

WyoLotto FY2023 Q1 Board Report



Corporate Responsibility

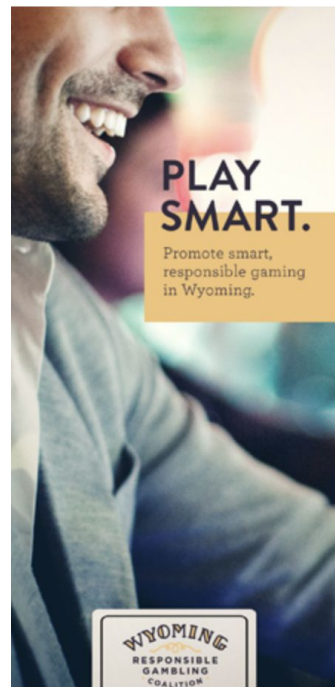
Transfer Update

- **Quarterly Transfers to Wyoming**
 - Q1 Fiscal Year 2022: \$1,412,513.00
 - Total Since Launch: \$28,293,305.32



Problem Gambling

- In collaboration with the Wyoming Department of Health, formed the Wyoming Responsible Gaming Coalition to raise awareness of responsible gambling
- Single transactions are capped at \$125 and products are not available 24/7
- The Problem Gambling Hotline is posted on every ticket, listed on play slips, and on our website
- Problem Gambling brochures are located wherever Lottery tickets are sold
- Continued education regarding Problem and Responsible Gambling is a priority



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
 - Continued work with Department of Family Services (DFS) to collect back child support owed by a player from prize payments

Financial Update

Financial Update

Balance Sheet

As of September 30, 2022

Wyoming Lottery Corp Balance Sheet As of September 30, 2022

ASSETS	Sept 30, 22	Sept 30, 21	\$ Change
Current Assets			
Checking/Savings			
Checking Accounts	5,558,204.79	4,746,376.66	811,828.13
Prize Account Petty Cash (Till)	1,037.74	1,208.74	(171.00)
Restricted Cash			
Unclaimed Prizes	408,373.44	1,019,115.85	(610,742.41)
Responsible Gambling Funds	207,340.98	55,652.78	151,688.20
Fidelity Fund	68,940.09	62,502.80	6,437.29
Total Checking/Savings	<u>6,243,897.04</u>	<u>5,884,856.83</u>	<u>359,040.21</u>
Other Current Assets			
Prepaid Expenses	23,760.11	21,788.40	1,971.71
Retail Accounts Receivable	392,087.51	249,317.24	142,770.27
Other Receivables	2,816.29	76,836.55	(74,020.26)
Total Other Current Assets	<u>418,663.91</u>	<u>347,942.19</u>	<u>70,721.72</u>
Total Current Assets	<u>6,662,560.95</u>	<u>6,232,799.02</u>	<u>429,761.93</u>
Noncurrent Assets			
Capital Assets, Net	793,006.30	426,101.28	366,905.02
Capital Assets, Trademarks	34,700.00	34,700.00	0.00
Deposits - Building	7,500.00	7,500.00	0.00
Total Noncurrent Assets	<u>835,206.30</u>	<u>468,301.28</u>	<u>366,905.02</u>
Deferred Outflows of Resources			
Pension Related Outflows	153,845.72	131,349.72	22,496.00
TOTAL ASSETS	<u>7,651,612.97</u>	<u>6,832,450.02</u>	<u>819,162.95</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	366,875.61	451,540.56	(84,664.95)
Jonah Bank Credit Card	39,617.97	13,465.42	26,152.55
State of Wyoming Transfer Payable	1,412,513.00	1,059,478.92	353,034.08
Unearned Revenue (net)	388,007.00	423,071.00	(35,064.00)
Prizes Payable	1,694,773.38	1,293,223.43	401,549.95
Payroll Liabilities	60,186.41	59,450.63	735.78
Total Current Liabilities	<u>3,961,973.37</u>	<u>3,300,229.96</u>	<u>661,743.41</u>
Noncurrent Liabilities			
Xerox-Capital Lease	78,146.26	37,899.84	40,246.42
Net Pension Liability	681,368.09	963,720.09	(282,352.00)
Total Noncurrent Liabilities	<u>759,514.35</u>	<u>1,001,619.93</u>	<u>(242,105.58)</u>
Deferred Inflows of Resources			
Pension Related Inflows	453,975.59	219,665.59	234,310.00
Total Liabilities	<u>5,175,463.31</u>	<u>4,521,515.48</u>	<u>653,947.83</u>
Equity			
Retained Earnings	2,304,538.40	2,148,362.67	156,175.73
Net Income	171,611.26	162,571.87	9,039.39
TOTAL LIABILITIES & EQUITY	<u>7,651,612.97</u>	<u>6,832,450.02</u>	<u>819,162.95</u>

Financial Update

Q1 Profit & Loss

July 2022 through September 2022

Wyoming Lottery Corp Profit & Loss July 2022 through September 2022

Operating Income/Expense	July - Sept 22	July - Sept 21	\$ Change
Income			
Income / Revenues			
Mega Millions Sales (net)	4,285,777.00	1,443,675.80	2,842,101.20
Power Ball Sales (net)	2,004,364.00	2,297,060.84	-292,696.84
Cowboy Draw Sales (net)	2,099,005.00	2,536,425.60	-437,420.60
Lucky For Life (net)	755,814.00	769,886.00	-14,072.00
Keno Sales	191,342.00	0.00	191,342.00
2by2 Sales (net)	370,121.00	564,573.78	-194,452.78
Total Income / Revenues	9,706,423.00	7,611,622.02	2,094,800.98
Other Revenues			
Application Fees (Fidelity-Res)	3,200.00	700.00	2,500.00
Other Revenues	0.00	0.00	0.00
Total - Other Revenues	3,200.00	700.00	2,500.00
Total Income	9,709,623.00	7,612,322.02	2,097,300.98
Cost of Goods Sold			
Direct Gaming Costs			
Prize Expense - Low Tier/ Hi / MUSL			
Megamillions	2,098,544.70	644,326.45	1,454,218.25
Powerball	969,406.44	1,078,291.95	-108,885.51
Cowboy Draw	1,131,410.00	1,594,220.33	-462,810.33
Lucky For Life	430,451.79	522,457.48	-92,005.69
2by2	197,710.51	307,439.36	-109,728.85
Keno	117,243.00	0.00	117,243.00
Total Direct Gaming Costs / Prize Expense	4,944,766.44	4,146,735.57	798,030.87
Gaming Expenses			
Gaming Retail Commissions	601,533.12	482,072.76	119,460.36
Gaming Retail Validation Bonus	13,172.85	11,926.41	1,246.44
Vendor Expense - (Intralot)	1,129,804.21	886,033.42	243,770.79
Total Gaming Expenses	1,744,510.18	1,380,032.59	364,477.59
Total COGS	6,689,276.62	5,526,768.16	1,162,508.46
Gross Profit	3,020,346.38	2,085,553.86	934,792.52
Expense			
Operating Expenses			
Bank Fees	0.00	0.00	0.00
Board Expenses	6,286.33	4,577.74	1,708.59
Insurance	6,007.34	4,010.83	1,996.51
Membership Dues	87,034.90	26,808.68	60,226.22
Responsible Gambling Program	7,256.00	0.00	7,256.00
Accounting / Audit Fees	30,000.00	30,000.00	0.00
Legal Fees	17,003.70	15,645.60	1,358.10
Marketing	144,393.38	165,048.05	-20,654.67
New Game Development	622,379.83	137,641.59	484,738.24
Outside Contract Services (IT)	44,461.48	36,400.77	8,060.71
Vendor Background Services	269.00	0.00	269.00
Payroll Services	1,376.00	1,142.75	233.25

