

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL -- Third Year, 2017

AN ACTION

RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES, BUDGET AND FINANCE, NAABIK'ÍYÁTI', AND NAVAJO NATION COUNCIL; APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF ONE MILLION FOUR HUNDRED AND FIFTY SEVEN THOUSAND THREE HUNDRED DOLLARS (\$1,457,300.00) TO THE OFFICE OF PRESIDENT-VICE PRESIDENT PURSUANT TO A PROPOSED AGREEMENT WITH THE UNIVERSITY OF NEW MEXICO TO PROVIDE RESIDENCE FACILITIES FOR 118 NAVAJO STUDENTS

BE IT ENACTED:

Section One. Authority

- A. The Navajo Nation established the Health, Education and Human Services Committee as a Navajo Nation Council standing committee and as such gave the Committee oversight over matters impacting the health of the Diné. 2 N.N.C. §§ 401(B) (1).
- B. The Navajo Nation established the Budget and Finance Committee (BFC) as a Navajo Nation Council standing committee and as such empowered BFC to review and recommend to the Navajo Nation Council the management of all funds. 2 N.N.C. §§ 164 (A) (9), 300 (A), 301 (B) (2).
- C. The Navajo Nation Council established the Naabik'íyáti' Committee as a Navajo Nation standing committee and as such proposed legislation that requires final action by the Navajo Nation Council shall be assigned to the Naabik'íyáti' Committee. 2 N.N.C. §§ 164 (A) (9), 700 (A).
- D. The Title 12 Appropriations Act Supplemental Appropriation requirements include:
 1. When the Controller identifies additional sources of revenues above and beyond the initial or current revenue projections, supplemental appropriations may be allocated by the Navajo Nation Council. 12 N.N.C. § 820(L).
 2. Supplemental appropriations made from non-recurring revenues shall only be made for non-recurring operations or purposes, as set forth at § 820(F). The Controller of the Navajo Nation shall be responsible for

designating recurring and non-recurring revenues.
12 N.N.C. § 820(L).

3. All requests for annual operating funds and supplemental funds shall be submitted to the Office of Management and Budget ("OMB") for budget impact analysis. 12 N.N.C. § 820(M).

Section Two. Findings

- A. This is a funding request for a supplemental appropriation in the amount of \$1,457,300.00 to the Office of President-Vice President for funding of a proposed agreement with the University of New Mexico to provide 118 Navajo students with a residence hall space that reflects the cultural and historical values of the Navajo Nation. See Exhibit A.
- B. The supplemental funding request forms are attached as Exhibit B.
- C. The Office of Management and Budget is attached as Exhibit D.
- D. The Office of the Controller has provided a memorandum dated September 9, 2017 indicating the balance in the Unreserved, Undesignated Fund Balance as of September 8, 2017 is \$31,258,217.00. This memorandum is provided to meet the requirements of 12 N.N.C, 820 (L), however the Controller of the Navajo Nation has not designated the funds as recurring or non-recurring. This memorandum is attached as Exhibit C.
- E. The Navajo Nation finds it in the best interest of the Navajo people to approve this supplemental appropriation request.

Section Three. Approving the Supplemental Appropriation from the Unreserved, Undesignated Fund Balance in the Amount of \$1,457,300.00 to the Office of President/Vice-President Navajo Nation for funding of a proposed agreement with the University of New Mexico to provide 118 Navajo students with a residence hall space that reflects the cultural and historical values of the Navajo Nation.

- A. This supplemental appropriation of \$1,457,300.00 shall be from that amount of funds that exceeds the minimum fund balance of the Unreserved, Undesignated Fund Balance as determined by the Office of the Controller and to a new Business Unit Number.
- B. The Navajo Nation hereby approves the supplemental appropriation from the Unreserved, Undesignated Fund Balance

to the Office of President/Vice-President of the Navajo Nation for a new Business Unit for \$1,457,300.00.

Section Four. Effective Date

The provisions of this Act shall become effective in accord with 2 N.N.C. § 221(B).

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 19 in favor and 00 opposed, this 22nd day of December 2017.



LoRenzo C. Bates, Speaker
Navajo Nation Council

12-29-17

Date

Motion: Honorable Leonard Tsosie
Second: Honorable Jonathan L. Hale

Speaker not voting

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(10), on this 3rd day of January 2018.



Russell Begaye, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (c)(11), on this ____ day of _____ 2018 for reason(s) expressed in the attached letter to the Speaker

Russell Begaye, President
Navajo Nation

3. I hereby exercise line item veto pursuant to the 2010, certified Initiative, over the supplemental appropriations approved herein by the Navajo Nation Council; on this ____ day of _____ 2018.

Russell Begaye, President
Navajo Nation



AGREEMENT

This Agreement is entered into by the Regents of the University of New Mexico ("UNM"), a body corporate of the state of New Mexico, and the Navajo Nation ("Nation"), a federally recognized Native American tribe.

UNM owns and operates as a student residence hall the facility known as the Lobo Rainforest Building, located at 101 Broadway Boulevard NE, Albuquerque, New Mexico ("Rainforest"). The purpose of this Agreement is to provide to Navajo students at UNM residence hall space that reflects the cultural and historical values of the Nation. To this end, the Nation wishes to obtain rights to occupancy of the entire fifth and sixth floors of the Rainforest for residential occupancy by Navajo tribal members attending UNM ("Navajo Students"), in accordance with UNM policies for student housing. The parties therefore agree:

Premises: UNM grants to the Nation rights to occupancy of the entire fifth and sixth floors of the Rainforest.

- a. Each floor contains 31, two-bedroom and two-bath units, or a total of 62 beds per floor. UNM will utilize one of the units on each floor to house advisors and one apartment on the fifth floor to house UNM's community coordinator. The total number of beds provided for occupancy by Navajo Students is 118, or 59, two-bedroom and two-bath units.

Term: The term of this agreement is three years and seven months commencing on January 1, 2018 and expiring on July 31, 2021. The term shall be divided into an Initial Period commencing January 1, 2018 and ending July 31, 2019, and two subsequent 12-month Periods: Period Two which shall commence on August 1, 2019, and end on July 31, 2020, and Period Three which shall commence on August 1, 2020 and end July 31, 2021.

