

RESOLUTION OF THE GOVERNING BODY OF
THE THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD RESERVATION

- WHEREAS,** This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and
- WHEREAS,** The Constitution of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and Tribal members; and
- WHEREAS,** The Three Affiliated Tribes' Tribal Business Council has reviewed the proposal submitted by the Certified Public Accountant firm of Eide, Helmeke & Co., Inc. of Minot, ND to perform the Annual Single Audit (A-128) for the fiscal years of 1989 thru 1991; and
- WHEREAS,** The Three Affiliated Tribes' Tribal Business Council has been completely satisfied with the A-128 audits performed by said CPA firm for the fiscal years of 1984 thru 1988; and
- WHEREAS,** The Three Affiliated Tribes' Tribal Business Council recognizes the need to retain a competent and qualified firm for the annual A-128 audits as prescribed by Federal Law; and
- WHEREAS,** The Three Affiliated Tribes' Tribal Business Council recognizes and accepts the reduced fee schedule as proposed which is a result of this firm's knowledge and understanding of the Three Affiliated Tribes' Finance system acquired as a result of the prior audits performed by said firm; and
- WHEREAS,** The Three Affiliated Tribes' Tribal Business Council has determined that seeking outside bids for this A-128 audit service would cause additional costs by a new firm because of the learning time necessary for any new firm and that these additional costs are not necessary because of the satisfactory audits received for the above mentioned years.
- NOW, THEREFORE, BE IT RESOLVED,** That the Three Affiliated Tribes Tribal Business Council hereby approves the attached proposal as submitted by the Certified Public Accountant firm of Eide, Helmeke & Co., Inc. of Minot, ND to perform our required Annual Single Audit (A-128) for the fiscal years of 1989 thru 1991 at the rates stated in said proposal.
- BE IT FURTHER RESOLVED,** That the rates stated in said proposal are not to exceed amounts which are determined annually by the CPA firm as a result of the actual time incurred for the audit and are subject to the approval of the Tribal Treasurer annually.
- BE IT FURTHER RESOLVED,** That the costs for these audits shall be charged to the Tribal Finance Indirect Costs budget annually.
- BE IT FURTHER RESOLVED,** That the terms and conditions of the previous contract between the Tribes and the CPA firm shall remain in tact and shall be reflected in the Consultant Agreement which shall be prepared as a result of this Resolution.


Resolution #89-109-TL
Dated May 11, 1989

C E R T I F I C A T I O N


I, the undersigned, as Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 7 members of whom 5 constitutes a quorum, 7 were present at a Regular meeting thereof duly called, noticed, convened, and held on the 11th day of May, 1989; that the foregoing Resolution was duly adopted at such meeting by the affirmative vote of 6 members, 1 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Chairman X Voting _____ Not Voting

Dated this 11th day of May, 1989.


Secretary, Tribal Business Council

ATTEST:


Chairman, Tribal Business Council

Eide Helmeke & Co.

Certified Public Accountants & Consultants

Verdell K. Vang, C.P.A.
Partner

April 28, 1989

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APR 28 1989

Three Affiliated Tribes

Mr. Edward Lone Fight, Tribal Chairman
Three Affiliated Tribes
P.O. Box 579
New Town, ND 58763

Dear Mr. Lone Fight:

We herewith submit our engagement letter to extend our agreement to perform the audit on the financial statements of the Three Affiliated Tribes for the years ended September 30, 1989, 1990, and 1991.

Please note that the audit fee has been reduced \$7,500 for the year ending September 30, 1989. This represents a fee reduction of approximately 21%. The reasons for this reduction include the vast improvements that have been made to your accounting system in the last couple of years, as well as our familiarity with your accounting system and control procedures that we have acquired through serving as your auditors in the past years. The increases indicated for the following two years are for inflationary reasons only and not because we feel it will take more time to perform the audit. We estimate that our costs (ex. salaries, liability insurance, supplies, etc.) will increase approximately 5.5% per year and that is the rate at which we increased your annual fee.

Please keep in mind that the fees quoted are "not to exceed" figures and the audit fee will not surpass that amount. This means no surprise "additional charges" when you receive your bill. If the actual billing amount that we have into the audit is less than the quoted fee, you will be billed the lesser amount. Additional services not involving the audit will only be performed at your request and may involve additional fees if they require a substantial time commitment on our part. Minor assistance that does not require substantial time will be provided to you free of charge as a part of the audit service. An example of this would be the Section 89 compliance work we are doing this year free of charge.

