

RESOLUTION NO. 231 -22  
OF THE GOVERNING BODY OF THE  
YAVAPAI-APACHE NATION

**A Resolution Approving an Engagement Letter with REDW for the 2022 Audit  
of the Nation's Governmental Services Department, Yavapai-Apache Sand & Rock,  
Yavapai-Apache Nation Distant Drums, Yavapai-Apache Whitehills, and  
Yavapai-Apache Market Place**

- WHEREAS:** The Yavapai-Apache Tribal Council ("Council") is authorized to represent the Yavapai-Apache Nation ("Nation") and to act on all matters that concern the health and welfare of the Nation, and to make decisions not inconsistent with or contrary to the Constitution of the Yavapai-Apache Nation ("Constitution") as provided under Article V (a) of the Constitution; and
- WHEREAS:** The Council is authorized to manage all tribal economic affairs and to appropriate and regulate the use of the Nation's funds as provided under Article V (i) and (k), respectively, of the Constitution; and
- WHEREAS:** The Council, as the legislative body of the Nation, is authorized to enact laws, ordinances and resolutions incidental to the exercise of legislative powers as provided under Article V(v) of the Constitution; and
- WHEREAS:** Section 303(A) of each of the Codes for Yavapai-Apache Sand & Rock, Yavapai-Apache Nation Distant Drums, Yavapai-Apache Whitehills, and Yavapai-Apache Market Place requires the SEO's books of account and financial reports to be audited by an independent and reputable firm of certified public accountants approved by the Council; and
- WHEREAS:** Each year, the Nation engages an independent certified public accountant to audit the financial statements of the Nation's Governmental Services Department, Yavapai-Apache Sand & Rock, Yavapai-Apache Nation Distant Drums, Yavapai-Apache Whitehills, and Yavapai-Apache Market Place to determine whether the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles; and
- WHEREAS:** REDW has previously performed the above-mentioned audits and following the solicitation and review of proposals, REDW is selected to perform the audits for the years ending December 31, 2022, 2023, and 2024; and
- WHEREAS:** The engagement letter with REDW for the 2022 audit of the Nation's Governmental Services Department, Yavapai-Apache Sand & Rock, Yavapai-Apache Nation Distant Drums, Yavapai-Apache Whitehills, and Yavapai-Apache

Market Place, dated November 4, 2022, for the total cost of \$134,000.00, is attached to this Resolution as Exhibit A and incorporated herein by reference; and

**WHEREAS:** The Tribal Council finds it in the Nation's best interest to approve the above described engagement letter with REDW.

**NOW THEREFORE BE IT RESOLVED** that the Yavapai-Apache Tribal Council, in Council assembled, at which a quorum is present, hereby approves the engagement letter with REDW for the 2022 audit of the Nation's Governmental Services Department, Yavapai-Apache Sand & Rock, Yavapai-Apache Nation Distant Drums, Yavapai-Apache Whitehills, and Yavapai-Apache Market Place, dated November 4, 2022, for the total cost of \$134,000.00, attached to this Resolution as Exhibit A.

**BE IT FURTHER RESOLVED** that the Chairwoman is authorized to execute the engagement letter with REDW.

**BE IT FINALLY RESOLVED** that the Chairwoman and Vice-Chairman, or either of them, are hereby authorized to take such further action as deemed necessary to carry out the intent and purposes of this Resolution.

#### CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by an affirmative vote of the Tribal Council, with a quorum in attendance, presented for approval on December 8, 2022, by a vote of 8, 8 in favor, 0 opposed and 0 abstaining, pursuant to the authority contained under the Constitution of the Yavapai-Apache Nation as cited above.



Tanya Lewis, Chairwoman

ATTEST:



Karla Reimer, Council Secretary

Approved as to Form:



Office of the Attorney General

## EXHIBIT A

Engagement Letter with REDW for the 2022 Audit  
of the Nation's Governmental Services Department,  
Yavapai-Apache Sand & Rock, Yavapai-Apache  
Nation Distant Drums, Yavapai-Apache Whitehills,  
and Yavapai-Apache Market Place

November 4, 2022

Yavapai-Apache Nation  
2400 W. Datsi Street  
Camp Verde, Arizona, 86322

We are pleased to confirm our understanding of the services we are to provide the Yavapai-Apache Nation (the "Nation") for the year ended December 31, 2022. We will separately audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements, as of and for the year ended December 31, 2022, for the following entities of the Nation:

