Gambling Control

Minnesota Gambling Control Board

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Annual Report

Minnesota Gambling Control Board

Fiscal Year
2015

July 1, 2014 - June 30, 2015

Message from the Board Chair and Executive Director

November 18, 2015

The mission of the Minnesota Gambling Control Board is to regulate the lawful (charitable) gambling industry to ensure the integrity of operations and provide for the lawful use of net profits. Charitable gambling is conducted only by registered, nonprofit organizations. The five forms of lawful gambling are bingo, paddlewheels, pull-tabs, raffles, and tipboards. This report summarizes the charitable gambling activity for the fiscal year beginning July 1, 2014, through June 30, 2015. Here are some of the highlights:

Fifth straight year of increased gross receipts

Lawful gambling gross receipts in Minnesota rose for the fifth straight year. At $1.3 billion, fiscal year 2015 had the highest gross receipts in the U.S., and is a 10% increase from the previous fiscal year. Funds available for lawful purpose (charitable) expenditures in fiscal year 2015 topped $113.6 million, while allowable expenses as a percentage of net receipts decreased by 3%.

Lawful gambling dollars—where the money goes

For every dollar spent on lawful gambling in Minnesota in fiscal year 2015, 83 cents was returned as prizes to players, leaving 17 cents for charitable contributions, expenses, and taxes. It takes a lot of diligent effort for organizations to raise lawful gambling dollars for their missions, but veterans, youth activities, wildlife management projects, scholarships, recognition of humanitarian service, food shelves, relieving effects of poverty, and many other charitable causes benefit from lawful gambling proceeds.

Looking ahead

Trends show the future of gaming is all about demographics and automation. Technology is changing rapidly, and regulators, state legislatures, and the industry must keep up. Markets are sometimes slow to accept change; however, automated reporting and inventory control are the focus of the latest technology in gaming. Vendors and organizations need to know their customers, both existing and upcoming. While paper pull-tabs are still extremely viable in Minnesota, it is reasonable to look at trends to maximize an organization's efforts to continue to successfully raise dollars for charitable causes.

Credit to lawful gambling industry

Because of licensed organizations' hard work and dedication, and the industry that supports the charities, over $113.6 million was available in fiscal year 2015 for lawful purpose and charitable contributions, benefiting so many Minnesotans.

Bottom line

In terms of net proceeds from charitable gambling operations, fiscal year 2015 was a good year for the 1,200 licensed charities in Minnesota and the 2,800 sales locations that support the missions of the charities. The Gambling Control Board and staff will continue to work hard to provide the necessary oversight and regulation of this billion-dollar industry.

Respectfully submitted,

William Goede
Chair

Tom Barrett
Executive Director

Statement of Cash Receipts/Expenditures for the Minnesota Gambling Control Board

	Fee	Total Collected
Manufacturer license	$9,000	$ 92,000
Game approval/testing	$25/$100	$ 230,300
Distributor license	$6,000	$ 61,000
Distributor salesperson license	$100	$ 10,100
Linked bingo game provider license	$5,000	$ 10,000
Organization license	$350	$ 402,150
(Waivers of the organization license fee were granted to 18 organizations expecting to receive less than $100,000 in gross annual receipts: $6,300 waived)		
Gambling manager license	$100	$ 129,300
Premises permit	$150	$ 440,400
Regulatory fee	0.1% (.001) of gross receipts	$1,337,138
Exempt permit (up to five days of activity, total prizes valued at $50,000 or less)	$50/$100	$ 211,300
Total Gambling Control Board dedicated fees		**$2,923,688**

Board FY 2015 expenditures:	$2,927,800
Transferred to the Department of Public Safety	$ 103,900
Total expenditures from the Board's dedicated account	**$3,031,700**

FTE: 31.4 (number of employees)

Civil penalties, fines (consent orders, citations) deposited in the state's general fund ..... $ 25,800

Industry Overview

On June 30, 2015, the Minnesota lawful gambling industry consisted of:

Licenses	Activities
10 manufacturers	Sold product to licensed distributors **(5,796 new games approved in FY15)**
10 distributors	Sold product to licensed lawful gambling organizations
85 distributor salespersons	Persons licensed to sell gambling equipment to nonprofit organizations
2 linked bingo game providers	Providing linked bingo games to licensed organizations
1,158 nonprofit organizations	Nonprofit organizations licensed to conduct gambling at permitted premises

Type of Organization:		#	%
Fraternal	- Eagles, Moose, Elks, Knights of Columbus	212	18.3%
Veterans	- American Legion, VFW, and auxiliaries	316	27.3%
Religious	- Church/Cathedral	25	2.2%
Other nonprofit	- Business/chamber/development, community, Jaycees, Lions, sportsman, rod & gun, hockey, fire relief, snowmobile, baseball, athletic, other	605	52.2%
	Total nonprofit organizations	**1,158**	**100.0%**

1,158 gambling managers ..... Members of licensed nonprofit organizations responsible for supervising organizations' lawful gambling operations

2,724 charitable gambling sites ..... Locations in Minnesota where lawful gambling was conducted in FY15 by licensed organizations

3,497 exempt permits ..... 2,427 nonprofit organizations applied for permits to conduct limited gambling of up to five days per calendar year and conducted 3,497 activities with tax-exempt gross receipts of **$40,209,989**

Exempt activity	Gross receipts	Expenses	Profit
Raffles	$38,240,515	$14,441,859	$23,798,656
Bingo	1,157,824	413,030	744,794
Pull-Tabs	662,417	408,345	254,072
Paddlewheels	112,461	48,930	63,531
Tipboards	36,772	19,500	17,272
Exempt Totals	**$40,209,989**	**$15,331,664**	**$24,878,325**

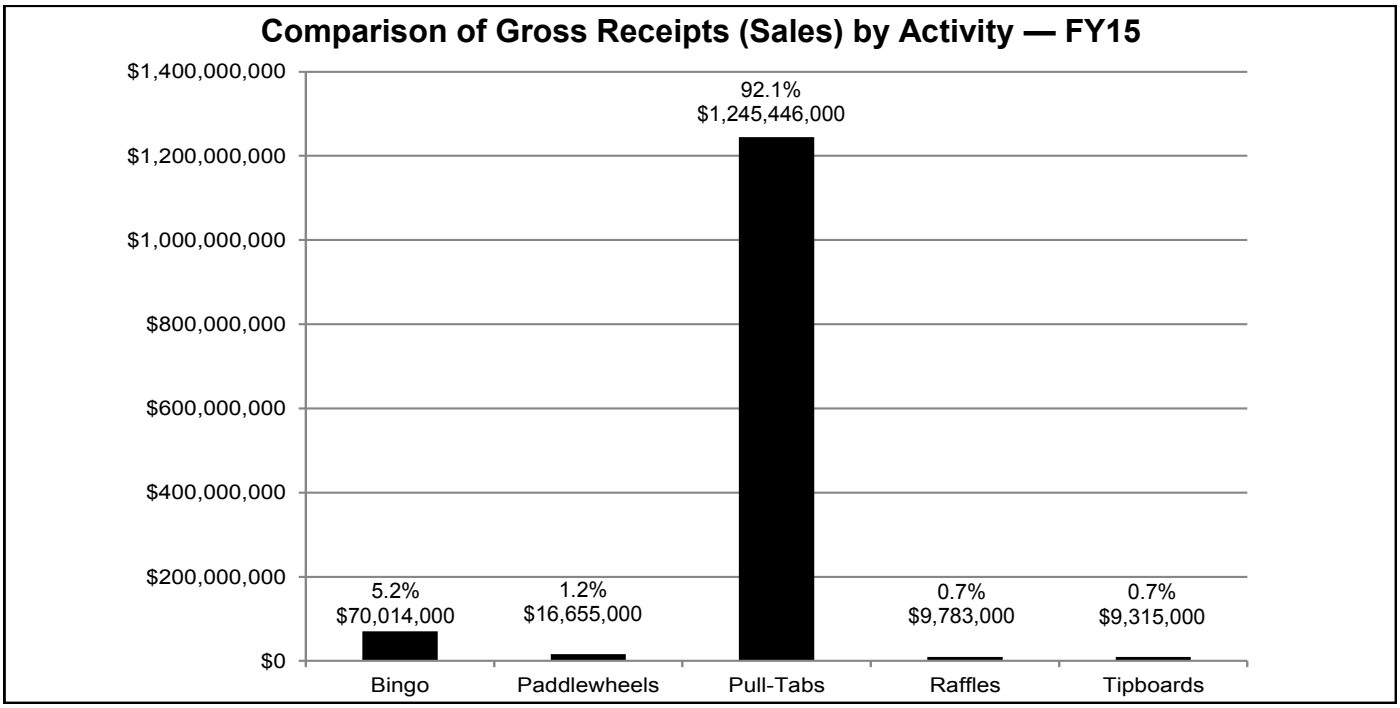
546 excluded permits ..... 324 nonprofit organizations applied for permits to conduct 546 excluded bingo activities (excluded bingo is conducted for four or fewer events, or conducted up to 12 consecutive days in conjunction with a county fair, civic celebration, or the State Fair)

