

WAGANAKISING ODAWAK STATUTE # 2021- 002
TRIBALLY ACCEPTED ACCOUNTING PRACTICE STATUTE

SECTION I. PURPOSE

The purpose of this statute is to protect Tribal assets controlled by Tribally chartered corporations, Limited Liability Companies (Member Managed or Manager Managed), enterprises, businesses, companies, which includes any and all sub-entities, that are wholly owned or majority owned by the Tribe, in order to standardize accounting practices and reporting requirements. This Statute does not apply to the Tribal governmental accounting and practices. This Statute repeals and replaces WOS 2019-002.

SECTION II. DEFINITIONS

- A.** “Balance sheet” means a financial statement that presents an organized list of assets, liabilities and equity at a particular point in time.
- B.** “Board” means the authorized and governing entity, wholly or majority owned by the tribe, including Tribally Chartered Corporations, Limited Liability Companies (Member Managed or Manager Managed), enterprises, businesses, companies, and includes all sub-entities.
- C.** “Capital Expenditure” (CAPEX) means funds used to acquire, upgrade, and maintain physical assets such as property, industrial buildings, or equipment.
- D.** “Generally Accepted Accounting Principles” (GAAP) means a body of standards having both broad and specific guidelines companies follow when measuring and reporting information in their financial statements and related notes and which are established by the Financial Accounting Standards Boards (FASB).
- E.** “Gift” means property, money or assets that a person transfers to another while receiving nothing or less than fair market value in return.

- F.** “Income Statement” means the financial statement that reports revenues, expenses, gains, and loses for a particular reporting period.
- G.** “Operating Capital” means the funds required for running the daily operations of the company.
- H.** “Political Contributions” means any funds, service or other means that benefits any campaigns initiative, referendum, recall, petition or other election related activities.
- I.** “Tribe” or “LTBB” means the Little Traverse Bay Bands of Odawa Indians.

SECTION III. APPLICATION

The following will apply to all Boards:

- A.** The utilization of General Accepted Accounting principles (GAAP) is required.
- B.** The designation of the following mandatory accounts, along with their purpose, requirements and restrictions:
- 1.** Tribal distributions.
 - a.** Profits above the maximum amount set for operating capital will be transferred to a Tribal Revenue account monthly.
 - b.** On a quarterly basis, any balance of the Tribal Revenue account shall be transferred to the Tribe, unless otherwise approved by Tribal Council.
 - 2.** CAPEX.
 - a.** On a yearly basis, each Board shall determine CAPEX use and amounts for each site or operation.
 - b.** Any additional revenues utilized for CAPEX shall require Board approval prior to funds being used.
 - c.** If funds are utilized for any other purpose than the original annual determination of CAPEX, Tribal Council shall be notified of the variance of the use and/or amounts.



- d.** If there is more than one site or operation, each site or operation shall have a separate CAPEX account.
- 3. Operating capital.**
- a.** Operating capital consists of investments and cash not in other required account.
- b.** The Board shall establish the minimum and maximum level for the account annually. Such minimum and maximum levels shall be reported to Tribal Council. The Board, in its discretion, may modify the minimum and maximum levels. Any modifications to the levels shall be reported to Tribal Council.
- c.** Any amount of funds over the maximum shall be transferred to the Tribal Revenue account monthly.
- d.** Any amount of funds less than the amount approved by the Board shall require Tribal Council notification.
- 4. Profit funded construction.**
- a.** Any construction project requires approval of the Board.
- b.** The Board shall appropriate funding required for the project and shall notify Tribal Council of the project and the funding amount and source.
- c.** Any payments made in conjunction with the project shall require a designated Board member(s) signature.
- 5. Loan funded or Tribal Council appropriated funded construction.**
- a.** Any construction project requires approval of the Board.
- b.** The Board shall notify Tribal Council of a loan funded project or if it is a Tribal Council appropriated funded construction, then the Board will provide Tribal Council monthly updates on expenditures.
- c.** Any payments made in conjunction with the project shall require a designated Board member(s) signature or a loan officer's signature.
- 6. Gifts and bonuses.**
- a.** All bonuses shall be approved by the Board.
- b.** Any gifts or bonuses in the amount of one thousand dollars (\$ 1 ,000.00) or more shall have Board approval and Tribal Council shall be notified as to the nature and amount of the gift or bonus.