Fee: For the Initial Period, the Nation shall pay to UNM the sum of one million, four hundred fifty seven thousand, three hundred dollars (\$1,457,300). This fee is calculated at the current per bed rate of \$650/month times 118 beds. This fee may be increased in accordance with UNM's Residence Life and Student Housing ("RLSH") policy for the remaining periods. Notice of an increase of the fee shall be delivered to the Nation no later than March 1, of the year immediately preceding the subsequent Period.

- a. The entire fee shall be paid no later than fifteen (15) days in advance of the commencement of each Period. In the event payment is not received prior to 15 days in advance of the subsequent Period, UNM shall be under no obligation to perform pursuant to this Agreement, and any residents occupying the Premises pursuant to this Agreement shall be removed from the Premises in accordance with RLSH's policies regarding removal for nonpayment.
- b. Increases in the fee, if any, will occur on August 1 of each year and will be based on the rate charged to UNM Students as identified on the RLSH website.
- c. The fee will be deemed to have been paid on behalf all residents of the Premises (excepting UNM personnel) and UNM shall not seek rent or fees from any resident of the Premises.
- d. The fee shall not be contingent upon occupancy.

Termination: The Nation may terminate this Agreement upon giving prior notice to UNM by April 1, 2019 for Period Two and by April 1, 2020 for Period Three commencing August 1, 2020.

Occupancy: The Nation shall bear the responsibility for determining student eligibility for occupancy in the Premises. Such eligibility determination shall be in accordance with RLSH policy and subject to RLSH approval. The Nation shall provide RLSH with a list of eligible students ("Eligibility List" and those on the Eligibility List "Eligible Students") as soon as reasonably possible following the execution of this Agreement. The Nation and RLSH shall work together to establish the best frequency of identifying Eligible Students to insure appropriate marketing and placement. Eligible Students shall register for occupancy using the RLSH website. RLSH shall ensure that Eligible Students are placed in the Premises, provided space exists. However, UNM shall not bear any responsibility to place in the Premises Eligible Students who fail to properly complete the RLSH registration process. All Eligible Students are subject to and shall adhere to the UNM code of conduct for students and all RLSH policies, rules and procedures including, but not limited to those pertaining to removal. RSLH shall maintain the sole authority to assign Eligible Students to rooms within the Premises, but shall do so with the advice of the Nation.

UNM Responsibilities: UNM will provide fully furnished units in new condition. The units include a full kitchen with dishwasher and a washer and dryer. All utilities and internet service is provided by UNM. UNM will be responsible for repairs and replacements based on normal wear and tear. RLSH group will work with the Nation to provide programming that is culturally sensitive and reflects the values of both the University and the Nation. All determinations regarding the appropriateness of programming shall be at UNM's sole discretion and shall at all times conform to UNM policy.

Acceptance: The taking of possession of the Premises by the Nation or an Eligible Student shall be conclusive evidence that the Premises were in good and satisfactory condition when possession was taken, except for matters which could not be ascertained by inspections.

Alterations or Additions Prohibited: Physical, structural and aesthetic alterations to the Premises by the Nation or Eligible Students are prohibited, except in accordance with RLSH policies, rules and procedures.

Contact: The Nation and UNM shall communicate with each other through the single point of contact identified below, or that contact's designee. No communication shall be considered valid except with or by the respective points of contact.

For UNM: _____

For the Nation: _____

Right to Relocate: UNM reserves the right, at UNM's sole option, to move the Premises within the Rainforest. Such relocation shall maintain the integrity of the two-floor layout of the Premises. UNM shall give the Nation and residents in the Premises thirty (30) days' written notice of its election to move the Premises to other space within the Rainforest and shall, at no out-of-pocket cost to the Nation or residents of the Premises, move residents' personal property to the new Premises. If UNM elects to move the Premises pursuant to this paragraph, the Nation shall have the right to decline the move by written submission to UNM of notice of termination of its Agreement effective the date UNM has proposed to effect the relocation.

UNM and RLSH Policies Incorporated in This Agreement: All UNM policies pertaining to student housing and all RLSH policies, rules and procedures are incorporated into this Agreement to the extent that they do not conflict with the terms of this Agreement. On behalf of Eligible Students, the Nation agrees to comply with all pertinent UNM and RLSH policies, rules and procedures. In the event of a conflict, the terms of this Agreement shall control.

Liability: As between the parties, each party acknowledges that it will be responsible for claims or damages arising from personal injury or damage to persons or property to the extent they result from negligence of its employees or agents. The liability of UNM shall be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1 et seq., NMSA 1978, as amended.

Governing Law, Jurisdiction and Venue: This Agreement shall be construed by and governed in accordance with the law of the State of New Mexico without reference to that body of law pertaining to choice of law.

Limited Waiver of Sovereign Immunity: The Nation hereby expressly, fully and irrevocably waives its sovereign immunity for the limited purpose of the Navajo Nation Arbitration Act and Navajo Nation Sovereign Immunity Act.