Financial Update

Q1 Profit & Loss, Continued

July 2022 through September 2022

Wyoming Lottery Corp Profit & Loss July 2022 through September 2022

	July - Sept 22	July - Sept 21	\$ Change
Operating Income/Expense			
Retail Investigation	1,800.00	450.00	1,350.00
Facilities & Equipment	51,262.56	35,605.85	15,656.71
Communications	2,549.97	3,209.52	-659.55
Office Costs	6,148.35	8,614.21	-2,465.86
Petty Cash Over/Short	-8.00	3.00	-11.00
Ticket Problem Expense	25.42	101.00	-75.58
Retailer Special Incentive	0.00	2,000.00	-2,000.00
Rent & Janitorial	27,827.32	27,575.86	251.46
Salaries, Wages & Benefits	361,202.83	328,891.99	32,310.84
Travel	21,972.60	43,274.48	-21,301.88
EE Uniforms	0.00	3,490.16	-3,490.16
Total Operating Expenses	1,439,249.01	874,492.08	564,756.93
Net Operating Income	1,581,097.37	1,211,061.78	370,035.59
Other Income			
Interest Income	4,073.39	1,538.87	2,534.52
Gain/Loss on Sale of Assets	0.00	10,300.00	-10,300.00
Total Other Income	4,073.39	11,838.87	-7,765.48
Other Expenses			
Interest Expense	1,046.50	849.86	196.64
Total Other Expense	1,046.50	849.86	196.64
Net Income Before Transfer	1,584,124.26	1,222,050.79	362,073.47
Responsible Gambling Expenses Reimbursement	7,256.00		
Retained Net Proceeds/New Game Expense Reimbursement	222,193.49		
Net Income Before Transfer with Reimbursements	1,813,573.75		
90000 · State of Wyoming Transfers	1,412,513.00	1,059,478.92	353,034.08
Net Income	401,060.75	162,571.87	238,488.88
State Transfer % of Net Income	77.89%	86.70%	-8.81%

Financial Update

Q1 Profit & Loss Budget vs. Actual

July 2022 through September

Wyoming Lottery Corp Profit & Loss Budget vs. Actual July 2022 through September 2022

	FY 23 QTR 1			
	TOTAL			
	July - Sept 22	Budget	- Favorable	% of Budget
Ordinary Income/Expense				
Total 40000 · Income / Revenues	9,706,423.00	6,248,277.50	3,458,145.50	155.35%
Total 48000 · Other Revenues	3,200.00	0.00	3,200.00	100.0%
Total Income	9,709,623.00	6,248,277.50	3,461,345.50	155.4%
Cost of Goods Sold				
Total 60000 · A Direct Gaming Costs	4,944,766.44	3,547,347.00	1,397,419.44	139.39%
Total 61000 · B Gaming Expenses	1,744,510.18	1,112,193.27	632,316.91	156.85%
Total COGS	6,689,276.62	4,659,540.27	2,029,736.35	143.56%
Gross Profit	3,020,346.38	1,588,737.23	1,431,609.15	190.11%
	July - Sept 22	Budget	+ Favorable	% of Budget
Expense				
Total 60000 · Business Expenses	106,584.57	53,875.00	52,709.57	197.84%*
Total 61000 · Contract Services	861,683.39	1,050,930.00	-189,246.61	81.99%***
Total 62000 · Facilities and Equipment	51,262.56	35,950.00	15,312.56	142.59%****
Total 63000 · Operations	36,543.06	41,709.00	-5,165.94	87.61%*****
Total 64000 · Personnel Salaries, Benefits & Travel	383,175.43	401,562.25	-18,386.82	95.42%*****
Total Expense	1,439,249.01	1,584,026.25	-144,777.24	90.86%
Net Ordinary Income	1,581,097.37	4,710.98	1,576,386.39	33,561.96%
Other Income/Expense				
70000 · Interest Income	4,073.39	1,350.00	2,723.39	301.73%
81000 · Interest Expense	1,046.50	900.00	146.50	116.28%
82000 · Gain/Loss on Discarded Assets	0.00	0.00	0.00	0.0%
Total Other Expense	1,046.50	900.00	146.50	116.28%
Net Other Income	3,026.89	450.00	2,576.89	672.64%
	July - Sept 22	Budget	- Favorable	% of Budget
Net Income before Transfer to State of Wyoming	1,584,124.26	5,160.98	1,578,963.28	30,684.26%
Transfer to State of Wyoming	1,412,513.00			
Net Income	171,611.26			

* Under \$3,000 Board; Under \$8,000 Insurance; Over \$57,000 Dues; Over \$7,000 RG Expenses

** Under \$72,000 Mktg; Under \$6,300 IT; Under \$108,000 New Game Dev

*** Over \$15,000 Depreciation

**** Under \$1,600 Communications; Under \$3,000 Retailer Special Incentive

***** Under \$9,700 Benefits; Under \$4,300 Compensation; Under \$2,300 Travel; Under \$2,000 Uniforms

Net Income Allocation:

Net Loss:	171,611.26
With Reimbursements Added	229,449.49
Net Income:	401,060.75

Profit & Loss Responsible Gambling Budget vs. Actual

July 2022 through September 2022

Financial Update

Profit & Loss Responsible Gambling

Budget vs. Actual

July 2022 through September 2022

	FY 23 QTR 1 YTD		
	TOTAL		
	July 22 - Sept 22	FY23 Budget	Available
Responsible Gambling Expenses			
Tracker Study Follow Up Research	0.00	0.00	0.00
Certifications - University of Minnesota	0.00	0.00	0.00
Strategic Plan 2019	0.00	0.00	0.00
Brochure Reprints	0.00	0.00	0.00
Media Planning & Buying	0.00	0.00	0.00
Responsible Gambling Travel/Conferences as Needed	7,256.00	10,000.00	2,744.00
Fremont County Service Research	0.00	0.00	0.00
Dues & Sponsorships	0.00	0.00	0.00
Allocation To Be Determined		197,340.98	197,340.98
Total Responsible Gambling Expenses	7,256.00	207,340.98	200,084.98

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	-7,188.00
FY 22 Expenses	-48,311.80
7/29/22 Unclaimed Prize Funding	200,000.00
FY 23 Expenses	-7,256.00
9/30/22 Responsible Gambling Balance	200,084.98

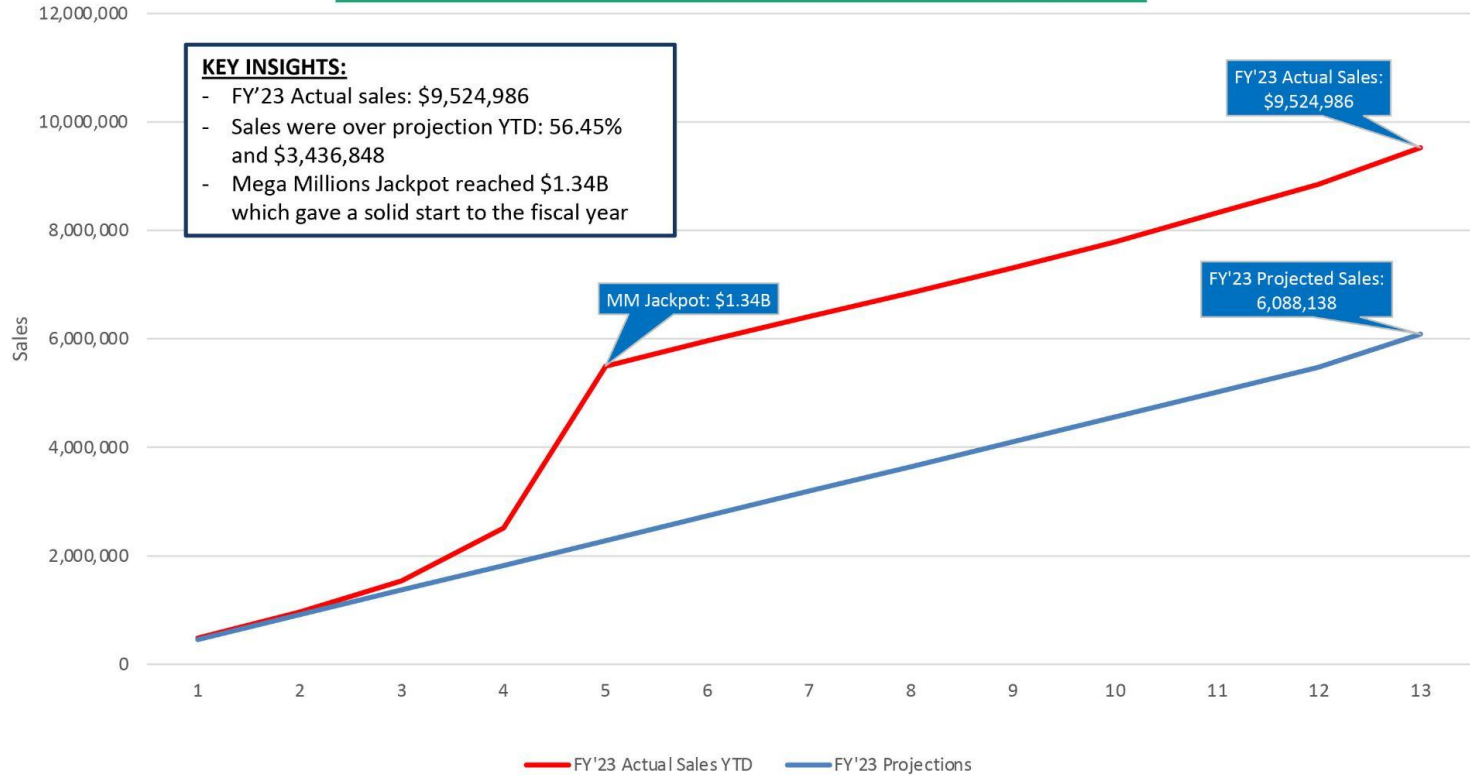
Unclaimed Prize Fund Balance as of 9/30/22

