

SINTE GLESKA UNIVERSITY  
Financial and Compliance Audit Report  
Year Ended September 30, 2017



# SINTE GLESKA UNIVERSITY

## Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b> .....	3
<b><u>Audited Financial Statements</u></b>	
University Wide Financial Statements	
Statement of Net Position .....	6
Statement of Activities .....	7
Governmental Funds Financial Statements	
Balance Sheet - Governmental Funds.....	8
Reconciliation of Governmental Fund Balances to the Statement of Net Position.....	10
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.....	11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	13
Notes to the Financial Statements.....	14
<b><u>Supplementary Information and Single Audit Reports</u></b>	
Other Supplementary Information	
Schedule of Expenditures of Federal Awards.....	31
Notes to Schedule of Expenditures of Federal Awards.....	34
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 <i>Government Auditing Standards</i> .....	35
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.....	37
Schedule of Findings and Questioned Costs.....	39
Corrective Action Plan.....	46
Summary Schedule of Prior Audit Findings.....	48

## INDEPENDENT AUDITOR'S REPORT

**Board of Regents  
Sinte Gleska University  
Mission, South Dakota**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sinte Gleska University (the "University"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sinte Gleska University, as of September 30, 2017, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Sinte Gleska University  
Independent Auditor's Report**

***Other Matters***

*Required Supplementary Information*

Sinte Gleska University has omitted a management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2018 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sinte Gleska University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

*Wipfli LLP*

**Great Falls, Montana  
June 11, 2018**

# **Financial Statements**

**SINTE GLESKA UNIVERSITY**

**Statement of Net Position**

**September 30, 2017**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 4,401,262
Investments	29,388
Restricted investments	2,843,908
Accounts receivable, net	390,582
Prepaid expenses	81,810
Inventories	406,724
Due from other governments	1,299,481
Capital assets	
Land	68,051
Construction in progress	2,944,013
Other capital assets, net of depreciation	13,641,731
Total capital assets	<u>16,653,795</u>
<b>Total assets</b>	<u>26,106,950</u>
<b>Liabilities</b>	
Accounts payable	1,104,139
Accrued liabilities	383,634
Advances from grantors	4,391,168
Unearned tuition	377,437
<b>Total liabilities</b>	<u>6,256,378</u>
<b>Net position</b>	
Investment in capital assets	16,653,795
Restricted for permanent endowment- nonexpendable	2,646,039
Restricted for permanent endowment- expendable	197,869
Unrestricted	<u>352,869</u>
<b>Total net position</b>	<u>\$ 19,850,572</u>

**SINTE GLESKA UNIVERSITY**

**Statement of Activities**

**For The Year Ended September 30, 2017**

		<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position Primary Government</b>
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Primary government</b>					
Governmental activities					
Instruction	\$ 2,246,841		\$ 7,646,259		\$ 5,399,418
Research			222		222
Public service	1,607,313		1,100,251		(507,062)
Academic support	528,286		21,292		(506,994)
Student services	3,384,493	\$ 296,658	1,899,203		(1,188,632)
Institutional support	4,157,809	2,001,613	433,911	\$ 1,635,551	(86,734)
Operations and maintenance	1,955,608			143,000	(1,812,608)
Library	312,864		35,094		(277,770)
Total governmental activities	<u>14,193,214</u>	<u>2,298,271</u>	<u>11,136,232</u>	<u>1,778,551</u>	<u>1,019,840</u>
<b>Total primary government</b>	<u>\$ 14,193,214</u>	<u>\$ 2,298,271</u>	<u>\$ 11,136,232</u>	<u>\$ 1,778,551</u>	<u>1,019,840</u>
<b>General revenues</b>					
Donations					152,798
Investment income					15,112
In-Kind Revenue					528,526
Other					166,300
Ramah Settlement					1,177,122
Endowment gifts/additions					9,178
<b>Total general revenues</b>					<u>2,049,036</u>
<b>Change in net position</b>					<u>3,068,876</u>
<b>Net position - beginning of year</b>					<u>16,781,696</u>
<b>Net position - end of year</b>					<u>\$ 19,850,572</u>

See Accompanying Notes to the Financial Statements.

**SINTE GLESKA UNIVERSITY**

**Balance Sheet - Governmental Funds**

**September 30, 2017**

	<b>General Fund</b>	<b>Department of Education</b>	<b>Permanent Endowment</b>	<b>Other Governmental Funds</b>
<b>Assets</b>				
Cash	\$ 3,499,052	\$ 2,081		\$ 900,129
Investments	29,388			
Restricted investments			\$ 2,843,908	
Accounts receivable	390,582			
Prepaid expenses	81,810			
Inventory	406,724			
Due from other funds	1,278,294		12,279	6,416
Due from other governments	<u>                    </u>	<u>611,649</u>	<u>                    </u>	<u>687,832</u>
<b>Total assets</b>	<b><u>\$ 5,685,850</u></b>	<b><u>\$ 613,730</u></b>	<b><u>\$ 2,856,187</u></b>	<b><u>\$ 1,594,377</u></b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,104,139			
Accrued liabilities	383,634			
Due to other funds		\$ 611,649		\$ 685,340
Advances from grantors	3,488,958	2,081		900,129
Unearned tuition	<u>377,437</u>			
Total liabilities	<u>5,354,168</u>	<u>613,730</u>	<u>0</u>	<u>1,585,469</u>
<b>Fund balance</b>				
Nonspendable	488,534		2,646,039	
Restricted for permanent endowment			197,869	
Assigned			12,279	8,908
Unassigned (deficit)	<u>(156,852)</u>			
Total fund balances	<u>331,682</u>	<u>0</u>	<u>2,856,187</u>	<u>8,908</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 5,685,850</u></b>	<b><u>\$ 613,730</u></b>	<b><u>\$ 2,856,187</u></b>	<b><u>\$ 1,594,377</u></b>



**Total  
Governmental  
Funds**

\$ 4,401,262  
29,388  
2,843,908  
390,582  
81,810  
406,724  
1,296,989  
1,299,481  
  
\$ 10,750,144

\$ 1,104,139  
383,634  
1,296,989  
4,391,168  
377,437  
7,553,367

3,134,573  
197,869  
21,187  
(156,852)  
3,196,777

\$ 10,750,144

**SINTE GLESKA UNIVERSITY**

**Reconciliation of Governmental Fund Balances to the  
Statement of Net Position**

**September 30, 2017**

<b>Total government fund balances</b>	\$ 3,196,777
Amounts reported for governmental activities in the statement of net position are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>16,653,795</u>
<b>Net position - governmental activities, per statement of net position</b>	<u>\$ 19,850,572</u>