Regents of the University of New Mexico

By _____
David W. Harris, EVP for Administration
COO & CFO

Date _____

Navajo Nation

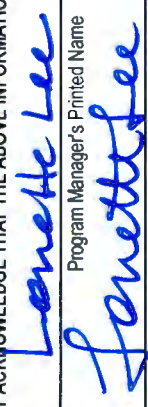

By 
Russell Begaye, President

Date Jan 9, 2018

FY _____

THE NAVAJO NATION
PROGRAM BUDGET SUMMARYPage ____ of ____
BUDGET FORM 1

PART I. Business Unit No.: _____ NEW		Program Title: _____		OFFICE OF THE PRESIDENT & VICE PRESIDENT		Division/Branch: _____		EXECUTIVE OFFICE	
Prepared By: _____ LONETTE LEE, ESA		Phone No.: _____		928.871.7914		Email Address: _____		jlee@navajo-nsn.gov	
PART II. FUNDING SOURCE(S)		Fiscal Year Term	Amount	% of Total	PART III. BUDGET SUMMARY				
FY18 UUFB		10/01/17-09/30/18	1,457,300.00	100%	Fund Type Code	(A) NNC Approved Original Budget	(B) Proposed Budget	(C) Difference (Column B - A)	
					2001 Personnel Expenses			0	
					3000 Travel Expenses			0	
					3500 Meeting Expenses			0	
					4000 Supplies			0	
					5000 Lease and Rental	1	1,457,300	1,457,300	
					5500 Communications and Utilities			0	
					6000 Repairs and Maintenance			0	
					6500 Contractual Services			0	
					7000 Special Transactions			0	
					8000 Public Assistance			0	
					9000 Capital Outlay			0	
					9500 Matching Funds			0	
					9500 Indirect Cost			0	
					TOTAL		\$0.00	1,457,300	
					PART IV. POSITIONS AND VEHICLES				
					(D)		(E)		
					Total # of Positions Budgeted:				
					Total # of Permanently Assigned Vehicles:				
		TOTAL:	\$1,457,300.00	100%					
PART V. I HEREBY ACKNOWLEDGE THAT THE INFORMATION CONTAINED IN THIS BUDGET PACKAGE IS COMPLETE AND ACCURATE.									
SUBMITTED BY: <u>Lonette Lee</u> <u>Lonette Lee</u> 11/27/17				SUBMITTED BY: <u>Joshua L. Butler</u> <u>Joshua L. Butler</u> 11/27/17					
SUBMITTED BY: Program Manager's Printed Name				SUBMITTED BY: Division Director/Branch Chief's Signature and Date					
SUBMITTED BY: Program Manager's Signature and Date				SUBMITTED BY: Division Director/Branch Chief's Signature and Date					

PART I. PROGRAM INFORMATION:		Business Unit No.: _____ NEW		Program Name/Title: OFFICE OF THE PRESIDENT & VICE PRESIDENT											
PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE:															
To Assist UNM Enrolled Navajo Students - Lease Payment.															
PART III. PROGRAM PERFORMANCE CRITERIA:															
1. Program Performance Area:															
UNM Lease Payment on Campus															
Goal Statement:															
To Assist UNM Enrolled Students															
2. Program Performance Area:															
Goal Statement:															
3. Program Performance Area:															
Goal Statement:															
4. Program Performance Area:															
Goal Statement:															
5. Program Performance Area:															
Goal Statement:															
PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.															
 Lanette Lee Program Manager's Printed Name		 Joshua L. Butler, DEPUTY CHIEF OF STAFF Division Director/Branch Chief's Printed Name													
11/27/17 Program Manager's Signature and Date		11/27/17 Division Director/Branch Chief's Signature and Date													

THE NAVAJO NATION
DETAILED BUDGET AND JUSTIFICATION

PART I. PROGRAM INFORMATION: Program Name/Title: _____ OFFICE OF THE PRESIDENT & VICE PRESIDENT Business Unit No.: _____ NEW			
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
5000	Lease & Rental		1,457,300
5110	Building	1,457,300	
	5120 Office Space Lease payment for UNM Housing	1,457,300	
TOTAL		1,457,300	1,457,300



THE NAVAJO NATION

**RUSSELL BEGAYE
JONATHAN NEZ**



Memorandum

Date: October 13, 2017

To: Honorable Russell Begaye, President
Office of the President/ Vice President

Honorable Lorenzo Bates, Speaker
Navajo Nation Council

Honorable Thomas Holgate, Acting Chief Justice
Judicial Branch

From: 
Pearline Kirk, Controller
Office of the Controller

Subject: Controller's Report – Fall Session October 2017

I am pleased to present to you the following information related to the 4th Quarter of Fiscal Year 2017.

I. Controller's Highlights for the 4th Quarter for FY-2017:

During the Fourth Quarter of the Fiscal Year 2017, the following events occurred:

- The Fiscal Year 2018 budget was passed by the Navajo Nation Council in September 2017.
- The FY 2016 Audit was approved the Navajo Nation Council during the summer Council session.

- The Sihasin Fund Update. The current un-appropriated balance in the Sihasin Fund is \$348,286,098 as of September 30, 2017. The amounts that have been expensed and reserved, are the following:
 - Resolution CJY-12-16 Water/Waste Water Projects. This will be entering into its third year of projects. The total dollar amount to be spent over 5 years will total \$180,175,924.
 - CAP-20-16- Twin Arrows Police Substation. The \$4.5 million grant to the Twin Arrows Casino for the Police/Fire Substation has been completed and paid out to the Navajo Nation Gaming Enterprise. The project opening date was 09/25/2017.
 - CJY-39-16 Gaming C-Store. The total amount of \$10 million was approved for the C-Store at the Twin Arrows site. Of the total, \$2.5 million will be in direct funding for planning, development and construction of infrastructure necessary to support Twin Arrows Travel Center and ancillary developments. An amount of \$3.5 million will be in direct funding to the Navajo Nation Gaming Enterprise for the planning, development and construction of the Twin Arrows Travel Center facilities. An amount of \$4 million dollars will be in loan funding from the Sihasin Fund to the Navajo Nation Gaming Enterprise for planning, development and construction of the Twin Arrows Travel Center facilities. The required draft agreements are currently being drawn up between the OOC, DOJ, and NNGE.
 - CO-57-16 USDA Pasture, Rangeland. An amount of \$19,835,612 had been reserved from the available balance to guarantee annual Crop year insurance premiums for 6,984,343 acres, which shall only be draw-down from the Sihasin Fund if the PRF Insurance Program indemnity is insufficient to cover the insurance premium. As of 10/01/2017 the program indemnity to date was insufficient therefore a payment of \$9,655,131 was made for the 2017 premium. The remaining amount of the reserve is \$10,180,481. A renewal packet is being circulated for executive official review process.
 - CN-57-16 CDFI Economic Development. CDFI received their first draw of \$10 million in the Second Quarter of Fiscal Year 2017. The second draw of \$10 million has yet to be released due to certain conditions that need to be met with the first \$10 million. The anticipated release will be in the first quarter of FY 2018. These are all in the form of grants.
- The Permanent Fund update. The Fund will be entering into its 3rd year of projects in the five year plan. Funding for the projects will be coming from the FY 2017 derived income. The

projects which total \$30,500,000 will begin to be set up in the FMIS and will begin their phases soon.