\$408,373.44

Sales Update

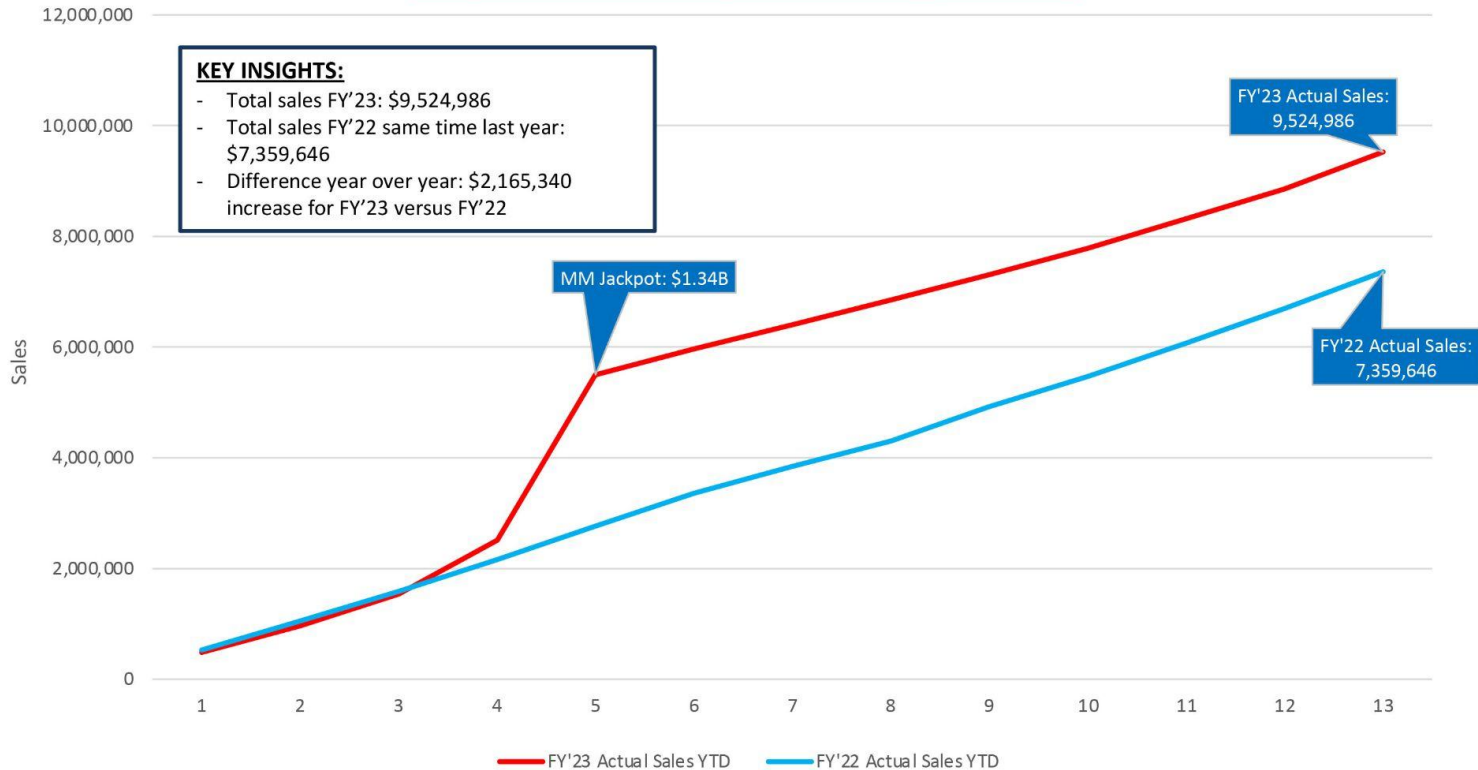
Sales Update

Total Sales: FY'23 Actual vs. Projection - Week ending: 9/24/22



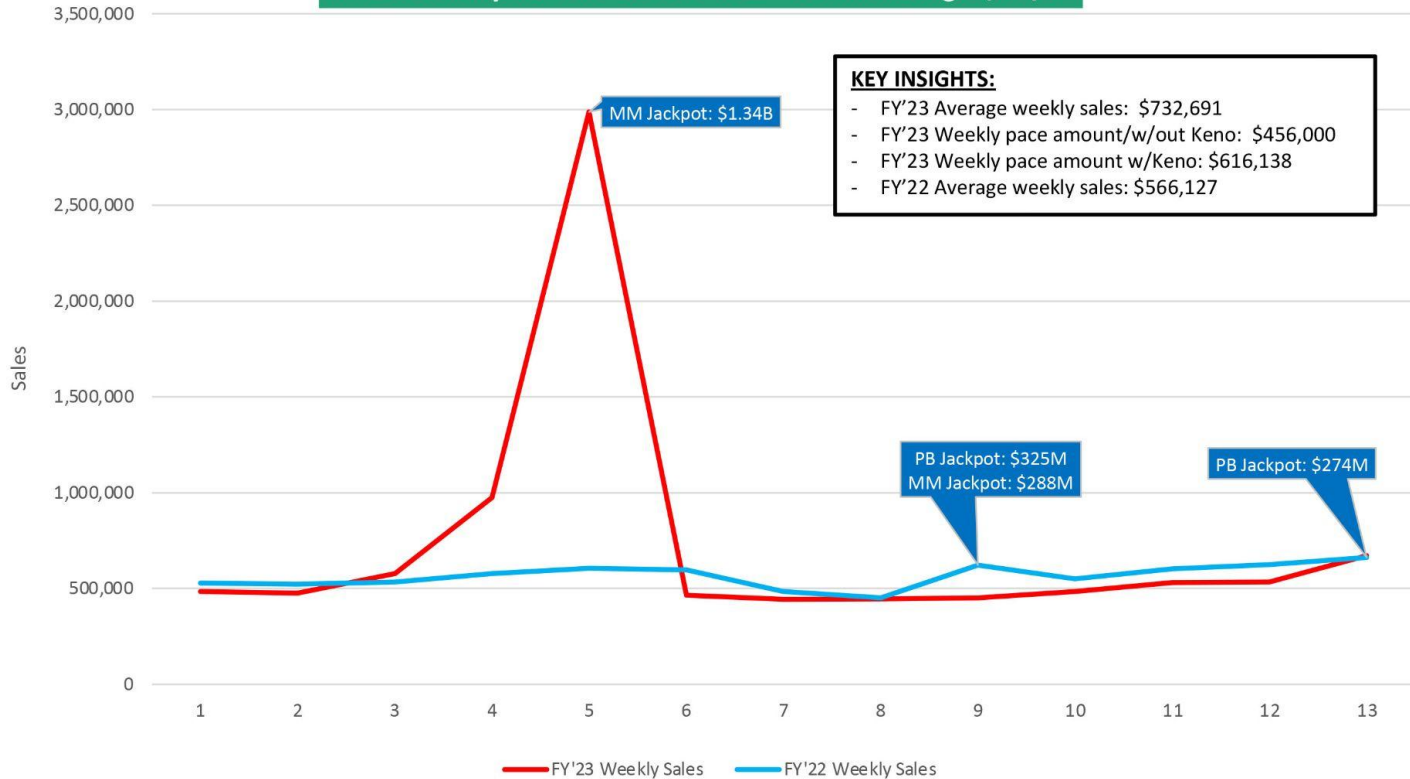
Sales Update

Total Sales: FY'23 vs. FY'22 - Week ending: 9/24/22



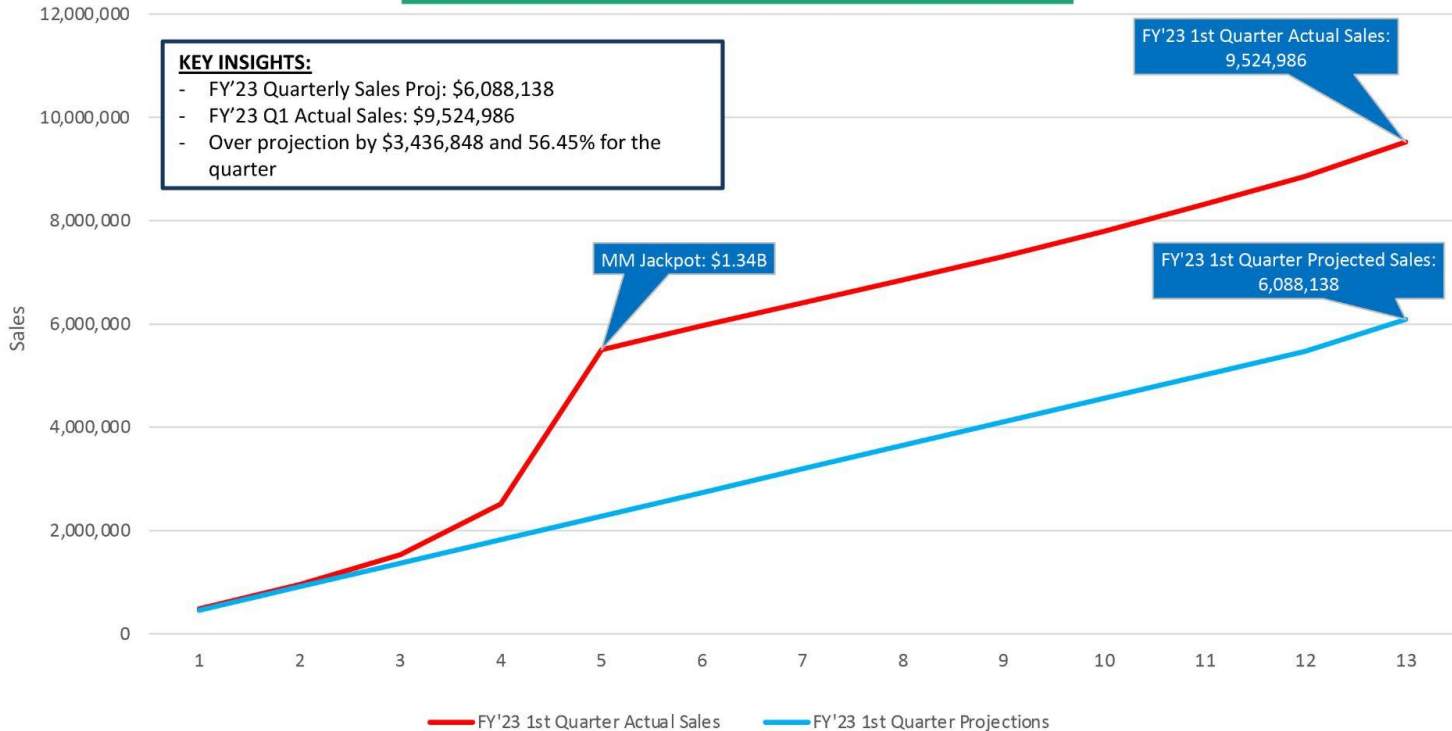
Sales Update

Actual weekly sales FY'23 vs. FY'22 - Week ending: 9/24/22