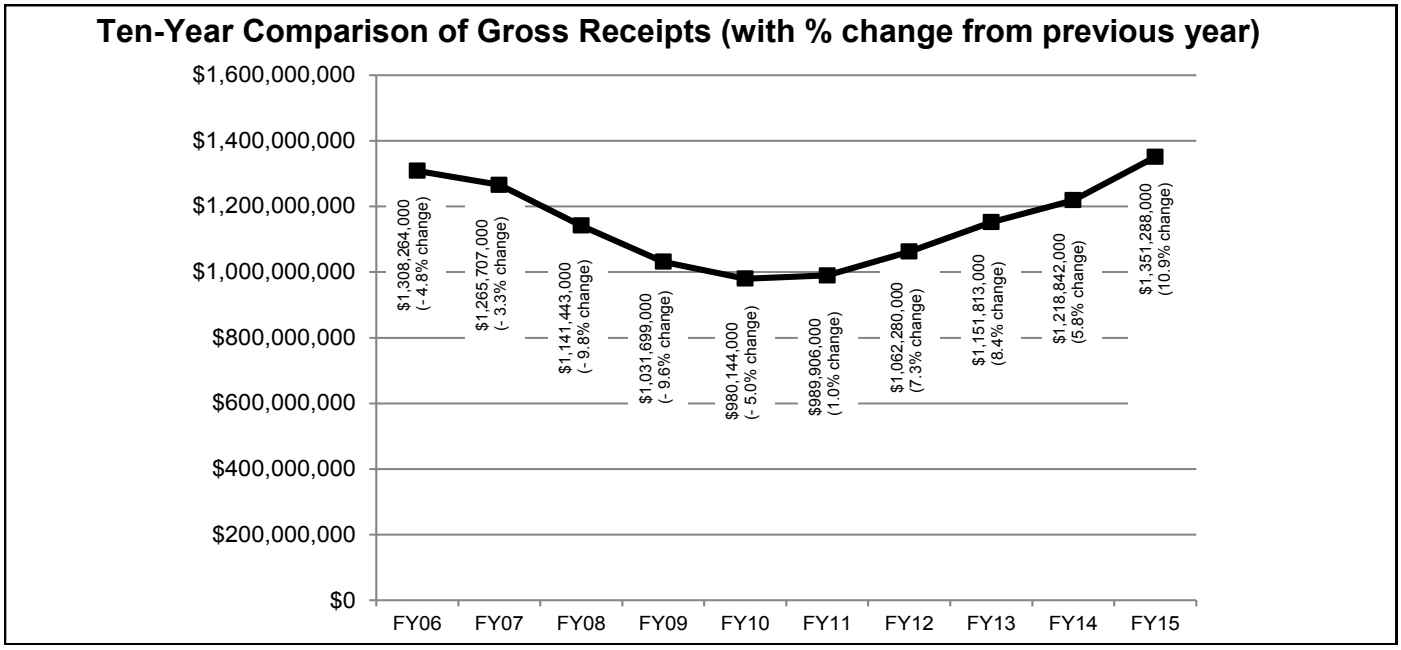
Lawful Gambling Statistics

2015 Fiscal Year Sales Activity Summary *

	Gross Receipts (sales)			Prizes Paid		% Payout		Net Receipts (gross less prizes)		
Activity	FY15	FY14	Change from FY14	FY15	FY14	FY15	FY14	FY15	FY14	Change from FY14
Bingo	$70,014,000	$64,844,000	8.0%	$53,527,000	$49,540,000	76.5%	76.4%	$16,487,000	$15,304,000	7.7%
Paddlewheels	$16,655,000	$16,022,000	4.0%	$11,787,000	$11,547,000	70.8%	72.1%	$4,868,000	$4,475,000	8.8%
Pull-Tabs	$1,245,446,000	$1,121,022,000	11.1%	$1,045,302,000	$937,242,000	83.9%	83.6%	$200,144,000	$183,780,000	8.9%
Raffles	$9,783,000	$8,648,000	13.1%	$4,588,000	$4,153,000	46.9%	48.0%	$5,195,000	$4,495,000	15.6%
Tipboards	$9,315,000	$8,239,000	13.1%	$6,789,000	$5,915,000	72.9%	71.8%	$2,526,000	$2,324,000	8.7%
Interest Income	$75,000	$67,000	11.9%	n/a	n/a	n/a	n/a	$75,000	$67,000	11.9%
Totals	$1,351,288,000	$1,218,842,000	10.9%	$1,121,993,000	$1,008,397,000	83.0%	82.7%	$229,295,000	$210,445,000	9.0%

* Numbers are based on licensed organizations reporting to the Gambling Control Board.





Lawful Purpose Expenditures (LPE)

Lawful Purpose Required Percentages. The majority of organizations are required to spend at least 30% of their net profits on lawful purposes, including taxes. Exception: Organizations that only conduct lawful gambling in a location where the primary business is bingo must spend 20% or more. Failure to meet the requirement subjects the organization to probation and possible sanctions by the Board.

Proceeds from lawful gambling may be used for lawful purpose expenditures (contributions) in the following categories.

