

JOE SHIRLEY, JR.  
CHAIRMAN OF THE BOARD  
DISTRICT I  
P.O. Box 1952, Chinle, AZ 86503

ALTON JOE SHEPHERD  
VICE CHAIRMAN OF THE BOARD  
DISTRICT II  
P.O. Box 994, Ganado, AZ 86505

NELSON DAVIS  
SUPERVISOR  
DISTRICT III  
P.O. Box 428, St. Johns, AZ 85936

**BOARD OF SUPERVISORS  
OF APACHE COUNTY**

P.O. BOX 428  
ST. JOHNS, ARIZONA 85936

TELEPHONE: (928) 337-7503  
FACSIMILE: (928) 337-2003



RYAN N. PATTERSON  
MANAGER-CLERK  
ST. JOHNS, AZ 859

**NOTICE OF A PUBLIC MEETING AND AGENDA  
OF THE APACHE COUNTY BOARD OF SUPERVISORS**

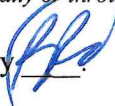
**June 5, 2024**

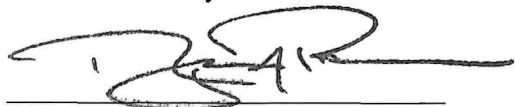
**Board of Supervisors' Hearing Room, First Floor  
75 West Cleveland Street  
St. Johns, Arizona  
11:00 a.m. MST**

Pursuant to A.R.S. §38-431.02(H), the public will have physical access to the meeting room thirty (30) minutes prior to the start of the meeting.

1. Finance Department: Discussion and possible approval of a Professional Services Agreement with Walker & Armstrong for preparation of Apache County's fiscal year 2022 financial statements.
2. Engineering/District I: Discussion and possible approval to amend the Intergovernmental Agreement between Apache County and the Navajo Nation by addition Attachment D. This amendment will provide the funds to construct a low-water crossing on C579 in the Rough Rock Chapter.
3. Emergency Management: Discussion and possible approval of a resolution declaring Stage 1 Fire Restrictions for unincorporated areas within Apache County, beginning Thursday June 6, 2024, at 8:00 a.m. MST due to drier than normal conditions and competition for available firefighting resources.

*Pursuant to the Americans with Disabilities Act, the Apache County Board of Supervisors endeavors to ensure the accessibility of its meetings to all persons with disabilities. If you need accommodation for a meeting, please contact the Clerk of the Board's office at (928)337-7503, TDD (928)-337-4402 so that accommodation can be arranged. Members of the Board of Supervisors may participate telephonically or through video communication.*


Posted this 4<sup>th</sup> day of June 2024 at 10:00 a.m. MST by 

  
Ryan N. Patterson  
Clerk of the Board

Apache County Board of Supervisors  
AGENDA ITEM REVIEW FORM

date/tir - 5 - 11

Submitter's Name: (Individual, Organization, or County Department)

Date/Signature:  6/4/2024

Describe in detail what you want to say to the Board and what action you want the Board to take:  
Discussion and possible approval of professional services agreement with Walker & Armstrong for preparation  
of the Counties fiscal year 2022 financial statements.

BOS Meeting Date Requested June 5, 2024

PRE-AGENDA ITEM REVIEW

Legal Review: \_\_\_\_\_

Signature 

Finance Review: \_\_\_\_\_

Signature \_\_\_\_\_

Human Resources Review: \_\_\_\_\_

Signature N/A

Other Review: \_\_\_\_\_

Signature N/A

Reviews completed, item approved for Agenda. Board Clerk's Initials \_\_\_\_\_



CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

June 3, 2024

The Honorable Board of Supervisors  
and Management  
Apache County, Arizona  
75 West Cleveland  
St. Johns, Arizona 85936

#12351

Dear Honorable Supervisors and Management:

We appreciate the opportunity to offer our professional services to Apache County, Arizona (hereinafter referred to as the "County"). This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

### Scope of Services

We propose to provide accounting services necessary for the County to report its financial information in accordance with U.S. generally accepted accounting principles for the year ended June 30, 2022. We will also assist in preparing certain schedules and note disclosures for the year. In addition, on an as needed basis, we will assist the County's auditors in completing the FY 2022 audit by answering their questions and facilitating with the obtainment of requested information. *Exhibit 1* lists the detailed accounting services we expect to assist with in the preparation for the audit. This exhibit also includes the estimated hours we expect each task to require.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors, and of any evidence or information that comes to our attention during the performance of our accounting services, that fraud may have occurred.

