



Federal Awards Reports in Accordance
with the Uniform Guidance
September 30, 2016

Sisseton-Wahpeton Oyate
of the Lake Traverse Reservation
Governmental Programs Department

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Tribal Council
Sisseton-Wahpeton Oyate
Agency Village, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major governmental fund of the Governmental Programs Department of the Sisseton-Wahpeton Oyate (the "Department"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated June 28, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
June 28, 2017



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Tribal Council
Sisseton-Wahpeton Oyate
Agency Village, South Dakota

Report on Compliance for Each Major Federal Program

We have audited the Governmental Programs Department of the Sisseton-Wahpeton Oyate’s (the “Department”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Department’s major federal programs for the year ended September 30, 2016. The Department’s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for each of the Department’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Department’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major governmental fund of the Governmental Programs Department of the Sisseton-Wahpeton Oyate, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements. We issued our report thereon dated June 28, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Fargo, North Dakota
June 28, 2017

Sisseton-Wahpeton Oyate
Governmental Programs Department
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
U.S. Department of Interior			
Direct Programs			
Aid to Tribal Government		15.021	\$ 10,922
Tribal Agriculture		15.021	56,493
Johnson O'Malley		15.021	1,308
Fish, Wildlife, Parks and Recreation		15.021	5,910
Judicial Services		15.021	3,728
Tribal Agriculture		15.021	146,594
Johnson O'Malley		15.021	56,135
Judicial Services		15.021	<u>62,499</u>
Subtotal 15.021			\$ 343,589
Aid to Tribal Government		15.024	202,269
Cooperative Extension		15.024	148
Indian Law Enforcement Services		15.024	945,339
OJS Adult Detention		15.024	61,545
Fish, Wildlife, Parks and Recreation		15.024	46,052
Judicial Services		15.024	249,911
Cooperative Extension		15.024	30,185
OJS Adult Detention		15.024	173,054
Fish, Wildlife, Parks and Recreation		15.024	60,109
Subtotal 15.024			1,768,612
Tribal Child Welfare		15.025	287,463
Judicial Services		15.029	160,290
Violence Against Women Act		15.029	<u>94,025</u>
Subtotal 15.029			254,315
OJS Adult Detention		15.030	43,187
Law Enforcement Services		15.030	<u>240,774</u>
Subtotal 15.030			283,961
Police Traffic Services		15.033	27,848
Forestry Project		15.035	4,169
Water Resource Management		15.037	98,017
Real Estate Appraisals		15.040	43,519
Education Program		15.046	51,381
Indian Employment, Training and Related Services		15.108	1,490,851
Indian Social Services - Welfare Assistance		15.113	199,084
Tribal Child Welfare		15.144	50,455
Education Assistance		15.151	133,969
Land Buy-Back Program		15.152	8
Passed Through the Fish and Wildlife Service			
National Park Service	PA15AF00165	15.904	<u>55,283</u>
Total U.S. Department of Interior			\$ 5,092,524

Sisseton-Wahpeton Oyate
Governmental Programs Department
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures	
U.S. Department of Transportation				
Direct Program				
Agency Village Pathways		20.205	473,299	
Road Maintenance		20.205	14,358	
Road Projects		20.205	1,547,967	
Owens Bridge Replacement		20.205	85,450	
Transportation Projects		20.205	97,261	
Long Hollow Asphalt Surfacing		20.205	43,190	
Transportation Planning		20.205	67,919	
Gravel Surfacing		20.205	1,047,281	
Safety Funds Grant - Education		20.205	16,251	
Safety Funds Grant - Law Enforcement		20.205	62,029	
Subtotal 20.205			3,455,005	
Total U.S. Department of Transportation				3,455,005
U.S. Department of Education				
Direct Program				
Infant and Toddler Program		84.027A	360,143	
Infant and Toddler Program		84.181A	408,095	
Total U.S. Department of Education				768,238
U.S. Department of Health and Human Services				
Direct Programs				
Special Programs for the Aging - Title VI		93.047	116,726	
National Family Caregiver Support - Title VI		93.054	30,395	
Child Welfare Services- Title IVB		93.645	33,458	
Special Diabetes Program For Indians		93.237	433,298	
Meth & Suicide Prevention		93.933	52,980	
I.H.S Alcohol Program		93.441	1,805,195	
I.H.S Community Health Education		93.441	388,097	
I.H.S Community Health Representative		93.441	813,524	
I.H.S Maternal and Child Health		93.441	223,616	
I.H.S Human Services Administration		93.441	526,661	
Cavity Free in 2-0-1-3		93.441	58,414	
Subtotal 93.441			3,815,507	
Minority Health and Health Disparties Research				
Sanford Research		93.307	59,317	
Sanford Research/Health Survey for Parents of Newborns		93.307	65,415	
Subtotal 93.307			124,732	
SWO Diabetes Prevention Project		93.442	219,819	
Existing Sanitation Facilities.		93.445	2,757	
Construction of Sanitation Facilities		93.445	64,674	
OEP Open Dump Clean up		93.445	81,669	
Individual Sanitation Facilities		93.445	60,035	
Individual Sanitation Facilities		93.445	39,151	
Individual Sanitation Facilities		93.445	123,327	
Community Sanitation Facilities Construction		93.445	37,325	
Long Hollow Water Storage		93.445	626,367	
Subtotal 93.445			1,035,305	
Child Welfare Services-Title IVB		93.556	41,808	
Child Support Enforcement Tribal		93.563	778,683	