**SINTE GLESKA UNIVERSITY**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Governmental Funds**

**For The Year Ended September 30, 2017**

	<b>General Fund</b>	<b>Department of Education</b>	<b>Permanent Endowment</b>	<b>Other Governmental Funds</b>
<b>Revenues</b>				
Intergovernmental sources	\$ 3,814,150	\$ 4,882,339		\$ 4,218,293
Tuition and fees	1,296,300			
Bookstore	296,658			
Bison revenue	705,313			
In-Kind Revenue				528,526
Endowment gifts/additions			\$ 9,178	
Ramah settlement	1,177,122			
Indirect cost recoveries	451,565			
Interest income	128		14,984	
Donations	152,798			
Other revenue	166,300			
<b>Total revenues</b>	<b>8,060,334</b>	<b>4,882,339</b>	<b>\$ 24,162</b>	<b>4,746,819</b>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	969,168	658,517		619,158
Public service	214,618	53,972		1,338,723
Academic support	268,713	124,397		135,175
Student services	1,522,016	261,214		1,601,264
Institutional support	3,043,643	722,033	8,683	374,512
Operations and maintenance	1,082,815	86,152		
Library	277,770			35,094
Indirect cost expense		42,703		408,862
Capital outlay	100,077	2,933,351		231,540
<b>Total expenditures</b>	<b>7,478,820</b>	<b>4,882,339</b>	<b>8,683</b>	<b>4,744,328</b>
Revenues over expenditures	<b>581,514</b>	<b>0</b>	<b>15,479</b>	<b>2,491</b>
<b>Other financing sources (uses)</b>				
Transfers in/(out)	86,357		(86,357)	
<b>Total other financing sources (uses)</b>	<b>86,357</b>	<b>0</b>	<b>(86,357)</b>	<b>0</b>
<b>Net change in fund balances</b>	<b>667,871</b>	<b>0</b>	<b>(70,878)</b>	<b>2,491</b>
<b>Fund balances, beginning of year</b>	<b>(336,189)</b>	<b>0</b>	<b>2,927,065</b>	<b>6,417</b>
<b>Fund balances, end of year</b>	<b>\$ 331,682</b>	<b>\$ 0</b>	<b>\$ 2,856,187</b>	<b>\$ 8,908</b>

**Total  
Governmental  
Funds**

\$ 12,914,782  
1,296,300  
296,658  
705,313  
528,526  
9,178  
1,177,122  
451,565  
15,112  
152,798  
166,300  
17,713,654

2,246,843  
1,607,313  
528,285  
3,384,494  
4,148,871  
1,168,967  
312,864  
451,565  
3,264,968  
17,114,170  
599,484

0  
0

599,484

2,597,293

\$ 3,196,777

**SINTE GLESKA UNIVERSITY**

**Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balance of  
Governmental Funds to the Statement of Activities**

**For The Year Ended September 30, 2017**

<b>Net change in fund balances - governmental funds</b>	\$ 599,484
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. In the current period, these amounts are:	
Capital outlay	\$3,264,968
Depreciation and amortization expense	<u>(795,576)</u>
	<u>2,469,392</u>
<b>Change in net position of Governmental Activities</b>	<b>\$ <u>3,068,876</u></b>

## **Notes to the Financial Statements**

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 1 - Nature of Operations and Significant Accounting Policies

#### A. Nature of Operations

The financial statements for the Sinte Gleska University (the "University") for the fiscal year ended September 30, 2017, have been prepared in accordance with accounting principles generally accepted in the United States of America.

#### Organization

The University is a not-for-profit organization located in Mission, South Dakota. Contributions to the University qualify for the charitable contributions deduction to the extent provided by Section 170 of the Internal Revenue Code.

The University was formed for the following purposes:

- i) To create and establish within the framework of the Rosebud Sioux Tribal Government, an institution for post-secondary and higher education.
- ii) To operate exclusively for non-profit purposes and that no part of the income or assets of the organization shall be distributed to or for the benefit of any individual; and
- iii) The organization shall be for educational, cultural, and humanitarian purposes only.

#### B. Significant Accounting Policies

##### Reporting Entity

Generally accepted accounting principles require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14, as amended, have been considered and there are no agencies or entities which should be presented with the University.

##### Basis of Presentation

##### Basic Financial Statements

The basic financial statements of the University include the university-wide and the fund financial statements. In the reporting model under GASB 35, the focus is on the University as a whole in the university-wide financial statements, while reporting additional and detailed information about the University's major Governmental Activities in fund financial statements.

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued

#### **B. Significant Accounting Policies - Continued**

##### **Basis of Presentation - Continued**

###### University-Wide Financial Statements

The University-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the University gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

These statements include the financial activities of the overall University. Eliminations have been made to minimize the double counting of internal activities.

The statements of activities presents a comparison between direct expenses and program revenues for each function of the University's Governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. Program revenues include program fees for services and grants and contributions restricted to a particular program. Revenues that are not classified as program revenues are presented as general revenues. When both restricted and unrestricted resources are available for use, it is the University's policy to use restricted resources first, then unrestricted resources as they are needed.

###### Fund Financial Statements

The fund financial statements provide information about the University's funds. The emphasis of fund financial statements is on major governmental funds, each is displayed in a separate column. All the remaining governmental funds are aggregated and reported in a single column as nonmajor funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used in all government type funds. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (when it is both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one year availability period is used for revenue recognition for all governmental fund revenue. Expenditures are recorded when the related fund liability is incurred.



# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued

#### **B. Significant Accounting Policies - Continued**

##### **Basis of Presentation - Continued**

The University reports the following major governmental funds:

*General Fund* - The general fund is the University's primary operating fund. It accounts for all governmental financial resources, except those required to be accounted for in another fund.

*Department of Education* - The department of education fund accounts for the receipts and disbursement of department of education grant funds.

*Permanent Endowment* - The permanent endowment fund is used for donations that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the University's programs.

##### **Cash**

Cash includes all readily available sources of cash such as cash on hand and cash on deposit with financial institutions.

##### **Investments**

Investments are recorded at fair value. Fair value is determined by the reported market value of securities and mutual funds trading on national exchanges. The University does not have a formally adopted investment policy.

##### **Accounts Receivable**

Accounts receivable includes normal business receivables and consists primarily of amounts due from students for tuition. The allowance for doubtful account adjusts for those accounts the University deems uncollectible. As of September 30, 2017 the University has accrued an allowance of \$7,821,050.