In addition, we will inform you of any evidence or information that comes to our attention during the performance of our procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential.

We will not audit or review this financial information and accordingly, we will not issue any form of assurance on it. In addition, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

We anticipate beginning the audit preparation work upon receipt of the signed engagement letter. We will hold regular meetings with management and the County's auditors to discuss the status and work allocation.

The Honorable Board of Supervisors  
and Management  
Apache County, Arizona  
June 3, 2024  
Page two

### **Our Responsibilities**

The objective of our engagement is to apply our governmental accounting and financial reporting expertise to assist the County in preparing for the annual audit. We will assist the finance department in adjusting the accounting records with the objective that a working trial balance will be produced from which financial statements can be prepared by the auditors.

As an accounting engagement, we will not be preparing the financial statements nor issuing a report and therefore, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements as prepared by the County or others on the County's behalf. Accordingly, we are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for our accounting services or otherwise gather evidence for the purpose of expressing an opinion or a conclusion.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is solely to provide accounting services to assist the County in preparing for its audit for the year ended June 30, 2022.

You have the responsibility for the following:

- Providing us access to all information of which you are aware that is relevant to the fair presentation of the financial statements, such as records, documentation, and other matters.
- Providing us with additional information that we may request from you for the purpose of this accounting engagement.
- Unrestricted access to persons within the County of whom we determine it necessary to make inquiries.
- Implementing and maintaining internal controls.
- Addressing the prior years' audit findings.

The accounting records for fiscal year 2022 are the County's responsibility. Our engagement is beginning after the close of the fiscal year in which we are being retained. Accordingly, we have no responsibility for the following:

- The condition of the FY 2022 accounting records prior to our involvement.
- Fund balances reported in the County's funds.
- The County's financial position, including cash balances.
- The status of the prior years' audit findings.
- Any noncompliance with laws and regulations or fraud that may have occurred.

The Honorable Board of Supervisors  
and Management  
Apache County, Arizona  
June 3, 2024  
Page three

Furthermore, we are not members of management. We have no authority to bring matters to the Board of Supervisors' attention without management's consent. Because we are not your auditors, this limitation extends to the presentation of audit results. However, we will be glad to do so upon the Board's written request.

By signing this letter, you are acknowledging our limited role as solely pertaining to audit preparation services for the year ended June 30, 2022, and you agree that no verbal or written communications will ensue that extend our responsibilities beyond what is set forth in this letter.

**Fees and Administration**

We estimate that our fees for these services will not exceed \$50,000. This fee includes out-of-pocket costs such as travel related costs (e.g. hotels, mileage, per diems, etc.) report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

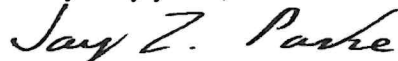
Based on our estimate of hours required for our Firm's personnel to complete each task, we anticipate that our standard hourly rate for the services described in this letter will be between \$145 and \$160 per hour. This average is based on our standard hourly rates as follows:

Partners	\$220 – \$270
Directors	210 – 220
Managers	170 – 195
Senior associates	140 – 165
Associates	95 – 125

Our hourly rates for travel time will be billed at a third of the standard hourly rates listed above. In addition, out-of-pocket costs for lodging, mileage, per diems and other incidental costs will be based on actual costs incurred.

We appreciate the opportunity to be of service to Apache County, Arizona. If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return the signed letter to us. A copy of the letter is enclosed for your records.

Very truly yours,



JZP\ers  
Enclosure

The Honorable Board of Supervisors  
and Management  
Apache County, Arizona  
June 3, 2024  
Page four

**To: *Walker & Armstrong LLP***

This letter correctly sets forth our understanding and is accepted by us.

