

RESOLUTION OF THE  
NAABIK'ÍYÁTI' STANDING COMMITTEE  
25<sup>th</sup> NAVAJO NATION COUNCIL -- Third Year, 2025

AN ACTION RELATING TO THE NAABIK'ÍYÁTI' COMMITTEE; APPROVING AND AUTHORIZING A PUBLIC LAW 93-638 CONTRACT (MODEL 108) BETWEEN THE NAVAJO NATION AND U.S. DEPARTMENT OF THE INTERIOR UNDER 25 U.S.C. §§ 5301 ET SEQ. (P.L. 93-638 AS AMENDED) FOR A PERIOD OF FIVE YEARS FOR THE DIVISION FOR CHILDREN AND FAMILY SERVICES' P.L. 102-477 PLAN CONTRACT; APPROVING AND AUTHORIZING ANNUAL FUNDING AGREEMENT

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Naabik'íyáti' Committee is a standing committee of the Navajo Nation Council. It has the authority to "authorize, review, approve and accept any and all contracts, grants and associated budgets with the United States, its departments and agencies for the implementation of the Indian Self-Determination and Education Assistance Act, as amended upon the recommendation of the standing committee which has oversight of the division, department or program applying for the contract and/or grant." 2 N.N.C. § 701(A)(12).
- B. The Navajo Nation has a government-to-government relationship with the federal government. *Treaty of 1849*, 9 Stat. 974. and *Treaty of 1868*, 15 Stat. 667.

SECTION TWO. FINDINGS

- A. The Indian Self-Determination and Education Assistance Act of 1975 (Public Law 93-638) authorizes government agencies, such as the U.S. Department of the Interior, to enter into contracts with, and make grants directly to, federally recognized Indian tribes. The areas of agreements includes various government operations such as social services, education, law enforcement services and other programs of the federal government.
- B. Public Law 102-477 (often referred to as "477") is the Indian Employment, Training and Related Services Demonstration Act, which was passed in 1992 and amended in 2000.
- C. Contracts entered into under P.L. 102-477 allow for the consolidation of federal funds and services into a single plan, single budget, a single audit, and a single report.

- D. The Bureau of Indian Affairs delivers the funds to the Nation "through a Public Law 93-638 grant award designed for 477 or a 477 modification to a Public Law 93-638 self-governance compact." See <https://www.bia.gov/service/starting-business/477-economic-opportunities>.
- E. The Division for Children and Family Services, a division established within Executive Branch of the Navajo Nation, applied for a P.L. 102-477 Plan Contract ("477 Plan Contract") after the P.L. 102-477 Plan was approved by the Navajo Nation Council in Resolution No. CJN-31-24 and is attached as **Exhibit A**.
- F. The Navajo Nation received notice the P.L. 102-477 Plan was approved by the U.S. Department of Interior, Bureau of Indian Affairs on October 9, 2024.
- G. On March 17, 2025, the Division for Children and Family Services was awarded a five-year 477 Plan Contract for a term beginning October 1, 2024, to September 30, 2029, for a total of \$68,722,886.00 which includes services to be rendered by the Department of Child Care and Development, Department for Self-Reliance, Department of Family Services, and the Navajo Indian Child Welfare Act Program. The Award Letter is attached as **Exhibit B**.
- H. The 477 Plan Contract, which consists of the Pub. L. 93-638 Model 108 Agreement and Attachment 2, Pub. L. 477 Funding Agreement with Attachments A-C are attached as **Exhibit C**.
- I. The P.L. 102-477 Fund ("477 Fund") is available for drawing down which the Navajo Nation will invest in an interest-bearing account to be used for enhancing eligible activities and services that are outlined in the approved P.L. 102-477 Plan.
- J. The Division for Children and Family Services seeks approval of the 477 Plan Contract and authorization to draw down the \$68,722,886.00 and all future 477 Funds, into the Navajo Nation coffers to provide 477 services and activities for the benefit of Navajo children and families.
- K. The Navajo Nation Department of Justice determines the proposed 477 Plan Contract, which consists of the Pub. L. 93-638 Model 108 Agreement and Attachment 2, Pub. L. 477 Funding Agreement with Attachments A-C attached as **Exhibit C**, for Division for Children and Family Services, is legally sufficient.

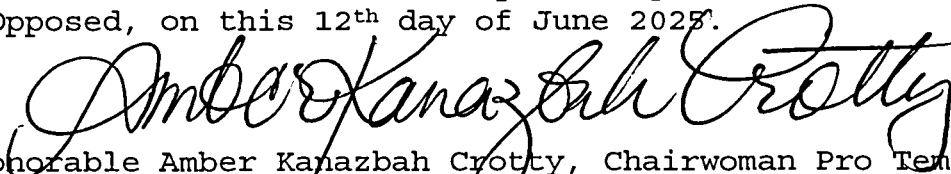
- L. It is in the best interests of the Navajo Nation that proposed 477 Plan Contract for Division for Children and Family Services be approved.

### SECTION THREE. APPROVING CONTRACT

- A. The Navajo Nation hereby approves and authorizes the 477 Plan Contract, which consists of the Pub. L. 93-638 Model 108 Agreement and Attachment 2, Pub. L. 477 Funding Agreement with Attachments A-C attached as **Exhibit C**, for Division for Children and Family Services between the Navajo Nation and U.S. Department of the Interior for a period of five years beginning October 1, 2024 and ending September 30, 2029, for the services approved under the Division of Children and Family Services 477 Plan and approves the drawing down of \$68,722,866.00 and future 477 Plan awards into a single budget.
- B. The Navajo Nation hereby authorizes the Navajo Nation President, or his duly authorized designee or successor, to execute the Contract and related documents attached as **Exhibit C**.

### CERTIFICATION

I, hereby certify that the foregoing resolution was duly considered by the Naabik'íyáti' Committee of the 25<sup>th</sup> Navajo Nation Council at a duly called meeting in Tse Bonito, New Mexico, at which a quorum was present and that the same was passed by a vote of 13 in Favor, and 00 Opposed, on this 12<sup>th</sup> day of June 2025.

  
Honorable Amber Kanazbah Crotty, Chairwoman Pro Tem  
Naabik'íyáti' Committee

6/13/2025  
Date

Motion: Honorable Cherilyn Yazzie  
Second: Honorable Germaine Simonson

Chairwoman Pro Tem Amber Kanazbah Crotty not voting

## **Exhibit A**



RESOLUTION OF THE  
NAVAJO NATION COUNCIL  
25<sup>th</sup> NAVAJO NATION COUNCIL - SECOND YEAR, 2024

AN ACTION  
RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES AND NAABIK'ÍYÁTI'  
COMMITTEES; RELATING TO THE NAVAJO NATION COUNCIL; APPROVING THE  
NAVAJO NATION'S PUBLIC LAW 102-477 PLAN

BE IT ENACTED:

**SECTION ONE. AUTHORITY**

- A. The Health, Education and Human Services Committee is a standing committee of the Navajo Nation Council and serves as the oversight committee for the Division of Social Services. 2 N.N.C. § 400(A).
- B. The Navajo Nation established the Naabik'íyáti' Committee as a Navajo Nation Council standing committee 2 N.N.C. § 700 (A). Proposed legislations that are assigned to the Navajo Nation Council as final authority shall be assigned to the Naabik'íyáti' Committee for review and consideration. 2 N.N.C. § 164(A)
- C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).

**SECTION TWO. FINDINGS**

- A. The Division of Social Services (the "Division") is established under the Executive Branch of the Navajo Nation Government. 2 N.N.C. § 1651.
- B. Public Law 102-477 is the Indian Employment, Training and Related Services Demonstration Act, which was passed in 1992 and amended in 2000.
- C. The goal of the law is to reduce unemployment through workforce development and job training in tribal communities by reducing and streamlining administrative requirements. Each participating tribe decides which eligible employment and training related federal programs to include in its 477 plan.
- D. Public Law 102-477 applies to any federal formula-funded program intended for employment, training, and services that may enhance a person's ability to become self-reliant.

- E. For each tribe and tribal organizations with active 477 plans, the BIA conducts on-site monitoring at least once every three years and, in coordination with affected agencies, provides technical assistance related to audit findings or program activities. BIA will notify affected agencies of the on-site monitoring activities. Affected federal partners are invited to participate and notify the BIA of any issues or concerns so that they can be addressed during the on-site review. BIA also conducts annual 477 Program trainings at regional and national conferences for participating and non-participating tribes. <https://www.doi.gov/ocl/tribal-477-programs>.
- F. Twelve United States Executive Branch Departments have entered into a Memorandum of Agreement ("MOA") for the submission, review, and approval of 477 Plans. This MOA requires the 477 Plan to be approved by the governing body of the tribe.
- G. The Division has submitted its 477 Plan which is attached as Exhibit A.
- H. The Department of Justice reviewed the 477 Plan submitted by the Division and determined it to be legally sufficient. The Department of Justice's review documents are attached as Exhibit B.

### SECTION THREE. APPROVAL

- A. The Navajo Nation hereby approves the 477 Plan prepared by the Division of Social Services.

### CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the 25<sup>th</sup> 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 16 in Favor, and 00 Opposed, on this 13<sup>th</sup> day of June 2024.



Honorable Vince R. James, Speaker Pro Tem  
25<sup>th</sup> Navajo Nation Council

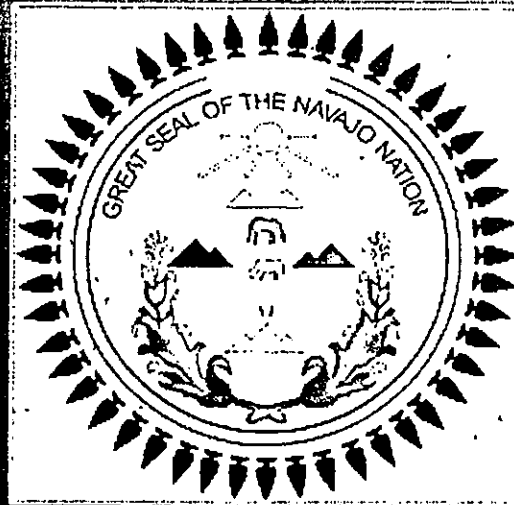
6/19/24

Date

Motion: Honorable Brenda Jesus

Second: Honorable Helena Nez Begay

Speaker Pro Tem Vince R. James not voting



# Navajo Nation

**Division of Social Services**

**P.L. 477 Plan**

**5 Year Plan: October 1, 2025 to September 29, 2029**

## Table of Contents

|                                                          |    |
|----------------------------------------------------------|----|
| Introduction.....                                        | 3  |
| Programs to be Integrated.....                           | 5  |
| Consistency with the Act.....                            | 5  |
| Tribal Authority.....                                    | 6  |
| Service Area/Map .....                                   | 6  |
| Tribal History/Population/Tribal Statistics.....         | 8  |
| Comprehensive Strategy.....                              | 12 |
| Goals/Outcomes .....                                     | 13 |
| Program Eligibility .....                                | 15 |
| Related Services .....                                   | 27 |
| Indian Child Welfare Act (ICWA) Services.....            | 27 |
| Adoption Promotion and Support Services.....             | 28 |
| Child and Family Well Being Program/ Child Services..... | 28 |
| Child Care Assistance .....                              | 30 |
| Definitions .....                                        | 31 |
| Health and Safety Standards.....                         | 32 |
| Criminal Background Check Requirements.....              | 38 |
| Disaster Preparedness and Response Plan.....             | 39 |
| Support Services .....                                   | 42 |
| Low Income Home Energy Assistance Program (LIHEAP) ..... | 43 |
| Cultural Training and Other Educational Activities ..... | 44 |
| Economic Development .....                               | 45 |
| Emergency Disaster, Crisis, and Mitigation Response..... | 45 |
| Confidentiality.....                                     | 46 |
| Uniform Appeal and Grievance Process.....                | 46 |
| 477 Plan Public Notice Hearing.....                      | 46 |
| Financial Reporting.....                                 | 47 |
| Budget .....                                             | 47 |

## **Appendix**

- Appendix A - - Tribal Resolution
- Appendix B - - Letter of Intent
- Appendix C - - Indirect Cost Agreement
- Appendix D - - SF424
- Appendix E - - Assurances and Certification
- Appendix F - - Annual Audit
- Appendix G - - 477 Tribal Officials
- Appendix H - - DSS Organizational Chart
- Appendix I - - TANF Payment Rates
- Appendix J- - Child Count Declaration
- Appendix K- - Child Care Sliding Fee Scale & Program Rate Schedule
- Appendix L - - Payment Rates for Child Care Providers
- Appendix M - - Child Care Provider Consumer Statement
- Appendix N - - Uniform Appeal and Grievance Process
- Appendix O - - 477 Plan Public Notice Hearing

## Introduction

We, the Diné, believe that every person is sacred possessing dignity as an individual and deserving of respect and kindness. In turn, every person has a responsibility to express their dignity in a life of responsibility for themselves, their families, and their communities. Every Diné person is deserving of a life full of Hózhó (happiness and harmony).

The teachings of the Holy People are embedded in our culture and traditions and the teachings provide us with the tools we need to defeat our modern monsters (such as violence, substance abuse and suicide) that endangered the welfare of our Navajo people and communities. Today, the teachings have been given to us by our Diyin Dine'e (The Holy People).

Each of us has an identity that is embedded in us as individuals and that is inextricably linked to our place in a continuum of ancestors, traditions, culture, family, clan, K'é (Kinship), and the future. Our culture, tradition, songs, prayers, ceremonies, way of life, language and teachings are the vital pathways for finding this continuum and understanding our place in it. Without it, we are adrift.

Youth: The teachings guide our youth to know that they must go through the trials and torments of adolescence. But if they work and persevere, they can become individuals who will please the Holy People, their families, community, and ultimately themselves. This represents the peace that can be found when one lives a life consistent with the community's values, standards and is a participant in the culture.

Children: As children grow, they experience the larger world. They discover the boundaries of their life skills and experiences and those of their immediate family. Some of their life skills come from their fathers and mothers, but not all. They need to seek out mentors who will help them. So it was with the Twins, who found Spider Woman along their journey to the East seeking their father the Sun. The mentors of youth teach them to find inner peace and strength, so they can defend themselves from things that would crush them, hurt them, and reduce them. This cultural traditional teaching is at the core of our Diné culture.

They need mentors to help guide them through the potential dangers in life. All youth need to understand that there was a purpose to them being born. Mentors also need to advise them in finding their purpose in life and to help them gather the tools they need to survive and live their life's purpose. Without purpose, they can become ill of mind, body, spirit, and vulnerable to the modern-day monsters.

Adults: The Holy People teach us that to become adults, live in the happiness of being a member of our community and help our People, we must seek wisdom in order to obtain maturity and experience adversities that come from facing fear by living in an uncertain world. We must take the risks of living in the world to gain more wisdom. When we venture out into the world, we learn by using the teachings of our culture to make sense of our experiences and grow from them.

Elders: To do this, we must use the wisdom of others, our elders and the teachings of the Holy Ones to guide us. The gifts of wisdom we receive bring us purity and strength, if we accept them and endure them within ourselves, our family, our community, and as a whole nation.

Not all of the challenges of life should be thought of as evil or as monsters to be destroyed. Some of them teach us to help yourself and one another. You as an individual and all members of society need to be industrious, plant crops, earn a living, and basically experience the simple joys of accomplishing daily tasks for our families. Some, like old age, are necessary parts of the nature of things, the phases of life, and contribute to the balance that is necessary in our world, our society, and ourselves. These things are not to be thought of as adversity but to be celebrated as the natural order of things.

When we are in a state of balance, of holy one-ness with ourselves, our world, our families, and our community. As such, we say Hózhóó Naashá (May I Walk in Beauty). This is the true balance of mind, heart, body, and spirit, which is a relationship to the world and universe. This is the core strength of any human being and the source of lasting happiness. It is the antidote to the injuries caused by the modern monsters. For Diné, it is found by bringing ourselves into alignment with our heritage and our culture. But our youth cannot find this alignment without mentors to guide and teach them.

Conversely, without such mentorship and nurturing, we can become vulnerable to modern monsters. It can also bring disharmony. Put another way, we must appeal to the Holy Ones, our families, and all our relations for advice, tools, support, and guidance in order to restore harmony (this state is part of Walking in Beauty and it is the core Navajo value). As a result, whenever there is a dispute, violence is never the answer. Wisdom comes to us when we work collectively and with respect for the sacred nature of each individual. With this wisdom and collective collaboration, we can solve problems to restore Hózhó (harmony).

The Navajo Nation's Division of Social Service (NDSS) is under the Executive Branch of the Navajo Nation's three-branch government. NDSS provides social services consistent with professional social work ethics and values; and human services in accordance with Navajo cultural values to help reduce and alleviate hardship.

Under the direction of the Executive Director, NDSS has initiated organizational rebranding efforts of its departments and programs aimed to improve coordinated efforts of the division's overall social well-being through case management, financial benefits, career development, childcare services, protective services, counseling, crisis intervention, and family reunification. The rebranding initiative includes a division name change to the Division of Social Services (DSS), which will be referenced accordingly henceforth *See Appendix H*.

DSS will continue to serve tribal members consistent with the DSS' Mission, Vision Statement, and with the Navajo Nation's Diné Action Plan (DAP). DSS shall offer an array of services through the self-governance compact and within organizational goals for the purpose of administering services to eligible clients. Therefore, DSS's successful comprehensive approach addresses challenges and barriers to self-sufficiency for both individuals, families, and children.

Pursuant to the Indian Employment, Training, and Related Services Consolidation Act of 2017, DSS will implement a consolidated employment, education, and training program for the benefit of its tribally defined membership. DSS's 477 Plan consolidates diverse federal program funds into a single comprehensive 477 plan for both 477 and non-477 funded programs to be fully integrated to ensure non-duplication.



## **Programs to be Integrated**

Pursuant to the Indian Employment, Training, and Related Services Consolidation Act of 2017, Navajo Division of Social Services will be submitting the 477 Plan, which will be implemented for the purposes of:

- i. Job training,
- ii. Welfare to work and tribal work experience,
- iii. Creating or enhancing employment opportunities,
- iv. Skill development,
- v. Assisting Indian youth and adults to succeed on the workforce,
- vi. Encourage self-sufficiency,
- vii. Training individual participants with the world of work,
- viii. Facilitating the creation of job opportunities,
- ix. Economic development, or
- x. Any services related to the activities described.

By implementing the Indian Employment, Training, and Related Services Consolidation Act of 2017, DSS will reduce administrative and reporting burden. The formula funded federal programs to be included in Navajo Division of Social Services 477 Plan for October 1, 2024, to September 30, 2029, are as follows:

### Department of Interior; Bureau of Indian Affairs

- General Assistance
- Burial Assistance
- Adult Services
- Homemaker Services
- Indian Child Welfare Act (ICWA)

### U.S. Department of Health & Human Services

- Temporary Assistance to Needy Families (TANF)
- Child Care Development Fund (CCDF)
- Community Services Block Grant (CSBG)
- Low Income Home Energy Assistance Program (LIHEAP)
- Title IV-B Subpart 1 Child Welfare Services
- Title IV-B Subpart 2 Promoting Safe and Stable Families
- Title IV-E
- Family Violence Prevention and Services Act

## **Consistency with the Act**

Navajo Division of Social Service's organizational goal is to create and maintain a comprehensive program to provide opportunities to eligible participants through education, training, employment, and related services for tribally enrolled Navajo people residing within the Navajo Service Area.

The Mission of the DSS is to advocate for change, empower and strengthen our children, families, and communities by providing quality, holistic, cultural, and value-based services is carried out through the

consolidation of federal education, training, employment, and related services included in our 477 Plan. This plan demonstrates how we as a Tribal Nation integrate federal program activities and services to improve their effectiveness and reduce unemployment in our communities. We will serve participants in accordance with our 477 plan.

Our DSS Mission is consistent with the Statement of Purpose of Public Law 102-477. The 477 Act allows tribes the opportunity to tailor educational, employment, and training related services to meet tribal needs and priorities. DSS will ensure services are provided to clientele in a manner that is respectful and culturally sensitive. The DSS 477 Plan will be administered consistent with these overall goals.

## **Tribal Authority**

Through the Navajo Treaty of 1868, the Navajo Nation's sovereignty and rights are recognized. As a governing body, the Navajo Nation operates under a three (3)-branch government system centrally headquartered in Window Rock, Arizona:

- The Executive Branch, headed by an elected President and Vice President, is comprised of twenty-one (21) Divisions and Executive Offices that provide a broad range of governmental services.
- The Legislative Branch, headed by an elected Speaker of the Navajo Nation Council, consists of twenty-four (24) members elected Navajo Nation Council, and various offices and boards.
- The Judicial Branch, headed by an appointed Chief Justice, is comprised of a system of eleven (11) District Courts and a Supreme Court.

The Division of Social Services (DSS) is under the Executive Branch of the Navajo Nation's three-branch government. Under the leadership of the DSS Executive Director, DSS programs and departments provide social services, consistent with professional social work ethics and values, and human services in accordance with Navajo cultural values to help reduce and alleviate hardship. DSS programs and departments are designated to administer or supervise the administration of the programs to be integrated to include contracting and administering federal, state, and private grants and contracts.

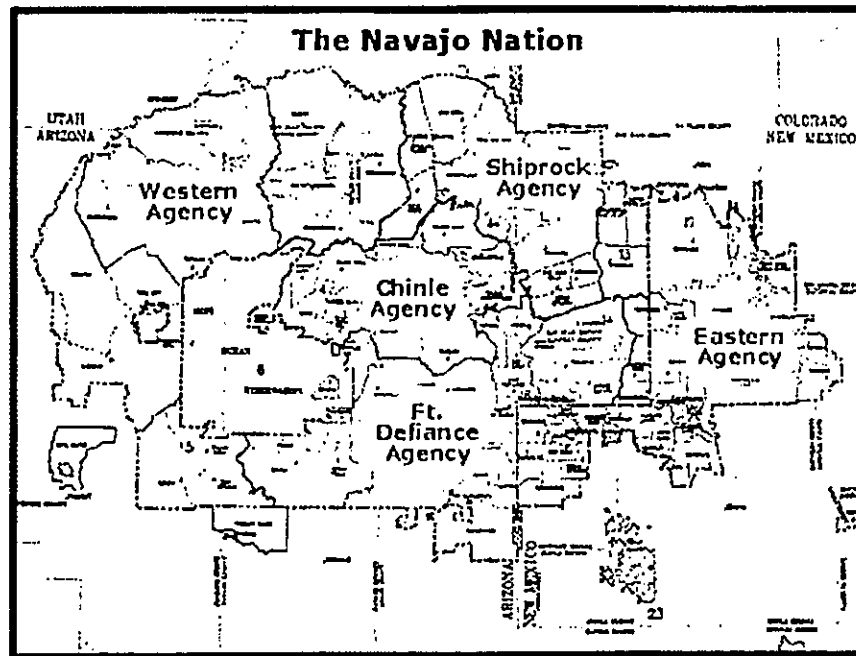
## **Service Area/Map**

The Navajo Nation is the largest federally recognized Indian tribe in the United States. The Navajo Nation land base occupies a total area of approximately 27,000 square miles spans across the states of northeastern Arizona, northwestern New Mexico, and southeastern Utah.

The Navajo Nation is divided into five (5) agencies, with the seat of government located at the Navajo Governmental Campus at Window Rock/Tségháhoodzání. The five (5) agencies within the Navajo Nation are the:

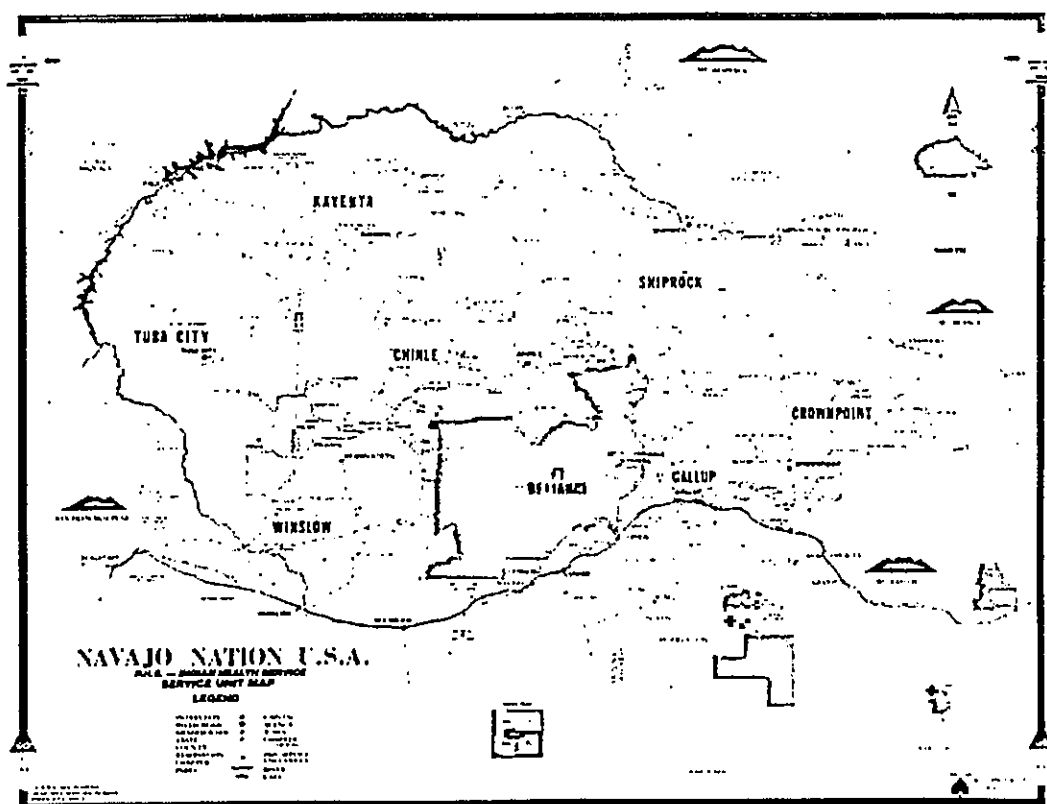
- Central Agency which has 14 chapters.
- Eastern Navajo Agency has 31 chapters.
- Western Navajo Agency has 18 chapters.
- Fort Defiance Agency has 27 chapters.
- Northern Agency has 20 chapters.

Agencies are further divided into chapters, which includes 110 Navajo chapters and three (3) Navajo "satellite" communities: Alamo, To'hajiilee, and Ramah, are in central New Mexico.



According to the Navajo Nation Census Data dated February 21, 2024, there are 415,863 enrolled members of the Navajo Nation, who reside on the Navajo Nation, in urban, border towns, and elsewhere in the U.S. DSS provides assistance and services to the following areas:

- A. All communities within the Navajo Nation, including Trust lands, Fee lands, and the satellite communities.
- B. The city limits of a federally designated Near Reservation community, where the identified head-of-household or a Benefit Group member has a Navajo Census Number. The Navajo Nation's designated "near reservation" communities, as listed in the Federal Register (Vol. 44, No.9, January 12, 1979).
- C. Eligible Navajo children and families residing off the Navajo Nation, who are involved voluntary or involuntary state child custody proceedings.
- D. Services may be coordinated with other tribes and states through formal agreements such as Memorandums of Agreement (MOA) or Memorandums of Understanding (MOU).



## Tribal History/Population/Tribal Statistics

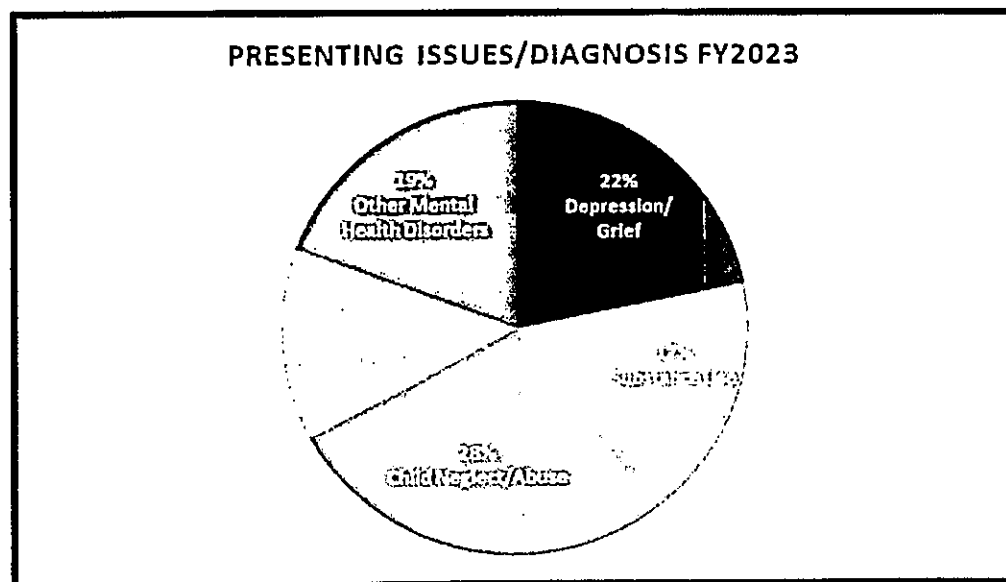
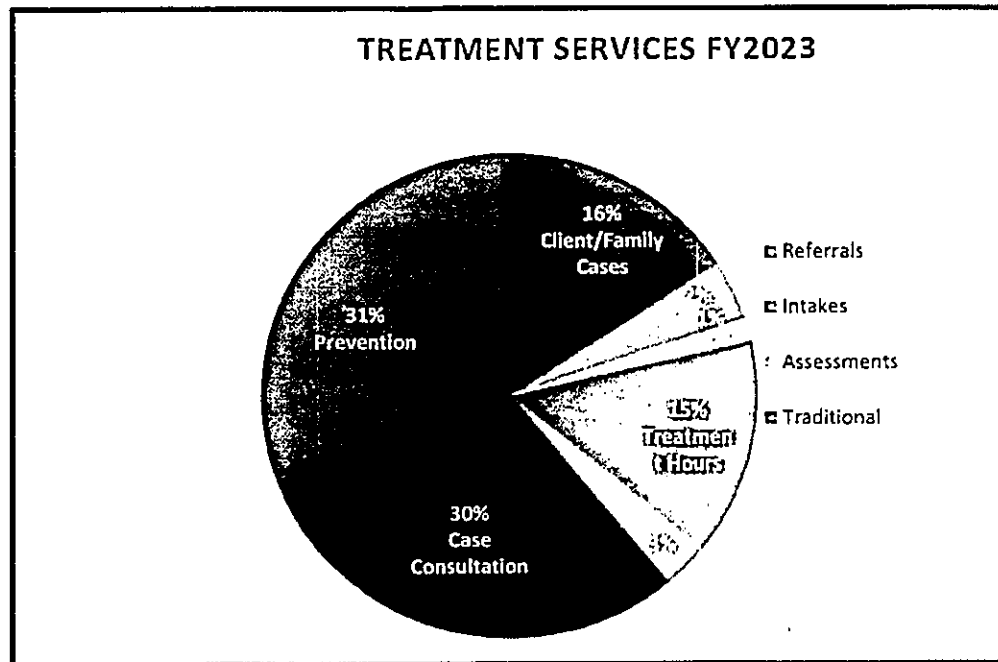
Throughout our Navajo history to present day, our oral history tells us that Navajo people faced Naayéé (monsters) that endangered the welfare of our Navajo people and communities. Today, we face contemporary monsters such as violence, substance abuse and suicide that trouble our communities and people. Since time immemorial our Navajo ancestors fought and persevered in various challenges. So, we too must rely upon our traditions, our language, our sacred teachings, and resources to combat these contemporary monsters to further prove our resilience and overcome these struggles to heal our Navajo children and families to strengthen future generations.

Therefore, defining the scope of our community needs will be made at the tribal level. The mission of the DSS is to advocate for change, empower and strengthen our Navajo children, families, and communities by providing quality, holistic, cultural, and value-based services to our Navajo relatives, who reside on the Navajo Nation, in urban areas, border towns, and elsewhere in the U.S.

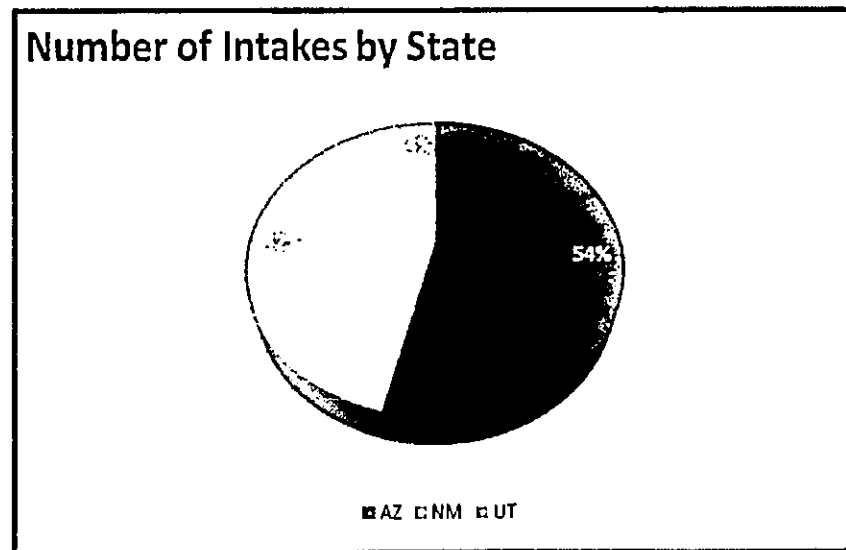
According to Navajo Nation Census Enrollment Data, February 21, 2024

|         |                                                       |
|---------|-------------------------------------------------------|
| 415,863 | Total enrollment numbers for the Navajo Nation        |
| 109,461 | Total number of enrolled children under the age of 18 |
| 306,402 | Total number of enrolled adults                       |

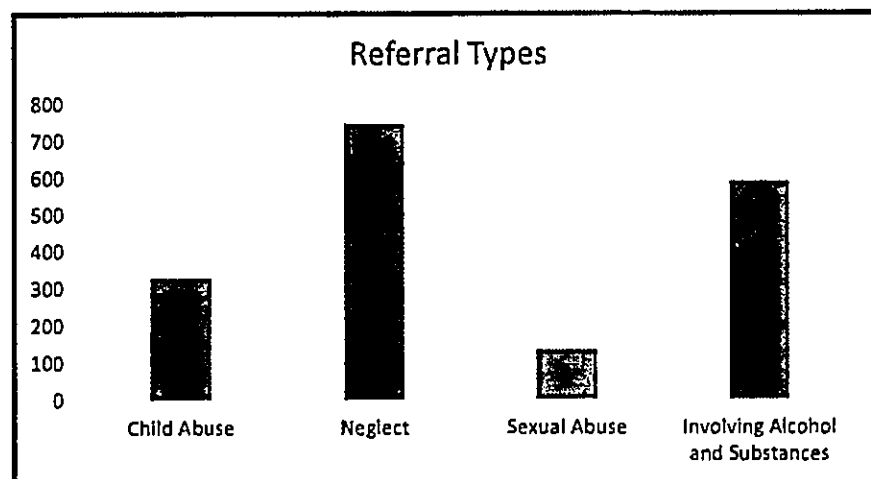
➤ 2023 Statistics of Client Treatment Services



➤ **Child Welfare Services offered under DSS in 2023**



In 2023, 1,098 total referrals were received for child abuse and neglect, including 330 referrals for child abuse, 748 for child neglect and 137 for sexual abuse. 591 referrals involved parental alcohol and substance use issues.



A total of 1,088 total Child Protective Services investigations were completed, resulting in:

- 153 referrals to the court
- 413 in referrals to other sources
- 270 family conferences
- 93 family group conferences completed.

Intervention services also included out of home placements, including:

- 376 in Emergency Shelter
- 1,979 Foster Care
- 160 in Residential Care
- 4961 in Relative care
- 22 in youth homes
- 92 in Developmental Disabilities (DDD) placements.

Currently, there are 132 licensed relative homes and 150 licensed non-relative homes.

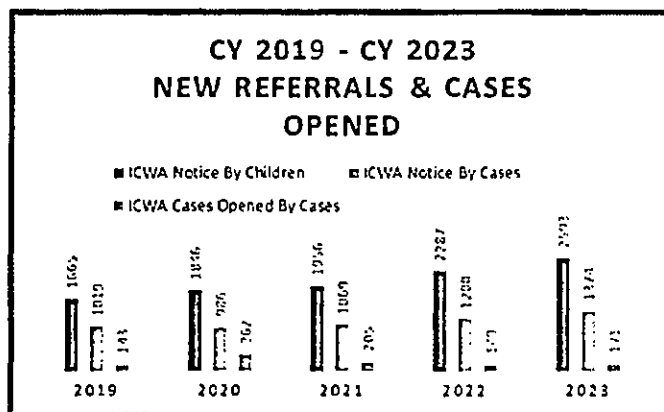
Permanency efforts for children removed resulted in:

- 275 successful reunifications
- 89 resulted with Guardianships
- 2 resulted with Adoption.

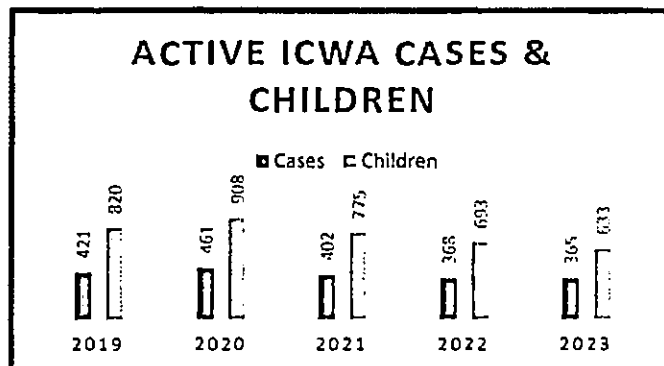
A total of 1,121 home-studies were completed:

- 995 home-studies for child guardianships
- 16 regarding child custody concerns.