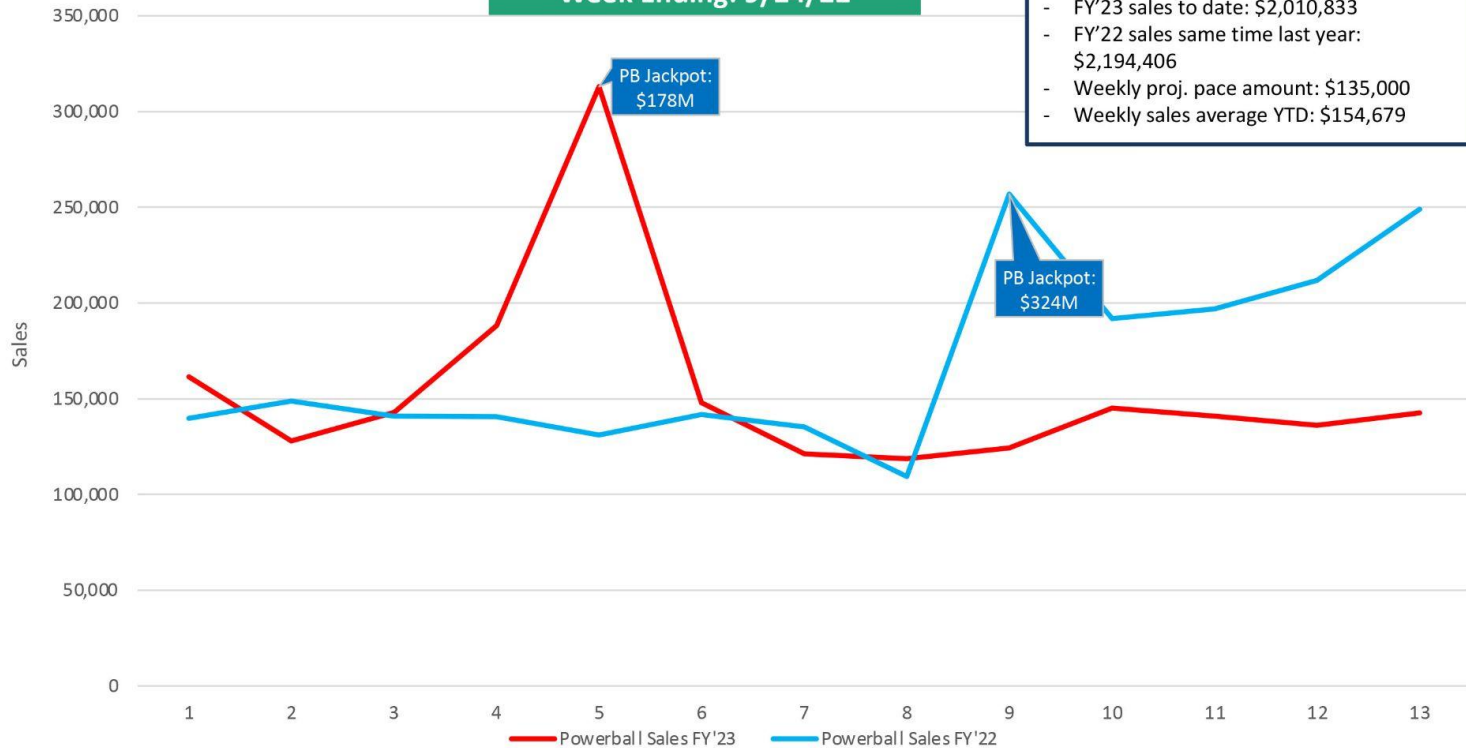
Sales Update

Total 1st Quarter Sales: FY'23 Actual vs. Projections Quarter Ending 9/24/22



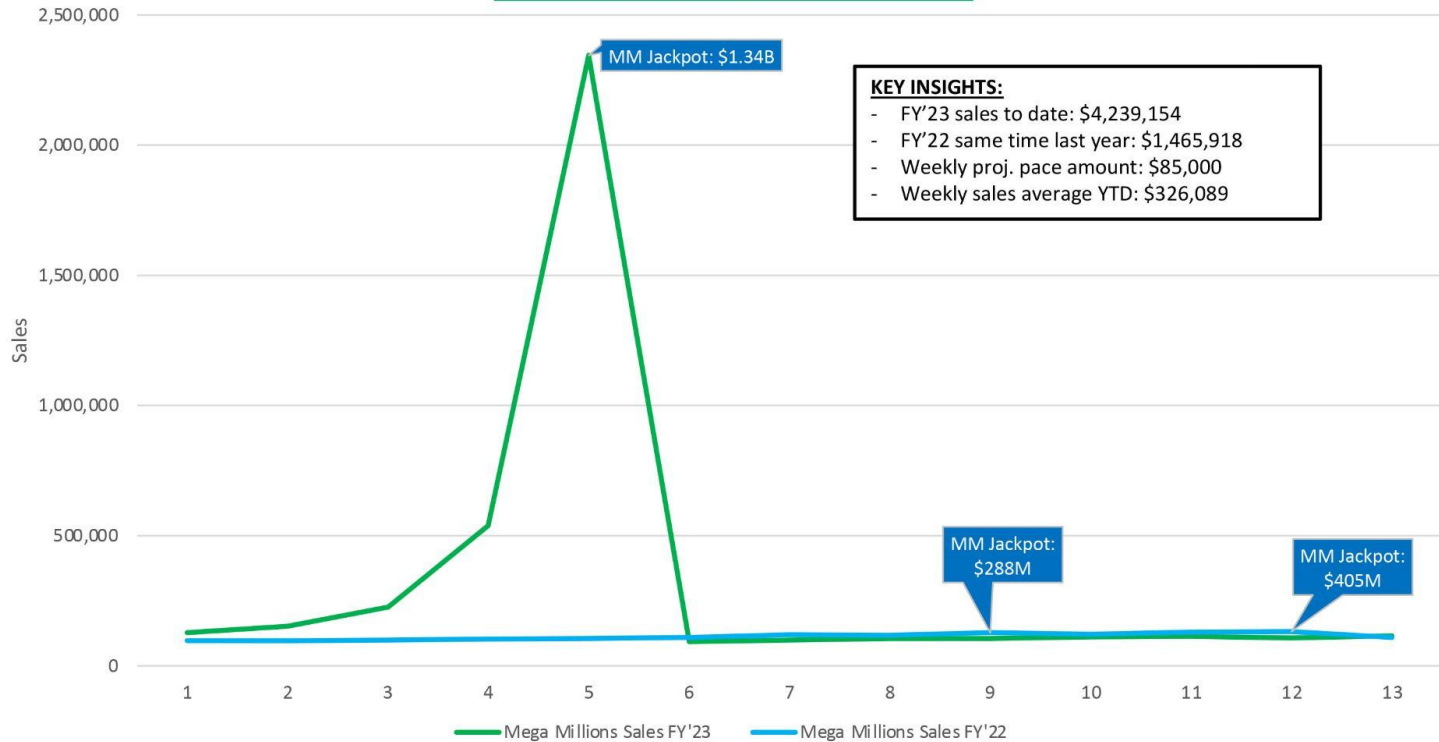
Sales Update

Powerball Sales - FY'23 vs. FY'22
Week Ending: 9/24/22



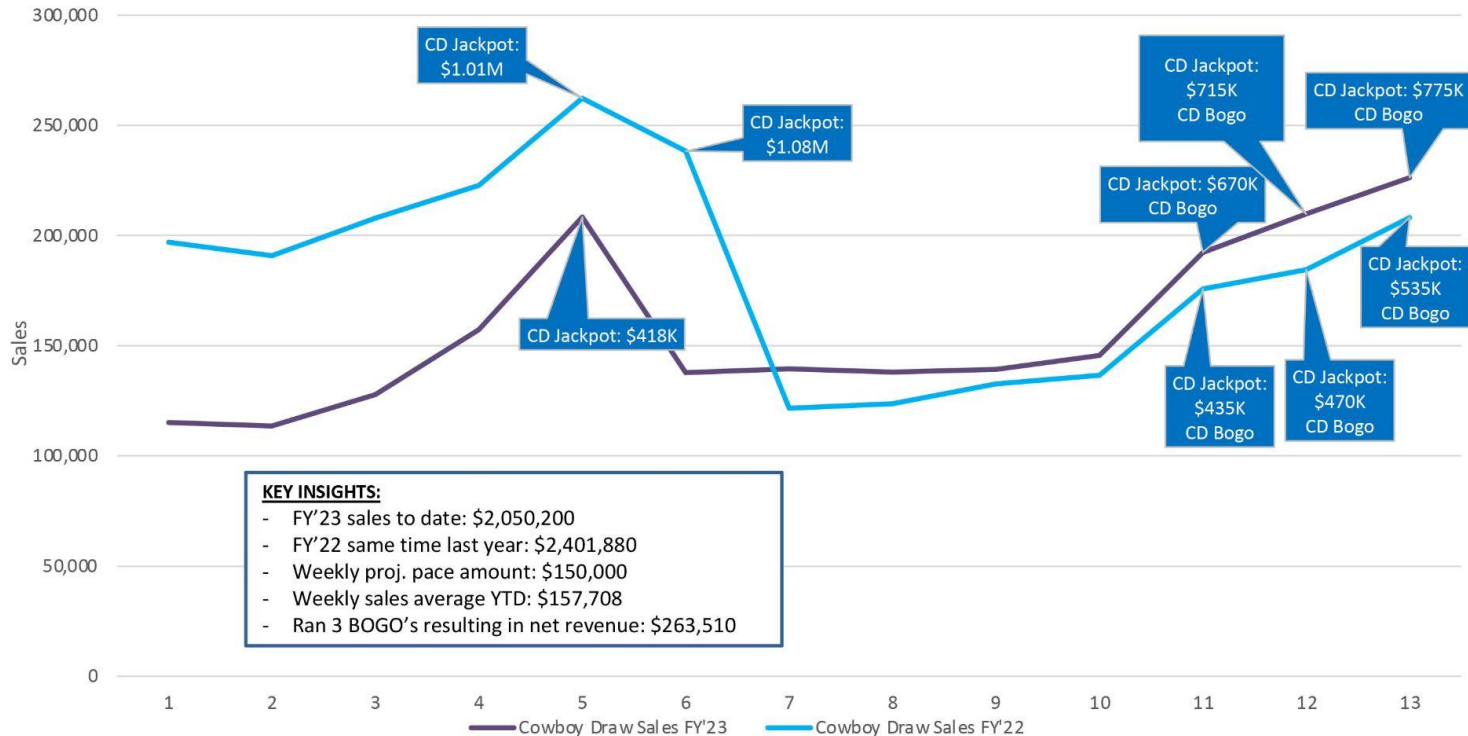
Sales Update

Mega Millions Sales - FY'23 vs. FY'22 Week Ending: 9/24/22