***Apache County, Arizona***

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Apache County, Arizona  
 Exhibit A - Strategy Overview  
 Year Ended June 30, 2022

Task Description	Due Date	County Staff	REDW Staff	W&A Staff
(1) Coordinate the preparation of confirmations and the attorney letters.	7/15/2026			3.00
(2) Pull auditor's sample selections.				
(3) Respond to prior year's GFOA review comments.		N/A	N/A	N/A
(4) Assessment of new accounting pronouncements as follows: GASB Statement No. 87, <i>Leases</i> GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i>				2.00
(5) Download the trial balance, set-up in FS preparing software program and prepare groupings.			X	
(6) Schedules supporting the investment trust funds and the agency fund.				8.00
(7) Obtain the approved budget for the year ended June 30, 2022.		X		
(8) Financial Statement preparation including the following:				
i) MD&A - <b>Due after Govt-Wide</b>			X	
ii) Fund financial statements			X	
ii) Government-wide financial statements - <b>Due</b>			X	
iii) Note disclosures, other than below			X	
iv) Deposits & investments (Note 2) & Treasurers Pool (Note 11) - <b>Due</b>				6.00
v) Pension related notes - <b>Due</b>			X	
vi) Budgetary comparison schedules			X	
vii) Pension RSI - <b>Due</b>			X	
vii) GASB 84 - <b>Due</b>			X	
viii) GASB 87 - <b>Due</b>				12.00
ix) GASB 96 - <b>Due N/A for 2022</b>				12.00
(9) Prepare the annual expenditure limitation report. - <b>As soon as audit is issued</b>				
(10) Obtain the County's latest chart of accounts as of June 30, 2022, and a list of all new funds.				
(11) Prepare the schedule of expenditures of federal awards (SEFA), which includes: a. Federal Grantor/Pass-Through Grantor/Program Title b. Catalog of Federal Domestic Assistance (CFDA) number c. Pass-Through grantor's number d. Award amount e. Amount of federal expenditures that agrees to the 2022 trial balance		Prepare	Review	
(12) Treasurer's report listing by fund of all cash on account with the Treasurer as of June 30, 2022.		X		
(13) Bank reconciliations for all external bank accounts (i.e., JP Courts, inmate account, etc.) as of June 30, 2022.		X		
(14) Reconciliation of Treasurer's cash accounts in Eagle.				48.00
(15) Reconciliation of Treasurer's cash accounts against the finance department's general ledger.		Prepare		4.00
(16) Prepare schedules summarizing cash in bank (external bank accounts), Treasurer's cash and investments necessary to support the cash and investment note disclosures.				24.00
(17) Detailed schedule of interest receivable as of June 30, 2022 which lists the par value, investment description, maturity date, interest rate and interest receivable amount.		Prepare	Review	

Apache County, Arizona  
 Exhibit A - Strategy Overview  
 Year Ended June 30, 2022

Task Description		Due Date	County Staff	REDW Staff	W&A Staff
		7/15/2026			
(18)	A schedule by fund of property taxes/special assessment receivables by tax year, as of June 30, 2022, including an estimate for uncollectible taxes.			X	
(19)	A schedule of tax receipts by levy year for the period July 1, 2022 through August 31, 2022.			X	
(20)	Obtain schedule of inventories from Public Works, record entry to adjust.		X		
(21)	A schedule supporting prepaid expenses as of June 30, 2022.		X		
(22)	A schedule by fund of amounts due to/from other funds at June 30, 2022, supported by appropriate detailed records and schedules.			X	
(23)	A schedule by fund of amounts due to/from other governments as of June 30, 2022, that agrees to the note disclosure in the financial statements.			X	
(24)	A schedule by fund of transfers between funds for the year ending June 30, 2022.			X	
(25)	Summary schedules of the changes in capital assets.			X	
(26)	A schedule listing the individual items comprising capital assets to support the capital asset balance at June 30, 2022.			X	
(27)	A schedule of construction-in-progress at June 30, 2022, if applicable. Include the following information: a. Fund financing the project b. Total cost-of construction in progress at June 30, 2022 c. Estimated cost to complete at June 30, 2022 d. A reconciliation of the balances carried in construction in progress as of June 30, 2022. e. Completion date and final cost of any project that was completed on or before June 30, 2022 f. Construction commitments entered into by the County through the report date.			X	
(28)	Detailed schedule of capital asset additions and deletions for the year ended June 30, 2022. Total capital asset additions should reconcile to capital outlays.			X	
(29)	A schedule by fund of accounts payable and similar liabilities at June 30, 2022, supported by appropriate detailed records and schedules.			X	
(30)	Schedule of interest payable.			X	
(31)	A schedule by fund of accrued payroll and employee benefits at June 30, 2022.		Prepare	Review	
(32)	A schedule of accumulated vacation, sick leave, and compensatory time for all County employees at June 30, 2022. Include the following information of each employee: a. Number of hours accumulated for compensated absences. b. Dollar valuation of accumulated hours c. Allocation of cost to individual funds d. Current year increase in long-term liability for compensated absences e. Documentation of current versus long-term portion.		X		
(33)	A schedule by investments held in trustees held for others as of June 30, 2022.				8.00
(34)	Schedule of estimated claims and judgments payable for the County's risk management related to the \$25,000 deductible for the insurance pool as of June 30, 2022. The liability should be based on and supported by management's and legal counsel's judgment			X	

