



FY 2022 annual report

We're excited to share with you The Wyoming Lottery's annual report and celebrate together our successes from this year!



Operating with integrity

With continued regional and national respect as a lottery organization, WyoLotto proudly presents our annual report for July 2021 to June 2022.

No matter the external factors, our organization and team have stayed committed to maximizing how we give back to Wyoming.

PURPOSE

WyoLotto ultimately exists to be another revenue stream for the state of Wyoming while bringing fun, low-cost entertainment options to our residents. We take our mission seriously and are always looking for ways to give back to the state.

MISSION

Generate revenue to benefit the people of Wyoming by providing lottery games with entertainment value and integrity.



Thoughts from our CEO

We had a recurring theme for this last fiscal year. It was a year of low jackpots. When that happens, we have to stretch and find ways to keep the interest of our players, because the majority of our games are jackpot driven. Adding to that challenge, inflation impacted Wyoming's grocery stores, gas prices, energy prices and pretty much everything.

To rise to the challenge, we focused on promotions and product changes to Powerball and Lucky For Life that brought new energy to our games. Powerball added a draw day and Lucky For Life became a daily game. Both changes brought about a new level of entertainment as Powerball's jackpots now grow even faster and Lucky For Life can be played every day.

These changes were big, but we also had a major focus to prepare for our new game, KENO, which launched Sept. 18, 2022. The preparations for a draw game like KENO are monumental and kept us busy much of this fiscal year as we recruited new retailers and created the game. The addition to our portfolio gives us a game that is not driven by growing jackpots, so years when jackpots do not hit record amounts, we have other games that stabilize our revenue.

We are also proud to report that we remain strong and unwavering in very important areas, including another successful audit (our sixth in a row), sound governance and efficient operations.

We are now focused on running a full portfolio with KENO and can't wait to see it reach it's full potential and report on it in the next annual report!

We are grateful for Wyoming!

Jon Clontz | CEO, Wyoming Lottery Corporation

Gained new insight with updated tracker study

We conducted our periodic market research efforts in a tracker study which revealed an overall positive view of the brand. A high number of people associate WyoLotto with giving back, and 37% of respondents said the benefits to the state are their favorite part of the brand. The number one requested change (over 50% of respondents) was for WyoLotto to add scratch tickets, with 21% indicating they travel to nearby states to find them. Notably, adding scratch tickets would require a legislative change.

Implemented game changes for Lucky for Life® and Powerball®

Players love national games, so we always want to educate them on exciting new updates and improvements. When Lucky for Life shifted to a daily draw game on July 19, 2021, we launched a campaign that boosted sales by 42.5% and resulted in an 8.8% YOY increase. On August 23, 2021, Powerball added Monday draws, and players seem to love that the jackpots grow faster than ever.

New game 2by2® took Wyoming by storm

Our new game came out of the gate strong with 17 grand prize winners, almost \$1.8 million total sales during the fiscal year, and \$34,457 average weekly sales. The pre- and post-launch campaign gained widespread recognition by audience and industry alike, and was one of three finalists for the best marketing campaign award from La Fleur’s.

Keeping it on the record with successful audits

Since FY2015, WyoLotto has had successful annual audits in financial, security, and vendor compliance categories from these auditors:

- ✓ Accounting firm McGee, Hearne, & Paiz (MHP)
- ✓ Multi-State Lottery Association (MUSL)

Operating expenses & investments

We strive to keep our operating expenses low and look to decrease expenditures wherever possible. We also know we have to invest in our portfolio in order to drive more revenue and grow the amount we give back to the state’s cities, towns, and counties. In FY2022, we made intentional, pivotal investments in KENO, our website, our app, and operational improvements.

