-12,410.00
Strategic Plan 2019	0.00	10,000.00	-10,000.00
Brochure Reprints	0.00	7,000.00	-7,000.00
Media Planning & Buying	0.00	612.35	-612.35
Responsible Gambling Travel/Conferences as Needed	0.00	12,006.43	-12,006.43
Fremont County Service Research	0.00	3,000.00	-3,000.00
Dues & Sponsorships	0.00	2,812.00	-2,812.00
Total Responsible Gambling Expenses	0.00	62,840.78	-62,840.78

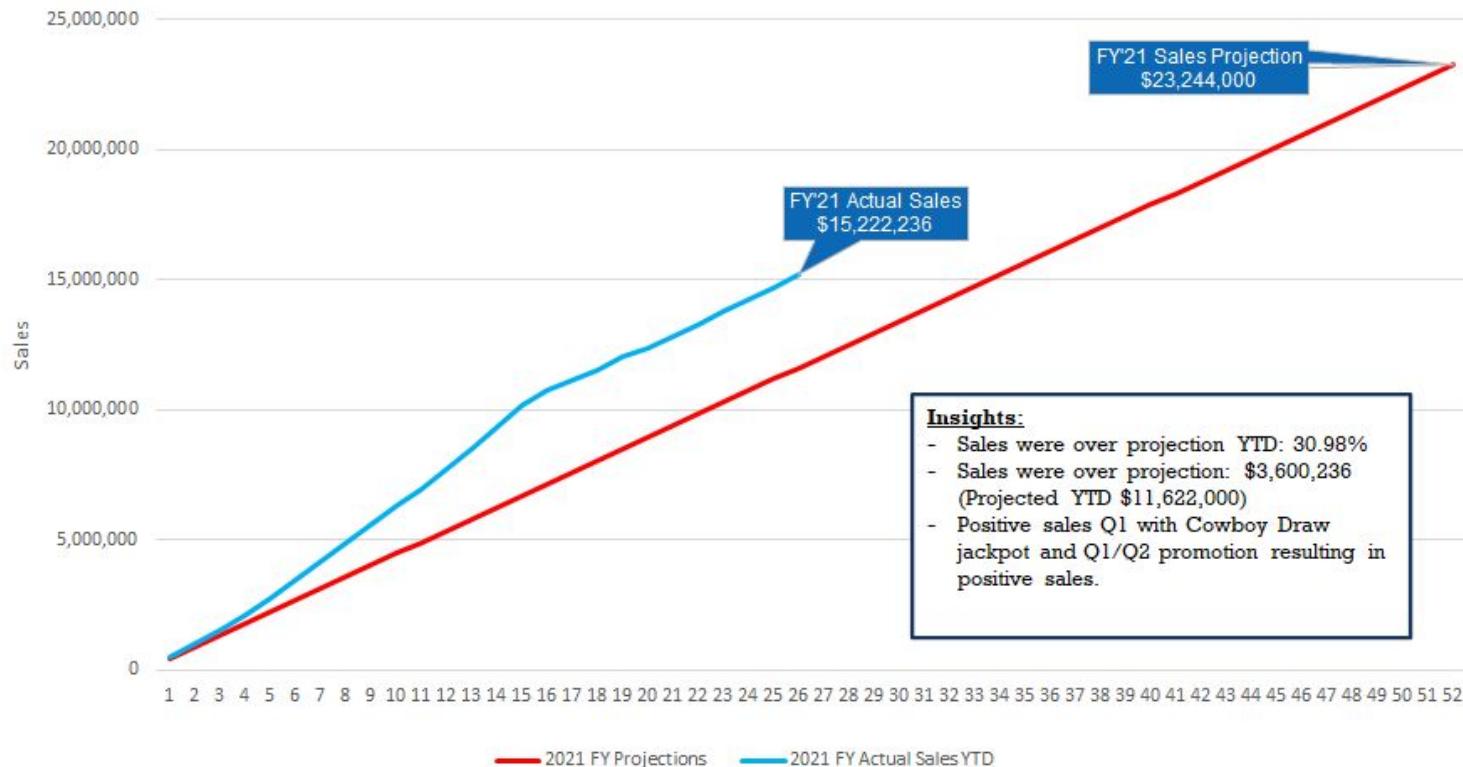
Responsible Gambling Balance

4/30/18 Responsible Gambling Balance	64.06
5/1/18 Unclaimed Prize Funding	200,000.00
FY18 Expenses	-25,869.63
FY 19 Expenses	-109,165.65
FY 20 Expenses	-2,188.00
FY 21 Expenses	0.00
12/31/20 Responsible Gambling Balance	62,840.78