Apache County, Arizona  
 Exhibit A - Strategy Overview  
 Year Ended June 30, 2022

Task Description	Due Date	County Staff	REDW Staff	W&A Staff
Also, provide a schedule of claims payable identifying: a. Beginning of year claims payable b. Claims incurred and changes in estimated during the year c. Claims paid during the year, and d. End of year claims payable.	7/15/2026			
(35) A schedule of all lease agreements in effect during the fiscal year ended June 30, 2022. - a. Lease agreements 1. Principal amount of related asset 2. Future minimum lease payments at June 30, 2022 3. Amount, if any, representing executory costs at June 30, 2022 4. Amount representing interest at June 30, 2022				32.00
(36) A schedule of all subscription agreements in effect during the fiscal year ended June 30, 2023. - a. Lease agreements 1. Principal amount of related asset 2. Future minimum lease payments at June 30, 2023 3. Amount, if any, representing executory costs at June 30, 2023 4. Amount representing interest at June 30, 2023				32.00
(37) Copies of any new debt or lease agreements in existence during the year ended June 30, 2022.			X	
(38) A schedule of the changes in long-term debt.			X	
(39) A schedule by fund of deferred revenues as of June 30, 2022 [ for (1) property taxes and (2) grants & contracts ]			X	
(40) A schedule of amounts contributed and due to retirement systems in which the County participates and a copy of the most recent valuations at June 30, 2022. These schedules should also indicate the total number of employees under each plan as of June 30, 2022.			X	
(41) Schedule of GASB 68/75 balances including NPO and deferred inflows/outflows.			X	
(42) Schedule supporting GASB 54 balances including assignments, commitments and restrictions.			X	
(43) Meetings with auditors including answering questions.				
(44) Project Management				50.00
(45) Travel				8.00
(46) Review of underlying support schedules.				10.00
Total budgeted hours			-	259.00

**Apache County Board of Supervisors  
AGENDA ITEM REVIEW FORM**

Submitter's Name: (Individual, Organization, or County Department)

Apache County Engineering

Date/Signature:         *Chapla*        6/4/24        

Describe in detail what you want to say to the Board and what action you want the Board to take:

Discussion and possible approval to amend the Intergovernmental Agreement between Apache County and the Navajo Nation by adding Attachment D. This amendment will provide the funds to construct a low-water crossing on C579 in the Rough Rock Chapter.

BOS Meeting Date Requested:         6/5/2024        

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**PRE-AGENDA ITEM REVIEW**

Legal Review: \_\_\_\_\_

Signature         *CH RGH*        

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Finance Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Human Resources Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Other Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Reviews completed, item approved for Agenda.

Board Clerk's Initials \_\_\_\_\_

**ATTACHMENT D**

**To Intergovernmental Agreement between  
The NAVAJO NATION and APACHE COUNTY, ARIZONA**

**Authority:**

This attachment D is appended to the underlying Master Intergovernmental Agreement, Navajo Nation Contract No. CO15355, as contemplated in Sections 1.1 and 2.1 of the Master Agreement.

**Term:**

Beginning upon signatures of both parties and Ending December 31, 2032; coinciding with the term of the Master Agreement.

**Scope of Work (SOW):**

**Project 1 – Rough Rock, Arizona, County Route C579.** NDOT will provide Navajo Nation ARPA funds allocated by Delegate Carl Slater for Rough Rock County Route C579 in the amount of \$195,000.00 as stated in the Navajo Nation Council Resolution #2023-0427-3, dated April 27, 2023 and signed into law on April 27, 2023.