Sales Update

Cowboy Draw Sales - FY'23 vs. FY'22
Week ending: 9/24/22

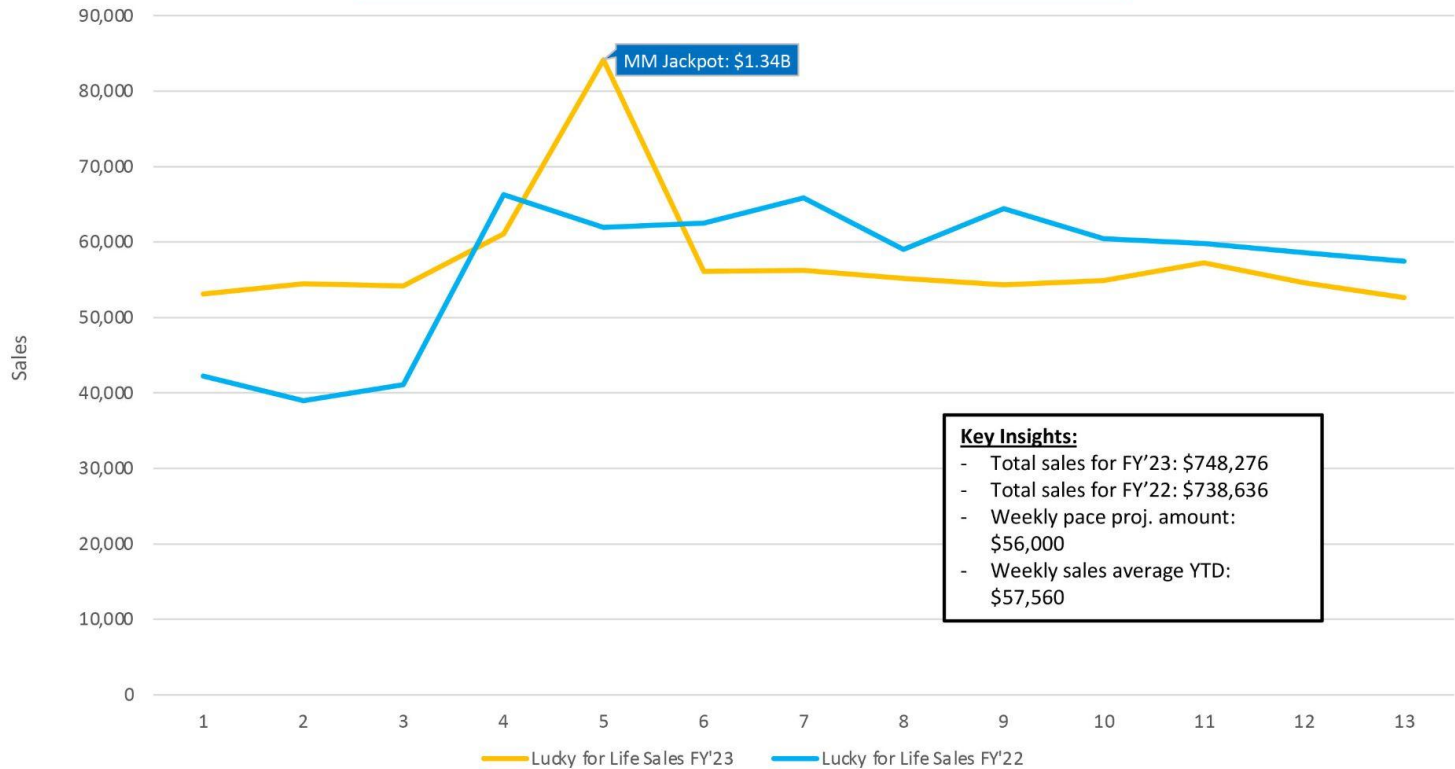


KEY INSIGHTS:

- FY'23 sales to date: \$2,050,200
- FY'22 same time last year: \$2,401,880
- Weekly proj. pace amount: \$150,000
- Weekly sales average YTD: \$157,708
- Ran 3 BOGO's resulting in net revenue: \$263,510