#### ➤ Navajo Indian Child Welfare Act

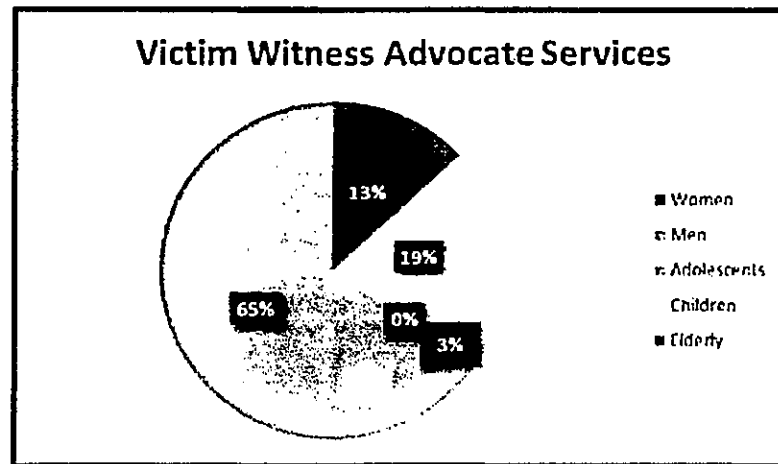


In 2023, there are ICWA active cases within 27 states.



### ➤ 2023 Family Violence Prevention and Services Act

DSS served a total of 69 clients, including 9 women, 13 men, 2 adolescents, 0 children, and 45 elderly with victim witness advocate services.



### ➤ 2023 Adult Services / Home Maker Services

DSS served adults and elderly involved within the Dine Elder Protection Program (DEPP) within the respective states of Arizona, New Mexico, and Utah.

- 81 adults were served by the DEPP Program
- 204 elders were served by the DEPP Program
- 424 adults were served by the Adult Services
- 769 adults and elders were provided Adult in Home Care Services (Home Maker Services)
- 332 adults were provided adult case management services.
- 702 elders who needed group home or elderly placements.

## Comprehensive Strategy

The Division of Social Services (DSS) believes all individuals are sacred and that our Navajo culture, language, and strong kinship ties are essential to one's overall well-being and healing. Therefore, our plan will integrate all education/ training, employment, protective services, family reunification, and related services to increase opportunities for the people of the Navajo Nation, and American Indians. DSS 477 plan will be accomplished utilizing the DSS Vision and Mission Statements:

**DSS Vision Statement:** to promote the holistic and cultural values of T'áá hwó ájít' éego and K'e to individuals and families in order to have safer and healthier communities for future generations.

**DSS Mission Statement:** The mission of NDSS is to advocate for changes, empower and strengthen our children, families, and communities by providing quality, holistic, culture and value-based services.



Additionally, our plan approach will improve:

- Communication and cross training efforts between DSS program services.
- Overall effectiveness and efficiency of services to our Navajo people within our communities while inspiring self-sufficiency, reducing joblessness, and strengthening family values using our culture.
- Co-location of staff across the Navajo Nation to ensure space/rental meets the service delivery of this plan.
- Technology and support to assist DSS staff, adult, and youth participants in job retention through the development of specialized tech skills, and further enhance their skill sets, resumes, and employability.
- Youth programming across the Navajo Nation to promote healthy behavior and life choices.
- Partnerships with the local education agencies and community groups to provide services, transportation, and support youth.

## **Goals/Outcomes**

The Navajo Division of Social Services (DSS) adopts the goals below for its 477 Plan as each goal is consistent with the purposes of P.L. 102-477. Whenever possible, DSS will strive to make all 477 programming culturally relevant in accordance with DSS Vision Statement of promoting the holistic and cultural values of T'áá hwó ájit' éego and K'e to individuals and families to have safer and healthier communities for future generations.

- To protect and promote the welfare of Navajo individuals, children, vulnerable adults, elderly, and families. While delivering service in an efficient and culturally sensitive manner utilizing the wrap around method of intervention and the system of care model while promoting and preserving cultural teaching, cultural identity, and the Navajo language.
- To increase awareness of and prevention education of child welfare, adult/elderly protection and domestic violence and to promote family and community involvement in addressing these concerns, while providing 24/7, 365 days advocacy for emergency residential shelter for victims/survivors of violence and their dependents.
- Provide in-home one to one care to eligible adults/ elders.
- Develop Navajo language resources, materials, and training to be used long term with Navajo clients to increase the use of language, number of speakers, and improve the health and education of the community holistically.
- Integrate programs implemented for the purposes of job training; outreach to potential clients, creating or enhancing employment opportunities with emphasis on the importance of gaining new knowledge including digital literacy; skill development; assisting Indian youth and adults to succeed in the workforce; familiarizing individual participants with the world of work; facilitating the creation of job opportunities; economic development; and related services thus advancing their careers.

- Create youth mentorship/internship and training opportunities throughout the Navajo Nation that will synchronize with Navajo values. This will ensure youth have a positive ongoing relationship with tribal government and promote healthy relationships with adults in the community.
- To facilitate the successful nurturing of children in their own homes by promoting healthy home environments and strengthening family values. Prevent and reduce the incidence of out-of-wedlock pregnancies.
- Provide financial assistance to eligible Low-income households, shelter needs resulting in displacement or from natural disasters with everyday basic living expenses, training /educational expenses, employment expenses, and medical care / health related expenses, and travel expenses that exceeds their source of income to support self-sufficiency.
- Provide financial assistance to eligible low-income households that have minor health related expenses that exceed their source of income while also supporting the use of Traditional healing ceremonies.
- Provide parents and other caregivers with respite or short-term child services that offer temporary relief, improve family stability, and preserve child(ren) placement.
- Provide financial assistance to low-income households for housing related needs such as rental assistance, security deposits, utility payments related to crisis situations, and assistance.
- Increase self-sufficiency by addressing and reducing the dependency on public assistance programs and reducing the effects of poverty on the Tribal Service Area population.
- To create and support responsible parenting to strengthen healthy, stable family relationships. Encourage the formation, maintenance, and strengthening of two-parent families, extended families, and non-traditional families.
- Support education that leads to high demand/high pay with projected future growth to meet the local area needs.
- Provide education, counseling, and services to reduce and/or better manage basic needs including home energy consumption, health, and safety practices.
- To prevent neglect, abuse and exploitation while providing education, assessment, counseling, and trauma informed care to support, treat, and stabilize behavioral/mental health needs.
- To promote the safety, permanence, and well-being of children in foster care, kinship and shelter homes while promoting and advocating for the stability and security of Navajo families by providing services to preserve and reunite Navajo families who reside off the Navajo Nation while protecting the best interest of Navajo children.

- To promote and advocate for permanent placement of Native American children in Native American homes for the preservation of cultural identity.
- Serve tribally determined goals consistent with the policy of self-determination and self-governance. To strengthen and increase partnerships with providers to design and improve intervention services while maintaining intergovernmental agreements.
- To promote and integrate staff and Tribal member training, professional development, and support to ensure a well-qualified workforce using enhanced technology across the Nation.
- Focus on the importance of ensuring the health and safety of children in child care and promoting quality to support child development.
- Helping parents make informed consumer choices and access information to support child development; and to provide equal access to stable, high quality child care for eligible children throughout the Navajo Nation and identified border towns.

## **Program Eligibility**

All applicants requesting services through Navajo Division of Social Services (DSS) must meet the following basic eligibility requirements. Participants who meet the minimum eligibility requirements may be served on a case-by-case basis for unmet need:

- Submit a completed, signed and dated application for services along with necessary supporting documentation.
- Provide a Certificate of Indian Blood (CIB) or verification of enrollment with a federal recognized tribe.
- Proof of residency (may be determined by local chapters)
- Individual or Family Self-Sufficiency Plan (ISP or FSSP) prior to receipt of services.
- Individual services being provided may require additional supporting documentation.
- In certain circumstances, court order which may include any of the following:
  - Court order for services (adults, elders)
  - Custody/ dependency
  - Specific judicial determinations

### **Services: Youth/Adult**

DSS emphasizes employment, education, and training supportive services to individuals and families. Many of the service providers within DSS refer participants that need child care and are actively working, taking college/vocational classes, in certificated training, employment "related" activities, or short-term subsistence "related" activities as deemed appropriate for household. DSS offers a variety of services to help job seekers achieve their personal and professional goals.

## Employment

### ➤ Adult Subsidized Employment

DSS offers subsidized work experience for adult members in a DSS Benefit Group. DSS will provide job preparation, work experience, exposure to various career fields, and potential long-term, sustainable employment.

### ➤ Youth Subsidized Employment

DSS offers subsidized work experience or extended training for youth members in a DSS Benefit Group and 14-18 years of age. The employment program or training program will be offered for 4-6 weeks and will provide job preparation, work experience, and exposure to various career fields for the youth.

The Tribe may use Federal TANF funds under purpose 3 to provide Alaska Native/American Indian youth ages 14-24 subsidized employment and employment services. The youth must be Alaska Native/American Indian residing within Navajo DSS service area and do not have to be financially deprived. DSS will develop internal guidelines to prioritize TANF and low-income children based on funding availability.

### ➤ Transitional Support

Transitional services shall be available to DSS Customers who gain sustainable employment and are no longer receiving DSS assistance. Adults who receive Transitional Support shall be ineligible to apply for DSS assistance for a period of three (3) months from the date of closure.

### ➤ Work Experience

Provide Customers the skills, job knowledge and gain experience for their identified interest.

## Education

### ➤ Adult Basic Education (ABE)

- Training Instructors partner with various colleges/institutions around the Navajo Nation for ABE referrals in which Customers may obtain their GED/HSED.
- Provides adults with opportunities to develop literacy and English-language skills needed to qualify for further education, job training, and better employment to reach their full potential as family members, productive workers, and citizens.
- Partnered programs provide instructional services for Customers over the age of 16 and our Training Instructors are responsible for administering ABE services.

### ➤ Computer Basic Training (CBT)

- Training Instructors are able to teach Department of Self-Reliance (DSR) Customer's basic troubleshooting skills, teleconference basics and maneuvering in certain apps to ensure that Customers are able to gain valuable skills in computer knowledge.

### ➤ Enrichment Trainings

- Education, Career and Training (ECS) has been offering various enrichment trainings throughout each month such as substance abuse, domestic violence, ignition interlock

information, motivation, Navajo weaving, Navajo culture, parenting classes, goal setting, transitioning off welfare and many, many other trainings that are resources for DSR Customers.

➤ Vocational/Technical Education

➤ GED/HSED

➤ Post Secondary Education

- Additional tribal education is provided for information on energy reduction education is provided to tribal members through various methods such as brochures and handouts to reduce their home energy needs.
- Navajo language learning is not the scope of work for the Navajo Treatment Center for Children & their Families (NTCCF) program; however, the learning and preservation of the Navajo language is crucial, therefore, service delivery includes the Navajo cultural and traditional services. Healing through learning your Navajo language is a form of prevention/treatment modality.

Training

Adult Extended Training: Short-term vocational training for adults, who are interested in a certain educational/ career field in accordance with their Personal Responsibility Plan.

- Customers are evaluated and prepared to ensure that success is achieved through close case management and monitoring.
- Short term – NTCCF clinical staff will continue to attend training that provides Continued Education Units with their respective licensures. Clinical staff will maintain Navajo cultural competencies classes/trainings yearly.
- Long term – NTCCF clinical staff hired as an intern will gain their clinical experience and licensure with the program under the Tier System established.
- Foster Care/ Kinship Care Training is provided to potential foster/kinship parents. Training includes pre-placement training and continuing education.
- Financial assistance to Navajo students pursuing a Social Work degree and are working in or have an interest in working within the Navajo Nation's child welfare programs.
- Social Work internships/field placements are available within the DSS.
- DSS supports and provides continued education credits toward staff certifications and for specialized training.

**Cash Assistance**

General Assistance (GA)

GA provides short-term financial assistance for basic essential needs (food and shelter) that will help achieve personal well-being, family unity, economic, and social stability, when no other services are available. Applicants must not currently be receiving financial assistance from TANF, Social Security Income (SSI), Social Security Disability Income (SSDI), or any Public Assistance programs (excluding food stamps) or other BIA assistance funds. If a client has been employed in the past 12 months, he/she must apply for unemployment benefits, and provide official documentation of unemployment benefits decision. If upon the initial screening by DSS staff, the participant appears eligible for GA, the participant

will then develop an Individual Self-sufficiency Plan (ISP) that outlines the steps they must take to obtain and keep employment. The assigned staff will complete basic assessment of career interests, employment skills, employment readiness, and assessment to their barriers to employment (physical limitations, mental health needs, substance abuse issues, etc.) will be identified. GA will be provided for a period of no more than three (3) consecutive calendar months. Redetermination of eligibility for benefits will be mandatory at the end of three (3) consecutive calendar months. Redetermination for a GA eligible participant includes a home visit, an estimate of income, living circumstances, and household composition, and appropriate revisions to the participant's case plan.

**General Assistance Employment Policy** (Implemented by the Client): Employment policy does not apply to the following:

| <b>The employment policy does not apply to...</b>                                                    | <b>If...</b>                                                                                                                                                                                    | <b>And...</b>                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Anyone younger than 16.                                                                          |                                                                                                                                                                                                 |                                                                                                                                                                                                   |
| (b) A fulltime student under the age of 19...                                                        | He/she is attending an elementary or secondary school or a vocational or technical school equivalent to a secondary school.                                                                     | He/she is making satisfactory progress.                                                                                                                                                           |
| (c) A person enrolled at least half-time in a program of study under Section 5404 of P.L. 100-297    | He/she is making satisfactory progress...                                                                                                                                                       | He/she was an active General Assistance recipient for a minimum of 3 months before determination/redetermination of eligibility *(No Child Left Behind Act; No longer Applicable)                 |
| (d) A person suffering from a temporary medically injury or illness.                                 | It is documented in the case plan that the illness or injury is serious enough to temporarily prevent employment.                                                                               | The assessment is documented in the case plan.                                                                                                                                                    |
| (e) An incapacitated person who has not yet received Supplemental Security Income (SSI) assistance.  | A physician, psychologist, or social services worker certifies that a physical or mental impairment (either by itself, or in conjunction with age) prevents the individual from being employed. | The assessment is documented in the case plan.                                                                                                                                                    |
| (f) A caretaker who is responsible for a person in the home who has a physical or mental impairment. | A physician or certified psychologist verifies the condition.                                                                                                                                   | The case plan documents that: the condition requires the caretaker to be home on a virtually continuous basis; and there is no other appropriate household member available to provide this care. |

|                                                                          |                                                                          |  |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------|--|
| (g) A parent or other individual who does not have access to child care. | He/she personally provides full-time care to a child under the age of 6. |  |
| (h) A person for whom employment is not accessible.                      | There is a minimum commuting time of one hour each way.                  |  |

*\*No Child Left Behind: Title X; Section 1045: (a) In General.—The Secretary of the Interior shall not disqualify from continued receipt of general assistance payments from the Bureau of Indian Affairs an otherwise eligible Indian for whom the Bureau is making or may make general assistance payments (or exclude such an individual from continued consideration in determining the amount of general assistance payments for a household) because the individual is enrolled (and is making satisfactory progress toward completion of a program or training that can reasonably be expected to lead to gainful employment) for at least half-time study or training.”*

### **Burial Assistance (BA)**

Burial Assistance provides assistance with the burial expenses of deceased tribal members, who do not have sufficient resources to meet basic funeral expenses.

- Assists low-income households and communities by providing financial assistance for basic needs, training / educational expenses, employment expenses, medical expenses, and housing needs.
- NFAS will also provide financial assistance with shelter needs resulting in displacement or from natural disasters.

### **Cash Assistance**

DSS is responsible for the overall administration of the Navajo Nation's TANF program to provide Tribal TANF assistance and related support services to individuals and their families, who meet established eligibility criteria. *See Appendix I - TANF Payment Rates*

#### Prevention of Duplicative Assistance

A family cannot receive assistance from DSR while simultaneously receiving similar assistance from another State or Tribal program. As a result, DSR will ensure prevention of duplicative assistance include:

- a. The DSR Application for Assistance includes a question regarding current and prior public assistance received by family members. The Application also includes a section where Customers acknowledge they understand their responsibility to provide complete and accurate information, report changes timely and cooperate with DSR staff.
- b. DSR will conduct thorough eligibility determination interviews to solicit responses that may indicate potential receipt of similar assistance.
- c. If there is an indication that an applicant may be currently receiving similar assistance (State or other Tribal TANF, General Assistance or Supplemental Security Income) at the time of application, DSR will contact will the applicable State/Tribal program(s) to verify that the applicant is currently not receiving assistance from the State or Tribal program.

- d. The DSR Pathway to Quality Services staff development training requires continuous development in the areas of quality case management.
- e. The DSR Fraud Investigation Unit will investigate potential fraud.

#### Time Limit

- A. The Time Limit for an adult or minor parent to receive DSR assistance is sixty (60) countable months, whether or not consecutive. The time limit only applies to adults and emancipated minor parents included in a benefit group.
- B. All prior months of TANF assistance received from a State or other Tribal TANF Program will count towards the DSR's time limit, except for any month that was exempt or disregarded by statute or regulation.
- C. Applications submitted by an Adult who has received sixty (60) Countable Months of Assistance shall be denied, unless they are applying for continued assistance and are granted a Hardship Exemption.

#### D. Rationale for Time Limits

DSR will use the maximum number of months to prepare Customers for self-sufficiency because the majority of DSR Needy Families reside in remote areas with limited economic and employment opportunities that contribute to Customer needing an extended amount of time to gain the education or skills necessary to become self-reliant.

#### E. Exemptions to Time Limit.

A month of assistance will not count toward the 60-month time limit if the adult or minor parent:

1. Is not included in the Benefit Group and the Benefit Group only includes minor children, or
2. Received assistance while residing in Indian Country where the official not-employed rate, for the month they received assistance, is greater than 50%. The exterior boundaries of the Navajo Nation, including trust/fee lands, and the satellite communities of Alamo, Ramah, and Tohajiilee are considered Indian Country.

#### F. Hardship Exemption

A hardship exemption from the DSR Time Limit may be granted to an adult who reached their 60 countable months and who is experiencing a condition that hampers or inhibits his/her ability to maintain work or enter into work related activities. If an adult benefit group member is granted a hardship exemption, the month is not counted towards their sixty (60) Countable Month time limit. Adults granted a hardship exemption are included in the overall work participation rate.

Examples of a hardship include, but are not limited to:

1. Adult victims of domestic violence whose participation in work activities may cause an immediate threat to his/her own safety or the safety of his/her children.
2. Adults who have a medical condition, as confirmed by a physician, that prevents the individual from participating in work activities.



3. Adults with significant cognitive, physical, and/or mental disabilities that limit their educational and job skills attainment and/or their ability to secure and retain employment due to a disability (documentation of disability is required).
4. Adults responsible for the full-time care of an elderly person or a disabled dependent (documentation of disability is required).
5. Families who are homeless due to vandalism, hazardous living conditions, acts of nature, or their home is destroyed by fire and is uninhabitable.
6. Families who are homeless due to eviction.

Hardship Exemptions will be assessed on a monthly basis and will be limited to no more than twenty percent (20%) of the average monthly caseload.

### Eligibility for Assistance

The DSR will provide eligible Needy Families with monthly assistance as defined in the form of cash, checks, vouchers, or other forms of benefits designed to meet a family's ongoing basic needs such as food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses. This includes childcare and transportation related assistance for those TANF recipients who are participating in work activities but are not employed.

Needy Families must meet all non-financial, financial, and, if applicable, supplemental eligibility criteria, as defined in the DSR Pathway to Self- Reliance Policy Manual, for each month of assistance they receive.

1. The Non-Financial eligibility criteria for receipt of DSR assistance are:
  - A. Minor Child
  - B. Service Area
  - C. Service Population
  - D. Residency: All members of the Benefit Group must have resided with the head-of- household for at least thirty (30) consecutive days at the time of application or addition to the Benefit Group, unless an exception applies.
  - E. Citizenship
  - F. Time Limit: The head-of-household and, if applicable, their spouse must not have received sixty (60) Countable Months of TANF assistance, unless a Hardship Exemption from the Time Limit has been granted.
2. The Financial eligibility criteria for receipt of DSR assistance are:
  - A. Assets  
The Benefit Group's Total Countable Assets must not exceed \$3,000.
  - B. Gross Countable Monthly Income  
The Benefit Group's Monthly Gross Countable Income must not exceed the National Poverty Guideline at 200% for the applicable Benefit Group size.

C. Total Net Countable Income

The Benefit Group's Monthly Net Countable Income must not exceed the Payment Standard for the applicable Benefit Group size.

D. Income Disregards

The following income disregards shall be applied in determining eligibility for DSR assistance:

- i. Earned Income – Unsubsidized Employment: The first \$300.00 of the Needy Family's Net Monthly Earned Income.
- ii. Earned Income –Subsidized Employment: All income earned from participation in the DSR's Subsidized Employment.
- iii. Unearned Income: The first \$100.00 of the Needy Family's Net Monthly Unearned Income.

3. If applicable, the following must meet Supplemental eligibility criteria:

A. Caretakers: Caretakers must have legal guardianship/custody of the minor child(ren) on whose behalf they are applying, unless the following time-limited exception applies:

A Caretaker, related by blood or marriage to the minor child(ren) on whose behalf he or she is applying and does not have Legal Guardianship/Custody of the minor child(ren) at the time they are initially applying shall be allowed a one-time opportunity to include the child(ren) in the Benefit Group for up to twelve (12) months, without establishment of Legal Guardianship/Custody, on the condition they agree to comply with established criteria. If justified, the timeline may be extended for up to an additional twelve (12) month period.

B. Stepparent: A stepparent may be included in a DSR Benefit Group if he/she is legally married to the Legal Custodial Parent of a minor child included in the Benefit Group.

C. Minor Parent(s)

- i. A Custodial Minor Parent under the age of eighteen (18) may apply for DSR assistance on their own behalf if they are emancipated.
- ii. A Custodial Minor Parent(s) under the age of eighteen (18) who is/are not emancipated may receive DSR assistance if an adult applies on behalf of the minor parent(s) and the minor parent's child(ren).
- iii. A Custodial Minor Parent who has not attained a high school diploma must be attending a high school or equivalency program.
- iv. A Custodial Minor Parent(s) must live in a place of residence maintained by a parent, legal guardian, or other adult relative.
- v. An emancipated Minor Parent receiving assistance shall be subject to Work Participation, Personal Responsibility Plan and Time Limit requirements.

### Ineligibility for Assistance

1. Applications for DSR assistance submitted by or on behalf of the following shall not be approved:
  - A. Adults, who have met the DSR Time Limit for Assistance unless they are applying for continued assistance and are granted a Hardship Exemption.
  - B. Adults who received Diversion Benefits or Transitional Support and are currently in the three (3) month disqualification period.
2. A Custodial Legal Parent, who is ineligible for DSR assistance due to one of the reasons below will not be included in a Benefit Group and their income and assets will be counted in determining the Benefit Group's eligibility:
  - A. Is not a U.S. Citizen
  - B. Is disqualified due to one of the following:
    - i. Felony conviction for fraudulent misrepresentation of residence within the ten (10)-year period preceding the date of application, in order to obtain assistance simultaneously from two (2) or more States/Tribes for the following:
      - programs funded under Title IV of the Social Security Act (SSA), which includes TANF;
      - programs funded under Title XIX of the SSA;
      - programs funded under the Food Stamp Act of 1977; or
      - receipt of benefits in two (2) or more States under the Supplemental Security Income (SSI) program under Title XVI.
    - ii. Currently fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime, which is a felony under federal or state law.
    - iii. Currently violating a condition of probation or parole imposed under Federal or State law.
3. The following are ineligible to be included in a DSR Benefit Group and their income and assets will be disregarded in determining the Benefit Group's eligibility:
  - A. Individuals receiving SSI.
  - B. Relative/Non-Relative Caretakers
  - C. Dependent children who are nineteen (19) years of age or older.
  - D. Protective Payees
  - E. Authorized Representatives

### Non-Assistance Benefits

1. Diversion: subject to availability of funds, a diversion benefit may be provided as an alternative to monthly assistance to eligible families who are at risk of becoming dependent on public assistance due to a barrier that:
  - A. Is prohibiting a custodial parent from accepting a bona fide offer of long-term, sustainable employment.

- B. Is putting a custodial parent's continued employment at risk, or
- C. Resulted in a custodial parent losing their full-time employment and the parent will be re-employed with the removal of the barrier.

Diversion may be provided to eligible families whose Monthly Countable Gross Income does not exceed 250% of the Federal Poverty Guidelines for the applicable family size. The total amount of the Diversion benefit shall be the actual amount to remove the barrier or \$2000.00, whichever is less. Eligible families may receive a Diversion Benefit once in a twelve (12) month period.

Adults who receive Diversion shall be ineligible to apply for DSR assistance for a period of three (3) months from the date of closure.

- 2. Transitional Support: transitional services shall be available to DSR Customers who gain sustainable employment and are no longer receiving DSR assistance.

Subject to availability of funds, Customers, who meet eligibility criteria may receive a one-time series of Transitional Support benefits for up to three (3) months following closure of their DSR assistance case to assist him/her with costs associated with transitioning from welfare to work. DSR staff will follow up with customers to ensure a smooth transition to employment.

Adults, who receive Transitional Support, shall be ineligible to apply for DSR assistance for a period of three (3) months from the date of closure.

- 3. Short-Term, Non-Recurring Benefits: subject to availability of funds, a Non-Recurring, Short-Term Benefit (NRSTB) may be provided to assist eligible families receiving DSR assistance in addressing a specific crisis or episode of need that is not recurrent and will not extend beyond four (4) consecutive months. NRSTB will not be provided to meet recurring or ongoing needs. The amount of NRSTB provided to eligible families shall not exceed \$1000 in a twelve (12) month period.

- 4. Emergency Non-Recurring, Short-Term Benefits: subject to availability of funds, an Emergency Non-Recurring, Short-Term Benefit (ENRSTB) may be provided to assist eligible families during a government (federal, state, county, or Navajo Nation) declared natural disaster, emergency, or pandemic. ENRSTB may be provided to eligible families whose Monthly Countable Gross Income does not exceed 250% of the Federal Poverty Guidelines for the applicable family size. The ENRSTB amount shall not exceed \$1000.00 for each event.

#### Negotiated Work Participation Rate

The Navajo Nation's Minimum Work Participation Rate for each year is:

- Fiscal Year 2022 ..... 33%
- Fiscal Year 2023 ..... 33%
- Fiscal Year 2024.....33%

### Work Participation

All adults and custodial minor parents receiving assistance will be subject to the Minimum Work Participation Hours (MWPB) requirement.

#### 1. Minimum Work Participation Hours Requirement

All adults and emancipated custodial minor parents receiving assistance are subject to the DSR's MWPB for each month of assistance they receive. In order to be counted toward the MWPB requirement, a work activity must be a pre-authorized work activity or Customer's Personal Responsibility Plan.

- A. The MWPB requirement shall be twenty- four (24) hours per week for each month of assistance received. The MWPB requirement is established based upon remoteness, limited economic and employment opportunities, limited number of day care centers, low educational levels of the DSR Customers, and the lack of public transportation.
- B. Adults and Minor Parents required to meet the MWPB requirement shall not be subject to penalty until the month after their initial Personal Responsibility Plan is completed and implemented.
- C. Adults and Minor Parents subject to the MWPB requirement will be deemed as meeting the MWPB requirement if they are:
  - i. A single custodial parent, with a dependent child under the age of six (6), who is the only caretaker in the family, and participated in an authorized work activity for at least an average of twenty (20) hours per week during the reporting month.
  - ii. A minor parent who maintains satisfactory school attendance; or
  - iii. A minor parent who participates in education directly related to employment for an average of at least twenty (20) hours per week during the reporting month.
- D. When a customer's worksite is closed due to a federal, state, or tribal holiday, or for authorized closures, the Customer will be given credit for the hours they were scheduled to participate in authorized work activities on that day.

### Authorized Work Participation Activities

Work Participation Activities that may be authorized for adults and minor parents receiving assistance to move them and their family toward self- sufficiency are:

- 1. Unsubsidized Employment
- 2. Subsidized Private Sector Employment
- 3. Subsidized Public Sector Employment
- 4. Self -employment
- 5. Work Experience
- 6. Vocational/Technical Educational Training
- 7. On-the-job training directly related to employment.
- 8. Job skills training directly related to employment.

9. Participation in education is directly related to employment, where the Customer has not received a high school diploma, GED or High School Equivalency Diploma (HSED).
10. Participation in education, other than post-secondary, directly related to employment, where the participant has a high school diploma, GED or HSED.

This includes cultural education as an apprentice learning and assisting with cultural ceremonies. This will aid in the understanding the use of items of cultural significance for the purpose of job readiness, learning traditional stories to become traditional storytellers, and other cultural education that leads to becoming self-sufficient, productive, and contributing members of the community.

11. Satisfactory attendance at a secondary school or course of studies leading to a High School Diploma or its equivalent (e.g. GED/HSED).
12. Participation in Adult Basic Education (ABE), Remedial Education, and English as a Second Language (ESL) courses.
13. Post-secondary education at a college or university.
14. Job Search
15. Study or Research Time for Customers participating in an authorized education related work activity.
16. Job Readiness
17. Community Service
18. Providing childcare services to another DSR Customer who is participating in authorized work activities.
19. Participation in Assessments, as part of case management services, conducted by the DSR or another program.
20. Participation in Orientation Sessions provided by the DSR or another program.
21. Participating in activities to remove barrier(s) related to Personal Responsibility Plan goals.
22. Time spent in substance abuse and drug intervention counseling, behavioral and mental health services, domestic violence intervention counseling, including being a patient of cultural traditional ceremonies.
23. Participation and education in prevention, intervention, or treatment of mental/physical health-related illnesses. This includes being a patient of cultural or traditional ceremonies.
24. Providing support and care to a dependent child with a special need(s) who requires full-time care, as verified by a licensed medical professional.
25. Providing care to an immediate relative with a medically verified disability who requires full-time care.
26. Traditional Support and Mentoring
27. Agricultural Subsistence
28. Reasonable Transportation Time

#### Penalties

1. A Benefit Group that includes an adult(s) or emancipated custodial minor parent(s) shall be subject to penalty if they do not comply with the following DSR requirements, unless exempted in accordance with the DSR Pathway to Self-Reliance Policy Manual:

- A. Develop an initial Personal Responsibility Plan within thirty (30) working days from the date of approval.

- B. Meet the Minimum Work Participation Hours requirement, for a month of assistance they received.
- C. Review and, if necessary, update their Personal Responsibility Plan at least once every four (4) months.
- D. Failure to attend and complete a DSR Customer Orientation within thirty (30) working days of approval.
- E. Failure to complete a TABE within thirty (30) working days of approval.

## 2. Penalty Levels

Prior to imposing a First Level Penalty, a Written Warning shall be issued to a Customer. After issuing a Written Warning, subsequent non-compliance with a DSR requirement will result in imposing a penalty to reduce the benefit group's calculated monthly assistance amount in part, or in full, in accordance with the following:

**First Level:** Twenty percent (20%) Reduction.

**Second Level:** Forty percent (40%) Reduction.

**Third Level:** Sixty percent (60%) Reduction.

**Fourth Level:** Eighty percent (80%) Reduction until the Customer returns to compliance with the program requirement.

### Data Collection and Reporting

The Navajo Nation will comply with all applicable statutory and regulatory reporting requirements pertaining to the TANF program.

### Retrocession

If the Navajo Nation chooses to retrocede the TANF program, it will comply with all applicable statutory and regulatory requirements pertaining to retrocession.

## **Related Services**

### • **Indian Child Welfare Act (ICWA) Services**

Preserve the rights and cultural heritage of Native American children and their families regarding the treatment of Native American family's children who are removed or may be removed from their families. To protect the best interest of Indian Children and to promote the stability and security of Indian tribes and families by the establishment of minimum Federal standards for the removal of Indian children and placement of such children in homes.

Case Management Services includes, but not limited to:

- Attend court hearings
- Attend Child-Family Team Meetings, Treatment Team Meetings, and Case Staffing to provide recommendations on case plan, treatment, placement, etc.
- Coordinating and Collaborating with State Social Workers to ensure Active Efforts are made to reunify parents and child(ren).

- Provide Qualified Expert Testimony regarding traditional child rearing practices.
- Locating family members for possible placement of the child(ren)
- Conduct relative searches to identify potential kinship placement.
- Conduct relative home studies on the Navajo Nation
- Assist with referrals for relative placements and children who live on the Navajo Nation
- Provide transportation (as needed) to children, parents, relatives to achieve case plan outcomes.
- Assist with Tribal Enrollment.
- The Navajo ICWA staff provides on-going cultural awareness education, supportive counseling, parent education and training to foster parents, relative foster homes and adoptive families, and state/tribal representatives. Cultural awareness education includes Navajo traditional child-rearing practices. Cultural awareness education, supportive counseling, and training is provided in-person and virtually.

- **Adoption Promotion and Support Services**

At the request of the natural parent(s), the Adoption Support Services assists child(ren) with establishing a permanent placement. Completes adoptive and kinship home studies with potential adoptive/kinship families prior to children being placed in their home. The Navajo adoption social worker will conduct the following:

- Provides a thorough overview of the voluntary relinquishment services.
- Provides adoption counseling and case management services to establish permanency for the newborn child.
- Identifies a Navajo certified family interested and willing to provide permanent placement for the child(ren).
- Ensures Parent Skills Trainings are intended to increase overall parental awareness and skills for potential adoptive and foster parents.
- Provides Community and Public Awareness/Recruitment Activities concentrated on the promotion of APSS activities with emphasis on recruiting potential adoptive and kinship families.
- Recruit eligible adults who are interested and committed to providing a permanent home for children.
- Recruit individual(s) who can promote, preserve, and educate on Navajo culture.
- Recruit individual(s) who can provide a permanent home environment and can meet the child's physical, spiritual, cultural, emotional, financial, and developmental needs. Eligible adult: one or both adult household members must be enrolled with the Navajo Nation.

- **Child and Family Well Being Program/ Child Services**

Receives and investigates reports of child neglect and abuse. DSS also receives and coordinates with appropriate agencies, reports of suspected human trafficking and missing/abducted children within the jurisdiction of the Navajo Nation.

- Children's Case Management



- Involves working with families to create and monitor case plan goals to assist families in their progress toward achievement of permanency goals.
- Child Welfare Services
  - Supports, preserves, and/or reunites children and their families. This includes funding to support child abuse/neglect investigations and case management activities.
- Healthy Families Program
  - To keep children safe from maltreatment, allow children to maintain with their families in lieu of court intervention, and to ensure timely permanency of child(ren) in foster care.
  - Family Support Services are intended to help Navajo families provide safe and nurturing environments for their children. Services are aimed at improving parenting skills, strengthening parental relationships, promoting healthy marriages/relationships, and enhancing child development knowledge.
  - Family Preservation Services are targeted to Navajo families in crisis and include placement prevention services, post-reunification services, and parenting skills education.
  - Family Reunification Services aide Navajo families that are seeking to address conditions that led to the removal of their children. Services include general case management to address counseling, substance abuse, mental health, and domestic violence.
- Title IV-E Services
  - Provides support for safe and stable out-of-home care for eligible children and youth until they are safely returned home, placed permanently with adoptive families or legal guardians, or placed in other planned arrangements for permanency. Provides Guardianship Assistance and Adoption Assistance to support relatives assuming legal guardianship or adoption by providing financial and medical assistance until the child meets the ages of 18 years, or 21 years in certain circumstances.
  - Provides support for the Social Services Education and Training Services program which offers financial assistance to Navajo students pursuing a Social Work degree and are working in or have an interest in working with the Navajo Nation's child welfare programs.
- Foster Care Licensing/ Kinship Care Licensing
  - Assists in out of home placements for Navajo and Native American children by licensing foster parents and kinship parents.
- Dine Elderly Protection Program
  - Receives and investigates reports of abuse, neglect, self-neglect, exploitation, isolation/abandonment for vulnerable adults and elders within the jurisdiction of the Navajo Nation.

- Adult In-home Care
  - Provides in-home daily living assistance to eligible adults who are at risk of institutionalization due to economic, physical, or psychosocial reasons.
- Adult Case Management Services
  - Coordinates alternate plans for out of home placements for physically disabled adults, and ambulatory elderly who are not able to meet their basic needs and who need supervised or skilled nursing care.
- Family Harmony Program (Family Violence Prevention and Services Act)
  - Provides services and support to individuals who have been harmed by domestic violence, sexual assault, and human trafficking.
  - Case Plan to reflect service goals for adults and youth to gain and maintain a livable wage job, and to become self-sufficient. This may include referrals to resources that will assist in becoming more employable.
  - Foster Care/Kinship Care payments are available per completion of licensing requirements.

## **Child Care Assistance**

Department of Child Care and Development (DCCD) is a large size allocation based on the FY16 CCDF Final Allocation Table. DCCD provides child care services through child care certificates for eligible children, tribally operated centers, family child care, and in home child care.

### **Coordination of Activities**

DCCD will work with the following organizations to deliver child care services and expects the following outcomes:

**Health:** DCCD will refer children needing immunizations and health-related support to the local Indian Health Service (IHS) Hospitals/Clinics. Parents will have a choice of immunizing children, according to their religious beliefs and DCCD will ensure that culturally relevant case management is utilized for wholistic care. By encouraging all children in the program to be immunized, we promote that they are protected against life threatening diseases and sicknesses.

