



TFA

Monthly Newsletter

June 2017

IN THE NEWS

Highlights from the CFO Roundtable

by Kristi Jackson

We had the privilege of co-sponsoring a pair of roundtable discussions among tribal CFOs organized by the accounting firm, Joseph Eve and Associates. Together with law firm Dorsey & Whitney, we presented and discussed several topics from which we offer highlights below.

Capital Markets Update

The interest rate environment is tough to predict – but rates are likely to rise steadily over the next few years. This will undoubtedly affect Tribal budgeting as more cash goes to service debt. TFA reported a lending environment that is still active – with capital available for projects and with aggressive terms still prevalent. In Tribal lending, there is a dearth of projects coming to market so we tend to see each new deal met with significant investor demand – a strong positive for a Tribe's

ability to secure favorable terms, even though pricing has moved from historic lows to slightly higher margins.

IRS Tax Update

Dorsey partner Mary Streititz offered insights into new IRS rules related to tax reporting, and tax related legislation affecting Tribes and Tribal members. Filing dates have moved up to January for certain of the forms W2 and 1099-MISC. Penalties have increased for failure to file/furnish and have increased due to inflation, but there is a new penalty safe harbor for certain de minimus errors. Current legislation that could impact Tribes include the American Health Care Act and the Tribal Tax and Investment Reform Act – neither of which has yet passed both the House and Senate. Dorsey continues to follow developments in tax policy and reports up-

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Gambling Gone Bust, Tribe Turns to Marijuana Farming

5/3/17 – LATimes.com

Arizona, Tribe Strike Deal for Blackjack, Other Table Games at West Valley Casino

5/17/17 – AZCentral.com

Report: Poor Roads on Tribal Lands Lead to School Absences

5/22/17 – TheOlympian.com

Massachusetts Tribe Temporarily Barred from Opening a Gambling Venue

5/24/17 – WorldCasinoDirectory.com

Trump Proposes Hundreds of Millions in Cuts to Federal Appropriations for Indian Country

5/25/17 – ICMN.com

New Choctaw Headquarters in Southern Oklahoma on Target

5/29/17 – SWTimes.com

New Federal Gambling Bill Could Repeal Law Against Betting on Sports for Some Americans

5/29/17 – Fansided.com

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dates periodically to their distribution list as changes emerge.

Tribal Capital Structure Overview

The Tribal lending market continues to be dominated by commercial bank facilities; however, we also see various bond financings as well as the occasional pitch for an institutional term loan structure. The lower cost and flexibility of the bank structure remain the primary reasons for utilizing that over the latter two alternatives. The presentations provided an overview of each structure and why it would be useful – as well as summary terms to be expected.

GASB Update

GASB had had a very busy year – several newly issued statements. Fair Value Measurements, Fiduciary Activities, Blending Requirements for Component Units and an Omnibus statement with several topics were all discussed.

Veterans Affairs and IHS Updates

Dorsey attorney James Nichols offered that Native American Tribes have a new tool to help their members who have served in the armed forces re-

ceive the veterans' benefits they've earned. In February 2017, the U.S. Department of Veterans Affairs adopted regulations permitting a department of a Tribe to seek recognition as a Veterans Service Organization ("VSO"), just as state governmental departments and non-profits are permitted to do. If approved as a VSO, a Tribal department could represent its veteran members before the VA in obtaining benefits. A Tribal VSO potentially benefits Tribal members by being more available and responsive to their needs than non-Tribal VSOs.

Tribes should also be aware of the new Contract Support Costs ("CSC") policies issued by BIA and IHS. Even in the

era of full CSC funding there may be points of dispute regarding what constitutes full payment. Tribes should review their CSC awards carefully, and know that they may still have contractual and statutory claims against IHS and BIA.

The roundtables were well attended sessions that also offered a networking opportunity. It's a great way for us all to connect with other professionals in the field – we look forward to seeing you at another event to be held soon. If you'd like more detail on any of the topics above, please let us know, we'd be happy to send some follow-up materials.



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