



Idaho Lottery Commission Meeting Minutes

Date, Time, and Place

The 254th meeting of the Idaho Lottery Commission took place on Thursday, November 17, 2022, at Idaho Lottery Headquarters, Boise, Idaho and via Zoom.

Attendees:

Commissioners Present:

Chairman, Craig Corbett
Commissioner, Sue Kerrick
Commissioner, Skip Smyser
Commissioner, Joni Stright
Commissioner, Peter Smith - via Zoom

Lottery Staff Present:

Director, Jeff Anderson
Director of Lottery Security, Tony Pittz
Deputy Director of Sales, Larry Polowski
Chief Financial Officer, Jay Prickett
Management Assistant, Gaby Perez
Sales Manager, Belinda Unger
Sales Development Specialist, Kevin Cope

Others Present:

Bobby Lawrence, Eide Bailly
Morgan Lord, CLM
Ryan Belveal, Diamond Game
Steve Poole, Intralot
Pat Sullivan, Sullivan & Reberger
Phil Reberger, Sullivan & Reberger
Jeremy Pisca, Risch Pisca, LLC - via Zoom
Alex Williamson, Legislative Services - via Zoom

1. Meeting Called to Order

Chairman Corbett called the meeting to order at 10:00 AM

2. Approval of Minutes

Commissioner Kerrick moved to approve the minutes from the September 15, 2022, meeting, Commissioner Stright seconded the motion. The vote was unanimous for approval.

3. Director Update

2022 Financial Statement/Audit- Bobby Lawrence*

Bobby Lawrence with Eide Bailly reviewed the financial audit report with the Commission. He reviewed the audit, the findings and the Management's Discussion and Analysis. Mr. Lawrence notified the Commission that there were a few changes in this year's audit. The first change was the Opinion section of the audit, the second was the adoption to a new accounting standard GASB No. 87 regarding leases and third was a change in the responsibilities of management section which states the client and auditors' responsibilities. Mr. Lawrence elaborated most on the implementation of GASB No. 87. GASB No. 87 was adopted July 1, 2021. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard recognition of certain lease assets are liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. There was no effect on beginning net position from the implementation of this standard and the additional disclosures required by this standard is included in the financial statement audit. Mr. Lawrence stated financial statements must be perfect and if anything is adjusted or changed by the auditors they must provide a finding, which they did with the implementation of GASB No. 87. He concluded the financial statement/audit with letting the members of the Commission know there were no issues with the Idaho Lottery financial statements/audit.

The report is entered into the minutes as an attachment.

Commissioner Smyser moved to approve the Financial Audit. The motion was seconded by Commissioner Kerrick. The vote was unanimous for approval.

Mega Millions

Director Anderson discussed the update on Mega Millions. Mega Millions is not a MUSL a game, it is a licensed game which we cross licensed with Powerball about 10 years ago. Mega Millions is looking at significant changes that will be presented to us no earlier than 2024. The biggest difference will be changing the game from a \$2 to a \$5 game. There will be increases in the jackpots, lower tier prizes and second chance winnings that provide more value to the game. Director Anderson is supportive of the changes that are coming to Mega Millions.

Powerball

- A. Double Play February Launch - Director Anderson discussed an additional feature being added to the Powerball game called Double Play. Double Play costs an extra dollar and will give players a second chance to win a \$10 million jackpot. There are also additional prizes that come with the Double Play feature. This has launched and been successful in about 10 other states. We are adding this feature in February of 2023.
- B. NFL - Negotiation is currently happening between Powerball and the NFL. This is something that the director is not involved in however he is paying close attention. Merging with the NFL will require licensing fees from the Powerball game group. This feature does not bet on the outcome of games. This will offer a \$5 game that is played during a season. The game will provide symbols, not numbers, and will follow the NFL season. Director Anderson believes this will create a lot of excitement within our players. There will be more information to come in our January meeting.
- C. NASCAR - Powerball is looking at advertising through NASCAR and having a race car on the track. More information to come in 2023.

4. Current Sales Report

Jay Prickett, Chief Financial Officer, reviewed the current sales report, and that sales report is entered into the minutes as an attachment.

5. Sales Division Update

Deputy Director of Sales, Larry Polowski, introduced two members of his team Belinda Unger, Sales & Key Accounts Manager, and Kevin Cope, Sales Development Specialist. He also spoke about his Lead Lottery Sales Representative, Kristen Anderson, who has taken on training Corrin Kidd our newest Lottery Sales Representative, making the Sales fully staffed after a few months of recruiting.

6. Security Division Update

Director of Lottery Security, Tony Pittz, had an update regarding our newest Detective, Carie Peterson, who is doing great and is focusing on getting her certification with the Idaho POST Academy since she was a sworn police officer in another state. She should be completed with this certification in December. Another update regarding warehouse space indicates that our warehouse is full. With the high demand in lottery sales, we are looking at maximizing the space we currently have as there are not many good, affordable options for leasing other warehouse space currently in the Treasure Valley.

Tony also updated the Commission concerning work we are doing to have other back up delivery options should there be a strike within UPS in July 2023 as rumored.

Set Future Meeting Date*

The Commission agreed that the next meeting will be on Thursday, January 19, 2023, at 10:00 AM. Commissioner Smyser moved to approve the dates and Commissioner Stright seconded the motion. The vote was unanimous for approval.

7. Adjournment

Commissioner Stright moved to adjourn, seconded by Commissioner Smyser and the meeting was adjourned.

Certification:

I hereby certify that the foregoing minutes are a true and correct record of the actions and decisions made by the Lottery Commission.

Jeffrey R. Anderson, Executive Director
Lottery Commission Secretary

Date