##### **Inventory**

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average cost method. Inventory consists of bookstore textbooks, convenience items, and educational materials available for sale.

##### **Prepays**

The cost of governmental fund type insurance and other prepaids are recorded on the consumption method rather than when purchased.

SINTE GLESKA UNIVERSITY

Notes to the Financial Statements

For The Year Ended September 30, 2017

**Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued**

**B. Significant Accounting Policies - Continued**

**Due From Other Governments**

Due from other governments consists of amounts due for reimbursement of approved expenditures on grants and contracts entered into with various governmental agencies. Receivables of this nature are not collateralized and are considered fully collectible. Amounts received from the federal government for grants and contracts are recognized as revenue when they are expended or obligated. Unspent or unobligated funds must generally be returned to the funding agency and therefore are not recognized as revenue. Expenditures are recorded when the related fund liability is incurred.

**Interfund Receivables/Payables**

During the course of operations, activity occurs between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables in the fund financial statements, and are eliminated in the government-wide Statement of Net Position. Activity that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund activity is reported as transfers.

**Capital Assets and Depreciation and Amortization**

Capital assets are stated at cost. Maintenance and repair costs are charged to expense as incurred. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital assets accounts) and estimated useful lives of capital assets are as follows:

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Land Improvements	\$5,000	20
Buildings	5,000	40
Building Improvements	5,000	10
Equipment	5,000	5-15
Vehicles	5,000	5
Infrastructure	5,000	20
Intangible Licenses	5,000	Varies

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, requires an evaluation of prominent events or changes in circumstances to determine whether an impairment loss should be recorded and whether any insurance recoveries should be offset against the impairment loss. There were no impairment losses for the year ended September 30, 2017.

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### **Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued**

#### **B. Significant Accounting Policies - Continued**

##### **Compensated Absences**

The Sinte Gleska University accrues the cost of unpaid vacation. Accrued sick leave is not recorded, as the University has no legal obligation to pay such benefits upon termination. Accrued liabilities include \$112,938 of accrued vacation at September 30, 2017.

##### **Advances From Grantors**

Advances from grantors arise when potential revenue is received by the government before it has a legal claim to them. Advances from grantors also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the revenue recognition criteria is met, or when the government has a legal claim to the resources, the liabilities for advances from grantors is removed from the combined balance sheet and the revenue is recognized.

##### **Net Position and Fund Balances**

In the University-wide financial statements, equity is classified as net position and displayed in three components:

**Investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation.

**Restricted** - Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, or laws and regulations of other governments; or (b) law through enabling legislation.

**Unrestricted** - All net position that does not meet the definitions above.

The fund financial statements have been presented in accordance with the reporting model required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the Statement is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, such as inventories, prepaid amounts, and long-term notes receivable, or they are legally or contractually required to remain intact.

In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued

#### **B. Significant Accounting Policies - Continued**

##### **Net Position and Fund Balances - Continued**

**Restricted** - fund balances that are restricted for specific purposes stipulated by external parties, constitutional provisions, or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

**Committed** - fund balances that can only be used for the specific purposes determined by a formal action of the University's highest level of decision-making authority, the Board of Regents. Commitments may be changed or lifted only by the University taking the same formal action that imposed the constraint originally (for example a resolution or ordinance).

**Assigned** - fund balances that are intended to be used by the University for specific purposes that are neither restricted nor committed. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted or committed. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purposes that is narrower than the general purposes of the University itself.

**Unassigned** - fund balances of the general fund that are not constrained for any particular purposes. It is also the residual classification for all negative fund balances. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

##### **Interest Income**

Interest earned on cash and investment balances is recorded as revenue when earned.

##### **Indirect Costs**

Indirect costs represent costs of administration and operation, including accounting costs, which cannot be readily allocated to individual programs. These costs are paid from the indirect cost pool and allocated to applicable programs, based on a negotiated indirect cost agreement. A rate of 28% was charged to all applicable programs, based on direct salaries and wages, including fringe benefits.

##### **Federal Awards and Grants**

The University has received federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in general expenditure disallowances under the terms of the grants, it is believed that any required reimbursement would not be material.

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 1 - Nature of Business and Summary of Significant Accounting Policies - Continued**

**B. Significant Accounting Policies - Continued**

**Federal and State Income Taxes**

Sinte Gleska University, as a not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code, is exempt from Federal and State income taxes. As such, no income taxes have been provided for in the accompanying financial statements.

**Budgetary Data**

The University utilize budgets for use as operational tools in certain funds, but do not adopt a legally appropriated budget as defined by GASB. Therefore, budgetary comparisons are not reported in these financial statements. Management believes the University is in compliance with internal budget requirements as defined in the University policies and procedures.

**Note 2 - Cash**

At September 30, 2017, cash consisted of the following:

Demand deposits	\$ 4,395,587
Cash on hand	5,675
Total cash and cash equivalents	<u>\$ 4,401,262</u>

At September 30, 2017, the carrying amount of deposits was \$4,395,587 and the bank balance was \$4,677,490. Of the bank balance, \$274,107 was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining bank balance of \$4,403,383 is secured by a custodian bank not in the University's name. The State Treasurer of South Dakota acts as one of a two-member commission which supervises the insuring of all public funds and the securities are pledged in the Treasurer's name.

**Note 3 - Investments**

As of September 30, 2017, the University had the following investments:

	<u>Fair Value</u>
Cash	\$ 56,924
Money Market Mutual Funds	239,278
Collateralized Mortgage Obligations (CMOs) & Asset Backed Securities	292,649
US Government Agencies	487,460
Open-End Mutual Funds: Government Bonds	1,285,016
Open-End Mutual Funds: Common Stocks	39,797
Corporate Bonds	126,136
Certificates of Deposit	326,070
Common Stock	19,966
Total investments	<u>\$ 2,873,296</u>

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 3 - Investments - Continued

#### Interest Rate Risk

The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Interest Rate Risk - Segmented Time Distribution

As of September 30, 2017, the University had the following investment maturities:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
CMO & Asset Backed Securities	\$ 292,649	\$	\$ 435	\$	\$ 292,214
US Government Agencies	487,460		465,836		21,624
Government Bond Funds	1,285,016	1,285,016			
Corporate Bonds	126,136		75,761		50,375
Total	<u>\$ 2,191,261</u>	<u>\$ 1,285,016</u>	<u>\$ 542,032</u>	<u>\$ 0</u>	<u>\$ 364,213</u>

Cash, Money Market Mutual Funds, Open-End Mutual Funds: Common Stocks, and Common Stock are not subject to Interest Rate Risk.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University has no investment policy that would limit its investment choices.

