



August 14, 2020

Dear Tribal Leader:

Recently, staff from the National Indian Gaming Commission (NIGC) reached out to your tribal gaming operations and/or tribal gaming regulatory authority requesting information related to gross gaming revenue (GGR)¹. The purpose of their request is to supplement information included in the audited financial statements submitted to the NIGC pursuant to our regulations.

Pursuant to NIGC regulations, every tribal gaming operation is required to submit audited financial statements to the NIGC.² Recently, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification Topic 606 (ASC 606) that includes new standards for the recognition and reporting of revenues. Among other things, the new accounting standards discuss reporting net gaming revenues (NGR)³ within the audited financial statements.⁴ As a result, the financial statements submitted to the NIGC may have omitted the amount of GGR.

The GGR information that the NIGC Auditors are requesting is vital to the Agency's ability to accurately report the annual GGR amount for the Indian gaming industry. It is a key component of assessing the health and success of the industry as a whole. In addition, having this information for each facility ensures the NIGC is adequately assessing training and technical assistance needs, as well as setting an accurate and appropriate fee rate.

For these reasons, the NIGC requests GGR for Fiscal Year 2019. If you have already responded to previous requests by submitting the amount of GGR for Fiscal Year 2019, I appreciate your cooperation. If not, please submit the amount of GGR for Fiscal Year 2019 by August 28, 2020.

Audited financial statements for Fiscal Years 2017 and 2018 will be reviewed by NIGC staff to determine if GGR amounts are needed for either of those years. I will be requesting GGR

¹ See AICPA 2018 Gaming Audit and Accounting Guide definition **gross gaming revenues**. The win from gaming activities, which is the difference between gaming wins and losses, before deducting costs and expenses or deducting incentives or adjusting for changes in progressive jackpot liability accruals. Generally, the difference between patron wagers and the payouts made on winning wagers.

² 25 C.F.R. 571.13.

³ See AICPA 2018 Gaming Audit and Accounting Guide definition **net gaming revenues**. Generally, gross gaming revenues less cash sales incentives and the change in progressive jackpot liabilities and revenue from gaming related activities. Cash sales incentives include discounts and match play to table games or free play and slot club points in slot transactions.

⁴ See AICPA 2018 Gaming Audit and Accounting Guide. Overview of Gaming and Gaming Related Transactions.

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information for Fiscal Years 2017 and 2018, if not already included in your audited annual report. The deadline for that submission will be September 18, 2020.

At the time of this letter it has not been determined if your Fiscal Year 2017 or Fiscal Year 2018 submissions included GGR. I would ask that you consider reviewing your Fiscal Year 2017 and Fiscal Year 2018 submissions. If you find that GGR revenues were not included, you may submit that information in advance of September 18, 2020. Otherwise, the NIGC staff will continue to conduct its review and contact your team. Please know that pursuant to the Indian Gaming Regulatory Act, the Commission shall preserve this information as it pertains to individual tribes and their facilities as confidential.⁵

As NIGC considers possible regulatory or other changes to ensure that GGR is accurately reported and submitted in the future, I will strive to keep you informed and seek your input. As the NIGC moves forward, it remains obligated to being transparent and upholding its government-to-government consultation.

Thank you for your cooperation. If you have any questions about this request, please contact Acting Director of Compliance Tom Cunningham at thomas_cunningham@nigc.gov or Audit Manager Dan Catchpole at daniel_catchpole@nigc.gov.

Sincerely,

A handwritten signature in blue ink that reads "E. Sequoyah Simermeyer". The signature is written in a cursive style with a large initial "E".

E. Sequoyah Simermeyer
Chairman

⁵ 25 U.S.C. § 2716(a).