Sales Update

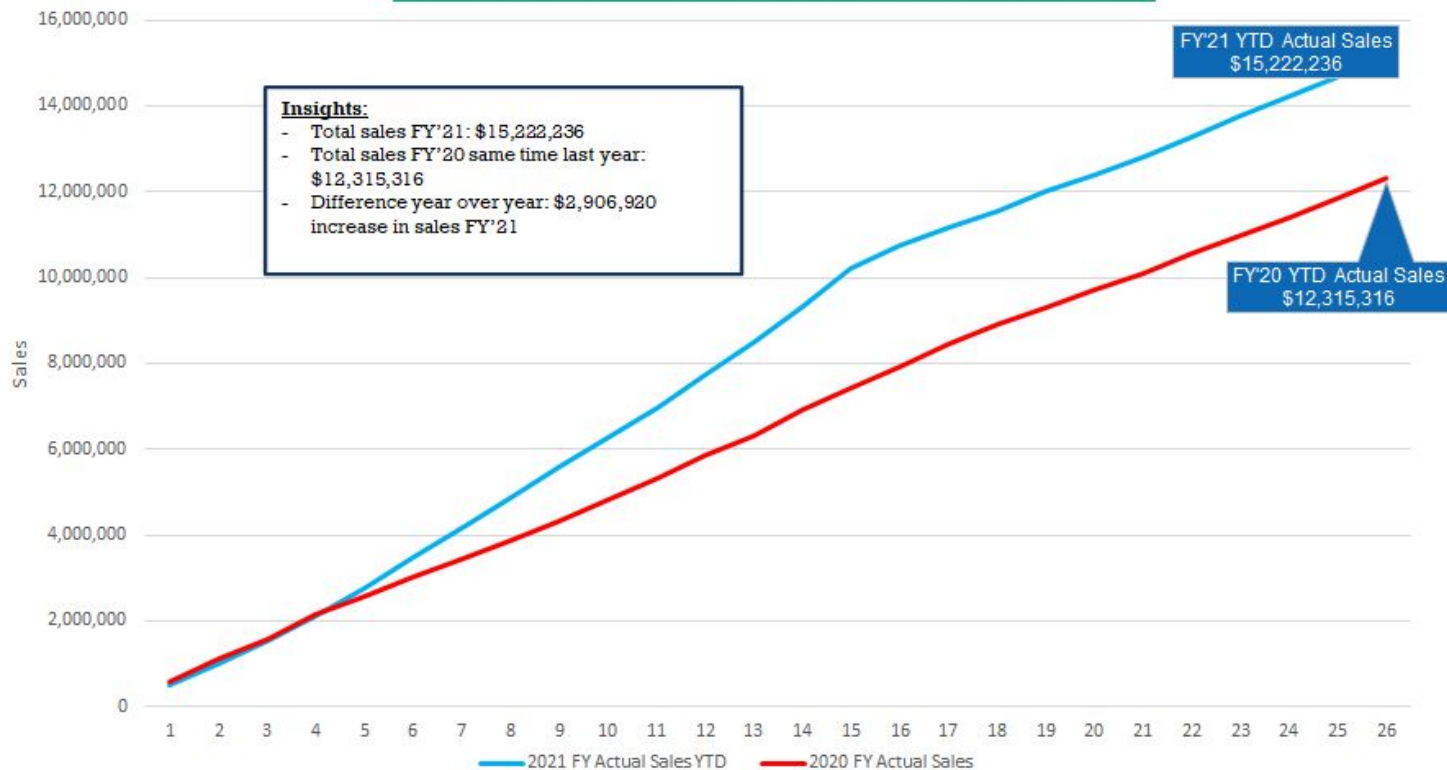
Sales Update

Total Sales FY'21 Actual vs. Projection | Week ending 12.26.20



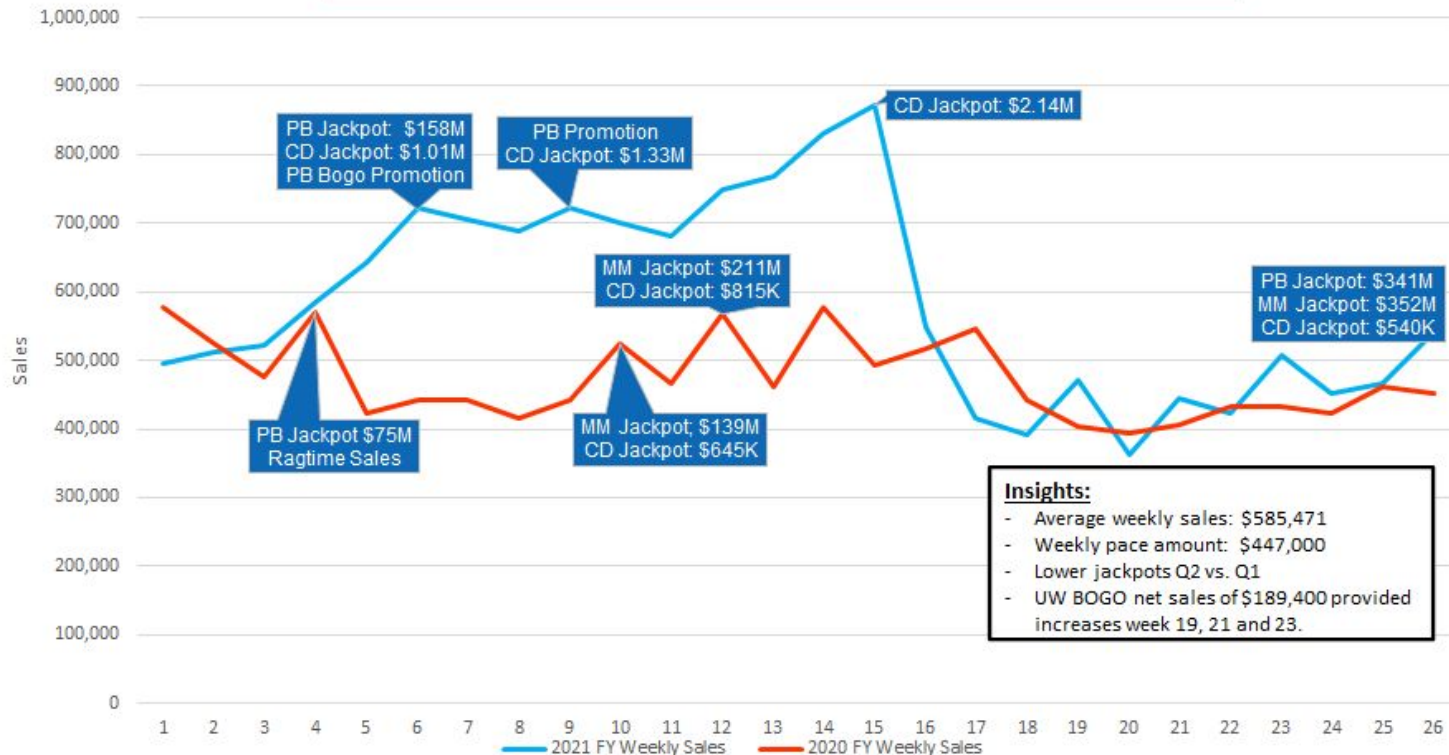
Sales Update

Total Sales FY'21 vs. FY'20 | Week ending 12.26.20



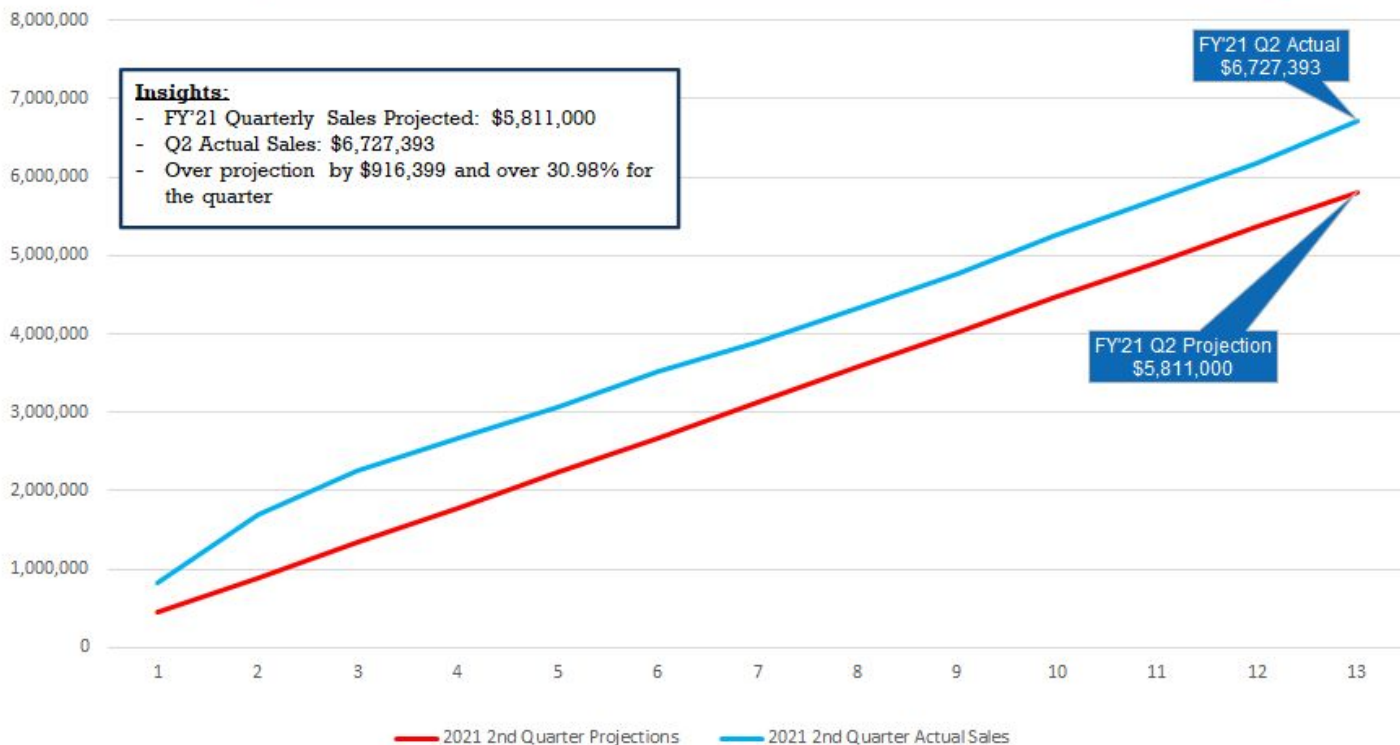
Sales Update

Actual weekly sales FY'21 vs. FY'20 | Week ending 12.26.20



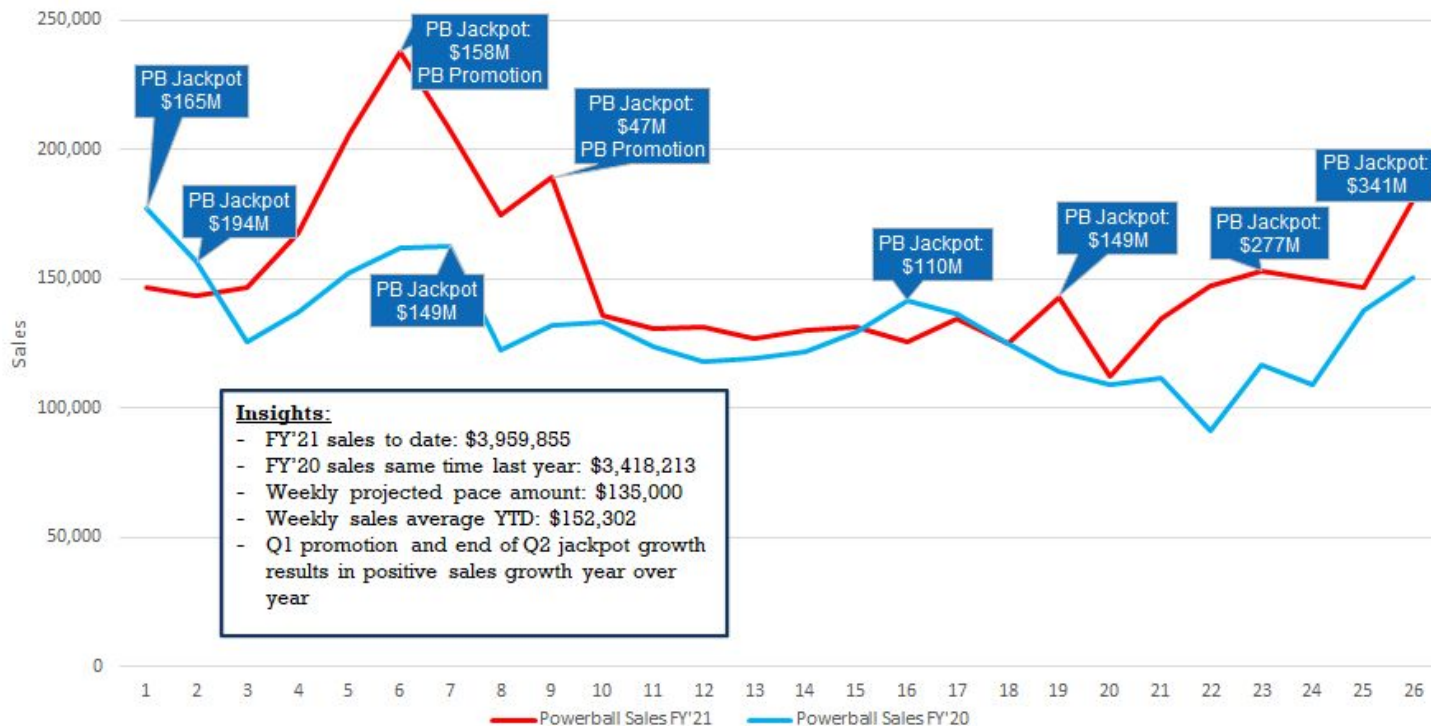
Sales Update

FY'21 Second Quarter Actual vs. Projections | Week Ending 12.26.20



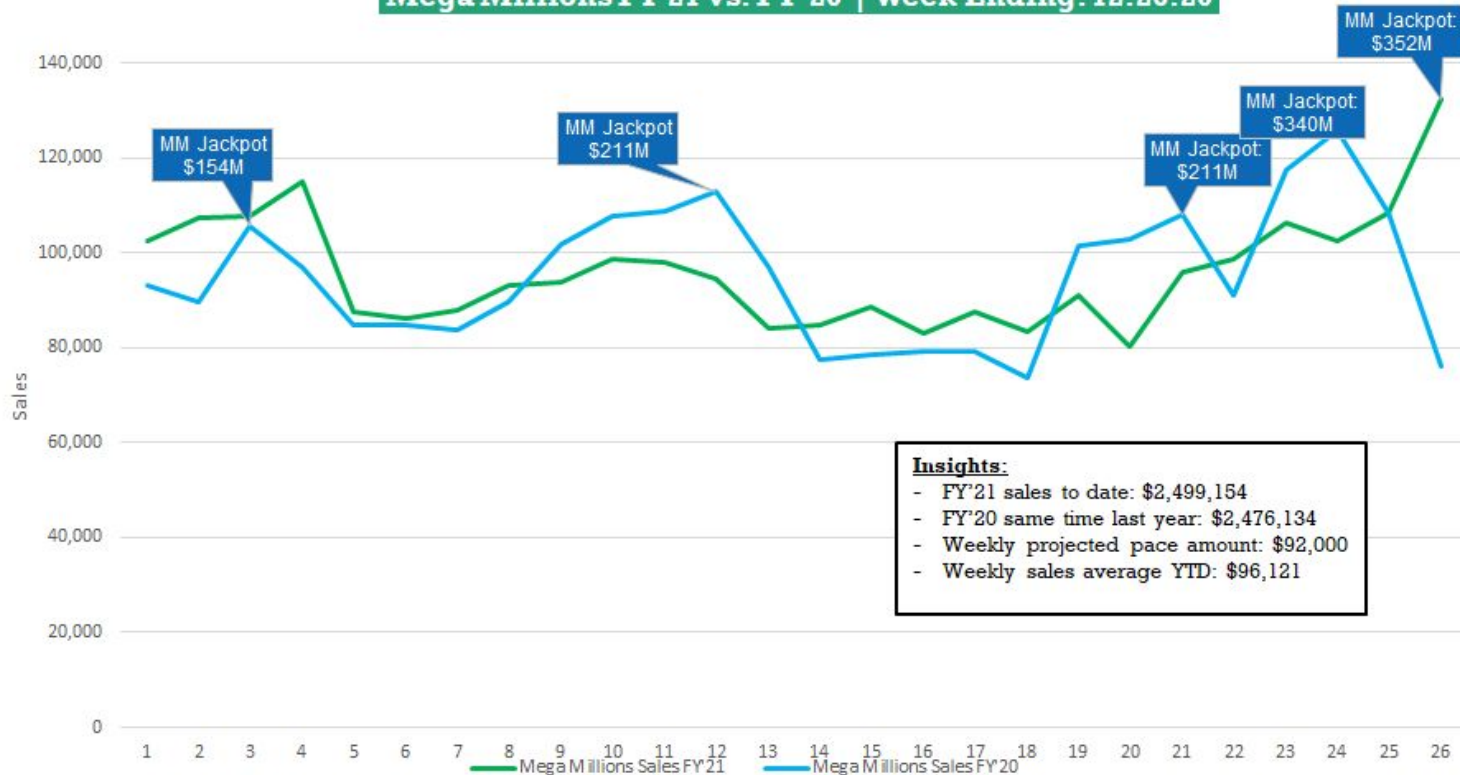
Sales Update

Powerball FY'21 vs. FY'20 | Week Ending: 12/26/20



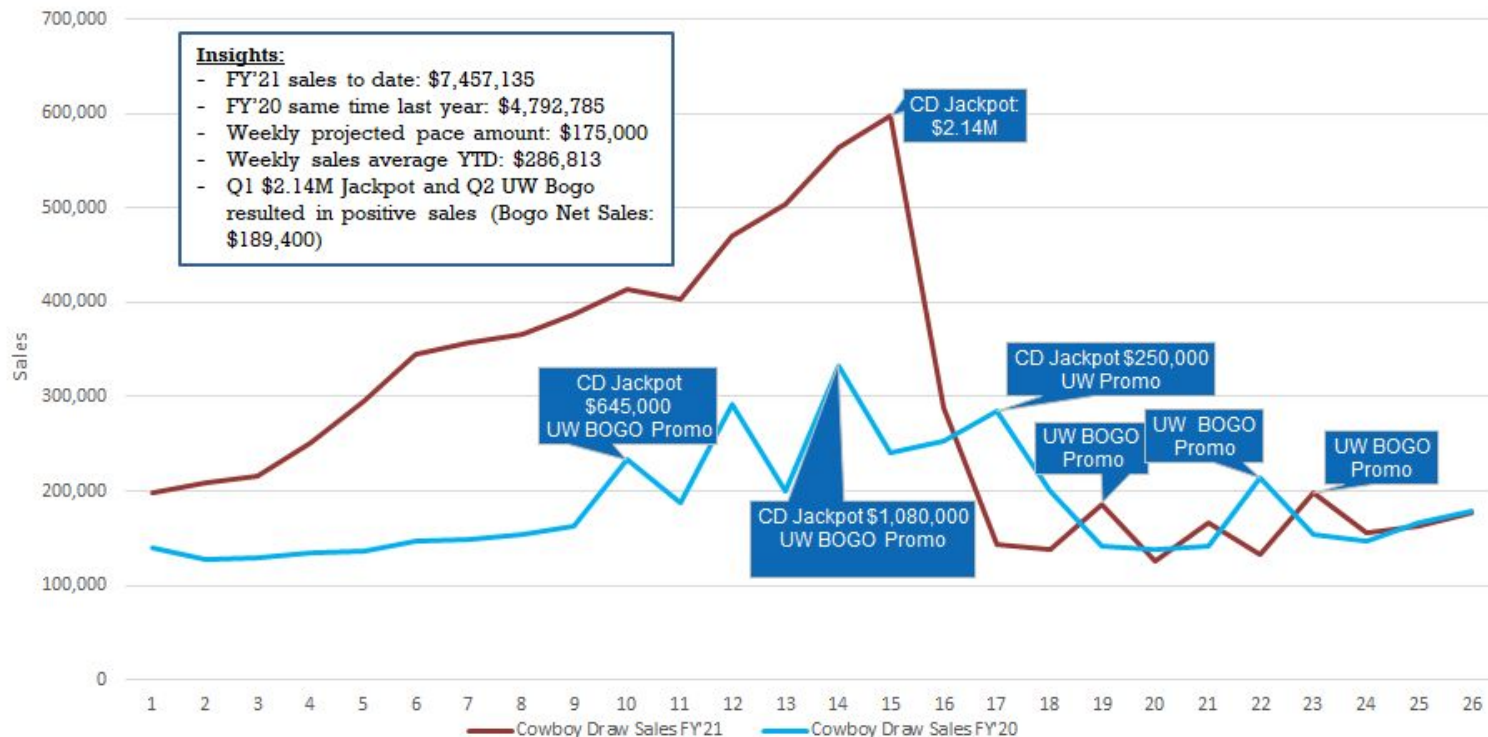
