

## §571.7 Maintenance and preservation of papers and records.

- (a) A gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared pursuant to the Act or this chapter.

(1) A gaming operation shall also maintain and supply such books of account or records for the annual independent audit required under § 571.12.

## § 571.12 Audit standards.

(a) Each tribe shall prepare comparative financial statements covering all financial activities of each class II and class III gaming operation on the tribe's Indian lands for each fiscal year.

(b) A tribe shall engage an independent certified public accountant to ~~provide~~ conduct an annual audit of the financial statements of each class II and class III gaming operation on the tribe's Indian lands for each fiscal year. The audit and auditor must meet the following standards:

(1) The independent certified public accountant must be licensed by a state board of accountancy.

(2) Financial statements prepared by the certified public accountant shall conform to generally accepted accounting principles and the annual audit shall conform to generally accepted auditing standards.

(3) The independent certified public accountant expresses an opinion on the financial statements. Note: a disclaimed opinion or adverse opinion does not satisfy this requirement.

(c) If a gaming operation has gross gaming revenues of less than \$2,000,000 during the prior fiscal year, the annual audit requirement of paragraph (b) of this section is satisfied if:

(1) The independent certified public accountant completes a review of the financial statements conforming to the statements on standards for accounting and review services of the gaming operation; and

(2) Unless waived in writing by the Commission or its designee, the gaming operation's financial statements for the three previous years were sent to the Commission in accordance with § 571.13.

(d) If a ~~gaming operation~~ tribe has multiple gaming ~~places,~~ facilities, or ~~locations~~ operations on the tribe's Indian lands, the tribe may choose to satisfy the annual audit requirement of paragraph (b) with a consolidated audit if the following requirements are satisfied ~~of this section is satisfied if:~~

- ~~(1) The tribe is the owner of all the facilities.~~  
~~The tribe chooses to consolidate the financial statements of the gaming places, facilities or locations;~~
- (2) The independent certified public accountant completes an audit conforming to generally accepted auditing standards of the consolidated financial statements;
- (3) The consolidated financial statements include consolidating schedules for each gaming place, facility, or location;
- (4) Unless waived in writing by the Commission or its designee, the gaming operation's financial statements for the three previous years, whether or not consolidated, were sent to the Commission in accordance with § 571.13; and
- (5) The independent certified public accountant expresses an opinion on the consolidated financial statement as a whole and subjects the accompanying financial information to the auditing procedures applicable to the audit of consolidated financial statements. Note: a disclaimed opinion or adverse opinion does not satisfy this requirement.

(e) If there are multiple tribally-owned gaming operations on a tribe's Indian lands and each operation has gross gaming revenues of less than \$2,000,000 during the prior fiscal year, the tribe may choose to satisfy the annual audit requirement of paragraph (b) of this section with consolidated financial statements if the following requirements are met: the following are true-satisfied if:

- ~~(1) The tribe chooses to consolidate the financial statements of the gaming operations;~~
- ~~(12)~~ The consolidated financial statements include consolidating schedules for each operation;
- ~~(23)~~ The independent certified public accountant completes a review of the consolidated schedules conforming to the statements on standards for accounting and review services for each gaming facility or location;
- ~~(34)~~ Unless waived in writing by the Commission or its designee, the gaming operations' financial statements for the three previous years, whether or not consolidated, were sent to the Commission in accordance with § 571.13; and
- ~~(45)~~ The independent certified public accountant expresses an opinion on the consolidated financial statements as a whole and subjects the accompanying financial information to the auditing procedures applicable to the audit of consolidated financial statements. Note: a disclaimed opinion or adverse opinion does not satisfy this requirement.

## § 571.13 Copies of audit reports.

(a) Each tribe shall prepare and submit to the Commission two paper copies or one electronic copy of the financial statements and audit report(s) and opinion(s)s required by § 571.12, together with management letter(s), and other documented auditor communications and/or reports as a result of the audit, setting forth the results of each fiscal year. The submission must be sent to the Commission within 120 days after the end of each fiscal year of the gaming operation.

(b) If a gaming operation changes its fiscal year, the tribe shall prepare and submit to the Commission two paper copies or one electronic copy of the financial statements, audit report(s), and audits-opinion(s) required by § 571.12, together with management letter(s), setting forth the results of the stub period from the end of the previous fiscal year to the beginning of the new fiscal year. The submission must be sent to the Commission within 120 days after the end of the stub period, or a tribe may incorporate the financial results of the stub period in the financial statements for the new business year.

(c) When gaming ceases to operate and the tribal gaming regulatory authority has terminated the facility license required by § 559.6, the tribe shall prepare and submit to the Commission two paper copies or one electronic copy of the financial statements, audit reports, and opinionsaudits required by § 571.12, together with management letter(s), setting forth the results covering the period since the period covered by the previous financial statements. The submission must be sent to the Commission within 120 days after the cessation of gaming activity or upon completion of the tribe's fiscal year.

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