



Q3 CORPORATE REPORT

January 1 - March 31, 2018

April 27, 2018

OVERVIEW / AGENDA

- **State of the Lottery Summary**
- **Financial Update**
- **Sales Update**
- **Corporate Responsibility**
- **Marketing Updates**
- **Game Updates**
- **Wyoming Responsible Gambling Coalition Campaign**
- **Thank you**



STATE OF THE LOTTERY SUMMARY

Transfers to the State

April 5, 2016: \$1,120,000

July 5, 2016: \$915,865

October 5, 2016: \$797,524

January 5, 2017: \$633,710

April 7, 2017: \$1,007,976

July 5, 2017: \$200,000

October 5, 2017: \$862,263

January 5, 2018: \$1,001,963

April 5, 2018: \$1,405,000

Total to Date: \$7,944,301

Winners

In the third quarter,
we have seen:

- \$3,051,815 in total winnings paid across all games
- 237,144 total winners for all games

FINANCIAL UPDATE

FINANCIAL UPDATE

Q3 Balance Sheet

Accrual Basis	Wyoming Lottery Corp Balance Sheet As of March 31, 2018
ASSETS	
Current Assets	
Checking/Savings	
Checking Accounts	4,506,315.30
Prize Account Petty Cash (Till)	805.00
Restricted Cash	
Unclaimed Prizes	801,491.86
Problem Gambling Funds	64.06
Fidelity Fund	53,638.28
Total Checking/Savings	5,452,314.50
Other Current Assets	
Prepaid Expenses	321,694.02
Retail Accounts Receivable	526,448.77
MUSL Accounts Receivable	0.00
Total Other Current Assets	848,142.79
Total Current Assets	6,300,457.29
Noncurrent Assets	
Capital Assets, Net	386,371.91
Capital Assets, Trademarks	42,575.00
Deposits - Building	7,500.00
Total Noncurrent Assets	436,446.91
Deferred Outflows of Resources	
Pension Related Outflows	327,657.00
TOTAL ASSETS	7,064,561.20
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	606,460.38
Jonah Bank Credit Card	4,315.54
State of Wyoming Transfer Payable	1,405,492.94
Unearned Revenue (net)	496,935.00
Prizes Payable	2,136,958.77
Payroll Liabilities	38,878.35
Total Current Liabilities	4,692,040.98
Noncurrent Liabilities	
Xerox-Capital Lease	42,887.49
Net Pension Liability	843,694.00
Total Noncurrent Liabilities	886,571.49
Deferred Inflows of Resources	
Pension Related Inflows	49,630.00
Total Liabilities	5,628,242.47
Equity	
Retained Earnings	296,888.64
Net Income	1,139,430.09
TOTAL LIABILITIES & EQUITY	7,064,561.20

FINANCIAL UPDATE

Q3 Profit & Loss

Accrual Basis		Wyoming Lottery Corp Profit Loss January 2018 through March 2018
Operating Income/Expense		
Income		
Income / Revenues		
Mega Millions Sales (net)	1,788,163.08	
Power Ball Sales (net)	2,899,924.26	
Cowboy Draw Sales (net)	3,249,898.10	
Lucky For Life (net)	730,177.02	
Total Income / Revenues	8,666,162.44	
Other Revenues		
Application Fees (Fidelity-Res)	400.00	
Total - Other Revenues	400.00	
Total Income	8,666,562.44	
Cost of Goods Sold		
Direct Gaming Costs		
Prize Expense - Low Tier/ Hi		
Megamillions Low Tier	190,955.59	
Powerball Low Tier	355,307.19	
Cowboy Draw Low Tier	861,702.34	
Lucky For Life L-T	239,698.48	
Total Prize Expense - Low Tier/ Hi	1,647,663.60	
Prize Expense - MUSL	1,780,883.03	
Prize Expense CD Jackpot	952,549.00	
Total Direct Gaming Costs	4,381,045.63	
Gaming Expenses		
Gaming Retail Commissions	519,049.92	
Gaming Retail Validation Bonus	12,962.18	
Vendor Expense - (Intralot)	1,030,413.91	
Total Gaming Expenses	1,562,426.01	
Total COGS	5,943,471.64	
Gross Profit	2,723,090.80	
Expense		
Operating Expenses		
Board Expenses	2,823.92	
Employee Recruitment & Relocate	5,076.34	
Insurance	4,435.75	
Membership Dues	750.00	
Problem Gambling Program	192,891.05	
Accounting / Audit Fees	27,885.00	
Legal Fees	42,083.00	
Marketing	170,800.32	
New Game Development (MM Update)	0.00	
Outside Contract Services (IT)	29,449.20	
Payroll Services	1,364.50	
Retail Investigation	2,634.00	
Fleet Expenses	0.00	

Accrual Basis		Wyoming Lottery Corp Profit Loss January 2018 through March 2018
Depr and Amort - Allowable		52,818.46
Equip Rental and Maintenance		1,259.12
Communications		4,482.02
Office Costs		27,750.46
Petty Cash Over/Short		9.00
Rent & Janitorial		26,337.50
Salaries, Wages & Benefits		288,471.26
Travel		5,271.21
EE Uniforms		0.00
Total Operating Expenses	886,392.11	
Net Operating Income		1,839,698.69
Nonoperating Expenses		
Interest Expense (net)		1,287.74
State of Wyoming Transfers		1,405,462.94
Total Other Expense	1,406,750.68	
Net Income		429,918.01
Reserve Account		120,291.76
Prize Fund Transfers		22,153.54
Infrastructure Development		242,472.71
Reserve CD JP		45,000.00
Remaining Net Income		0.00

FINANCIAL UPDATE

YTD Profit & Loss

Accrual Basis		Wyoming Lottery Corp Profit & Loss July 2017 through March 2018	
Operating Income/Expense			
Income			
Income / Revenues			
	Mega Millions Sales (net)	4,069,515.08	
	Power Ball Sales (net)	8,872,211.26	
	Cowboy Draw Sales (net)	7,730,748.10	
	Lucky For Life (net)	2,181,061.02	
	Total Income / Revenues	22,853,535.44	
Other Revenues			
	Application Fees (Fidelity-Res)	1,400.00	
	Total - Other Revenues	1,400.00	
	Total Income	22,854,935.44	
Cost of Goods Sold			
Direct Gaming Costs			
	Prize Expense - Low Tier/ Hi		
	Megamillions Low Tier	508,202.10	
	Powerball Low Tier	1,316,901.14	
	Cowboy Draw Low Tier	1,994,891.45	
	Lucky For Life L-T	716,690.72	
	Prize Expense - Low Tier/ Hi - Other	0.00	
	Total Prize Expense - Low Tier/ Hi	4,534,685.41	
	Prize Expense - MUSL	4,880,688.08	
	Prize Expense CD Jackpot	2,130,035.00	
	Direct Gaming Costs - Other	0.00	
	Total Direct Gaming Costs	11,545,408.49	
Gaming Expenses			
	Gaming Retail Commissions	1,387,734.32	
	Gaming Retail Validation Bonus	34,536.47	
	Vendor Expense - (Intralot)	2,717,280.31	
	Total Gaming Expenses	4,119,551.10	
	Total COGS	15,664,959.59	
	Gross Profit	7,189,975.85	
Expense			
Operating Expenses			
	Board Expenses	19,460.88	
	Employee Recruitment & Relocate	16,995.27	
	Insurance	11,807.08	
	Membership Dues	44,375.88	
	Problem Gambling Program	270,466.10	
	Accounting / Audit Fees	53,885.00	
	Legal Fees	84,828.23	
	Marketing	752,514.89	
	New Game Development-(MM Update)	295,613.81	
	Outside Contract Services (IT)	76,380.11	
	Payroll Services	4,511.50	