As of September 30, 2017, the University held the following investments with related credit risks:

	Fair Value	Rating	
		S&P	Moody's
Money Market Mutual Funds:			
Charles Schwab Advisor Cash Reserves	\$ 239,278	Not Rated	Not Rated
US Government Agencies:			
US Treasury Bills	465,836	Not Rated	Not Rated
Federal National Mortgage Association	21,624	AA+/A-1+	Aaa/P-1
CMO & Asset Backed Securities:			
CWALT, Inc. 2005-86CB	10,204	D	Caa3
Freddie Mac	251,476	Not Rated	Not Rated
JP Morgan Mtg Tr 2005-S3, 2006-S2	3,135	D	Caa2
Morgan Stanley Mtg Ln Tr 2005-7	14,143	D	Caa3
Morgan Stanley Mtg Ln Tr 2005-10	13,691	D	Caa3
Government Bond Funds:			
American Century Ginnie Mae Fund Investor	667,933	AA+/A-1+	Aaa/P-1
American Century Ginnie Mae Fund Institutional	617,083	AA+/A-1+	Aaa/P-1
Corporate Bonds:			
Morgan Stanley	75,761	BBB+	A3
Wachovia Capital Trust III	50,375	BBB	Baa2

# SINTE GLESKA UNIVERSITY

## Notes to the Financial Statements

For The Year Ended September 30, 2017

### Note 3 - Investments - Continued

#### Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of a failure of a counterparty (the party that pledges collateral or repurchase agreement securities to the University or that sells investments to or buys them for the University), the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University currently does not have an investment policy for custodial credit risk. As of September 30, 2017, all of the University's investments are exposed to custodial credit risk as applicable by investment type.

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University places no limit on the amount it may invest in any one issuer. Five percent (5%) or more of the University's total investments are concentrated in the following issuers:

<u>Issuer Organization</u>	<u>Percentage</u>
Freddie Mac CMO	9%

#### **Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quotes prices that are observable for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level or any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 3 - Investments - Continued**

The following table sets for by level, within the fair value hierarchy, the University assets at fair value as of September 30, 2017:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value</b>				
<b>Debt securities</b>				
Government Bonds	\$ 1,285,016	\$	\$ 1,285,016	\$
Corporate Bonds	126,136		126,136	
CMO & Asset Backed Securities	292,649		292,649	
U.S. Treasury Bills	465,836	\$ 465,836		
Total debt securities	<u>2,169,637</u>	<u>465,836</u>	<u>1,703,801</u>	<u>0</u>
<b>Equity securities</b>				
Mutual funds	39,797	39,797		
Federal National Mortgage Association (Fannie Mae)	21,624	21,624		
Money market	239,278	239,278		
Common Stock	19,966	19,966		
Total equity securities	<u>320,665</u>	<u>320,665</u>	<u>0</u>	<u>0</u>
Total investments by fair value level	<u>2,490,302</u>	<u>\$ 786,501</u>	<u>\$ 1,703,801</u>	<u>\$ 0</u>
Total investments measured at fair value	<u>\$ 2,490,302</u>			

**Note 4 - Accounts Receivable**

A summary of accounts receivable at September 30, 2017 is as follows:

**Governmental activities**

Accounts receivable	\$ 8,049,552
Bookstore receivable	63,788
Employee receivable	94,228
Other receivables	4,065
Allowance for doubtful accounts - A/R	<u>(7,821,051)</u>
	<u>\$ 390,582</u>



**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 5 - Due From Other Governments**

The following amounts are due from the respective funding agencies at September 30, 2017 for grant/contract program reimbursements:

U.S. Department		
Agriculture	\$	11,547
Health and Human Services		519,905
National Science Foundation		116,150
Labor		14,012
Education		611,649
Corporation for National and Community Service		21,597
State of South Dakota and Other Funding		4,621
Total due from other governments	\$	<u>1,299,481</u>

**Note 6 - Interfund Activity**

Amounts due from and due to other funds as of September 30, 2017 are as follows:

<b>Due from:</b>	<b>Due to:</b>			<b>Total</b>
	<b>Governmental</b>			
	<b>Department of Education</b>	<b>Permanent Endowment</b>	<b>Other Governmental Funds</b>	
General fund	\$ 592,954		\$ 685,340	\$ 1,278,294
Permanent Endowment	12,279			12,279
Other governmental funds	<u>6,416</u>			<u>6,416</u>
	<u>\$ 611,649</u>	<u>\$ 0</u>	<u>\$ 685,340</u>	<u>\$ 1,296,989</u>

Interfund balances represent non-interest bearing amounts owed to or from programs for administrative services rendered and for payments made on behalf of such entities. Amounts are generally due upon demand.

Interfund transfers are summarized as follows:

<b>Transfers From</b>	<b>Transfers To</b>	<b>Purpose</b>	<b>Total</b>
Permanent Endowment	General Fund	Closed out Land Institute Endowment	\$ <u>86,357</u>

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 7 - Capital Assets**

Capital assets activity for the year ended September 30, 2017, is summarized as follows:

	<u>Balance 10/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/2017</u>
Capital assets not being depreciated				
Land	\$ 68,051			\$ 68,051
Construction in progress	<u>297,852</u>	<u>\$ 2,646,161</u>		<u>2,944,013</u>
Total capital assets not being depreciated	<u>365,903</u>	<u>2,646,161</u>	<u>0</u>	<u>3,012,064</u>
Capital assets being depreciated				
Land improvements	208,788	134,750		343,538
Buildings	19,347,963	64,573		19,412,536
Equipment	2,286,463	394,746		2,681,209
Equipment under capital lease	296,764			296,764
Vehicles	520,058	24,738	\$ (46,438)	498,358
Infrastructure	930,425			930,425
Intangible - Licenses	<u>36,234</u>			<u>36,234</u>
Total capital assets being depreciated	<u>23,626,695</u>	<u>618,807</u>	<u>(46,438)</u>	<u>24,199,064</u>
Less accumulated depreciation and amortization				
Land improvements	(148,302)	(16,783)		(165,085)
Buildings	(6,916,316)	(564,590)		(7,480,906)
Equipment	(1,773,844)	(112,103)		(1,885,947)
Equipment under capital lease	(296,764)			(296,764)
Vehicles	(389,010)	(47,088)	46,438	(389,660)
Infrastructure	(266,829)	(46,076)		(312,905)
Intangible - Licenses (Amortization)	<u>(17,130)</u>	<u>(8,936)</u>		<u>(26,066)</u>
Total accumulated depreciation and amortization	<u>(9,808,195)</u>	<u>(795,576)</u>	<u>46,438</u>	<u>(10,557,333)</u>
Net capital assets being depreciated or amortized	<u>13,818,500</u>	<u>(176,769)</u>	<u>0</u>	<u>13,641,731</u>
<b>Capital assets, net</b>	<u>\$ 14,184,403</u>	<u>\$ 2,469,392</u>	<u>\$ 0</u>	<u>\$ 16,653,795</u>

Depreciation expense and amortization was \$795,976 during the year ended September 30, 2017. All depreciation was charged to the Operation and maintenance of plant function in the Statement of Activities and amortization was charged to Institutional support.