- **The Permanent Fund Contingency Fund.** In October 2016, CO-54-16 was passed which set up the Permanent Fund 5-year Contingency Fund. This fund was to maintain a reserve of dollars from the portion of excess amount from the Permanent Fund 5-year plan to General Fund for future use. There is an initial deposit of \$2,885,000 within this fund authorized by this resolution. This amount is being utilized in the General Fund for FY 2018. The Fund Management Plan was passed in early October 2017 by the Budget and Finance Committee.

Controller's Office Financial Information for the 4th Quarter of FY-2017:

1) The **Accounts Payable section** has run 23,497 checks with a total dollar amount of \$82,891,774 paid out in the Fourth Quarter of Fiscal Year 2017.

	<u>Number of Checks</u>	<u>Amount</u>
July-17	7,006	\$ 24,865,715
Aug-17	7,979	\$ 28,560,403
Sept-17	8,512	\$ 29,465,656
Total:	23,497	\$ 82,891,774

2) The **Payroll section** has run 8,242 checks and processed 31,570 direct deposits with a gross wages amount of \$47,521,859 paid out in the Fourth Quarter of Fiscal Year 2017. Payroll continues to move away from costly payroll checks and move to direct deposits and payroll paycard.

	<u>Direct Deposits</u>	<u>Checks</u>	<u>Gross Payment</u>
July-17	8,728	2,514	\$ 13,435,883
Aug-17	13,272	3,949	\$ 20,287,500
Sept-17	9,570	1,779	\$ 13,798,476
Total:	31,570	8,242	\$ 47,521,859

3) The General Fund Financial data is as follows:

The gross General Fund Revenues (see **Exhibit "A"**) as of September 30, 2017 is \$213,407,520, and the total set asides total \$53,613,354. The Net Revenue for the General Fund is \$159,794,167, which is 104.15% of the projection. The average price of barrel of oil for the quarter has been \$49.47, the lowest month being in July 2017 with a price per barrel of \$48.69. (See below) This schedule

shows the monthly revenue deposited into the Navajo Nation General Fund Revenues for the oil. An amount of \$5,825,189 has been received in oil and gas revenues for the Fourth Quarter of the Fiscal Year.

Oil and Gas Revenue		
	*Average Price of barrel of oil	Monthly NN Revenue
July 2017	48.69	2,125,240
August 2017	50.71	1,880,736
September 2017	49.01	1,819,213
	50.72	5,825,189

*Source: Bloomberg.com

The other significant revenue source is the Tax Revenues for the General Fund. The following is a schedule compiling the collections by month of the Tax Revenues. Total collections for the Fourth Quarter were \$11,991,075.

Tax Revenue	
	Monthly NN Revenue
July 2017	\$3,903,582
August 2017	8,699,535
September 2017	(612,042)
	\$11,991,075

The total expenditures by branch are shown on **Exhibit "B"**.

- The Legislative Branch has expenditures of \$16,523,474, encumbrances of \$1,047,979 with a remaining budget of \$1,476,995.
- The Executive Branch expenditures are \$177,015,168; encumbrances are \$7,053,651 with a remaining budget of \$30,603,101.
- The Judicial Branch expenditures are \$13,429,564 with encumbrances of \$39,983 and remaining budget of \$678,650.
- Total General Fund expenditures are \$206,968,206; total encumbrances are \$8,141,613 with an overall remaining budget of \$32,758,746.

The updated UUFB as of September 9, 2017 is \$31,258,217 (see **Exhibit "C"**). There have been six supplemental appropriations during Fiscal Year 2017 in the total amount of \$7,233,927.

4) Contract and Grant Information:

Attached is a summary of the Active Federal Funds by Division (See Exhibit "D"). Unaudited Summary totals for the active federal report shows the revised budget to be \$565,747,166, actual expenses of \$263,852,370, encumbrances of \$14,620,365 and a remaining budget of \$287,274,430 as of August 31, 2017. The September 2017 expenses, encumbrances, and remaining budget are currently going through closeouts and will not be available until after the 4th week of October 2017.

Exhibit "E" shows the Active State Funds Report by Division. Unaudited Summary totals for the active State report show the revised budget to be \$49,487,872, actual expenditures of \$15,791,265, encumbrances of \$6,139,480 and a remaining budget of \$27,557,127 as of August 31, 2017. The September 2017 expenses, encumbrances, and remaining budget are currently going through closeouts and will not be available until after the 4th week of October 2017.

Exhibit "F" is the BIA-IHS Fund Report. Summary totals for the Active BIA-HIS report show the revised budget to be \$636,086,266, actual expenditures of \$414,532,517, encumbrances of \$11,310,482 and a remaining budget of \$210,243,267 as of August 31, 2017. The September 2017 expenses, encumbrances, and remaining budget are currently going through closeouts and will not be available until after the 4th week of October 2017.

5) Investment Information:

Total investments for the Navajo Nation totaled \$3,041,497,549 at the end of August 31, 2017 (see Exhibit "G"). The average rate of return for the entire portfolio for the 12 months ending August 31, 2017 is 9.08%. This is only two months of data for the Fourth quarter. The entire fourth quarter data will not be available until after the 3rd week of October 2017.

During the fiscal year, there have been three interest rate hikes that the Federal Reserve has done since October 2016.

	From	To
December 14, 2016	0.50%	0.75%
March 15, 2017	0.75%	1.00%
June 14, 2017	1.00%	1.25%

These interest rate hikes help the dollars that are invested in short term securities at Wells Fargo.

If you should have any questions, you can contact me at Tribal extension X6308.