- Governmental Services Department (governmental activities, each major governmental fund, and the aggregate remaining governmental services fund information)
- Yavapai-Apache Sand & Rock enterprise fund
- Distant Drums, Inc. enterprise fund
- Yavapai-Apache Whitehills enterprise fund
- The Market Place enterprise fund

In addition, we will audit the Governmental Services Department's compliance over major federal award programs for the period ended December 31, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on the Governmental Services Department's compliance regarding the entity's major federal award programs. The objectives of our audits of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with

Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit of the Governmental Services Department are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such 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. As part of our engagements, and if the Nation's management elects to include MD&A to supplement the basic financial statements, we will apply certain limited procedures to the audited entity's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's discussion and analysis – each of the five separate audits;
- 2) Budgetary comparison schedules for the General Fund and Housing Department Fund – Governmental Services Department audit.

Supplementary information other than RSI will accompany the basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audits of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of

America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- 1) Schedule of expenditures of federal awards, and notes to schedule of expenditures and federal awards – Governmental Services Department;
- 2) Schedules of revenues, expenses, and changes in net position by department – Yavapai-Apache Sand & Rock

### **Schedule of Expenditures of Federal Awards**

We will subject the Governmental Services Department's schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the Governmental Services Department's financial statements as a whole.

### **Data Collection Form**

Prior to the completion of our Governmental Services Department engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditor's reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### **Audit of the Financial Statements**

We will conduct our audits in accordance with GAAS. We will also conduct our audit of the Governmental Services Department in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in

accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audits of the basic financial statements. Our reports will be addressed to the Tribal Council of the Nation. Circumstances may arise in which our reports may differ from their expected form and content based on the results of our audits. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports as a result of these engagements.



In accordance with the requirements of *Government Auditing Standards*, for the Governmental Services Department audit, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of the Governmental Services Department's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.



Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management's Responsibilities**

Our audits will be conducted on the basis that management and, when appropriate, those charged with governance (Tribal Council), acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;

9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;

19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and Tribal Council written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' 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.

#### **Nonattest Services**

With respect to the preparation of the basic financial statements, we will not assume management responsibilities on behalf of the Nation or any of the entities being audited. However, we will provide advice and recommendations to assist managements in performing their responsibilities.

The Nation's and audited entities' managements are responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the service in accordance with applicable professional standards, including the preparation of the basic financial statements in accordance with US GAAP.
- The nonattest services are limited to the preparation of the basic financial statements previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.
- *Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, as part of the preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a nonaudit service.

#### **Fees and Other**

Anthony R. Gerlach, CPA, is the engagement principal for the audit services specified in this letter, and Michael A. Dierlam, CPA, is the engagement Team Leader. Michael's responsibilities include supervising REDWLLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit reports.

Our fees for the audits of the financial statements services described in this letter will be as follows:

ENTITY	AMOUNT
Nation's Governmental Services Department – basic financial statement audit and federal compliance audit	\$ 80,000
Yavapai-Apache Sand & Rock – basic financial statement audit	16,000
Distant Drums, Inc. – basic financial statement audit	10,000
Yavapai-Apache Whitehills – basic financial statement audit	14,000
The Market Place – basic financial statement audit	14,000
<b>Total</b>	<b>\$ 134,000</b>

The fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimates before we incur the additional costs.

We will schedule the engagements based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagements based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for

whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

If any extended audit services are requested by the Nation or entities being audited, or if such services are required to complete the audits (for example, if accounting records are not reconciled or otherwise not ready for audit), they would be billed additionally at our standard hourly rates, depending upon the degree of responsibility involved and the experience level of the personnel assigned. In that case, we will discuss the situation with you before proceeding. The following specific situations will result in additional charges:

- Urgency: Rush delivery to meet deadline (if the Nation provides requested information after agreed dates);
- Rescheduling: Fieldwork schedule changes with less than one-week notice;
- Extra Revisions: Revised trial balances provided after fieldwork begins;
- Extra Journal Entries: More than three adjusting journal entries posted after the initial trial balance is provided to REDW;
- Additional Major Programs: More than three major federal programs required to be audited under the OMB Uniform Grant Guidance – \$5,000 for each additional program.

