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# **Havasu Landing Casino**

## **(An Enterprise Fund of Chemehuevi Indian Tribe)**

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*Independent Accountant's Report on Applying  
Agreed-Upon Procedures Related to Compliance  
with Minimum Internal Control Standards*

*Year Ended December 31, 2015*



CPAs | Business & Financial Advisors

## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Tribal Chairman and  
Members of the Tribal Council  
Chemehuevi Indian Tribe  
Havasus Lake, California

We have performed the procedures enumerated below, which were agreed to by the management of Havasu Landing Casino (the "Casino"), an enterprise fund of the Chemehuevi Indian Tribe, solely to assist the users in evaluating the Casino's compliance with the National Indian Gaming Commission (the "NIGC") 25 CFR Part 542, Minimum Internal Control Standards (the "MICS") for Class III Gaming, for the year ended December 31, 2015. The Casino's management is responsible for compliance with the Chemehuevi Indian Tribe's Minimum Internal Control Standards and the MICS and published guidelines issued by NIGC.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained from management a copy of the Casino's submitted system of internal control (the "System"), adopted pursuant to the NIGC 25 CFR Part 542, Minimum Internal Control Standards, Section 542.3(c) which management informed us was submitted to the Chemehuevi Tribal Gaming Commission and was in effect during the year ended December 31, 2015.
2. We obtained from the Chemehuevi Tribal Gaming Commission a copy of the Chemehuevi Tribal Gaming Commission's Minimum Internal Control Standards, hereinafter referred to as the Tribal MICS.
3. We obtained from the NIGC's website a copy of the 25 CFR Part 542, Minimum Internal Control Standards (the "NIGC MICS"), published by the NIGC and in effect during the period from January 1, 2015 through December 31, 2015.

4. We compared the detailed controls and procedures provided in the Tribal MICS obtained in procedure 2 to the detailed controls and procedures described in the System obtained in procedure 1, to determine whether the required controls and procedures specified in the Tribal MICS were included in the System.

We noted no instances where the required Tribal MICS controls and procedures were not included in the System.

5. We compared the detailed controls and procedures provided in the Tribal MICS obtained in procedure 2 to those contained in the NIGC MICS obtained in procedure 3 to determine whether the required controls and procedures specified in the NIGC MICS were included in the Tribal MICS.

We noted no instances where the required NIGC MICS were not included in the Tribal MICS.

6. We completed “MICS Audit Checklists” for the following areas:

Section 542.12	Table Games
Section 542.13	Gaming Machines
Section 542.14	Cage
Section 542.16	Information Technology
Section 542.17	Complimentary Services or Items
Section 542.19	Accounting
Section 542.31	Drop and Count – Tier B
Section 542.32	Internal Audit – Tier B
Section 542.33	Surveillance – Tier B

We noted instances of noncompliance that have been included in the accompanying summary of findings.

7. We performed unannounced observations, live and/or from the surveillance room, and completed the applicable observation checklists of each of the following procedures:

Table Games Soft Drop  
Table Games Soft Count  
Gaming Machine Currency Acceptor Drop  
Gaming Machine Currency Acceptor Count

(Gaming machine hard drop/count is not applicable, as the Casino’s machines do not accept coin.)

We noted no instances of noncompliance.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the Casino’s compliance with the MICS. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the Havasu Landing Casino, the Chemehuevi Tribal Gaming Commission, and the Tribal Council, and is not intended to be and should not be used by anyone other than those specified parties.

REDW LLC

Phoenix, Arizona

April 15, 2016

**Havasu Landing Casino**  
**Summary of Findings**  
**As of December 31, 2015**

**Finding 2015-1 — Gaming Machines**

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*MICS Reference:* 542.13(h)(1)

*Requirement:* Accurate and current theoretical hold worksheets shall be maintained for each gaming machine.

*Procedure:* Review of Documents

*Finding:* For one of twenty gaming machines we tested, the theoretical hold percentage in the par sheet did not agree to the theoretical hold percentage in the slot accounting system.

**Finding 2015-2 — Surveillance – Tier B**

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*MICS Reference:* 542.33(v)(1)

*Requirement:* All video recordings and/or digital records of coverage provided by the dedicated cameras or motion-activated dedicated cameras required by the standards in this section shall be retained for a minimum of seven (7) days.

*Procedure:* Observation

*Finding:* On the date of our observations, recordings for sixteen cameras were not available for review due to a malfunction of the recording device.