SINTE GLESKA UNIVERSITY

Notes to the Financial Statements

For The Year Ended September 30, 2017

**Note 8 - Accrued Liabilities**

A summary of accrued liabilities at September 30, 2017 is as follows:

Accrued salaries and payroll benefits	\$ 218,991
Accrued compensated absences	112,938
Short-term financing payable	36,682
Other accrued liabilities	15,023
<b>Total accrued liabilities</b>	<b>\$ <u>383,634</u></b>

**Note 9 - Advances From Grantors**

The balances of advances from grantors at September 30, 2017 are as follows:

U.S. Department	
Interior	\$ 3,706,613
Agriculture	453
Energy	200
National Science Foundation	4,062
Education	5,708
NASA	948
State of South Dakota and Other Funding	673,184
Total advances from grantors	<b>\$ <u>4,391,168</u></b>

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 10 - Contingent Liabilities and Commitments**

**Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**Operating Leases**

The University maintains a herd of bison and leases a second pasture for grazing. The pasture is leased at a rate of \$281,970 per year under a ten year contract that began on March 1, 2017. Subsequent contracts may be negotiated by the University and the lessor.

<u>Year Ending September 30,</u>	<u>Future minimum payments</u>
2018	\$ 281,970
2019	281,970
2020	281,970
2021	281,970
2022	281,970
2023 - 2027	1,409,850
	<u>\$ 2,819,700</u>

The University maintains a herd of bison and leases a pasture for grazing. The pasture is leased at a rate of \$21,276 per year under a five year contract that began on April 1, 2013. Subsequent contracts may be negotiated by the University and the lessor and the lease will be month-to-month until a new agreement is entered into by the University.

<u>Year Ending September 30,</u>	<u>Future minimum payments</u>
2018	\$ 21,276
	<u>\$ 21,276</u>

**Note 11 - Retirement Plan**

The University has established a Simplified Employee Pension Plan for its employees. The University contributes two percent of each participating employees' salary to a self-directed annuity. The University's payroll for employees covered by the plan for the year ended September 30, 2017 was \$2,651,150. The total cost of the contributions for the fiscal year ended September 30, 2017 was \$53,023 from the University. The fund sponsors hold the plan's investments.

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 12 - Related Party Transactions**

The University has established relationships with two community colleges: Ihanktonwan Community College (ICC) and Lower Brule Community College (LBCC). Contracts with ICC and LBCC allow students of these colleges to pursue degree programs that will lead to a degree/certificate granted by the University. For this reason students of ICC and LBCC are considered students of the University with regards to Tribally Controlled Community College Act (the "Act") funding. The University remits 80% of the funds resulting from the Act, based on student counts, to the respective colleges.

The University remitted the following amounts during the year:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
Sinte Gleska	Ihanktonwan	TCCC Act funding share	\$ 284,873
Sinte Gleska	Lower Brule	TCCC Act funding share	305,271
			<u>\$ 590,144</u>

As a part of the agreement with ICC and LBCC described above, the University charged an affiliation fee of \$30 per credit hour until August 2017. Thereafter the fee was reduced to \$20 per credit hour. The University also charges a one-time only \$74 records management fee.

The University recognized the following revenues during the year:

<u>From</u>	<u>To</u>	<u>Purpose</u>	<u>Amount</u>
ICC & LBCC	Sinte Gleska	Affiliation fees	\$ 57,235
ICC & LBCC	Sinte Gleska	Records management fees	15,910
			<u>\$ 73,145</u>

**SINTE GLESKA UNIVERSITY**

**Notes to the Financial Statements**

**For The Year Ended September 30, 2017**

**Note 13 - Fund Balances**

The University has classified its fund balances with the following hierarchy:

Nonspendable:	
Inventories	\$ 406,724
Prepaid expenses	81,810
Permanent fund principal	<u>2,646,039</u>
Total nonspendable	<u>\$ 3,134,573</u>
Spendable:	
Restricted	
Permanent fund earnings	<u>\$ 197,869</u>
Assigned	
Qualifying expenditures	\$ 8,908
Permanent fund	<u>12,279</u>
Total assigned	<u>\$ 21,187</u>
Unassigned (deficit) - General Fund	<u>\$ (156,852)</u>

The University currently has no funds classified as Committed.

**Note 14 - Economic Dependence**

The University receives substantially all of their support from federal agencies and state and local governments. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the University's activities.

**Note 15 - Risk Management**

The University faces a considerable number of risks of loss, including:

- a) damage to and destruction and loss of property and contents;
- b) environmental damage;
- c) workers' compensation (i.e., employee injuries);
- d) tort actions; and,
- e) errors and omissions.

These risks are covered by commercial insurance purchased from independent third parties.

A variety of methods is used to provide insurance for these risks. Commercial insurance policies, transferring all risks of loss, except for relatively small deductible amounts, are purchased for property and content damage, tort actions, and errors and omissions. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Given the lack of coverage available, the University has no coverage for potential losses due to environmental damages. The amounts of any potential future losses are unknown.

