



# WHITE EARTH RESERVATION

**CHAIRMAN** Michael Fairbanks **SECRETARY-TREASURER** Leonard Alan Roy

**DISTRICT I** Raymond Auginaush, Sr. **DISTRICT II** Kathy Goodwin **DISTRICT III** Eugene "Umsy" Tibbetts

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October 25, 2019

## WHITE EARTH REGULAR MEETING – SECRETARY/TREASURER REPORT

White Earth Reservation Business Committee,

A report on the Band's finances is discussed in Section I of this report. Fiscal violations and recommendations can be found in Section II.

In accordance with Ordinance Number 1-65 (Revised), audits are mandated by Band law and the Secretary/Treasurer shall, procure an independent audit of the accounting records of the Band at least once a year, unless explicitly waived by the RBC. The responsibility and authority to conduct audits remains delegated to the Secretary/Treasurer under Ordinance Number 1-65 (Revised). General Counsel, Internal Affairs, and associated audits are budgetarily supported by Other Professional Services in the Legal Department.

If there are any questions or feedback, I can be reached at [alan.roy@whiteearth-nsn.gov](mailto:alan.roy@whiteearth-nsn.gov) or 218-983-3285. The Administration is directed to publish a copy of this report to the website, the Anishinaabeg Today, and at the Administration front desk.

Sincerely,

Alan Roy  
Secretary/Treasurer

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## SECTION I – FINANCIAL REPORT

### Fiscal Year 2019 – Quarter 4

For governmental activities, overall from October 1, 2018 to September 30, 2019—the fourth quarter of fiscal year 2019—our combined revenue was \$155.2 million and our expenditures were \$108.6 million. On September 30, 2019, our cash on hand was \$59.2 million. However, \$57.2 million is considered Other Governmental Funds, \$39.5 million of these funds belonged to Behavioral health, and our General Fund was \$2.0 million.

Collectively, our expenditures during this period were \$108.6 million. Other Governmental Funds were \$90.2 million, and the General Fund was \$18.4 million.

The unaudited preliminary numbers are subject to change as the numbers are finalized.

### Behavioral Health Department

The preliminary numbers through September 30, 2019 show revenue of \$51.8 million and Expenditures of \$39.9 million. The net income from the program was \$11.9 million, which resulted in \$39.5 million cash in bank. The difference between cash and net income relates to cash carryover from prior years operation and current outstanding bills as there are accounts payable.

### Gaming

Consolidated revenue for Mahnomen, Bagley and all other gaming revenue for quarter four, ending September 30, 2019 was \$118.5 million. The consolidated expenses through Quarter 4 was \$106.7 million. Consolidated net income was \$11.8 million. With a majority coming from Mahnomen, which was \$10.1 million and Bagley earned \$1.7 million.

We budgeted \$122 million of revenue and \$111.3 in expenses for a budgeted net income of \$10.7 million for Fiscal Year 2019. Actual numbers for Fiscal Year 2019 were \$118.5 million in revenue, \$106.7 million in expenses, resulting in a net profit of \$11.8 million. Revenue was \$3.5 million lower than budget while expenses were \$4.6 million lower than budget resulting in net income being \$1.1 million higher than budget.

Shooting Star Casino cash on September 30, 2019 is \$23 million. The cash on hand at the close of the last fiscal year, September 31, 2018 was \$19.5 million. After Shooting Star Casino capital improvement projects and transfers to White Earth RBC cash has grown \$3.5 million.

The Bagley Casino continues to experience increased revenues and net income. For Fiscal Year 2019, the property earned \$10.5 million in revenue with expenditures of \$8.8 million. Bagley Casino has a net income of \$1.7 million.

The unaudited preliminary numbers are subject to change as the numbers are finalized.

## SECTION II – FISCAL VIOLATIONS AND RECOMMENDATIONS

### Fiscal Violations

#### Behavioral Health Funds

- The Minnesota Senate has scheduled an October 30, 2019 Hearing for the related Office of Legislative Auditor’s report. The Band has been requested to provide comment.
- The Behavioral Health Department will provide a draft of a proposed business plan with recommendations for departmental changes no later than November 29, 2019.

#### Audits

- The continued and approved September 5, 2019 audits will be consolidated and reported to the RBC with recommendations no later than December 27, 2019.

#### Check #748137

- No significant changes to report.

### Recommendations

1. Behavioral Health
  - a. The Behavioral Health Director and staff attend the hearing and issue an approved response from the Tribal Attorney.
  - b. The Behavioral Health Department discusses departmental changes with RBC.
2. Audits
  - a. Report on the approved timeline.
3. Check #748137
  - a. No significant changes to report.