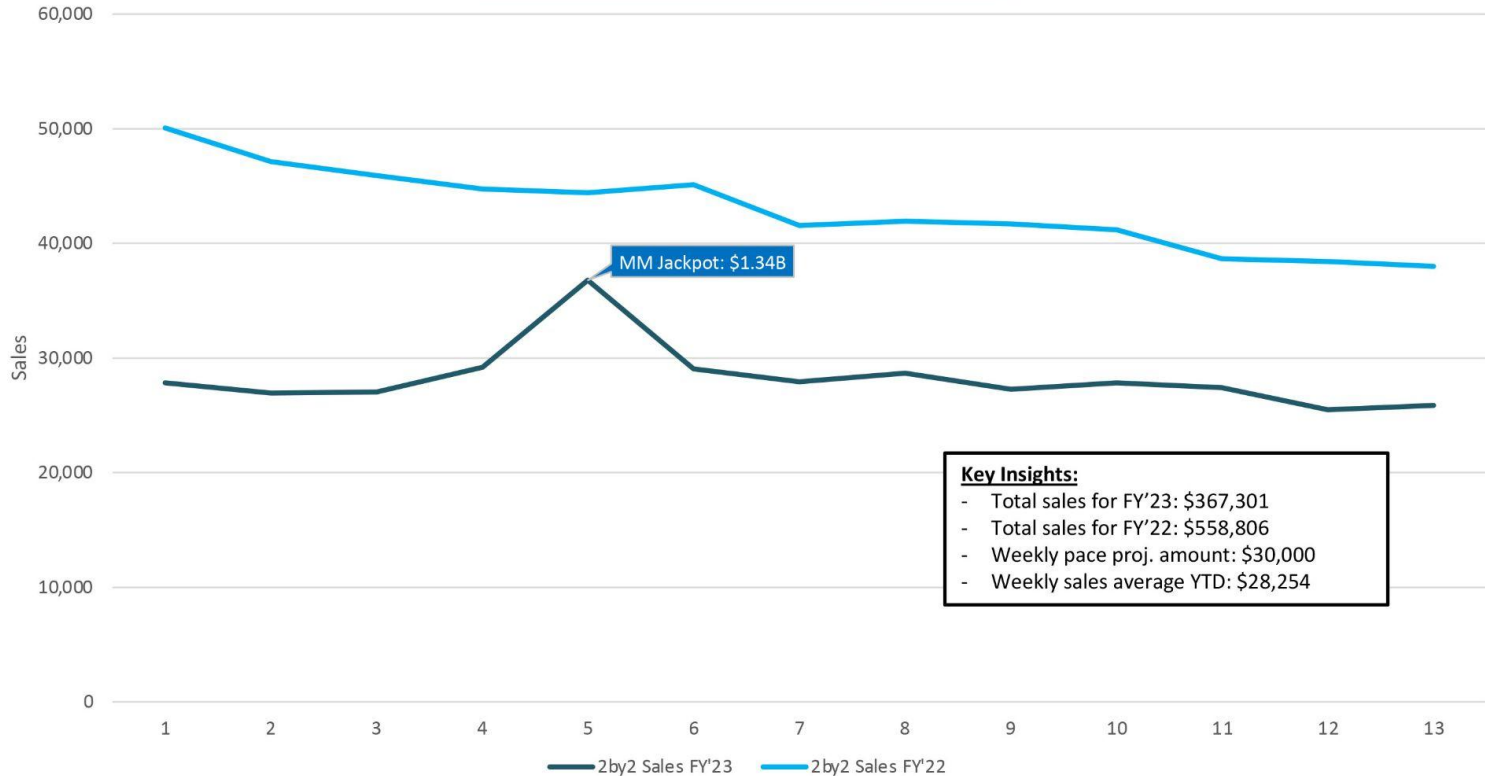
Sales Update

Lucky for Life Sales: FY'23 vs. FY'22 - Week ending: 9/24/22



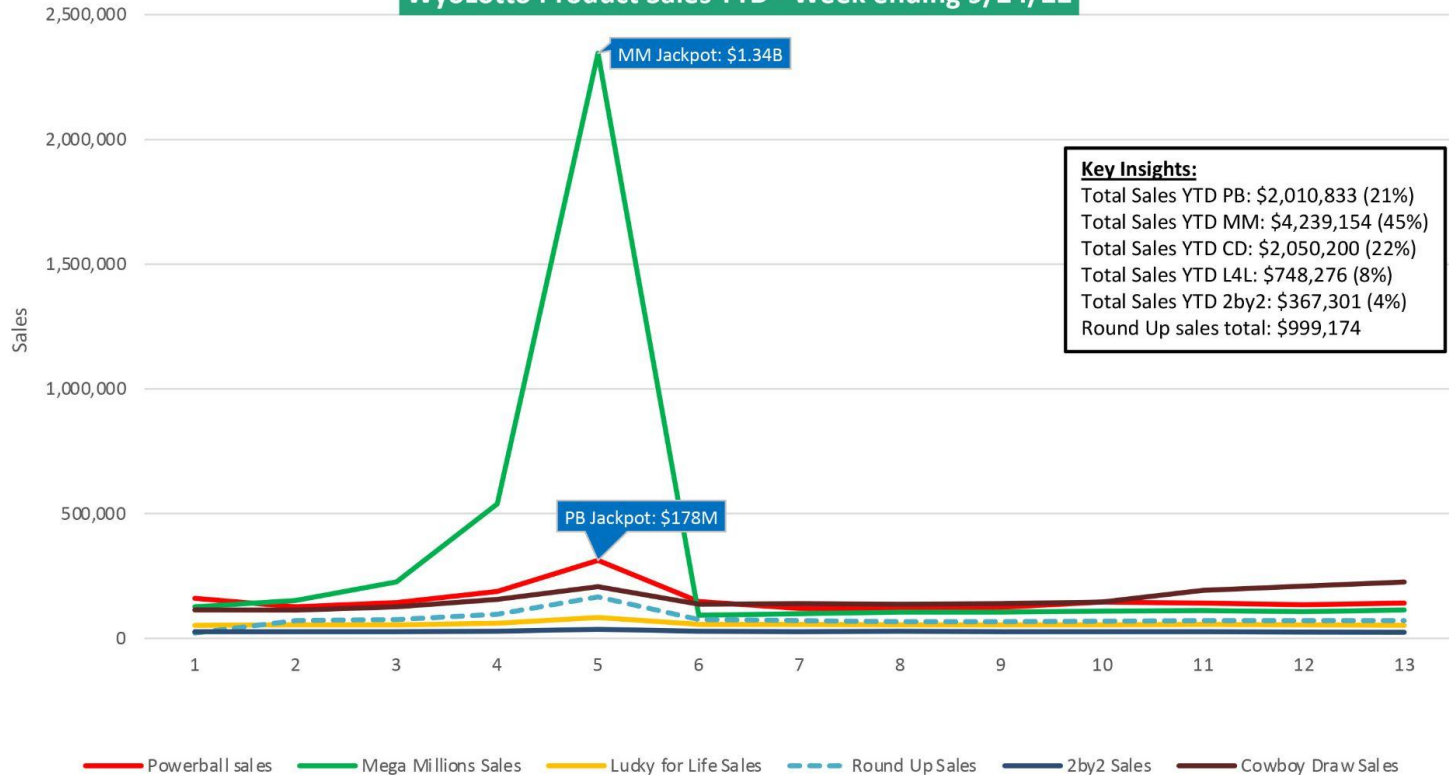
Sales Update

2by2 Sales: FY'21- Week ending: 9/24/22



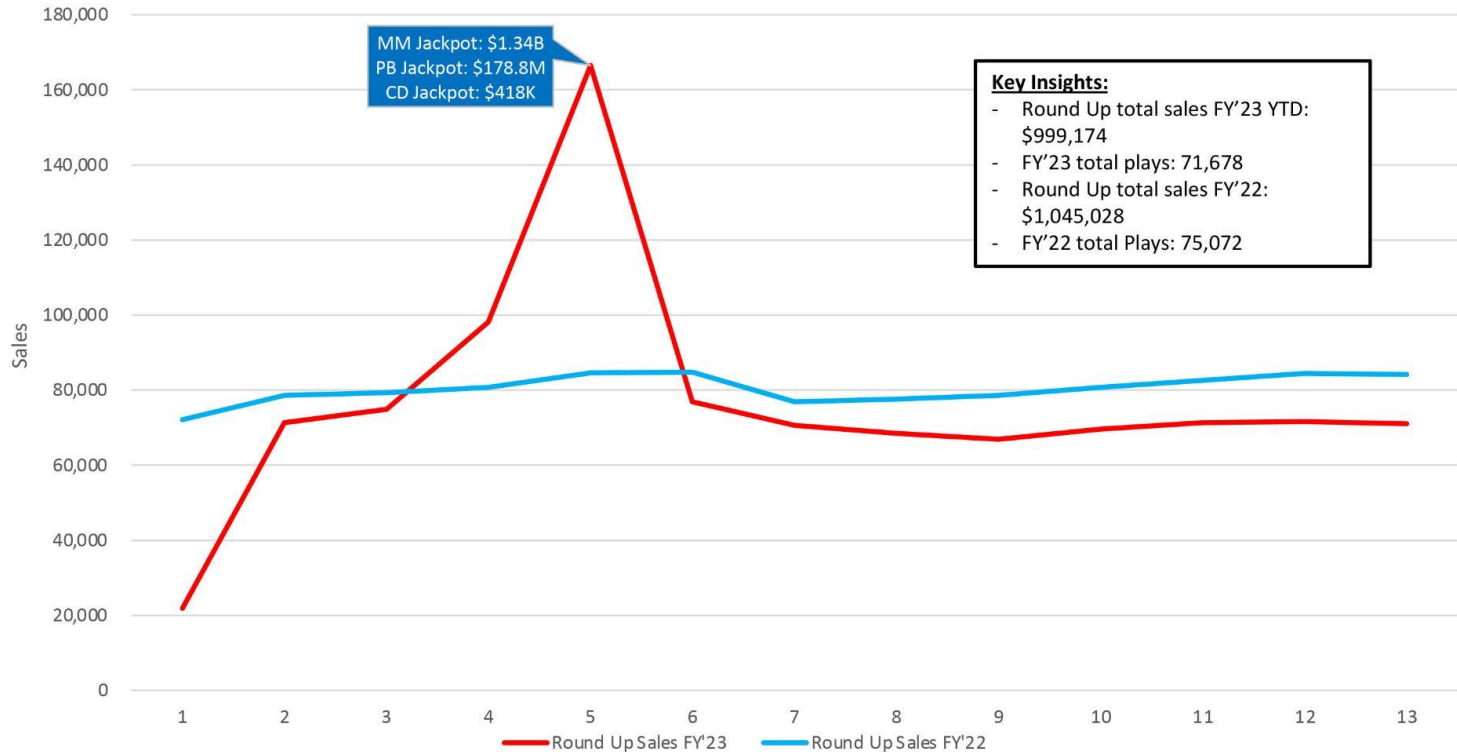
Sales Update

WyoLotto Product Sales YTD - Week ending 9/24/22



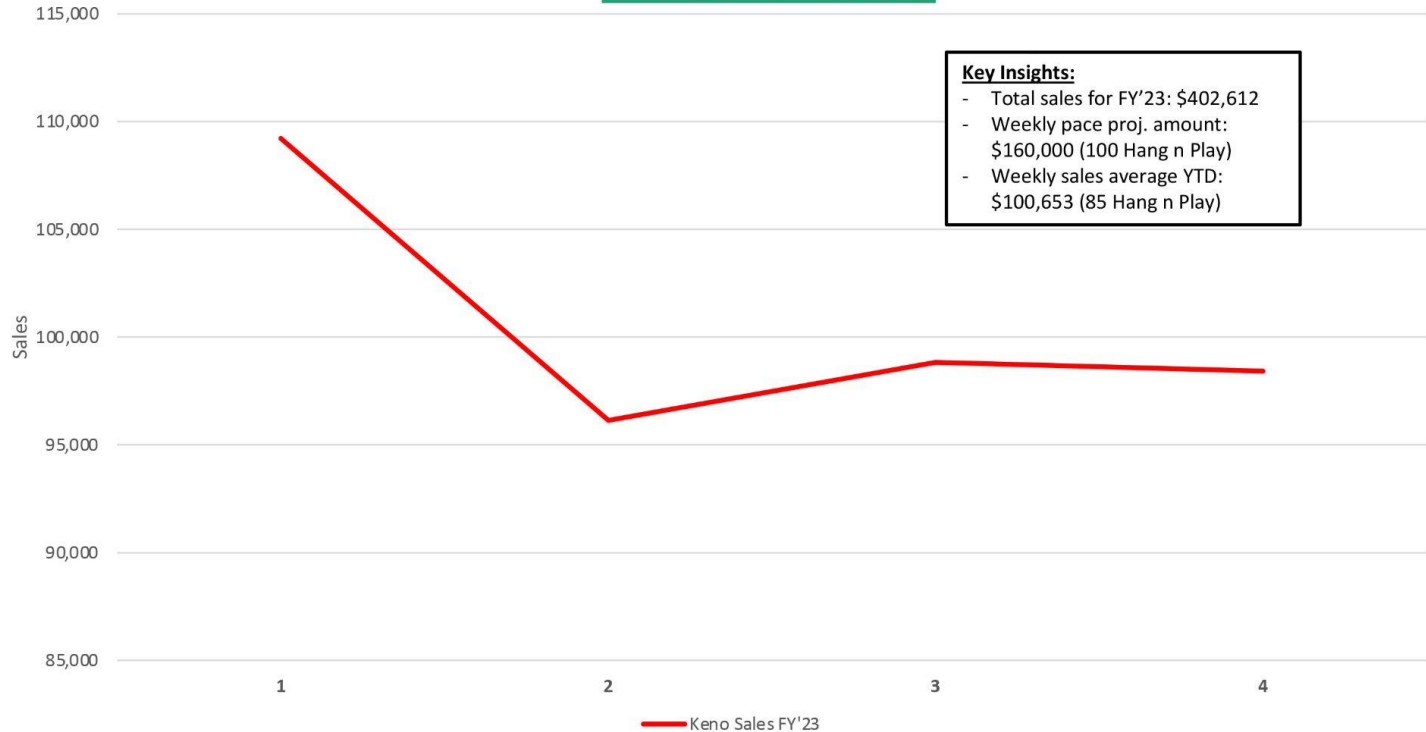
Sales Update

Round Up Sales: FY'22 vs. FY'21 - Week ending: 9/24/22



Sales Update

Keno Weekly Sales Week 9/18/22 - 10/15/22



Marketing Update

KENO

- **Launch Event Sept. 15 & PR**
 - Coverage from media included:
 - K2 Radio
 - Fox News Cheyenne
 - Casper Star Tribune
 - Glenn Woods Wake Up Wyoming morning radio show
 - Online lottery news sites
 - Oil City News
 - Big Foot 99 Radio (Saratoga)
 - Ad value equivalency: ~\$13,000



KENO

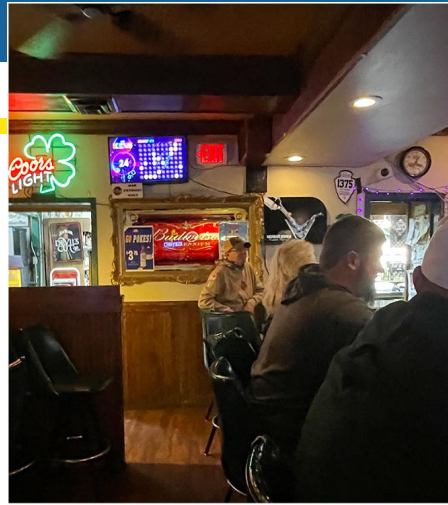
- **Consumer Campaign - Sept. 18 - Dec. 10**
 - TV (broadcast & cable)
 - Connected TV
 - Newspaper
 - Billboards
 - Radio
 - Social
 - Digital, including geofencing live locations
 - YouTube
 - Pads
 - Retailer communications



KENO

- **Retailer Update**
 - Continued recruitment of new, live locations
 - Quality Assurance of selling and materials