**Education:** DCCD will support children enrolled and attending HeadStart, Pre-Kindergarten, Kindergarten, and elementary education through the use of curriculum-based lesson plans and referrals for educational services. This includes working with various early childhood education programs to provide screenings, child development information, and other key resources to support educational endeavors to identify children with special needs early, to help families receive early education assistance for their children and have access to child development tools and screenings.

**Employment:** DCCD will refer adults and guardians needing employment skills, knowledge, and abilities to tribal and state workforce departments. This includes job search, employment experience and on the job training. DCCD will also accept referrals from Navajo Department of Workforce to provide child care to Navajo families actively engaging in employment. As a result, families seeking employment will have access to child care to support their profession.

**TANF:** DCCD will take referrals from the Department of Self Reliance (DSR) and coordinate services with families that are DSR eligible that need child care. This includes coordinating eligibility for child care services to be provided by DSR participants for other DSR recipients. DCCD will work with DSR for provider-related job training and certification. As a result of this coordination parents may have access to trained, informed, and sustained providers that can meet individual children's needs while providing a safe and healthy childcare experience.

### **Definitions**

**Center-Based Child Care Provider** – A licensed or tribally operated child care center that provides child care for less than 24 hours per day and is in a nonresidential setting.

**Co-Payment – (Suggest)** *waiving co-payments for families below poverty level, receiving or needing protective services or at-risk families.*

**Disregarded Income** – Income that is not counted toward a household's income, including 401K, Savings Account under \$3,000.00, Scholarships, Educational grants, TANF, Subsidized and Unsubsidized Employment, and other income as determined by DCCD to be exempt from income calculations.

**Earned Income** – Income earned from employment, self-employment or selling of personal belongings in excess of \$1,200.00 per month.

**Education** – Engaging in high school or post-secondary education for a minimum of 5 hours per week with the intention of earning a diploma, certificate, or degree.

**Employment** – Engaging in a work activity for a minimum of 5 hours per week with the intention of earning income. This includes self-employment activities that generate 'earned income'.

**Family Child Care Provider** – An Independent Regulated Provider that provides direct child care services in the provider's home for less than 24 hours per day.

**Household** – One or more custodial adults and children related by blood or law, or another person standing in loco parentis, residing in the same household. Multiple households may reside together and be treated as separate households.

**Indian Child** – An enrolled Navajo child under 13 years of age; or under age 19 and physically or mentally incapable of caring for himself or herself, or under court supervision.

**In-home Child Care Provider** – An Independent Regulated Provider that provides direct child care services in the home of the child(ren) for less than 24 hours per day.

**Other Eligible Activities** – Child care services may be accessed during times of transition between employment, education, and training. This includes, but is not limited to job search, medical leave, short term disability, subsistence activities, and other unforeseen circumstances that prevent full time education or employment activities.

**Priority of Child Care Assistance** – Navajo Nation will prioritize children at risk, children with special needs, and children experiencing homelessness.

**Protective Services** - Children who receive or are in need of child protective services or respite care; children who are homeless; children that are wards of the tribe or state of Arizona, New Mexico, or Utah with tribal enrollment; and children referred from Department of Family Services (DFS) or Navajo Indian Child Welfare Act Program (NICWAP).

**Quality Activity Expenditures** – Quality funding that may be used for activities to improve the quality of child care as determined by DCCD.

**Relative Provider** – Relative providers are grandparents, great grandparents, siblings (if such providers live in a separate residence), aunts, uncles. Child care providers over the age 18 that provide direct child care services to eligible children who are related by marriage, blood, or court decree (e.g. grandparent, aunt, uncle, etc.). Child care may be provided in the home of the relative or the child's home.

**Service Delivery Area** – The Navajo Nation boundaries, including those near reservation communities identified for 638 services.

**Training** – Engaging in training related to employment, TANF or Workforce placement, with the intention of building skills, knowledge, and abilities, for a minimum of 5 hours per week.

**Unearned Income** – Income that is not earned through employment, such as SSI, disability, lottery winnings, per capita income, etc.

#### Child Count Declaration and Resolution

*See Appendix J*

#### Health and Safety Standards

DCCD requires that the following health and safety standards are met by tribally operated centers. Relative providers are exempt from health and safety standards. In addition, DCCD will promote health and safety standards through referrals to appropriate training, provide incentives for meeting certification requirements, and reimburse independent providers for fees related to meeting health and safety standards.

| Standard                                                                       | Tribally Operated Centers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prevention and control of infectious diseases                                  | <ol style="list-style-type: none"> <li>1. Promote good oral hygiene through learning activities</li> <li>2. Follow a diaper changing procedure, and post in the changing area.</li> <li>3. Follow Hand hygiene as defined by the CDC</li> <li>4. Follow a routine schedule of cleaning, sanitizing, &amp; disinfecting.</li> <li>5. Adopt the use of the CDC's Standard Precautions to handle potential exposure to blood and other potentially infectious fluids.</li> <li>6. Notify parents or guardians when children develop signs or symptoms of an illness.</li> <li>7. Require children to have updated immunization records for enrollment at tribally operated centers and care provided by independent regulated providers. Unimmunized children may be cared for by relative providers. Caregivers should be current with all immunizations.</li> </ol> |
| Prevention of sudden infant death syndrome and the use of safe sleep practices | <ol style="list-style-type: none"> <li>1. Follow safe sleep practices as recommended by the American Academy of Pediatrics.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Administration of medication, consistent with standards for parental control   | <ol style="list-style-type: none"> <li>1. Providers can only administer medication with parent/guardian's consent.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Prevention of and response to emergencies due to food and allergic reactions   | <ol style="list-style-type: none"> <li>1. Comply with child's care plan concerning food allergies. Including completing training related to each child's care plan.</li> <li>2. Provide readily accessible clean sanitary drinking water.</li> <li>3. Follow safety recommendations for the preparation and storage of expressed human milk, and infant formula that ensures the health and safety of all infants, as outlined by the Academy of Breastfeeding Minimum Health and Safety Standards.</li> <li>4. Comply with local health standards (e.g. IHS) regulations concerning safe food protection and sanitation practices.</li> </ol>                                                                                                                                                                                                                     |
| <i>Continue onto the next page</i>                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Safety of Building and physical premises, including the identification of and protection from hazards that can cause bodily injury, such as electrical hazards, bodies of water, and vehicular traffic</p> | <ol style="list-style-type: none"> <li>1. Active supervision must be maintained when any child is in or around water.</li> <li>2. Caregivers should not be impaired due to the use of alcohol, marijuana, illegal drugs, or prescription medication during program hours.</li> <li>3. Ensure sun safety for children by keeping infants younger than 3 months out of direct sunlight, limiting direct sun exposure (e.g. use of sunblock)</li> <li>4. Long strings and cords should not be accessible to children.</li> <li>5. Inspection of buildings will be completed by a building inspector to ensure compliance with applicable state and local building codes and safety requirements.</li> <li>6. Comply with tribal, state, or nationally recognized fire prevention codes.</li> <li>7. Place guardrails or protective barriers, at open sides of stairs, ramps, &amp; other walking surfaces over 30 inches in vertical distance.</li> <li>8. Accessible electrical outlets should have safety covers.</li> <li>9. No electrical devices near water sources.</li> <li>10. Have a pest control process to ensure pest suppression through practices</li> <li>11. Meet state, or local laws regarding carbon monoxide detectors &amp; test monthly.</li> <li>12. Complete regular inspection of equipment, materials, furnishings, and play areas.</li> <li>13. At least one wireless communication device for general and emergency use on the premises.</li> <li>14. Cribs will only be used for sleeping purposes and free of strangulation and suffocation risk.</li> <li>15. Medication, weapons, and ammunition, that are present in a family child care home or in-home care, should be locked and inaccessible to children.</li> <li>16. Equipment used for climbing should not be placed over, or next to, hard surfaces.</li> <li>17. Children may only be released to authorized adults by written permission from parents or guardians.</li> </ol> |
| <p>Prevention of shaken baby syndrome, abusive head trauma, and child maltreatment</p>                                                                                                                        | <ol style="list-style-type: none"> <li>1. Caregivers should be educated and establish a child abuse and neglect prevention and recognition strategy.</li> <li>2. The use of corporal punishment, physical discipline, restricting a child's movement through physical force or restraints, and/or withholding of food, water, or sleep as punishment, is strictly prohibited by all caregivers.</li> <li>3. Caregivers should be trained on the prevention and recognition of potential signs and symptoms of shaken baby syndrome and abusive head trauma.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Emergency preparedness and response planning resulting from a natural disaster or a human-caused event (such as violence at a childcare facility) | <ol style="list-style-type: none"> <li>1. Caregivers should have a procedure for responding to situations when an immediate emergency medical response is required. Emergency procedures should be posted and readily accessible. All providers and staff should be trained to manage an emergency until emergency medical care becomes available.</li> <li>2. First Aid and emergency supplies should be maintained up to date first aid and emergency supplies in each location where children are cared for.</li> <li>3. Written plan and training for handling urgent medical care or threatening incidents.</li> <li>4. Disaster planning, training, and communication, and emergency and evacuation drills.</li> <li>5. Contents of child records should be kept onsite and confidential. Access to the records should be made available upon request by the child's caregiver and/or parent or guardian.</li> </ol> |
| Handling and storage of hazardous materials and the appropriate disposal of bio-contaminants                                                      | All toxic substances should be inaccessible to children and should not be used when children are present. Toxic substances should be used as recommended by the manufacturer and stored in the original labeled containers. The telephone number for the poison control center should be posted and readily accessible in emergency situations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Precautions in transporting children (if applicable)                                                                                              | Not applicable – DCCD will not transport children and does not give permission to licensed exempt providers to transport children in care under the DCCD program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Pediatric first aid and cardiopulmonary (CPR) certification                                                                                       | All DCCD child care center staff should have up-to-date documentation of satisfactory completion of training in pediatric first aid and pediatric Cardiopulmonary Resuscitation (CPR).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Recognition and reporting of child abuse and neglect                                                                                              | Follow the state, tribal procedures for recognizing and reporting suspected child abuse, neglect, and exploitation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

#### Pre-Service / Orientation and On-Going Training

- DCCD will not require any pre-service training for certified independent or center providers. Independent regulated providers have ninety (90) days to complete their First Aid and CPR training along with twenty-four (24) hours of Health and Safety training.
- Thereafter, independent regulated providers must complete a minimum of three (3) hours annually of ongoing health and safety training which must be on at least (1) subject from the health and safety standards.
- Relative unregulated providers are exempt from completing health and safety training, but will be encouraged to complete the training and become independent regulated providers.
- DCCD will require tribally operated center staff to complete their First Aid and CPR training along with twenty-four (24) hours of Health and Safety training within 90 days of employment. Thereafter, tribally operated center staff must complete a minimum of three (3) hours annually of ongoing health and safety training.

## Monitoring and Enforcement Procedures

- The Indian Health Services, Office of Environmental Health, monitors the DCCD tribally operated centers on the Navajo Nation on an annual basis.
- DCCD monitors independent regulated providers on an annual basis. A copy of the independent regulated provider's certificate will be issued on an annual basis and kept on file.
- Monitoring of independent regulated providers includes conducting home visits and utilizing a checklist to conduct inspections. In addition, improvement plans should be developed for areas of deficiencies during the inspection and should be focused on increasing the quality of child care. Relative unregulated providers are monitored annually.
- The expansive area of the Navajo Nation makes routine monitoring and home inspection difficult. As a result, technology, including virtual platforms, emails, and so forth will be used to monitor and inspect independent regulated providers. Independent regulated providers with deficiencies should address the non-compliant issues within six (6) months of written notice. DCCD will work with providers to address major deficiencies and provide guidance on implementing health and safety standards that meet the needs of child care.

| Monitoring of Required Health & Safety Standards |                                                   |                       |                            |
|--------------------------------------------------|---------------------------------------------------|-----------------------|----------------------------|
|                                                  | Agency Responsible for Monitoring                 | Monitoring Type       | Monitoring Timeline        |
| Independent Regulated Provider                   | Department of Child Care and Development          | Self-Report Checklist | During application process |
|                                                  |                                                   | Announced- On-Site    | Annually                   |
| Relative Unregulated Provider                    | Department of Child Care and Development          | Announced             | Annually                   |
| State Licensed Centers                           | Arizona, New Mexico, or Utah Child Care Authority | State Standards       | Annually                   |

### Staff and Inspector Qualifications

State Licensing: Meet the requirements set for the respective state(s) of Arizona, New Mexico, or Utah.

Department of Child Care and Development (DCCD): Inspectors will receive training on how to conduct and complete a home inspection report. Training will also include health and safety standards, Tribal Assistance System (TAS) electronic case management required CCDF reporting, and mandatory reporting of child abuse/neglect.

### Child-Staff Ratios and Qualifications

The license child care provides that are located outside of the Navajo Nation and that receive services from DCCD will be required to meet their respective state (Arizona, New Mexico, or Utah) requirements.



DCCD Tribally Operated Centers – The appointed Navajo Nation entity under 13 N.N.C. § 2301 *et. seq.* is responsible for certifying tribally operated centers. Tribally Operated Centers are subject to the following child-staff ratios:

- Infants: Birth to 12 months of age; Ratio of 3 infants to 1 teacher; Maximum group of 6 infants.
- Toddlers: 13 months to 36 months of age; Ratio of 4 toddlers to 1 teacher; Maximum group of 8 toddlers.
- Preschool: 3 years to 5 years of age; Ratio of 7 preschoolers to 1 teacher; Maximum group of 14 preschoolers.
- School Age: 5 years to 12 years of age; Ratio of 8 school age children to 1 teacher; Maximum group of 16 school age children.
- Mixed Group: Ratio of 12 children to 1 teacher; Maximum group of 24 children.

Independent Regulated Providers – DCCD certify independent regulated providers that are subject to background checks and health and safety requirements for the care of non-relative children. Independent providers can provide care in their own home (Family child care provider) or in the home of the child (In-Home Child Care Provider). Independent providers are subject to the following child-staff ratios:

#### Family Child Care Provider

- Infants: Birth to 12 months of age; Ratio of 2 infants to 1 provider; Maximum group of 2 infants.
- Toddlers: 13 months to 36 months of age; Ratio of 3 toddlers to 1 provider; Maximum group of 3 toddlers.
- Preschool: 3 years to 5 years of age; Ratio of 6 preschoolers to 1 provider; Maximum group of 6 preschoolers.
- School Age: 5 years to 12 years of age; Ratio of 6 school age children to 1 provider; Maximum group of 6 school age children.
- Mixed Group: Ratio of 6 children to 1 teacher; Maximum group of 6 children.

#### In-Home Child Care Provider

- Infants: Birth to 12 months of age; Ratio of 2 infants to 1 provider; Maximum group of 2 infants.
- Toddlers: 13 months to 36 months of age; Ratio of 3 toddlers to 1 provider; Maximum group of 3 toddlers.
- Preschool: 3 years to 5 years of age; Ratio of 6 preschoolers to 1 provider; Maximum group of 6 preschoolers.
- School Age: 5 years to 12 years of age; Ratio of 6 school age children to 1 provider; Maximum group of 6 school age children.
- Mixed Group: Ratio of 6 children to 1 teacher; Maximum group of 6 children.

#### Equal Access to Quality Child Care for Low-Income Children

DCCD determines income eligibility on an annual basis or sooner if the family's income increases above 85% State Median Income (SMI). The 477 Plan will provide childcare services that will increase the availability, affordability and by providing quality childcare services to children and families in support of self-sufficiency.

DCCD staff may refer families to child care providers, these include Independent Regulated Providers, Relative unregulated provider, or tribally operated centers. Community resources may be provided to help families select a provider to meet their individual needs. If no providers are available, parents are encouraged to inform DCCD in writing and may receive Child Care Development Fund (CCDF) funds directly for short-term child care assistance. In the case that a parent receives direct funding for child care, the parent will provide verification that the funding was used for child care services.

### **Criminal Background Check Requirements**

\*Alternative approach under development

DCCD currently works with the states of Arizona, New Mexico, and Utah to conduct a name based criminal background check and FBI check with fingerprints. Due to the vast size and remoteness of Navajo Nation Agencies, DCCD is proposing to use a refutable on-line criminal search database to obtain the information and an electronic case management database to store the information with random annual checks for each provider. DCCD is also proposing randomly select independent regulated provider cases on a quarterly basis to run through the on-line criminal background check database in lieu of annual background checks. Self-attestation will be used in all instances of background check requirements and processes.

Independent regulated providers cannot be approved and/or receive payments under this program if they refuse a background check; make materially false statements in connection with the background check; are registered or required to be registered on the State or National Sex Offender Registry; have been convicted of a felony consisting of: murder, child abuse or neglect, crimes against children, spousal abuse, crime involving rape or sexual assault, or a kidnapping, arson, physical assault or battery, a drug-related offense committed during the preceding 5 years; or have been convicted of a violent misdemeanor committed as an adult against a child, including the following crimes: child abuse, child endangerment, sexual assault, or of a misdemeanor involving child pornography.

Timeliness of background checks – Background checks will be conducted as quickly as possible and will not exceed forty-five (45) days. DCCD will provide a written response to the provider applicant regarding their eligibility decision based on the results of the background check. Due Process will be provided to the provider applicant along with assurance of non-disclosure of personal information, except that which is authorized per the Navajo Nation Privacy and Access to Information Act (NNPAIA).

| <b>Provider Type</b>                  | <b>Background Check Requirement</b>                                                                                                                                                      | <b>Timeline</b>                          |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>Independent Regulated Provider</b> | Background checks conducted by the State of Arizona.                                                                                                                                     | Prior to receiving certification by DCCD |
| <b>Tribally operated centers</b>      | Background checks: State Court View Check, Online State Sex Offender Registry, National Sex Offender Registry, and Child Abuse and Neglect check from Office of Children Services (OCS). | Prior to employment                      |

## **Disaster Preparedness and Response Plan**

In the event of an emergency, DCCD will have the flexibility to continue providing child care services despite disruptions to families and providers. The use of child care funds may be used to provide immediate assistance to families affected by a declared disaster or state of emergency, or to license exempt childcare providers to continue providing the quality of care, specifically in areas where existing child care facilities are not operating or have been determined unsafe.

DCCD will follow all rules and guidelines associated with a declared State of Emergency for the Navajo Nation, such as closing tribally operated child care centers. Childcare payments to existing providers that are delayed due to the disaster will be processed as soon as normal office services are available. All families currently enrolled with DCCD will be able to switch to an authorized child care provider as long as they are eligible.

DCCD direct service staff, parents, and providers are to work together to ensure child safety. This may include pre-emergency plans, updating of contact information, updating of emergency persons to be contacted, a list of criteria and necessary supplies in different types of emergencies. Additional requirements may include communication protocols with the parents of children as well as 911 or other emergency services and personnel. DCCD may provide portable emergency kits and other health and safety provisions during declared state of emergencies. Independent Regulated Provider providers are required to obtain training in emergency preparedness and response planning. Relative unregulated providers are exempt from this requirement but are encouraged to meet with the parents to determine a safety plan.

### **Quality Activities**

DCCD will provide quality spending at 3% for Infant- Toddler, 9% Quality measures for a total quality expenditure of 12% per year.

DCCD Quality Improvement activities provided under this plan may include:

- Supporting the training, professional development, and postsecondary education of the child care workforce as part of a progression of professional development.
- Implement early learning and development guidelines and technical assistance to eligible child care providers and tribally operated centers.
- Enhance the cognitive, physical, social, and emotional development and overall well-being of participating children.
- Improving the supply and quality of child care programs and services for infants and toddlers, children with disabilities and children who need care in non-traditional hours.
- Establishing a network of child care resources and referral services.
- Cost of annual provider training with opportunities for early childhood conferences.
- Reimbursement to providers for the purchase of developmental and educational materials that will enhance learning opportunities for children.
- Reimbursement or assistance for field trip expenses.
- Training for staff/inspectors that conduct health and safety monitoring visits.
- Travel expenses related to home inspections and related equipment/material provided.

- Payment to childcare consultants who conduct home visits/inspections to improve the quality of care.
- Materials and information regarding health and safety standards.
- Outreach to increase the number of qualified approved childcare providers.

#### Childcare Program Eligibility

DCCD will determine initial and ongoing eligibility for child care services. Eligibility is re-determined every 12 months or as necessary due to significant ongoing income changes for border town communities. The child's verification of being an "Indian child" is to be provided at the initial determination for eligibility or redetermination if an official tribal enrollment verification was not received at the initial eligibility determination. Acceptable documentation used to verify if a child is an "Indian child" is a copy of a Certificate of Navajo Indian Blood (CIB), for children residing within the Navajo Nation or Border Town Service Delivery Area (SDA). Verification of tribal enrollment with any federally recognized Indian tribe is required for a child who resides within the Navajo Nation SDA. Verification for children under protective services or newborns/infants residing within the Navajo Nation SDA, may submit verification within ninety (90) days from date of approval.

DCCD has the following categorical eligibility requirement variations by Service Delivery Area (SDA):

- 1.) Navajo Nation SDA: All communities within the Navajo Nation, including Trust lands, Fee lands and the satellite communities of Alamo, Tohajiilee, and Ramah. Residents of the Navajo Nation SDA will have categorical eligibility applied and their income will not be counted toward the 85% State median income limit. Children within the Navajo Nation must be an enrolled member of any federally recognized tribe. Priority will be given to the children most in need, according to DCCD Priority listing. Co-pay amounts, based on income level, will be utilized to determine co-pay amounts. In addition, parent(s)/guardian(s) are subject to work, job training, or education participation requirements.
- 2.) Navajo Nation Border Town SDA: The city limits of a federally designated "near reservation" communities, as listed in the Federal Register (Vol. 44, No.9, January 12, 1979, pg. 2693). Residents of the Navajo Border Town SDA must meet the income requirements of having countable income below 85% of the applicable state median income. In addition, children residing in the Navajo Border Town SDA must be an enrolled member of the Navajo Nation and have a Navajo Census Number.

A child determined eligible shall be considered eligible and will receive services at least at the same level, regardless of:

1. A change in family income, if that family income does not exceed 85 percent of SMI for a family of the same size; or
2. A temporary change in the ongoing status of the child's parent as working or attending a job training or educational program. A temporary change shall include, at a minimum:
3. Any time-limited absence from work for an employed parent due to reasons such as need to care for a family member or an illness;
4. Any interruption in work for a seasonal worker who is not working between regular industry work seasons.
5. Any student holiday or break for a parent participating in training or education;
6. Any reduction in work, training or education hours, as long as the parent is still working or attending training or education;

7. Any other cessation of work or attendance at a training or education program that does not exceed three months, or a longer period established by Navajo Nation;
8. Any change in age, including turning 13 years old during the eligibility period; and
9. Any change in residency within tribal service area.

With a non-temporary change such as loss of an eligible activity that goes on for longer than (3) three months, families will be provided with an initial 3 months of continued assistance.

#### FY 2024 Arizona State Median Income (SMI)

DCCD Income Eligibility Level is set at 85% for "Border Town" eligibility determination:

| <b>Family Size</b> | <b>Arizona Median Income</b> | <b>85% of SMI</b> |
|--------------------|------------------------------|-------------------|
| 1                  | \$40,865                     | \$3,405           |
| 2                  | \$53,438                     | \$4,453           |
| 3                  | \$66,012                     | \$5,501           |
| 4                  | \$78,586                     | \$6,549           |
| 5                  | \$91,160                     | \$7,597           |
| 6                  | \$103,733                    | \$8,644           |
| 7                  | \$106,091                    | \$8,841           |
| 8                  | \$108,449                    | \$9,037           |

The public is informed of the availability and the process by which they can apply for childcare assistance using a variety of media like flyers, radio announcements, email, social media, and telephone calls. DCCD staff conducts outreach at various events and partners with other Navajo Nation programs and departments to provide information and/or updates. Through ongoing collaboration and commitments, Navajo families can receive consumer education materials and provide feedback on the services provided.

#### Improving Access for Vulnerable Children and Families

DCCD provides referrals to the local behavioral health center for children with significant challenges and referrals for medical and learning interventions for children who may need these services.

DCCD plans to partner with all programs under the 477 Plan, such as Department of Family Services (DFS), DSR, NTCCF, Navajo Indian Child Welfare Act Program (NICWAP), and other Navajo Nation Departments, such as Department of Health (DOH) which may result in quality training that is offered to all child care providers.

DCCD will provide training and resources for all providers but in particular will support providers caring for special needs children, children in non-traditional hours of care, and families in crisis. In addition, the use of incentives will be used to increase certified providers and access for vulnerable children and families.

### Child Care Sliding Fee Scale & Program Rate Schedule - See Appendix K

DCCD Sliding Fee Scale shows the contribution each family is responsible for and is based on income and family size. The contributions are broken down by percentages based on level of income.

### Payment Rates for Child Care Providers - See Appendix L

To ensure payment rates are sufficient for equal access, family/parent complaints that are received regarding established payment rates are reviewed and brought to the attention of DCCD leadership and decision-makers to address and to determine if increases in the payment rates need to be initiated. The DCCD Tribal market rate survey utilized the 75th percentile within each child care market category as the benchmark for payment rates to ensure equal access. DCCD will process payments to providers within 21 days of invoice.

### Parental Complaint Process

DCCD will maintain a record of substantiated complaints, aggregated data on deaths, serious injuries, and number of substantiated child abuse and will make it available to the families and public upon request. Records are maintained in the provider's file.

DCCD uses the "due process" (Appeal Procedure), as a written process for parental and/or community complaints. Witnesses, supporting documentation, and interviews from key individuals in the written grievance substantiate complaints. Monitoring of the grievance will take place by the Department/Program Manager until the grievance is resolved to ensure effective and timely completion. Parents receive a copy of the complaint process with the acceptance/denial of service communication and is available by in/person, phone, fax, or email request.

### Child Care Provider Consumer Statement- See Appendix M

The DCCD consumer education statement will be amended from time to time to ensure the most updated information is shared with the general public. In addition to the consumer statement, DCCD applications, payment table and other relevant information will be shared with the general public and requesting parties.

### Construction

CCDF funds may be used for planning cost in the development of DCCD application for construction or major renovation of a child care center to include child-focused and culturally appropriate elements into the construction or renovation design. DCCD will submit an application for major construction and renovation and receive approval prior to using CCDF funds on construction and renovation projects.

## **Support Services**

The following are supportive services to include, but are not limited to:

- Worksite Related Expenses (e.g. uniforms, tools, safety equipment, business attire etc.)
- Fee Expenses (e.g. testing, background check, physical exams, training / certification fees etc.)
- Transportation Related Expenses (e.g. mileage, bus passes, minor repairs, tires, travel expenses etc.)
- Training Related Expenses (e.g. uniforms, tools, safety equipment, housing, meals, etc.)

- Education Related Expenses (e.g. tuition, registration, textbooks, supplies, course enrollment fees etc.)
- Child Care Related Expenses (e.g. co-payments, fees, etc.)
- Assist members in addressing a barrier(s) to their successful participation in a work participation activity and to transition toward gaining and maintaining employment.
- To provide financial assistance to address unmet need for families during reunification.
- To provide transportation for child(ren), parent(s), and relatives to attend visitation, court hearings, case related meetings, and appointments to give the family every opportunity to work towards becoming a healthy family unit.
- Conducting extensive relative searches on the Navajo Nation to assist with compliance with the ICWA Placement Preference.
- Refers child(ren), parent(s), and relative care providers for traditional healing services.
- Support families to ensure that support is provided to assist parent(s) in reunifying with their child(ren).
- Referrals made to local agencies for supportive services, as needed.
- Provide utility assistance for heating, cooling and during emergencies.
- Provide equipment repairs and replacement for heating and cooling.
- In-kind purchases like blankets, fans, and energy kits.
- Personal hygiene items, clothing, household cleaning supplies, or to help pay for outstanding household bills.
- Housing related needs such as rental assistance, security deposits, utility payments related to crisis situations, and assistance.

#### **Low Income Home Energy Assistance Program (LIHEAP)**

Eligible households shall be assisted on a first come, first serve basis.

- Priority One will be given to household members who are sixty (60) years and older and receiving disability income, or has a disability that is verified by a physician or federal agency;
- Priority Two will be given to household members who are sixty (60) years and older; 2. Priority Three will be given to household members who are receiving disability income or has a disability that is verified by a physician or federal agency.
- Priority Four will be given to household members with young children who are five (5) years old or younger.

A life-threatening crisis is limited to individuals, who are exposed to extreme indoor/outdoor temperatures that adversely affect their health and/or well-being within days of running out of fuel/utilities being shutoff. A household member's health and/or well-being will likely be endangered if energy assistance is not provided. Utility services are disconnected if the households heating/cooling system requires electricity. Deliberate failure to maintain account up to date does not qualify as a crisis or life-threatening crisis.

Crisis benefit amounts is determined where the safety and well-being of a vulnerable household member is at risk as a result of disconnection of energy services, depletion of energy supplies, inoperable furnace, unsafe stove, natural disaster or declaration of state of emergency etc. The benefit amount is determined by household size, income, fuel type and shall not exceed FAU payment benefit matrix amount. A household that experienced power outage and/or impassable road conditions caused by severe rain, snow, wind storms, or mud creating

health and safety hazards due to extreme cold during the winter months and extreme heat during the summer months, for which they will be eligible for crisis assistance.

If an applicant is determined eligible for crisis assistance due to inoperable heating/cooling services they will be provided with blankets, space heaters, fans to meet their heating/cooling needs.

Renters: Eligible households, who rent, will be provided weatherization only if the landlord provides written authorization for the minor repairs/improvements.

Renters living in subsidized housing: Eligible households who are applying for weatherization assistance and are living in subsidized housing must obtain prior authorization and approval from the housing agency. Weatherization assistance includes cost-effective energy related Minor Home Repair, AC unit, and Wood/Pellet Stove. Dwellings which do not meet the criteria for weatherization assistance will be given the option to receive other types of energy assistance e.g. cooling or heating assistance. Thereafter, priority shall be provided, in accordance with the following, to households which include at least one (1) vulnerable member.

### Incentives

All participants will be eligible for incentives. Incentives or recognition may be offered to participants for their successful participation in and completion of education or training services and tied to the goals of the respective program. Incentives may include but are not limited to fee reimbursement, gift cards, gas, school supplies, event door prizes, or traditional crafts sold by local artists. And are dependent upon program funding.

## **Cultural Training and Other Educational Activities**

DSS' mission is to provide quality, culturally sensitive, and value-based support, and services to our Navajo people. To accomplish this mission, DSS will promote and preserve our cultural and traditional heritage by providing emphasis on the importance of traditional tribal values and cultural practices. Therefore, this 477 Plan offers holistic approaches to address the need for family support, education, support services, and providing culturally sensitive services that encourage our Tribal relatives to be successful and to aid in their efforts towards self-sufficiency.

The following are cultural services that DSS will provide:

- Promotes Navajo/Diné and Native American holistic healing and treatment services through utilization of sacred traditional ceremonies to promote healing for the emotional, physical, and psychological trauma and restore the psychological state of *íł hózhó* (balance and harmony) by participating in traditional services.
- Include our Navajo language in service delivery whenever possible. Learning and preserving our Navajo language are vital. Healing through learning and incorporating our Navajo language is a form of prevention/treatment modality.
- Offer the opportunity to engage and utilize traditional services and cultural learning.
- Provide financial assistance for Diné Traditional Services.
- Utilize culturally based curriculum and provide Prevention education sessions, wherein the
  - Traditional Practitioner will provide services to restore the spiritual and holistic state of *Íiná Dílzin* (Honoring Life) within the family.
- Provide cultural resources to children placed in non-relative, non-Native American placements.
- Provide Dine Parenting Training, Navajo traditional child-rearing practices and encourage positive Diné/Native American Traditional Cultural family values and life skills. Provide on-going



cultural awareness education, supportive counseling, and training to foster parents, relative foster homes and adoptive families, and state/tribal representatives.

## **Economic Development**

The Navajo DSS 477 Plan may allocate up to 25% of combined 477 Program funds for economic development and job creation activities. The Program may partner and/or collaborate with Tribal administrations and Navajo Division of Economic Development for research, due diligence activities, and determination of appropriate fund expenditures. We will increase indigenous business development of individuals and companies by promoting skills to build human capital, business plans/development and problem solving.

## **Emergency Disaster, Crisis, and Mitigation Response**

The primary role of government is to provide for the welfare of its citizens. The welfare and safety of citizens is never more threatened than during disasters. The goal of emergency management is to ensure that mitigation, preparedness, response, and recovery actions exist so that public welfare and safety is preserved, and community resilience is improved. In addition, such disasters imperil the Navajo Nation's and 477 Program participants' efforts toward self-sufficiency, job training and skill development, and economic development. Effective and efficient responses will help the Navajo Nation and participants get these efforts back on track in the event of an emergency or disaster.

The Navajo Nation All Hazards Mitigation Plan provides a comprehensive framework for tribal emergency management. It addresses the roles and responsibilities of tribal organizations and provides a link to local, State, Federal, and private organizations and resources that may be activated to address disasters and emergencies in the Nation Nation.

The Navajo Nation All Hazards Mitigation Plan ensures consistency with current policy guidance and describes the interrelationship with other levels of government. The plan will continue to evolve, responding to lessons learned from actual disaster and emergency experiences, ongoing planning efforts, training and exercise activities, and Federal guidance.

It is the responsibility of officials under this plan to save lives, protect property, relieve human suffering, sustain survivors, repair essential facilities, restore services, and protect the environment. All components of the Tribe's 477 Plan serve in critical areas in support of the Tribe's All Hazards Mitigation Plan. Navajo Childcare maintains a robust emergency response plan that operates in concert with the larger operations of the tribe. The plan is part of the Navajo Nation's Childcare Health and Safety standards and is fully incorporated here by reference.

The effort starts with pre-mitigation on an individual basis. Through the Safe & Stable Families initiative, each household is guided to prepare and practice emergency response plans. Families will be encouraged to become involved in educational training or events that help them plan for safety. Household education may include how to mitigate conditions or risks; how to prepare Emergency 'Go' Kits; practicing Evacuation Routes; and other Household Mitigation tips.

In the event a disaster occurs, Navajo Nation's efforts includes, but are not limited to:

- Identifying, locating, and coordinating services to adversely affected participant households.
- Responding to new cases created by the emergency.
- Assisting in communication or filling the void with caseworkers and other essential child welfare personnel who are displaced because of the disaster.
- Preserving essential records.
- Coordinating services and sharing information with other service agencies as appropriate.
- Assisting with manpower response.
- Improving preparedness and resilience to protect against future disasters.

## **Confidentiality**

Pursuant to the Navajo Nation Privacy and Access to Information Act, 2 N.N.C. § 81 *et. seq.*, the Act provides the public with a means to access records and information relating to the operation of the Navajo Nation while preserving the privacy interests of the individuals and entities.

## **Uniform Appeal and Grievance Process**

Navajo DSS will establish a uniform grievance and appeal procedure available to participants. *See Appendix N.* It contains provisions that will apply to all program participants engaged in any type of activity under this plan. The procedure will ensure due process and establishes a series of levels, starting with informal resolution at the staff level. The final level of appeal will provide appropriate recommendations.

## **477 Plan Public Notice Hearing**

DSS Notice(s) of the DSS Public Hearing:

- DSS held a 477 Plan Information Session on February 13, 2024, which was hosted virtually and in-person. There were over 100 attendees that included DSS staff, Directors, and Navajo Leadership.
- DSS published a recorded Information Session on the DSS Facebook page and website.
- DSS hosted collaborative weekly meetings with the Navajo Nation Office of Management and Budget and Office of the Controller for the month of March 2024,
- On March 20-21, 2024, a 477 Plan Information Session was held with each DSS department and program, wherein staff were advised to submit written comments. There were no comments that were submitted or received.
- 477 Plan Information was shared at the scheduled Navajo Agency Council meetings in April and May 2024.
- A recorded Information Session and a copy of the 477 Plan will be made available for a 45-day open public comment period on the DSS Facebook page and website. This will begin in April 2024

Community members will be encouraged to submit recommendations and comments on the plan in writing via a form available at the public comment meeting or via email to the DSS office. All comments, feedback, and recommendations will be recorded and considered to better serve the children and families of the Navajo Nation. *See Appendix O*

## Financial Reporting

Navajo DSS will comply with all statutory and regulatory data collection and reporting requirements under P.L. 102-477. DSS acknowledges an annual report (statistical, financial, and narrative) will be filed annually.