Accrual Basis		Wyoming Lottery Corp Profit & Loss July 2017 through March 2018	
	Retail Investigation	8,008.00	
	Fleet Expenses	4,583.97	
	Depr and Amort - Allowable	165,795.49	
	Equip Rental and Maintenance	6,470.27	
	IT Equipment	0.00	
	Facilities and Equipment - Other	0.00	
	Communications	10,085.11	
	Office Costs	43,589.65	
	Other Costs		
	Outside Services		
	Petty Cash Over/Short	58.98	
	Other Types of Expenses - Other	607.48	
	Rent & Janitorial	78,912.50	
	Salaries, Wages & Benefits	780,665.87	
	Travel	44,582.99	
	EE Uniforms	2,321.86	
	Total Operating Expenses	2,776,500.50	
	Net Operating Income	4,413,475.35	
Nonoperating Expenses			
	Interest Expense (net)	4,325.42	
	State of Wyoming Transfers	3,269,719.84	
	Total Other Expense	3,274,045.26	
	Net Income	1,139,430.09	
	Reserve Account	477,441.84	
	Prize Fund Transfers	22,163.54	
	Infrastructure Development	242,472.71	
	Reserve CD JP	397,362.00	
	Remaining Net Income	0.00	

FINANCIAL UPDATE

Q3 Budget vs. Actual

Wyoming Lottery Corp Profit & Loss Budget vs. Actual January through March 2018

	FY 18 QTR 3			
	TOTAL			
	Jan - Mar 18	Budget	+ Favorable	% of Budget
Ordinary Income/Expense				
Total 40000 - Income / Revenues	8,866,162.44	8,750,000.00	1,916,162.44	128.39%
Total 48000 - Other Revenues	400.00	0.00	400.00	100.0%
Total Income	8,866,562.44	8,750,000.00	1,916,562.44	128.39%
Cost of Goods Sold				
Total 50000 - A Direct Gaming Costs	4,381,045.63	4,014,456.00	366,589.63	109.13%
Total 51000 - B Gaming Expenses	1,562,426.01	1,220,217.00	342,209.01	128.05%
Total COGS	5,943,471.64	5,234,673.00	708,798.64	113.54%
Gross Profit	2,723,090.80	1,515,327.00	1,207,763.80	179.7%
	Jan - Mar 18	Budget	- Favorable	% of Budget
Expense				
Total 60000 - Business Expenses	205,977.06	11,455.00	194,522.06	1,798.14%*
Total 61000 - Contract Services	274,016.02	254,694.00	19,322.02	107.46%**
Total 62000 - Facilities and Equipment	54,077.58	57,082.00	-3,004.42	94.74%
Total 63000 - Operations	58,578.98	51,125.00	7,453.98	114.58%
Total 64000 - Personnel Salaries & Benefits	293,742.47	327,817.00	-33,874.53	89.66%***
Total Expense	886,392.11	702,263.00	184,129.11	126.22%
Net Ordinary Income	1,836,698.69	813,064.00	1,023,634.69	225.9%
Other Income/Expense				
70000 - Interest Income	67.29	186.00	-128.74	30.79%
81000 - Interest Expense	1,345.00	1,339.00	6.00	100.45%
Total Other Expense	1,345.00	1,339.00	6.00	100.45%
Net Other Income	-1,287.74	-1,153.00	-134.74	111.69%
	Jan - Mar 18	Budget	+ Favorable	% of Budget
Net Income before Transfer to State of Wyoming	1,835,410.95	811,911.00	1,023,499.95	226.06%
Transfer to State of Wyoming	1,405,492.94			
Net Income	429,918.01			****

* \$192,891 PG Expenses

** \$12,185 over in Acctg - L4L Audit; \$21,000 over Legal -Legislature

*** Staffing of IT Position; Annual Bonuses & Salary Increases Held Back

**** Net Income Allocation:
Reserve Account
Prize Fund Transfers
Infrastructure Development
Reserve CD JP
Net Income:

120,291.78
22,153.54
242,472.71
45,000.00
429,918.01

FINANCIAL UPDATE

YTD Budget vs. Actual

Wyoming Lottery Corp Profit & Loss Budget vs. Actual July 2017 through March 2018

	FY 18 QTR 3 YTD			
	TOTAL			
	Jul 17 - Mar 18	Budget	+ Favorable	% of Budget
Ordinary Income/Expense				
Total 40000 - Income / Revenues	22,853,535.44	20,250,000.00	2,603,535.44	112.86%
Total 48000 - Other Revenues	1,400.00	0.00	1,400.00	100.00%
Total Income	22,854,935.44	20,250,000.00	2,604,935.44	112.86%
Cost of Goods Sold				
Total 50000 - A Direct Gaming Costs	11,545,408.49	12,043,388.00	-497,959.51	95.87%
Total 51000 - B Gaming Expenses	4,119,551.10	3,860,651.00	458,900.10	112.54%
Total COGS	15,664,959.59	15,704,039.00	-39,059.41	99.75%
Gross Profit	7,189,975.85	4,545,961.00	2,643,994.85	158.16%
	Jul 17 - Mar 18	Budget	- Favorable	% of Budget
Expense				
Total 60000 - Business Expenses	363,105.21	114,357.00	248,748.21	317.52%
Total 61000 - Contract Services	1,275,721.14	1,264,562.00	11,129.14	100.88%
Total 62000 - Facilities and Equipment	176,849.73	300,121.00	-123,271.27	58.93%
Total 63000 - Operations	133,253.70	137,569.00	-4,345.30	96.84%
Total 64000 - Personnel Salaries & Benefits	827,570.72	988,697.33	-161,126.61	83.7%
Total Expense	2,776,500.50	2,805,306.33	-28,805.83	99.97%
Net Ordinary Income	4,413,475.35	1,740,614.67	2,672,860.68	253.56%
Other Income/Expense				
70000 - Interest Income	331.89	558.00	-226.11	59.44%
81000 - Interest Expense	4,657.08	4,318.00	339.08	107.85%
Total Other Expense	4,657.08	4,318.00	339.08	107.85%
Net Other Income	-4,325.42	-3,760.00	-565.42	115.04%
	Jul 17 - Mar 18	Budget	+ Favorable	% of Budget
Net Income before Transfer to State of Wyoming	4,409,149.93	1,736,854.67	2,672,295.26	253.86%
Transfer to State of Wyoming	3,289,719.04			
Net Income	1,139,430.89			

* Under Budget for L4L & CD

** \$270,466 PG Expenses

*** \$2,385 over in Acctg - L4L Audit; \$15,000 over Legal -Legislature

**** Reclassified \$90,000 Vehicle to Assets; \$20,000 IT Equipment Budget into Assets;
\$7,500 Generator Not Purchased

***** Short Staffed Oct-Nov; Held Staffing of IT Position
Annual Bonuses & Salary Increases Held Back; Travel under by \$28,000