ANNUAL OPERATING EXPENSES*

FY2015	\$5,050,942
FY2016	\$3,983,150
FY2017	\$3,218,119
FY2018	\$3,105,374
FY2019	\$2,819,561
FY2020	\$2,692,999
FY2021	\$3,344,495
FY2022	\$3,358,640

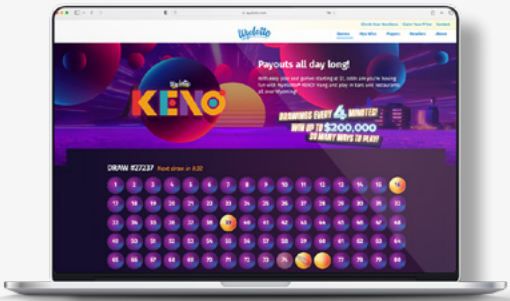
*Final audit values

Investing in future returns

We made multi-level strategic investments this year across our portfolio, infrastructure, and operations.

- Knowing we only had space for one more draw game in our portfolio, the decision to add KENO was arrived at with thoughtful consideration. This non-jackpot draw game, proven to generate stable and consistent revenue, has the potential to open up a whole new demographic of retailers and players.
- Additionally, while the lifespan of websites is typically a few years, ours had not changed significantly since launching in 2014. Given the heavy technical demands of KENO drawings every four minutes, it became clear that the launch of the new game was a perfect opportunity to make key website updates.
- Finally, we explored and implemented operational improvements this year after training with John Bernard, a widely recognized authority on business performance transformation and Lean management systems.

Improving performance and finding efficient ways to update our product and services will always remain a priority investment for our team.



Annual revenue by fiscal year

Because our portfolio is currently built around jackpot games, our annual revenue is directly tied to growing jackpots. Ever since the first billion dollar jackpot, we’ve seen that jackpots need to grow above \$500 million to achieve universal excitement (non-regular players buying tickets) and the corresponding exponential sales impact.

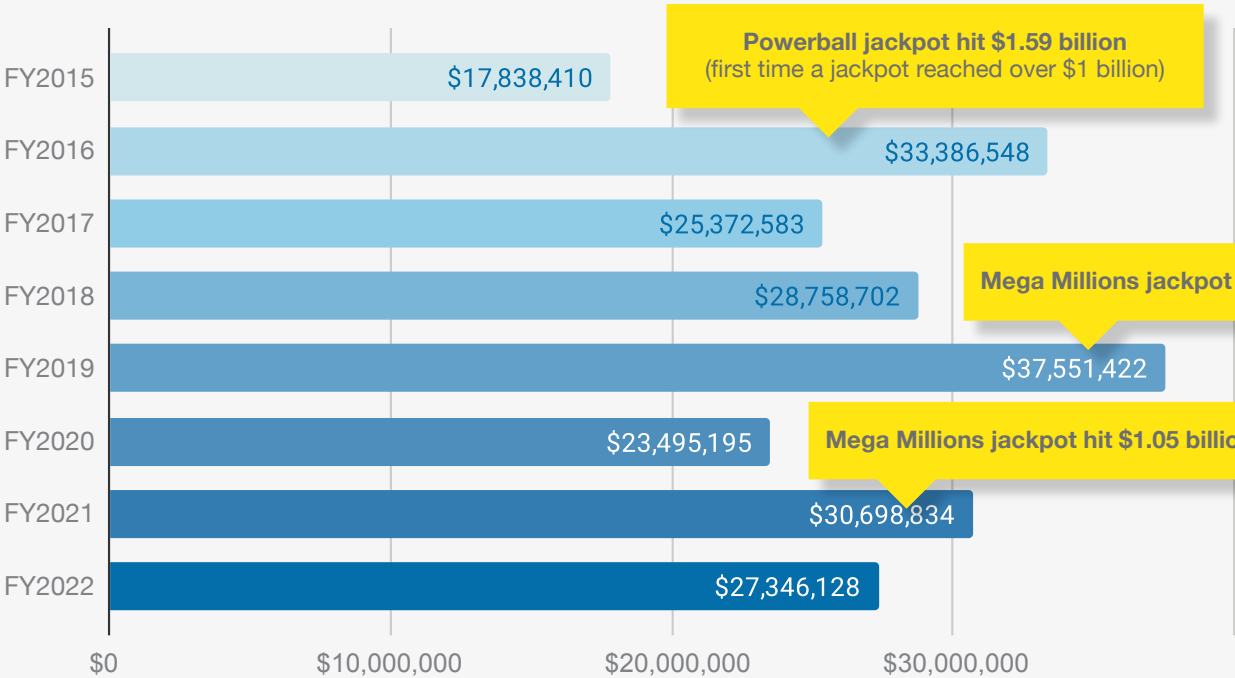
In years where jackpots reach over \$1 billion (like FY2016, FY2019, and FY2021), we see the impact on sales—in each of those years we achieved over \$30 million in sales.