- c. Any Political Contributions require TC notification Statements.

C. Statements.

1. Monthly, each Board shall submit to Tribal Council an unaudited Income Statement along with a balance statement. This will be a separate document titled "Income Statement". The following shall be included in the document:

- a. Financial Notes are to include:
 - i. Appropriations
 - ii. Loans and interest rates
 - iii. Tribal Council requires notifications
 - iv. Land holdings and acquisitions
 - v. Lease holdings
 - vi. Tribal Council required notifications.

2. Annually, each Board shall submit to Tribal Council a detailed Income Statement along with a balance statement.

- a. Financial Notes are to include:
 - i. Appropriations
 - ii. Loans and interest rates
 - iii. Tribal Council requires notifications
 - iv. All bonuses
 - v. All construction and capital expenditures with source of capital
 - vi. Payments to Board members
 - vii. Gifts
 - viii. Bonuses

3. Each Board shall prepare an annual report that includes a summary overview and financial statements that will be presented to the Tribal Membership at the Tribe's Annual Meeting.

D. The following applies to all Boards:

1. The Legislative Office of Finance and Revenue shall have access to all financial books and accounts of all Boards with "read only permission" access.

2. Any Loan applications made by Boards for seven-hundred and fifty thousand dollars (\$750,000.00) or more shall require Tribal Council approval, unless otherwise indicated by separate resolution, statute or charter. Any Loan applications where the interest rate is eight percent (8%) or more shall require Tribal Council approval unless otherwise indicated by separate resolution, statute or charter.

3. Grant applications. Unless otherwise indicated by statute, any grant application made by Boards shall require notice to Tribal Council. Grant applications for one-hundred thousand (\$100,000.00) or more, shall require Tribal Council approval.

4. All Financial obligations and interest rates of a Board shall be reported to Tribal Council annually at the beginning of each Fiscal Year. Financial obligations include the following:

- a. Any guarantee of debt or pledge, such as loans, lines of credit or other credit arrangements with private lenders or commercial banks;
- b. Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;
- c. Letters of credit issued in connection with variable rate debt issuance;
- d. Interest rate swaps entered into in connection with debt issuance.

E. Gaming related Boards have the following requirements:

1. Establish separate CAPEX accounts for each site.
2. Establish separate financial statements and books for each site.
3. No form of free play may ever be used as revenue or win/unit/day accounting.
4. Monthly report shall include, but not limited to:
 - a. Slot revenue at each
 - b. Number of slots at each site
 - c. Win/unit/day at each site
5. Transfers from one set of books to another require Board approval and cannot be

reversed without notification to Tribal Council.

SECTION IV. SEVERABILITY

If any section, subsection, paragraph, sentence, phrase or portion of this Statute is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION V. EFFECTIVE DATE

Effective upon signature of the Executive or thirty (30) days from Tribal Council approval whichever comes first or if the Executive vetoes the legislation, then upon Tribal Council override of the veto.



CERTIFICATION

As the Tribal Council Legislative Leader and Tribal Council Secretary, we certify that this Statute was duly adopted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held on March 25, 2021 at which a quorum was present, by a vote of 7 in favor, 0 opposed, 0 abstentions, and 2 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Fred Harrington Jr.	X			
Fred Kiogima				X
Tamara Kiogima	X			
Melissa Pamp	X			
Leroy Shomin	X			
Marty Van De Car	X			
Marcella R. Reyes				X
Julie Shananaquet	X			
Emily Proctor	X			

Date: 03/25/2021 Emily Proctor
Emily Proctor, Legislative Leader

Date: 03/25/2021 Julie Shananaquet
Julie Shananaquet, Tribal Council Secretary

Received by the Executive Office on 3/26/2021 by [Signature]

Pursuant to Article VII, Section D, Subsection 1 of the Little Traverse Bay Bands of Odawa Indians Constitution adopted on February 1, 2005 the Executive concurs in this action of the Tribal Council.

Date: 4-26-2021 Regina Gasco Bentley
Regina Gasco Bentley, Tribal Chairperson

Received from the Executive on 04.26.2021 by Julie Shananaquet