THE NAVAJO NATION
General Fund Preliminary Revenue Schedule
(Unaudited)

September 30, 2017

FY 2017

GENERAL FUND REVENUE

	Original Budget	Revised Budget	Actual Revenue Received	Revenue to be collected	% Revenue of Total
TNN: ROYAL; GAS; OIL	\$ 24,700,000	\$ 24,700,000	24,322,292	\$ 377,708	98.47
TNN: COAL REVENUES	55,850,000	55,850,000	57,220,558	(1,370,558)	102.45
TNN:OTR MINERALS REV			79,224	(79,224)	
TNN: LAND REVENUES	58,450,000	58,450,000	59,817,639	(1,367,639)	102.34
TNN: BUSINESS FEES			84,039	(84,039)	
TNN: INTEREST INCOME	1,600,000	1,600,000	4,826,321	(3,226,321)	301.65
TNN: TAX REVENUES	64,150,000	64,150,000	64,789,279	(639,279)	101.00
COURT FINES + FEES	400,000	400,000	459,828	(59,828)	114.96
TNN: OTHER REVENUES	500,000	500,000	1,532,315	(1,032,315)	306.46
BIA: ROYAL; GAS; OIL			121,627	(121,627)	
BIA: COAL REVENUES			140	(140)	
BIA:OTR MINERALS REV					
BIA: LAND REVENUES					

TOTAL REVENUE

\$ 205,650,000	\$ 205,650,000	213,407,520	(1) \$ (7,757,520)	103.77
----------------	----------------	-------------	--------------------	--------

LESS:SET ASIDES

CAPITAL OUTLAY MATCH	\$ (2,000,000)	(2,000,000)		\$ -	100.00
LAND FUND TRANSFER	(4,113,000)	(4,113,000)	(4,268,150)	155,150	103.77
PERMANENT FUND TRANSF	(24,678,000)	(24,678,000)	(25,608,902)	930,902	103.77
WATER RIGHTS CLAIM FU	(2,000,000)	(2,000,000)	(2,000,000)	-	100.00
DINE' HIGHER EDUCATIO	(11,200,000)	(11,200,000)	(11,200,000)	-	100.00
VETERANS TRUST FUND S	(8,226,000)	(8,226,000)	(8,536,301)	310,301	103.77

TOTAL SET ASIDE

\$ (52,217,000)	\$ (52,217,000)	(53,613,354)	(2) \$ 1,396,354	102.67
-----------------	-----------------	--------------	------------------	--------

SUB TOTAL

\$ 153,433,000	\$ 153,433,000	159,794,167	(3) \$ (6,361,167)	104.15
----------------	----------------	-------------	--------------------	--------

PERMANENT FUND INCOME TRANSFER

OTHER REVENUE TRANSFER	\$ 24,411,000	24,411,000	(4) \$ -	100.00
LESS: PF FIVE-YEAR CONTINGENCY	(2,885,000)	(2,885,000)	(5) -	100.00
TOTAL PFI TRANSFER	\$ 21,526,000	\$ 21,526,000	\$ -	100.00
NET PFI TRANSFER	\$ 21,526,000	\$ 21,526,000	\$ -	100.00

GRAND TOTAL

\$ 174,959,000	\$ 174,959,000	181,320,167	(6) \$ (6,361,167)	103.64
----------------	----------------	-------------	--------------------	--------

- (1) Gross General Fund Revenues
- (2) Total Set Asides for General Fund Revenue
- (3) Net General Fund Revenue
- (4) Permanent Fund Income allocation to General Fund
- (5) Permanent Fund Income allocation reserve (CO-54-16)
- (6) Grand total General Fund Revenues

EXHIBIT "A"

Prepared by:
General Accounting
10/13/2017



FY 2017 EXHIBIT "B"

The Navajo Nation Budget Status Preliminary Income Statement As of September 30, 2017

Branch / Object Account	Original Budget	Revised Budget	Actual Expenses	Encumbrances	Budget Available	% Available
LEGISLATIVE BRANCH						
2001 - Personnel Expenses	\$ 10,651,778	12,280,988	11,477,211		\$ 803,777	6.54
3000 - Travel Expenses	1,321,631	1,788,822	1,732,965		55,857	3.12
3500 - Meeting Expenses	159,932	375,284	223,623		151,661	40.41
4000 - Supplies	196,565	755,247	447,123	138,301	169,823	22.49
5000 - Lease & Rental	212,423	215,340	184,026	8,863	22,451	10.43
5500 - Communications & Utilities	119,335	150,853	141,784		9,069	6.01
6000 - Repairs & Maintenance	44,547	157,850	80,767	41,187	35,918	22.75
6500 - Contractual Services	541,691	1,656,017	939,566	638,139	78,312	4.73
7000 - Special Transactions	294,373	613,773	461,237		132,536	21.58
8000 - Assistance	-	-	-		-	-
9000 - Capital Outlay	20,000	1,054,274	815,172	221,509	17,593	1.67
9500 - Matching & Indirect Cost	-	-	-		-	-
Total LEGISLATIVE BRANCH	\$ 13,562,275	\$ 19,048,448	\$ 16,523,474	(1a) \$ 1,047,879	(1b) \$ 1,476,995	(1c) 7.75
EXECUTIVE BRANCH						
2001 - Personnel Expenses	82,554,098	85,877,391	78,733,722		\$ 9,143,669	10.85
3000 - Travel Expenses	9,499,593	9,380,408	8,491,454		(111,045)	-1.18
3500 - Meeting Expenses	981,047	1,668,124	1,606,180		58,944	3.53
4000 - Supplies	5,400,863	8,472,460	6,893,062	56,551	1,522,847	17.87
5000 - Lease & Rental	1,751,399	1,401,337	1,261,127	29,035	111,175	7.93
5500 - Communications & Utilities	7,305,556	7,970,033	6,771,683	609,419	588,940	7.39
6000 - Repairs & Maintenance	3,914,876	8,678,851	6,489,416	1,653,872	533,463	5.15
6500 - Contractual Services	4,653,568	12,880,374	7,549,810	3,259,305	2,071,259	16.08
7000 - Special Transactions	10,316,377	12,059,854	10,373,903	55,000	1,630,951	13.52
8000 - Assistance	41,728,697	49,351,383	44,500,650	1,342,134	3,508,599	7.11
9000 - Capital Outlay	764,670	2,798,396	1,604,439	48,244	1,145,713	40.84
9300 - Other Income and Expense	-	-	-		-	-
9500 - Matching & Indirect Cost	7,552,457	14,135,308	3,736,722		10,398,586	73.56
Total EXECUTIVE BRANCH	\$ 176,423,011	\$ 214,671,920	\$ 177,015,168	(2a) \$ 7,053,651	(2b) \$ 30,603,101	(2c) 14.26
JUDICIAL BRANCH						
2001 - Personnel Expenses	\$ 12,523,143	12,579,722	12,226,699		\$ 353,023	2.81
3000 - Travel Expenses	433,764	378,204	291,250		86,954	22.99
3500 - Meeting Expenses	-	18,785	12,616		6,169	32.84
4000 - Supplies	68,291	463,639	384,681		68,958	14.87
5000 - Lease & Rental	9,000	32,204	20,864		11,340	35.21
5500 - Communications & Utilities	69,206	92,308	74,268		18,040	19.54
6000 - Repairs & Maintenance	-	235,887	131,935	39,983	63,949	27.11
6500 - Contractual Services	-	85,552	54,151		31,401	36.70
7000 - Special Transactions	103,339	261,916	223,100		38,816	14.82
8000 - Assistance	-	-	-		-	-
9000 - Capital Outlay	-	-	-		-	-
9300 - Other Income and Expense	-	-	-		-	-
Total JUDICIAL BRANCH	\$ 13,208,743	\$ 14,148,197	\$ 13,429,564	(3a) \$ 39,983	(3b) \$ 678,650	(3c) 4.80
GRAND TOTAL:	\$ 203,192,029	\$ 247,868,565	\$ 206,958,206	(4a) \$ 8,141,613	(4b) \$ 32,758,746	(4c) 13.22