While our current non-jackpot games do not drive the biggest sales, they bring in additional, consistent revenue every year, building a steady foundation while jackpots fluctuate. The addition of KENO will continue to help build this strong revenue base.

Responding to the effects of inflation

In the first half of FY2022, we were ahead of projection by an estimated \$275K. The impacts of inflation became apparent in early Q3 and Q4, especially affecting higher price point games like Cowboy Draw, which, at a \$5 price point costs about the same as a gallon of diesel gas. To combat the effects of dropping sales, we ran multiple buy-one-get-one promotions in March, April, and June. By the end of Q4, Cowboy Draw also had a jackpot of \$1.01 million, which helped us end the quarter only slightly below projection.

ANNUAL REVENUE



The power of the BOGO

One of the biggest impacts on sales we’ve observed year over year (outside of jackpots which are beyond our control) is running buy-one-get-one promotions, and we utilized several this year.

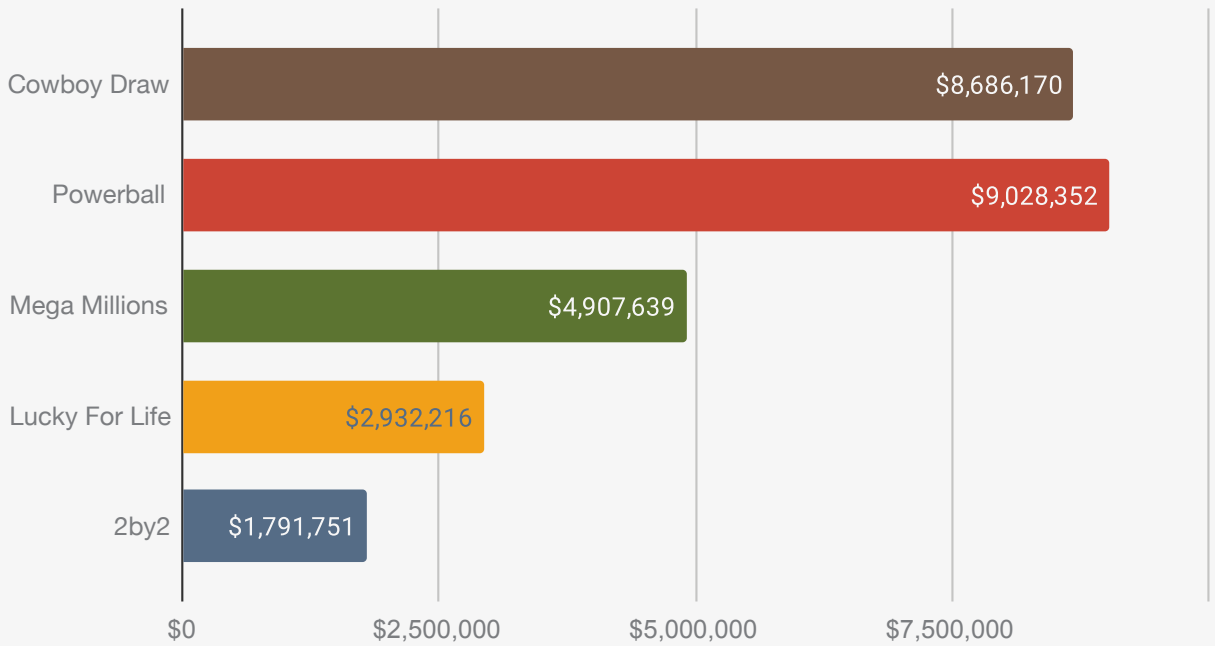
This was our fourth year of running Cowboy Draw BOGOs to celebrate University of Wyoming football wins, and the sales impact continued to trend up—a total of eight BOGOs this year resulted in a sales increase of 504% in average daily revenue on BOGO Sundays compared to non-BOGO Sundays throughout the football season.