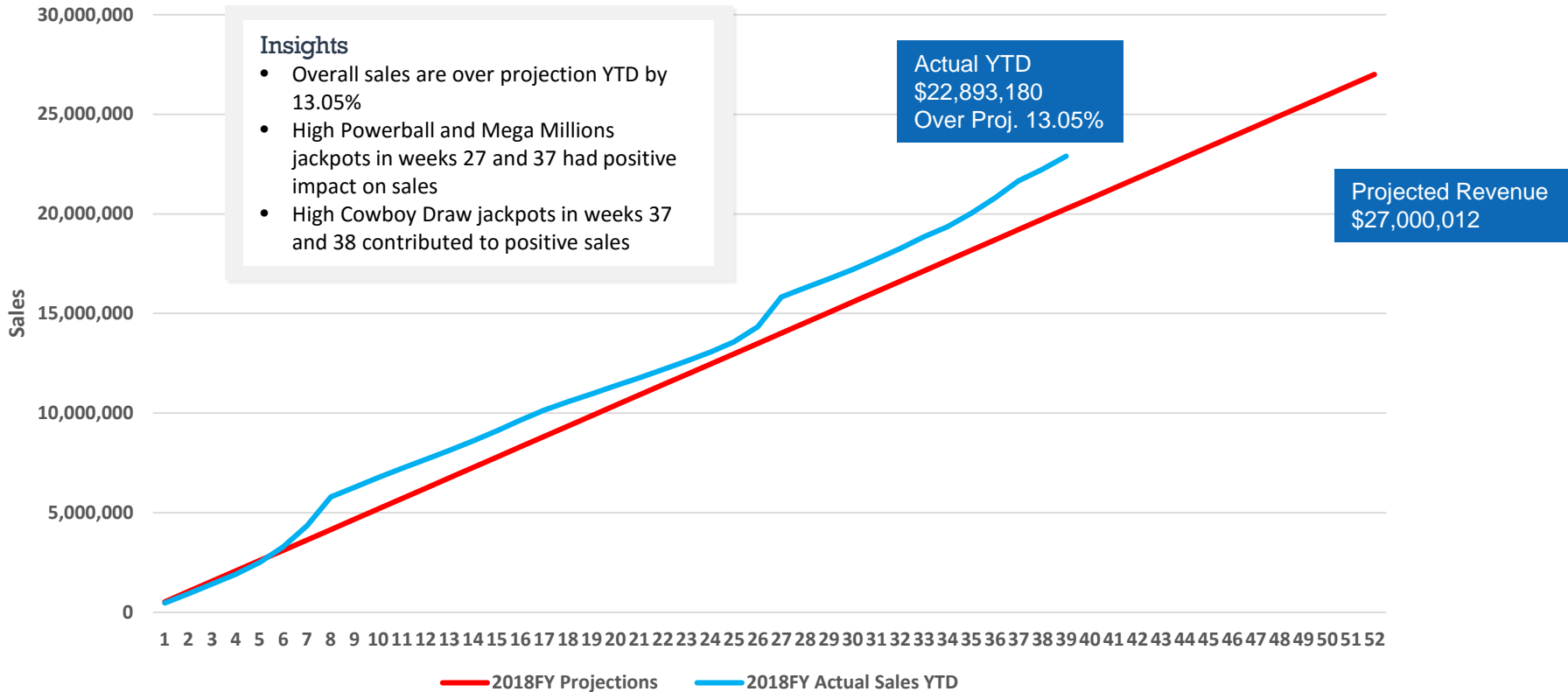
***** Net Income Allocation:

Reserve Account	477,441.84
Prize Fund Transfers	22,153.54
Infrastructure Development	242,472.71
Reserve CD JP	397,382.00
Net Income:	1,139,430.89