Footnotes:

Legislative Branch

- (1a) Legislative Expenses
- (1b) Legislative Encumbrances
- (1c) Legislative Budget Available

Executive Branch

- (2a) Executive Expenses
- (2b) Executive Encumbrances
- (2c) Executive Budget Available

Judicial Branch

- (3a) Judicial Expenses
- (3b) Judicial Encumbrances
- (3c) Judicial Budget Available

Total General Fund

- (4a) General Fund Expenses
- (4b) General Fund Encumbrances
- (4c) General Fund Budget Available

EXHIBIT "C"

Memo Dated Sept. 8, 2017

Financial Update

**Undesignated, Unreserved, Fund Balance (UUFB)
September 8, 2017**

09-30-16 UUFB balance <u>(Audited)</u> CJY-15-17		26,763,946
Less Supplementals:		
CO-55-16 Election	510,616	
CN-58-16-Budget	3,848,764	
CJA-05-17 Bennett Freeze	254,656	
CAP-22-17-Dine Bii Association	239,200	
CJN-34-17 Summer Youth Employment	2,161,748	
CJY-37-17- Transportation Stimulus Election	218,943	7,233,927
Total UUFB less Supplementals		19,530,019
Add:		
CJY-50-17 Deposit into UUFB.		11,728,198
UUFB 09-08-17		31,258,217

Prepared by: General Accounting

10/13/2017

4:37 PM



THE NAVAJO NATION
Active(Non-PEC) Federal Fund Report (Unaudited)
August 31, 2017

FY 2017
EXHIBIT "D"

	Revised Budget	Actual Expenses	Encumbrances	Budget Balance
LEGISLATIVE BRANCH				-
JUDICIAL BRANCH	2,353,733	644,899	-	1,708,834
OFFICE OF THE PRESIDENT AND VICE PRES.				-
DIV. OF COMMUNITY DEVELOPMENT	18,286,424	10,539,277	2,080,368	5,666,779
DEPT. OF DINE EDUCATION	27,160,842	8,962,045	1,163,564	17,035,233
DIV. OF ECONOMIC DEVELOPMENT	147,900	64,494	72,681	10,725
ENV. PROTECTION AGENCY	11,087,741	8,869,706	284,362	1,933,672
DIVISION OF GENERAL SERVICES	4,441,989	2,092,681	535,958	1,813,350
DEPARTMENT OF HEALTH	27,737,860	14,462,327	374,322	12,871,211
DIVISION OF HUMAN RESOURCES	45,835,495	29,893,799	396,963	15,544,734
DIVISION OF NATURAL RESOURCES	44,412,356	30,459,501	1,054,767	12,898,089
DIVISION OF PUBLIC SAFETY	12,296,860	4,342,128	144,917	7,809,814
DIVISION OF SOCIAL SERVICES	206,935,752	121,204,071	3,728,096	82,003,585
DIVISION OF TRANSPORTATION	165,080,214	32,317,441	4,784,369	127,978,404
Total ALL DIVISIONS	565,747,166	263,852,370	14,620,365	287,274,430



THE NAVAJO NATION
Active(Non-PEC) State Fund Report (Unaudited)
August 31, 2017

FY 2017
EXHIBIT "E"

	<u>Revised Budget</u>	<u>Actual Expenses</u>	<u>Encumbrances</u>	<u>Budget Balance</u>
LEGISLATIVE BRANCH	-	-	-	-
DIV. OF COMMUNITY DEVELOPMENT	14,194,031	2,943,305	3,872,396	7,378,330
DEPT OF DINE EDUCATION	3,167,968	1,235,471	213,067	1,719,430
DIV. OF ECONOMIC DEVELOPMENT				
ENV. PROTECTION AGENCY				
DIVISION OF GENERAL SERVICES	3,299,906	1,588,421	300,845	1,410,640
DEPARTMENT OF HEALTH	11,407,364	4,189,007	52,631	7,165,725
DIVISION OF HUMAN RESOURCES	40,000	40,000	-	
DIVISION OF NATURAL RESOURCES	-	-	-	
DIVISION OF PUBLIC SAFETY	179,426	100,068	-	79,358
DIVISION OF SOCIAL SERVICES	11,771,677	5,519,255	1,924	6,250,498
DIVISION OF TRANSPORTATION	5,427,500	175,738	1,698,617	3,553,145
Total ALL DIVISIONS	49,487,872	15,791,265	6,139,480	27,557,127