## Budget

### Anticipated Annual Revenue

| <b>Federal Funding Sources FY2025 (except as noted below)</b>                      | <b>Total Amount</b>     |
|------------------------------------------------------------------------------------|-------------------------|
| <b>Department of Interior; Bureau of Indian Affairs</b>                            |                         |
| General Assistance/ Burial Assistance                                              | \$8,358,428.00          |
| Adult Services                                                                     | \$12,537,641.00         |
| Homemaker Services                                                                 | \$12,537,642.00         |
| Navajo Treatment Center for Children & Their Families                              | \$325,068.00            |
| Indian Child Welfare Act (ICWA) FY 2024                                            | \$1,512,395.00          |
| Indian Child Welfare Act (ICWA) FY 2025                                            | \$1,512,395.00          |
| <b>U.S. Department of Health &amp; Human Services</b>                              |                         |
| DHHS Tribal TANF - Federal 2025                                                    | \$ 31,174,026.00        |
| DHHS Tribal TANF – Federal 2024                                                    | \$23,380,555.00         |
| Child Care Development Fund (CCDF) Mandatory                                       | \$6,484,556.00          |
| Child Care Development Fund (CCDF) Discretionary                                   | \$28,585,464.00         |
| Community Services Block Grant (CSBG)                                              | \$1,369,489.00          |
| Low Income Home Energy Assistance Program (LIHEAP)                                 | \$1,751,843.00          |
| Indian Health Services (IHS) Navajo Treatment Center for Children & Their Families | \$1,198,096.00          |
| Title IV-B Subpart 1 Child Welfare Services                                        | \$898,824.00            |
| Title IV-B Subpart 2 Promoting Safe and Stable Families                            | \$852,887.00            |
| Title IV-E                                                                         | \$10,596,619.00         |
| Family Violence Prevention and Services Act                                        | \$2,093,060.00          |
| <b>Total Anticipated Annual Revenue</b>                                            | <b>\$148,286,306.00</b> |

### **Anticipated Annual Expenditures**

| <b>Program Account</b>                       | <b>Total Amount</b>     |
|----------------------------------------------|-------------------------|
| Administrative                               | \$26,691,535.00         |
| Non-Administrative                           | \$121,594,771.00        |
| <b>Total Anticipated Annual Expenditures</b> | <b>\$148,286,306.00</b> |

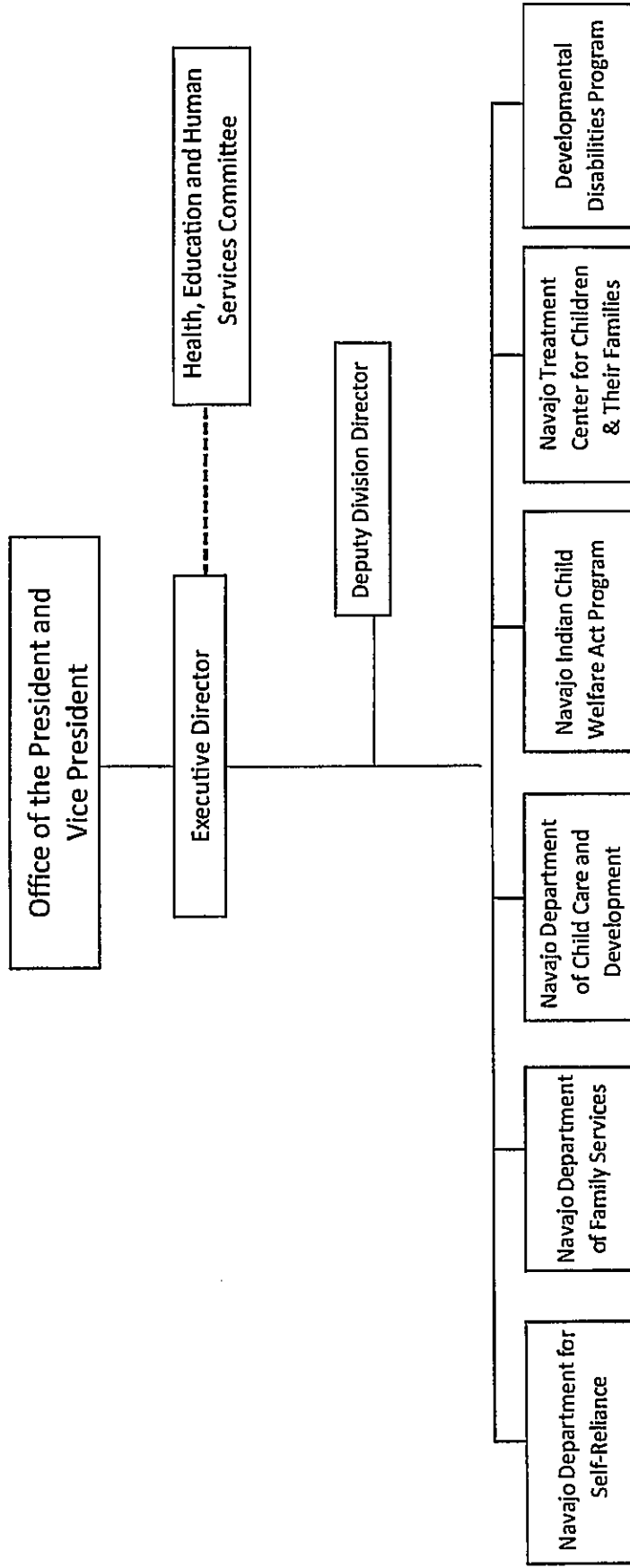
### **Administrative Expenses and Indirect Cost**

For the purposes of the Navajo DSS's 477 Plan, administrative expenses are defined by the Navajo DSS's negotiated Indirect Cost Agreement. The administrative expense category includes direct administrative costs and all indirect costs attributable to the programs, which are costs incurred for a common or joint purpose and benefit more than one cost objective. As noted in the expenditure budget, the Navajo DSS's FY2023 approved Indirect Cost Rate Agreement with the Department of Interior's Interior Business Center used a fixed with carryforward calculation to determine the rate. The rate is calculated annually based on total direct costs less capital expenditures and pass-through funds. Pass-through funds are normally defined as payments to participants, stipends to eligible recipients, and subawards, which normally require minimal administrative effort.

Section 3413(d)(1) of the 477 law "All administrative costs may be commingled and participating Indian tribes shall be entitled to the full amount of such (costs under each program or departments regulations).

## NAVAJO DIVISION of SOCIAL SERVICES

Office of the Executive Director





# DIVISION OF SOCIAL SERVICES

Department for Self Reliance

## Payment Standard

(Effective beginning with July 2022 payments)

| Benefit Group Size | Payment Standard                 |
|--------------------|----------------------------------|
| 1                  | \$415                            |
| 2                  | \$505                            |
| 3                  | \$620                            |
| 4                  | \$725                            |
| 5                  | \$830                            |
| 6                  | \$935                            |
| 7                  | \$1,040                          |
| 8                  | \$1,175                          |
| 9                  | \$1,270                          |
| 10                 | \$1,365                          |
| 11                 | \$1,470                          |
| 12                 | \$1,575                          |
| 13+                | ADD: \$155 per additional member |

**Appendix 1****Triennial Child Count Declaration**

If the Tribal Lead Agency is not a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: Navajo Nation

This certifies that the number of Indian children younger than age 13 (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) is: **51611** (number).

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agencies that have overlapping or neighboring service areas.

The counts above show the number of Indian children younger than age 13 as of **6/30/2022** (date).

Tribal Lead Agencies are advised that ACF will not accept Child Count Declarations based on child counts that were conducted before July 1 of the year prior to the Child Count Declaration.

If the Tribal Lead Agency is a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: Navajo Nation

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agency that have overlapping or neighboring service areas.

The counts below show the number of Indian children younger than age 13 as of (date).

This certifies that the number of Indian children (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) for the Consortium Lead Agency and each Consortium Member are:

NAVAJO NATION 477 PLAN 2025-2029 effective 10/01/2024

**INCOME MATRIX & SLIDING FEE SCALE****Child Care Sliding Fee Scale for Co-Pay Fee**

185% of Federal Poverty Guidelines

|    |              |                                                  |
|----|--------------|--------------------------------------------------|
| 1  | \$27,861.00  | Co-pay Fee is 4%<br>of Family Unit<br>Net Income |
| 2  | \$37,814.00  |                                                  |
| 3  | \$47,767.00  |                                                  |
| 4  | \$57,720.00  |                                                  |
| 5  | \$67,673.00  |                                                  |
| 6  | \$77,626.00  |                                                  |
| 7  | \$87,579.00  |                                                  |
| 8  | \$97,532.00  |                                                  |
| 9  | \$107,485.00 |                                                  |
| 10 | \$117,438.00 |                                                  |
| 11 | \$127,391.00 |                                                  |
| 12 | \$137,344.00 |                                                  |

**References:**

\* 2023 Poverty Guidelines,  
Federal Register Notice  
Thursday, January 17, 2024  
Vol. 89, No. 11; Page: 3424-3425;  
Document Number: 2024-00796

\*\*LIHEAP-IM-2024-04, State Median  
Income Estimates for Optional Use  
In FFY 2023 and Mandatory Use In  
FFY 2024



Effective 12.01.2023

**NAVAJO NATION DIVISION OF SOCIAL SERVICES  
Department of Child Care & Development**

**NAVAJO NATION PAYMENT RATES  
Approved for Fiscal Year 2023-2025**

| <b>FULL DAY<br/>RATE</b> | <b>AGE OF CHILD</b>  | <b>CENTER</b> | <b>GROUP<br/>HOME</b> | <b>FAMILY &amp;<br/>CHILD HOME</b> | <b>RELATIVE<br/>CAREGIVER<br/><small>Self-certification</small></b> |
|--------------------------|----------------------|---------------|-----------------------|------------------------------------|---------------------------------------------------------------------|
|                          | 1-12 Months Old      | 34.00         | 31.00                 | 28.00                              | 20.00                                                               |
|                          | 12.1 - 36 Months Old | 32.00         | 29.00                 | 28.00                              | 18.00                                                               |
|                          | 3.1 -5 Years Old     | 29.00         | 28.00                 | 25.00                              | 18.00                                                               |
|                          | 5.1 -13 Years Old    | 23.00         | 23.00                 | 23.00                              | 18.00                                                               |

| <b>PART DAY<br/>RATE</b> | <b>AGE OF CHILD</b> | <b>CENTER</b> | <b>GROUP<br/>HOME</b> | <b>FAMILY &amp;<br/>CHILD HOME</b> | <b>RELATIVE<br/>CAREGIVER<br/><small>Self-certification</small></b> |
|--------------------------|---------------------|---------------|-----------------------|------------------------------------|---------------------------------------------------------------------|
|                          | 1-12 Months Old     | 26.00         | 24.00                 | 21.00                              | 16.00                                                               |
|                          | 12.1-36 Months Old  | 26.00         | 23.00                 | 21.00                              | 14.00                                                               |
|                          | 3.1-5 Years Old     | 24.00         | 21.00                 | 18.00                              | 14.00                                                               |
|                          | 5.1-13 Years Old    | 19.00         | 18.00                 | 17.00                              | 14.00                                                               |

The maximum weekly benefits is authorized for payment up to five (5) full-time or part-time days.  
Full-Day Rate: Five (5) or more hours of childcare per day.  
Part-Day Rate: Less than Five (5) hours of childcare per day.

All childcare center, group home, family home, child's home and relative's childcare providers on Navajo Nation and near Navajo Nation (pursuant to HHSC-AU-40-89) are subject to use this subsidy payment rate.

If the provider's rate is less than the DCCD Rate, the provider's rate will be approved.  
If the provider's rate is higher than the DCCD rate, the DCCD Rate will be approved.  
Parent(s)/Legal Guardian(s) will be responsible for paying the cost difference between what the provider's rate is and what the DCCD's approved rates are.

Children who require nontraditional hours of care i.e., care provided to children at times outside of the traditional workday, between 6:00 pm and 7:00 am, and between 7:00 am and 6:00 pm on Saturday and Sunday are paid at a full-time or part-time rate.

The Navajo Nation Payment Rates are set based on the final triennial Market Rate Survey Report, dated October 2023.

*DCCD Approved 12.01.2023*

# NAVAJO NATION DEPARTMENT OF CHILD CARE AND DEVELOPMENT (DCCD)



## CCDF Consumer Statement

### INFORMATION

The Child Care and Development Fund (CCDF) is a federal and state partnership program authorized under the Child Care and Development Block Grant Act (CCDBG) and administered by states, territories, and tribes with funding and support from the Administration for Children and Families' Office of Child Care (OCC). CCDF is used to provide financial assistance to low-income families to access childcare so they can work or attend a job training or educational program.

The Navajo Nation implements and provides CCDF services through Navajo Nation Department of Child Care & Development (DCCD). DCCD is under the Executive Branch of the Navajo Nation government and is a department under the Division of Social Services.

### PURPOSE

OCC allows tribes the flexibility to utilize the CCDF grant to meet the purposes as outlined below:

- 1) Develop child care programs and policies that best suit the needs of children and parents within the service delivery area
- 2) Promote parental choice to empower working parents to make their own decisions regarding the child care services that best suits their family's needs;
- 3) Provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings;
- 4) Deliver high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance;
- 5) Improve the overall quality of child care services and programs by implementing health, safety, licensing, training, and oversight standards;
- 6) Improve child care and development of participating children; and
- 7) Increase the number and percentage of low-income children in high-quality childcare settings.

### DIRECT SERVICES

DCCD provides childcare services to the Navajo Nation through five (5) regions: Chinle Region, Ft. Defiance Region, Northern Region, Western Region, and Eastern Region. Within each region DCCD has a casework unit that provides eligibility determination for families and individuals interested in being independent providers. In addition, each region has child care centers that provide quality child care services to children from 6 months to 13 years of age. DCCD has three (3) types of child care categories: tribally operated child care centers; independent providers; and relative providers.

### SERVICE DELIVERY AREA

The Service Delivery Area (SDA) for DCCD includes the Navajo Nation and the border town communities as listed below:

- Arizona: Grand Canyon, Joseph City, Marble Canyon, Flagstaff, Snowflake, Holbrook, Page, Wupatki, and Winslow.
- New Mexico: Farmington, Aztec, Bloomfield, Magdalena, Cuba, Kirtland, Grants, Milan, Socorro, and Gallup.

Please contact your local DCCD Office to request additional information.

## NAVAJO NATION DEPARTMENT OF CHILD CARE AND DEVELOPMENT (DCCD)

### ELIGIBILITY

DCCD has eligibility requirements for the following:

1.) Child Care Assistance

- a. At minimum the child must be between the ages of Six (6) months and up to 13 years of age.
- b. The child must be an enrolled member of the Navajo Nation if residing within the identified border towns OR another federally recognized tribe if residing within the boundaries of the Navajo Nation.

- *Note: Income may be a factor in determining eligibility, please contact your local DCCD Office for more information.*

2.) Qualifying Provider

- a. Independent licensed and Relative/Family members may apply to become a DCCD provider. A complete federal background check is required of all non-relative providers. The provider must meet qualification standards, such as possession of a first aid certificate and CPR card for infants and children. Additional qualifying factors may be required.

- *Note: Please contact your local DCCD Office for more information regarding relative care and independent provider information.*

### **DCCD CONTACT DETAILS**

Feel free to contact your local DCCD caseworker office to request more information and/or ask additional questions.

- Chinle Region Casework Office:
  - Phone: (928) 674-2388
  - Fax: (928) 674-2010
- Ft. Defiance Casework Office:
  - Phone: (928) 871-7078 and (928) 871-6189
  - Fax: (928) 871-7290
- Shiprock Casework Office:
  - Phone: (928) 871-6911
  - Fax: (928) 871-7290
- Crownpoint Casework Office:
  - Phone: (505) 786-2438
  - Fax: (505) 786-2448
- Tuba City Casework Office
  - Phone: (928) 283-3472
  - Fax: (928) 283-3471
- Central DCCD Administration Office
  - Phone: (928) 871-6629
  - Fax: (928) 871-7077

## Division of Social Services Grievances and Appeal Process

The Division of Social Services (DSS) provides an opportunity for an affected individual to appeal a determination when a benefit under the 477 plan is denied. See the DSS' established appeal procedures in the Navajo Nation DSS Quality Assurance Manual, section entitled, "Notification Requirements for Denial, Reduction, Suspension, and or Termination of Social Services. This process applies to individuals, who have submitted an application for 477 services, and DSS has denied the 477 services.

### **Grievance Conference:**

If the client disagrees with the denial, the client may request a review of that decision through a grievance conference with the Program/ Department Manager prior to filing a Client Appeal with the Office of the Executive Director. If a client wants to proceed with a grievance conference, the client should comply with the following:

- The client must submit a written response to the respective program office that denied the 477 services and request a grievance conference. The written response must either be hand delivered or emailed to the respective program/ department manager that issued the denial. Program/ Department contact information is available at the Navajo Division of Social Services website [www.nndss.org](http://www.nndss.org). The written response must include the following information:
  - Client name and contact information.
  - Summary of the situation (date, names, etc.)
  - Supporting documentation to your claim, if relevant
  - Resolution being sought.
- The client must write to the respective program office within twenty (20) business days of the date of the decision from the respective program office in order to grieve the initial decision.
- The grievance conference will be held between the Program Manager, Principal Social Worker, the Case Manager, and the client within or by the seventh business days after receiving the written grievance.
- A written Grievance Conference Decision will be provided to the client within (5) business days.
  1. If the issue is resolved at the grievance conference, the grievance file is closed.
  2. If there is no resolution, the respective program office will issue a written response. That will provide a reasonable explanation to the decision.
- If the client does not agree with the Grievance Conference Decision, she/he may appeal the grievance decision to the Office of the Executive Director.

## **Client Appeals:**

If a client disagrees with the Grievance Conference Decision, the client may file a Client Appeal with the Office of the Executive Director. Client services will continue pending the outcome of the final decision of the Office of the Executive Director.

- The client must submit a written appeal within (5) business day from receipt of the Grievance Conference decision. The written appeal must either be hand delivered or emailed to the Office of the Executive Director at [info@nndss.org](mailto:info@nndss.org) which will be directed to the attention of Quality Assurance.
- The written appeal must include:
  - Client name and contact information.
  - Summary of the situation (date, names, etc.)
  - A copy of the Grievance Conference Decision indicated no resolution.
  - Supporting documentation to your claim, if relevant
  - Resolution being sought.
- Once the Office of the Executive Director receives the written appeal request, Quality Assurance will track the appeal request and ensure that the request is carried out according to the established appeals procedures and timeframes.
- The Client Appeal meeting will be held between twenty (20) business days from the date the Office of the Executive Director receives the written appeal.
- The Executive Director will provide an Appeal Decision to the client on the outcome of the hearing within five (5) business days from the date of the hearing.
- The Executive Director's decision is final.

At the conclusion of the Client Appeal meeting, the Executive Director shall provide a copy of the written appeal decision to the respective program office with recommendation for the service to overturn or uphold the Grievance Conference Decision.

## **477 Plan Public Notice Hearing**

Navajo DSS Notice(s) of the DSS Public Hearing:

- DSS held a 477 Plan Information Session on February 13, 2024, which was hosted virtually and in-person. There were over 100 attendees that included DSS staff, Directors, and Navajo Leadership.
- DSS published a recorded Information Session on the DSS Facebook page and website.
- DSS hosted collaborative weekly meetings with Navajo Nation Office of Management and Budget and Office of the Controller for the month of March 2024,
- On March 20-21, 2024, a 477 Plan Information Session was held with each DSS department and program, wherein staff were advised to submit written comments. There were no comments that were submitted or received.
- 477 Plan Information was shared at the scheduled Navajo Agency Council meetings in April and May 2024.
- A recorded Information Session and a copy of the 477 Plan will be made available for a 45-day open public comment period on the DSS Facebook page and website. This will begin in April 2024.

Community members will be encouraged to submit recommendations and comments on the plan in writing via a form available at the public comment meeting or via email to the DSS office. All comments, feedback, and recommendations will be recorded and considered to better serve the children and families of the Navajo Nation.



# NAVAJO NATION DEPARTMENT OF JUSTICE



## DOCUMENT REVIEW REQUEST COVER SHEET

### DOJ USE ONLY

May 23, 2024  
DATE / TIME

NNDOJ #: See HighQ

DOC #: 22833

UNIT: Human Services/Government

Unit

RESUBMITTAL: {...}

\*\*\* FOR NNDOJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. \*\*\*

| CLIENT TO COMPLETE                                                                                   |                             |                                                                                   |                                    |
|------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------|------------------------------------|
| DATE OF REQUEST:                                                                                     | <u>May 23, 2024</u>         | DIVISION:                                                                         | <u>Division of Social Services</u> |
| CONTACT NAME:                                                                                        | <u>Mary Descheeny-Reyna</u> |                                                                                   |                                    |
| PHONE NUMBER:                                                                                        | <u>9288716851</u>           | E-MAIL:                                                                           | <u>Mary.Reyna@nndss.org</u>        |
| TITLE OF DOCUMENT: <u>164 22833 NDSS PL 477 Plan</u>                                                 |                             |                                                                                   |                                    |
| UNIT REVIEW                                                                                          |                             |                                                                                   |                                    |
| DATE/TIME IN UNIT: <u>May 23, 2024</u> REVIEWING ATTORNEY/ADVOCATE: <u>LaTonia Johnson</u>           |                             |                                                                                   |                                    |
| DATE/TIME ATTORNEY REVIEW COMPLETE: <u>{...}</u>                                                     |                             |                                                                                   |                                    |
| DATE/TIME OUT OF UNIT: <u>See email transmitting completed document</u>                              |                             |                                                                                   |                                    |
| DOJ ATTORNEY / ADVOCATE COMMENTS                                                                     |                             |                                                                                   |                                    |
| <u>Sufficient. I also attached the final version of Appendix M and N to the completed documents.</u> |                             |                                                                                   |                                    |
| LEGAL STATUS: <u>Sufficient</u>                                                                      |                             | SURNAMED BY: <u>HSGU AAG</u><br>See Document Review signature sheet for date/time |                                    |

**EXECUTIVE OFFICIAL REVIEW**Title of Document: NDSS PL 477 Plan Contact Name: DESCHEENY-REYNA, MARYProgram/Division: DIVISION OF SOCIAL SERVICESEmail: Mary.Reyna@nndss.org Phone Number: 928-871-6851☐ **Business Site Lease** Sufficient    Insufficient

- |                                                                                                   |             |   |   |
|---------------------------------------------------------------------------------------------------|-------------|---|---|
| 1. Division: _____                                                                                | Date: _____ | □ | □ |
| 2. Office of the Controller: _____                                                                | Date: _____ | □ | □ |
| (only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review) |             |   |   |
| 3. Office of the Attorney General: _____                                                          | Date: _____ | □ | □ |

☐ **Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions**

- |                                          |             |   |   |
|------------------------------------------|-------------|---|---|
| 1. Division: _____                       | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications**

- |                                           |             |   |   |
|-------------------------------------------|-------------|---|---|
| 1. Office of Management and Budget: _____ | Date: _____ | □ | □ |
| 2. Office of the Controller: _____        | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____  | Date: _____ | □ | □ |

☐ **Navajo Housing Authority Request for Release of Funds**

- |                                          |             |   |   |
|------------------------------------------|-------------|---|---|
| 1. NNEPA: _____                          | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Lease Purchase Agreements**

- |                                          |             |   |   |
|------------------------------------------|-------------|---|---|
| 1. Office of the Controller: _____       | Date: _____ | □ | □ |
| (recommendation only)                    |             |   |   |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Grant Applications**

- |                                           |             |   |   |
|-------------------------------------------|-------------|---|---|
| 1. Office of Management and Budget: _____ | Date: _____ | □ | □ |
| 2. Office of the Controller: _____        | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____  | Date: _____ | □ | □ |

☐ **Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval**

- |                                          |             |   |   |
|------------------------------------------|-------------|---|---|
| 1. Division: _____                       | Date: _____ | □ | □ |
| 2. Office of the Attorney General: _____ | Date: _____ | □ | □ |

☐ **Relinquishment of Navajo Membership**

- |                                          |             |   |   |
|------------------------------------------|-------------|---|---|
| 1. Land Department: _____                | Date: _____ | □ | □ |
| 2. Elections: _____                      | Date: _____ | □ | □ |
| 3. Office of the Attorney General: _____ | Date: _____ | □ | □ |



☐ **Land Withdrawal or Relinquishment for Commercial Purposes**

Sufficient    Insufficient

1. Division: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. Office of the Attorney General: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Land Withdrawals for Non-Commercial Purposes, General Land Leases and Resource Leases**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Rights of Way**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. Office of the Attorney General: \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **Oil and Gas Prospecting Permits, Drilling and Exploration Permits, Mining Permit, Mining Lease**

1. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

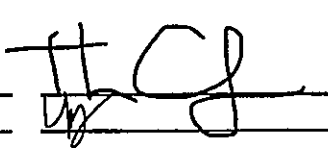
☐ **Assignment of Mineral Lease**

1. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☐ **ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)**

1. NLD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
2. F&W \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
3. HPD \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. Minerals \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. NNEPA \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
6. DNR \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
7. DOJ \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
8. OPVP \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

☒ **OTHER:**

1. Division of Social Services  Date: 5/23/2024 ☒ ☐  
2. DOJ Date: 5/24/24 ☒ ☐  
3. \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
4. \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐  
5. \_\_\_\_\_ Date: \_\_\_\_\_ ☐ ☐

# NAVAJO NATION

407

Navajo Nation Council Special Session

6/13/2024

03:21:48 PM

Amd# to Amd#

CONSENT AGENDA

PASSED

MOT Jesus, B

New Business: Item B.

SEC Begay, H

#0124-24; #0117-24

Yeas : 16

Nays : 0

Excused : 6

Not Voting : 1

Yea : 16

Arviso, S  
Begay, H  
Begay, N  
Claw, S

Daniels, H  
Jesus, B  
Johnson, C  
Nez, A

Parrish, S  
Simonson, G  
Simpson, D  
Slater, C

Tolth, G  
Tso, O  
Yazzie, C  
Yazzie, L

Nay : 0

Excused : 6

Charles-Newton, E  
Crotty, A

Curley, C  
Nez, R

Notah, N

Yanito, C

Not Voting : 1

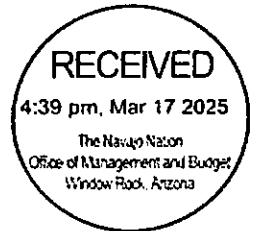
Aseret, L

Presiding Speaker: James, V

## **Exhibit B**



United States Department of the Interior  
BUREAU OF INDIAN AFFAIRS  
Navajo Regional Office  
P.O. Box 1060  
Gallup, New Mexico 87305



March 17, 2025

The Honorable Buu Nygren  
President, Navajo Nation  
100 Parkway  
Post Office Box 7440  
Window Rock, Arizona 86515

Dear President Nygren:

This letter with corrected total amount of \$68,722,886 replaces the award letter dated March 13, 2025, regarding the Navajo Nation's (Nation) Public Law (Pub. L.) 102-477 (477) Plan Contract No. A25AV00618, Social Services 477 Plan for the five-year period beginning October 1, 2024, through September 30, 2029. In letter dated October 9, 2024, the Bureau of Indian Affairs (BIA) Office of Indian Affairs approved the Nation's Pub. L. 477 Plan for the period beginning October 1, 2024, through September 30, 2029.

Enclosed is Standard Form (SF-26) for Pub. L. 102-477 Contract No. A25AV00618, awarding a total amount of \$68,722,886.00. The allocation of funding is based on the Navajo Nation's (Nation) approved Public Law (Pub. L.) 102-477 (477) plan. The Pub. L. 477 Plan includes the following Federal programs and funds to coordinate and consolidate the employment, training, and related services described in the plan as follows:

- a.) U.S. Department of Interior
  - 1.) Bureau of Indian Affairs, General Assistance
  - 2.) Bureau of Indian Affairs, Burial Assistance
  - 3.) Bureau of Indian Affairs, Adult Services
  - 4.) Bureau of Indian Affairs, Homemaking Services
  - 5.) Bureau of Indian Affairs, Indian Child Welfare Act
- b.) U.S. Department of Health and Human Services
  - 1.) Temporary Assistance to Needy Families
  - 2.) Child Care Development Fund: Mandatory and Discretionary
  - 3.) Community Services Block Grant
  - 4.) Low Income Home Energy Assistance Program
  - 5.) Title IV-B Subpart 1 Child Welfare Services
  - 6.) Title IV-B Subpart 2 Promoting Safe and Stable Families
  - 7.) Family Violence Prevention Services Act

Please complete Box Nos. 19A and 19C of the SF-26 and return both signed copies to the BIA NRO Branch of Indian Self Determination. The funds will be obligated through the Automated Standard Application for Payment when the SF-26 is signed by both parties. A completed executed copy will be provided to the Nation for their records and files.

If additional information is needed regarding this letter and enclosed documents, please contact me [jeanette.quintero@bia.gov](mailto:jeanette.quintero@bia.gov).

Sincerely,



Jeanette, Quintero  
Awarding Official  
BIA-2021-L2-000039

Enclosures

cc: Cordell Shortey, Contracting Officer, Contract and Grants, OMB, Navajo Nation  
Thomas Cody, Executive Director, Division of Social Services, Navajo Nation  
Sean McCabe, Controller, Office of the Controller, Navajo Nation  
Anthony Riley, Branch Chief, Division of Workforce Development (DWD), BIA, Office of Indian Services (OIS)  
Rae Belle Smeaton Whitcomb, Workforce Development Specialist, DWD, BIA, OIS

## **Exhibit C**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |                                                                                                                                           |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------|-----------------|
| <b>AWARD/CONTRACT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     | 1 This Contract is a Rated Order under the Defense Priorities and Allocations System (DPAS) - Code of Federal Regulations - at 15 CFR 700 |                                        | RATING                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                              | PAGE OF PAGES<br>1 383                                                            |                 |
| 2 CONTRACT (Procurement, Instruction, Identification) NUMBER<br>A25AV00618                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     |                                                                                                                                           |                                        | 3 EFFECTIVE DATE<br>See Block 20C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                              | 4. REQUISITION/PURCHASE REQUEST/PROJECT NUMBER<br>See Schedule                    |                 |
| 5 ISSUED BY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |     | CODE A09                                                                                                                                  |                                        | 6 ADMINISTERED BY (If other than Item 5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              | CODE A09                                                                          |                 |
| BIA NAVAJO 00009<br>301 WEST HILL ROOM 346<br>Contracting Office<br>Gallup NM 87301                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |                                                                                                                                           |                                        | DOI, BIA NAVAJO<br>Contracting Office<br>301 WEST HILL ROOM 346<br>Gallup NM 87301                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                                   |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |                                                                                                                                           |                                        | SCD-C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                              |                                                                                   |                 |
| 7 NAME AND ADDRESS OF CONTRACTOR (Number, Street, County, State and ZIP Code)<br><br>NAVAJO NATION TRIBAL GOVERNMENT<br>Attn: ATTN GOVERNMENT POC<br>100 PARKWAY<br>WINDOW ROCK AZ 86515                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                                                                                                                                           |                                        | 8 DELIVERY<br><input type="checkbox"/> FREE ON BOARD (FOB) ORIGIN <input checked="" type="checkbox"/> OTHER (See below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                                                                                   |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |                                                                                                                                           |                                        | 9 DISCOUNT FOR PROMPT PAYMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              |                                                                                   |                 |
| CODE KEBVZNK93W87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |                                                                                                                                           |                                        | FACILITY CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                              | 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN |                 |
| 11 SHIP TO/MARK FOR CODE 0011284603                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |                                                                                                                                           |                                        | 12 PAYMENT WILL BE MADE BY CODE ASAP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                              |                                                                                   |                 |
| BIA NRO IND SELF-DETERM<br>301 West Hill Ave, Rm 240<br>GALLUP NM 87301                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |     |                                                                                                                                           |                                        | ASAP<br>Automated Standard Application for Payments (US. Dept. or Treasury) must be used. Contact Agreements Officer for more information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                                                   |                 |
| 13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION UNDER THE UNITED STATES CODE AT <input type="checkbox"/> 10 U.S.C. 3204 (a) <input type="checkbox"/> 41 U.S.C. 3304 (a) ( )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                                                                                                                                           |                                        | 14. ACCOUNTING AND APPROPRIATION DATA<br>See Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                              |                                                                                   |                 |
| 15A. ITEM NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     | 15B. SUPPLIES/SERVICES                                                                                                                    |                                        | 15C. QUANTITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 15D. UNIT                    | 15E. UNIT PRICE                                                                   | 15F. AMOUNT     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     | Continued                                                                                                                                 |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |
| 15G. TOTAL AMOUNT OF CONTRACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |                                                                                                                                           |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              | \$68,722,886.00                                                                   |                 |
| 16. TABLE OF CONTENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |                                                                                                                                           |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |
| (X)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | SEC | DESCRIPTION                                                                                                                               | PAGE(S)                                | (X)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | SEC.                         | DESCRIPTION                                                                       | PAGE(S)         |
| PART I - THE SCHEDULE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |                                                                                                                                           |                                        | PART II - CONTRACT CLAUSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                                                   |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | A   | SOLICITATION/CONTRACT FORM                                                                                                                |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | I                            | CONTRACT CLAUSES                                                                  |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | B   | SUPPLIES OR SERVICES AND PRICES/COSTS                                                                                                     |                                        | PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                              |                                                                                   |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | C   | DESCRIPTION/SPECIFICATIONS/WORK STATEMENT                                                                                                 |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | J                            | LIST OF ATTACHMENTS                                                               |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | D   | PACKAGING AND MARKING                                                                                                                     |                                        | PART IV - REPRESENTATIONS AND INSTRUCTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                                                   |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | E   | INSPECTION AND ACCEPTANCE                                                                                                                 |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | K                            | REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS                  |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | F   | DELIVERIES OR PERFORMANCE                                                                                                                 |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | L                            | INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS                                 |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | G   | CONTRACT ADMINISTRATION DATA                                                                                                              |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | M                            | EVALUATION FACTORS FOR AWARD                                                      |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | H   | SPECIAL CONTRACT REQUIREMENTS                                                                                                             |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |
| CONTRACTING OFFICER WILL COMPLETE ITEM 17 (SEALED-BID OR NEGOTIATED PROCUREMENT) OR 18 (SEALED-BID PROCUREMENT) AS APPLICABLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |                                                                                                                                           |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |
| 17 <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.) |     |                                                                                                                                           |                                        | 18 <input type="checkbox"/> SEALED-BID AWARD (Contractor is not required to sign this document.) Your bid on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your bid, and (b) this award/contract. No further contractual document is necessary. (Block 18 should be checked only when awarding a sealed-bid contract.) |                              |                                                                                   |                 |
| 19A NAME AND TITLE OF SIGNER (Type or print)<br>Buu Nygren, President, The Navajo Nation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                                                                                                                                           |                                        | 20A NAME OF CONTRACTING OFFICER<br>JEANETTE QUINTERO, Awarding Official BIA-2021-12-000039                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                                                                                   |                 |
| 19B NAME OF CONTRACTOR<br>NAVAJO NATION TRIBAL GOVERNMENT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |                                                                                                                                           | 19C DATE SIGNED                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 20B UNITED STATES OF AMERICA |                                                                                   | 20C DATE SIGNED |
| (Signature of person authorized to sign)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |                                                                                                                                           | (Signature of the Contracting Officer) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                                   |                 |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618PAGE OF  
2 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
|                | <p>CFDA Number: 15.108<br/>UEI: KEBVZNK93W87<br/>CFDA Number: 15.108<br/>UEI: KEBVZNK93W87<br/>A25AV00618 Social Services 477 Plan</p> <p>1. Contract No.: A25AV00618<br/>2. Contract for the Social Services 477 Plan<br/>3. Contract Type: Negotiable Cost Reimbursement<br/>4. Contract Term: Date of the Award through September 30, 2029. Multi-Year Term Contract.<br/>5. To award the initial amount of \$68,722,883.00 into the Contract, which represents funds distributed to the Social Services 477 Plan.<br/>6. The allocation of funding is based on the Navajo Nation's (Nation) approved Public Law (Pub. L.) 102-477 (477) plan. The Pub. L. 477 Plan includes the following Federal programs and funds to coordinate and consolidate the employment, training, and related services described in the plan as follows:</p> <p>a.) U.S. Department of Interior<br/>1.) Bureau of Indian Affairs, General Assistance<br/>2.) Bureau of Indian Affairs, Burial Assistance<br/>3.) Bureau of Indian Affairs, Adult Services<br/>4.) Bureau of Indian Affairs, Homemaker Services<br/>5.) Bureau of Indian Affairs, Indian Child Welfare Act</p> <p>b.) U.S. Department of Health and Human Services<br/>1.) Temporary Assistance to Needy Families<br/>2.) Child Care Development Fund: Mandatory and Discretionary<br/>3.) Community Services Block Grant<br/>4.) Low Income Home Energy Assistance Program<br/>5.) Title IV-B Subpart 1 Child Welfare Services<br/>6.) Title IV-B Subpart 2 Promoting Safe and Stable Families<br/>7.) Family Violence Prevention Services Act</p> <p>8. Incorporate the Model 108 Agreement and Attachment 2, Pub. L. 477 Funding Agreement with Attachments A-C. The Funding Agreement covers the Date of the Award through September 30, 2029. 7.</p> <p>9. The Nation's Pub. L. 477 Plan does not include a waiver to the approved Pub. L. 477 Plan. Funds are available through their period of availability and subject to the conditions and Continued ...</p> |                 |             |                   |               |



## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618PAGE OF  
3 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                         | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
|                | restrictions of 26 IAM.<br>Period of Performance: 09/30/2024 to 09/30/2029                                                                                                                                                                                                                                                                                                       |                 |             |                   |               |
| 00010          | Navajo FY25 1st Qtr CCDF Man.<br>Obligated Amount: \$6,549,686.00<br>Requisition No: 0024000461<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A86530000.000000 Fund: 255A1550TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$6,549,686.00 |                 |             |                   | 6,549,686.00  |
| 00020          | Navajo AZ FY25 CSBG<br>Obligated Amount: \$205,734.00<br>Requisition No: 0024001206<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A89560000.000000 Fund: 255A1536TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$205,734.00               |                 |             |                   | 205,734.00    |
| 00030          | Navajo UT FY25 CSBG<br>Obligated Amount: \$17,279.00<br>Requisition No: 0024001206<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A89560000.000000 Fund: 255A1536TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$17,279.00                 |                 |             |                   | 17,279.00     |
| 00040          | Navajo NM FY25 CSBG<br>Obligated Amount: \$128,284.00<br>Requisition No: 0024001206<br><br>Continued ...                                                                                                                                                                                                                                                                         |                 |             |                   | 128,284.00    |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618PAGE OF  
4 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
| 00050          | Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A89560000.000000 Fund: 255A1536TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$128,284.00<br><br>Navajo Nation FY25 1st Qtr CCDF Dis.<br>Obligated Amount: \$31,680,984.00<br>Requisition No: 0024001207<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A85520000.000000 Fund: 255A1515TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$31,680,984.00 |                 |             |                   | 31,680,984.00 |
| 00060          | Navajo Nation FY25 WAG<br>Obligated Amount: \$5,267,585.00<br>Requisition No: 0024001208<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A0H913030.000000 Fund: 256A2100DD Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$5,267,585.00                                                                                                                                                                                                                                                                                                |                 |             |                   | 5,267,585.00  |
| 00070          | Navajo FY25 LIHEAP ESF<br>Obligated Amount: \$1,820,806.00<br>Requisition No: 0024001587<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A8CR10000.000000 Fund: 255A1502TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$1,820,806.00<br><br>Continued ...                                                                                                                                                                                                                                                                           |                 |             |                   | 1,820,806.00  |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618PAGE OF  
5 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                      | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
| 00080          | Navajo Nation FY25 ICWA-TPA<br>Obligated Amount: \$284,039.00<br>Requisition No: 0024001752<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A0H922020.000000 Fund: 256A2100DD Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$284,039.00    |                 |             |                   | 284,039.00    |
| 00090          | Navajo Nation FY25 ICWA-PGM Mgmt<br>Obligated Amount: \$51,562.00<br>Requisition No: 0024001752<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A0H922021.000000 Fund: 256A2100DD Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$51,562.00 |                 |             |                   | 51,562.00     |
| 00100          | Navajo FY25 1qtr TANF<br>Obligated Amount: \$7,793,507.00<br>Requisition No: 0024002363<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A885B0000.000000 Fund: 255A1552TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$7,793,507.00      |                 |             |                   | 7,793,507.00  |
| 00110          | Navajo FY25 CR2 WAG<br>Obligated Amount: \$5,461,681.00<br>Requisition No: 0024002740<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Continued ...                                                                                                                                                                                               |                 |             |                   | 5,461,681.00  |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618PAGE OF  
6 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
| 00120          | Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A0H913030.000000 Fund: 256A2100DD Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$5,461,681.00<br><br>Navajo FY25 2nd Qtr TANF<br>Obligated Amount: \$7,793,507.00<br>Requisition No: 0024002812<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A885B0000.000000 Fund: 255A1552TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$7,793,507.00 |                 |             |                   | 7,793,507.00  |
| 00130          | Navajo FY25 CCDF ARA Sup. Dis.<br>Obligated Amount: \$491,438.00<br>Requisition No: 0024002986<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A85540000.000000 Fund: 255A1515TR Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$491,438.00                                                                                                                                                                                                           |                 |             |                   | 491,438.00    |
| 00140          | Navajo FY25 CR2 ICWA TPA<br>Obligated Amount: \$995,992.00<br>Requisition No: 0024003570<br><br>Accounting Info:<br>01 Account Assignm: K G/L Account: 610000416A<br>Business Area: A000 Commitment Item: 416A00 Cost<br>Center: AAK300780P Functional Area:<br>A0H922020.000000 Fund: 256A2100DD Fund Center:<br>AAK300780P PR Acct Assign: 01<br>Funded: \$995,992.00<br><br>Continued ...                                                                                                                                                                                            |                 |             |                   | 995,992.00    |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED  
A25AV00618

PAGE 7 OF 383

NAME OF OFFEROR OR CONTRACTOR

NAVAJO NATION TRIBAL GOVERNMENT

| ITEM NO<br>(A) | SUPPLIES/SERVICES<br>(B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | QUANTITY<br>(C) | UNIT<br>(D) | UNIT PRICE<br>(E) | AMOUNT<br>(F) |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|-------------------|---------------|
| 00150          | <p>Navajo FY25 CR2 ICWA Pgm. Mmt.<br/>Obligated Amount: \$180,802.00<br/>Requisition No: 0024003570</p> <p>Accounting Info:<br/>01 Account Assignm: K G/L Account: 610000416A<br/>Business Area: A000 Commitment Item: 416A00 Cost<br/>Center: AAK300780P Functional Area:<br/>A0H922021.000000 Fund: 256A2100DD Fund Center:<br/>AAK300780P PR Acct Assign: 01<br/>Funded: \$180,802.00</p> <p>The total amount of award: \$68,722,886.00. The<br/>obligation for this award is shown in box 15G.</p> |                 |             |                   | 180,802.00    |

## CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT

Page 8

A25AV00568

NAME OF OFFEROR OR CONTRACTOR

THE NAVAJO NATION TRIBAL GOVERNMENT - Social Services 477 PLAN

Award

## FINANCIAL INFORMATION FOR OBLIGATION

| Document<br>Number | Accounting/Appropriation Data                 | Previous<br>Balance | Modification<br>+ or - | Revised<br>Balance |
|--------------------|-----------------------------------------------|---------------------|------------------------|--------------------|
| 010                | AAK300780P/255A1550TR/A86530000.000000/416A00 | \$ -                | (+) \$ 6,549,686.00    | \$ 6,549,686.00    |
| 020                | AAK300780P/255A1536TR/A89560000.000000/416A00 | \$ -                | (+) \$ 205,734.00      | \$ 205,734.00      |
| 030                | AAK300780P/255A1536TR/A89560000.000000/416A00 | \$ -                | (+) \$ 17,279.00       | \$ 17,279.00       |
| 040                | AA2300780P/255A1536TR/A89560000.000000/416A00 | \$ -                | (+) \$ 128,284.00      | \$ 128,284.00      |
| 050                | AAK300780P/255A1515TR/A85520000.000000/416A00 | \$ -                | (+) \$ 31,680,984.00   | \$ 31,680,984.00   |
| 060                | AAK300780P/256A2100DD/A0H913030.000000/416A00 | \$ -                | (+) \$ 5,267,585.00    | \$ 5,267,585.00    |
| 070                | AAK300780P/255A1502TR/A8CR10000.000000/416A00 | \$ -                | (+) \$ 1,820,806.00    | \$ 1,820,806.00    |
| 080                | AAK300780P/256A2100DD/A0H922020.000000/416A00 | \$ -                | (+) \$ 284,039.00      | \$ 284,039.00      |
| 090                | AAK300780P/256A2100DD/A0H922021.000000/416A00 | \$ -                | (+) \$ 51,562.00       | \$ 51,562.00       |
| 100                | AAK300780P/255A1552TR/A885B0000.000000/416A00 | \$ -                | (+) \$ 7,793,507.00    | \$ 7,793,507.00    |
| 110                | AAK300780P/256A2100DD/A0H913030.000000/416A00 | \$ -                | (+) \$ 5,461,681.00    | \$ 5,461,681.00    |
| 120                | AAK300780P/255A1552TR/A885B0000.000000/416A00 | \$ -                | (+) \$ 7,793,507.00    | \$ 7,793,507.00    |
| 130                | AAK300780P/255A1515TR/A85540000.000000/416A00 | \$ -                | (+) \$ 491,438.00      | \$ 491,438.00      |
| 140                | AAK300780P/256A2100DD/A0H922020.000000/416A00 | \$ -                | (+) \$ 995,992.00      | \$ 995,992.00      |
| 150                | AAK300780P/256A2100DD/A0H922021.000000/416A00 | \$ -                | (+) \$ 180,802.00      | \$ 180,802.00      |
|                    |                                               | \$ -                | (+) \$ -               | \$ -               |
|                    | Total CY 2025                                 | \$ -                | (+) \$ 68,722,886.00   | \$ 68,722,886.00   |
|                    | TOTAL CONTRACT AMOUNT                         | \$ -                | (+) \$ 68,722,886.00   | \$ 68,722,886.00   |

DCFS / Social Services 477 Plan

Contract No. A25AV00568 - October 1, 2024 to Setepmber 30, 2029

Updated March 20, 2025; Dev March 17, 2025

CGS/OMB

NN's P. L. 102-477 Plan

List of Programs and Amount of Funds Awarded

| A - No | B - Programs                                 | C - Amount of Award | D - 638 BIA Contract-Term Begin / End Date | F - Status on Contract Term     | G - Status on CY 2025 SAFA / Notes                  |
|--------|----------------------------------------------|---------------------|--------------------------------------------|---------------------------------|-----------------------------------------------------|
| 1      | CCDF Grant - 1st Quarter Mandatory Funds     | 6,549,686.00        |                                            |                                 |                                                     |
| 2      | CCDF Grant - 1st Quarter Discretionary Funds | 31,680,984.00       |                                            |                                 | Total CCDF \$38,203,670                             |
| 3      | FY25 CSBG Arizona Funds                      | 205,734.00          |                                            |                                 |                                                     |
| 4      | FY25 CSBG Utah Funds                         | 17,279.00           |                                            |                                 |                                                     |
| 5      | FY25 CSBG New Mexico Funds                   | 128,284.00          |                                            |                                 | Total CSBG \$351,297                                |
| 6      | FY25 Welfare Assistance Grant (CR1)          | 5,267,585.00        | Contract No. A21AV00003-DFS;               | Via CY 2025, both Contracts are | CY 2025 SAFA not approved but funds awarded. 2nd 50 |
| 7      | FY25 Welfare Assistance Grant (CR2)          | 5,461,681.00        | A21AV00384-NFAS. 1/01/21-12/31/25          | in year 5 of 5                  | day review as extended ends June 21, 2025.          |
| 8      | FY25 LIHEAP ESF                              | 1,820,806.00        |                                            |                                 | Total Welfare Assistance \$10,729,266               |
| 9      | FY25 ICWA Tribal Priority Allocation (CR1)   | 284,039.00          | Contract No. A23AV00368. 1/01/23-          | Via CY 2025, Contract in year 3 | CY 2025 SAFA not submitted but funds awarded.       |
| 10     | FY25 ICWA Tribal Priority Allocation (CR2)   | 995,992.00          | 12/31/27                                   | of 5                            |                                                     |
| 11     | FY25 ICWA Program Administration (CR1)       | 51,562.00           |                                            |                                 |                                                     |
| 12     | FY25 ICWA Program Administration (CR2)       | 180,802.00          |                                            |                                 | Total ICWA \$1,512,398                              |
| 13     | TANF Grant - 1st Quarter                     | 7,793,507.00        |                                            |                                 |                                                     |
| 14     | TANF Grant - 2nd Quarter                     | 7,793,507.00        |                                            |                                 |                                                     |
| 15     | FY25 CCDF ARA Suppl. Discretionary Funds     | 491,438.00          |                                            |                                 | Total TANF \$15,587,014                             |
| 16     | Total                                        | 68,722,886.00       |                                            |                                 |                                                     |

Questions and Comments:

1. Funds allocated to 638 BIA contracted programs are shown on rows 6, 7 and 9 thru 12, see yellow highlights.
2. While 638 BIA contracts are now under 477 Plan, does the contract continue to the end of the contract term?
3. As noted in Column G, SAFA (funding proposal) on two 638 Contracts is not approved yet but funds awarded. Also, SAFA on ICWA was not submitted but funds awarded.
4. Funds on CY 2024 on ICWA was awarded. Since ICWA is under 477 Plan, BIA NRO requested the funds be returned to BIA NRO. Thereafter, the funds will be awarded under 477 Plan.
5. As shown in Column B, the number of funds allocated is 15. Those are to 7 programs, see bold fonts in Columns C and G.

**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF INDIAN AFFAIRS**  
**OFFICE OF INDIAN SERVICES**  
**DIVISION OF WORKFORCE DEVELOPMENT**  
**CENTRAL OFFICE**

**PUBLIC LAW 93-638, AS AMENDED**

**SECTION 5329 (c)**  
**MODEL CONTRACT**

**WITH**

**(NAVAJO NATION)**

**CONTRACT NO. A25AV00618**



**SECTION 1. AGREEMENT BETWEEN THE SECRETARY AND THE NAVAJO NATION, A FEDERALLY RECOGNIZED TRIBAL GOVERNMENT OR TRIBAL ORGANIZATION**

**(a) AUTHORITY AND PURPOSE.**

- (1) **AUTHORITY.** This agreement, denoted a Self-Determination Contract (referred to in this agreement as the "Contract"), is entered into by the Secretary of the Interior (referred to in this agreement as the "Secretary"), for and on behalf of the United States pursuant to title I of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5301 et seq.) and by the authority of the Navajo Nation, a Tribal government or tribal organization (referred to in this agreement as the "Contractor"). The provisions of Title I of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5301 et seq.) are incorporated in this agreement.
- (2) **PURPOSE.** Each provision of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5301 et seq.) and each provision of this Contract shall be liberally construed for the benefit of the Contractor to transfer the funding and the following related functions, services, activities, and programs (or portions thereof), that are otherwise contractible under section 5321(a) of such Act, including all related administrative functions, from the Federal Government to the Contractor:

**See Approved Tribal Plan under Public Law 102-477**

**(b) TERMS, PROVISIONS, AND CONDITIONS.**

- (1) **TERM.** Pursuant to section 5324(c)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5324(c)(1)) and the Contractor's approved tribal plan under Public Law 102-477, the term of this contract shall be five years, to expire on September 30, 2029.

Pursuant to section 5324(d)(1) of such Act (25 U.S.C. § 5324(d)), upon the election by the Contractor, the period of this Contract shall be determined on the basis of a fiscal year, unless the Secretary and the Contractor agree on a different period in the annual funding agreement incorporated by reference in subsection (f)(2).

- (2) **EFFECTIVE DATE.** This Contract shall become effective upon the date of the approval and execution by the Contractor and the Secretary, unless the Contractor and the Secretary agree on an effective date other than the date specified in this paragraph.
- (3) **PROGRAM STANDARD.** The Contractor agrees to administer the program, services, functions, and activities (or portions thereof) listed in subsection (a)(2) of the Contract in conformity with the following standards:
  - (A) **General.** The Contractor shall administer the Approved Tribal Plan functions under this agreement in accordance with its own laws and

policies which are incorporated herein by reference. The provisions of regulations promulgated to implement Public Law 93-638, as amended, and other applicable Federal Regulations shall apply, unless such regulations have been waived by the Secretary. Such regulations are incorporated in this agreement by reference.

- (B) **Approved Tribal Plan.** The Contractor shall conduct programs and services under this contract to address Tribal priorities and needs as determined by the Tribal Council. Programs to be conducted shall include any and all programs authorized by law, for which funds have been appropriated to the Bureau of Indian Affairs (BIA) or made available from other agencies through the BIA. Funds made available may be utilized to acquire other resources to further the objective of this agreement. The Contractor shall operate programs under this contract in accordance with the following standards:

- See Approved Tribal Plan

- (4) **FUNDING AMOUNT.** Subject to the availability of appropriations, the Secretary shall make available to the Contractor the total amount specified in the annual funding agreement incorporated by reference in subsection (f)(2). Such amount shall not be less than the applicable amount determined pursuant to section 5325(a) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5325).
- (5) **LIMITATION OF COSTS.** The Contractor shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds awarded under this Contract. If, at any time, the Contractor has reason to believe that the total amount required for performance of this Contract or a specific activity conducted under this Contract would be greater than the amount of funds awarded under this Contract, the Contractor shall provide reasonable notice to the appropriate Secretary. If the appropriate Secretary does not take such action as may be necessary to increase the amount of funds awarded under this Contract, the Contractor may suspend performance of the Contract until such time as additional funds are awarded.
- (6) **PAYMENT**
- (A) **IN GENERAL.** Payments to the Contractor under this Contract shall:
- (i) be made as expeditiously as practicable; and
  - (ii) includes financial arrangements to cover funding during periods covered by joint resolutions adopted by Congress making continuing appropriations, to the extent permitted by such resolutions.
- (B) **QUARTERLY, SEMIANNUAL, LUMP-SUM, AND OTHER METHODS OF PAYMENT.**

- (i) **IN GENERAL.** Pursuant to section 5329(b) of the Indian Self-Determination and Education Assistance Act, and notwithstanding any other provision of law, for each fiscal year covered by this Contract, the Secretary shall make available to the Contractor the funds specified for the fiscal year under the annual funding agreement incorporated by reference pursuant to subsection (f)(2) by paying to the Contractor, on a quarterly basis, one-quarter of the total amount provided for in the annual funding agreement for that fiscal year, in a lump-sum payment or as semi-annual payments, or any other method of payment authorized by law, in accordance with such method as may be requested by the Contractor and specified in the annual funding agreement.
- (ii) **METHOD OF QUARTERLY PAYMENT.** If quarterly payments are specified in the annual funding agreement incorporated by reference pursuant to subsection (f)(2), each quarterly payment made pursuant to clause (i) shall be made on the first day of each quarter of the fiscal year, except that in any case in which the Contract year coincides with the Federal fiscal year, payment for the first quarter shall be made not later than the date that is 10 calendar days after the date on which the Office of Management and Budget apportions the appropriations for the fiscal year for the programs, services, functions, and activities subject to this Contract.
- (iii) **APPLICABILITY.** Chapter 39 of title 31, United States Code, shall apply to the payment of funds due under this Contract and the annual funding agreement referred to in clause (i).

(7) **RECORDS AND MONITORING.**

- (A) **IN GENERAL.** Except for previously provided copies of tribal records that the Secretary demonstrates are clearly required to be maintained as part of the record keeping system of the Department of the Interior or the Department of Health and Human Services (or both), records of the Contractor shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.
- (B) **RECORD KEEPING SYSTEM.** The Contractor shall maintain a record keeping system and, upon reasonable advance request, provide reasonable access to such records to the Secretary.
- (C) **RESPONSIBILITIES OF CONTRACTOR.** The Contractor shall be responsible for managing the day-to-day operations conducted under this Contract and for monitoring activities conducted under this Contract to ensure compliance with the Contract and applicable Federal requirements. With respect to the monitoring activities of the

Secretary, the routine monitoring visits shall be limited to not more than one performance monitoring visits for this Contract by the head of each operating division, departmental bureau, or departmental agency, or duly authorized representative of such head unless:

- (i) the Contractor agrees to one or more additional visits; or
- (ii) the appropriate official determines that there is reasonable cause to believe that grounds for re-assumption of the Contract, suspension of Contract payments, or other serious Contract performance deficiency may exist.

No additional visits referred to in clause (ii) shall be made until such time as reasonable advance notice that includes a description of the nature of the problem that requires the additional visit has been given to the Contractor.

**(8) PROPERTY.**

- (A) **IN GENERAL.** As provided in section 5324(f) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5324(f)), at the request of the Contractor, the Secretary may make available, or transfer to the Contractor, all reasonably divisible real property, facilities, equipment, and personal property that the Secretary has used to provide or administer the programs, services, functions, and activities covered by this Contract. A mutually agreed upon list specifying the property, facilities, and equipment so furnished shall also be prepared by the Secretary, with the concurrence of the Contractor, and periodically revised by the Secretary, with the concurrence of the Contractor.
- (B) **RECORDS.** The Contractor shall maintain a record of all property referred to in subparagraph (A) or other property acquired by the Contractor under section 5324(f)(2)(A) of such Act for purposes of replacement.
- (C) **JOINT USE AGREEMENTS.** Upon the request of the Contractor, the Secretary and the Contractor shall enter into a separate joint use agreement to address the shared use by the parties of real or personal property that is not reasonably divisible.
- (D) **ACQUISITION OF PROPERTY.** The Contractor is granted the authority to acquire such excess property as the Contractor may determine to be appropriate in the judgment of the Contractor to support the programs, services, functions, and activities operated pursuant to this Contract.
- (E) **CONFISCATED OR EXCESS PROPERTY.** The Secretary shall assist the Contractor in obtaining such confiscated or excess property as may become available to Navajo Nations, tribal organizations, or

local governments.

- (F) **SCREENER IDENTIFICATION CARD.** A screener identification card (General Services Administration form numbered 2946) shall be issued to the Contractor not later than the effective date of this contract. The designated official shall upon request, assist the Contractor in securing the use of the card.
- (G) **CAPITAL EQUIPMENT.** The Contractor shall determine the capital equipment, leases, rentals, property, or services the Contractor requires to perform the obligations of the Contractor under this subsection and shall acquire and maintain records of such capital equipment, property rentals, leases, property, or services through applicable procurement procedures of the Contractor.
- (9) **AVAILABILITY OF FUNDS.** Notwithstanding any other provision of law, any funds provided under this Contract:
  - (A) shall remain available until expended; and
  - (B) with respect to such funds, no further:
    - (i) approval by the Secretary, or
    - (ii) justifying documentation from the Contractor, shall be required prior to the expenditure of such funds.
- (10) **TRANSPORTATION.** Beginning on the effective date of this Contract, the Secretary shall authorize the Contractor to obtain interagency motor pool vehicles and related services for performance.
- (11) **FEDERAL PROGRAM GUIDELINES, MANUALS, OR POLICY DIRECTIVES.** Except as specifically provided in the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5301 et seq.) the Contractor is not required to abide by program guidelines, manuals, or policy directives of the Secretary, unless otherwise agreed to by the Contractor and the Secretary, or otherwise required by law.
- (12) **DISPUTES.**
  - (A) **THIRD-PARTY MEDIATION DEFINED.** For the purposes of this Contract, the term 'third-party mediation' means a form of mediation whereby the Secretary and the Contractor nominate a third party who is not employed by or significantly involved with the Secretary of the Interior, the Secretary of Health and Human Services, or the Contractor, to serve as a third-party mediator to mediate disputes under this Contract.
  - (B) **ALTERNATIVE PROCEDURES.** In addition to, or as an alternative to, remedies and procedures prescribed by section 5331 of

the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5331), the parties to this Contract may jointly:

- (i) submit disputes under this Contract to third-party mediation,
- (ii) submit the dispute to the adjudicatory body of the Contractor, including the tribal court of the Contractor,
- (iii) submit the dispute to mediation processes provided for under the laws, policies, or procedures of the Contractor, or
- (iv) use the administrative dispute resolution processes authorized in subchapter IV of chapter 5 of title 5, United States Code.

(C) **EFFECT OF DECISIONS.** The Secretary shall be bound by decisions made pursuant to the processes set forth in subparagraph (B), except that the Secretary shall not be bound by any decision that significantly conflicts with the interests of Indians or the United States.

(13) **ADMINISTRATIVE PROCEDURES OF CONTRACTOR.** Pursuant to the Indian Civil Rights Act of 1968 (25 U.S.C. § 1301 et seq.), the laws, policies and procedures of the Contractor shall provide for administrative due process (or the equivalent of administrative due process) with respect to programs, services, functions, and activities that are provided by the Contractor pursuant to this Contract.

(14) **SUCCESSOR ANNUAL FUNDING AGREEMENT.**

(A) **IN GENERAL.** Negotiations for a successor annual funding agreement, provided for in subsection (f)(2), shall begin not later than 120 days prior to the conclusion of the preceding annual funding agreement. Except as provided in section 5324(c)(2) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5324(c)(2)) the funding for each such successor annual funding agreement shall only be reduced pursuant to section 5325(b) of such Act (25 U.S.C. § 5325(b)).

(B) **INFORMATION.** The Secretary shall prepare and supply relevant information, and promptly comply with any request by the Contractor for information that the Contractor reasonably needs to determine the amount of funds that may be available for a successor annual funding agreement, as provided for in subsection (f)(2) of this Contract.

(15) **CONTRACT REQUIREMENTS, APPROVAL BY SECRETARY.**

(A) **IN GENERAL.** Except as provided in subparagraph (B), for the term of the Contract, section 2103 of the Revised Statutes (25 U.S.C. § 81), and section 16 of the Act of June 18, 1934 (48 Stat. 987, chapter 576; 25 U.S.C. § 476) shall not apply to any Contract entered into in

connection with this Contract.

(B) **REQUIREMENTS.** Each Contract entered into by the Contractor with a third party in connection with performing the obligations of the Contractor under this Contract shall:

- (i) be in writing.
- (ii) identify the interested parties, the authorities of such parties, and purposes of the contract.
- (iii) state the work to be performed under the Contract; and
- (iv) state the process for making any claim, the payments to be made, and the terms of the Contract, which shall be fixed.

(c) **OBLIGATION OF THE CONTRACTOR.**

(1) **CONTRACT PERFORMANCE.** Except as provided in subsection (d)(2), the Contractor shall perform the programs, services, functions, and activities as provided in the annual funding agreement under subsection (f)(2) of this Contract.

(2) **AMOUNT OF FUNDS.** The total amount of funds to be paid under this Contract pursuant to section 5325(a) shall be determined in an annual funding agreement entered into between the Secretary and the Contractor which shall be incorporated into this Contract.

(3) **CONTRACTED PROGRAMS.** Subject to the availability of appropriated funds, the Contractor shall administer the programs, services, functions, and activities identified in this Contract and funded through the annual funding agreement under subsection (f)(2).

(4) **TRUST SERVICES FOR INDIVIDUAL INDIANS.**

(A) **IN GENERAL.** To the extent that the annual funding agreement provides funding for the delivery of trust services to individual Indians that have been provided by the Secretary, the Contractor shall maintain at least the same level of service as the Secretary provided for such individual Indians, subject to the availability of appropriated funds for such services.

(B) **TRUST SERVICES TO INDIVIDUAL INDIANS.** For the purposes of this paragraph only, the term "trust services for individual Indians" means only those services that pertain to land or financial management connected to individually held allotments.

(5) **FAIR AND UNIFORM SERVICES.** The Contractor shall provide services under this Contract in a fair and uniform manner and shall provide access to an administrative or judicial body empowered to adjudicate or otherwise resolve complaints, claims, and grievances brought by program beneficiaries against the Contractor arising out of the performance of the Contract.

(d) **OBLIGATION OF THE UNITED STATES.**

(1) **TRUST RESPONSIBILITY.**

- (A) **IN GENERAL.** The United States reaffirms the trust responsibility of the United States to the Navajo Nation to protect and conserve the trust resources of the Navajo Nation and the trust resources of individual Indians.
- (B) **CONSTRUCTION OF CONTRACT.** Nothing in this Contract may be construed to terminate, waive, modify, or reduce the trust responsibility of the United States to the Navajo Nation(s) or individual Indians. The Secretary shall act in good faith in upholding such trust responsibility.
- (2) **GOOD FAITH.** To the extent that health programs are included in this Contract, and within available funds, the Secretary shall act in good faith in cooperating with the Contractor to achieve the goals set forth in the Indian Health Care Improvement Act (25 U.S.C. § 1601 et seq.).
- (3) **PROGRAMS RETAINED.** As specified in the annual funding agreement, the United States hereby retains the programs, services, functions, and activities with respect to the Navajo Nation that are not specifically assumed by the Contractor in the annual funding agreement under subsection (f)(2).

(e) **OTHER PROVISIONS.**

- (1) **DESIGNATED OFFICIAL.** Not later than the effective date of this Contract, the United States shall provide to the Contractor, and the Contractor shall provide to the United States, a written designation of a senior official to serve as a representative for notices, proposed amendments to the Contract, and other purposes for this Contract.
- (2) **CONTRACT MODIFICATIONS OR AMENDMENT.**
  - (A) **IN GENERAL.** Except as provided in subparagraph (B), no modification to this Contract shall take effect unless such modification is made in the form of a written amendment to the Contract, and the Contractor and the Secretary provide written consent for the modification.
  - (B) **EXCEPTION.** The addition of supplemental funds for programs, functions, and activities (or portions thereof) already included in the annual funding agreement under subsection (f)(2), and the reduction of funds pursuant to section 5325(b)(2), shall not be subject to subparagraph (A).
- (3) **OFFICIALS NOT TO BENEFIT.** No Member of Congress, or resident commissioner, shall be admitted to any share or part of any contract executed pursuant to this Contract, or to any benefit that may arise from such contract. This paragraph may not be construed to apply to any contract with a third party entered into under this Contract if such contract is made with a corporation for the general benefit of the corporation.



- (4) **COVENANT AGAINST CONTINGENT FEES.** The parties warrant that no person or selling agency has been employed or retained to solicit or secure any contract executed pursuant to this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

(f) **ATTACHMENTS.**

- (1) **APPROVAL OF CONTRACT.** Unless previously furnished to the Secretary, the resolution of the Navajo Nation authorizing the contracting of the programs, services, functions, and activities identified in this Contract is attached to this Contract as Attachment 1.

(2) **ANNUAL FUNDING AGREEMENT.**

- (A) **IN GENERAL.** The annual funding agreement under this Contract shall only contain:
- (i) terms that identify the programs, services, functions, and activities to be performed or administered, the general budget category assigned, the funds to be provided, and the time and method of payment; and
  - (ii) such other provisions, including a brief description of the programs, services, functions, and activities to be performed (including those supported by financial resources other than those provided by the Secretary), to which the parties agree.
- (B) **INCORPORATION BY REFERENCE.** The annual funding agreement is hereby incorporated in its entirety in this Contract and attached to this Contract as Attachment 2.

ATTACHMENT 2

**477 FUNDING AGREEMENT**

To Plan, Conduct, and Administer  
**NON-CONSTRUCTION**

Authorized Programs Pursuant to Public Law 93-638, as amended and  
Public Law 102-477, Employment & Training Initiative

**BETWEEN THE**

**DEPARTMENT OF THE INTERIOR**

**BUREAU OF INDIAN AFFAIRS**

**OFFICE OF INDIAN SERVICES**

**DIVISION OF WORKFORCE DEVELOPMENT**

**AND**

**THE NAVAJO NATION**

**FOR THE**

**477 Approved Plan**

**Plan Period:**

**October 1, 2024, through September 30, 2029**

**CONTRACT NO. A25AV00618**

## INDEX OF CONTRACT PROVISIONS

### SECTION A

#### Definition of Terms

- Sec. 1. Definitions

### SECTION B

#### Program and Budget

- Sec. 1. Program(s)  
 Sec. 2. Proposed Budget  
 Sec. 3. Contract Amount  
 Sec. 4. Contract Support Funds (Direct and Indirect)  
 Sec. 5. Transfer of Contract Funds  
 Sec. 6. Administration of Funds  
 Sec. 7. Carryover Funds

### SECTION C

#### Statement of Work

- Sec. 1. Statement of Work (SOW)  
 Sec. 2. Contract Term

### SECTION D

#### Performance

- Sec. 1. Reporting Requirement  
 Sec. 2. Audit Requirement  
 Sec. 3. Monitoring and Records Review  
 Sec. 4. Contract Termination  
 Sec. 5. Background Checks

### SECTION E

#### Administration Data

- Sec. 1. Awarding Official's Technical Representative  
 Sec. 2. Contract Payment  
 Sec. 3. Contract Revision or Amendment  
 Sec. 4. Negotiated Indirect Cost Rates  
 Sec. 5. Billings for Indirect Cost  
 Sec. 6. Disputes  
 Sec. 7. Federal Tort Claims Act (FTCA)  
 Sec. 8. Waivers

### SECTION F

#### Special Requirements

- Sec. 1. Required Management Systems  
 Sec. 2. Finance System Certification  
 Sec. 3. Record Keeping

### SECTION G

#### Other Attachments

**SECTION A**  
**Definition of Terms**

**Sec. 1. Definitions.** The following terms shall have the meanings set forth below throughout this contract.

1. **477 Plan.** Means the plan included hereto as Attachment A that is authorized by Public Law 102-477, as amended, approved by BIA, including any later plan amendments that may be approved by BIA.
2. **Awarding Official (AO).** Means any person who by appointment or delegation in accordance with applicable regulations has the authority to enter into and administer contracts on behalf of the United States of America and make decisions and issue findings and determinations with respect thereto.
3. **Awarding Official's Technical Representative (AOTR).** Means the authorized technical representative of an Awarding Official acting within the limits of his delegated authority.
4. **BIA.** Means the Bureau of Indian Affairs within the United States Department of the Interior.
5. **Contract.** Means the self-determination contract numbered A25AV00618 entered into between BIA and the Contractor pursuant to Public Law 93-638 to carry out the Contractor's 477 Plan.
6. **Contractor.** Means the recipient of the Contract.
7. **Contract Modification.** A written change to the Contract which has been mutually agreed to by the Awarding Official and the Contractor.
8. **Contract Support Costs (CSC).** Costs for activities, including start-up, direct and indirect costs, allowable under 25 U.S.C. §§ 5325(a)(2)-(6).
9. **Days.** Means, unless otherwise specified in this contract, calendar days; except where the last day of any time period specified in this contract falls on a Saturday, Sunday, or a Federal holiday, the period shall carry over to the next business day unless otherwise prohibited by law.
10. **Declination.** Means written notification by a Bureau Approving Official not to enter into a self-determination contract.
11. **Direct Contract Support Costs (DCSC).** Direct Contract Support Costs are costs incurred for activities that are necessary to operate a federal program under the Act and that are not contained in either the indirect (IDC) pool or the amount computed pursuant to 25 U.S.C. § 5325(a)(1).
12. **Indirect costs (IDC).** Has the meaning given in 25 U.S.C. § 5304(f).
13. **Indirect Cost Rate.** Has the meaning given in 25 U.S.C. § 5304(g), with the "appropriate Federal agency" being the Interior Business Center of the Department of the Interior.
14. **Program records.** Records created or maintained to support activity within the contracted program. Program records shall include, but not be limited to, the following:
  - a. Application for assistance under the specific program;
  - b. Case files, student files, etc.;
  - c. Correspondence;
  - d. Financial records; and,
  - e. Any other records established under the P.L. 93-638 contract.

15. **Public Law 93-638 (PL 638).** The Indian Self-Determination and Education Assistance Act of 1975, as amended (25 U.S.C. § 5301, *et seq.*).
16. **Public Law 102-477 (PL 477).** The Indian Employment, Training, and Related Services Demonstration Act of 1992, Pub. L. 102-477 as amended (25 U.S.C. § 3401, *et seq.*).
17. **Reassumption.** Means recession, in whole or in part, of a contract and assuming or resuming control or operation of the contracted program by the Secretary without the consent of the contracting Indian tribe or tribal organization pursuant to the procedures set forth in 25 C.F.R., Part 900, Subpart P.
18. **Retrocession.** Means the voluntary return to the Secretary of a contracted program, in whole or in part, for any reason, before the expiration of the term of the contract.
19. **Secretary.** Means the Secretary, the Under Secretary, and Assistant Secretary, or any other head or assistant head of the Department of the Interior or his authorized representative(s); and, the term "his duly authorized representative" means any person or board (other than the Awarding Official) authorized to act for the Secretary.

## **SECTION B** **Program and Budget**

**Sec. 1. Program(s).** The Contractor shall perform that portion of the approved Federal programs under the approved 477 Plan, attached hereto as Attachment A, as identified by the following title(s) and described herein in accordance with the terms, provisions and conditions of this Contract:

1. U.S. Department of the Interior Bureau of Indian Affairs:
  - a. Bureau of Indian Affairs General Assistance
  - b. Bureau of Indian Affairs Burial Assistance
  - c. Bureau of Indian Affairs Adult Services
  - d. Bureau of Indian Affairs Homemaker Services
  - e. Bureau of Indian Affairs, Indian Child Welfare Act.
2. U.S. Department of Health and Human Services
  - a. Temporary Assistance to Needy Families
  - b. Child Care Development Fund (Mandatory and Discretionary)
  - c. Community Services Block Grant
  - d. Low Income Home Energy Assistance Program
  - e. Title IV-B Subpart 1 Child Welfare Services
  - f. Title IV-B Subpart 2 Promoting Safe and Stable Families
  - g. Family Violence Prevention Services Act

Any additions, revisions and/or amendments will be made through a modification to the Contract.

**Sec. 2. Proposed Budget.** The 477 Plan identifies the projected expenditures in a single budget covering all consolidated funds.

1. The Contractor shall request prior approval for amendments to the approved 477 Plan whenever:
  - a. The budget revision results from changes in the approved PL477 plan.
  - b. The revision requires adding or removing program activities and services;
  - c. The revision causes a change in the amount of indirect cost for the contract; or,
  - d. The revision pertains to the addition of items requiring approval of the Bureau of Indian Affairs.
2. Incurrence of Cost: Contractor is authorized advanced lump sum disbursements for any reasonable, allowable and allocable cost incurred for the operation of the program(s) under this contract from the effective date of this Contract.

**Sec. 3. Contract Amount.** The amount of funding to be provided by the approved 477 Plan under this Contract for the approved plan period, identified on the attached Standard Form 26, Award/Contract document (for initial awards) or Standard Form 30, Amendment of Solicitation/Modification (modification to add funds). Funds will be added to the Contract through modification as they become available.

The amount of funding provided under this Contract may include sums which are based on tentative allocations of funds estimated to be available. The actual allocations of funds may be less than the tentative allocations when the United States Congress makes appropriations. By signing this Contract, or any modifications hereto, the Contractor understands that all Contract funds are subject to availability. The Contractor further acknowledges that:

1. The Contract amount is based on a tentative allocation of funds;
2. The actual allocation of funds may be less than the funds identified in the Contract;
3. It may become necessary to modify the Contract to reflect the actual allocation; and
4. Any such modification would be required by law.

**Sec. 4. Contract Support Costs (Direct and Indirect).** The Secretary shall pay Contract Support Cost funds pursuant to authorizing statutes, regulations, policies and procedures and subject to the availability of funds. The Secretary will not pay Contract Support Costs for programs incorporated in the 477 Plan from the Department of Health and Human Services or other non-Interior agencies.

**Sec. 5. Transfer of Contract Funds.** The Contractor acknowledges that the Secretary has no control over the amount or timing of transfer of funds from programs integrated into the 477 Plan that are administered by non-Interior agencies. Such funds will be made available to the Contractor not more than forty-five (45) days after receipt by the Secretary from the non-Interior agencies, along with any funds for programs integrated into the 477 Plan that are administered by the Secretary.

**Sec. 6. Administration of Funds.** All funds transferred to the Contractor will be administered by the Contractor in accordance with the 477 Plan, including consolidating, reallocating, and rebudgeting the funds as specified in the 477 Plan to best meet the employment, training, and related needs of the local community served by the Contractor. If identified as part of the 477 Plan and in accordance with 25 U.S.C. § 3408, the Contractor may use the funds for job creation activities and employer training placements, including private sector training placement pursuant to 25 U.S.C. § 3049. The Contractor may not reallocate, reprogram, or re-budget any funds for any uses that are not identified in the 477 Plan.