SALES UPDATE

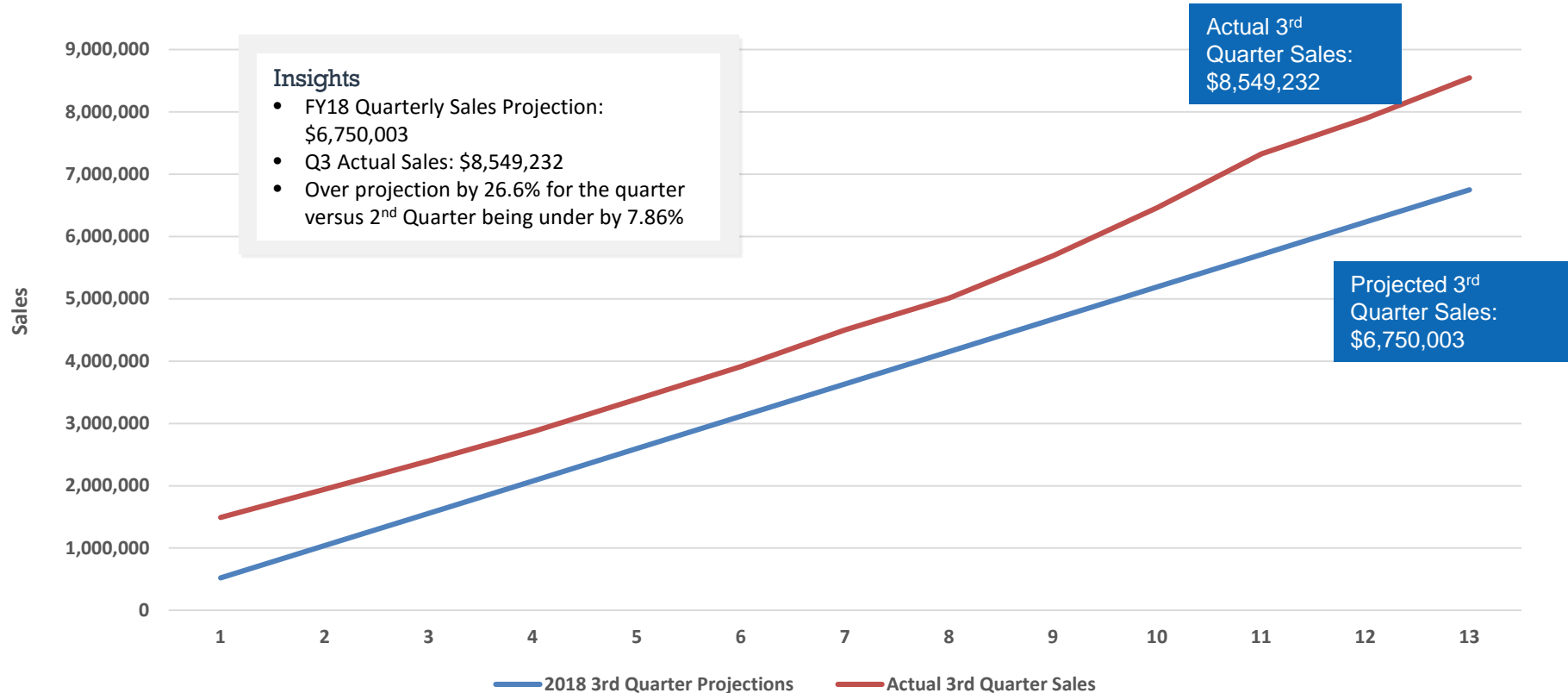
SALES UPDATE

Total Sales: FY 18 Actual vs Projection | Week ending 3.31.18



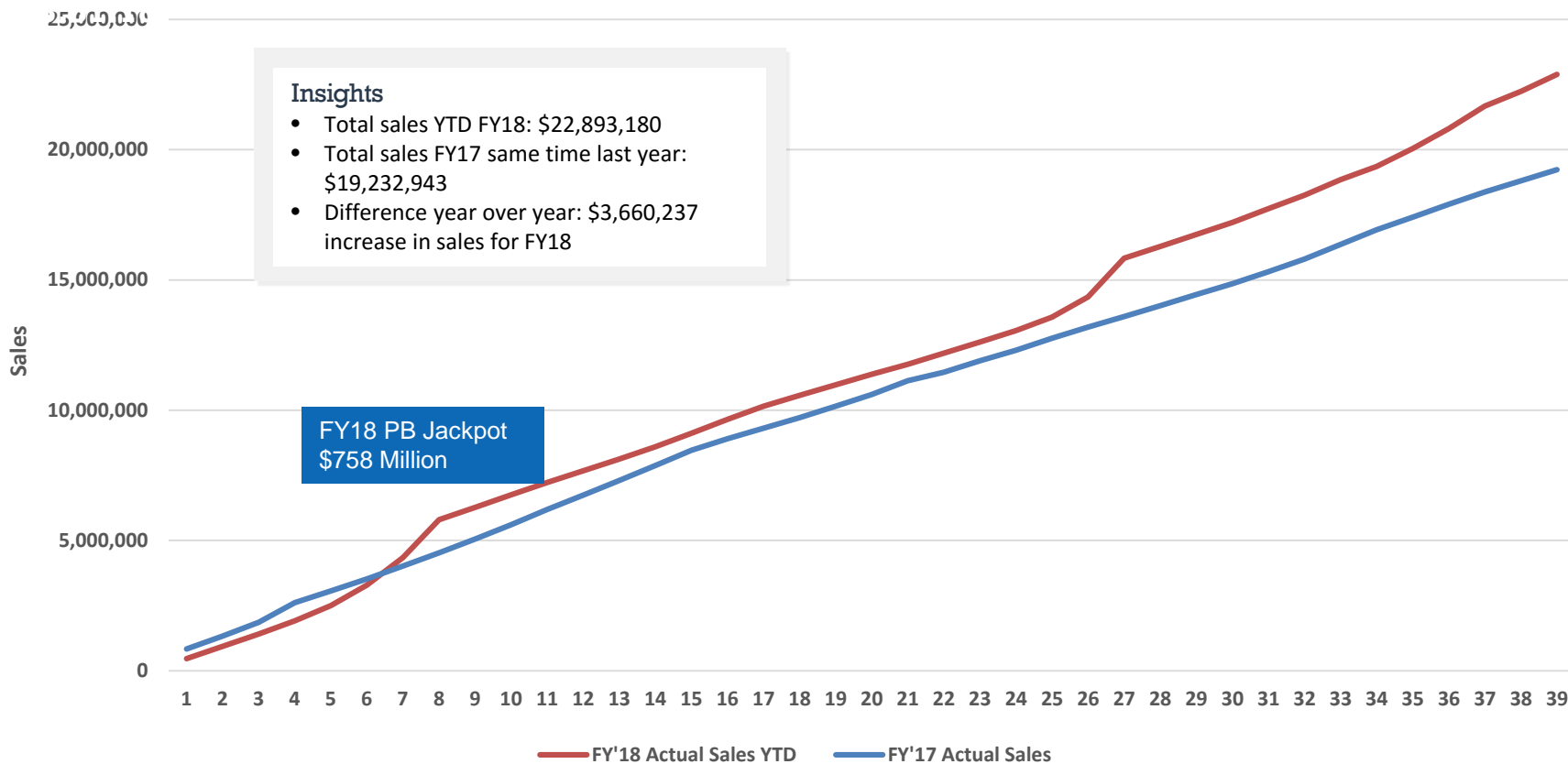
SALES UPDATE

Total 3rd Quarter Sales: FY 18 Actual vs Projection | Week ending 3.31.18



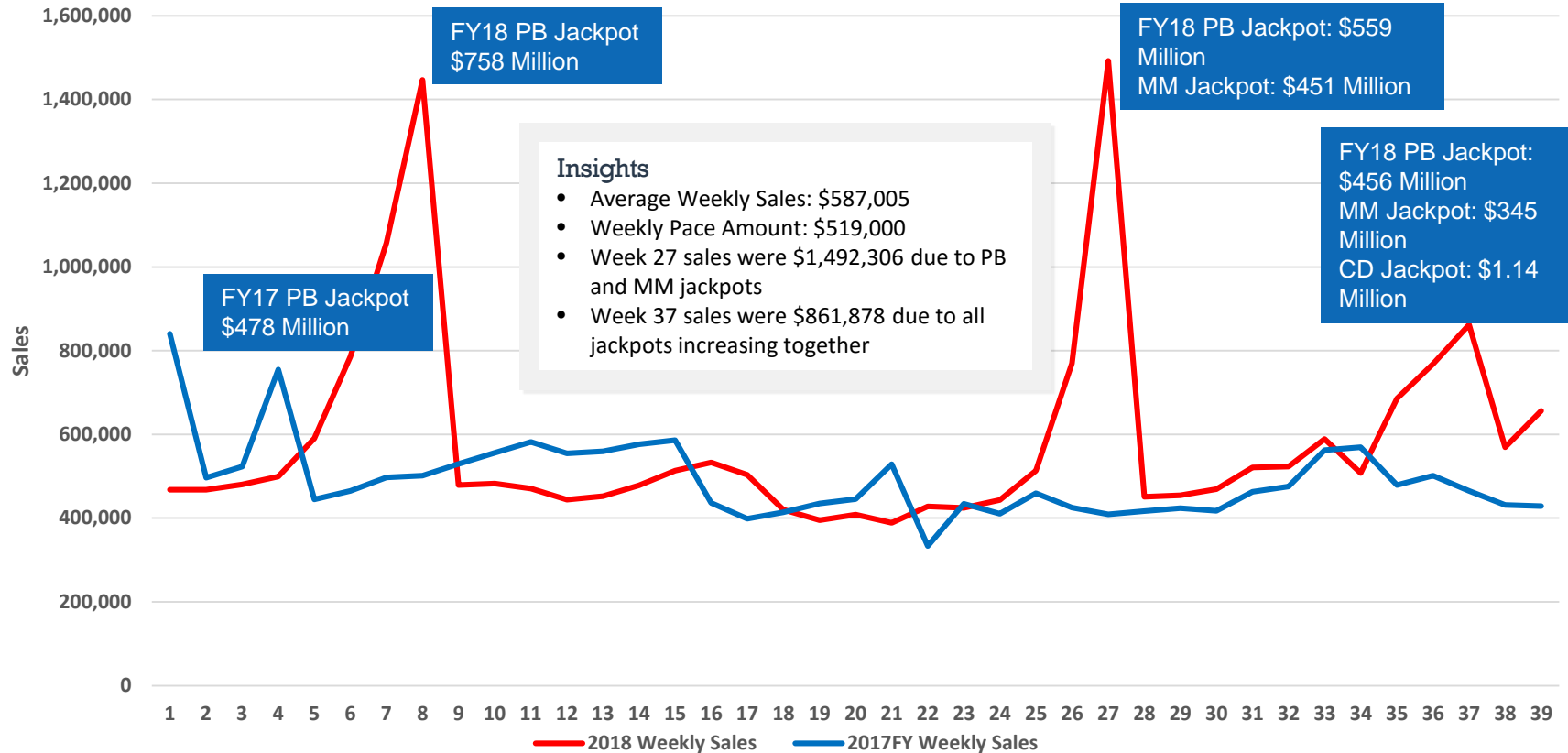
SALES UPDATE

Total Sales: FY18 vs. FY17 | Week ending