THE NAVAJO NATION
Active(Non-PEC) BIA-IHS Report (Unaudited)
August 31, 2017

FY 2017
EXHIBIT "F"

Active (Non-PEC) BIA-IHS

	<u>Revised Budget</u>	<u>Actual Expenses</u>	<u>Encumbrances</u>	<u>Budget Balance</u>
DEPARTMENT OF HEALTH	114,524,104	51,614,697	1,155,437	61,753,970
DIVISION OF PUBLIC SAFETY	30,311,988	21,116,159	54,426	9,141,402
DIVISION OF SOCIAL SERVICES	2,404,276	1,600,685	9,161	794,430
FED 638 CONTRACT (DHHS - IHS)	<u>147,240,367</u>	<u>74,331,541</u>	<u>1,219,024</u>	<u>71,689,802</u>
JUDICIAL BRANCH	3,544,888	1,744,671	47,726	1,752,490
OFFICE OF MANAGEMENT & BUDGET	75,830,549	80,168,751	-	(4,338,202)
DIV. OF COMMUNITY DEVELOPMENT	3,013,089	1,701,232	39,457	1,272,400
DEPT OF DINE EDUCATION	73,502,004	23,378,582	3,726,571	46,396,851
DIV. OF ECONOMIC DEVELOPMENT	20,000	-	-	20,000
DIVISION OF HUMAN RESOURCES	4,235,541	1,667,126	42,127	2,526,289
DIVISION OF NATURAL RESOURCES	96,042,700	53,018,345	3,965,038	39,059,317
DIVISION OF PUBLIC SAFETY	198,324,420	160,600,926	460,652	37,262,843
DIVISION OF SOCIAL SERVICES	32,133,616	16,465,001	1,181,933	14,486,682
DIVISION OF TRANSPORTATION	2,199,092	1,456,342	627,955	114,795
FED 638 CONTRACT (DOI - BIA)	<u>488,845,899</u>	<u>340,200,976</u>	<u>10,091,458</u>	<u>138,553,465</u>
Total ALL DIVISIONS	<u><u>636,086,266</u></u>	<u><u>414,532,517</u></u>	<u><u>11,310,482</u></u>	<u><u>210,243,267</u></u>

Prepared by:
Contract Accounting
10-10-17

FY 2017
EXHIBIT "G"

Master Trust
August 31, 2017

	-100- General Fund	-115- Workers Comp	-120- Permanent Trust	-125- Handicapped Trust	-130- Senior Citizens Trust	-135- Vocational Education	-140- 1982 Chapter Claims Fund	-145- 1982 Scholarship	-155- Business Ind Dev	-160- 1986 Chapter Unemployment	-165- Graduate Scholarship	-170- Tucson Gas & Electric Fund	-175- Veterans Fund	-180- Land Acquisition	185- Shuman Fund	FUND TOTALS
Beginning Balance (10/1/16)	61,287,558	13,201,725	1,812,956,492	10,810,443	9,742,635	9,716,780	26,352,194	13,418,104	55	32,812,294	32,125,003	2,473,143	114,227,052	118,817,868	536,375,619	2,768,296,878
Allocation Adjustments																
Interest	1,414,911	222,031	18,205,837	172,873	153,993	158,582	609,778	285,324	2	753,300	348,882	23,140	1,590,460	1,643,701	5,754,784	29,348,377
Dividends	392	64,877	22,120,432	76,407	63,982	65,516	40,876	40,876		72,680	317,223	26,750	834,531	1,009,250	6,215,618	31,082,301
Other Income	90,979	5	8,729,348	6	2	4	4	4			21,17	1,90	73	73	890,108	9,700,628
Net Change Accrued Inc.	121,701	7,476	681,294	8,281	5,682	5,605	16,868	7,009	2	22,127	22,373	1,900	98,183	105,801	223,826	1,327,034
Unrealized Gain/Loss	(310,005)	441,149	102,196,432	458,876	388,305	388,305	238,109	167,628	(0)	187,674	2,100,306	173,416	5,950,761	6,000,008	31,559,674	150,182,531
Revised Gain/Loss	16,027	246,504	52,098,091	228,555	194,076	192,814	147,257	97,609	(0)	173,258	1,131,156	85,794	3,040,042	3,068,113	8,306,680	89,023,975
Fees and Expenses	(27,280)	(1)	(690,107)	(2)	(1)	(1)	(58)	(1)		(2)	(2)	(46)	(23)	(22)	186,718	(1,074,241)
Amortization	(443,385)	(23,319)	(1,144,807)	(12,929)	(115,633)	(115,502)	(79,380)	(35,175)	(0)	(99,215)	(38,746)	(2,824)	(23,183)	(280,875)	(426,254)	(2,889,851)
Total Investment Change	863,351	1,019,122	168,828,418	824,847	793,430	790,768	908,083	574,172	1	1,119,509	3,862,173	306,105	11,370,864	11,546,050	52,535,778	286,650,871
Ending Balance (8/31/17)	62,150,909	13,220,847	2,024,824,910	11,535,290	9,836,068	10,107,549	27,050,278	13,992,276	55	33,931,713	35,987,175	2,779,248	127,097,916	137,653,919	531,911,397	3,041,497,549
Allocation Percentage	7.05%	0.45%	66.58%	0.38%	0.32%	0.33%	0.88%	0.45%	0.00%	1.08%	1.17%	0.09%	4.71%	4.53%	17.48%	100.00%
Return as of August 31, 2017	1.41%	4.59%	11.65%	6.11%	0.95%	4.02%	2.65%	1.30%	1.17%	0.86%	10.53%	10.35%	11.97%	15.88%	0.29%	9.08%

The Chapter Funds returns represent the total return for both Chapter Funds combined.
Performance shown is gross of fees.