**Sec. 7. Carryover Funds.** Funds transferred to the Contractor that are not obligated or expended prior to the beginning of the fiscal year after the fiscal year for which the funds were appropriated shall remain available for obligation or expenditure without fiscal year limitation, subject to the condition that the funds shall be obligated or expended in accordance with the 477 Plan. The Contractor shall not be required to provide any additional justification or documentation of the purposes of the 477 Plan as a condition of receiving or expending the funds.

**SECTION C**  
**Statement of Work**

**Sec. 1. Statement of Work (SOW).** The 477 Plan is the Statement of Work for this Contract.

**Sec. 2. Contract Term.** The term of this contract shall be October 1, 2024, through September 30, 2029.



## **SECTION D** **Performance**

### **Sec. 1. Reporting Requirement.**

1. **Submission of OMB Control No. 1076-0135 Report:** The Contractor shall submit a single report using the form designated OMB Control No. 1076-0135, or any successor single report form, which includes an annual narrative, statistical, and financial report ("Single Report"). The current version is attached hereto as Attachment B.

No later than December 29 of each year, the Contractor agrees to mail the Single Report to:

Chief, Division of Workforce Development, Bureau of Indian Affairs  
Office of Indian Services, 1001 Indian School Road – Unit 225D  
Albuquerque, New Mexico 87104.

If the Contractor wishes, the Single Report can be submitted via email to [477Reporting@bia.gov](mailto:477Reporting@bia.gov).

- a. **Annual Narrative:** The narrative report is a mandatory component of the Single Report format developed in accordance with the approved 477 Plan. The narrative report may be in any format, but the report must be typed and include page numbers. Quantitative and anecdotal information is encouraged.

The narrative report must provide sufficient information for the Federal agencies to determine that the Contractor complied with its approved 477 Plan. In order to show that the Contractor complies with its approved 477 Plan, the narrative must include a description of the services and activities provided and the results achieved under the approved 477 Plan.

When applicable, the Contractor may also describe barriers to success or challenges faced by participants, programmatic barriers, internal capacity issues, economic conditions of the service area, unmet needs, limitation of resources, success stories and other accomplishments. This information may be used by funding agencies and the Contractor to advocate for additional funding.

If the Contractor has integrated one or more Federal programs that include an un-waived Federal matching requirement, the narrative must include a statement regarding whether the Contractor has complied with that requirement.

- b. **Statistical:** As a part of the Single Report, the Contractor shall submit a statistical summary of the participants (individuals or families) participating in and terminating from the program, their characteristics, the activities and services received, and outcomes.
  - c. **Financial Reporting:** As a part of the Single Report, the Contractor shall submit an annual financial expenditure report, supported by the Contractor's Financial Management Information System (FMIS) Job Status Inquiry for use to monitor expenditures incurred during annual operations.
2. **Specific Program Application and Reports.** Any additional reports required by law shall be negotiated between the parties and specified in Attachment C, which is incorporated herein by reference.
    - a. Quarterly FTANF data reports through the HHS portal
    - b. Child Care and Development Fund (CCDF) ACF-PI-2024-04 Triennial Child Count
    - c. Indian Child Welfare data to be include in the OMB 1076-0135 annual narrative report
    - d. Financial Assistance and Social Service Report (FASSR)

- e. Office of Family Violence Prevention and Services Act (FVPSA) Notice of Funding Opportunity (NOFA) renewal application if applicable.

The Contractor shall maintain eligibility requirements on all federal programs consolidated in the 477 Plan and provide necessary data to support future funding. Copies of reports and/or receipt notice of submittals shall be sent to the Awarding Official's Technical Representative and the Awarding Official.

- 3. **Single Audit Report.** For each fiscal year during which the Contractor receives or expends funds pursuant to this contract, the Contractor shall submit to the Secretary a single-agency audit report required by Chapter 75 of Title 31, United States Code and the Single Audit Act Amendments of 1996 (Pub. L. 104-156) as implemented by 2 C.F.R. Part 200, Subpart F.

## **Sec. 2. Audit Requirement**

- 1. The Contractor agrees to arrange for, participate fully in, and respond promptly and fully to the recommendations of an annual single organization-wide audit as prescribed by the Single Audit Act Amendments of 1996 (Public Law 104-156), as required in Chapter 75 of Title 31, United States Code and 2 C.F.R. Part 200, Subpart F. The costs of such audit are allowable charges only if made in accordance with the provisions of 2 C.F.R. Part 200. Indian-owned, small and minority business audit firms shall be afforded maximum practicable opportunity to participate in contracts awarded by the Contractor to fulfill the requirements herein. The preference requirements of section 7(b), Public Law 93-638, shall apply and are to be enforced.
- 2. If the Contractor fails to comply with the requirement for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (Public Law 104-156), the Bureau of Indian Affairs may take one or more of the following actions authorized by 2 C.F.R. § 200.339 and other authorities, as appropriate in the circumstances:
  - a. Temporarily withhold cash payments, indirect costs and/or contract support funds pending correction of the deficiency by the Contractor or more severe enforcement action by the BIA;
  - b. Disallow (that is, deny use of funds) all or part of the cost of the activity or action not in compliance;
  - c. Wholly or partly suspend the current contract for the Contractor's program;
  - d. Withhold further Federal awards for the project or program; or
  - e. Take other remedies that may be legally available.
- 3. The Contractor may appeal the BIA sanctions decision under the Disputes clause of the Contract.
- 4. The Contractor shall submit one (1) copy of the final audit report with Form SF-SAC (Data Collection Form) within thirty (30) days after issuance to the: Federal Audit Clearinghouse, U.S. Bureau of Census, 1201 East Tenth Street, Jeffersonville, Indiana 47132, Attention: Single Audit Clearinghouse. The Contractor shall also submit one additional copy of the final audit report to the Clearinghouse for each funding agency that has a finding, either current or prior year, related to the grant/contracts provided by them.
- 5. Pursuant to 25 U.S.C. § 5305(f), the Contractor must provide a copy of the audit reports to the Division of Internal Evaluation and Assessment to meet the reporting requirements of the Indian Self-Determination and Education Assistance Act. The report may be submitted electronically to:  
OIEA@bia.gov

Or mailed to:

Division of Internal Evaluation and Assessment  
Department of the Interior

12201 Sunrise Valley Drive  
Mail Stop 244  
Reston, VA 20192

**Sec. 3. Monitoring and Records Review.**

1. The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. The forgoing constitutes "records" for the purposes of this clause.
2. The Contractor's facilities or such part thereof as may be engaged in the performance of this contract, and his records shall be subject at all reasonable times to inspection and audit by the Secretary, the Awarding Official, the Comptroller General of the Government Accountability Office, or any of their duly authorized representatives.
3. The Contractor shall preserve and make available its records:
  - a. Until the expiration of three years from the date of final payment under this contract, or the time period for the particular records specified in 25 C.F.R. § 900.41, whichever expires earlier; and,
  - b. For such longer period, if any, as is required by applicable statute, or by other clauses of this Contract, or by 3(b)(1) or (2) below:
    - 1) If this Contract is completely or partially canceled, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
    - 2) Records which relate to (i) appeals under the "Disputes" clause of this contract, (ii) litigation or the settlement of claims arising out of the performance of this contract, or (iii) cost and expenses of this contract as to which exception has been taken by the Secretary, the Awarding Official, the Comptroller General of the Government Accountability Office, or any of their duly authorized representatives shall be retained until such appeals, litigation, claims or exceptions have been disposed of.
4. The Contractor shall insert in each subcontract entered into under this Contract a provision to the effect that the subcontractor agrees that the Secretary, the Awarding Official, the Comptroller General of the Government Accountability Office, or any of their duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this paragraph (1) only excludes:
  - a. Purchase orders not exceeding \$10,000; and
  - b. Subcontract or purchase orders for public utility services at rates established for uniform applicability to the general public.

**Sec. 4. Contract Termination.** This contract may be terminated through either:

1. Retrocession as provided by 25 U.S.C. § 5324(e) and 25 C.F.R. Part 900, Subpart P; or,
2. Program reassumption as provided by 25 U.S.C. § 5330 and 25 C.F.R. Part 900, Subpart P.

**Sec. 5. Background Checks.** As required by 25 U.S.C. § 3207 and 25 C.F.R. Part 63, when operating programs pursuant to the 477 Plan which involve regular contact with, or control over, Indian children, the Contractor shall:

1. Conduct an investigation of the character of each individual who is employed or is considered for employment in this grant when it has been determined that their duties and responsibilities involve regular contact with Indian children.
2. Those persons must meet the standard of not having been found guilty of, or entered a plea of nolo contendere or guilty to any offense under Federal, state, or tribal law involving crimes of violence, sexual assault, molestation, exploitation, sexual or prostitution, or crimes against person.
3. The results of the background investigations should become a part of the employees personnel file and should be available for review by the Awarding Official or his/ her designated representative.
4. All information shall be confidential and maintained in accordance with the rules and regulations of the Privacy Act.

**SECTION E**  
**Administration Data**

**Sec. 1. Awarding Official's Technical Representative.** The Awarding Official's Technical Representative(s) (AOTR) will be designated by an official letter to the Contractor. Copies of the letter designating the AOTR throughout the life of this contract will be forwarded to the Contractor.

**Sec. 2. Contract Payment.** For performing this Contract, the Contractor shall be advanced funds for all program funds transferred to the Contractor in accordance with the approved 477 Plan.

The total budget amount of this contract is stated in item 15F of the SF-26, Award/Contract or, if amended, as stated in item 14 of the SF-30, Amendment of Solicitation/Modification of Contract.

1. **Payment System:** Contract payments shall be made to the Contractor through the U.S. Treasury's Automated Standard Application for Payments System (ASAP).
2. **Payment Schedule:** Notwithstanding any other provision of law, Contract payments shall be made in advance on a quarterly, semi-annual, or lump sum basis as funds become available.

Check one of the following:

- ☐ Quarterly Payments.  
☐ Semi-Annual Payments.  
☒ Lump Sum  
☐ Other Payment Methodology.

3. **Use of Funds Advances:** Funds advanced to the Contractor shall be used only for purposes authorized under this Contract. The funds advanced cannot be used for any purpose other than an authorized program expenditure, even on a temporary basis. Further, funds advanced pending expenditure under this contract shall not be transferred to tribal accounts, lent to such tribal accounts, or expended for programs or purposes not specifically authorized under this Contract. Funds advanced, pending expenditure under this Contract, shall be placed in appropriate savings, checking, or investment accounts. Such funds when invested or deposited shall be subject to the following:
  - a. Advance funds not immediately spent for program activities may be invested as long as such funds are invested only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations of the United States or securities that are guaranteed or insured by the United States;
  - b. If not vested, advanced funds must be deposited into accounts that are insured by the agency or instrumentality of the United States or must be fully collateralized to ensure protection of the funds, even in the event of a bank failure; and
  - c. Interest and investment income that accrue on any funds provided for by Contract become the property of the grantee, in accordance with the activities of the approved plan and compliance supplement for clustered programs.
4. **Sanctions:** Failure to maintain the integrity of contract funds shall result in imposition of one or more of the following sanctions:
  - a. Pursuant to 25 U.S.C. § 5305(d), funds paid to the Contractor and not used for the purposes for which they were paid shall be repaid to the Treasury of the United States; and,

- b. Cancellation of advance payment methodology and invocation of "other payment methodologies" as provided in subsection 2, above.

Sanctions shall remain in place until the Contractor provides assurance that the impropriety which resulted in the imposition of sanctions has been rectified and will not reoccur.

### **Sec. 3. Contract Revision or Amendment.**

1. This Contract may be revised or amended as required to carry out the purpose of the program, project or function being contracted. The Contractor shall submit proposed revisions through the Awarding Official's Technical Representative to the Awarding Official or directly to the Awarding Official. The Awarding Official shall review the proposed revision in accordance with 25 C.F.R. Part 900, Subpart E.
2. When the Awarding Official recommends declination of a Contractor's request to amend the contract, the matter shall be resolved as prescribed in 25 U.S.C. § 5321(b) and in accord with 25 C.F.R. Part 900, Subpart E.

### **Sec. 4. Negotiated Indirect Cost Rates.**

1. The allowable indirect costs under this contract shall be obtained by applying negotiated indirect cost rates to bases agreed upon by the parties, as specified below.
2. Negotiation of indirect cost rates by the Contractor and the cognizant audit agency shall be undertaken as promptly as practicable after receipt of the Contractor's indirect cost proposal.
3. 2 C.F.R. Part 200 shall be used to determine cost allowability and allocation only. Standards and documentation in support of allocations shall be as the Contractor implements within its Financial Management System Policies and Procedures.
4. The results of each negotiation shall be set forth in an Indirect Cost Negotiation Agreement, such agreement shall become a part of this contract by reference. The agreement shall specify:
  - a. The agreed indirect cost rate(s);
  - b. The base to which the rate(s) apply;
  - c. The periods for which the rate(s) apply; and,
  - d. The specific items treated as exclusions or any changes in the items previously agreed to be treated as exclusions.
5. The Contractor is to be reimbursed for all allocable and allowable indirect costs incurred in performance of this Contract, subject to any statutory limitations applicable.
6. Any failure by the parties to agree on any indirect cost rate(s) or applicability of the rate(s) to the bases under this provision shall be considered a dispute concerning a question of fact for decision by the Awarding Official within the meaning of the clause of this contract entitled "Disputes".

**Sec. 5. Billings for Indirect Cost.** The Contractor shall bill for Indirect Cost earned on its voucher/invoice showing the following, for the period covered by the voucher/invoice:

1. Total direct cost expenditure.
2. Less Exclusions.
3. Times Indirect Cost Rate.
4. Indirect Cost earned for the period covered.  
 $((1) - (2)) \times (3) = (4).$

#### **Sec. 6. Disputes.**

1. Pursuant to 25 U.S.C. § 5331(d), this Contract is subject to the Contract Disputes Act of 1978, 41 U.S.C. § 7101 *et seq.*, and 25 C.F.R. Part 900, Subpart N, and all disputes arising under or relating to this Contract shall be resolved under these authorities.
2. The Awarding Official's decision shall be final unless the Contractor appeals or files a suit as provided by the Contract Disputes Act and 25 C.F.R. Part 900, Subpart N.
3. The Government shall pay interest on the amount found due and unpaid from (a) the date the Awarding Official receives the claim (properly certified if required), or (b) the date payment otherwise would be due, if that date is later, until the date of payment. As provided by the Contract Disputes Act and 25 C.F.R. Part 900, Subpart N, simple interest claims shall be paid at the rate, fixed by the Secretary of the Treasury, which is applicable to the period during which the Awarding Official receives the claim and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pendency of the claim.
4. The Contractor shall proceed diligently with performance of this Contract, pending final resolution of any request for relief, claim, appeal, or action arising under the Contract, and comply with any decision of the Awarding Official.

#### **Sec. 7. Federal Tort Claims Act (FTCA).**

1. FTCA Coverage: For purposes of FTCA coverage, the Contractor and its employees (including individuals performing personal services contracts with the Contractor to provide health care services) are deemed to be employees of the Federal Government while performing work under this contract. This status is not changed by the source of the funds used by the Contractor to pay the employee's salary and benefits unless the employee receives additional compensation for performing covered services from anyone other than the Contractor.
2. FTCA Liaison: In accordance with 25 C.F.R. § 900.188, the Contractor agrees to designate an individual to serve as tort claims liaison with the Federal government.

**Sec. 8. Waivers.** The Contractor will abide by all applicable federal statutory and regulatory requirements governing the programs integrated into the 477 Plan until and unless the Contractor requests and receives a waiver of the applicable federal statutory or regulatory requirement approved by the head of the affected agency in accordance with 25 U.S.C. § 3406. No waiver of any of the provisions of this Contract shall be deemed, or will constitute, a waiver of any other provision of the Contract or federal statutory or regulatory provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing and approved by the party making the waiver and fully executed in the contract.

Nothing in this Contract shall be construed as a waiver of the Contractor's rights under PL 477 or PL 638.

**SECTION F**  
**Special Requirements**

**Sec. 1. Required Management Systems.** In accordance with 25 C.F.R. Part 900, Subpart F, when carrying out this Contract, the Contractor shall develop, implement and maintain systems that meet minimum standards.

In furtherance of these systems management requirements, the Contractor agrees to provide to BIA copies of the most recent versions of the following management system Policies and Procedures Manuals:

1. Navajo Nation Personnel Policy Manual
2. Navajo Nation Employee Travel Policies and Procedures Handbook
3. Navajo Nation Purchase Card Policies and Procedures
4. Property Management Policy
5. Navajo Nation Procurement Rules and Regulations
6. Finance and Accounting Policies

**Sec. 2. Finance System Certification.** The Contractor agrees to provide certification by a licensed accountant that the bookkeeping and accounting procedures which the Contractor presently uses meet the standards of 25 C.F.R. Part 900, Subpart F. In place of the certification, the Contractor may submit a written agreement to establish bookkeeping and accounting system that meets the standards of 25 C.F.R. Part 900, Subpart F. The bookkeeping and accounting system shall provide for the accumulation of costs throughout the contract term or performance period in such a manner as to facilitate audit or review of the financial records.

Check one of the following:

- (x) Certification previously submitted, and on file with the BIA.  
( ) Certification attached.

**Sec. 3. Record Keeping.** The Contractor agrees to keep such records as required pursuant to the Contract and to 25 U.S.C. § 5305(a). The Contractor further agrees to make such information and reports available to its Indian clients as required by 25 U.S.C. § 5305(c). The Contractor shall be required to maintain a record-keeping system which will allow for the maintenance of records to facilitate retrocession or reassumption. Such a record system, as a minimum, shall:

1. Provide for the creation, maintenance and safeguarding of records of lasting value, including those involving individual rights, such as permanent student records and transcripts.
2. Provide for the orderly retirement of records used or created under the Contract.



**SECTION G**  
**Other Attachments**

**Attachment A. Approved 477 Plan and appendices**

- Appendix A – Tribal Resolution
- Appendix B – Letter of Intent
- Appendix C – Indirect Cost Agreement
- Appendix D – SF424
- Appendix E – Assurances and Certification
- Appendix F – Annual Audit
- Appendix G – 477 Tribal Officials
- Appendix H – DSS Organizational Chart
- Appendix I – TANF Payment Rates
- Appendix J – Child Count Declaration
- Appendix K – Child Care Sliding Fee Scale & Program Rate Schedule
- Appendix L – Payment Rates for Child Care Providers
- Appendix M – Child Care Provider Consumer Statement
- Appendix N – Uniform Appeal and Grievance Process
- Appendix O – 477 Plan Public Notice Hearing
- Appendix P – Navajo Nation Map
- Appendix Q – List of Designated Near Reservation Communities
- Appendix R – SF 424B
- Appendix S – Tribal TANF State Agreements

**Attachment B. OMB Control No. 1076-0135 (Financial, Narrative, Statistical Report)**

**Attachment C. Additional Reports/Application**

- a. Quarterly FTANF data reports through HHS portal
- b. Child Care and Development Fund (CCDF) ACF-PI-2024-04 Triennial Child Count
- c. Indian Child Welfare data to be include in the OMB 1076-0135 annual narrative report
- d. Financial Assistance and Social Service Report (FASSR)
- e. Office of Family Violence Prevention and Services Act (FVPSA) Notice of Funding Opportunity (NOFA) renewal application if applicable.

# Tribal Resolution

## Appendix A

# ATTACHMENT A

## Appendix A

35  
CJN-31-24

### RESOLUTION OF THE NAVAJO NATION COUNCIL 25<sup>th</sup> NAVAJO NATION COUNCIL - SECOND YEAR, 2024

#### AN ACTION

RELATING TO HEALTH, EDUCATION AND HUMAN SERVICES AND NAABIK'ÍYÁTI' COMMITTEES; RELATING TO THE NAVAJO NATION COUNCIL; APPROVING THE NAVAJO NATION'S PUBLIC LAW 102-477 PLAN

BE IT ENACTED:

#### SECTION ONE. AUTHORITY

- A. The Health, Education and Human Services Committee is a standing committee of the Navajo Nation Council and serves as the oversight committee for the Division of Social Services. 2 N.N.C. § 400(A).
- B. The Navajo Nation established the Naabik'iyáti' Committee as a Navajo Nation Council standing committee 2 N.N.C. § 700 (A). Proposed legislations that are assigned to the Navajo Nation Council as final authority shall be assigned to the Naabik'iyáti' Committee for review and consideration. 2 N.N.C. § 164(A)
- C. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C. § 102(A).

#### SECTION TWO. FINDINGS

- A. The Division of Social Services (the "Division") is established under the Executive Branch of the Navajo Nation Government. 2 N.N.C. § 1651.
- B. Public Law 102-477 is the Indian Employment, Training and Related Services Demonstration Act, which was passed in 1992 and amended in 2000.
- C. The goal of the law is to reduce unemployment through workforce development and job training in tribal communities by reducing and streamlining administrative requirements. Each participating tribe decides which eligible employment and training related federal programs to include in its 477 plan.
- D. Public Law 102-477 applies to any federal formula-funded program intended for employment, training, and services that may enhance a person's ability to become self-reliant.

- E. For each tribe and tribal organizations with active 477 plans, the BIA conducts on-site monitoring at least once every three years and, in coordination with affected agencies, provides technical assistance related to audit findings or program activities. BIA will notify affected agencies of the on-site monitoring activities. Affected federal partners are invited to participate and notify the BIA of any issues or concerns so that they can be addressed during the on-site review. BIA also conducts annual 477 Program trainings at regional and national conferences for participating and non-participating tribes. <https://www.doi.gov/ocl/tribal-477-programs>.
- F. Twelve United States Executive Branch Departments have entered into a Memorandum of Agreement ("MOA") for the submission, review, and approval of 477 Plans. This MOA requires the 477 Plan to be approved by the governing body of the tribe.
- G. The Division has submitted its 477 Plan which is attached as Exhibit A.
- H. The Department of Justice reviewed the 477 Plan submitted by the Division and determined it to be legally sufficient. The Department of Justice's review documents are attached as Exhibit B.

### SECTION THREE. APPROVAL

- A. The Navajo Nation hereby approves the 477 Plan prepared by the Division of Social Services.

### CERTIFICATION

I, hereby, certify that the foregoing resolution was duly considered by the 25<sup>th</sup> 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 16 in Favor, and 00 Opposed, on this 13<sup>th</sup> day of June 2024.

  
Honorable Vince R. James, Speaker Pro Tem  
25<sup>th</sup> Navajo Nation Council

6/19/24

Date

Motion: Honorable Brenda Jesus

Second: Honorable Helena Nez Begay

Speaker Pro Tem Vince R. James not voting

# Letter of Intent

## Appendix B



**The Navajo Nation** **DR. BUU NYGREN** **PRESIDENT**  
**Yideeskáadi Nitsáhákees** **RICHELLE MONTOYA** **VICE PRESIDENT**

June 27, 2024

Genevieve Giaccardo  
Deputy Bureau Director, Indian Services  
Office of Indian Services, Bureau of Indian Affairs  
1849 C Street, NW, MS 3645 MIB  
Washington, DC 20240

**Re: Letter of Intent for Navajo Nation 477 Plan**

Dear Ms. Giaccardo:

I write to inform you of the Navajo Nation's intent to submit a 477 Plan pursuant to the Indian Employment, Training, and Related Services Demonstration Act of 1992, Pub. L. 102-477 (October 23, 1992), as amended by the Indian Employment, Training, and Related Services Demonstration Act Amendments of 2000, Title XI of Pub. L. 106-568 (December 27, 2000), and the Indian Employment, Training and Related Services Consolidation Act of 2017, Pub. L. 115-93 (December 18, 2017). We will be implementing a five-year 477 Plan which will be effective October 1, 2024, to September 30, 2029.

It is our intent to integrate the following program into our PL 477 plan:

Department of Interior; Bureau of Indian Affairs

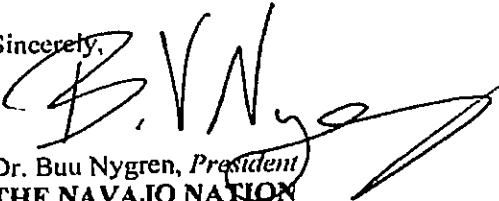
- General Assistance
- Burial Assistance
- Adult Services
- Homemaker Services
- Indian Child Welfare Act (ICWA)

U.S. Department of Health & Human Services

- Temporary Assistance to Needy Families (TANF)
- Child Care Development Fund (CCDF)
- Community Services Block Grant (CSBG)
- Low Income Home Energy Assistance Program (LIHEAP)
- Title IV-B Subpart 1 Child Welfare Services
- Title IV-B Subpart 2 Promoting Safe and Stable Families
- Title IV-E
- Family Violence Prevention and Services Act

We appreciate your consideration and look forward to our partnership to improve the lives of our Navajo children and families. Please contact Thomas Cody, Executive Director at [Thomas.Cody@nmdss.org](mailto:Thomas.Cody@nmdss.org) for any questions.

Sincerely,

  
Dr. Buu Nygren, *President*  
**THE NAVAJO NATION**

Appendix C - Indirect Cost Agreement

39



**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

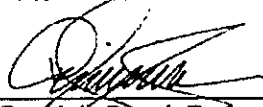
**The Navajo Nation | Yideeskáadi Nitsáhákees**

January 10, 2024

**MEMORANDUM**

**TO :** Program Managers and Division Directors

External Grant Funded Programs - The Navajo Nation

**FROM :**   
Dominic Beyer, Executive Director  
Office of Management and Budget (OMB)

**SUBJECT :** Indirect Cost Negotiation Agreement - FY 2024 IDC Rate of 15.90%

Attached as "Attachment 1" is resolution NABID-62-23 that Naabik'iyáti' Committee adopted on December 28, 2023 to approve and ratify the subject Agreement by which U. S. Department of Interior / Interior Business Center proposed the FY 2024 IDC rate of 15.90%. Effective immediately, implement the Agreement which is attached to the resolution as Exhibit "A". The Agreement is also available on the OMB website at [www.omb.navajo-nsn.gov](http://www.omb.navajo-nsn.gov).

Pursuant to the FY 2024 Navajo Nation Budget Instructions Manual (BIM), Appendix K, Sec. 7. C. 2., use the FY 2024 IDC rate to budget for recovery of IDC funds in grant applications and awards. Also, please ensure the budget for IDC is supported by the Check Sheet on Calculating Budget for IDC Recovery, available at Appendix L-4 of the BIM.

On recovery of IDC funds, be advised the approved IDC rate in place at the time the external grant is expended is applied to recover IDC funds. For example, if the FY 2023 grant ended on September 30, 2023, and was extended to September 30, 2024, the FY 2024 IDC rate of 15.90% shall be used to recover IDC funds on the expenditures incurred on or after October 1, 2023.

Program Managers are urged to write and inform their funding agencies the FY 2024 IDC rate will be applied to the respective grants. Please copy the Contracts and Grants Section (CGS) / OMB on correspondence to your funding agency.

Thank you for complying with the BIM regarding use of the IDC rate. Contact CGS/OMB at 871-6033 if you have questions.

**ATTACHMENT / Distribution**

**Cc:** file  
President Nygren / Vice President Montoya, OPVP  
Crystalne Curley, Speaker – Navajo Nation Council  
JoAnn Jayne, Chief Justice – Judicial Branch  
Shaandiin Parrish, Chairperson – Budget and Finance Committee  
Ethel Branch, Attorney General - Office of the Attorney General  
Sean McCabe, Interim Controller - Office of the Controller



NABID-62-23

RESOLUTION OF THE  
 NAABIK'ÍYÁTI' STANDING COMMITTEE  
 25<sup>th</sup> NAVAJO NATION COUNCIL -- First Year, 2023

AN ACTION RELATING TO THE BUDGET AND FINANCE AND NAABIK'ÍYÁTI' COMMITTEES; APPROVING THE INDIRECT COST RATE AND THE INDIRECT COST AGREEMENT WITH THE U.S. DEPARTMENT OF INTERIOR/INTERIOR BUSINESS CENTER, FOR FISCAL YEAR 2024

BE IT ENACTED:

SECTION ONE. AUTHORITY

- A. The Budget and Finance Committee ("BFC") is a standing committee of the Navajo Nation Council empowered to review and recommend to the Council the budgeting, appropriation, investment, and management of all funds. BFC also has oversight responsibility for the Navajo Nation's Office of Management and Budget ("OMB"). 2 N.N.C. § 301(B)(2) and § 301(B)(13).
- B. The Naabik'iyáti' Committee is a standing committee of the Navajo Nation Council empowered to review and approve agreements with the appropriate federal agency for the setting of the Navajo Nation's indirect cost rate for each fiscal year. 2 N.N.C. § 701(A)(10).

SECTION TWO. FINDINGS

- A. The U.S. Department of the Interior/Interior Business Center ("DOI/IBC") has submitted its "Indian Organization Indirect Cost Negotiation Agreement" ("IDC Agreement") for the Navajo Nation, in a letter dated 10/04/2023. The proposed rate in the IDC Agreement is 15.90% for the period of 10/01/2023 to 09/30/2024, for all Navajo Nation Programs. EXHIBIT A.
- B. The Executive Director of OMB has provided a memorandum dated October 19, 2023, indicating the 15.90% IDC rate and describing the required procedures for the Navajo Nation to formally approve this proposed rate for Fiscal Year 2024. EXHIBIT B.
- C. Pursuant to the Navajo Nation's 2 N.N.C. § 164(A) review process, the OMB, the Navajo Nation's Office of the Controller and Department of Justice, and other reviewers, have indicated that the negotiated IDC Agreement and supporting documents are legally sufficient. EXHIBIT C.
- D. The Navajo Nation finds that approving DOI/IBC's proposed IDC rate of 15.90% for Fiscal Year 2024, and entering into the IDC

NABID-62-23

Agreement with the DOI/IBC that provides for such rate, is financially prudent and in the best interest of the Navajo Nation.

### SECTION THREE. APPROVAL OF IDC RATE AND IDC AGREEMENT

- A. The Navajo Nation hereby approves the IDC rate of 15.90% for the Navajo Nation for Fiscal Year 2024 that has been proposed by the U.S. Department of the Interior/Interior Business Center, as described in EXHIBIT A and EXHIBIT B attached hereto.
- B. The Navajo Nation hereby approves and ratifies the Indian Organizations Indirect Cost Negotiation Agreement with the U.S. Department of the Interior/Interior Business Center for the Navajo Nation for Fiscal Year 2024, attached as EXHIBIT A.
- C. The Navajo Nation authorizes the President of the Navajo Nation, or his duly approved designee, to submit the ratified IDC Agreement on behalf of the Navajo Nation, attached as EXHIBIT A.

### SECTION FOUR. EFFECTIVE DATE

This Action shall become effective pursuant to 2 N.N.C. § 701(A)(10) and 2 N.N.C. § 221(C).

### SECTION FIVE. SAVING CLAUSE

If any portion of this Action is invalidated by the Supreme Court of the Navajo Nation, or by any Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the remainder of this Action shall be the law of the Navajo Nation.

NABID-62-23

## CERTIFICATION

I, hereby certify that the foregoing resolution was duly considered by the Naabik'iyáti' Committee of the 25<sup>th</sup> Navajo Nation Council at a duly called meeting in Tse Bonito, New Mexico, at which a quorum was present and that the same was passed by a vote of 17 in Favor, and 01 Opposed, on this 28<sup>th</sup> day of December 2023.



Honorable Crystalyne Curley, Chairwoman  
Naabik'iyáti' Committee

1/5/24

Date

Motion: Honorable Vince R. James

Second: Honorable Norman M. Begay

Chairwoman Crystalyne Curley not voting



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

## Indian Organization Indirect Cost Negotiation Agreement

EIN: 86-0092335

Date: 10/04/2023

### Organization:

Report Number: 2023-0551

Navajo Nation  
P.O. Box 646  
Window Rock, AZ 86515

Filing Ref.:  
Last Negotiation Agreement  
dated: 11/08/2022

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which Public Law 93-638 and 2 CFR Part 200 apply subject to the limitations contained in 25 CFR 900 and Section II.A. of this agreement. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

### Section I: Rate

| Start Date | End Date   | Rate Type             |          |         |      |               |
|------------|------------|-----------------------|----------|---------|------|---------------|
| 10/01/2023 | 09/30/2024 | Fixed<br>Carryforward | Name     | Rate    | Base | Location      |
|            |            |                       | Indirect | 15.90 % | (A)  | All           |
|            |            |                       |          |         |      | Applicable To |
|            |            |                       |          |         |      | All Programs  |

(A) Base: Total direct costs, less capital expenditures and passthrough funds. Passthrough funds are normally defined as payments to participants, stipends to eligible recipients, or subawards, all of which normally require minimal administrative effort.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

"Exhibit A"

**Section II: General**

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- A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).
- B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.
- C. **Changes:** The rate(s) contained in this agreement are based on the accounting system in effect at the time the proposal was submitted. Changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement may require the prior approval of the cognizant agency. Failure to obtain such approval may result in subsequent audit disallowance.
- D. **Rate Type:**
1. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.
  2. **Provisional/Final Rate:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.
  3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.
- E. **Rate Extension:** Only final and predetermined rates may be eligible for consideration of rate extensions. Requests for rate extensions of a current rate will be reviewed on a case-by-case basis. If an extension is granted, the non-Federal entity may not request a rate review until the extension period ends. In the last year of a rate extension period, the non-Federal entity must submit a new rate proposal for the next fiscal period.
- F. **Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.
- G. **Record Keeping:** Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.
- H. **Reimbursement Ceilings:** Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.
- I. **Use of Other Rates:** If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate(s) in this agreement, the grantee/contractor should credit such costs to the

**Section II: General (continued)**

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affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

**J. Other:**

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.
2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate(s) if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.
3. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to our office within six (6) months after the close of the Tribe's fiscal year, unless an exception is approved.

**Section III: Acceptance**

Listed below are the signatures of acceptance for this agreement:

By the Indian Organization

By the Cognizant Federal Government Agency

Navajo Nation

US Department of the Interior - BIA

DocuSigned by:

Buu Nygren

43A43D84BCA04EE..

DocuSigned by:

Craig Wills

B47DB1FAA5DB48F..