Total FY15 ***Actual*** Lawful Purpose Expenditures:

$110,410,103

Recognition of military service and support of non-licensed veterans' clubs:

FY 2015: $1,534,903

Youth activities:

FY 2015: $8,278,472

Congregate dining, nutritional programs, or food shelves for the disabled or persons age 62 and older:

FY 2015: $278,899

Scholarship funds and private or public nonprofit educational institutions:

FY 2015: $3,188,431

Acquisition or improvement of qualifying capital assets or real property of organization-owned buildings:

FY 2015: $1,941,802

Wildlife management projects, grooming and maintaining snowmobile and all-terrain vehicle trails approved by MN Department of Natural Resources, and monitoring surface water quality:

FY 2015: $576,125

Programs and projects by the United States, the state of Minnesota, or local units of government:

FY 2015: $10,304,616
(not including taxes)

Recognition of humanitarian service:
FY 2015: $71,782

Real estate taxes:
FY 2015: $2,782,178

State, local, and federal gambling taxes; state lawful gambling license and regulatory fees:
FY 2015: $53,736,521

Specific utility costs by licensed veterans and fraternal organizations:
FY 2015: $4,783,846

Membership events by licensed veterans organizations:
FY 2015: $197,398

Contributions to another licensed organization or parent organization with Board approval:
FY 2015: $422,561

Community arts organizations or program sponsorships:
FY 2015: $88,508

Religious purposes:
FY 2015: $842,555

Contributions to or expenditures by nonprofit organizations designated by the Internal Revenue Service as 501(c)(3) organizations or 501(c)(4) festival organizations:
FY 2015: $18,932,404

Relieving effects of poverty, homelessness, or disabilities:
FY 2015: $2,446,851

Compulsive gambling programs:
FY 2015: $2,251

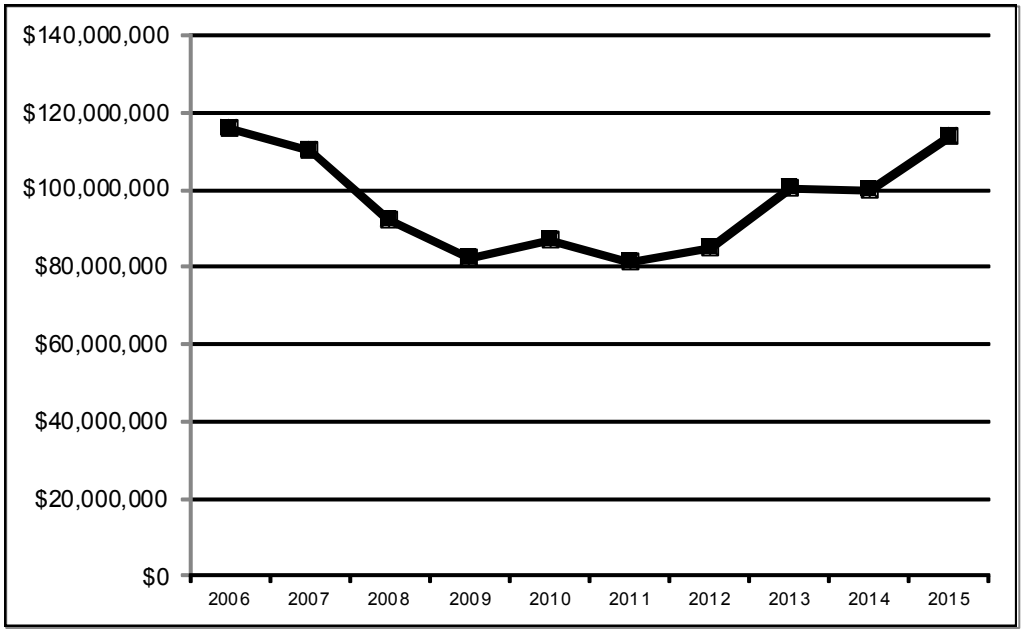
Lawful Purpose Expenditures (LPE)

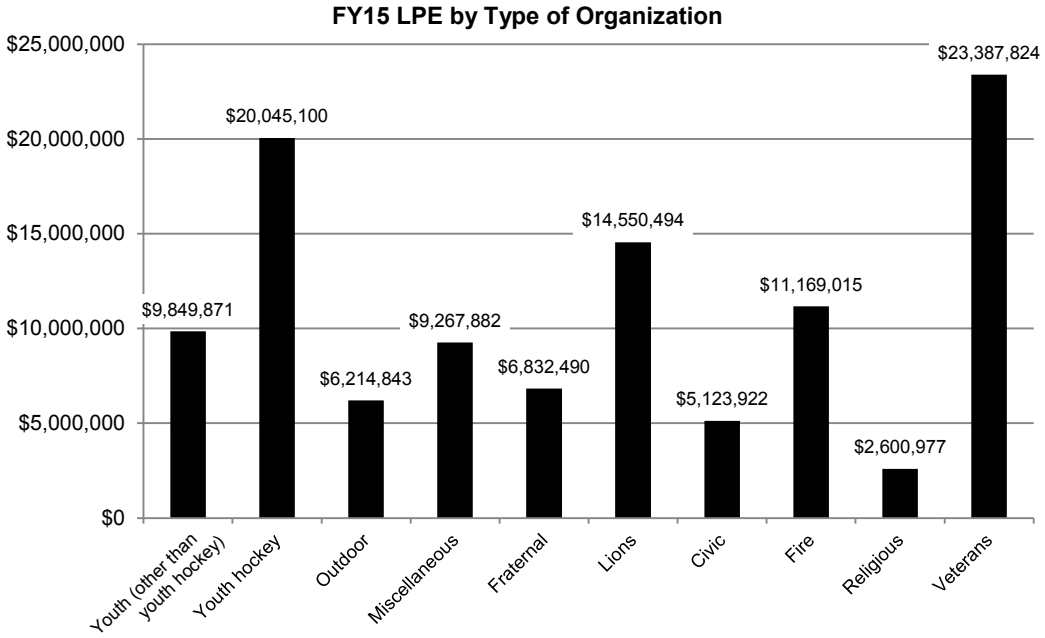
Available for
Lawful Purposes

Ten-Year Comparison

2015	$113,688,000
2014	$ 99,751,000
2013	$100,278,000
2012	$ 84,923,000
2011	$ 81,336,000
2010	$ 87,025,000
2009	$ 82,247,000
2008	$ 92,311,000
2007	$110,144,000
2006	$116,011,000

LPE includes state gambling taxes.
See page 6.