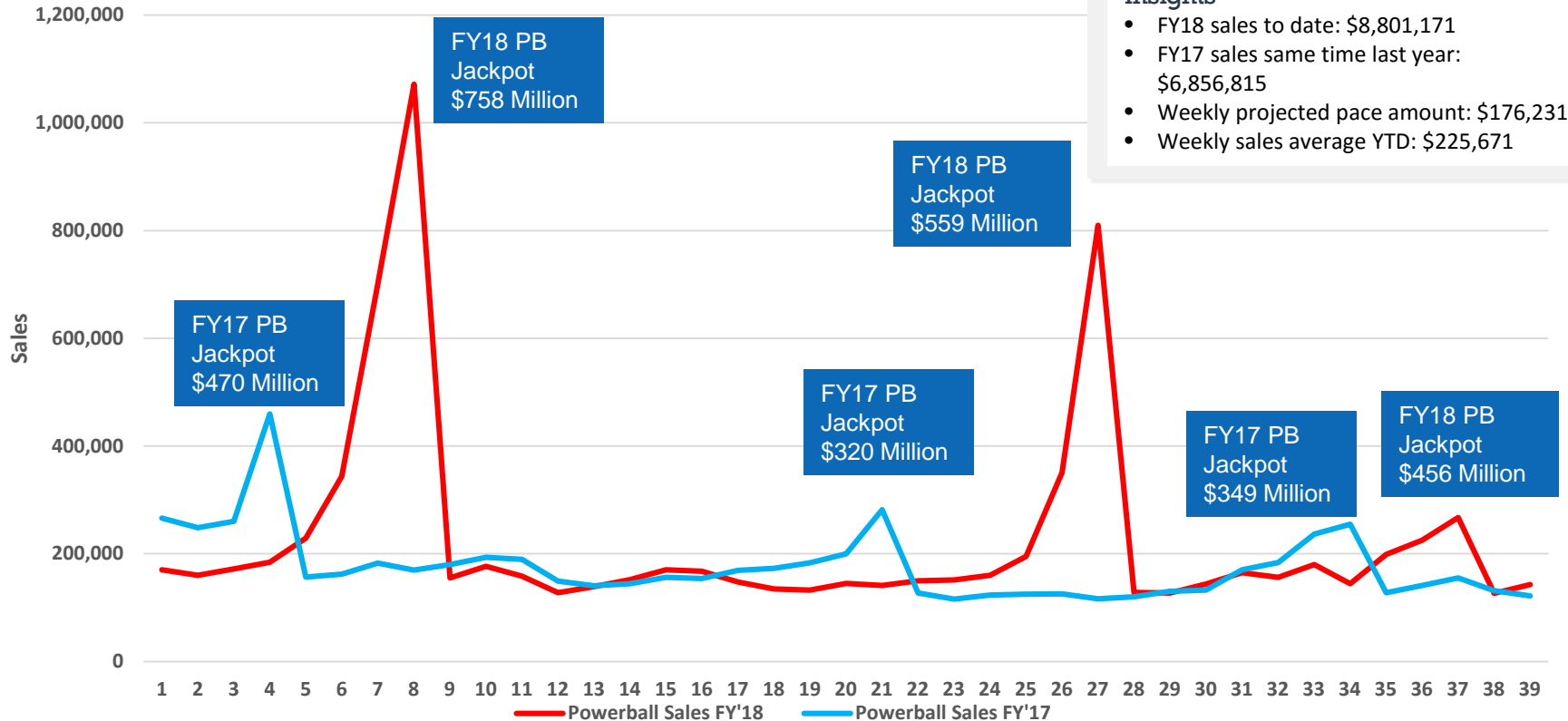
SALES UPDATE

Total Sales: Actual weekly sales FY18 vs. FY17 | Week ending 3.31.18



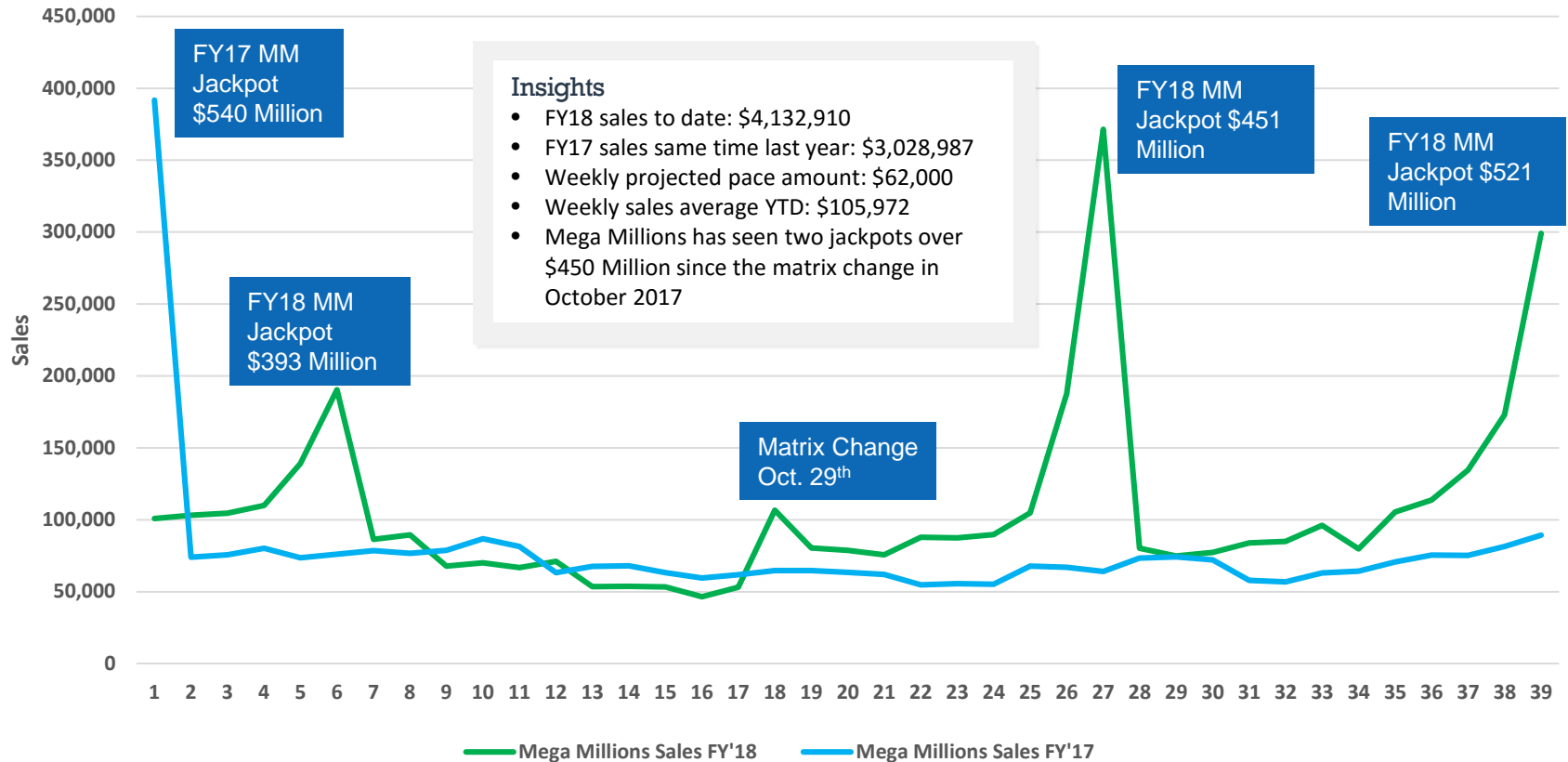
SALES UPDATE

Powerball Sales FY18 vs FY17 | Week ending 3.31.18



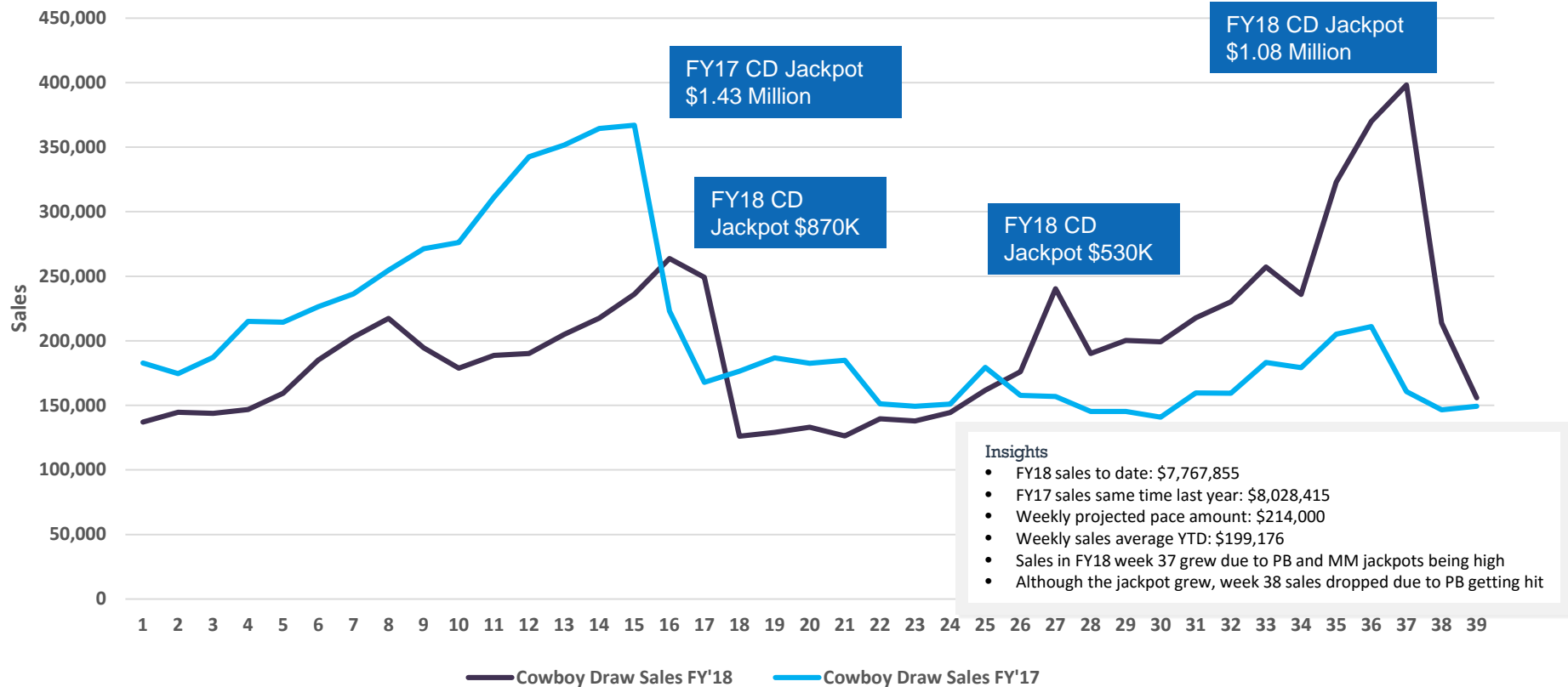
SALES UPDATE

Mega Millions Sales FY18 vs FY17 | Week ending 3.31.18



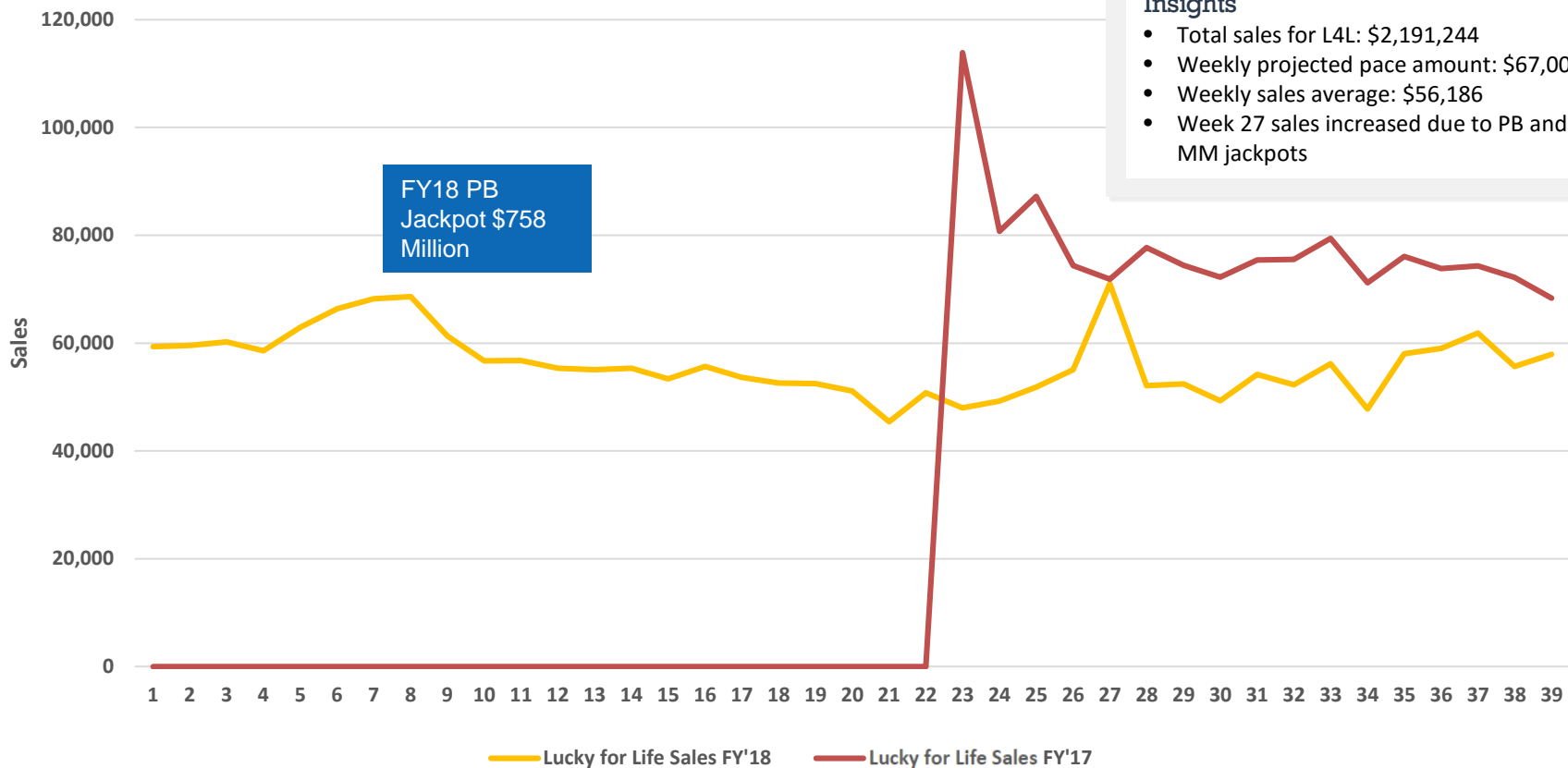
SALES UPDATE