Our second and third implementations of Powerball BOGOs had great results with nine BOGOs total over April and June 2022, generating \$913,487 in gross sales and averaging \$101,498 daily sales (compared to average daily sales of \$34,401), a sales increase of 195%.

We also introduced a new Cowboy Draw basketball BOGO which generated \$435,240 in gross sales. Go Pokes!



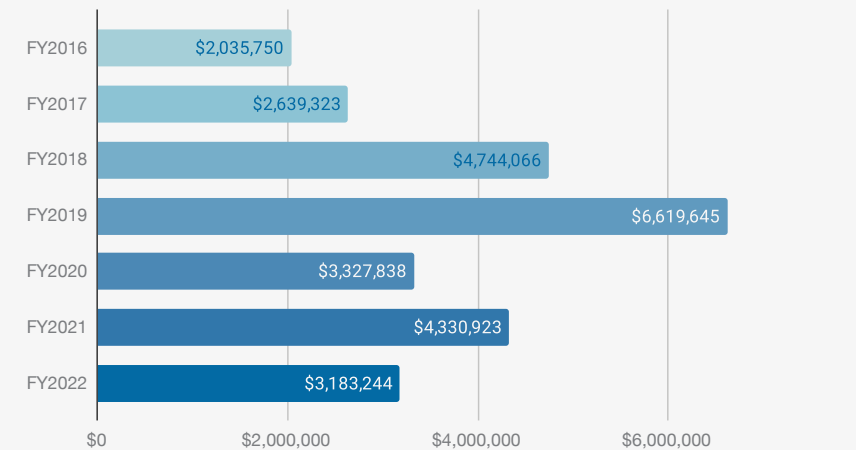
FY2022 REVENUE BY GAME



The Wyoming Lottery has transferred
\$26,880,792
to the state of Wyoming since FY2016.

We are excited about our transfers to the state because we know that money gets dispersed to every city, town, and county. The local communities then get to determine what they need to do with those funds.

TRANSFERS TO THE STATE BY FISCAL YEAR



TOTAL DISTRIBUTED TO EACH COUNTY

Albany.....	\$94,728	Natrona.....	\$376,601
Big Horn	\$26,655	Niobrara.....	\$10,323
Campbell	\$212,290	Park	\$99,091
Carbon.....	\$89,286	Platte	\$44,698
Converse	\$83,712	Sheridan	\$128,445
Crook.....	\$29,369	Sublette	\$35,250
Fremont	\$113,830	Sweetwater.....	\$285,268
Goshen	\$56,235	Teton.....	\$59,811
Hot Springs	\$16,920	Uinta	\$804,707
Johnson.....	\$38,096	Washakie	\$21,518
Laramie.....	\$439,923	Weston	\$29,433
Lincoln.....	\$87,055	FY2022 TOTAL.....	\$3,183,244

WINNERS

Our greatest joy comes from changing people’s lives with big winnings, simply by playing a low-cost, entertaining game. It feels pretty incredible to know that, in eight years, we’ve generated over 7.5 million winners and paid out over \$102 million.