Sales Update

Mega Millions FY'21 vs. FY'20 | Week Ending: 12.26.20



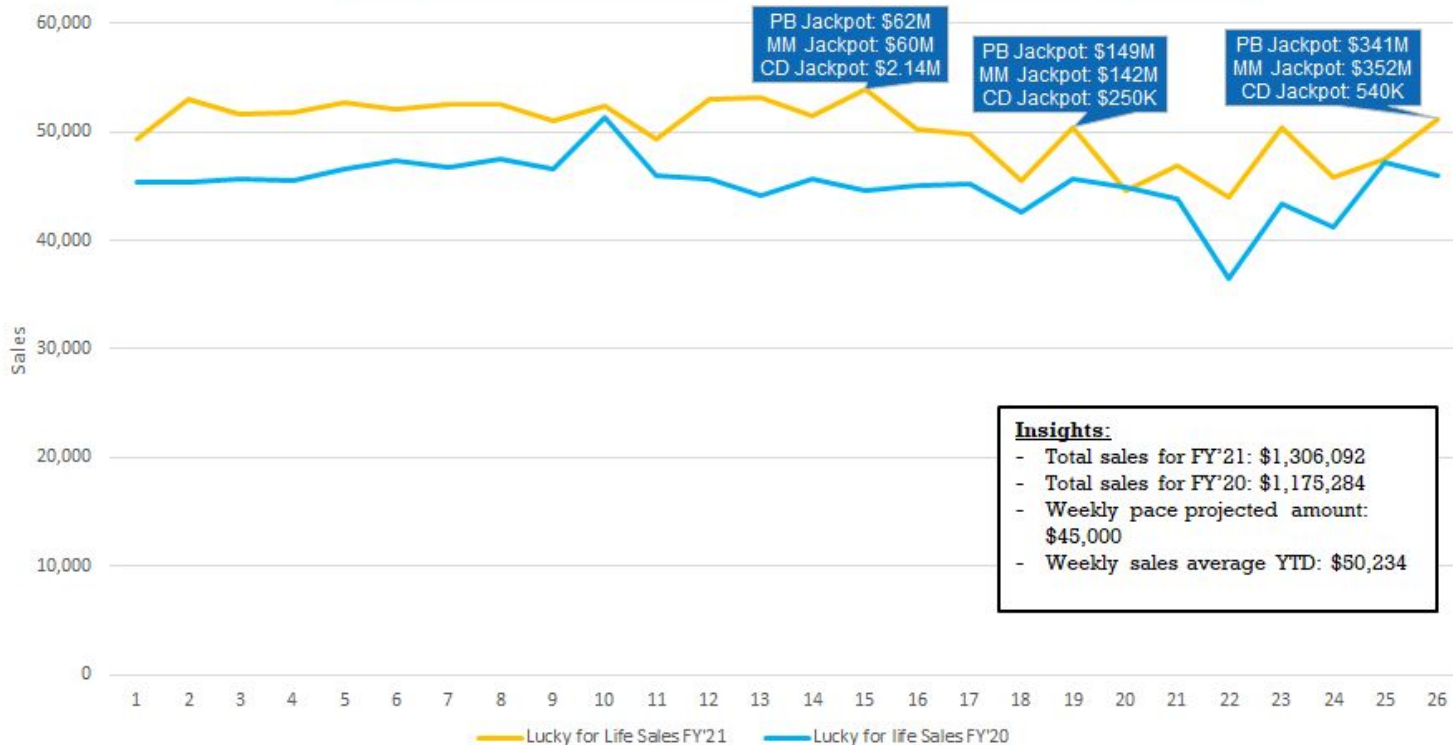
Sales Update

Cowboy Draw FY'21 vs. FY'20 | Week ending: 12.26.20



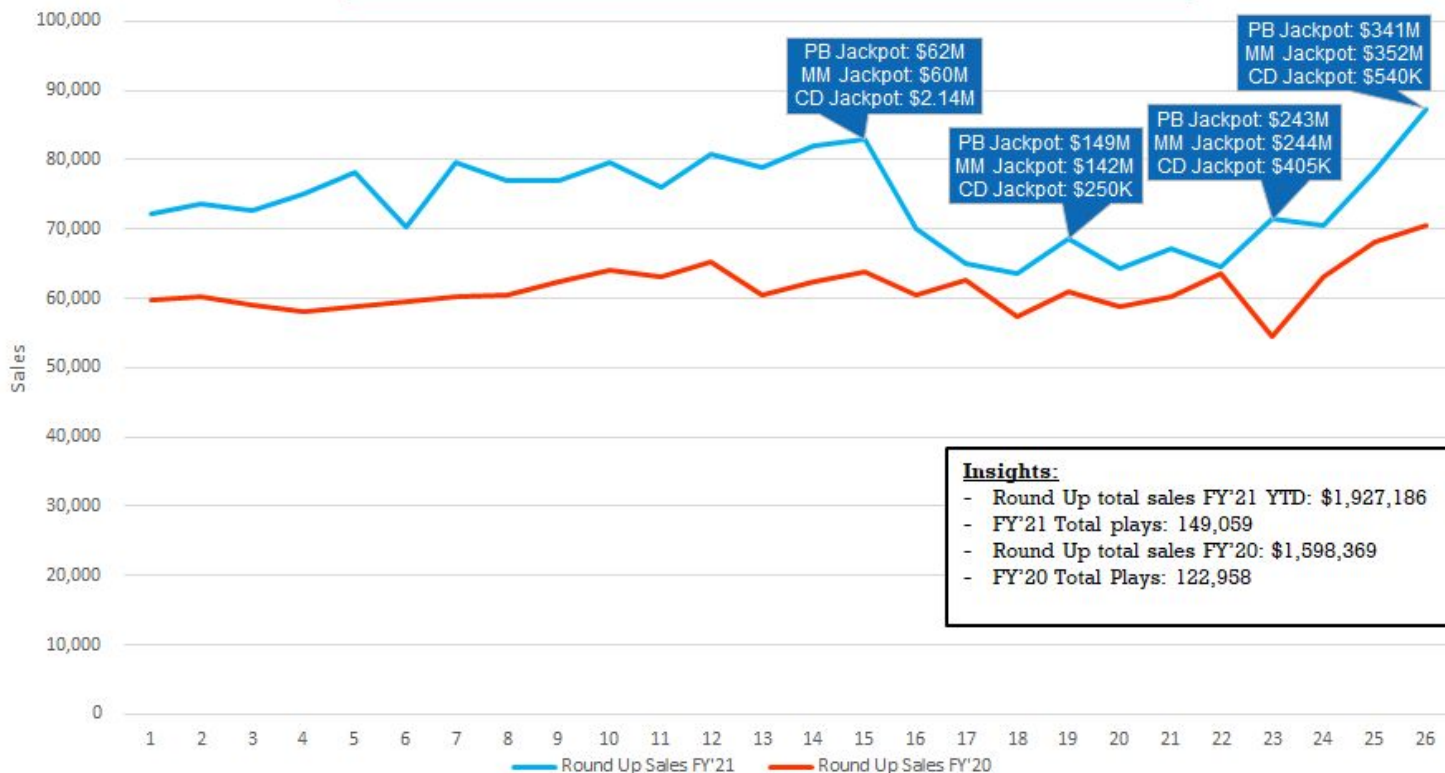
Sales Update

Lucky for Life Sales: FY'21 vs. FY'20 - Week ending: 12.26.20



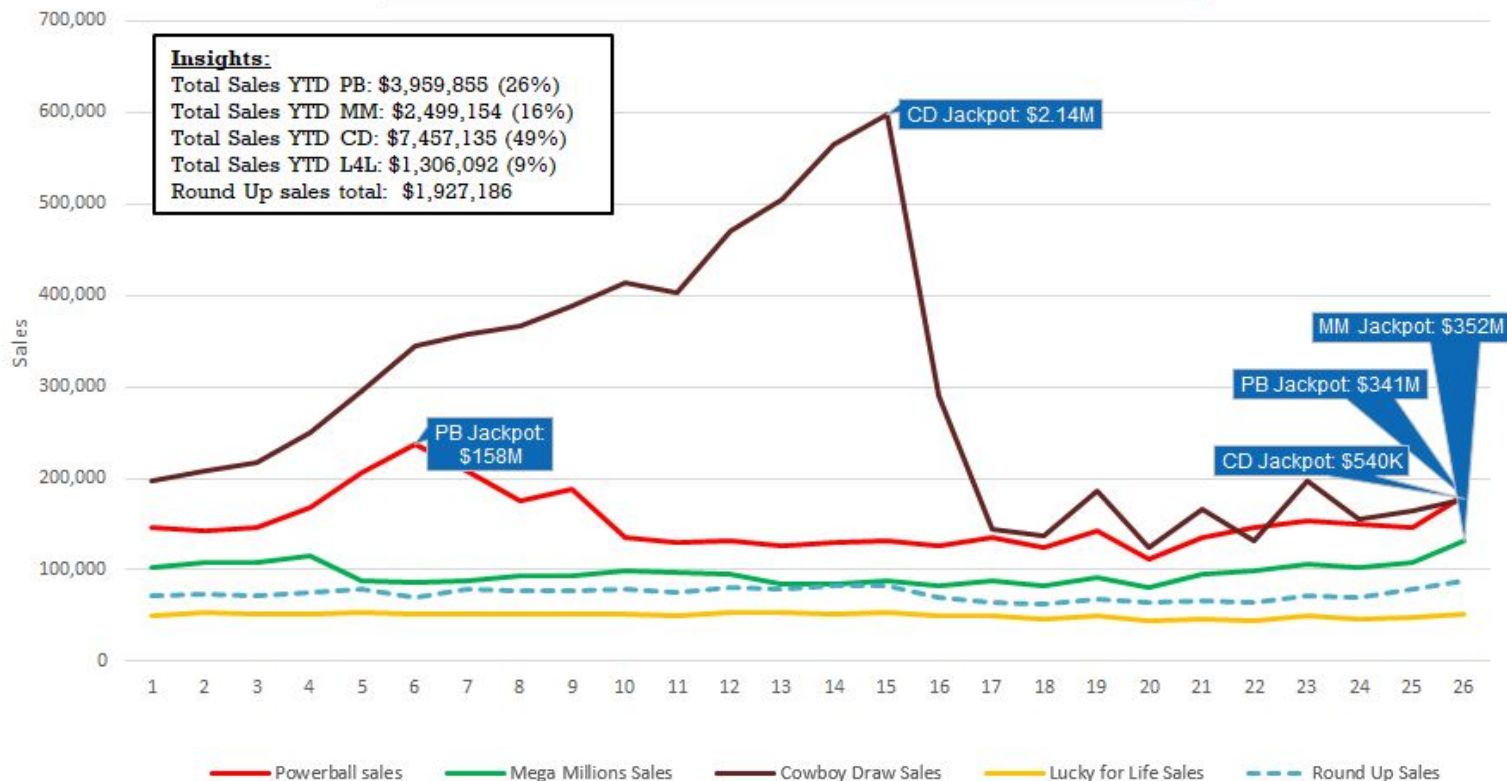
Sales Update

Round Up Sales: FY'21 vs. FY'20 - Week ending: 12.26.20



Sales Update

WyoLotto Product Sales YTD - Week ending 12.26.20



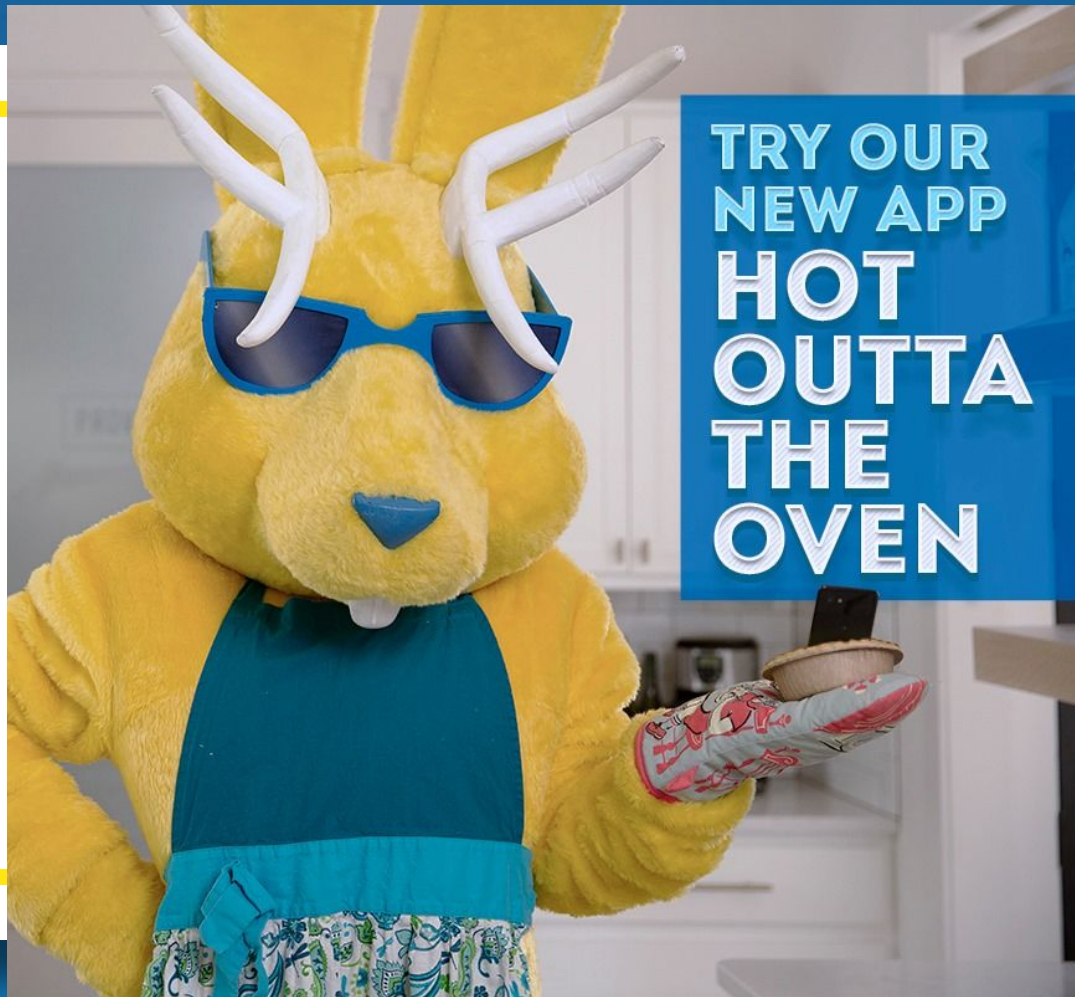
Marketing Update

Mobile App Launch

- App launched Sept. 23
- Media campaign ended Dec. 13