RETIREMENT

	FY 2017 Beginning Balance	10/31/2016	12/31/2016	1/31/2017	2/28/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017
RET SECURITIES	160,073,978	156,285,781	157,204,478	156,938,331	158,594,181	161,900,484	163,314,333	165,470,705	167,216,967	177,769,862	183,397,548
COMMON STOCKS	411,817,174	425,402,310	437,251,502	452,187,112	464,200,083	467,872,170	474,844,064	482,186,023	488,457,874	481,000,345	482,107,014
CORPORATE BONDS	52,564,870	52,325,434	54,675,398	55,837,139	56,627,069	56,383,349	57,425,607	56,759,792	58,768,456	62,452,856	61,082,612
OTHER SEC (partnership)	2,423,067	2,063,108	7,068,433	1,885,377	2,037,082	2,013,149	1,547,046	1,711,981	1,563,462	1,565,851	463,878
MUNICIPAL BONDS	78,528,990	78,528,990	78,528,990	79,591,445	79,591,445	79,591,445	79,591,263	80,778,924	80,778,924	82,136,558	82,766,023
INTERNATIONAL (partnership)	25,800,546	30,455,084	20,577,284	24,980,636	24,432,337	23,296,431	25,578,752	22,081,581	22,802,261	26,848,034	22,581,980
CASH EQUIVALENTS	1,947,572	1,344,210	1,184,911	1,150,159	1,340,986	1,210,840	1,288,950	1,488,495	1,303,416	2,159,713	1,471,481
INTEREST RECEIVABLE	748,064,442	732,976,134	746,384,938	753,495,288	772,281,139	785,740,533	792,166,867	803,316,835	813,879,141	833,882,820	833,879,510
Account Balance											
YTD Return	-1.08%	0.75%	1.42%	4.23%	6.18%	6.91%	8.41%	9.38%	9.84%	12.55%	12.54%

Prepared by:
Investment Section
10/08/2017



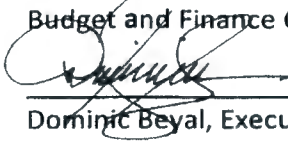
THE NAVAJO NATION

**RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT**

Office of Management and Budget

Memorandum

To: Navajo Nation Council
Health, Education and Human Services Committee
Budget and Finance Committee

From: 
Dominic Beyer, Executive Director

Date: December 7, 2017

Subject: Legislation 0475-17 – Supplemental Funding Request in the Amount of \$1,457,300 for a Proposed Agreement With the University of New Mexico to Provide Residence Facilities for 118 Navajo Students

The above subject document was reviewed by the Office of Management and Budget and the findings are as follows:

1. A completed Supplemental Funding Proposal Summary is not included with the budget package. See the Fiscal Year 2018 Budget Instructions Manual, Section XIV, B, 1.
2. Budget Form 2, Program Performance Criteria does not provide sufficient information regarding what the funds will be used for. The first year, first quarter goal has a "3" and that seems to indicate only three students would be assisted with dormitory space. The performance information should indicate that the Navajo Nation proposed to use the \$1,457,300 over several years to provide exclusive dormitory rooms in leased dormitory space for 118 UNM Navajo students.
3. A Navajo Nation Grant Application form may need to be completed and made a part of the budget package since this appears to be a grant arrangement with an entity external to the Navajo Nation government. See the Fiscal Year 2018 Budget Instructions Manual, Section XI.
4. This supplemental request was not processed through the required Executive Order 164 document review process and, therefore, comments by OMB and other Executive Branch Division/Programs prior to the proposed legislation being considered by the oversight committees were not included. All proposed supplemental budget requests should be routed through the 164 document review process prior to any action by the Navajo Nation Council or its committees.
5. The proposal to house 118 students in a University of New Mexico student residential facility is not very well justified other than to house them in a "residential space that reflects the cultural and historical values of the Nation". Would this help Navajo students to obtain better grades and to stay in school and graduate rather than quit before they

are finished with their studies? This type of justification should be looked into, especially if other off reservation higher education institutions have these kind of arrangements for Navajo or other Indian students where the situation helps these students to stay in school, get better grades and get their degrees rather than quit.

6. It seems that the more appropriate entity to carry out the contract or agreement would be the Dine' Department of Education (DODE) whose purpose is to enhance Navajo education. DODE would be able to better monitor fund use and results.
7. Funds from the UUFB are considered non-recurring and are for one-time funding only.
8. There are over \$60 million worth of budgets and proposals submitted by various Navajo Nation programs and, according to the Office of the Controller, only \$31 million in UUFB funds are available for funding purposes.
9. By paragraph L of the Fiscal Year 2018 budget resolution, CS-53-17, the Navajo Nation Council directed each Navajo Nation Branch to prioritize these supplemental budget requests, but all budgets are being considered for funding as shown on the Legislative Branch website. The Judicial Branch is the only one that prioritized their funding requests. The Navajo Nation Council with the many supplemental budget requests to be considered should call for rather than simply inviting any and all Navajo Nation programs or entities to submit prioritized supplemental budget requests to insure those that need funds the most are strongly considered.

The Office of Management and Budget is available for assistance through Mr. Emmett Francis, Budget Officer, if needed, on any questions regarding this memorandum.

NAVAJO NATION

RCS# 897

12/22/2017
02:39:54 PM

Special Session

Amd# to Amd#

Legislation No. 0475-17

PASSED

MOT Tsosie

Approving Supp funding from

SEC Hale

**UUFB \$1,437,300.00 to the Ofc
of the President**

Yea : 19

Nay : 0

Not Voting : 5

Yea : 19

Begay, K
Begay, NM
Begay, S
BeGaye, N
Bennett

Chee
Crotty
Damon
Daniels
Filfred

Hale
Jack
Perry
Pete
Slim

Smith
Tsosie
Witherspoon
Yazzie

Nay : 0

Not Voting : 5

Bates
Brown

Phelps

Shepherd

Tso