Outstanding account balances may be charged a late fee at the rate of 1½% per month.

During the course of the engagements, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original documents.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and nonfinancial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of REDW<sub>LLC</sub> and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal regulator, federal agencies, or the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision REDW<sub>LLC</sub>'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the

copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audits, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagements, we will communicate to the Tribal Council and management of the entities being audited, the following significant findings from the audits:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Yavapai-Apache Nation  
November 4, 2022  
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We appreciate the opportunity to be of service to the Nation and believe this letter and Attachment A—Terms and Conditions of Engagement, accurately summarize the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter and Attachment A, please sign and date your reply and email a scanned copy for our records to [agerlach@redw.com](mailto:agerlach@redw.com).

Sincerely,

REDW<sub>LLC</sub>



Anthony R. Gerlach, CPA  
Principal

Confirmed on behalf of:

**Yavapai-Apache Nation**



Signature



Title



Date

*Attachment A – Terms and Conditions of Engagement*





## Report on the Firm's System of Quality Control

September 17, 2020

To the Members of REDW, LLC and the Peer Review Committee of the  
Colorado Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of REDW, LLC (the Firm) in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of REDW, LLC in effect for the year ended December 31, 2019 has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. REDW, LLC has received a peer review rating of *pass*.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Weaver and Tidwell, L.L.P.  
9311 San Pedro Avenue, Suite 1400 | San Antonio, Texas 78216  
Main: 210.737.1042

CPAs AND ADVISORS | WEAVER.COM

## **ATTACHMENT A**

### **Terms and Conditions of Engagement**

It is our policy to set forth the terms and conditions under which REDW<sub>LLC</sub>, and its affiliates (collectively, “REDW” and sometimes we, us, our), will provide the professional and related services to Yavapai-Apache Nation (“Client” sometimes you, your) as set forth in the accompanying engagement letter.

By signing the engagement letter, you have agreed to all of the terms and conditions in this Attachment A. In the event that there is a conflict between this Attachment A and the engagement letter, including any Statements of Work or attachments (Agreement), the terms of the engagement letter shall control. Any capitalized terms in this Attachment A that are not defined shall have the meanings in the engagement letter. Please review these terms carefully and contact us immediately with any questions or concerns.

Recognizing that at times REDW’s work may pertain not only to you but also to various subsidiaries, affiliates, advisors and contractors, partnerships, companies, heirs, estates, trusts or foundations, you agree, as may be requested by REDW from time to time (including subsequent to completion of the Services), to obtain written consent/acceptance of their agreement to the terms of this Agreement. Furthermore, you represent and warrant that this Agreement shall be binding on each party hereto and on each of our respective subsidiaries, successors, assigns and legal representatives.

#### **SCOPE OF WORK**

It is our practice to confirm the scope and nature of our services, which are described in the accompanying engagement letter. If the scope of work changes in a material way from the description in the engagement letter, we will generally send you a new or modified engagement letter. There may be situations where we do not send a new or modified engagement letter when the scope of work changes, however, you agree to the modified scope of work unless you direct us in writing not to pursue the modified scope of work.

#### **FEE SCHEDULE**

The fees for the services to be performed by REDW are specified in the engagement letter or an attachment thereto. REDW will timely notify Client if there are changes in the applicable fee schedule. In the absence of a formal engagement letter for a particular matter, the fees for services will be charged based on REDW’s standard hourly rates for its employees and contractors. For engagements involving fees based on hourly rates, REDW’s hourly rates will not be adjusted during the term of this engagement.

REDW has the right to bill or automatically charge for services. Client shall promptly pay upon receipt of the invoice. Invoices for REDW's fees will be rendered periodically (typically monthly and/or upon completion of major milestones) on open account as work progresses and are payable on presentation. We may require substantial payment for our services prior to completion of the work or delivery of the work product contemplated by the engagement. As set forth in the engagement letter, outstanding account balances may be charged a late fee. Client agrees that our fees and expenses are not contingent on the type of result reached by us, or the ultimate outcome of matters in which our engagement may be used.

In accordance with REDW policy, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

#### **CLIENT RESPONSIBILITIES**

With regard to each professional engagement by us, there are responsibilities of Client which enable us to properly provide the services requested by Client. These may be further listed in the text of the engagement letter. The responsibilities are important for REDW to be able to provide its requested services and if Client fails to meet its responsibilities, REDW will either be excused from performance or its performance may be delayed and/or compromised.