**SINTE GLESKA UNIVERSITY**

**Schedule of Expenditures of Federal Awards**

**For The Year Ended September 30, 2017**

Grantor/Program Title Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
Direct Programs				
Tribal Colleges Education Equity Grants	10.221			\$ 125,793
Tribal Colleges Endowment Program	10.222			208,907
Cooperative Extension Service	10.500			99,211
Community Facilities Loans and Grants	10.766			208,568
<b>Total U.S. Department of Agriculture</b>				<b>642,479</b>
 <b><u>U.S. Department of Interior</u></b>				
Direct Programs				
Indian Adult Education	15.026			64,951
Assistance to Tribally Controlled Community Colleges and Universities	15.027		\$ 590,144	3,814,150
Tribally Controlled Community College Endowments	15.028			1,079,231
Indian Education-Higher Education Grant Program	15.114			651,950
Contract Support	15.024			173,868
<b>Total U.S. Department of Interior</b>			<b>590,144</b>	<b>5,784,150</b>
 <b><u>National Science Foundation</u></b>				
Pass-through South Dakota State University				
Research and Development Cluster				
Office of Experimental Program to Stimulate Competitive Research	47.081	3TU564		153,507
<b>Total Research and Development Cluster and National Science Foundation</b>				<b>153,507</b>
 <b><u>U.S. Department of Education</u></b>				
Direct Programs				
Student Financial Aid Cluster				
Federal Work-Study Program	84.033			21,292
Federal Pell Grant Program	84.063			1,049,821
Federal Supplemental Educational Opportunity Grants	84.007			23,564
<b>Total Student Financial Aid Cluster</b>				<b>1,094,677</b>

**SINTE GLESKA UNIVERSITY**

**Schedule of Expenditures of Federal Awards - Continued**

**For The Year Ended September 30, 2017**

<u>Grantor/Program Title</u> <u>Federal Grantor/Pass Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Pass Through</u> <u>Grantor</u> <u>Number</u>	<u>Passed</u> <u>Through to</u> <u>Subrecipients</u>	<u>Federal</u> <u>Expenditures</u>
<b><u>U.S. Department of Education - Continued</u></b>				
Career and Technical Education-Grants to Native Americans and Alaska Natives	84.101			458,040
Higher Education-Institutional Aid	84.031T			4,187,824
Indian Education-Special Programs for Indian Children	84.299B			90,466
Vocational Rehabilitation Services Project for American Indians with Disabilities	84.250			<u>101,153</u>
<b>Total U.S. Department of Education</b>				<u>5,932,160</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Direct Programs				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104			771,722
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243			<u>99,245</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>870,967</u>
<b><u>U.S. Department of Labor</u></b>				
Direct Programs				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282			<u>304,426</u>
<b>Total U.S. Department of Labor</b>				<u>304,426</u>
<b><u>National Aeronautics and Space Administration</u></b>				
Pass-through South Dakota School of Mines and Technology				
Education (NASA)	43.008	SDSM&T-SGU15-17		<u>222</u>
<b>Total National Aeronautics and Space Administration</b>				<u>222</u>



**SINTE GLESKA UNIVERSITY**

**Schedule of Expenditures of Federal Awards - Continued**

**For The Year Ended September 30, 2017**

<u>Grantor/Program Title</u> <u>Federal Grantor/Pass Through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Pass Through</u> <u>Grantor</u> <u>Number</u>	<u>Passed</u> <u>Through to</u> <u>Subrecipients</u>	<u>Federal</u> <u>Expenditures</u>
<b><u>Corporation for National and Community Service</u></b>				
Direct Programs				
AmeriCorps	94.006			<u>72,160</u>
<b>Total Corporation for National and</b> <b>Community Service</b>				<u>72,160</u>
 <b>TOTAL EXPENDITURES OF FEDERAL</b> <b>AWARDS</b>			\$ <u>590,144</u>	\$ <u>13,760,071</u>

**SINTE GLESKA UNIVERSITY**

**Notes to Schedule of  
Expenditures of Federal Awards**

**For The Year Ended September 30, 2017**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Sinte Gleska University under programs of the federal government for the year ended September 30, 2017. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Sinte Gleska University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Sinte Gleska University.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**Note 3 - Indirect Cost Rate**

Sinte Gleska University has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4 - Outstanding Federal Loans**

The University has no federal loan obligations as of September 30, 2017.

**Note 5 - Endowments**

The University has \$1,079,231 of restricted endowment principal that originated from Federal awards as of September 30, 2017. 2 CFR 200.502(e) states the cumulative balance of Federal awards for endowment funds that are federally restricted are considered Federal awards expended in each audit period in which the funds are still restricted. Thus this amount is considered expended and is included on the face of the schedule of expenditures of Federal awards. The amounts by award are as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Noncash Award Expended</u>
15.028	Tribally Controlled Community College Endowments	\$ <u>1,079,231</u>

**Note 6 - Reconciliation of Expenditures**

The following is a reconciliation of the expenditures reported on the University's schedule of expenditures of federal awards to expenditures reported in the University's statement of revenues, expenditures and changes in fund balance.

Expenditures on schedule of expenditures of federal awards	\$ 13,760,071
Expenditures funded by state and other funding sources	231,451
Noncash endowment awards	(1,079,231)
Expenditures funded by all other sources	<u>4,201,879</u>
Expenditures per financial statements	<u>\$ 17,114,170</u>

**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**

**Board of Regents  
Sinte Gleska University  
Mission, South Dakota**

We have audited, in accordance with the 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, each major fund and the aggregate remaining fund information of Sinte Gleska University (the "University"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Sinte Gleska University's basic financial statements, and have issued our report thereon dated June 11, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sinte Gleska University'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 University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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 reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-002 through 2017-004 to be significant deficiencies.

**Sinte Gleska University  
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**

Page 2

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-002.

**University's Responses to Findings**

Sinte Gleska University's responses to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Sinte Gleska University's responses and, accordingly, we express no opinion on the responses.

**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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

**Great Falls, Montana  
June 11, 2018**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Regents  
Sinte Gleska University  
Mission, South Dakota**

**Report on Compliance for Each Major Federal Program**

We have audited Sinte Gleska University's (the "University") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017. The University's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the University'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 types of 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 University'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 University's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of 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, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-005 and 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

**Sinte Gleska University  
Independent Auditor's Report  
on Compliance for Each  
Major Federal Program and  
on Internal Control over  
Compliance Required by the  
Uniform Guidance**

**Page 2**

Sinte Gleska University's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. Sinte Gleska University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University'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 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 University'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 type of compliance requirement of a federal program 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 over compliance 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, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2017-005 and 2017-006.

Sinte Gleska University's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. Sinte Gleska University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Wipfli LLP*

**Great Falls, Montana  
June 11, 2018**

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

September 30, 2017

1. Summary of Auditors' Results
Financial Statements

Type of auditors' report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified All Opinion Units

Internal control over financial reporting:

- Material weakness(es) identified? [X] Yes [ ] No
Significant deficiency(ies) identified? [X] Yes [ ] None Reported
Noncompliance material to financial statements noted? [ ] Yes [X] No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? [ ] Yes [X] No
Significant deficiency(ies) identified? [X] Yes [ ] None Reported

Type of auditors' report issued on compliance for major programs: Unmodified All Major Programs

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? [X] Yes [ ] No

Identification of major programs

Table with 2 columns: CFDA Number(s) and Federal Program or Cluster. Rows include 93.104 (Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)), SFA (Student Financial Aid Cluster), and 15.027 (Assistance to Tribally Controlled Community Colleges and Universities).