 - Training - providing as needed to current and new locations
 - Installations - providing monitors and sales terminals as quickly as possible

Photos of Four Winds in Cheyenne, #3 in top KENO sales



KENO

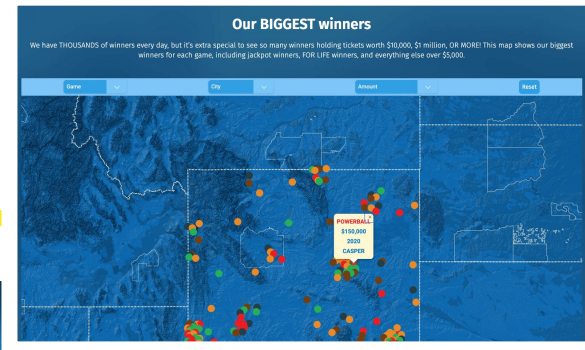
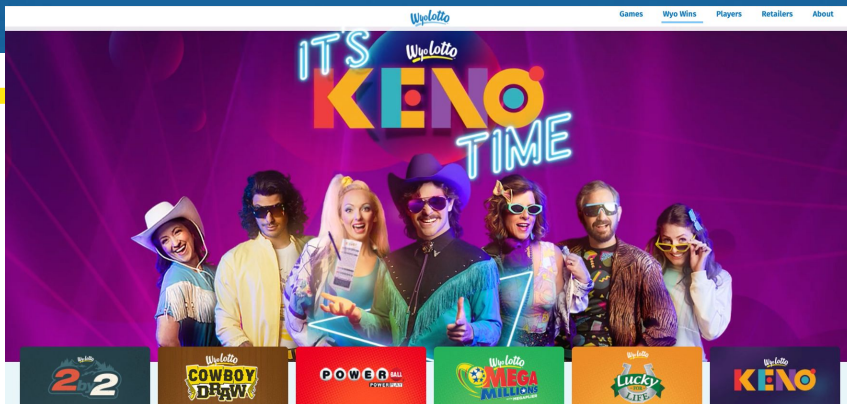
- **Retailer Update**
 - Current Retailer Count
 - 88 Hang N Plays
 - 7 Pending
 - Keno Winners
 - \$275,526 total
 - 66,871
 - Top Sale Counties (65% of Overall)
 - Laramie (19%)
 - Sweetwater (14%)
 - Campbell (14%)
 - Uinta (9%)
 - Natrona (9%)



Website

Launched New Website: Sept. 18

- Key Features:
 - One central number checker
 - Keno Live drawing animations
 - Interactive map to see all high tier winners across Wyoming
- Over 28,700 pageviews on launch day



UW Cowboy Draw BOGO

Results:

- Average Sunday Sales = \$25,000
 - 9/18 BOGO:
 - Gross Sales: \$181,790
 - Net Sales: \$100,390
 - 9/11 BOGO:
 - Gross Sales: \$159,295
 - Net Sales: \$87,915
 - 9/4 BOGO:
 - Gross Sales: \$133,425
 - Net Sales: \$75,205
- Total net sales: \$263,510



Up Next...

- **Keno Parties and Promotions Strategy**
- **Annual Report**
- **Holiday Giving**

Game Updates

Cowboy Draw

This Quarter:

- 81,699 Total Winners
- \$562,665 Total Won
- 129 that won \$1,000