In certain engagements, a third party (such as Client's attorneys) will have some responsibilities in connection with the engagement. In such events the engagement letter will specify those responsibilities. Client shall ensure that the third party responsibilities are timely completed.

To the extent that Client provides REDW information as part of its responsibilities, you warrant that information supplied or to be supplied to REDW by you and/or your representatives is complete, accurate and authentic to the best of your knowledge. Our personnel assigned to any work hereunder will not be assumed or deemed to have knowledge of information provided to others, whether external to REDW or in connection with other REDW engagements.

#### **DOCUMENTATION**

Our professional standards require us to maintain sufficient documentation to support our work. REDW will maintain this documentation in accordance with our document retention policies, which may be amended from time to time. Documents and information supplied to us will be presumed to be copies of original documents and may be retained by REDW as part of our work documentation. As part of our regular procedures, documents and information supplied to REDW may be saved in electronic format and the physical copies destroyed. REDW will not be responsible for the safekeeping of documents and will not be responsible for documents and information that may be lost, damaged or destroyed. To the extent that we have copies of your information, we will protect and safeguard your information from unauthorized disclosure. Should you request copies of documents and information previously supplied to us, we will make best efforts to comply with the request, and may bill you at standard rates for time and copy charges.

Research, analysis and other work documentation created by REDW for each engagement are the property of REDW and may include proprietary and confidential information. REDW shall be under no obligation to provide Client with any work documentation, working drafts or work products other than the completed final work product(s) (including completed preliminary drafts thereof) agreed to and contemplated by the scope of each engagement. With prior arrangements, our work documentation will be available to Client and/or your representatives for supervised inspection at REDW's offices. If access to any of the materials in REDW's possession relating to an engagement is sought by a third party through a subpoena or other legal process, we will notify Client of such action and cooperate with Client concerning our response thereto. In the event that REDW and/or its representatives are subpoenaed as a result of any work performed in connection with an engagement, Client agrees to compensate us for our time involved in responding to such subpoena(s).

#### **DELIVERABLES**

The Client's use of REDW's Services or deliverables (except for copies of filed tax returns) shall in any event be limited to the item's stated purpose (if any) and is not to be relied upon by third parties for any other purposes. You agree to protect our deliverables from unauthorized use and prevent disclosure of the deliverables to unauthorized third parties.

#### **BASIS FOR OUR CONCLUSIONS**

Our conclusions provided as part of our Services are limited solely to the matters for which we were engaged. No conclusions should be inferred as to any matters not specifically covered in the Agreement. Further, the conclusions are based upon the facts and information presented by you and may be inapplicable if the actual facts differ from those presented in any respect.

You should understand that the technical issues REDW will address are not free from doubt. Another party, such as a judicial authority or a governmental agency, might reach different conclusions.

#### **ELECTRONIC COMMUNICATIONS**

The parties agree to the use of email and other electronic methods to transmit and receive information, including confidential information, between the parties and between REDW and outside specialists or other entities engaged by either us or you. We may use secured portals, share files, and/or a secure cloud-based document sharing site (collectively referred to as "secured systems") to provide for the secure transfer of and access to information that we request from you in connection with our work (commonly referred to as PBC's or Prepared By Client schedules), and you agree to comply with the terms and conditions of using such systems.

These secured systems allow us to more efficiently interact with you as we perform our work for you, and access to stored documents and data will be available to you and to us through these means. Documents and data that are delivered and stored through these secured systems are protected and reasonable steps are taken to ensure that your documents and data are safe but, as with any data storage and transfer, there are risks of breach. You are responsible for properly controlling access to and proper use of the secured systems by your personnel. In the event you do not consent to the use of the secured systems, you will need to notify us in writing and as a

result, the cost of our services may increase and the length of time to complete our engagement may also increase.

We take commercially reasonable measures to select, use and/or maintain any electronic communication methods utilized in connection with this engagement. We shall not be liable for any loss, damage, expense, inconvenience, or harm resulting from the loss, delay, interception, corruption, unauthorized access to or alteration of any electronic communication or electronically provided document due to any reason beyond our reasonable control.