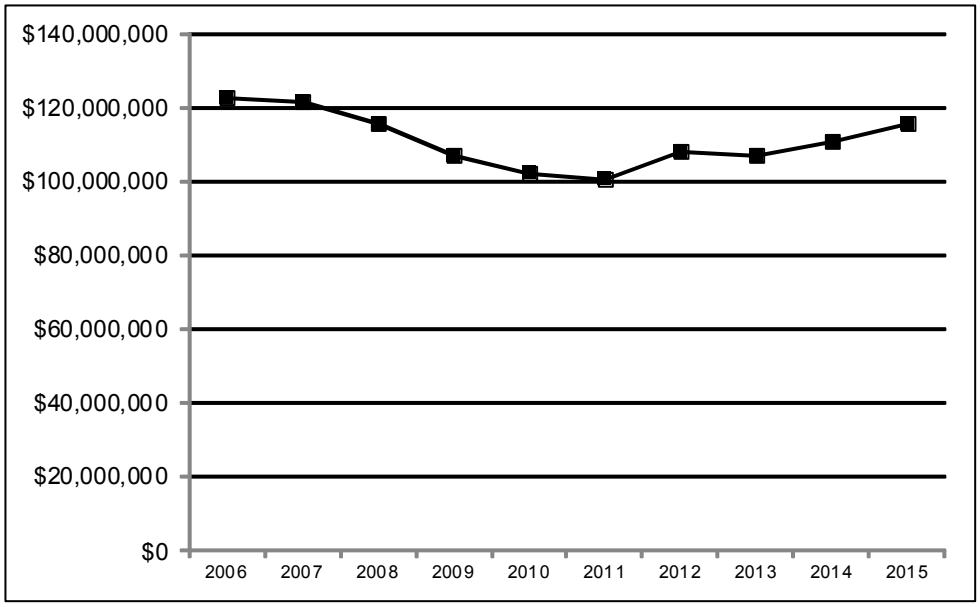
Type of Organization	Description	Gross Receipts	Gross Profit (gross receipts less prizes)	Total LPE	LPE%
Youth	Youth sports other than hockey, youth arts, and other youth activities	$120,599,459	$21,574,140	$9,849,871	45.7%
Youth Hockey	Youth hockey associations and ice arenas	$233,711,228	$38,156,941	$20,045,100	52.5%
Outdoor	Snowmobile, conservation, ATV, sportsmen's clubs, etc.	$75,773,547	$13,462,943	$6,214,843	46.2%
Miscellaneous	Festivals, animal shelters, arts, libraries, medical, etc.	$111,174,397	$19,462,339	$9,267,882	47.6%
Fraternal	Eagles, Elks, Moose, Jaycees, etc.	$88,987,091	$15,086,012	$6,832,490	45.3%
Lions	Lions Clubs	$187,311,937	$30,050,191	$14,550,494	48.4%
Civic	Chambers of commerce, commercial clubs, community clubs, lake associations, etc.	$65,365,610	$11,280,385	$5,123,922	45.4%
Fire	Firefighter relief associations	$141,687,818	$23,210,757	$11,169,015	48.1%
Religious	Churches, church schools, Knights of Columbus	$31,462,615	$6,004,727	$2,600,977	43.3%
Veterans	American Legions, VFWs, auxiliaries, servicemen's clubs, etc.	$283,462,418	$48,565,147	$23,387,824	48.2%
	Total/Average ALL ORGS	$1,339,536,119	$226,853,581	$109,042,416	48.1%

* Does not include organizations that did not actively conduct gambling for the entire fiscal year or organizations that did not submit accurate monthly reports to the Board in time to be included in this summary. Numbers may slightly change due to amended filings.

Allowable Expenses

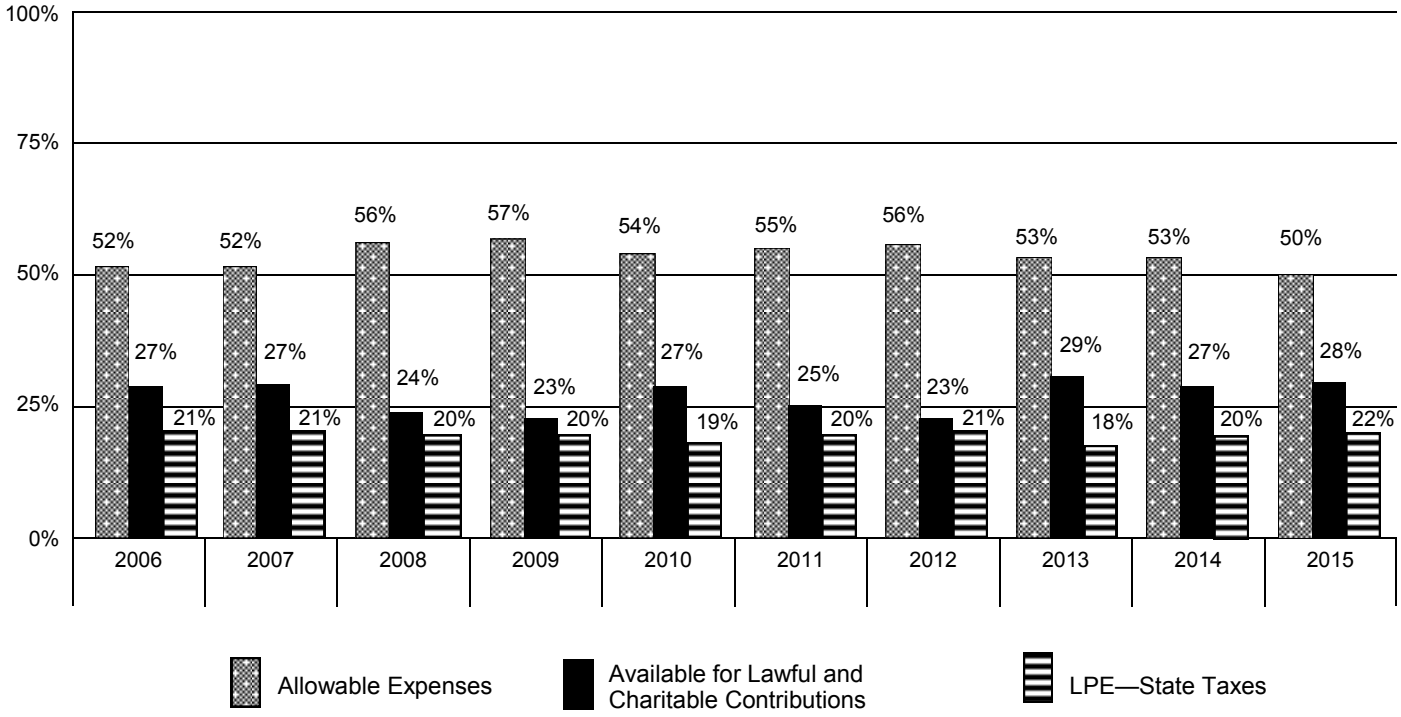
Allowable Expenses
Ten-Year Comparison

2015	$115,607,000
2014	$110,695,000
2013	$107,266,000
2012	$107,957,000
2011	$100,398,000
2010	$102,167,000
2009	$106,945,000
2008	$115,541,000
2007	$121,700,000
2006	$122,928,000



Allowable Expenses
Allowable expenses are operating costs incurred by licensed organizations in their conduct of lawful gambling. Examples include product costs, rent to bar owners, salaries, accounting fees, insurance, and supplies.

Distribution of Net Receipts (after prizes paid)



Lawful Gambling Taxes

	FY 2015	FY 2014	% Change
Net receipts tax:	$ 2,214,000	$ 2,017,000	9.8%
Combined net receipts tax:	$47,202,000	$41,313,000	14.3%
Total State Gambling Tax:	**$49,416,000**	**$43,330,000**	**14.0%**
State Sales Tax Paid on Gambling Products:	**$ 2,225,742**	n/a	

The two state gambling taxes included as lawful purpose expenditures in FY15 are:

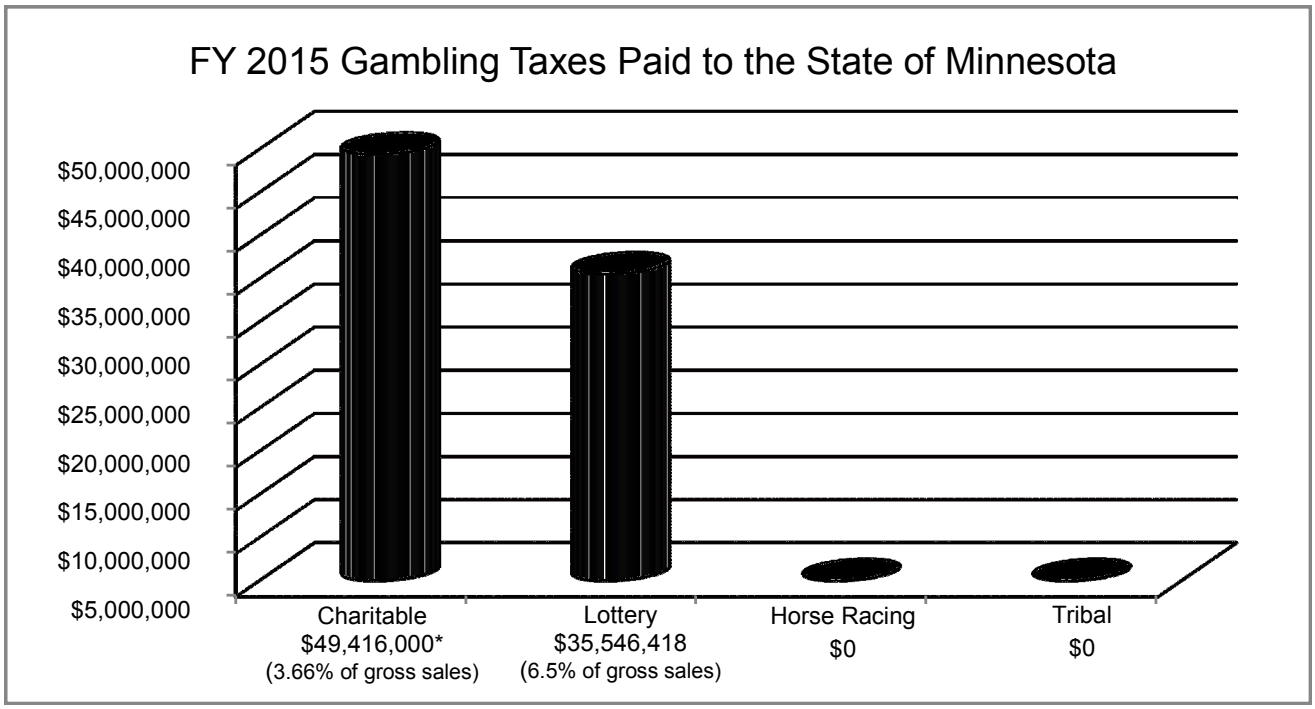
Net receipts tax, an 8.5% tax on the net receipts on bingo, raffles, and paddlewheels.

Combined net receipts taxes, which are progressive taxes calculated on the net receipts from electronic and paper pull-tabs, tipboards, electronic linked bingo, and interest.

State Gambling Taxes

FY	Tax Liability	Refund	Net taxes (after refund)	Net taxes as % of Gross receipts	Net taxes as % of Net receipts
2015	$49,416,000	$0	$49,416,000	3.7%	21.6%
2014	$43,330,000	$0	$43,330,000	3.6%	20.6%
2013	$40,017,000	$3,853,000*	$36,164,000	3.1%	17.8%
2012	$48,808,000	$7,375,000	$41,433,000	3.9%	21.5%
2011	$43,943,000	$6,885,000	$37,058,000	3.7%	20.4%
2010	$42,628,000	$6,820,000	$35,808,000	3.7%	19.9%
2009	$44,761,000	$6,917,000	$37,844,000	3.7%	20.0%
2008	$50,019,000	$7,328,000	$42,691,000	3.7%	20.5%
2007	$56,461,000	$7,477,000	$48,984,000	3.9%	21.1%
2006	$58,519,000	$7,381,000	$51,138,000	3.9%	21.4%

* Note: Effective 7/1/12 taxes based on net receipts (after prizes paid) and no longer on ideal gross. This change eliminated the need for refund based on unsold tickets.



* Does not include $2.2 million in sales taxes paid for gambling equipment.

FY 2015 Top Ten

FY 2015 Top Ten Grossing Organizations, All Lawful Gambling Activity

Organization	Gross	Prizes	Net
Merrick, Inc., Vadnais Hts.	$15,432,162	$13,022,664	$2,409,498
Blaine Youth Hockey Association	$13,156,412	$11,000,106	$2,156,306
Northwest Area Jaycees, Corcoran	$12,930,437	$11,208,399	$1,722,039
Irving Community Association, Duluth	$11,948,507	$9,975,157	$1,973,350
Climb, Inc., Inver Grove Hts.	$11,880,047	$9,841,504	$2,038,544
Amvets Post 1, Mendota	$11,139,700	$9,503,745	$1,635,955
Centennial Youth Hockey Association, Circle Pines	$11,013,351	$9,392,444	$1,620,907
Burnsville Lions Club	$11,010,367	$9,651,264	$1,359,103
Ramsey Lions Club	$10,199,868	$8,812,798	$1,387,070
Community Charities of Minnesota, Mankato	$9,890,879	$8,183,253	$1,707,626

FY 2015 Top Ten Grossing Sites (Non-Bingo Hall), All Lawful Gambling Activity

Site	Charity	Gross	Prizes	Net
Bunny's Bar & Grill, St. Louis Park	St. Louis Park Hockey Boosters Assoc.	$7,384,341	$6,358,268	$1,026,073
American Legion Post 580, Chanhassen	American Legion Post 580, Chanhassen	$6,850,329	$5,847,577	$1,002,752
American Legion Post 1776, Apple Valley	American Legion Post 1776, Apple Valley	$6,607,028	$5,670,809	$936,219
American Legion Post 270, Buffalo	American Legion Post 270, Buffalo	$5,647,330	$4,964,242	$683,088
Shortstop, Fridley	Fridley Lions Club	$5,265,136	$4,388,499	$876,637
Sports Page, Bloomington	American Legion Post 550, Bloomington	$4,944,296	$4,303,680	$640,616
JC’s Bar & Grill, Maple Grove	Northwest Area Jaycees, Corcoran	$4,808,967	$4,163,176	$645,791
American Legion Post 172, Osseo	American Legion Post 172, Osseo	$4,691,006	$4,054,508	$636,498
McHugh's Grille & Bar, Savage	Burnsville Lions Club	$4,670,384	$4,113,001	$557,383
Ole Piper Inn, Blaine	Blaine Youth Hockey Association	$4,608,760	$3,840,963	$767,797

FY 2015 Top Ten Organizations, Amount Spent on Charitable Contributions for Each Dollar Spent on Allowable Expenses

Organization*	Net Receipts	Allowable Expenses (AE)	Charitable Contributions	Amount Spent on Charitable Contributions for Each Dollar Spent on AE
Knights of Columbus Council 1575, Fairmont	$67,175	$5,649	$42,337	$7.50
Camp Winnebago, Caledonia	$26,123	$2,684	$15,000	$5.59
American Legion Post 118, Wayzata	$80,476	$10,186	$42,110	$4.13
Duelm Area Lions Club, Foley	$71,767	$6,393	$20,588	$3.22
SS. Peter & Paul Church, Richmond	$16,367	$3,524	$9,500	$2.70
Abate of Minnesota, Marshall	$45,400	$10,575	$28,348	$2.68
Cambridge-Isanti Redbirds, Inc., Isanti	$48,303	$16,528	$43,755	$2.65
St. Stanislaus Kostka Church, Winona	$75,827	$19,483	$47,500	$2.44
Club Almar Sports, Inc., St. Cloud	$69,787	$19,130	$38,300	$2.00
Holy Trinity, Winsted	$140,093	$39,737	$79,500	$2.00

* Organizations with gross receipts of $50,000 or less are not included.

LG500 CY14 Regulatory Tax, City or County Annual Report

Under Minnesota Statutes, section 349.213, subdivision 3, a city or county may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction, only if they do not charge an investigation fee or other local taxes on lawful gambling. A township may not impose a local gambling tax.