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? [ ] Yes [X] No

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

2. Audit Findings in Relation to Financial Statements

2017-001 Account Reconciliation

**Criteria or Specific Requirement:** An accounting system should provide timely and accurate information for management. The reconciliation of account balances is an integral internal control activity to determine that stated account balances are accurate and fairly reported. University management and accounting personnel should reconcile general ledger accounts to subsidiary ledgers and other supporting documents in a timely manner and effective manner.

**Condition:** Insufficiently designed internal controls and account reconciliation procedures caused the University to perform inadequate and untimely reconciliations of the following accounts: prepaid expenses, accounts payables, and capital assets. Prepaid expense was understated by \$128,333. Accounts payable was over stated by \$128,333 due to a payment made to Tribal Land Enterprises that was incorrectly fully expensed in fiscal year 2017. Only one month of rent should have been expensed in fiscal year 2017 and the remaining balance of \$128,333 should have been recorded as a prepaid expense. In addition, the University found an invoice of \$16,307 that was accrued twice in accounts payable. Capital assets were not reconciled during our audit fieldwork and we did not receive the finished capital asset listing and final trial balance from the University until February 13, 2018.

**Context:** In planning and performing our audit procedures, we obtained an understanding of the design and implementation of internal controls for significant audit risk. Additionally, we performed substantive audit procedures to obtain audit evidence verifying the completeness, validity, and, accuracy of the financial records.

**Effect:** Without performing adequate account reconciliations, information provided to management could be inaccurate. Also, the probability that fraud or material errors will occur and go undetected generally increases.

**Cause:** The University did not perform adequate reconciliations of prepaid expense, accounts payable, and capital assets to verify the completeness, validity and accuracy of their financial records. Variances between the subsidiary ledger and the general ledger were left unexplained throughout the year.

**Repeat:** No

**Auditor's Recommendation:** University accounting personnel should follow policies and procedures requiring monitoring of the accuracy of monthly reconciliations. Management personnel involved in the reconciliation process should sign supporting documentation to attest that not only the process was complete, but it also is reviewed.

**Views of Responsible Officials:** See page 46 for corrective action planned.



**SINTE GLESKA UNIVERSITY**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2017**

**2. Audit Findings in Relation to Financial Statements - Continued**

**2017-002 Credit Card Expenditures**

**Criteria or Specific Requirement:** Credit card expenditures must be adequately documented and consistent with policies and procedures. All disbursement transactions should have proper authorization supported with adequate documentation. Internal control activities over expenditures should be effectively designed and implemented to provide assurance of proper documentation, calculation, and authorization.

**Condition:** During our testing of credit card transactions, we noted the following exceptions:

- Thirty-six (36) transactions were identified as personal charges made by a former employee of the University. The total amount of the charges was \$2,636.

**Context:** We tested four months of credit card statements; there were 4 exceptions found in one of the months originally selected. As a result, we selected 3 more months for credit card testing. The total amount of charges tested was \$14,486.

**Effect:** The University is exposed to a greater risk of potential fraudulent or abusive activities.

**Cause:** The University's credit card policy was not followed, in that (1) no purchase order was obtained and approved before purchases were made, and (2) the credit card statements were reconciled and paid without all original supporting documents being present.

**Repeat:** Yes - Years as Repeat Finding: 1

**Auditor's Recommendation:** We recommend that management establish and enforce policies and procedures for the correct usage of University credit cards. An employee that does not use the credit card should be assigned to reconcile the credit card statement every month to supporting documentation and retain those documents for future use.

**Views of Responsible Officials:** See page 46 for corrective action planned.

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

2. Audit Findings in Relation to Financial Statements - Continued

2017-003 Bookstore Inventory

**Criteria or Specific Requirement:** Periodic physical counts of items on hand should be compared to expected numbers, and significant variances should be investigated. Old or obsolete items should be removed from inventory. Actual profit margins should be compared to budgeted profit margins to ensure fiscal accountability and to protect the University's assets.

**Condition:** A physical inventory conducted by the bookstore staff indicated that there were 1,071 unique items. The physical count sheets contained expected quantity numbers of these items, of which we noted that 226 items had variances of more than five. Additionally, 59 of the expected quantity numbers were negative.

**Context:** We reviewed the physical inventory count sheet, performed walkthroughs of the University's bookstore, analyzed purchases, and made inquiries with employees.

**Effect:** The University's assets may be subject to higher risk of loss. The bookstore could be holding inventory that is obsolete, overstocking on useless books, or be under stocked on items that students are wanting to purchase.

**Cause:** The bookstore's major financial functions are performed independent of the University's centralized business office. It is not subject to the same oversight as other functions of operations. The University does not have bookstore-specific policies and procedures to govern its operations, and turnover of bookstore employees makes consistent operations difficult to achieve.

**Repeat:** Yes - Years as Repeat Finding: Three

**Auditor's Recommendation:** The University should implement policies and procedures to ensure that its assets are being protected. Inventory control procedures should be implemented to ensure that shrinkage and obsolete items are identified and addressed in a timely manner. This will also aid in setting appropriate pricing and reducing unnecessary purchases. Management should review financial reports and compare those to planned profit margins, levels of inventory, and other metrics as deemed necessary. Management should consider having their independent auditor observe the year end physical inventory, although not necessarily required by applicable standards, which may aid in the correction of some identified weaknesses.

**Views of Responsible Officials:** See pages 46-47 for corrective action planned.

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

2. **Audit Findings in Relation to Financial Statements - Continued**

2017-004 **Payroll**

**Criteria or Specific Requirement:** University employees should be paid in accordance with their respective employment contract entered into with the University.

**Condition:** During substantive testing regarding payroll expenditures, we noted the following exceptions: Two (2) transactions pay rates did not match the approved pay rate on the employment contract with the University. The two transactions belonged to the same employee and it was calculated that this employee was overpaid \$4,923 in wages.

**Context:** We inquired of accounting staff and documented the payroll process during our walkthrough of the payroll cycle. We tested a sample of 40 payroll transactions from the period under audit.

**Effect:** Wages were overpaid to a University employee.

**Cause:** Controls are not operating effectively to ensure that employees are getting paid the correct approved wage and that the correct wage is entered timely in the payroll system.