Cowboy Draw Sales FY18 vs. FY17 | Week ending 3.31.18



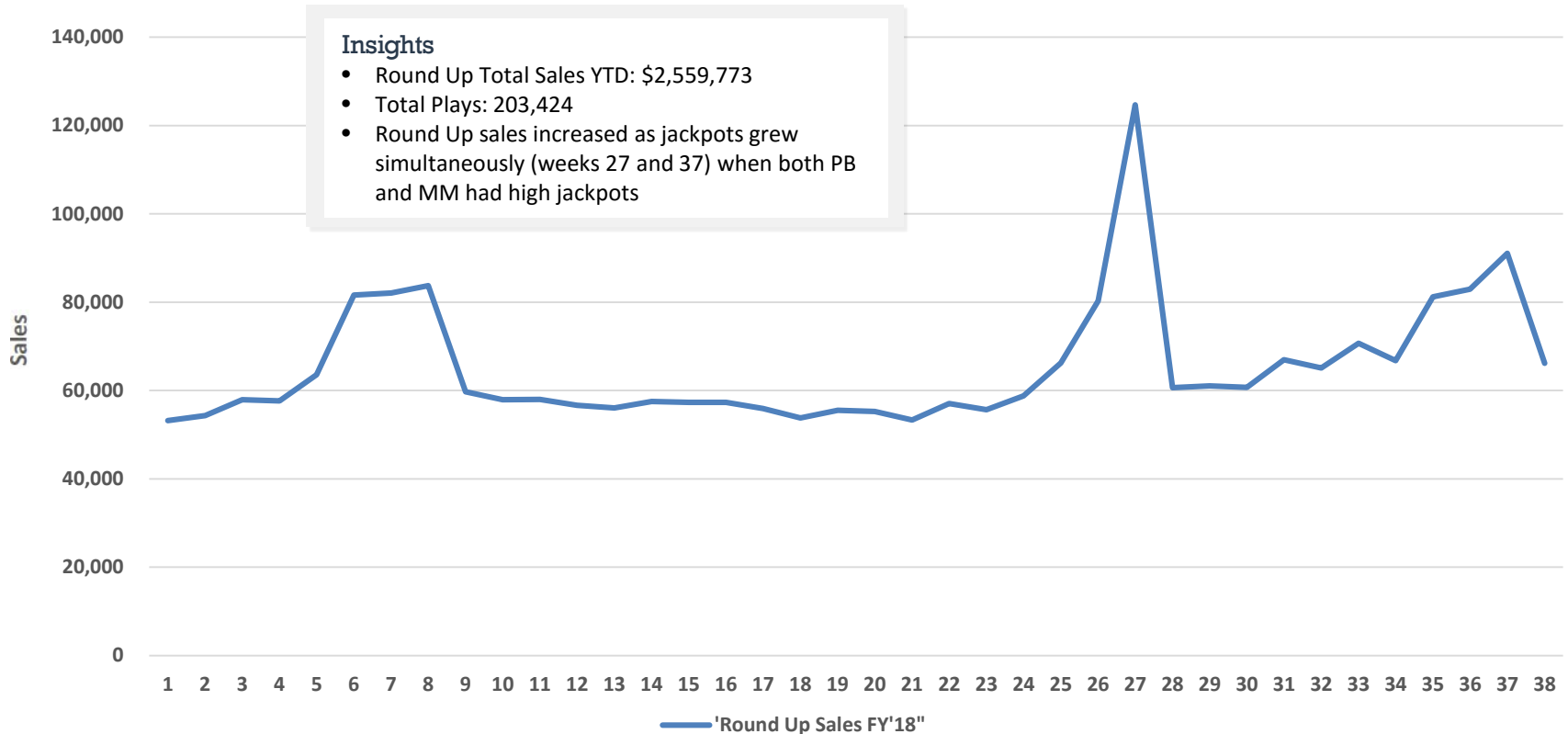
SALES UPDATE

Lucky for Life Sales: FY18 | Week ending 3.31.18



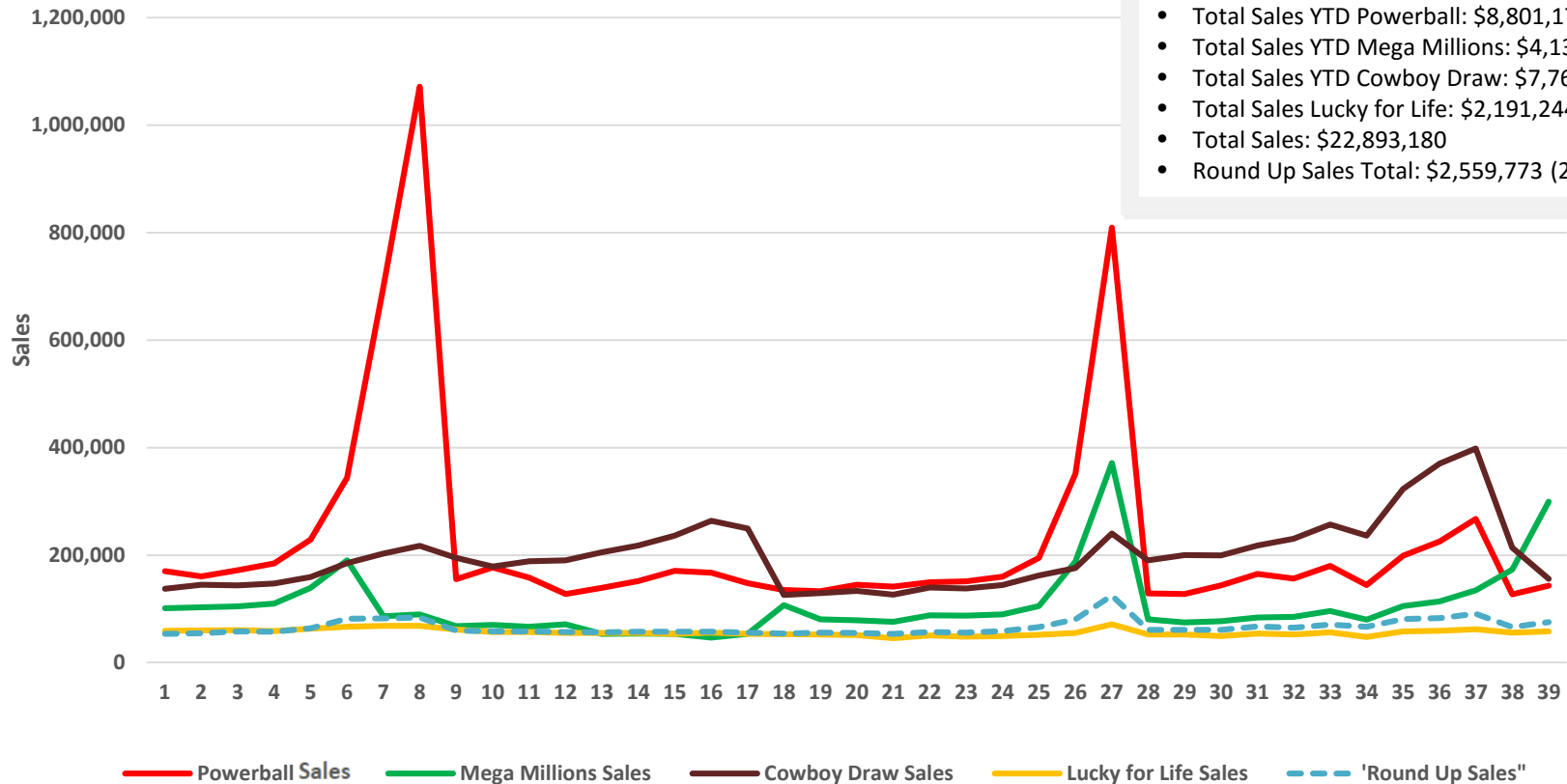
SALES UPDATE

Round Up Sales FY18 | Week ending 3.31.18



SALES UPDATE

WyoLotto Product Sales YTD | Week ending 3.31.18



Insights

- Total Sales YTD Powerball: \$8,801,171 (38.4%)
- Total Sales YTD Mega Millions: \$4,132,910 (18%)
- Total Sales YTD Cowboy Draw: \$7,767,855 (34%)
- Total Sales Lucky for Life: \$2,191,244 (9.6%)
- Total Sales: \$22,893,180
- Round Up Sales Total: \$2,559,773 (203,424 plays)

CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY

WyoLotto continues to demonstrate its care for Wyoming communities and citizens.