The tax, up to 3% of gross receipts less prizes paid per year, may be imposed only if the amount is necessary to cover the costs to regulate lawful gambling in the city's or county's jurisdiction. A city or county may not use money collected for any purpose other than to regulate lawful gambling.

Cities or counties imposing a tax under section 349.213 must report to the Gambling Control Board annually by March 15 showing:

(1) the amount of revenue produced by the tax during the preceding calendar year, and
(2) the use of the proceeds of the tax.

The cities reporting in calendar year 2014 and the amounts collected, spent, refunded, and balances are:

City	%	CY13 Balance	Interest	Collected	Spent	Refunded	CY14 Balance
Andover	1.00	$0.00	$0.00	$1,272.25	$1,272.25	$0.00	$0.00
Austin	0.50	$1,316.89	$0.00	$3,134.94	$3,518.09	$0.00	$933.74
Bloomington	0.25	$28,566.21	$0.00	$7,441.10	$1,236.90	$0.00	$34,770.41
Columbus	3.00	$163.55	$0.00	$3,041.98	$1,100.00	$0.00	$2,105.53
Duluth	3.00	$0.00	$0.00	$57,754.00	$177,875.00	$0.00	$0.00
East Bethel	3.00	$0.00	$0.00	$21,816.96	$21,816.96	$0.00	$0.00
Eden Prairie	3.00	$21,814.17	$0.00	$0.00	$0.00	$0.00	$21,814.17
Fridley	3.00	$0.00	$0.00	$56,613.49	$89,016.82	$0.00	$0.00
Jackson	1.00	$845.81	$0.00	$438.78	$1,284.59	$0.00	$0.00
Lilydale	3.00	$0.00	$0.00	$4,838.21	$2,363.00	$0.00	$2,475.21
Lino Lakes	0.10	$0.00	$0.00	$956.50	$956.50	$0.00	$0.00
Mankato	3.00	$50,080.82	$375.61	$56,946.73	$10,983.88	$0.00	$96,043.67
Maple Grove	0.50	$11,590.23	$0.00	$11,110.72	$6,596.72	$0.00	$16,104.23
Mendota	2.00	$5,970.24	$0.00	$5,970.24	$0.00	$0.00	$11,940.48
Minneapolis	3.00	$150,529.14	$0.00	$157,304.69	$137,234.44	$0.00	$170,599.39
North Mankato	3.00	$0.00	$0.00	$18,792.27	$18,792.27	$0.00	$0.00
Owatonna	3.00	$629.80	$0.00	$5,000.00	$5,231.16	$0.00	$398.64
Plymouth	3.00	$13,372.31	$27.32	$0.00	$0.00	$0.00	$13,372.31
Roseville	3.00	$67,920.77	$0.00	$77,604.09	$56,341.69	$0.00	$89,183.17
Shoreview	3.00	$0.00	$0.00	$1,507.38	$9,313.85	$0.00	$0.00
Spring Lake Park	3.00	$0.00	$0.00	$36,689.88	$31,538.62	$5,151.26	$0.00
St. Louis Park	3.00	$0.00	$0.00	$13,561.66	$10,892.07	$0.00	$2,669.59
St. Paul	2.50	$151,430.08	$0.00	$135,567.99	$115,113.00	$0.00	$171,885.07
Waterville	3.00	$0.00	$0.00	$6,480.85	$6,480.85	$0.00	$0.00
White Bear Lake	2.00	$0.00	$0.00	$42,600.00	$42,216.00	$0.00	$384.00
Worthington	3.00	$0.00	$0.00	$5,097.22	$5,097.22	$0.00	$0.00
	Totals	**$504,230.02**	**$402.93**	**$731,541.93**	**$756,271.88**	**$5,151.26**	**$634,679.61**

Separate from the 3% regulatory tax and the 10% contribution, Minnesota Statutes, section 349.12, subdivision 25, paragraph (a), clause (10), allows a licensed organization to make a voluntary contribution to units of government (under lawful purpose code A10) for government programs and projects of the United States, the state of Minnesota, or local units of government.

In fiscal year 2015, a total of $10,304,616 was voluntarily contributed to units of government for contributions allowed under code A10. Cities or counties are not required to report the receipt of the voluntary contributions to the Board.

For charitable contributions required by local units of government, see page 9.

LG510 CY14 10% Contribution Fund, When Mandated by Ordinance

As established by ordinance, a city or county (not a township) may require an organization to contribute up to 10% per year of net profits to a fund that the city or county administers.

- The city or county may only spend the funds for charitable contributions (Minn. Stat. 349.12, subd. 7a), or for police, fire, and other emergency or public safety-related services, equipment, and training.
- The fund may not be used for the payment of pension obligations or general government functions.
- A licensed organization that contributes to the 10% fund may not be a beneficiary of the fund.
- A city or county that has a 10% fund is required to file a report with the Gambling Control Board by March 15 each year.
  - √ In calendar year 2014, 115 cities reported fund contributions up to 10% as mandated by their city's ordinance.
  - √ A total of $1,268,831 was contributed to cities under the "required" contribution allowance in statute.
  - √ A balance of $1,878,464 was reported for future distribution.

