

**RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION**

- WHEREAS,** the Tribal Council has received a report from the Acting Tribal Controller concerning the status of the Tribe's deferred revenue funding for its 638 programs and other grant programs; and
- WHEREAS,** the prior audit findings from fiscal year 1999 to present provided by the Tribe's independent auditor advise that advance funds received from the federal government for the 638 and other grant programs have not been adequately maintained for use by those programs, but in some cases, have been expended for other Tribal purposes; and
- WHEREAS,** audit findings state that these deferred revenue funds may not be transferred to Tribal accounts, lent to Tribal accounts, or expended for programs not authorized, and that there should be sufficient cash and investment balances on hand to cover all deferred revenue associated with the federal programs; and
- WHEREAS,** as of April 30, 2002 the deferred revenue obligation for all programs was \$13,187,913.75, with unrestricted cash investments on hand in the amount of \$4,357,416.00, resulting in insufficient cash of \$8,830,496.75; and
- WHEREAS,** the Tribal Council has been advised that in order to restore the deferred revenue account to a level that matches the obligations required under the deferred revenue transfers, the Bureau of Indian Affairs has agreed to a plan whereby the Tribe would increase the funds in the deferred revenue account by \$2 Million Dollars annually until the entire balance was reached; and
- WHEREAS,** the Tribal Council has been advised by the Acting Tribal Controller that \$63,636.36 is currently being deposited each month into a separate bank account at Bank One in our effort to restore the insufficient cash balance; and
- WHEREAS,** this amount is not sufficient to meet the terms of the agreement previously reached with the Bureau of Indian Affairs and for that reason, the Council directs that the full amount, totaling \$166,667.00 per month, for a total of \$2 Million Dollars per year, must be allocated to this purpose to meet the terms of the agreement and to restore the deferred revenue account; and
- WHEREAS,** increased expenses, Enterprises losses, and Tribal debt load will make it difficult to reach these goals unless budget corrections, including significant cost reductions are enacted.

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**WHEREAS**, the Tribal Council after having received briefing from its independent auditor, REDW L.L.C. finds that the plans for Tribal budget reductions are necessary and desires to continue its review of its 638 contract and grant programs.

**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that it hereby directs the Tribal Budget Committee and Tribal Controller to prepare a budget for FY 2003-2004 which includes the required reductions in the Tribal budget necessary for a monthly deposit of \$166,667.00 into the Bank One account for the deferred revenue funding, beginning by May 1, 2003.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the monthly deposit shall be required until the entire insufficient cash balance is reached.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the funds in the separate deferred revenue account cannot be transferred to Tribal accounts, lent to Tribal accounts, or expended or allocated in any manner for any purpose not authorized for the specific programs for which the funding was provided.

**BE IT FURTHER RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that nothing within this Resolution and the actions required thereunder shall absolve any program, department and contractor from further review and audit nor shall this Resolution be interpreted to shield any Tribal employee, agent, contractor, attorney and elected official employed or previously employed/affiliated with the Tribe from investigation, prosecution and conviction under any applicable law for illegal actions such person may take or has taken nor is this Resolution intended to shield such persons from appropriate penalty under the White Mountain Apache Tribe's Personnel Policies and regulations governing their conduct.

The foregoing resolution was on March 6, 2003 duly adopted by a vote of SIX for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (h), (i), (k), (s), (t), and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

**ACTING**

Frank J. Furgate Jr.  
Chairman of the Tribal Council

**Acting**

Wendell R. Smith  
Secretary of the Tribal Council