#### **EXCLUSIONS**

Unless expressly provided for, our services do not include giving testimony or appearing or participating in discovery proceedings, in administrative hearings, in court, or in other legal or regulatory inquiries or proceedings. Moreover, our costs, expenses and time spent in legal and regulatory matters or proceedings to which we are not a party and the services are not at issue, such as subpoenas, testimony, bankruptcy filings or proceedings, consultation involving private litigation, arbitration, government or industry regulation inquiries, whether made at your request, the request of a third party or by subpoena or equivalent, will be billed to you separately at our then current rates. The terms of this paragraph shall apply to any third party proceedings that arise after the termination of this Agreement.

Except as set forth in our engagement letter, our services are not designed to detect fraud, irregularities or misrepresentations in accounting, investment or other materials provided to us or to Client and used in connection with the performance of our services. Our responsibility is limited to the period(s) covered by the services that we provide and does not extend to any earlier or later periods. Should information become known that would make our continued involvement in any engagement inappropriate, we reserve the right to withdraw from the engagement.

#### **LIMITATION OF REDW'S LIABILITY AND DAMAGES**

With respect to the Services and this Agreement generally, in no event shall the liability of REDW and its present and former partners, principals, members, officers, directors, employees, agents and contractors for any claim, including but not limited to REDW's own negligence, exceed the three (3) times the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of REDW's gross negligence, willful misconduct or fraud and in such event the damages against REDW shall be limited to the actual amount of damages caused by such gross negligence, willful misconduct or fraud. In no event shall REDW be liable for, and you hereby waive, any indirect, consequential, incidental, special, punitive, exemplary or consequential damages (nor any lost profits, taxes, interest, penalties, loss of savings, or lost business opportunity).

Unless REDW expressly agrees otherwise, REDW shall not be liable for any damages resulting from any delay in the anticipated completion of the work under any engagement.

REDW will not be liable for any claims, costs, damages, losses, penalties or assessments imposed on Client as a result of inaccurate or incorrect information provided by Client or Client's failure to timely supply accurate information to REDW.

### **LIMITATION ON PERIOD TO FILE CLAIMS**

It is expressly agreed that any claim by or on behalf of either party arising out of the Services, whether it be in contract, tort, or otherwise, shall be deemed waived if a claim is asserted more than two years from the earlier of: the date that the report or deliverable is issued; or when the claim becomes known. This limitation on the period to file claims shall not apply in the event a claim is unknown or the claim arises in connection with an audit or an assessment made by federal agency. If a claim arises solely as a result of a federal agency action, the statute of limitations on the filing of a claim shall be determined in accordance with applicable law.

### **DISPUTE RESOLUTION**

In the event of disputes arising under the Agreement and prior to availing itself of the remedies in this Section, the party raising the dispute shall first advise the other party of the details of the dispute, in writing, with sufficient detail and back-up information to permit the other party to evaluate the dispute. Within ten (10) days (or such extended time as mutually agreed) after written notification of a dispute, representatives of REDW and Client shall meet (in person or via telephone) and endeavor in good faith to reach a resolution of the dispute. Any disputes that are not so resolved within fourteen (14) days (or such extended time as mutually agreed) after the commencement of such good faith efforts may thereafter be pursued in accordance with this Section.

Client is a federally recognized Indian Tribe and possesses sovereign immunity under law and the Nation's Constitution. This Agreement shall be resolved according to the laws of the Yavapai-Apache Nation (including the laws of the state of Arizona where the Laws of the Yavapai-Apache Nation do not address a particular matter) and applicable federal law, and the Yavapai-Apache Nation's Tribal Courts shall have exclusive jurisdiction to the extent necessary to interpret and enforce this Agreement in any actions brought by Client or REDW and arising under this Agreement. No other court or tribunal shall have jurisdiction over any action arising under this Agreement and brought by REDW. No third-party shall have any right to bring an action under this Agreement, whether against Client or REDW. The liability of Client for any recovery under this Agreement shall be limited to actual unpaid contractual obligations (compensatory damages) and/or specific performance, and shall not in any case include general, consequential, incidental, special, punitive or any other damages.

### **INDEMNITY**

Client agrees to indemnify and hold harmless REDW, its affiliates, present and former partners, principals, members, directors, officers, employees, agents and contractors for any claim, of and from all liabilities, cost, claims and expenses (including reasonable attorneys' fees) incurred by or imposed on REDW arising out of or in connection with, REDW's performance of its duties under each engagement, except for those arising out of REDW's gross negligence, intentional misconduct, fraud or violation of the terms of the Agreement.