Signature

Signature

Buu Nygren

Craig Wills

Name:

Name:

President of the Navajo Nation

Division Chief

Indirect Cost & Contract Audit Division

Interior Business Center

Title:

Title:

10/18/2023

10/12/2023

Date

Date

Negotiated by: Omar Sheyyab

Telephone: (916) 930-3806

Next Proposal Due Date: 03/31/2024

## Appendix D - SF424

47

OMB Number: 4040-0004  
Expiration Date: 11/30/2025

| Application for Federal Assistance SF-424                                                                                                                                               |  |                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|
| <b>* 1. Type of Submission:</b><br><input type="checkbox"/> Preapplication<br><input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application |  |                                                           |
| <b>* 2. Type of Application:</b><br><input checked="" type="checkbox"/> New<br><input type="checkbox"/> Continuation<br><input type="checkbox"/> Revision                               |  |                                                           |
| <b>* If Revision, select appropriate letter(s):</b><br>_____<br><b>* Other (Specify):</b><br>_____                                                                                      |  |                                                           |
| <b>* 3. Date Received:</b><br>06/21/2024                                                                                                                                                |  | <b>4. Applicant Identifier:</b><br>NAVAJO NATION 477 PLAN |
| <b>5a. Federal Entity Identifier:</b><br>NONE                                                                                                                                           |  | <b>5b. Federal Award Identifier:</b><br>NONE              |
| <b>State Use Only:</b>                                                                                                                                                                  |  |                                                           |
| <b>6. Date Received by State:</b> _____                                                                                                                                                 |  | <b>7. State Application Identifier:</b> _____             |
| <b>8. APPLICANT INFORMATION:</b>                                                                                                                                                        |  |                                                           |
| <b>* a. Legal Name:</b> NAVAJO NATION                                                                                                                                                   |  |                                                           |
| <b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b><br>86-0092335                                                                                                            |  | <b>* c. UEI:</b><br>_____                                 |
| <b>d. Address:</b>                                                                                                                                                                      |  |                                                           |
| <b>* Street1:</b> THE NAVAJO NATION                                                                                                                                                     |  |                                                           |
| <b>Street2:</b> 100 PARKWAY                                                                                                                                                             |  |                                                           |
| <b>* City:</b> WINDOW ROCK                                                                                                                                                              |  |                                                           |
| <b>County/Parish:</b> _____                                                                                                                                                             |  |                                                           |
| <b>* State:</b> AZ: Arizona                                                                                                                                                             |  |                                                           |
| <b>Province:</b> _____                                                                                                                                                                  |  |                                                           |
| <b>* Country:</b> USA: UNITED STATES                                                                                                                                                    |  |                                                           |
| <b>* Zip / Postal Code:</b> 86011                                                                                                                                                       |  |                                                           |
| <b>e. Organizational Unit:</b>                                                                                                                                                          |  |                                                           |
| <b>Department Name:</b><br>NAVAJO NATION                                                                                                                                                |  | <b>Division Name:</b><br>DIVISION OF SOCIAL SERVICES      |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>                                                                                 |  |                                                           |
| <b>Prefix:</b> Mr.                                                                                                                                                                      |  | <b>* First Name:</b> THOMAS                               |
| <b>Middle Name:</b> _____                                                                                                                                                               |  |                                                           |
| <b>* Last Name:</b> CODY                                                                                                                                                                |  |                                                           |
| <b>Suffix:</b> _____                                                                                                                                                                    |  |                                                           |
| <b>Title:</b> EXECUTIVE DIRECTOR                                                                                                                                                        |  |                                                           |
| <b>Organizational Affiliation:</b><br>NAVAJO NATION DIVISION OF SOCIAL SERVICES                                                                                                         |  |                                                           |
| <b>* Telephone Number:</b> 928-871-6851                                                                                                                                                 |  | <b>Fax Number:</b> 928-871-7372                           |
| <b>* Email:</b> THOMAS.CODY@NNDSS.ORG                                                                                                                                                   |  |                                                           |



## Application for Federal Assistance SF-424

## \* 9. Type of Applicant 1: Select Applicant Type:

I: Indian/Native American Tribal Government (Federally Recognized)

## Type of Applicant 2: Select Applicant Type:

## Type of Applicant 3: Select Applicant Type:

## \* Other (specify):

## \* 10. Name of Federal Agency:

DEPARTMENT OF THE INTERIOR

## 11. Catalog of Federal Domestic Assistance Number:

## CFDA Title:

## \* 12. Funding Opportunity Number:

PUBLIC LAW 102-477

## \* Title:

PUBLIC LAW 102-477

## 13. Competition Identification Number:

## Title:

## 14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

## \* 15. Descriptive Title of Applicant's Project:

NAVAJO NATION PUBLIC LAW 102-477 PLAN

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

| Application for Federal Assistance SF-424                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|----------------|--|------------|--|------------|--|------------|--|---------------------|--|------------|----------------|
| <b>16. Congressional Districts Of:</b><br><div style="display: flex; justify-content: space-between;"> <span>* a. Applicant <input style="width: 100px;" type="text"/></span> <span>* b. Program/Project <input style="width: 100px;" type="text"/></span> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| Attach an additional list of Program/Project Congressional Districts if needed.<br><div style="display: flex; justify-content: space-between; align-items: center;"> <input style="width: 250px;" type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>17. Proposed Project:</b><br><div style="display: flex; justify-content: space-between;"> <span>* a. Start Date: <input style="width: 100px;" type="text" value="10/01/2024"/></span> <span>* b. End Date: <input style="width: 100px;" type="text" value="09/30/2029"/></span> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>18. Estimated Funding (\$):</b><br><table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">* a. Federal</td> <td style="border: 1px solid black; text-align: right;">148,286,306.00</td> </tr> <tr> <td>* b. Applicant</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>* c. State</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>* d. Local</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>* e. Other</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>* f. Program Income</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td>* g. TOTAL</td> <td style="border: 1px solid black; text-align: right;">148,286,306.00</td> </tr> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                | * a. Federal | 148,286,306.00 | * b. Applicant |  | * c. State |  | * d. Local |  | * e. Other |  | * f. Program Income |  | * g. TOTAL | 148,286,306.00 |
| * a. Federal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 148,286,306.00 |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * b. Applicant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * c. State                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * d. Local                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * e. Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * f. Program Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| * g. TOTAL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 148,286,306.00 |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b><br><div style="margin-top: 5px;"> <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input style="width: 100px;" type="text"/> </div> <div style="margin-top: 5px;"> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.         </div> <div style="margin-top: 5px;"> <input type="checkbox"/> c. Program is not covered by E.O. 12372.         </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)</b><br><div style="margin-top: 5px;"> <input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No         </div> <div style="margin-top: 5px;">           If "Yes", provide explanation and attach <input style="width: 250px;" type="text"/> <div style="float: right; margin-top: 5px;"> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div> </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)</b><br><div style="margin-top: 5px;"> <input checked="" type="checkbox"/> -- I AGREE         </div> <div style="margin-top: 5px; font-size: small;">           -- The list of certifications and assurances, or an Internet site where you may obtain this list, is contained in the announcement or agency specific instructions.         </div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |
| <b>Authorized Representative:</b><br><div style="margin-top: 5px;"> <div style="display: flex; justify-content: space-between;"> <div>           Prefix: <input style="width: 100px;" type="text"/><br/>           Middle Name: <input style="width: 150px;" type="text" value="VAN"/><br/>           Last Name: <input style="width: 200px;" type="text" value="NYGREN"/><br/>           Suffix: <input style="width: 100px;" type="text"/> </div> <div>           * First Name: <input style="width: 150px;" type="text" value="BUU"/> </div> </div> </div> <div style="margin-top: 5px;">           * Title: <input style="width: 300px;" type="text" value="PRESIDENT OF THE NAVAJO NATION"/> </div> <div style="margin-top: 5px;"> <div style="display: flex; justify-content: space-between;"> <div>* Telephone Number: <input style="width: 150px;" type="text" value="928-871-7000"/></div> <div>Fax Number: <input style="width: 150px;" type="text"/></div> </div> </div> <div style="margin-top: 5px;">           * Email: <input style="width: 300px;" type="text" value="PRESIDENTNYGREN@NAVAJO-NSN.GOV"/> </div> <div style="margin-top: 5px; display: flex; justify-content: space-between;"> <div>           * Signature of Authorized Representative:  </div> <div>           * Date Signed: <input style="width: 100px;" type="text" value="JUN 27 2024"/> </div> </div> |                |              |                |                |  |            |  |            |  |            |  |                     |  |            |                |

# Assurances/Certificate

## Appendix E

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE  
REQUIREMENTS**

---

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645(a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

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**Certification Regarding Drug-Free Workplace Requirements (Instructions for Certification)**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies.
4. For grantees who are individuals, Alternate II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

*Controlled substance* means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

*Conviction* means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

*Criminal drug statute* means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

*Employee* means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

#### Certification Regarding Drug-Free Workplace Requirements

##### Alternate I. (Grantees Other Than Individuals)

The grantee certifies that it will or will continue to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about --
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grantee's policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

(B) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

2296 Administration Bldg #2, Window Rock Blvd.

Window Rock, AZ 86515

Check  X  if there are workplaces on file that are not identified here.

Alternate II. (Grantees Who Are Individuals)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant;

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

## CERTIFICATION REGARDING LOBBYING

### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

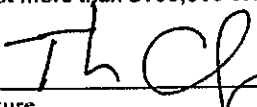
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

  
 \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Executive Director  
 \_\_\_\_\_  
 Title  
 \_\_\_\_\_  
 Navajo Nation Division of Social Services  
 \_\_\_\_\_  
 Organization

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS PRIMARY COVERED TRANSACTIONS

### Instructions for Certification

- 1) By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
- 2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- 3) The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency may terminate this transaction for cause of default.
- 4) The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- 5) The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive order 12549. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
- 6) The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by HHS.
- 7) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "*Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction*," provided by HHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency

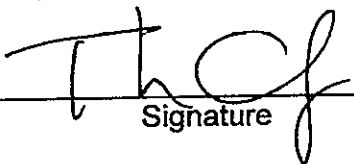


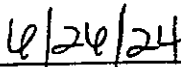
by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).

- 9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which normally possessed by a prudent person in the ordinary course of business dealings.
- 10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, HHS may terminate this transaction for cause or default.

#### CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS

- 1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
  - b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

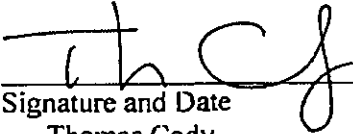
  
Signature

  
Date

**CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE**

Public Law 103227, Part C Environmental Tobacco Smoke, also known as the Pro Children Act of 1994, requires that smoking not be permitted in any portion of any indoor routinely owned or leased or contracted for by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity by signing and submitting this application the applicant/grantee certifies that it will comply with the requirements of the Act.

The applicant/grantee further agrees that it will require the language of this certification be included in any subawards which contain provisions for the children's services and that all subgrantees shall certify accordingly.

  
\_\_\_\_\_  
Signature and Date

Thomas Cody

\_\_\_\_\_  
Printed Name

Executive Director

\_\_\_\_\_  
Title

Navajo Nation Division of Social Services

\_\_\_\_\_  
Organization



## **Appendix F - Annual Audit**

57

### **NAVAJO NATION NAVAJO TRIBAL UTILITY AUTHORITY DINÉ COLLEGE**

**Basic Financial Statements and Single Audits**

**September 30, 2022**

## THE NAVAJO NATION AND RELATED TRIBAL ENTITIES

### Table of Contents

|                                                                                                                                                                                                                                                                   | Page(s) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>Section I – The Navajo Nation Primary Government – September 30, 2022</b>                                                                                                                                                                                      |         |
| Basic Financial Statements, Supplementary Information and Independent Auditors' Report                                                                                                                                                                            | 1–84    |
| <b>Section II – Navajo Tribal Utility Authority – December 31, 2022 and 2021</b>                                                                                                                                                                                  |         |
| Basic Financial Statements, Supplementary Information and Independent Auditors' Report                                                                                                                                                                            | 1–73    |
| <b>Section III – Dine College – September 30, 2022 and 2021</b>                                                                                                                                                                                                   |         |
| Basic Financial Statements and Independent Auditors' Report                                                                                                                                                                                                       | 1–26    |
| <b>Section IV – The Navajo Nation and Related Tribal Entities – Single Audit:</b>                                                                                                                                                                                 |         |
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> – Navajo Nation                   | 1–2     |
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> – Navajo Tribal Utility Authority | 3–4     |
| Independent Auditors' Report on Internal Control over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> – Dine College                    | 5–6     |
| Independent Auditors' Report on Compliance for Each Major Federal Program, Report on<br>Internal Control over Compliance, and Report on Schedule of Expenditures of Federal<br>Awards Required by the Uniform Guidance                                            | 7–12    |
| Schedule of Expenditures of Federal Awards and Related Notes                                                                                                                                                                                                      | 13–21   |
| Notes to Schedule of Expenditures of Federal Awards                                                                                                                                                                                                               | 22–23   |
| Schedule of Findings and Questioned Costs                                                                                                                                                                                                                         | 24–63   |



**THE NAVAJO NATION**  
Basic Financial Statements  
September 30, 2022  
(With Independent Auditors' Report Thereon)

# THE NAVAJO NATION

## Table of Contents

|                                                                                                                                                          | <b>Page</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b>                                                                                                                      | <b>1</b>    |
| <b>Management's Discussion and Analysis (unaudited)</b>                                                                                                  | <b>5</b>    |
| <b>Basic Financial Statements</b>                                                                                                                        |             |
| <b>Government-Wide Financial Statements:</b>                                                                                                             |             |
| Statement of Net Position – Exhibit A                                                                                                                    | 15          |
| Statement of Activities – Exhibit B                                                                                                                      | 16          |
| <b>Fund Financial Statements:</b>                                                                                                                        |             |
| Balance Sheet – Governmental Funds – Exhibit C                                                                                                           | 17          |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds – Exhibit D                                                       | 18          |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Exhibit E | 19          |
| Statement of Net Position – Proprietary Funds – Exhibit F                                                                                                | 20          |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Exhibit G                                                        | 21          |
| Statement of Cash Flows – Proprietary Funds – Exhibit H                                                                                                  | 22          |
| Statement of Fiduciary Net Position – Fiduciary Funds – Exhibit I                                                                                        | 23          |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Exhibit J                                                                             | 24          |
| <b>Notes to Basic Financial Statements</b>                                                                                                               | <b>25</b>   |
| <b>Other Supplementary Information (unaudited)</b>                                                                                                       |             |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund – Schedule 1                                           | 69          |
| <b>Pension Other Supplementary Information:</b>                                                                                                          |             |
| Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Schedule 2                                                                 | 70          |
| Schedule of the Nation's Contributions – Schedule 3                                                                                                      | 71          |
| Schedule of Investment Returns – Schedule 4                                                                                                              | 72          |

# THE NAVAJO NATION

## Table of Contents

|                                                                                                                        | <b>Page</b> |
|------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Supplemental Schedules</b>                                                                                          |             |
| Combining Balance Sheet – General Fund – Schedule 5                                                                    | 73          |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund – Schedule 6                | 74          |
| Combining Balance Sheet – Nonmajor Governmental Funds – Schedule 7                                                     | 75          |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Schedule 8 | 76          |
| Combining Statement of Net Position – Enterprise Funds – Schedule 9                                                    | 77          |
| Combining Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds – Schedule 10                | 78          |
| Combining Statement of Cash Flows – Enterprise Funds – Schedule 11                                                     | 79          |
| Combining Statement of Net Position – Internal Service Funds – Schedule 12                                             | 80          |
| Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds – Schedule 13          | 81          |
| Combining Statement of Cash Flows – Internal Service Funds – Schedule 14                                               | 82          |
| Combining Statement of Fiduciary Net Position – Fiduciary Funds – Schedule 15                                          | 83          |
| Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds – Schedule 16                               | 84          |



KPMG LLP  
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Albuquerque, NM 87110-8179

## Independent Auditors' Report

The Navajo Nation Council  
The Navajo Nation:

### Report on the Audit of the Financial Statements

#### *Adverse, Qualified, and Unmodified Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Navajo Nation (the Nation), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Nation's basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

| Opinion unit                                   | Type of opinion |
|------------------------------------------------|-----------------|
| Governmental Activities                        | Qualified       |
| Business-Type Activities                       | Qualified       |
| Aggregate Discretely Presented Component Units | Adverse         |
| General Fund                                   | Qualified       |
| Grant Fund                                     | Unmodified      |
| Permanent Fund                                 | Unmodified      |
| Aggregate Remaining Fund Information           | Unmodified      |

#### *Adverse Opinion on Aggregate Discretely Presented Component Units*

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse, Qualified, and Unmodified Opinions* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Nation, as of September 30, 2022, or the changes in financial position for the year then ended in accordance with the basis of accounting described in Note 1(d).

#### *Qualified Opinions on Governmental Activities, Business-Type Activities, and General Fund*

In our opinion, except for the matters described in the *Basis for Adverse, Qualified, and Unmodified Opinions* section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and the general fund of the Nation, as of September 30, 2022, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1(d).





***Unmodified Opinions on Grant Fund, Permanent Fund, and Aggregate Remaining Fund Information***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the grant fund, permanent fund and the aggregate remaining fund information of the Nation, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1(d).

***Basis for Adverse, Qualified, and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Nation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

***Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units***

The financial statements do not include financial data for the Nation's legally separate component units. The basis of accounting described in Note 1(d) requires the financial data for those component units to be reported with the financial data of the Nation's primary government unless the Nation also issues financial statements for the financial reporting entity that include the financial data for its component units. The Nation has not issued such reporting entity financial statements. The effects of not including the Nation's legally separate component units on the aggregate discretely presented component units has not been determined.

***Matters Giving Rise to Qualified Opinions on the Governmental Activities, Business-Type Activities, and General Fund***

Management has not adopted Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests*, and, accordingly, has not recorded the majority equity interests in the Nation's legally separate component units in the governmental activities as required under the basis of accounting described in Note 1(d). The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the financial statements has not been determined.

Management has not adopted GASB Statement No. 87, *Leases*, and, accordingly, has not recorded lease right-to-use assets, lease liabilities, lease receivables, deferred inflows of resources, and related revenues and expenses in the governmental activities, business-type activities, and general fund as required under the basis of accounting described in Note 1(d). The amount by which this departure would affect the assets, liabilities, deferred inflows of resources, net position, fund balances, revenues and expenses of the governmental activities, business-type activities, and general fund financial statements has not been determined.

***Emphasis of Matter—Basis of Accounting***

We draw attention to Note 1(d) of the basic financial statements, which describes the basis of accounting. As described in Note 1(d) to the basic financial statements, the basic financial statements are prepared on a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 1(d) and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives 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 auditors' report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Nation's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nation's basic financial statements. The combining fund financial statements (schedules 5 to 16) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with *Government Auditing Standards*. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund (schedule 1), the schedule of changes in the net pension liability (asset) and related ratios (schedule 2), the schedule of the Nation's contributions (schedule 3), and the schedule of investment returns (schedule 4) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2023 on our consideration of the Nation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nation's internal control over financial reporting and compliance.

**KPMG LLP**

Albuquerque, New Mexico  
July 25, 2023

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

As management of the Navajo Nation (Nation), we offer readers of the Nation's financial statements this overview and analysis of the financial activities of the Nation for the fiscal years ended September 30, 2022 and 2021. This document is designed to:

- Help focus the reader on significant financial issues
- Provide an overview of the Nation's financial activity
- Identify changes in the Nation's ability to address the future year operational objectives
- Identify any material deviations from the approved budget
- Identify individual fund issues or concerns.

Since the Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage it to be considered in conjunction with the Nation's financial statements. The information in these sections complements each other.

### **Highlights**

#### ***Financial Highlights***

- The net position of the Nation at the close of the most recent fiscal year is \$5.7 billion.
- Expenses of the Nation's governmental activities were \$1.232 billion for the year, which included \$138 million for health and welfare, \$747 million for general government, \$74 million for natural resources, \$92 million for community and rural development, \$71 million for education and training and \$77 million for public safety.
- As of the close of the current fiscal year, the Nation's governmental funds reported combined ending fund balance of \$4.8 billion.
- At September 30, 2022, the unassigned fund balance for the General Fund was \$220 million.
- The Nation has a significant amount of investments in the stock and bond market managed by external investment management firms. For fiscal years 2022 and 2021, the Nation's governmental funds experienced a \$832 million decrease and \$590 million increase in fair value, respectively. In addition, the fiduciary funds experienced a \$201 million decrease and \$183 million increase in fair value, respectively.
- The Nation receives a significant portion of operating revenues from oil and gas royalty payments and coal royalty payments. The governmental funds received oil and gas royalty and coal royalty payments of \$82 million in fiscal year 2022 and \$59 million in fiscal year 2021.

#### ***Overview of the Financial Statements***

The Nation's basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains supplementary information presented just after the financial statement section.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to resemble those of private sector entities in that all governmental and business-type activities are consolidated into columns, which add to a total for the primary government.

The statement of net position is designed to provide asset and liability information with the difference between the two presented as net position. This statement consolidates governmental fund's current financial resources (short term, spendable resources) with capital assets and long-term obligations.

The statement of activities is focused on both the gross and net cost of various functions (including governmental and business type) that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Nation's basic services, including public safety, education, health, management of natural resources, as well as certain other activities such as economic development, community development, chapter projects, transportation, and cultural and recreational activities and employee benefits. Natural resource revenue and taxes finance most of these services. The business-type activities reflect private sector type operations (business industrial development fund, loan fund, employee housing, archaeology services, parks and recreation, and fish and wildlife), where the fee for services typically covers all or most of the cost of operation, including depreciation.

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is based upon compliance with finance-related legal requirements underlying each fund. All funds of the Nation can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, grant, and permanent fund, all of which are considered to be major funds. The General Fund includes information from 13 separate funds, which have been combined in accordance with the requirements of GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Data from the other 21 funds are combined into a single column titled other governmental funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining financial statements. These combining financial statements follow the basic financial statements in this report.

***Proprietary Funds***

The Nation maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Nation uses enterprise funds to account for activities such as its business industrial development fund, loan fund, employee housing, archaeology services, and parks and recreation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Nation's various functions. The Nation uses its internal services funds to account for activities such as its fleet management, duplicating services, group health self-insurance fund, office supply center, air transportation, property and casualty self-insurance fund, workers' compensation insurance fund, and contingency management fund. As these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in greater detail. The enterprise funds and internal service funds are combined into aggregated columns on the proprietary fund's financial statements, as no enterprise or internal service funds are identified as major. Individual fund data for the enterprise and internal services funds are provided in the form of combining statements that follow the basic financial statements in this report.

While the total column on the business-type fund financial statements for enterprise funds is the same as the business-type column at the government-wide financial statements, the governmental major funds total column requires reconciliation because of the different measurement focus. The flow of current financial resources will reflect interfund transfers as other financial sources as well as capital expenditures and principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activity's column in the government-wide statements.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Nation's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information regarding the Nation's budgetary results. Other supplementary information can be found following the basic financial statements in this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds, and fiduciary funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Nation, assets exceeded liabilities by \$5.7 billion at September 30, 2022 as compared to \$6.3 billion at September 30, 2021.

The largest portion of the Nation's assets is cash and investments, which are managed by the Nation and managers selected by the Nation. The Nation uses the return on these investments to provide service to citizens. Earnings on the permanent fund investments became available to support operations of the Nation's government starting October 1, 2005. The Navajo Nation Council recently approved an expenditure plan for use of 95% of the permanent fund income (interest and dividends).

Restricted net position represents those operating funds on which external restrictions or restrictions imposed by law have been imposed that limit the purposes for which such funds can be used. The permanent fund's non-spendable fund balance of \$2.7 billion and \$3.2 billion represents 98% of all non-expendable net position as of September 30, 2022 and 2021.

|                                               | The Nation's net position |                  |                    |                          |                |               |
|-----------------------------------------------|---------------------------|------------------|--------------------|--------------------------|----------------|---------------|
|                                               | Governmental activities   |                  |                    | Business-type activities |                |               |
|                                               | 2022                      | 2021             | Change             | 2022                     | 2021           | Change        |
|                                               | (In thousands)            |                  |                    |                          |                |               |
| Current and other assets                      | \$ 7,275,653              | 8,533,509        | (1,257,856)        | 139,877                  | 127,563        | 12,314        |
| Capital assets                                | 767,081                   | 717,647          | 49,414             | 25,603                   | 24,741         | 862           |
| Deferred outflow of resources, pensions       | 104,218                   | 3,044            | 101,174            | 2,442                    | 68             | 2,376         |
| <b>Total assets and deferred outflows</b>     | <b>\$ 8,146,932</b>       | <b>9,254,200</b> | <b>(1,107,268)</b> | <b>167,922</b>           | <b>152,370</b> | <b>15,552</b> |
| Long-term liabilities                         | \$ 238,459                | 68,094           | 170,365            | 4,320                    | 220            | 4,100         |
| Other liabilities                             | 2,364,536                 | 2,926,194        | (561,658)          | 2,664                    | 2,188          | 478           |
| Deferred inflow of resources, pensions        | —                         | 132,466          | (132,466)          | —                        | 2,656          | (2,656)       |
| <b>Total liabilities and deferred inflows</b> | <b>\$ 2,602,995</b>       | <b>3,126,754</b> | <b>(523,759)</b>   | <b>6,984</b>             | <b>5,266</b>   | <b>1,718</b>  |
| <b>Net position:</b>                          |                           |                  |                    |                          |                |               |
| Net investment in capital assets              | \$ 730,495                | 677,428          | 53,067             | 25,603                   | 24,741         | 862           |
| Restricted                                    | 3,179,232                 | 3,704,910        | (525,678)          | —                        | —              | —             |
| Unrestricted                                  | 1,634,210                 | 1,745,108        | (110,898)          | 135,335                  | 122,363        | 12,972        |
| <b>Total net position</b>                     | <b>\$ 5,543,937</b>       | <b>6,127,446</b> | <b>(583,509)</b>   | <b>160,938</b>           | <b>147,104</b> | <b>13,834</b> |

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**Analysis of the Nation's Operations**

The following table provides a summary of the Nation's operations for the years ended September 30, 2022 and 2021. Governmental activities decreased the Nation's net position by \$583 million in 2022 compared to an increase of \$1,134 million in 2021. The 2022 decrease is largely due to \$832 million in net decrease in fair value of investments, \$140 million in interest and dividends, and \$65 million in special item – claim settlements in the governmental funds. The 2021 increase is largely due to \$590 million unrestricted investment income revenue and \$146 million in interest and dividends. Certain investment earnings and losses are directly related to specific governmental functions. The fiscal year 2022 net decrease in fair value of investments was recorded in charges for services which resulted in a large decrease in this revenue category.

Royalties from the sales of oil and gas and sale of coal comprise \$82 million of program revenues – charges for services. In fiscal year 2022, the General Fund budget was set to a conservative level so that the Nation could manage adjustments in market conditions, including the prior year closure of the Navajo Generating Station (NGS) and attempts to control expenditures.

The Nation averaged \$963 million of external funding through grants and contracts for each of the past two years. The largest portion of that funding is for general government for FY2022 and FY2021. The general government expenditures include the hardship assistance provided. The Nation received \$961 million of external funding in 2022 compared to \$966 million of external funding in 2021.

| The Nation's changes in net position                   |                         |                  |                    |                          |              |               |
|--------------------------------------------------------|-------------------------|------------------|--------------------|--------------------------|--------------|---------------|
|                                                        | Governmental activities |                  |                    | Business-type activities |              |               |
|                                                        | 2022                    | 2021             | Change             | 2022                     | 2021         | Change        |
|                                                        | (in thousands)          |                  |                    |                          |              |               |
| <b>Revenues:</b>                                       |                         |                  |                    |                          |              |               |
| Program revenues:                                      |                         |                  |                    |                          |              |               |
| Charges for services                                   | \$ 35,032               | 206,877          | (171,845)          | 18,700                   | 8,266        | 10,434        |
| Operating grants and contributions                     | 914,533                 | 891,203          | 23,330             | —                        | —            | —             |
| Capital grants and contributions                       | 46,339                  | 74,586           | (28,247)           | —                        | —            | —             |
| General revenues:                                      |                         |                  |                    |                          |              |               |
| Taxes:                                                 |                         |                  |                    |                          |              |               |
| Business activity                                      | 9,534                   | 6,138            | 3,396              | —                        | —            | —             |
| Possessory interest                                    | 19,836                  | 23,003           | (3,167)            | —                        | —            | —             |
| Sales                                                  | 70,851                  | 71,986           | (1,135)            | —                        | —            | —             |
| Other                                                  | 20,821                  | 18,648           | 3,973              | —                        | —            | —             |
| Unrestricted investment income                         | (608,407)               | 656,674          | (1,265,281)        | 110                      | 1            | 109           |
| Land, buildings, business site, and right-of-way lease | 75,818                  | 69,059           | 6,559              | —                        | —            | —             |
| <b>Total revenues</b>                                  | <b>563,957</b>          | <b>2,016,374</b> | <b>(1,432,417)</b> | <b>18,810</b>            | <b>8,267</b> | <b>10,543</b> |

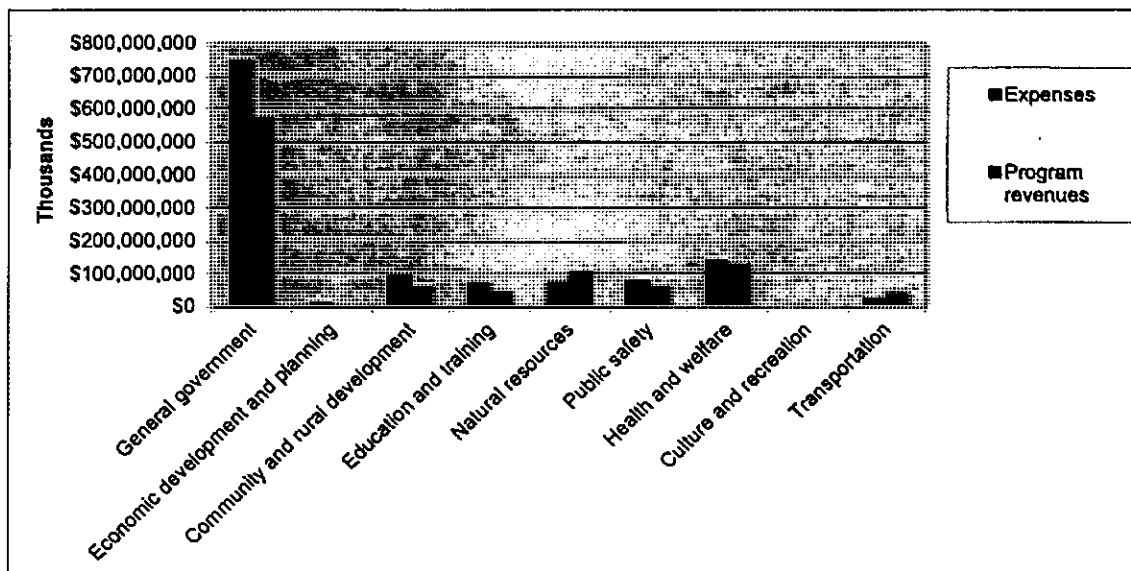


**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

| The Nation's changes in net position                                 |                         |           |             |                          |         |         |
|----------------------------------------------------------------------|-------------------------|-----------|-------------|--------------------------|---------|---------|
|                                                                      | Governmental activities |           |             | Business-type activities |         |         |
|                                                                      | 2022                    | 2021      | Change      | 2022                     | 2021    | Change  |
| (In thousands)                                                       |                         |           |             |                          |         |         |
| Expenses:                                                            |                         |           |             |                          |         |         |
| General government                                                   | \$ 747,478              | 614,671   | 132,807     | —                        | —       | —       |
| Economic development and planning                                    | 8,827                   | 5,247     | 3,580       | —                        | —       | —       |
| Community and rural development                                      | 91,873                  | 92,519    | (646)       | —                        | —       | —       |
| Education and training                                               | 71,256                  | 71,620    | (364)       | —                        | —       | —       |
| Natural resources                                                    | 74,212                  | 97,034    | (22,822)    | —                        | —       | —       |
| Public safety                                                        | 76,521                  | 72,454    | 4,067       | —                        | —       | —       |
| Health and welfare                                                   | 138,274                 | 221,403   | (83,129)    | —                        | —       | —       |
| Culture and recreation                                               | 1,065                   | 1,676     | (611)       | —                        | —       | —       |
| Transportation                                                       | 20,502                  | 18,495    | 2,007       | —                        | —       | —       |
| Interest on long-term debt                                           | 2,092                   | 2,023     | 69          | —                        | —       | —       |
| Business industrial                                                  | —                       | —         | —           | —                        | —       | —       |
| Development Fund                                                     | —                       | —         | —           | 1,205                    | 2,410   | (1,205) |
| Credit Services                                                      | —                       | —         | —           | 634                      | 139     | 495     |
| Navajo Nation Housing                                                | —                       | —         | —           | 710                      | 788     | (78)    |
| Parks and Recreation                                                 | —                       | —         | —           | 4,947                    | 4,604   | 343     |
| Fish and Wildlife                                                    | —                       | —         | —           | 1,937                    | 2,017   | (80)    |
| Navajo Transit                                                       | —                       | —         | —           | 4                        | 1       | 3       |
| Livestock Custody                                                    | —                       | —         | —           | 49                       | 29      | 20      |
| Fourth of July                                                       | —                       | —         | —           | —                        | —       | —       |
| Annual Navajo Nation Fair                                            | —                       | —         | —           | 356                      | 504     | (148)   |
| Tribal Ranch                                                         | —                       | —         | —           | (76)                     | 459     | (535)   |
| Veterinary Medical Sales Fund                                        | —                       | —         | —           | 114                      | 264     | (150)   |
| Colorado Ranch                                                       | —                       | —         | —           | 720                      | 703     | 17      |
| Total expenses                                                       | 1,232,100               | 1,187,142 | 34,958      | 10,800                   | 11,918  | (1,318) |
| Increase (decrease) in net assets before transfers, and Special Item | (648,143)               | 619,232   | (1,467,375) | 8,210                    | (3,651) | 11,861  |
| Transfers                                                            | (863)                   | (1,138)   | 275         | 863                      | 1,138   | (275)   |
| Statutory allocations                                                | —                       | —         | —           | 4,781                    | 4,831   | (70)    |
| Special Item—claims settlement                                       | 65,497                  | 25,430    | 40,067      | —                        | —       | —       |
| Change in net position                                               | (583,509)               | 843,524   | (1,427,033) | 13,834                   | 2,318   | 11,516  |
| Net position, beginning                                              | 6,127,446               | 5,263,922 | 863,524     | 147,104                  | 144,786 | 2,318   |
| Net position, end of year                                            | \$ 5,543,937            | 6,127,446 | (583,509)   | 160,938                  | 147,104 | 13,834  |

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**2022 Expenses and Program Revenues – Governmental Activities**



**Financial Analysis of the Government's Funds**

*Governmental Funds*

The focus of the Nation's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Nation's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Nation's governmental funds reported combined ending fund balance of \$4.8 billion. Approximately, 95% of this total amount is reserved to indicate that it is not available for new spending because it is non-spendable, restricted, committed, and/or assigned.

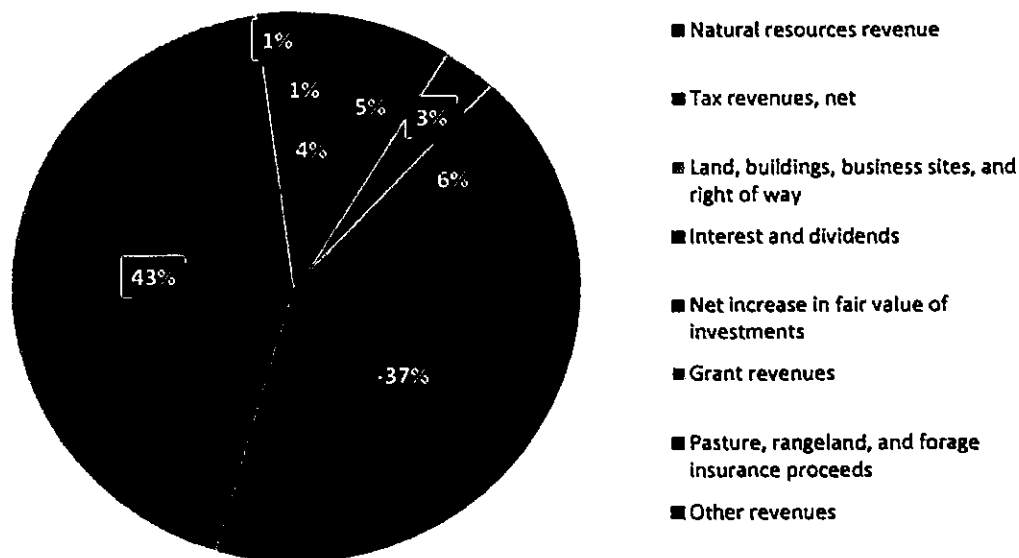
The General Fund's expenditures exceeded revenues by \$154 million during 2022.

At September 30, 2022, the Grant Fund recorded unearned revenue of \$2.3 billion. This amount represents advances on federal grants, that have not been spent for their intended purpose in accordance with the grant document. These advances are restricted, and the Nation expects to fully utilize the funds in accordance with the original award.

The Permanent Fund's fund balance decreased \$508 million during the year ended September 30, 2022. The fund has a net decrease in fair value of investments of \$565 million and interest and dividends of \$93 million. In addition, statutory allocations revenues of \$34 million were added to the fund this year.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**2022 Revenue by Source – Governmental Funds**



**Proprietary Funds**

The Nation's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail. For the year ended September 30, 2022, enterprise fund net position increased \$14 million and internal service fund net position increased \$9 million.

**General Fund Budgetary Highlights**

- The Nation approved appropriations for fiscal year 2022 expenditures of \$263 million. This amount included an initial operating budget of \$220 million and supplemental appropriations approved during the year for various purposes of \$43 million.
- Total net revenues of \$190 million exceeded the original projection of \$154 million by \$36 million.
- On a budgetary basis, expenditures exceeded revenues by approximately \$27 million before \$36 million in transfers.

**Capital Assets**

The Nation's capital assets for its governmental and business-type activities as of September 30, 2022 amounts to \$793 million (net of accumulated depreciation). This includes land, building, equipment, improvements, infrastructure, and construction in progress.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

The construction in progress of \$74 million increased from the prior year balance of \$27 million, which was attributable to the construction of infrastructure waterline, road building and broadband network projects.

|                            | <b>Governmental activities</b> |                | <b>Business-type activities</b> |               |
|----------------------------|--------------------------------|----------------|---------------------------------|---------------|
|                            | <b>2022</b>                    | <b>2021</b>    | <b>2022</b>                     | <b>2021</b>   |
| Land and land development  | \$ 125,307                     | 122,149        | 965                             | 963           |
| Construction in progress   | 74,436                         | 26,857         | 911                             | 11            |
| Buildings and improvements | 681,202                        | 664,354        | 35,254                          | 34,776        |
| Vehicles                   | 151,035                        | 149,599        | 695                             | 808           |
| Equipment                  | 140,596                        | 126,363        | 1,451                           | 1,353         |
| Furniture and fixtures     | 4,611                          | 7,174          | —                               | —             |
| Accumulated depreciation   | (410,126)                      | (378,849)      | (13,673)                        | (13,170)      |
| <b>Total</b>               | <b>\$ 767,061</b>              | <b>717,647</b> | <b>25,603</b>                   | <b>24,741</b> |

Additional information on the Nation's capital assets can be found in note 4.

**Debt Administration**

At September 30, 2022, the Nation had the following debt:

| <b>Outstanding debt at year-end – notes payable, bond payable, and bond premium</b> |                                |               |                                 |             |
|-------------------------------------------------------------------------------------|--------------------------------|---------------|---------------------------------|-------------|
|                                                                                     | <b>Governmental activities</b> |               | <b>Business-type activities</b> |             |
|                                                                                     | <b>2022</b>                    | <b>2021</b>   | <b>2022</b>                     | <b>2020</b> |
| Notes payable                                                                       | \$ —                           | 318           | —                               | —           |
| Bond payable                                                                        | 35,585                         | 38,695        | —                               | —           |
| Bond premium                                                                        | 981                            | 1,205         | —                               | —           |
| <b>Total</b>                                                                        | <b>\$ 36,566</b>               | <b>40,218</b> | <b>—</b>                        | <b>—</b>    |

Additional information on the Nation's long-term debt can be found in note 8.