YEAR	# OF WINNERS	TOTAL WINNINGS
FY2015	484,542	\$4,555,697
FY2016	950,078	\$18,436,379
FY2017	835,302	\$10,513,204
FY2018	842,344	\$11,380,062
FY2019	1,044,453	\$14,334,567
FY2020	688,677	\$10,753,244
FY2021	1,238,289	\$19,632,688
FY2022	1,428,559	\$12,977,630
TOTAL	7,512,244	\$102,583,471

FY2022 WINNINGS BY GAME

Cowboy Draw	\$7,094,868
Powerball	\$2,984,956
Mega Millions.....	\$603,132
Lucky for Life.....	\$1,475,371
2by2.....	\$819,303



Mac & Allison Madsen *Hanna, WY*
A new family wins together

This win came at the perfect time, just after returning home from the hospital with their newborn!



Sergio & Griselda Saenz *Alpine, WY*
Feeling the win coming

Sergio had a feeling he was going to win, and he was right—hitting the Cowboy Draw jackpot!



Big Al *Casper, WY*
His lucky day

It was a Merry Christmas for Big Al who found out he won \$25,000 per year for LIFE with Lucky for Life!



Colton M *Casper, WY*
Round Up for the win

An Air Force Veteran from Casper didn’t ignore his lucky feeling and boy did it pay off with 2by2!

RETAILERS

Retailers are the face of The Wyoming Lottery. Players depend on them and so do we!

From the bustling truck stops to the mom and pop shops, our presence in the Cowboy State is made great in part by our wonderful retailers, and we're happy to give retailer commissions back to them.

This year, as part of our KENO recruitment efforts, we conducted 20 forums for potential new retailers. These forums were also open to current retailers to answer questions about KENO and other games as well.

We ended up gaining more traditional retailers during these forums, enabling us to re-engage retailers with staff about all our games and highlight where all the revenue flows from WyoLotto products.



RETAILER

CITY

#1.....	Border Beverage	Evanston
#2.....	Maverik	Evanston
#3.....	Discount Liquor	Evanston
#4.....	Fast Stop	Evanston
#5.....	Flying J	Evanston
#6.....	Harrison Chevron	Evanston
#7.....	Cowboy Joe's Liquor	Evanston
#8.....	Harrison Shell	Evanston
#9.....	King Soopers	Cheyenne
#10.....	The Cigarette Store	Evanston

\$14,035,970

TOTAL
COMMISSIONS
PAID

438
RETAILERS

COMMISSIONS PAID

FY2015	\$1,088,532
FY2016	\$2,042,809
FY2017	\$1,557,965
FY2018	\$1,764,891
FY2019	\$2,330,632
FY2020	\$1,485,827
FY2021	\$1,987,439
FY2022	\$1,777,871

Bringing in additional revenue from Utah

We have great retailers across the state but many of our top retailers are in Evanston, WY.

These retailers are serving the Utah population that drives across state lines to play our games, meaning that WyoLotto is bringing out-of-state revenue into the state that wouldn't otherwise be here.

Local sponsorships
& support

State transfers are one of our biggest ways to give back to Wyoming, but we also actively look for other ways to directly support events and organizations statewide.

In addition to sponsorships, we're proud to keep additional revenue in our state by distributing to Wyoming businesses as part of media buys. These media partnerships are a win-win for the entire state.



Ongoing UW sponsorship

We're going on our seventh year of sponsorship with the University of Wyoming, and for the last few years this partnership has served as the foundation for some of our most successful BOGO promotions. Cowboy Draw, Wyoming's game, has been the perfect match to drive sales after a big win.

In the 2021-2022 season, the Pokes had six regular season wins resulting in BOGOs the following Sundays. We added two more BOGOs in the post season to celebrate UW's Bowl Game selection and, ultimately, their big win.

This cross-promotion has had a major impact on sales demonstrated by a 500% increase in tickets sold on BOGO Sundays compared to non-BOGO Sundays.