City	%	CY13 Balance	Interest	Collected	Spent	CY14 Balance
Alexandria	10%	$0.00	$0.00	$42,695.46	$42,695.46	$0.00
Andover	10%	$26,025.40	$955.23	$33,578.82	$3,690.00	$56,869.45
Annandale	0%	$3,062.75	$39.97	$2,768.97	$0.00	$5,871.69
Arden Hills	10%	$0.00	$0.00	$28,497.86	$28,497.86	$0.00
Aurora	10%	$0.00	$0.00	$1,185.12	$0.00	$1,185.12
Barnum	10%	$746.46	$0.00	$2,524.88	$2,256.59	$1,014.75
Battle Lake	10%	$0.00	$0.00	$500.00	$500.00	$0.00
Bayport	0%	$78,857.98	$0.00	$9,772.50	$0.00	$88,630.48
Belle Plaine	10%	$4,296.72	$0.00	$9,293.32	$10,344.50	$3,245.54
Bigelow	0%	$5,477.27	$2.06	$639.57	$0.00	$6,118.90
Bigfork	10%	$17,523.62	$0.00	$5,664.30	$19,826.10	$3,361.82
Blaine	10%	$125,395.73	$2,606.15	$113,442.24	$114,750.00	$126,694.12
Bovey	10%	$245.97	$0.00	$498.06	$700.00	$44.03
Bricelyn	10%	$900.65	$0.00	$275.38	$0.00	$1,176.03
Brownsville	10%	$0.00	$0.00	$2,262.21	$3,098.41	$0.00
Byron	10%	$1,008.94	$4.25	$5,669.34	$7,000.00	$0.00
Carlton	10%	$6,905.81	$18.04	$13,630.78	$8,748.00	$11,806.63
Chanhassen	10%	$37,145.21	$511.49	$44,227.92	$34,488.22	$47,396.40
Chisago City	10%	$6,472.82	$165.23	$7,527.09	$4,095.04	$10,070.10
Cloquet	1%	$0.00	$0.00	$13,608.67	$13,608.67	$0.00
Cold Spring	10%	$77,409.05	$2,526.04	$9,272.90	$0.00	$89,207.99
Columbus	10%	$1,469.25	$11.78	$6,841.53	$0.00	$8,322.56
Coon Rapids	5%	$12,650.89	$374.95	$40,716.39	$36,644.75	$17,097.48
Cottage Grove	0%	$12,382.98	$190.68	$1,726.32	$0.00	$14,299.98
Cromwell	10%	$0.00	$0.00	$535.98	$0.00	$535.98
Crystal	10%	$1,944.65	$0.00	$30,848.40	$32,348.40	$444.65
Delavan	10%	$10,601.01	$0.00	$2,220.28	$2,250.00	$10,571.29
Dennison	10%	$0.00	$0.00	$386.16	$491.50	$0.00
Duluth	5%	$29,078.00	$179.00	$7,404.00	$13,000.00	$23,661.00
Dundas	10%	$0.00	$0.00	$5,063.95	$5,063.95	$0.00
Eden Prairie	0%	$0.00	$0.00	$0.00	$0.00	$0.00
Effie	10%	$230.91	$0.00	$2,107.36	$1,696.81	$641.46
Elgin	10%	$23,065.19	$0.00	$0.00	$23,065.19	$0.00
Elko/New Market	5%	$8,214.72	$6.38	$5,019.21	$7,943.80	$5,296.51
Evansville	10%	$0.00	$0.00	$6,263.24	$6,263.24	$0.00
Eveleth	10%	$19,517.03	$0.00	$8,014.78	$2,700.00	$24,831.81
Eyota	10%	$24,577.01	$32.24	$5,505.80	$0.00	$30,115.05
Faribault	5%	$54,216.92	$212.22	$22,669.11	$12,106.73	$64,991.52
Floodwood	10%	$297.70	$0.00	$1,047.01	$1,200.00	$144.71
Garfield	10%	$0.00	$0.00	$2,029.73	$2,029.73	$0.00
Gem Lake	10%	$71.00	$0.00	$3,038.30	$0.00	$3,109.30
Ghent	10%	$0.00	$0.00	$2,008.50	$2,008.50	$0.00
Glencoe	10%	$837.93	$1.04	$0.00	$0.00	$838.97
Golden Valley	10%	$0.00	$1,278.78	$44,278.63	$40,500.00	$5,057.41
Gully	10%	$8,046.28	$5.43	$3,205.25	$0.00	$11,256.96
Ham Lake	10%	$19,869.50	$162.65	$16,993.09	$0.00	$37,025.24
Hampton	10%	$0.00	$0.00	$2,588.37	$2,588.37	$0.00
Hanska	10%	$2,368.57	$0.00	$1,961.29	$0.00	$4,329.86
Hawley	10%	$6,474.39	$3.24	$0.00	$0.00	$6,477.63
Hewitt	10%	$16.22	$0.22	$1,416.85	$1,250.00	$183.29
Hibbing	10%	$10,581.71	$0.00	$0.00	$10,581.71	$0.00
Hokah	0%	$0.00	$0.00	$2,367.11	$2,367.11	$0.00

City	%	CY13 Balance	Interest	Collected	Spent	CY14 Balance
Hollandale	10%	$0.00	$0.00	$350.33	$350.33	$0.00
Independence	10%	$0.00	$0.00	$460.49	$460.49	$0.00
Kasota	10%	$393.00	$0.00	$2,913.00	$393.00	$2,913.00
Kerkhoven	10%	$874.89	$3.18	$0.00	$0.00	$878.07
Kerrick	10%	$0.00	$0.00	$936.36	$936.36	$0.00
Kettle River	10%	$1,477.48	$0.00	$1,438.53	$2,436.90	$479.11
Kilkenny	10%	$2,775.89	$0.00	$5,659.05	$2,775.89	$5,659.05
Lakeland	10%	$0.00	$0.00	$2,552.82	$1,256.26	$1,296.56
Lakeland Shores	10%	$5.38	$0.00	$0.00	$0.00	$5.38
LaPrairie	10%	$0.00	$0.00	$100.00	$162.00	$0.00
Lexington	10%	$36,451.22	$0.00	$12,910.14	$0.00	$49,361.36
Lilydale	10%	$0.00	$0.00	$11,604.72	$11,604.72	$0.00
Little Canada	10%	$79,452.61	$2,076.29	$24,845.32	$16,622.67	$89,751.55
Long Beach	10%	$0.00	$0.00	$4,392.36	$4,392.36	$0.00
Long Lake	10%	$3,111.43	$0.42	$1,396.93	$1,188.27	$3,320.51
Madison Lake	10%	$1,327.44	$1.88	$2,661.22	$2,830.61	$1,159.93
Mahtomedi	10%	$0.00	$31.54	$14,417.90	$0.00	$14,449.44
Maple Grove	10%	$332,813.60	$5,002.71	$58,710.85	$163,523.00	$233,004.16
Mapleview	10%	$9,153.36	$2.41	$3,051.94	$2,000.00	$10,207.71
Maplewood	10%	$27,513.64	$0.00	$24,340.00	$28,427.00	$23,426.64
Mayer	10%	$0.00	$0.00	$3,105.00	$3,236.00	$0.00
Milaca	10%	$5,825.00	$143.00	$16,373.00	$5,182.00	$17,159.00
Millville	10%	$18,254.03	$0.00	$3,580.00	$2,452.59	$19,381.44
Minneapolis	10%	$92,954.27	$0.00	$38,149.28	$44,370.73	$86,732.82
Mountain Iron	10%	$7,064.73	$0.00	$4,955.77	$4,540.00	$7,480.50
Myrtle	10%	$3,854.30	$0.00	$4,683.70	$1,540.00	$6,998.00
New Hope	10%	$0.00	$0.00	$8,469.27	$8,469.27	$0.00
North Mankato	10%	$2,793.61	$0.00	$12,460.07	$15,500.00	$0.00
Oak Grove	10%	$9,908.40	$161.13	$2,138.55	$0.00	$12,208.08
Oakdale	10%	$30,364.37	$0.00	$30,931.76	$18,250.00	$43,046.13
Otsego	10%	$0.00	$0.00	$3,452.62	$3,452.62	$0.00
Plymouth	10%	$0.00	$171.19	$35,084.78	$35,255.97	$0.00
Proctor	10%	$12,299.59	$0.00	$0.00	$0.00	$12,299.59
Ramsey	5%	$154,025.43	$5,577.51	$50,927.41	$61,090.00	$149,440.35
Rockford	10%	$0.00	$0.00	$12,500.00	$12,500.00	$0.00
Rose Creek	10%	$2,127.16	$4.41	$4,330.71	$0.00	$6,462.28
Roseville	10%	$13,485.92	$0.00	$79,013.42	$85,000.00	$7,499.34
Scanlon	10%	$5,968.51	$17.28	$4,382.18	$3,805.56	$6,562.41
Sedan	10%	$1,451.05	$1.68	$3,769.00	$3,542.97	$1,678.76
Shafer	5%	$8,520.23	$52.45	$5,152.71	$5,795.00	$7,930.39
Sherburn	10%	$1,720.83	$0.00	$2,346.52	$1,350.00	$2,717.35
Shoreview	10%	$0.00	$0.00	$887.14	$887.14	$0.00
Spicer	1%	$25,027.95	$156.50	$1,908.16	$3,246.28	$23,846.33
Spring Valley	10%	$10,872.25	$3.12	$5,404.17	$11,109.04	$5,170.50
St. Francis	10%	$13,987.81	$185.06	$13,733.23	$0.00	$27,906.10
St. Louis Park	10%	$0.00	$0.00	$0.00	$0.00	$0.00
St. Martin	10%	$800.61	$0.00	$1,183.62	$1,256.80	$727.43
St. Michael	10%	$0.00	$0.00	$21,107.28	$21,107.28	$0.00
St. Paul	10%	$36,848.87	$1,977.53	$11,723.87	$47,432.13	$3,118.14
Stockton	10%	$0.00	$0.00	$750.00	$744.00	$6.00
Taylors Falls	10%	$342.46	$1.38	$1,187.59	$475.00	$1,056.43
Tower	10%	$0.00	$0.00	$2,780.30	$2,780.30	$0.00
Utica	5%	$0.00	$0.00	$5,000.00	$5,000.00	$0.00
Vadnais Heights	10%	$60,577.01	$0.00	$19,217.23	$18,907.54	$60,886.70
Vergas	10%	$6,441.24	$0.00	$9,021.68	$10,276.80	$5,186.12
Victoria	10%	$81,936.00	$874.00	$26,000.00	$0.00	$108,810.00
Wahkon	10%	$1,822.30	$0.00	$5,784.65	$2,698.99	$4,907.96
Waite Park	10%	$24,964.64	$30.63	$39,438.51	$28,345.47	$36,088.31
Waterville	10%	$0.00	$0.00	$4,019.50	$4,019.50	$0.00
Waverly	10%	$0.00	$0.00	$6,318.06	$6,318.06	$0.00
Wilton	10%	$129.25	$0.00	$2,031.17	$2,031.17	$129.25
Winnebago	10%	$1,972.98	$0.00	$1,016.32	$0.00	$2,989.30
Winsted	5%	$0.00	$0.00	$5,000.00	$5,000.00	$0.00
Wyoming	10%	$41,590.88	$131.00	$12,978.99	$2,500.00	$52,200.87
Totals		**$1,811,267.86**	**$25,893.37**	**$1,268,831.21**	**$1,229,226.71**	**$1,878,464.06**