You shall, upon the receipt of written notice, indemnify, defend and hold harmless REDW and its present and former partners, principals, members, directors, officers, employees, agents and contractors (collectively the "Indemnified Party") from and against any liability, damages, fees, expenses, losses, demands and costs (including defense costs) associated with any claim arising from or relating to: (i) your misrepresentations; (ii) any third party claims related to the Services

provided under this Agreement; or (iii) false or incomplete information provided to us by you or your agents. You agree to reimburse the Indemnified Party for all reasonable expenses including reasonable attorney's fees and expenses, as they are incurred in connection with the investigation of, preparation for, or defense of, any pending or threatened claim or action or proceeding arising therefrom, whether or not REDW is a party.

#### **NON-SOLICITATION OF EMPLOYEES**

Client understands and agrees that REDW makes a substantial investment in attracting, training and retaining its team members. Loss of team members results in real and immediate costs to REDW. Client agrees that, unless specifically authorized in advance and in writing by the Managing Principal of REDW, Client will not, during the period of time employee is employed by REDW, and for a period of twelve (12) full calendar months after termination of the client's engagement with REDW for any reason, directly or indirectly solicit, encourage, or induce any employee of REDW to leave the employment of REDW. Client agrees that if at any time during the period of time employee is employed by REDW, and for a period of twelve (12) full calendar months after termination of the engagement with REDW, whether or not employee remains employed by REDW during the waiting period, Client or any other entity with which Client is affiliated, employs or otherwise engages an employee of REDW as an employee or independent contractor, Client will be deemed to have violated this restriction and agrees to pay REDW as liquidated damages an amount equal to the total Form W-2 compensation paid by REDW to the former employee during the three (3) full calendar months ending the month in which such former employee terminated his/her employment with REDW.

#### **TERMINATION AND AMENDMENT**

An engagement may be terminated by either party upon thirty (30) days' written notice to the other party. Notwithstanding the foregoing, REDW may immediately terminate this Agreement in whole or in part, without further obligation to Client in the event that Client commits a material breach of this Agreement. A material breach shall include, without limitation, any failure to timely pay REDW's invoices as set forth in the engagement letter or in the event Client shall fail or refuse to furnish any information requested by REDW in writing which is necessary to enable REDW to properly perform its services. Further, REDW shall have the right to terminate this Agreement if it discovers practices by you that we deem dishonest, fraudulent, or illegal; or we determine that in our professional judgment, the circumstances require termination of any or all Statements of Work. In the event that either party terminates this Agreement or any or all Statements of Work as set forth in this section, you agree to pay us for the Services, including out-of-pocket expenses and costs, rendered up to the date of such termination.

#### **ADDITIONAL CONTRACTING STANDARDS REQUIRED BY THE NATION**

1. Any information learned in connection with the Audit Services, including the fact that the Nation is a client of the firm, is confidential and proprietary and will not be disclosed to any third parties without the express written consent of the Nation, except as follows: The fact that the Nation is a client of the firm is public knowledge obtainable from the Federal Audit Clearinghouse website. Certain third-party services are customarily used by REDW as a means to facilitating an efficient audit, as such, secured portals, share files, and/or a secure



cloud-based document sharing site, as well as certain engagement team members which may be independent contractors do not violate this standard.

2. This engagement shall be governed by and construed in accordance with the laws of the Nation (including the laws of the State of Arizona where the Laws of the Nation do not address a particular matter), and the firm consents to jurisdiction within the Nation's Courts for all matters related to or arising out of the engagement.
3. Nothing in this engagement letter shall constitute a waiver of sovereign immunity to claims or counterclaims of any sort, express or implied, by the Nation, or any of its enterprises.
4. Firm must acknowledge that all duties contracted for will be performed in accordance with the applicable standard of care for a professional with expertise in those respective areas.
5. Firm must accept or insure against responsibility for all damages caused by Firm's own negligence, gross negligence, willful misconduct or breach of contract. The Nation will not indemnify the firm for the firm's own gross negligence, as elaborated upon further in the "Indemnity" section above.
6. Any terms or changes to the engagement letter must be in writing signed by both parties.
7. Terms of the Nation's RFP for these services are incorporated by reference into this engagement letter.