Responsible gambling/WRGC



Empowering people to play responsibly is important to us. That's why, early on, we became the only gaming entity in the state to work with the Wyoming Department of Health and other partners and stakeholders to develop the Wyoming Responsible Gambling Coalition (WRGC).

We continue to be a proud member of the National Council on Problem Gambling (NCPG) which provides resources and services to those with a gambling problem, including a 24-hour helpline. We also work with local counseling providers across the state to provide training on how best to address and treat compulsive gambling. Our hope is to connect with more skilled partners who are able to help if and when the need arises.

Based on our recent tracker study, Wyoming participants who indicated they or someone they knew were possibly experiencing a gambling problem saw online gambling, slot machines, sports betting, and table games as the largest contributors. We're glad that WyoLotto does not appear to be a major contributor, and want to ensure it stays that way with continued messaging that encourages our players to play responsibly.

We are the smallest lottery operation in the country. But that doesn't stop us from doing BIG things and being recognized amongst our fellow lotteries.

Proud of our history

The Wyoming Lottery Corporation was formed in March of 2013 and shortly after started with a private loan. We sold our first ticket in August 2014, and have continued to hit major milestones ever since.

March 2015	Added Cowboy Draw (a Wyoming-only game) to our portfolio
January 2016	Paid off our startup loan six months EARLY
April 2016	First transfer to the state - over \$1 million
December 2016	Added Lucky For Life (a static jackpot game) to our portfolio
August 2017	Ran our first UW/Cowboy Draw BOGO promotion
June 2019	Added Ragtime Raffle (a 7-week raffle game) to our portfolio
August 2020	Ran our first Powerball BOGO promotion
September 2020	Launched the WyoLotto app
October 2020	Exceeded \$20 million total given back to the state
January 2021	Ran a second chance giveaway with the new app
March 2021	Added 2by2 (Wyoming's first daily draw game) to our portfolio
July 2021	Lucky for Life became a daily draw game
August 2021	Powerball added another draw day
Spring 2022	Executed large scale recruitment and training for KENO retailers

Rising to every challenge with enthusiasm

The last couple years have come with unexpected challenges like COVID-19, inflation, and low jackpot levels. But WyoLotto continues to show up for its retailers and players with new and exciting promotions to help drive sales. We're always looking for new ways to help small businesses thrive and community members win just by interacting with our products.

Our dedication to the community is a reflection of our dedication to efficient and seamless internal processes. By investing in and developing WyoLotto operations, we are staying ahead of the pack and setting new standards of transparency and accountability.

Leading the way with creative campaigns

We like to raise the bar and create new, exciting, and memorable promotions for all of our games. From eye-catching graphics to vibrant colors, we want to create a fun atmosphere for our players and retailers as we establish WyoLotto as a leading lottery organization.

This year's promotional highlights include:

- KENO brand strategy and retailer recruitment
- New Monday night draws for Powerball
- Lucky for Life becoming Wyoming's second daily draw game
- University of Wyoming football BOGO season



There is a lot that we can celebrate about our past, but we are also excited to look for brand new ways to make our products even more fun and appealing to Wyoming and our visitors.



Launching KENO

From onboarding retailers to preparing to execute a multiplatform campaign, we had a blast making space for KENO among our growing list of products over the past year. As a non-jackpot game, KENO is poised to be a great addition to our growing portfolio.

New website build

The need to facilitate KENO drawings on our website gave us the chance to modernize the entire site to enhance the player experience. Our new design and features will keep players informed about promotions and news, bring more excitement to celebrating our winners, and bring the brand to life in fun and playful ways.



Responsible gambling

This year, we started planning the process of verification from the National Council of Problem Gambling (NCPG) and North American Association of State and Provincial Lotteries (NASPL) as we continue to be a proponent for and part of the WRGC.

A small lottery doing big things for the state we love, all while entertaining the residents?

–That’s what we call winning.



wyolotto.com