Education Programs

Part of the Board's mission is educating the lawful gambling industry. To ensure the integrity of the industry, education is provided to organizations through the following opportunities.

Continuing Education Classes

Gambling managers are required to attend one class each calendar year. In addition to gambling managers, organizations' chief executive officers, members, and employees are welcome to attend as well. Continuing education classes are conducted at various locations throughout the state free of charge and are open to the public.

There were 66 continuing education classes provided during fiscal year 2015, 18 of which were classes at industry conventions, and nine of which were presentations to conventions such as Lions, VFWs, and CPAs. Topics included internal controls, lawful expenditures, illegal gambling, reporting requirements, electronic filing, new rules, conduct of lawful gambling (all forms), electronic games, bar bingo, and other topics.

Other Education Programs

Gambling Manager Seminars. Gambling manager seminars are conducted each month by Board staff. Each seminar consisted of two days of training and included information on statutes, rules, the conduct of lawful gambling, internal controls, reporting and licensing requirements, and the organization's responsibilities.

Mentoring. The Board's mentoring program provides one-on-one training to organizations on how to properly manage their gambling operation and comply with all reporting requirements. The program also provides guidance to licensed organizations that have experienced serious operational difficulties. New organizations or existing organizations with a new gambling manager may voluntarily participate in this program.

Gambling Control Board Website, www. mn.gov/gcb

The Gambling Control Board updated its website in 2015. The website, long overdue for a makeover, is now easier to use and navigate than the former format—which served its purpose since 1999.

The website contains information on how nonprofit organizations can become licensed to conduct lawful gambling, as well as specific information on each of the five forms of lawful gambling. Continuing education schedules, lists of licensees, and forms are all available on the website. The site continues to provide Board meeting information, and links to Board publications such as the *Gaming News*, *Lawful Gambling Manual*, and annual reports for both the Board and licensed organizations. There are also links to lawful gambling statutes and rules and to other state agencies, and email links to Board staff.

Gaming News

The Board's quarterly newsletter, *Gaming News*, provides information on compliance, licensing, and education issues. The newsletter is mailed to all licensed gambling managers. *Gaming News* also includes information on legislative and rule changes, scheduled continuing education classes, forms, and Board activities. The Departments of Revenue and Public Safety and the Internal Revenue Service periodically contribute articles for the newsletter.

Gaming News can be found on the Board's website under Publications. Subscriptions are available through Minnesota's Bookstore, 651-297-3000 or 800-657-3757.

Lawful Gambling Manual

The *Lawful Gambling Manual* is a reference guide for CEOs, gambling managers, and organizations—whether new or experienced. The Manual provides information on statutory and rule requirements in an easy-to-understand format, and was last updated in 2015. The Manual is divided into chapters that are easily referenced for:

- licensing requirements;
- conducting each form of lawful gambling: paper and electronic pull-tabs, paper and electronic bingo, raffles, paddlewheels, and tipboards;
- managing gambling equipment inventory;
- guidelines for internal controls of the gambling operation including accounting and administrative controls, with a section on monthly oversight;
- how net receipts may be spent; and
- cross-reference indexing.

The Manual may be purchased from Minnesota's Bookstore and is found on the Board's website under Publications.

Gambling Control Board Members

The Gambling Control Board is comprised of seven citizens. Five of the members are appointed by the Governor. The Attorney General and Commissioner of Public Safety each appoint one member.

The Board has the power to issue, suspend, and revoke licenses. Under Minnesota Statutes, section 349.11, the Board's purpose is "to regulate lawful gambling, to insure integrity of operations, and to provide for the use of net profits only for lawful purposes."

Member	Appointed by	Term
William Goede, Chair Plainview	Governor	6/12 to 6/16
Norman Pint, Vice Chair New Prague	Public Safety	7/11 to 6/15*
William Gillespie, Secretary, St. Paul	Attorney General	9/11 to 6/15*
Geno Fragnito Woodbury	Governor	7/14 to 6/18
James Nardone Grand Rapids	Governor	6/12 to 6/16
Kenneth Koch Eagan	Governor	7/13 to 6/17
Beth Pinkney Woodbury	Governor	7/14 to 6/18

* Reappointed effective 7/15

Statutes and Rules

Legislative Changes: The 2015 Legislature made several changes to lawful gambling laws. Some of the changes include:

- Organizations who wish to conduct only electronic pull-tabs may do so at a site where another organization conducts paper pull-tabs. Consent is required.
- Hot ball prizes for bingo are allowed, at no additional cost to players.
- Organizations conducting electronics no longer have to register a player. Organizations still must verify a player is age 18 or older.
- Disposable sealed bingo number selection placards (bingo boards) are allowed.
- Organizations may conduct a raffle in conjunction with an organization membership event once each calendar year.
- A volunteer conducting small (meat) raffles may participate/play in charitable gambling the next business day. An employee or a volunteer involved with the conduct of electronic linked bingo, pull-tabs, tipboards with more than 32 numbers, or paddlewheels with a table now only has to wait two weeks (had been six weeks) after ceasing their involvement before being allowed to participate in these games.
- Deposits for electronic gambling net receipts at a premises changed from a four-day requirement to when the total net receipts reach $2,000 or on or before the first day of the next month, whichever comes first.

A more in-depth summary of 2015 legislative changes can be found at mn.gov/gcb under the Reports & Legislation tab.

Rule Changes: There were no rule changes in FY15. Information on the Board's rules docket, any current rules processes, and obsolete rules can be found under the Statutes & Rules tab at mn.gov/gcb.

Minnesota Gambling Control Board

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This publication will be made available in alternative format (large print, braille) upon request.

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