Problem Gambling

Initiatives to prevent problem gambling:

- Single transactions are capped at \$125 and products are not available 24/7
- The Problem Gambling Hotline is posted on the back of every ticket, listed on play slips, and featured on our website.
- Problem Gambling brochures are located wherever Lottery tickets are sold
- Continued education regarding Problem and Responsible Gambling is a priority



CORPORATE RESPONSIBILITY



Game Security

Leadership in game security and integrity:

- With each game release and subsequent upgrades, the central game system and Random Number Generator (RNG) are tested
- With each batch release, the Statement of Work (SOW) is thoroughly reviewed for accuracy and release outcomes are verified
- In advance of all system changes, game risks are proactively documented, assessed and analyzed
- Lottery's Internal Control System (ICS) provides its players with a sense of security, knowing the central gaming system is operating at the highest degree of integrity
- The Lottery works with the Department of Family Services (DFS) to collect back child support owed by a player from prize payments

MARKETING UPDATES

MARKETING UPDATES: PR

Public Relations

During the third quarter, WyoLotto saw coverage on several topics:

- 1/7- 1/21: Wyoming Legislature Coverage of Bills with WyoLotto in them
- 1/9: Transfer to the State
- 1/22: WRGC Problem Gambling Campaign
- 2/14 - 3/1: Intralot Contract Renewal
- 3/7: Cowboy Draw Anniversary
- 3/20: Cowboy Draw Jackpot Media Advisory
- 3/23: Cowboy Draw Jackpot Winner Search
- 3/29: Mega Millions Jackpot

48,685,000
Total readership

\$96,556
Ad Equivalency

MARKETING UPDATES: SOCIAL

facebook

Insights:

- 32,084 Total Page Likes
- 91 new followers this quarter (0.2% increase from last quarter)
- Year-to-date, WyoLotto had a 4.2% increase in fans which is 70% higher in comparison to fan growth percentages for both Colorado and Idaho Lottery Facebook pages.
- Total engagements increased by 7% in comparison to Q2 largely due to the Yolo Takeover along with the UW Giveaway, Cowboy Draw Anniversary and the recent Cowboy Draw jackpot win.



Total Engagements: 634
Reach: 15,605 users



Total Engagements: 362
Reach: 11,731 users



Total Engagements: 302
Reach: 14,399 users

MARKETING UPDATES: SOCIAL



Insights:

- 1,247 Followers
- 18 new followers this quarter (1.5% increase from last quarter)
- Total engagements increased by 9.8% from last quarter primarily due to the UW Giveaway and Yolo Takeover.



Wyoming Lottery

@wyolotto

Follow

We've teamed up with @wyoathletics to send one lucky winner and a guest on an all-inclusive trip to Vegas to cheer on our boys at the Mountain West Conference Tourney. You have until 5pm on the 16th, so go ahead, give'r a chance. For details, enter here: bit.ly/2BWMfP



7:02 AM - 5 Feb 2018

2 Retweets 5 Likes



Total Engagements: 118
Reach: 60,508 users



Wyoming Lottery

@wyolotto

Follow

How did my super impressive #gymselfie get on here? You know what else is impressive? #PowerPlay. It can multiply your gains with #Powerball by 2,3,4, or even 5 times for just \$1! So don't let your winnings skip #legday and be sure to ask for the Power Play. #didlike900reps 🍌



8:45 AM - 17 Jan 2018

2 Retweets 1 Like



Total Engagements: 6
Reach: 8,923 users



Wyoming Lottery

@wyolotto

Follow

We tweet you not- the #Powerball jackpot is now more than half a billion dollars!! You have until Saturday night! #nationalbirdday



9:01 AM - 5 Jan 2018

1 Retweet 3 Likes



Total Engagements: 44
Reach: 2,049 users

MARKETING UPDATES: WEBSITE

Insights

- Overall site traffic saw a 21% increase from the previous quarter, primarily due to the increases in social, organic search and direct related traffic.
- Email generated 31% more website users than the previous quarter
- The homepage saw a 34.67% increase in use from the previous quarter
- There was a 3.71% increase in page views/session time from last quarter

Top Cities

1. Cheyenne – 24.96%
2. Casper – 14.69%
3. Rock Springs – 13.98%
4. Gillette – 5.6%
5. Laramie – 5%

MARKETING UPDATES: EMAIL

Email Marketing

Total subscribers:

34,558 (0.88% increase from Q2)

Total emails sent:

710,613 individual emails

DURING THIS QUARTER, WE SENT
5 PLAYER EMAILS, 7 PRESS RELEASES,
AND 103 RSS EMAILS

Insights:

- The most opened email was the “WRGC Launch” email with a 14.45% open rate
- The “Lights Out Giveaway” email saw the highest click rate at 3.69%

GAME UPDATES

GAME UPDATES: COWBOY DRAW

This Quarter

In the third quarter,
we have seen:

- 112,651 total Cowboy Draw winners
- \$2,065,179 in total Cowboy Draw winnings
- 156 players that each won \$1,000
- One lucky jackpot winner of \$1,147,549 in Cheyenne on March 19

Since Launch

Since the launch of Cowboy Draw, we've seen:

- 17 lucky players hit the jackpot
- \$23,931,842 in prizes awarded
- 1,230,968 winners



Since the game's launch on March 15, 2015, 17 lucky players have hit the jackpot.



GAME UPDATES: POWERBALL

This Quarter

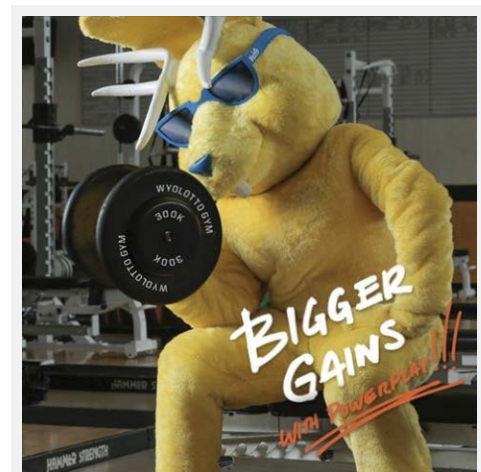
In the third quarter,
we have seen:

- 48,292 total Wyoming Powerball winners
- \$490,110 in total Wyoming Powerball winnings
- Two \$50,000 winners this quarter
 - March 17 – Evanston
 - March 21 – Cheyenne

Since Launch

Since the launch of WyoLotto,
we've seen:

- \$7,111,287 to Wyoming residents in Powerball winnings
- 675,464 Wyoming winners



GAME UPDATES: MEGA MILLIONS

This Quarter

In the third quarter,
we have seen:

- 29,391 total Wyoming Mega Millions winners
- \$228,632 in total Wyoming Mega Millions winnings
- Six \$1,500 winners and three \$2,000 winners this quarter

Since Launch

Since the launch of WyoLotto,
we've seen:

- \$8,140,820 to Wyoming residents in Mega Millions winnings
- 765,921 Wyoming winners



Wyoming Lottery
March 28 at 9:18am · 📍

Wednesdays must be for winners in Wyoming! Last night we had one \$500 win and THREE \$600 wins with Mega Millions. So, if you purchased a ticket in Afton, Casper, Jackson or Douglas- you might wanna check those numbers. <https://wyolotto.com/play/mega-millions/>

● ● ● ● + ●	\$10,000
● ● ● ●	\$500
● ● ● + ●	\$200
● ● ●	\$10
● ● + ●	\$10

Mega Millions & Winning Numbers - Wyoming Lottery | How to Play

Mega Millions® is a multi-state lottery game with jackpots that start at \$15 million.
WYOLOTTO.COM



GAME UPDATES: LUCKY FOR LIFE

This Quarter

In the third quarter,
we have seen:

- 46,810 total Wyoming Lucky for Life winners
- \$267,894 in total Wyoming Lucky for Life winnings
- Three \$5,000 winners



Since Launch

Since game launch (Dec. 4, 2016), we've seen:

- \$1,971,240 to Wyoming residents in Lucky for Life winnings
- 274,986 Wyoming winners



WYOMING RESPONSIBLE
GAMBLING COALITION

WYOMING RESPONSIBLE GAMBLING COALITION CAMPAIGN

Campaign Update

Marketing Campaign

- Executed a "Responsible Gambling" campaign from January 18 - April 11 including:
 - In-Store POP refresh
 - PR, email, social, web
 - Radio, newspaper ads, social/digital ads, digital/static billboards



Billboard



Website Hero



Newspaper



Gambling can be exciting in all its varieties, but it can also be difficult to STOP. Before you GO to the track, the casino, the lottery counter, or any other place to place your bets, SLOW down and pay your bills first, so you don't get carried away.



Social



THANK YOU!

ANY QUESTIONS?