

Red Cliff Band of Lake Superior Chippewas

SPECIAL COUNCIL MEETING

February 26, 2013

8:00 a.m. Legendary Waters, Buffalo Bay Grand Ballroom

Meeting called to order by Chairperson Rose Soulier at 8:20 a.m.

ROLL CALL

Rose Soulier, Present

Nathan Gordon, Present

Laura J. Gordon, Present

Dennis Soulier, Present

Mike Gurnoe, Present

Joanne Peterson, Present

Bryan Bainbridge, Present

Jeanne Gordon, Present

Marvin Defoe, Present

Quorum

In attendance: Roe Meyer, S.C. Darryl Helenius, Neil Helenius, Todd Vyskocil, Tanya Brown, Legal Assistant, Larry Gordon, LW, Interim General Manager, Beth Thomas, Assistant Interim General Manager, and community members.

Dennis Soulier moved to approve the agenda as amended. Seconded by Bryan Bainbridge. Motion carried.

Roe Meyer went through the audit report with Council. This was a very difficult audit the staff was very helpful.

Roe Meyer was unable to obtain original documentation of all allocation of construction in progress to their respective general ledger accounts. This definitely needs to be corrected in order to get accurate numbers for FY13.

There were two bank account reconciliations that were significantly out of balance with the general ledger. Diane Peterson is still working on this to be corrected.

We identified a significant number of entries made to net assets, or equity. None of the entries had sufficient documentation to justify their existence. Again this has been transferred from Isle Vista Casino, but again there is no accurate documentation.

Roe Meyer talked about the slot on-line reporting system to recorded revenue. They found that the amounts reported by the system were substantially different from recorded revenue. An accurate on-line system is an important and critical component of the internal control system. It is important that management work with the system supplier to resolve the issues that cause the difference.

A question was asked about the 40 employee files and found that 24 had incomplete IRS Form I-9. This means that if the IRS was to come in and do an audit and found this out there could be penalties. This is something that can be easily corrected by the Human Resource Department.

A question was asked about the adjustments from FY11 audit, we were told as a Council that these adjustments were to be made on this year's audit FY12. Roe Meyer stated that there are no documentation or paper trail on this item. Need to find the back up on this. It could be in Randy Hella's office.

Diane Peterson stated that the auditors can't make adjustments to our books. They can make suggestions but the auditors can't make the entries.

A question was asked how did the endorsed signatures on the checks start? Roe Meyer stated that the accounting office walked them through and showed them how the checks came out printed and signed. The printer should not be in the accounts payables office. Ton Jeffords will check into this.

Roe Meyer stated that we should put a plan in place at Legendary Waters and figure out who will do what for the next audit.

A question was asked on Accounts Receivable Credit Risk. Legendary Waters Resort and Casino holds NFS checks as accounts receivable. A portion of the receivables are not collectable. An allowance has been established to fairly value the accounts receivable. Beth Thomas stated that the former CFO has transferred these to a new system and that this has not been working for months.

There were some typos that had to be corrected to the Independent Auditor's Report. Roe & Meyer will send a clean audit copy to Council.

Joanne Peterson moved to approve Legendary Waters Resort and Casino audit for year ended September 30, 2012 with changes as noted. Seconded by Jeanne Gordon. Motion carried.

Nathan Gordon moved to approve the Resolution **2/26/13A** pertaining to submission of application to Apostle Island Community Fund for implementation of Parenting Wisely Evidence Based Parenting course. Seconded by Jeanne Gordon. Motion carried.

Dennis Soulier moved to approve the Resolution **2/26/13B** pertaining to Opposition of WI Mining Bill. Seconded by Jeanne Gordon. Motion carried.

Tribal Chair read the Draft Press Release of the Mining Task Force. The Draft Press Release talks about how Red Cliff Band of Lake Superior Chippewa is opposed to current mining legislation in Wisconsin. If you need more information you can contact the Tribal Administration, Chad Abel, Treaty Natural Resource Division Administrator, or Marvin Defoe.

Jeanne Gordon moved to amend the agenda to add "Executive Session". Seconded by Bryan Bainbridge. Motion carried.

Dennis Soulier moved to go into Executive Session. Seconded by Joanne Peterson. Motion carried.

Nathan Gordon moved to return back to Regular Session. Seconded by Mike Gurnoe. Motion carried.

Laura J. Gordon moved to direct the Casino Managers and Appropriate Staff to respond to all the audit findings and report back to Council within one (1) month. Seconded by Bryan Bainbridge. Discussion: was to add timelines to some of the issues brought forth. Motion carried.

Jeanne Gordon moved to post the CFO and Marketing Managers positions by Friday March 1, 2013 for Legendary Waters. Seconded by Dennis Soulier. Motion carried.

Laura J. Gordon moved to adjourn. Seconded by Jeanne Gordon. Motion carried.

Adjourned 11:00 a.m.

Respectfully Submitted/ATTEST:



Laura J. Gordon, Secretary
Recording Secretary/Red Cliff Tribal Council Secretary