Norwest Center, Suite 306, P.O. Box 1907
Minot, North Dakota 58701 (701) 852-2517

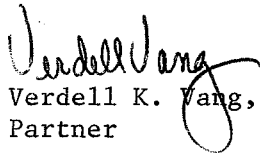
Offices in: North Dakota, South Dakota, Minnesota and Arizona

Mr. Edward Lone Fight
Three Affiliated Tribes
April 28, 1989
Page 2

We highly value the Three Affiliated Tribes as a client and feel the good working relationship we have developed has been a benefit to both us and the Tribe. Please review the engagement letter closely and call if you have any questions. We look forward to continuing our professional relationship with you.

Sincerely,

EIDE HELMEKE & CO.



Verdell K. Yang, CPA
Partner

Enclosures

VKV/bkb

Eide Helmeke & Co.

Certified Public Accountants & Consultants

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APR 28 1989

Three Affiliated Tribes

April 28, 1989

Tribal Council
Three Affiliated Tribes
P.O. Box 579
New Town, ND 58763

This letter is to explain our understanding of the arrangements for the services we are to perform for the Three Affiliated Tribes for the years ending September 30, 1989, 1990, and 1991. We ask that you either confirm or amend that understanding.

Audit of Financial Statements

Our audit will be made for the purpose of forming unqualified opinions on the fairness of the presentation of the Tribe's financial statements as of September 30, 1989, 1990, and 1991, in conformity with generally accepted accounting principles. If conditions discovered in the course of our examinations prohibit us from expressing an unqualified opinion, we will discuss the reasons with you.

We direct your attention to the fact that management has the primary responsibility for properly recording transactions in the records, for safeguarding assets and for preparing reliable financial statements. Our basic audit function is to add reliability to those financial statements.

Our audit will be conducted in accordance with generally accepted auditing standards. We will plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. We will examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We will assess and evaluate the accounting principles used, significant estimates made by management, and the overall financial statement presentation. Our procedures will not include a detailed audit of all transactions and is not designed to discover all defalcations, irregularities or illegal acts should any exist. If the Tribe desires that we expand the scope of our services in this regard, this letter of understanding will require revision.

It is also our understanding that our audits are to encompass the single audit requirements of OMB Circular A-128, "Audits of State and Local Governments," including a supplementary report schedule of Federal Assistance which specifically states the auditor shall determine whether:

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Offices in: North Dakota, South Dakota, Minnesota and Arizona

1. the financial statements of the government, department, agency or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;
2. the organization has internal accounting and other control systems to provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations; and
3. the organization has complied with laws and regulations that may have a material effect on its financial statements and on each major federal assistance program (as set forth in Compliance Supplement for Single Audits of State and Local Governments).

Our reporting requirements as set forth above will be communicated by the issuance of separate reports. All reports and related management letters will be subjected to a preliminary and final review with your representatives.

As a result of our audit, we will report to you any material weaknesses in the system of internal accounting control that we observe.

We will try to initiate ideas or observations that we believe will help achieve the objectives of the Tribe. We will also be pleased to respond to inquires you might have about financial or other business matters.

The assistance to be supplied by your personnel, including the preparation of schedules and analyses of accounts, has been discussed and will be coordinated with Stephen Francis. The timely completion of this work will assist us in performing our work efficiently.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm name, you agree to provide us with printer's proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Charges for Services

Our charges for services, plus out-of-pocket expenses, will be billed as the work progresses. Payments for our services are due upon receipt of our billing. The work will be completed at a total cost of fees and expenses not to exceed the following amounts: 1989 - \$27,500, 1990 - \$29,000, 1991 - \$30,700.

April 28, 1989

Our fees are based, in part, on the expectation that your personnel will: (1) prepare various required account analyses, schedules and other worksheets and (2) make invoices, contracts and other documents readily available for us upon request. If your personnel do not provide these services in an accurate, complete and timely fashion, we will bring the matter to your attention. If we are required to perform additional work as a result of these deficiencies, we will bill you for the additional work based on our standard hourly rates and the time required, plus expenses.

It is further understood that additional charges other than those described above may be incurred in the process of conducting the engagement. Eide Helmeke & Co. may prepare a "Change Order" providing for such changes and charges incurred thereby. Change Orders are payable upon receipt of the billing. Any Change Order shall be approved by you in advance.

All other services will be billed separately as the charges are incurred for these services.

Should our relationship terminate before our audit procedures are completed, with a report issued, you will be billed for services to the date of termination. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

If this letter defines the arrangements as you understand them, please sign and date the enclosed copy and return it to us. Thank you for this opportunity to be of assistance to you. We appreciate your business.

EIDE HELMEKE & CO.

Eide Helmeke & Co.

CONFIRMED BY:

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