



Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
(231) 723-8288

Resolution # 02-1218-02

Approval of a Three Year Contract with Crowe Chizek to Provide Annual Audit Requirements under the Indian Gaming Regulatory Act of the Tribe's Little River Casino Resort

WHEREAS, the Tribe's status as a federally-recognized Indian tribe was reaffirmed and restored by Congress pursuant to Public Law 103-324, 108 Stat. 2156 (25 U.S.C. §1300k et seq.); and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Indian Gaming Regulatory Act requires Tribes to conduct an independent audit of its gaming operations annually, *cf.* 25 U.S.C. s. 2710(b)(2)(C) and 25 C.F.R., Chapter III, Subpart D - Audits; and

WHEREAS, the annual audit must be submitted within 120 days after the end of the fiscal year to the National Indian Gaming Commission, *cf.* 25 C.F.R. s. 571.13; and

WHEREAS, the Tribe and Manistee Gaming, LLC, entered into a Management Agreement to conduct gaming operations which requires the auditor to be selected from among the top six largest certified public accounting firms in the United States by the Tribal Council and approved by the Gaming Commission, *cf.* Management Agreement, s. 4.17.4; and

WHEREAS, the Gaming Ordinance, # 02-400-01, requires that an annual audit of the gaming operations be conducted and reported to the National Indian Gaming Commission and Tribal Council, *cf.* Gaming Ordinance, s. 7.01; and

WHEREAS, the Gaming Commission Ordinance, # 02-400-04, delegates to the Gaming Commission the responsibility to identify the audit selection and request for proposals, *cf.* Gaming Commission Ordinance, s. 7.01; and

WHEREAS, the Gaming Commission has contacted each of the six largest certified public accounting firms, as well as six other accounting firms and requested proposals based upon an approved request for proposal specifications; and

WHEREAS, none of the six largest certified public accounting firms were responsive to the bids, and five of the remaining six firms were responsive; and

WHEREAS, the Tribal Council has received the responsive bids from the Gaming Commission's approved group of certified public accounting firms and has reviewed the Gaming Commission's recommendation of the Egghart & Associates; and

WHEREAS, the Tribal Council has determined that Egghart & Associates has conducted the audits of the gaming operations of the Tribe for the prior three fiscal years and that if this contract were accepted would result in retaining the same firm for a total of six years; and

WHEREAS, the Tribal Council has determined that maintaining the same certified public accounting firm to conduct the federally required audits for a six year period is not in the best interests of the Tribe, and that selection of the auditor for the next auditing period is crucial during the transition time in 2004 when the Management Agreement is concluded and the Tribe takes on the responsibilities of operating the gaming operations; and

WHEREAS, the Tribal Council has determined that Crowe Chizek, the 8th ranked largest certified public accounting firm doing business in the United States, more closely meets the requirements of the Management Agreement and that they are available and prepared to conduct the audits in a timely manner, including their presence in the gaming operations to conduct the currency count at the end of the year;

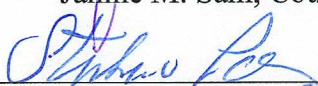
NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby authorizes the Ogema on behalf of the Gaming Commission to enter into a three year contract with Crowe Chizek in the estimated amounts of \$33,000 for Fiscal Year 2002, \$33,500 for Fiscal Year 2003 and \$34,000 for Fiscal Year 2004, plus out-of-pocket expenses as set forth in the contract.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 1 ABSTAINING, and 0 ABSENT, at a Regular Session of the Little River Band of Ottawa Indians Tribal Council held on December 19, 2002, at the Little River Band's Community Center in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

Distribution: Council Records
Tribal Ogema
Tribal Court
Legal Department