- Free Starbucks “thank you” promo only for app users during Thanksgiving November 23 - 27
- Launch goal was 4,000 app downloads by Sept. 2021

**10,125 registered app users & 31,023
tickets scanned since launch***

* As of 1/6/21



UW Sponsorship

- Men's & women's basketball sponsorship currently underway, including courtside LED ads, "Player of the Game" & "Ask the Pokes" radio features, presented by WyoLotto
- 6 football games played & 3 BOGO's ran

\$189,400 net sales across 3 BOGO Sundays



Holiday Giving Promo

- Amazon wishlists created for Wyoming Senior Citizens, Inc.
- Partnership with Alf's Pub to match up to \$2K each
- Wyoming Tribune-Eagle ran a story about the holiday promotion
- TownSquare Media provided in-kind donations of free advertising

Over \$8K in items purchased for Wyoming seniors in Casper, Cheyenne, & Riverton



Second Chance Drawing

- Excited to start off 2021 with some fun after a tough year and leading up to the launch of a new game!
- \$1K second chance winner drawn for each of the 4 games; Giving away \$4K total
- Mail in and app scan to enter; App scans are entered twice
- All tickets for draws January 18th - 30th
- Winners announced February 16th

Our goal is to get 50,000 entries



2by2 Launch

- Goals: \$375,000 in FY2021 & \$1.5M in FY2022
- LSR/retailer training forums begin in January
- Pre-launch starts in February
- Launch March 14!

We're excited as we get closer to launching Wyoming's new DAILY game! With TONS of Wyoming winners!



2by2 Launch

EXECUTION PLAN:

- TV
- Radio
- Billboards
- Digital & social ads
- Social media
- Website
- App
- Email
- In-store cooler clings
- Ticket messaging
- PR
- Pads
- How to play brochures





PLAY THE NEW

Wyo Lotto

2 by 2

IT'S TWO FUN!



2by2 Launch

RETAILER OUTREACH PLAN:

- 2 training forums
- Clerk shirts
