

Executive summary | Roundtable XII | May 24, 2023

Wipfli Tribal Gaming CFO Peer Exchange

Hosts: Grant Eve and Barnaby Allen | Wipfli

Facilitator: Josh Iverson | Profitable Ideas Exchange (PIE)

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Introduction

Thirteen chief financial officers (CFOs) from tribal gaming facilities met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through a series of preinterviews.

Grant Eve, tribal industry leader at Wipfli, and Barnaby Allen, a partner in the tribal gaming practice at Wipfli, hosted the exchange and Josh Iverson of PIE facilitated. April Bacon, senior manager at Wipfli, joined to provide subject matter expertise.

The focus of the discussion covered the following topics over the course of the hour:

- Modernizing gaming technology
- Labor substitutions
- Economic outlook and GASB 96

Modernizing gaming technology

The CFOs discussed technology transformation, with one member sharing a detailed overview of their journey. The process has involved four phases beginning in 2017:

- The first phase involved the implementation of a casino cash track system, which was paired with cash recyclers and jackpot kiosks. When combined with a Kaizen audit process that allowed them to not replace positions through attrition, they achieved a cost savings of \$1.3 million over three years of post-implementation analysis.
- In the second phase, they focused on replacing their Great Plains accounting system with [Sage Intacct](#). Through a review and a planned phased implementation, they were able to identify crucial areas that required additional time for adaptation and focus heavily on training end users on navigating specific dashboards. The platform's transparency enabled them to eliminate the need for financial statements and their users appreciate the unfettered access they have to the platform from the cloud.

Modernizing gaming technology

- The third phase consisted of implementing new budgeting software, Martus Solutions, which integrates into Sage Intacct. It handled the budget build from an end-user perspective, and reduced the time needed to complete it by allowing departments to build their own budgets.
- The last phase of their modernization involved implementing a new inventory system. They transitioned to Yellow Dog, which enabled them to integrate their point-of-sale system with their Sage Intacct platform.

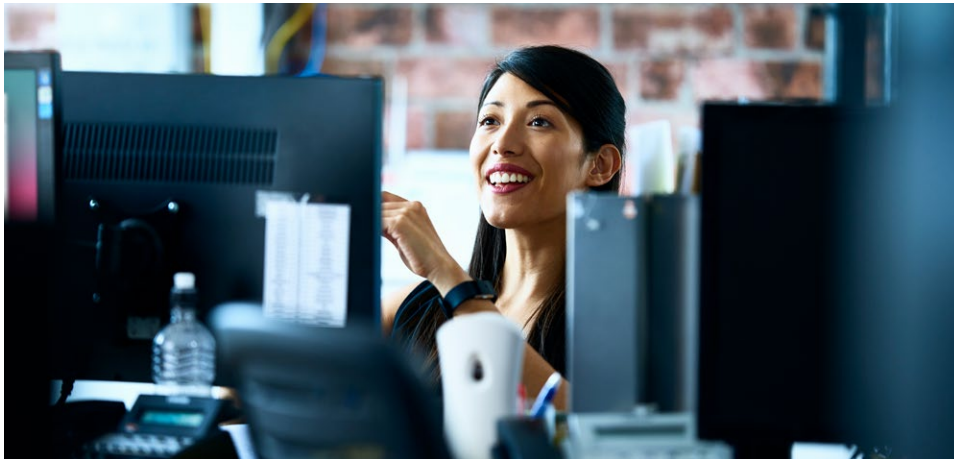
As server-based systems reach the end of their support life, CFOs need to be thinking about an implementation partner for replacement systems and cloud migration.

- As organizations migrate to the cloud and the landscape continues to grow, there are some concerns over cybersecurity.
- Adding a dedicated position around the cloud was an approach one member found helpful, and one they felt would've happened regardless.

Labor substitutions

Participants discussed whether any organizations had taken steps to deploy robotics around cleaning or food service.

- One organization has deployed robotics around bussing tables, cleaning floors and an artificial butler who delivers ice.



Despite some of the narrative around AI, employers aren't looking to replace jobs; they're more interested in filling positions and giving employees more meaningful work.

- CFOs emphasized the significance of communicating that this technology is not meant to replace individuals, but rather to automate specific tasks.
- Accounting departments emerged as a probable area for implementing robotics, and CFOs are eager to expand the role of accountant automation within their organizations.

Economic outlook and GASB 96

Grant Eve shared results from a member economic survey.

- According to the survey, out of 13 responses, seven reported an increase in revenue of 1-10%, three reported no significant change and three reported a decrease of 1-10% for the first four months of 2023 compared to the same period in 2022.
- Regarding expenses, six respondents noted an increase above 10%, six reported a net increase of 1-10% and just one response indicated a decrease of 1-10%.
- Discussions highlighted factors such as rising wages, benefit expenses and increased payroll costs due to staffing issues.
- Despite concerns about the economy, interest rates and a possible recession, the American Gaming Industry reported record-breaking revenue for the first quarter of 2023. Sports betting saw over a 70% increase year-over-year, iGaming increased by 20-25% and brick and mortar saw a minimum increase.

Economic outlook and GASB 96

With the end of the fiscal year approaching, the attention of CFOs is starting to turn to forecasting for 2024.

- One member's organization anticipates an increase around 7-8% in expenses compared to the previous year. They have concerns maintaining profit margins and controlling expenses due to market conditions.
- Grant Eve added that economic forecasts indicate a soft landing with a predicted GDP growth of 1.3% and a potential recession in the second half of the year, but the impact might not be as significant as they initially anticipated.

CFOs are also beginning to focus more intently on GASB 96.

- Those just starting the process expect it to be more challenging than previous work around the GASB 87 implementation. One member mentioned their work identifying software agreements that will fall under the rule.
- Several participants have fully implemented GASB 96, having worked with accounting partners over the course of the past year. In the case of one member, the gaming facility and the tribe implemented GASB 96 concurrently, and efforts were made to ensure the IT department was fully aware of all requirements.
- To help with the implementation process, Wipfli is hosting a [webinar](#) on June 22, 2023, discussing the five major challenges with GASB 96.

Economic outlook and GASB 96

The group briefly discussed banking options for better insuring funds.

- One CFO is considering an insured cash sweep account through their bank to address concerns over bank failure rates.
- Another member shared they have been using a sweep account for years with seamless success. Funds over \$250,000 are swept into an investment account backed by government securities, with money returning to operating accounts as needed. They noted that these sweep accounts are quite common in the banking industry to protect public funds.





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