- 0 Jackpots Won

Since Launch:

- 3,018,880 Total Winners
- \$55,555,242 Total Won
- 5,742 have won \$1,000
- 36 Jackpot Wins



Powerball

This Quarter:

- 33,536 Total Winners
- \$361,922 Total Won
- 1 that won \$1,000 or more
- 0 Jackpot Wins

Since Launch:

- 1,321,239 Total Winners
- \$17,693,897 Total Won
- 49 have won \$1,000 or more
- 0 Jackpot Wins



Mega Millions

This Quarter:

- 72,621 Total Winners
- \$281,076 Total Won
- 13 that won \$1,000 or more
- 0 Jackpot Wins

Since Launch:

- 1,306,534 Total Winners
- \$12,789,754 Total Won
- 145 have won \$1,000 or more
- 0 Jackpot Wins



Lucky for Life

This Quarter:

- 48,812 Total Winners
- \$258,282 Total Won
- 2 that won \$1,000 or more
- 0 Jackpot Wins

Since Launch:

- 1,064,263 Total Winners
- \$13,540,604 Total Won
- 50 have won \$1,000 or more
- 1 Jackpot Wins

You Could Win

\$1,000 EVERYDAY
FOR LIFE



2by2

This Quarter:

- 137,647 Total Winners
- \$128,578 Total Won
- 4 Jackpot Wins

Since Launch:

- 1,157,888 Total Winners
- \$1,350,666 Total Won
- 29 Jackpot Wins



KENO

This Quarter:

- \$98,089 Total Won
- 7 that won \$1,000 or more
- 0 Jackpot Wins

Since Launch:

- \$98,089 Total Won
- 7 have won \$1,000 or more
- 0 Jackpot Wins