**Repeat:** No

**Auditor's Recommendation:** We recommend the payroll clerk and human resources manager review that all approved wages for employees are entered correctly and timely in the payroll system.

**Views of Responsible Officials:** See page 47 for corrective action planned.

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

3. Audit Findings and Questioned Costs in Relation to Federal Awards

2017-005 Compliance on Policies and Procedures Manual

**Federal program information:**

Funding agency: Department of Education, Department of Health and Human Services, and the Department of the Interior.  
Title: Student Financial Aid Cluster, Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances, and Assistance to Tribally Controlled Community Colleges and Universities  
CFDA number: 84.007, 84.033, 84.063, 93.104, 15.027  
Award year and number: P007A165365, 2017; 1H79SM063407-01, 2017; 156A2100DD, 2017

**Criteria or Specific Requirement:** In accordance with 2 Code of Federal Regulation 200, OMB Uniform Guidance requires nonfederal entities to have written policies and procedures that governs their federal awards to meet the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Uniform Guidance also recommends to follow guidance in Standards for Internal Control in the Federal Government (the Green Book), issued by the Comptroller General of the United States, or the Internal Control—Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission.

**Condition:** The University was operating on policies and procedures that did not include internal controls procedures over federal grant compliance that addressed control environment, risk assessment, control activities, communication and information, and monitoring components. The current policies and procedures did not provide written procedures for determining allowability of cost in accordance with Subpart E Cost Principles to ensure disbursements meet compliance with terms and conditions of federal awards.

**Context:** We examined the current policies and procedures manual and discussed with management about 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**Questioned Costs:** N/A.

**Effect:** There may be an adverse effect on decision making by University management and employees on federal award compliance and University operations that could create a liability, fraud, abuse, disallowed cost, or misappropriation of resources.

**Cause:** University management did not modify or change its policies and procedures in a timely manner.

**Repeat:** No

**Auditor's Recommendation:** The University is in the process of updating their policies and procedures manual to reflect Uniform Guidance, but have not issued a final draft as of March 7, 2018.

**Views of Responsible Officials:** See page 47 for corrective action planned.

SINTE GLESKA UNIVERSITY

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

3. **Audit Findings and Questioned Costs in Relation to Federal Awards - Continued**

2017-006 **Allowable Costs and Activities Payroll**

***Federal program information:***

Funding agency: BIA Department of the Interior  
Title: Assistance to Tribally Controlled Community Colleges  
CFDA number: 15.027  
Award year and number: 2017, A16AB0031-0001

***Criteria or Specific Requirement:*** University employees should be paid in accordance with their respective employment contract they entered into with the University.

***Condition:*** During substantive testing regarding payroll expenditures, we noted the following exception: One (1) transaction pay rate did not match the approved rate on the employment contract with the University. The one transaction noted above resulted in an underpayment of wages of \$756.

***Context:*** We inquired of accounting staff and documented the payroll process during our walkthrough of the payroll cycle. We tested a sample of 40 payroll transactions from the period under audit. The sample was not statistically valid (sampling risk was not quantified).

***Questioned Costs:*** N/A

***Effect:*** Wages were underpaid to a University employee.

***Cause:*** Controls are not operating effectively to ensure employees are getting paid the correct approved wage and that the proper wage is entered timely in the payroll system.

***Repeat:*** No

***Auditor's Recommendation:*** We recommend the payroll clerk and human resources manager establish a review process to ensure employee wages are entered correctly and timely in the payroll system.

***Views of Responsible Officials:*** See page 47 for corrective action planned.



# SINTE GLESKA UNIVERSITY

SICANGU LAKOTA OYATE

PO Box 105

Mission, SD 57555-0105

Telephone (605) 856-8100

ACCREDITED BY THE  
THE HIGHER LEARNING COMMISSION 1983  
RECOGNIZED AS A  
1994 TRIBAL LAND GRANT INSTITUTION

ESTABLISHED DECEMBER 1970

## Corrective Action Plan

### 2017-001 Account Reconciliation

Sinte Gleska University acknowledges that timely account reconciliation was not performed in FY17. SGU further complicated our situation by starting year-end work too late and/or scheduling audit field work too soon. FY18 account reconciliation work is in progress now. FY18 year-end work will begin immediately after September 30, 2018 and we will not allow auditors on-site before all work is completed.

### 2017-002 Credit Card Expenditures

Sinte Gleska University adopted a credit card policy on April 14, 2017 after personal charges by a former employee were discovered near the end of FY16. The personal charges made by the former employee referred to in this finding took place early in FY17, before the policy was adopted.

SGU uses two different credit cards for two distinct purposes. The credit card policy covers use of both credit cards. One credit card requires purchase order approval before the charge is made. The other credit card is used exclusively for travel expenses and requires a Travel Advance Form approval instead of a purchase order.

The exceptions noted in this finding did not require a purchase order so this isn't a matter of not following policy. SGU feels confident that the credit card policy adopted in FY17 will prevent an authorized-user of the credit card from using it for personal charges.

SGU will continue to enforce our credit card policy and reconcile credit card statements to general ledger account balance and approval documentation.

### 2017-003 Bookstore Inventory

Sinte Gleska University acknowledges this finding and will implement the proper procedures to resolve this finding. SGU is working on developing a set of policies/procedures specific to this

department and inventory control. SGU will request auditors to monitor FY18 year-end physical inventory to aid the University in resolving this finding. SGU is currently exploring more cost effective textbook purchasing options, and looking to go with a virtual bookstore in the near future. With the help of qualified consultants SGU has already began taking the necessary steps to resolve this finding in FY18.

**2017-004 Payroll**

Sinte Gleska University acknowledges this finding and in the future the payroll coordinator and human resources director will ensure that contract amounts recorded in the payroll system match the actual contract document.

Wages were not overpaid to the employee. The information in the payroll system and the payroll records were correct. The employee contract was incorrect.

The contract in question was voided earlier in FY17, and the corrected contract was not in the employees file at the time of FY17 audit. All administration and management persons whose roles encompass employee contracts and the individual employee are in agreement that the original contract was wrong and the amounts paid to the employee was correct.

**2017-005 Compliance on Policies and Procedures Manual**

Sinte Gleska University acknowledges this finding and will have the completed Finance Office Policy and Procedures manual for FY18.

**2017-006 Allowable Costs and Activities Payroll**

Sinte Gleska University acknowledges this finding and in the future the payroll coordinator and human resources director will ensure that contract amounts recorded in the payroll system match the actual contract document.

  
\_\_\_\_\_  
**Chairman**

6-13-18  
\_\_\_\_\_  
**Date**

