

Board Meeting Minutes –9/29/15

Board Meeting minutes; Motion made by: Dave Bonner and 2nd by Gerry Marburger

CEO Clontz provided an update on sales (i.e., \$23 mil total and provided an update to-date on sales for each individual game)

Retailer income have realized \$1,038,000 million

Retailer Count 441

- Working on new retailer distribution
- Riverside near Saratoga (exploring this opportunity)

Jon shared information about WEBB Strategies

Jon shared information about TRW and Judiciary

Please with the audit and in particular with our first year of sales.

- Provide an action plan on the two issues.

Anniversary went well; both channel 2 and channel 5 provided press coverage. Channel 5 KGWN also interviewed folks on the street asking them ‘what would you do with \$1,000,000?’

MUSL Meeting in Chicago – MUSL pays for the trips.

- Discussion regarding upcoming Powerball change.
- Reviewed action plan.
- Eddie Tipton and recent conviction and sentencing of 10 years in prison.
- Examining current practices and making decisions on which corrections need to be made to avoid this issue in the future.

Loan Status: Made significant progress on the loan payments and there is a chance we could pay it off a bit sooner than June 30, 2016.

Ms. Taylor – more information on the website and individual meetings are very important and we’ve seen the benefits of that.

F & A – Donna

- MHP – Conference call – Preliminary Audit Report
 - Overall the audit went very well; MHP easy to work with and done in a tightly manner
 - A few outstanding items
 - Independent Auditor Report – All of the financial statements will be presented fairly
 - One change – GASB 68 – new rule; any agency that uses WY Retirement System must report a liability on their statements for the retirement account;
 - Journal Entry and does not involve money
 - Audit completion was delayed a bit because we have been waiting for GASB to make a final decision on reporting.
 - Single year; not consecutive years comparison

- \$550,000 increase in capital assets (new vehicle, computer hardware, etc.)
- Jackpot indemnification resulted in an end-of-year positive for lottery
- There will be footnotes in the Audit (4 to 5 pages) pertaining to GASB 68
 - Gerry – Brandi was very complimentary to Donna & Louise; positive process and welcomed the results
 - GASB – government accounting state boards; GASB 68 is a lot of detail
 - GASB 68 is adding to our cost
- Final audit will be to us in the next couple of weeks and there will be another meeting with the Audit sub-committee
- Q4 and FY15 – cannot be finalized until the audit is complete
- Q1 cannot be placed in QuickBooks until FY15 is complete (post audit)
- Confident we'll pay our loan.

Marketing Presentation

- Held on Debit Card motion

Executive Session

- Legal Counsel on the conference call
- Discussed position of the contract with Webb Strategic
 - Address contract
 - History addressing Lottery
 - History with gambling
- Perhaps we (Board) need regular talking points
- Next budget session – do we add dollars for PR?
- Discussed the Ed Atchison legal case

Updates from the Sub-Committees

- Finance & Audit Sub-Committee
 - No more information to share
- Marketing Sub-Committee
 - Shared some preliminary information about the Keno game
 - Talked with Pete Webb
 - Wave 2 – Tracker Study
 - Research helps us understand the consumer and how best to reach that consumer
 - Marketing spend is down – we want to pay down that loan
 - Need to do what the data tells us to do (re: marketing buys)
 - Happy with what is provided in research and moving forward

Round Robin –

- Mark M. – we are making the right decisions; from the beginning of the meeting
 - Ahead on Cowboy Draw sales
 - Increase of sales – we are ratcheting down our marketing budget
 - More in-house marketing – helping us
 - Transfers important
- Sandi Chitwood
 - Happy with the Audit; proud of the work; work done with Auditors
- Jim W. – good
- Erin T.
 - Glad about Jon’s visitations with legislators
- Gerry M.
 - Sorry Donna is leaving.
- Dave B.
 - Judiciary Committee topic appreciated re: Scratch
 - Good team presented at TRW
 - Strategically mentioning what Judiciary wanted us to report out and interjecting those pieces into TRW
- Mark – October Meeting
 - 4th Quarter Meeting
 - Q4 Financials
 - FY15 Financials
 - Audit Closing
 - Q1 Financials

Date TBD

Jim W. - Motion

Sandi Chitwood – 2nd