

White Earth Tribal Council Quarterly Report

Aanin Boozhoo

Greetings White Earth Members, thank you for the honor of being your newly elected Secretary/Treasurer for the White Earth Reservation Business Committee. As part of my duties, I submit to you my quarterly report for the start of Fiscal year 2023. Our Fiscal year runs from Oct. 1, 2022 to Sept. 30, 2023.

Fiscal Year 2023 Budget

Due to the fiscal year dates, the RBC must have a general fund budget in place by Sept. 30, 2022. This budget was approved by Tribal Council and adopted by resolution at the Regular Meeting on Sept. 30, 2022. The budget adopted accounts for revenues in the amount of \$15.96 million which consists mainly of State of Minnesota Tax revenue and expenditures in the amount of \$22.30 million. These expenditures are incurred for departments that operate more for the good of the band members than to make a profit. These include education, public safety, general government, human services, public works, economic development, and culture amongst others. This allows for a budget deficit of \$6.34 million which will be funded by distributions from the Shooting Star Casino. This deficit includes all capital expenses.

Fiscal Year 2022 Actuals

General Fund

For fiscal year 2022, the general fund was approved for a budget deficit of \$4.8 million. Throughout the year, there were budget modifications passed through Tribal resolutions authorizing an increased number of expenditures over the original budget allowance. The final budget deficit is reported at \$14.07 million before Shooting Star Casino transfers of \$16 million and transfers out of \$3.6 million. This leaves us a net change in our reserve amount of (\$0.42 million) resulting in an ending reserve amount of \$4.39 million dollars and a cash and equivalents balance of \$4.44 million.

Of the \$17 million transferred from the Shooting Star, \$5 million was used to fund an investment in Pathfinder Solutions PBC, which provides technological-based solutions for substance abuse, drug treatment and related recovery services. This investment provides us with an 8% ownership in Pathfinders, a 10% referral fee for Tribal Nations, and free use for our programs and constituents.

Earlier this summer, the current RBC voted to cancel the contract for Total Spectrum. The RBC initially allocated \$4.9 million for the Total Spectrum contract. White Earth received substandard work in return and the RBC decided that the contract was no longer in the Band's best interest.

CARES

CARES act dollars in the amount of \$32.25 million have been expended and will be reported final as of Sept. 30, 2022. \$3.90 million was spent on salaries for WERBC and SSC employees who worked on COVID related functions during the pandemic. This includes Public Safety, Health, and Emergency Operations Staff. \$5.15 million was transferred to the Shooting Star Casino to help cover Covid related expenses, \$18.39 million was spent on member assistance

and stimulus payments, \$1.57 million was spent on capital projects and equipment, and the remaining \$3.24 million was spent on other operating costs for the emergency Operation Center and the Food Shelf program.

ARPA

In 2021, the WERBC was awarded \$110.9 million in funding through the American Rescue Plan Act's Coronavirus State and Local Fiscal Recovery Funds to support the Nation's response to and recovery from the COVID-19 public health emergency. The preliminary budget has been approved by Tribal Council and we have started expending these funds in the following categories: \$3 million in small business assistance, \$35 million in individual assistance payments, \$1.7 million for the operation of the Boys and Girls Clubs, \$2.4 million in hazard pay, \$1 million for elder home repairs and equipment, \$2 million for fire departments, \$25 million for public works to repair roads and water & sewer projects, \$1.6 million for government programs, \$2.2 million for White Earth Enterprise revenue loss, \$31.5 for Shooting Star Casino revenue loss, and \$5.5 for the Rice Lake Elder Village. We will continue working with our tribal departments to ensure they are receiving the funding allowances in a timely manner.

Other Grant Funds

In fiscal year 2022, we have recorded \$119.09 million in other grant funding while recording \$59.67 million in expenditures. The other grant funds consist of grants from Federal, State, and local funding agencies. The funds are meant for a specific program, service, or activity and must be budgeted as such.

Behavioral Health

In fiscal year 2022, we have accounted for \$33.64 million in revenue while recording \$30.04 in expenditures. This leaves us with \$3.60 million to add to our reserve balance of \$53.90 million resulting in an ending balance \$57.50 million. The ending cash balance in Behavioral Health funds is \$43.27 million and we also have an investment account of \$15 million.

Youth and Elder Funds

The casino purchased 12 AGS machines and designated 1/6 of the gaming revenue from those machines for the Youth and Elder Fund. Six of those machines are in the casino on a back wall that abuts Smoke. The remaining six machines are in the middle of the northern portion of the floor. All AGS machines on the casino gaming floor earn the guest rewards points when playing with their player card. (This is not the case with AGS machines at the offsites.) The funding in this program is designed to help assist with costs associated with group activities supporting enrolled youth and elder members of White Earth. These donations are authorized by Tribal Council. Currently, WERBC is in the process of re-writing the policies and procedures in relation to the distribution of these dollars. Please be on the lookout for the updated Youth and Elder Fund guidelines.

Since its inception, the casino has transferred \$815,538 in revenue to the Youth and Elder funds. The combined expenditure in those funds amounts to \$470,028 (\$175,551 of this amount is in fiscal year 2022) which leaves a balance of \$345,510 in reserves.

Wild Rice Purchased

The White Earth Tribal Council has purchased over 170,000 pounds of green rice this year at a starting price of \$4.25 a pound and ending with an ending price of \$6 a pound. All this year's purchases went out to all the hard-working enrolled members that took the time to go out at harvest wild rice on all White Earth's local lakes and rivers. Most of the rice was harvested off Lower Rice located in District I in the Rice Lake area. The RBC would like to thank all our traditional wild rice harvesters.

In closing I want to thank the members of the White Earth Nation for giving me this opportunity to serve as the Secretary/Treasurer for this great nation. I look forward to moving forward with great progress and optimism and I hope we can work together for a brighter future. Miigwech!

Michael J. LaRoque
Secretary-Treasurer