- Flyers
- Breakroom posters
- Terminal messaging
- Emails
- Talking points
- Quick Reference Guides



2by2 Launch

TV SPOT



Wide shot of glorious outdoor very two scene.
VO: Twice upon a time,
it was all for two and two for all.



Twins in sync: Ahhhhh yup yup...
snap-snaps suspenders



VO: And then we added two more peas to that pod.
Two blue jays dangle on strings,
pan to the side and see two deer...



VO: After all, it takes two to tango.
...keep panning to two hiker girls with cameras.



Twin guys do their twin handshake



Title card animation
VO: The new 2by2 from WyoLotto.
Match 2 sets of 2—over 1 in 4 wins!
With drawings every day for just a buck.



Title card animation
VO: Even the chance to win double on Tuesdays.



Wide shot of all twos looking at double sunset.
VO: Play 2by2. It's two fun.
Twin voice trails off. Two-ché. Two-ché indeed.

2by2 Launch

VIRTUAL PRESS EVENT

March 11, 2021

Pre-recorded press event
video with TWO Jon's
interacting with each other



Up Next...

- Jan 18 - 30 - **Second Chance Drawing**
- Now - Feb 27 - **UW Basketball**
- Now - Feb 2021 - **Wonders of Wyoming** radio sponsorship
- Feb 14 - **2by2 pre-launch**
- March 14 - **2by2 launch**



**Thank you
for your time**