Sisseton-Wahpeton Oyate
Governmental Programs Department
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
Community Services Block Grant		93.569	57,770
Family Violence Prevention & Services		93.671	87,181
Headstart		93.600	1,352,963
Early Headstart		93.600	481,560
Subtotal 93.600			1,834,523
Passed Through State of South Dakota			
Department of Social Services			
Nutrition Program for the Elderly	15-0832-627 & 16-0832-625	93.045	7,994
Nutrition Program for the Elderly	15-0832-627 & 16-0832-625	93.053	3,010
Direct Program			
USDA Meal Reimbursement		93.053	31,212
Subtotal Nutrition Program for the Elderly (Cluster)			42,216
Child Protection		93.667	202,120
Passed Through Great Plains Tribal Chairman's Health Board			
Tobacco Prevention	NU58DP003876	93.283	3,900
Cancer Screening	NU58DP006093	93.800	8,500
1000 Days Initiative	H25MC26237	93.110	12,947
PICH/Center for Disease Control	1U58DP005593/6 NU58DP005593-02-	93.331	15,914
Good Health & Wellness/ Center for Disease Control	1U58DP005442-01/ 5 NU58DP005442-02-01	93.762	17,134
Total U.S. Department of Health and Human Services			8,964,916
U.S. Department of Veterans Affairs			
Direct Program			
Veterans Affairs Cemetery		64.203	1,553,486
Total U.S. Department of Veterans Affairs			1,553,486
U.S. Department of Homeland Security			
Direct Program			
Tribal Homeland Security Grant Program		97.067	125,065
Passed Through State of South Dakota			
Department of Social Services			
Hazard Mitigation Grant	DR-1984-4-P	97.039	12,250
Total U.S. Department of Homeland Security			137,315
U.S. Department of Agriculture			
Direct Program			
Office of Advocacy and Outreach		10.443	140,970
Forestry Climate Change Project		10.684	3,660
Passed Through State of South Dakota			
Child and Adult Nutrition Services	2015IS504043	10.567	445,698
Total U.S. Department of Agriculture			590,328

Sisseton-Wahpeton Oyate
Governmental Programs Department
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
U.S. Environmental Protection Agency			
Direct Programs			
Air Pollution Control		66.038	80,780
General Assistance Program		66.605	179,518
Clean Water Act		66.605	<u>219,855</u>
Subtotal 66.605			399,373
Underground Storage Tank		66.804	8,566
Brownfields Tribal Response Program		66.817	<u>94,122</u>
Total U.S. Environmental Protection Agency			582,841
U.S. Department of Justice			
Direct Programs			
Tribal Victims Assistance		16.582	43,191
Tribal Justice System-Infrastructure		16.596	58,254
Court Enhancement Program		16.608	57,583
Public Safety/Community Policing		16.710	19,625
Sex Offender Registry		16.750	54,687
Smart Grant		16.750	<u>145,829</u>
Subtotal 16.750			<u>200,516</u>
Total U.S. Department of Justice			379,169
U.S. Department of Commerce			
Direct Program			
District Planning Grant	05-84-05419-02	11.302	<u>48,500</u>
Total federal financial assistance			<u><u>\$ 21,572,322</u></u>

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Governmental Programs Department of the Sisseton-Wahpeton Oyate (the “Department”) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The Department received federal awards both directly from federal agencies and indirectly through pass-through entities. There was no federal financial assistance provided to a subrecipient.

Note B – Significant Accounting Policies

Governmental fund types account for the Department’s federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The Department’s summary of significant accounting policies is presented in Note 1 in the Department’s basic financial statements.

The organization has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Indian Self-Determination Contract Support	15.024
Highway Planning and Construction	20.205
Veterans Cemetery Grants Program	64.203
Indian Self-Determination	93.441

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None