The primary goal is to provide a suitable roadway on Route C579 for the residents, business, healthcare, and school bus route located within the Rough Rock Arizona Chapter. The project Scope of Work shall consist of grade, drain and improvement of the roadway including required permit fees. Sections of the route where runoff causes damage to the existing roadway and creating flooding during storm events. This Project will address drainage issues and provide a passable roadway.

Should any of these Scopes of Work or any additional work exceed the amount of the funding source as described herein, the Chapters and Navajo Nation shall find additional sources.

**Budget:**

Project #	District	Project Name	Approving Resolution Funding Source	Business Unit	Budget
1	D-1	Rough Rock Route C579	NABIN-45-23; CJY-64-23 NN ARPA FRF Funds	K2115455 9020	195,000.00
Total Attachment "D" Project					195,000.00

**TOTAL ATTACHMENT "D" NOT TO EXCEED: \$195,000.00**

IN THE WITNESS WHEREOF, the PARTIES have executed this ATTACHMENT "D" to the Master Intergovernmental Agreement, on the dates affixed by their signatures.

**APACHE COUNTY**

\_\_\_\_\_  
Dr. Joe Shirley, Chairman  
Apache County Board of Supervisors  
P.O. Box 48  
St. Johns, AZ 85936

\_\_\_\_\_  
Date Signed

THIS CONTRACT HAS BEEN REVIEWED  
AND IS IN ACCORDANCE WITH NAVAJO NATION LAW

BY \_\_\_\_\_  
Navajo Nation Legal Counsel

**THE NAVAJO NATION**

\_\_\_\_\_  
Buu Nygren, President  
The Navajo Nation  
P.O. Box 7440  
Window Rock, AZ 86515

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Signed

**Apache County Board of Supervisors  
AGENDA ITEM REVIEW FORM**

date/time stamp

Submitter's Name: (Individual, Organization, or County Department)

Emergency Management

Date/Signature: \_\_\_\_\_

Describe in detail what you want to say to the Board and what action you want the Board to take:

Discussion and possible approval of a resolution declaring Stage 1 Fire Restrictions for unincorporated areas within Apache County, beginning Thursday June 6, 2024, at 8:00 a.m. MST due to drier than normal conditions and competition for available firefighting resources.

BOS Meeting Date Requested 6-5-204

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**PRE-AGENDA ITEM REVIEW**

Legal Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Finance Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Human Resources Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Other Review: \_\_\_\_\_

Signature \_\_\_\_\_

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Reviews completed, item approved for Agenda.

Board Clerk's Initials \_\_\_\_\_

**JOE SHIRLEY, JR.**  
CHAIRMAN OF THE BOARD  
DISTRICT I  
P.O. Box 1952, Chinle, AZ 86503

**ALTON JOE SHEPHERD**  
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**BOARD OF SUPERVISORS  
OF APACHE COUNTY**

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FACSIMILE: (928) 337-2003



**RYAN N. PATTERSON**  
MANAGER-CLERK  
ST. JOHNS, AZ 859

**Resolution # 2024 - \_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF APACHE COUNTY,  
ARIZONA, DECLARING STAGE 1 FIRE RESTRICTIONS DUE TO SEVERE  
TEMPERATURES AND EXTREME FIRE DANGER**

**WHEREAS**, Apache County Board of Supervisors has previously enacted Ordinance 2019-10 establishing the Apache County Outdoor Fire Ordinance detailing restrictions and punishments in certain situations of high fire danger, and;

**WHEREAS**, Apache County has a legal and ethical obligation to protect the health, safety and welfare of the citizens of Apache County, and;

**WHEREAS**, the people, lands, infrastructure and economic activities within the boundaries of Apache County are under imminent threat from wildfire due to strong winds, relatively high temperatures and extremely dry conditions, and;

**WHEREAS**, the threat of such fires serves as a detriment of the County's residents' health, safety, welfare and economic well-being;

**NOW, THEREFORE, BE IT RESOLVED**, that, effective June 6, 2024 at 8:00 a.m. the Board of Supervisors of Apache County, Arizona, does hereby establish Stage 1 Fire Restrictions as defined in Apache County Ordinance 2019-10, with the obligations and sanctions established therein.

**PASSED, ADOPTED AND APPROVED at St. Johns, Arizona on June 5, 2024.**

ATTEST:

\_\_\_\_\_  
Dr. Joe Shirley, Jr.  
Chairman of the Board

\_\_\_\_\_  
Ryan N. Patterson  
Clerk of the Board