**THE NAVAJO NATION**  
**Management's Discussion and Analysis**  
**September 30, 2022**  
**(Unaudited)**

**Economic Factors and Next Year's Budget and Rates**

- The Nation's operating budget is based on estimated revenue projections. Through June 2023, the Nation's actual revenues were at 97.03% of projected fiscal year 2023 revenues.
- Fluctuation in the markets for oil and gas prices and coal prices will impact the Nation's overall revenues. The economic conditions in the United States with interest rate increases from the Federal Reserve will have a significant impact on the revenues which look to increase for the Navajo Nation.
- In fiscal year 2022, a new five-year expenditure plan via Navajo Nation Council resolution CAP-30-21 was passed to spend the derived income in the Permanent Fund. The first year and second year (FY 2022 and 2023) have been completed, the third year (FY 2024) has an amount of \$61,555,000 approved. An amount of \$40,000,000 will be transferred to the General Fund to help fund operations. The additional \$21,555,000 will be available for any other needs that the Navajo Nation leadership deems necessary.

***Request for Information***

The Nation's financial report is designed to provide citizens, customers, investors, and creditors with a general overview of the Nation's finances. If you have questions about this report or need any additional information, contact the Office of the Controller, Attention: Elizabeth Begay, Interim Controller, at:

P.O. Box 3150  
Window Rock, Arizona 86515  
928-871-6308

[elizabeth.begay@nnooc.org](mailto:elizabeth.begay@nnooc.org)

Exhibit A

**THE NAVAJO NATION**  
**Statement of Net Position**  
**Modified Budget Basis**  
**September 30, 2022**

| Assets and Deferred Outflows<br>Assets                   | Primary government         |                             |               |
|----------------------------------------------------------|----------------------------|-----------------------------|---------------|
|                                                          | Governmental<br>activities | Business-type<br>activities | Total         |
| Pooled cash and investments (note 2)                     | \$ 1,488,328,710           | —                           | 1,488,328,710 |
| Cash and cash equivalents (note 2)                       | 37,743,509                 | 120,805,538                 | 158,549,047   |
| Investments (note 2)                                     | 6,888,280                  | 14,838,485                  | 21,505,725    |
| Accounts and notes receivable, net (note 3)              | 126,773,996                | 4,432,370                   | 131,206,366   |
| Accrued interest receivable                              | 10,151,292                 | —                           | 10,151,292    |
| Other assets                                             | 5,839,128                  | —                           | 5,839,128     |
| Restricted assets:                                       |                            |                             |               |
| Pooled cash and investments (note 2)                     | 5,242,333,150              | —                           | 5,242,333,150 |
| Cash and cash equivalents (note 2)                       | 57,258,749                 | —                           | 57,258,749    |
| Investments (note 2)                                     | 55,813,887                 | —                           | 55,813,887    |
| Accounts and notes receivable, net (note 3)              | 195,568,878                | —                           | 195,568,878   |
| Accrued interest receivable                              | 28,509,018                 | —                           | 28,509,018    |
| Other assets                                             | 20,668,830                 | —                           | 20,668,830    |
| Capital assets (note 4):                                 |                            |                             |               |
| Land and construction in progress                        | 199,742,885                | 1,875,953                   | 201,618,838   |
| Buildings and equipment, net of accumulated depreciation | 587,318,274                | 23,728,805                  | 591,045,079   |
| Total capital assets                                     | 787,061,159                | 25,602,758                  | 792,663,917   |
| Total assets                                             | 8,042,714,568              | 185,480,131                 | 8,208,194,697 |
| Deferred Outflows                                        |                            |                             |               |
| Pension-related outflows                                 | 104,218,347                | 2,441,574                   | 106,659,921   |
| Total deferred outflows of resources                     | 104,218,347                | 2,441,574                   | 106,659,921   |
| Total assets and deferred outflows                       | \$ 8,146,932,913           | 187,921,705                 | 8,314,854,618 |
| Liabilities                                              |                            |                             |               |
| Accounts payable and accrued liabilities (note 6)        | \$ 75,200,798              | 2,883,681                   | 77,884,489    |
| Unearned revenue (note 7)                                | 2,288,336,337              | —                           | 2,288,336,337 |
| Long-term liabilities (note 8):                          |                            |                             |               |
| Due within one year                                      | 28,575,808                 | 262,721                     | 28,838,527    |
| Due in more than one year                                | 35,704,347                 | —                           | 35,704,347    |
| Net pension liability (note 9)                           | 173,178,828                | 4,057,149                   | 177,235,977   |
| Total long-term liabilities                              | 238,458,981                | 4,319,870                   | 242,778,851   |
| Total liabilities                                        | 2,802,986,216              | 6,963,561                   | 2,809,979,777 |
| Net Position                                             |                            |                             |               |
| Net investment in capital assets                         | 730,494,868                | 25,602,758                  | 756,097,626   |
| Expendable restricted assets:                            |                            |                             |               |
| Restricted for community and rural development           | 211,820,784                | —                           | 211,820,784   |
| Restricted for economic development and loans            | 8,981,188                  | —                           | 8,981,188     |
| Restricted for education                                 | 75,181,408                 | —                           | 75,181,408    |
| Restricted for claims and refunds                        | 95,963,428                 | —                           | 95,963,428    |
| Nonexpendable restricted assets:                         |                            |                             |               |
| Restricted for future government operations              | 2,728,413,412              | —                           | 2,728,413,412 |
| Restricted for chapter activities                        | 58,781,824                 | —                           | 58,781,824    |
| Unrestricted                                             | 1,834,209,987              | 135,335,386                 | 1,769,545,373 |
| Total net position                                       | 5,543,838,997              | 180,938,144                 | 5,704,874,841 |
| Total liabilities and net position                       | \$ 8,146,932,913           | 187,921,705                 | 8,314,854,618 |

See accompanying notes to basic financial statements.

Exhibit B

**THE NAVAJO NATION**  
**Statement of Activities**  
**Modified Budget Basis**  
**Year ended September 30, 2022**

| Functional programs                                    | Expenses                | Program revenues     |                                    |                                  | Net (expenses) revenues and changes in net position |                          |                      |
|--------------------------------------------------------|-------------------------|----------------------|------------------------------------|----------------------------------|-----------------------------------------------------|--------------------------|----------------------|
|                                                        |                         | Charges for services | Operating grants and contributions | Capital grants and contributions | Governmental activities                             | Business-type activities | Total                |
| <b>Governmental activities:</b>                        |                         |                      |                                    |                                  |                                                     |                          |                      |
| General government                                     | \$ 747,477,943          | (58,822,200)         | 628,890,172                        | 1,487,941                        | (177,942,030)                                       | —                        | (177,942,030)        |
| Economic development and planning                      | 8,828,688               | 823,716              | —                                  | 73,863                           | (8,128,320)                                         | —                        | (8,128,320)          |
| Community and rural development                        | 91,672,688              | 21,281,118           | 29,111,139                         | 8,882,698                        | (34,888,173)                                        | —                        | (34,888,173)         |
| Education and training                                 | 71,298,424              | (13,441,338)         | 54,532,935                         | 57,187                           | (30,107,890)                                        | —                        | (30,107,890)         |
| Natural resources                                      | 74,212,318              | 84,038,283           | 17,737,382                         | 2,178,311                        | 29,738,908                                          | —                        | 29,738,908           |
| Public safety                                          | 78,521,240              | 1,084,887            | 54,010,961                         | 4,821,279                        | (18,824,383)                                        | —                        | (18,824,383)         |
| Health and welfare                                     | 138,273,530             | 88,882               | 122,888,482                        | 1,801,231                        | (13,888,148)                                        | —                        | (13,888,148)         |
| Culture and recreation                                 | 1,084,888               | 184,227              | 588                                | —                                | (900,174)                                           | —                        | (900,174)            |
| Transportation                                         | 20,801,831              | 38,840               | 9,962,657                          | 29,749,493                       | 18,848,488                                          | —                        | 18,848,488           |
| Interest on long-term debt                             | 2,082,008               | —                    | —                                  | —                                | (2,082,008)                                         | —                        | (2,082,008)          |
| <b>Total governmental activities</b>                   | <b>1,232,088,788</b>    | <b>38,052,104</b>    | <b>814,532,288</b>                 | <b>48,338,841</b>                | <b>(238,188,787)</b>                                | <b>—</b>                 | <b>(238,188,787)</b> |
| <b>Business-type activities:</b>                       |                         |                      |                                    |                                  |                                                     |                          |                      |
| Business Industrial Development Fund                   | 1,204,882               | 2,083,888            | —                                  | —                                | —                                                   | 878,778                  | 878,778              |
| Loan Fund                                              | 634,088                 | 381,618              | —                                  | —                                | —                                                   | (332,540)                | (332,540)            |
| Employee Housing                                       | 708,000                 | 1,030,577            | —                                  | —                                | —                                                   | 320,877                  | 320,877              |
| Parks and Recreation                                   | 4,848,880               | 12,181,127           | —                                  | —                                | —                                                   | 7,214,347                | 7,214,347            |
| Fish and Wildlife                                      | 1,838,888               | 943,542              | —                                  | —                                | —                                                   | (895,317)                | (895,317)            |
| Navajo Nation Code                                     | —                       | 4,032                | —                                  | —                                | —                                                   | 4,032                    | 4,032                |
| Navajo Transit Fund                                    | 4,366                   | 188                  | —                                  | —                                | —                                                   | (4,188)                  | (4,188)              |
| Livestock Custody                                      | 48,141                  | 238,828              | —                                  | —                                | —                                                   | 190,387                  | 190,387              |
| Fourth of July Celebration Fund                        | —                       | 42,163               | —                                  | —                                | —                                                   | 42,163                   | 42,163               |
| Annual Navajo Nation Fair                              | 388,114                 | 838,839              | —                                  | —                                | —                                                   | 478,825                  | 478,825              |
| Tribal Ranch                                           | (76,880)                | 181,582              | —                                  | —                                | —                                                   | 237,252                  | 237,252              |
| Veterinary Medical Sales Fund                          | 114,208                 | 343,021              | —                                  | —                                | —                                                   | 228,812                  | 228,812              |
| Colorado Ranch                                         | 718,848                 | 553,279              | —                                  | —                                | —                                                   | (168,567)                | (168,567)            |
| <b>Total business-type activities</b>                  | <b>10,888,884</b>       | <b>18,700,185</b>    | <b>—</b>                           | <b>—</b>                         | <b>—</b>                                            | <b>8,100,181</b>         | <b>8,100,181</b>     |
|                                                        | <b>\$ 1,242,977,672</b> | <b>56,752,289</b>    | <b>814,532,288</b>                 | <b>48,338,841</b>                | <b>(238,188,787)</b>                                | <b>8,100,181</b>         | <b>(238,088,606)</b> |
| <b>General Revenue and Transfers</b>                   |                         |                      |                                    |                                  |                                                     |                          |                      |
| <b>Taxes (note 10):</b>                                |                         |                      |                                    |                                  |                                                     |                          |                      |
| Business activity                                      |                         |                      |                                    |                                  | 8,834,062                                           | —                        | 8,834,062            |
| Possessory interest                                    |                         |                      |                                    |                                  | 18,838,478                                          | —                        | 18,838,478           |
| Fuel excise                                            |                         |                      |                                    |                                  | 10,813,800                                          | —                        | 10,813,800           |
| Oil and gas severance                                  |                         |                      |                                    |                                  | 6,667,838                                           | —                        | 6,667,838            |
| Sales                                                  |                         |                      |                                    |                                  | 70,880,861                                          | —                        | 70,880,861           |
| Tobacco products                                       |                         |                      |                                    |                                  | 184,733                                             | —                        | 184,733              |
| Hotel occupancy                                        |                         |                      |                                    |                                  | 1,188,618                                           | —                        | 1,188,618            |
| Junk food tax                                          |                         |                      |                                    |                                  | 2,031,148                                           | —                        | 2,031,148            |
| Alcohol tax                                            |                         |                      |                                    |                                  | 88,074                                              | —                        | 88,074               |
| Unrestricted investment income                         |                         |                      |                                    |                                  | (808,408,898)                                       | 108,748                  | (808,298,891)        |
| Statutory allocation                                   |                         |                      |                                    |                                  | —                                                   | 4,781,812                | 4,781,812            |
| Land, buildings, business site, and right-of-way lease |                         |                      |                                    |                                  | 78,818,437                                          | —                        | 78,818,437           |
| Transfers                                              |                         |                      |                                    |                                  | (883,388)                                           | 883,388                  | —                    |
| Special item -- claim settlements                      |                         |                      |                                    |                                  | 85,488,888                                          | —                        | 85,488,888           |
| <b>Total general revenue and transfers</b>             |                         |                      |                                    |                                  | <b>(347,312,874)</b>                                | <b>5,734,126</b>         | <b>(341,578,848)</b> |
| <b>Change in net position</b>                          |                         |                      |                                    |                                  | <b>(883,808,441)</b>                                | <b>13,834,288</b>        | <b>(869,974,153)</b> |
| <b>Net position, beginning of year</b>                 |                         |                      |                                    |                                  | <b>8,127,448,138</b>                                | <b>147,103,888</b>       | <b>8,274,552,026</b> |
| <b>Net position, end of year</b>                       |                         |                      |                                    |                                  | <b>\$ 5,643,839,697</b>                             | <b>160,938,144</b>       | <b>5,704,877,841</b> |

See accompanying notes to basic financial statements.





Exhibit D

**THE NAVAJO NATION**  
**Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances – Governmental Funds**  
**Modified Accrual Budget Basis**  
**Year ended September 30, 2022**

|                                                             | General funds<br>(Schedule E) | Grant fund         | Permanent<br>fund    | Other<br>governmental<br>funds | Total<br>governmental<br>funds |
|-------------------------------------------------------------|-------------------------------|--------------------|----------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                             |                               |                    |                      |                                |                                |
| Natural resource revenue:                                   |                               |                    |                      |                                |                                |
| Oil and gas                                                 | \$ 40,118,240                 | —                  | —                    | —                              | 40,118,240                     |
| Mining                                                      | 41,981,423                    | —                  | —                    | —                              | 41,981,423                     |
| Tax revenue, net (note 10)                                  | 93,306,875                    | —                  | —                    | 27,535,529                     | 120,842,204                    |
| Land, buildings, business site, and right-of-way<br>revenue | 74,848,952                    | —                  | —                    | 769,485                        | 75,618,437                     |
| Grant revenue                                               | —                             | 951,045,935        | —                    | —                              | 951,045,935                    |
| Interest and dividends                                      | 24,997,485                    | 9,824,982          | 92,822,772           | 12,444,518                     | 140,089,737                    |
| Net decrease in fair value of investments                   | (159,170,147)                 | —                  | (584,541,142)        | (108,514,419)                  | (832,225,708)                  |
| Pasture, rangeland, and forage insurance proceeds           | 30,094,271                    | —                  | —                    | —                              | 30,094,271                     |
| Other revenue                                               | 8,080,200                     | —                  | 702,310              | 10,145,981                     | 18,928,071                     |
| Statutory allocation to permanent fund                      | (30,885,806)                  | —                  | 33,699,849           | (3,014,243)                    | —                              |
| Statutory allocation of current year revenues               | (39,580,310)                  | —                  | —                    | 34,819,298                     | (4,761,012)                    |
| <b>Total revenues</b>                                       | <b>83,971,183</b>             | <b>960,870,897</b> | <b>(437,318,211)</b> | <b>(25,814,271)</b>            | <b>581,711,598</b>             |
| <b>Expenditures</b>                                         |                               |                    |                      |                                |                                |
| Current:                                                    |                               |                    |                      |                                |                                |
| General government                                          | 85,780,240                    | 826,890,172        | 8,552,148            | 21,902,044                     | 743,124,602                    |
| Economic development and planning                           | 5,142,202                     | —                  | 2,400,000            | 195,453                        | 7,737,655                      |
| Community and rural development                             | 43,039,121                    | 29,111,139         | 11,465,221           | 2,172,329                      | 85,786,810                     |
| Education and training                                      | 10,025,154                    | 54,532,935         | —                    | 5,445,171                      | 70,003,260                     |
| Natural resources                                           | 48,333,845                    | 17,737,352         | 1,552,913            | 3,822,229                      | 71,446,339                     |
| Public safety                                               | 9,662,011                     | 54,010,951         | —                    | 4,787,891                      | 68,460,853                     |
| Health and welfare                                          | 13,707,988                    | 122,686,462        | —                    | 1,148,129                      | 137,542,578                    |
| Culture and recreation                                      | 853,340                       | 588                | —                    | —                              | 853,928                        |
| Transportation                                              | —                             | 9,562,657          | —                    | 3,682,751                      | 13,245,408                     |
| Debt service – principal                                    | 318,184                       | —                  | —                    | 3,110,000                      | 3,428,184                      |
| Debt service – interest                                     | 1,718                         | —                  | —                    | 2,090,293                      | 2,092,009                      |
| Capital outlay                                              | 21,401,783                    | 48,338,641         | 5,342,644            | 11,912,420                     | 84,995,488                     |
| <b>Total expenditures</b>                                   | <b>238,264,544</b>            | <b>960,870,897</b> | <b>29,312,924</b>    | <b>60,268,506</b>              | <b>1,288,716,871</b>           |
| <b>Excess of expenditures over revenues</b>                 | <b>(154,293,361)</b>          | <b>—</b>           | <b>(466,629,135)</b> | <b>(86,082,777)</b>            | <b>(707,005,273)</b>           |
| <b>Other Financing Sources (Uses)</b>                       |                               |                    |                      |                                |                                |
| Transfers (note 5)                                          | 38,008,900                    | —                  | (41,368,131)         | 2,347,533                      | (1,009,698)                    |
| <b>Total other financing sources (uses)</b>                 | <b>38,008,900</b>             | <b>—</b>           | <b>(41,368,131)</b>  | <b>2,347,533</b>               | <b>(1,009,698)</b>             |
| <b>Special Items</b>                                        |                               |                    |                      |                                |                                |
| Claim settlements                                           | 65,498,689                    | —                  | —                    | —                              | 65,498,689                     |
| <b>Total special items</b>                                  | <b>65,498,689</b>             | <b>—</b>           | <b>—</b>             | <b>—</b>                       | <b>65,498,689</b>              |
| <b>Net change in fund balances (Exhibit E)</b>              | <b>(50,787,772)</b>           | <b>—</b>           | <b>(507,986,268)</b> | <b>(83,735,244)</b>            | <b>(642,510,262)</b>           |
| Fund balance, beginning of year                             | 1,196,288,286                 | —                  | 3,327,382,960        | 881,670,839                    | 5,405,342,075                  |
| Fund balance, end of year                                   | \$ 1,145,500,514              | —                  | 2,819,396,692        | 797,935,595                    | 4,762,822,793                  |

See accompanying notes to basic financial statements.

## Exhibit E

## THE NAVAJO NATION

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities

Modified Accrual Budget Basis

Year ended September 30, 2022

|                                                                                                                                                                                                                                                         |                     |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------|
| Net change in fund balances -- governmental funds (Exhibit D)                                                                                                                                                                                           |                     | \$ (642,518,282)        |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                                                                                      |                     |                         |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are: |                     |                         |
| Capital outlay                                                                                                                                                                                                                                          | \$ 86,338,939       |                         |
| Depreciation expense                                                                                                                                                                                                                                    | <u>(34,985,242)</u> |                         |
|                                                                                                                                                                                                                                                         |                     | 51,353,697              |
| Net pension liability does not require the use of current financial resources and, therefore, are not reported in the governmental funds.                                                                                                               |                     | (229,983,953)           |
| Net deferred outflow of resources related to pensions do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.                                                                 |                     | 29,195,494              |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.                                                                                              |                     | 3,428,164               |
| Bond premium amortization expense does not require the use of current financial resources and, therefore, is not reported as expenditure in the governmental funds.                                                                                     |                     | 223,709                 |
| Compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.                                                                                                  |                     | (4,429,348)             |
| Net deferred inflow of resources related to pensions do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.                                                                  |                     | 130,056,632             |
| Internal service funds are used by the Nation to charge the costs of certain activities to the individual funds. The net revenue of internal service funds applicable to governmental activities is reported with governmental activities (Exhibit G).  |                     | <u>9,164,446</u>        |
| Change in net position of governmental activities (Exhibit B)                                                                                                                                                                                           |                     | \$ <u>(583,509,441)</u> |

See accompanying notes to basic financial statements.

Exhibit F

**THE NAVAJO NATION**  
**Statement of Net Position**  
**Proprietary Funds**  
**Modified Budget Basis**  
**September 30, 2022**

| <b>Assets and Deferred Outflow of Resources</b>                        | <b>Business-type<br/>activities –<br/>enterprise<br/>funds</b> | <b>Governmental<br/>activities –<br/>internal<br/>service funds</b> |
|------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Current assets:</b>                                                 |                                                                |                                                                     |
| Cash and cash equivalents (note 2)                                     | \$ 120,806,538                                                 | 85,002,258                                                          |
| Investments (note 2)                                                   | 14,839,466                                                     | 62,480,147                                                          |
| <b>Receivables:</b>                                                    |                                                                |                                                                     |
| Accrued interest receivable                                            | —                                                              | 44,819                                                              |
| Accounts receivable, net                                               | 2,781                                                          | 3,505,815                                                           |
| Current portion of notes receivable (note 3)                           | 742,733                                                        | —                                                                   |
| Inventory                                                              | —                                                              | 301,882                                                             |
| <b>Total receivables</b>                                               | <b>745,524</b>                                                 | <b>3,853,516</b>                                                    |
| <b>Total current assets</b>                                            | <b>136,190,527</b>                                             | <b>151,334,821</b>                                                  |
| <b>Noncurrent assets:</b>                                              |                                                                |                                                                     |
| <b>Receivables:</b>                                                    |                                                                |                                                                     |
| Notes receivable, net (note 3)                                         | 3,688,848                                                      | —                                                                   |
| <b>Capital assets (note 4):</b>                                        |                                                                |                                                                     |
| Construction in progress                                               | 810,496                                                        | 17,187                                                              |
| Land and land development costs                                        | 865,457                                                        | —                                                                   |
| Buildings                                                              | 35,254,157                                                     | 373,739                                                             |
| Vehicles                                                               | —                                                              | 44,388,483                                                          |
| Equipment                                                              | 2,145,819                                                      | 8,842,268                                                           |
| <b>Total capital assets</b>                                            | <b>39,275,729</b>                                              | <b>51,402,687</b>                                                   |
| <b>Accumulated depreciation</b>                                        | <b>13,872,971</b>                                              | <b>47,898,674</b>                                                   |
| <b>Capital assets, net</b>                                             | <b>25,602,758</b>                                              | <b>3,503,013</b>                                                    |
| <b>Total noncurrent assets</b>                                         | <b>29,288,604</b>                                              | <b>3,503,013</b>                                                    |
| <b>Pension related outflows</b>                                        | <b>2,441,574</b>                                               | <b>2,034,158</b>                                                    |
| <b>Total deferred outflow of resources</b>                             | <b>2,441,574</b>                                               | <b>2,034,158</b>                                                    |
| <b>Total assets and deferred outflows</b>                              | <b>\$ 167,921,705</b>                                          | <b>156,872,082</b>                                                  |
| <b>Liabilities and Net Position</b>                                    |                                                                |                                                                     |
| <b>Current liabilities:</b>                                            |                                                                |                                                                     |
| Accounts payable (note 6)                                              | \$ 589,278                                                     | 2,513,134                                                           |
| Accrued liabilities (note 6)                                           | 2,084,412                                                      | 513,309                                                             |
| Unearned revenue (note 7)                                              | —                                                              | 18,989                                                              |
| Current portion of compensated absences (note 8)                       | 282,721                                                        | 280,278                                                             |
| Current estimated claims and judgments payable (note 8)                | —                                                              | 7,426,286                                                           |
| <b>Total current liabilities</b>                                       | <b>2,926,412</b>                                               | <b>10,755,006</b>                                                   |
| <b>Noncurrent liabilities:</b>                                         |                                                                |                                                                     |
| Estimated claims and judgments payable (note 8)                        | —                                                              | 2,575,627                                                           |
| Net pension liability (note 9)                                         | 4,057,149                                                      | 3,380,142                                                           |
| <b>Total noncurrent liabilities</b>                                    | <b>4,057,149</b>                                               | <b>5,955,769</b>                                                    |
| <b>Total liabilities</b>                                               | <b>6,983,561</b>                                               | <b>16,710,775</b>                                                   |
| <b>Net position:</b>                                                   |                                                                |                                                                     |
| Net investment in capital assets                                       | 25,602,758                                                     | 3,503,013                                                           |
| Expendable restricted net position – restricted for claims and refunds | —                                                              | 95,983,428                                                          |
| Unrestricted                                                           | 135,335,366                                                    | 40,664,879                                                          |
| <b>Total net position</b>                                              | <b>160,938,144</b>                                             | <b>140,161,317</b>                                                  |
| <b>Total liabilities and net position</b>                              | <b>\$ 167,921,705</b>                                          | <b>156,872,082</b>                                                  |

See accompanying notes to basic financial statements.

## Exhibit G

## THE NAVAJO NATION

## Statement of Revenues, Expenses, and Changes in Fund Net Position

## Proprietary Funds

## Modified Budget Basis

Year ended September 30, 2022

|                                                      | Business-type<br>activities –<br>enterprise<br>funds | Governmental<br>activities –<br>internal<br>service funds |
|------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|
| Operating revenues:                                  |                                                      |                                                           |
| Rental income                                        | \$ 3,093,948                                         | —                                                         |
| Interest income – notes receivable                   | 270,472                                              | —                                                         |
| Insurance premium income                             | —                                                    | 57,441,357                                                |
| Charges for services                                 | 14,406,163                                           | 11,527,485                                                |
| Other income                                         | 929,572                                              | 783,685                                                   |
| Total operating revenues                             | 18,700,155                                           | 69,752,527                                                |
| Operating expenses:                                  |                                                      |                                                           |
| Personnel                                            | 5,880,936                                            | 4,903,168                                                 |
| Travel, per diem, and vehicle                        | 609,472                                              | 283,203                                                   |
| Supplies                                             | 801,796                                              | 6,038,027                                                 |
| Cost of goods sold                                   | —                                                    | 247,327                                                   |
| Contractual service                                  | 614,452                                              | 4,842,605                                                 |
| Lease, telephone, and utilities                      | 467,742                                              | 184,521                                                   |
| Repairs and maintenance                              | 480,060                                              | 297,105                                                   |
| Recovery of bad debts                                | (427,024)                                            | —                                                         |
| Depreciation expense                                 | 616,519                                              | 2,274,436                                                 |
| Benefits and claims                                  | —                                                    | 29,594,352                                                |
| Reinsurance premiums                                 | 48,347                                               | 9,289,120                                                 |
| Other expenses                                       | 1,527,694                                            | 265,043                                                   |
| Total operating expenses                             | 10,598,994                                           | 58,218,807                                                |
| Operating income                                     | 8,100,161                                            | 11,533,720                                                |
| Nonoperating revenues:                               |                                                      |                                                           |
| Interest and dividends                               | 69,203                                               | 488,027                                                   |
| Net increase (decrease) in fair value of investments | 40,542                                               | (2,983,631)                                               |
| Statutory allocations                                | 4,761,012                                            | —                                                         |
| Total nonoperating revenues                          | 4,870,757                                            | (2,515,604)                                               |
| Nonoperating revenues, net                           | 4,870,757                                            | (2,515,604)                                               |
| Income before transfers                              | 12,970,918                                           | 9,018,116                                                 |
| Transfers (note 5)                                   | 863,368                                              | 146,330                                                   |
| Change in net position                               | 13,834,286                                           | 9,164,446                                                 |
| Net position, beginning of year                      | 147,103,858                                          | 130,996,871                                               |
| Net position, end of year                            | \$ 160,938,144                                       | 140,161,317                                               |

See accompanying notes to basic financial statements.

Exhibit H

**THE NAVAJO NATION**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Modified Budget Basis**  
**Year ended September 30, 2022**

|                                                                                         | <b>Business-type<br/>activities –<br/>enterprise<br/>funds</b> | <b>Governmental<br/>activities –<br/>internal<br/>service funds</b> |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|
| <b>Cash flows from operating activities:</b>                                            |                                                                |                                                                     |
| Receipts from customers                                                                 | \$ 18,328,251                                                  | 11,472,471                                                          |
| Cash received for premiums from the government                                          | —                                                              | 31,471,401                                                          |
| Cash received from others for premiums                                                  | —                                                              | 22,065,575                                                          |
| Receipt of interest on loans                                                            | 270,472                                                        | —                                                                   |
| Payments to employees for services                                                      | (5,672,157)                                                    | (4,759,382)                                                         |
| Payments of claims                                                                      | —                                                              | (33,222,188)                                                        |
| Payments to suppliers                                                                   | (1,085,636)                                                    | (6,009,491)                                                         |
| Payments to third parties for services                                                  | (1,362,677)                                                    | (13,925,481)                                                        |
| Other (expense) receipts                                                                | (1,016,263)                                                    | 697,047                                                             |
| <b>Net cash provided by operating activities</b>                                        | <b>9,431,990</b>                                               | <b>7,789,672</b>                                                    |
| <b>Cash flows from capital and related financing activity:</b>                          |                                                                |                                                                     |
| (Acquisition) of capital assets                                                         | (1,478,603)                                                    | (381,432)                                                           |
| Sale of capital assets                                                                  | —                                                              | 46,223                                                              |
| <b>Net cash used in capital and related financing activity</b>                          | <b>(1,478,603)</b>                                             | <b>(335,209)</b>                                                    |
| <b>Cash flows from noncapital and related financing activity:</b>                       |                                                                |                                                                     |
| Statutory allocation                                                                    | 4,761,012                                                      | —                                                                   |
| Transfer                                                                                | 863,368                                                        | 146,330                                                             |
| <b>Net cash provided by noncapital and related financing activity</b>                   | <b>5,624,380</b>                                               | <b>146,330</b>                                                      |
| <b>Cash flows from investing activities:</b>                                            |                                                                |                                                                     |
| Purchase of investments                                                                 | (66,598,739)                                                   | (112,512,947)                                                       |
| Sale of investments                                                                     | 58,116,579                                                     | 117,806,042                                                         |
| Interest on investment and cash balances                                                | 69,203                                                         | 465,748                                                             |
| <b>Net cash (used in) provided by investing activities</b>                              | <b>(8,412,957)</b>                                             | <b>5,758,843</b>                                                    |
| <b>Net increase in cash and cash equivalents</b>                                        | <b>5,164,810</b>                                               | <b>13,359,636</b>                                                   |
| <b>Cash and cash equivalents, beginning of year</b>                                     | <b>115,440,728</b>                                             | <b>71,642,622</b>                                                   |
| <b>Cash and cash equivalents, end of year</b>                                           | <b>\$ 120,605,538</b>                                          | <b>\$ 85,002,258</b>                                                |
| <b>Reconciliation of operating income to net cash from operating activities:</b>        |                                                                |                                                                     |
| Operating income                                                                        | \$ 8,100,161                                                   | 11,533,720                                                          |
| <b>Adjustments to reconcile operating income to net cash from operating activities:</b> |                                                                |                                                                     |
| Depreciation expense                                                                    | 616,519                                                        | 2,274,436                                                           |
| Provision for bad debts                                                                 | (427,024)                                                      | —                                                                   |
| Decrease (increase) in accounts receivable                                              | 559,865                                                        | (3,446,333)                                                         |
| Increase in inventories                                                                 | —                                                              | (114,334)                                                           |
| Increase in notes receivable                                                            | (82,003)                                                       | —                                                                   |
| Increase in deferred outflows                                                           | (2,375,910)                                                    | (1,978,800)                                                         |
| Increase in accounts payable and accrued liabilities                                    | 475,893                                                        | 1,026,233                                                           |
| Increase in net pension liability                                                       | 5,379,467                                                      | 4,494,920                                                           |
| Increase in compensated absences                                                        | 42,672                                                         | 36,628                                                              |
| Decrease in estimated claims payable                                                    | —                                                              | (3,627,836)                                                         |
| Decrease in deferred inflows                                                            | (2,857,451)                                                    | (2,408,962)                                                         |
| <b>Total adjustments</b>                                                                | <b>1,331,829</b>                                               | <b>(3,744,048)</b>                                                  |
| <b>Net cash provided by operating activities</b>                                        | <b>\$ 9,431,990</b>                                            | <b>7,789,672</b>                                                    |

See accompanying notes to basic financial statements.

## Exhibit I

**THE NAVAJO NATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Modified Budget Basis**  
**September 30, 2022**

| <b>Assets</b>                                                                 | <b>Pension<br/>trust funds</b> | <b>Private-<br/>purpose<br/>trust funds</b> |
|-------------------------------------------------------------------------------|--------------------------------|---------------------------------------------|
| Cash and cash equivalents (note 2)                                            | \$ 14,584,107                  | 2,707,700                                   |
| Investments (note 2)                                                          | 1,005,015,813                  | —                                           |
| Accrued interest receivable                                                   | 1,921,266                      | —                                           |
| <b>Total assets</b>                                                           | <b>1,021,521,186</b>           | <b>2,707,700</b>                            |
| <b>Liabilities and Net Position</b>                                           |                                |                                             |
| Accounts payable and accrued liabilities (note 6)                             | 2,551,348                      | 41,998                                      |
| <b>Total liabilities</b>                                                      | <b>2,551,348</b>               | <b>41,998</b>                               |
| <b>Net position held in trust for pension benefits and<br/>other purposes</b> | <b>\$ 1,018,969,840</b>        | <b>2,665,702</b>                            |

See accompanying notes to basic financial statements.

## Exhibit J

## THE NAVAJO NATION

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

## Modified Budget Basis

Year ended September 30, 2022

|                                                      | Pension<br>trust funds  | Private-<br>purpose<br>trust funds |
|------------------------------------------------------|-------------------------|------------------------------------|
| <b>Additions:</b>                                    |                         |                                    |
| Interest and dividends                               | \$ 27,708,547           | 16,016                             |
| Net (decrease) increase in fair value of investments | (200,758,472)           | 4,588                              |
| Contributions to plans (note 9)                      | 28,526,662              | —                                  |
| <b>Total additions</b>                               | <b>(144,523,263)</b>    | <b>20,604</b>                      |
| <b>Deductions:</b>                                   |                         |                                    |
| Personnel                                            | 458,695                 | —                                  |
| Travel                                               | 19,034                  | —                                  |
| Supplies                                             | 16,439                  | 2,727                              |
| Tribal grants                                        | —                       | 1,767,336                          |
| Utilities                                            | 160,044                 | 4,878                              |
| Retirement benefits                                  | 56,958,571              | —                                  |
| Contractual services                                 | 4,330,793               | 95,326                             |
| Other                                                | 26,313                  | 9,817                              |
| <b>Total deductions</b>                              | <b>61,969,889</b>       | <b>1,880,084</b>                   |
| <b>Change in net position</b>                        | <b>(206,493,152)</b>    | <b>(1,859,480)</b>                 |
| <b>Net position, beginning of year</b>               | <b>1,225,462,992</b>    | <b>4,525,182</b>                   |
| <b>Net position, end of year</b>                     | <b>\$ 1,018,969,840</b> | <b>2,665,702</b>                   |

See accompanying notes to basic financial statements.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(1) Basis of Accounting and Summary of Significant Accounting Policies**

**(a) Reporting Entity**

The accompanying financial statements reflect the operations and financial position of the Navajo Nation, which are accounted for by the Office of the Controller of the Navajo Nation. These operations provide the Navajo Nation (the Nation) with traditional governmental services such as public safety, education, health, and management of natural resources, as well as certain other activities such as economic development, community development, chapter projects, transportation, and cultural and recreational activities and employee benefits.

The Nation has adopted Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provide guidance in determining whether certain organizations are component units and the presentation of these component units in the financial statements. Criteria for determining whether related organizations are component units include the following circumstances:

- Appointment of a voting majority of an organization's governing authority and the ability of the Nation to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Nation, or;
- An organization is fiscally dependent on the Nation and provides specific financial benefits to, or imposes specific financial burdens on, the Nation, or;
- It is determined that it would be misleading to exclude the related organization from the Nation's financial statements because of the nature of the entity or because the entity is closely related to or financially integrated with the Nation.

The financial statements do not include the assets, liabilities, net position, or results of operations of certain entities that are legally separate from the Nation and/or which are financially accountable to the Nation. Some of these entities have had capital investments and contributions made by the Nation. The basis of accounting described in Note 1(d) requires the financial statements of such entities to be included in the financial statements.

The financial statements do not include the financial position or activities of various private and governmental agencies operating within reservation boundaries or programs conducted on the Navajo reservation, which do not involve the use of Nation funds and over which the Navajo Nation Council does not exercise fiscal or administrative control.

As a Native American Indian Tribe, the Nation considers itself exempt from federal and state income taxes.

**(b) Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statements of net position and activities) display information about the Nation's governmental and business-type activities. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations of internal



## THE NAVAJO NATION

### Notes to Basic Financial Statements

September 30, 2022

activity have been made in these statements. The governmental activities are reported separately from the business-type activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Nation's governmental and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants, contributions, and changes in fair market value of restricted investments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not properly included among program revenues are reported as general revenues.

#### (c) Fund Financial Statements

The Nation uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. Separate financial statements are provided for the governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed as a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Internal service funds and each of the fiduciary fund types are reported in the aggregate.

The funds used by the Nation are as follows:

#### *Governmental Funds*

##### (i) General Fund (Major Fund)

The General Fund represents the operating activities of the Nation. The Navajo Nation Council appropriates funds for the expenditures of the General Fund. Within the General Fund, funds are appropriated in the following categories:

**Operating Appropriations** – Appropriations allocated to operating departments and programs that are budgeted annually. Unencumbered balances at the close of each fiscal year revert to General Fund unassigned fund balance, unless otherwise specified by the Navajo Nation Council.

**Capital Project Appropriations** – Appropriations for items of a capital nature. Unencumbered balances at the close of each fiscal year revert to General Fund unassigned fund balance, unless otherwise specified by the Navajo Nation Council.

**Reimbursements of administrative costs (indirect costs)** incurred by the Nation's General Fund in connection with the administration of programs funded by various grantor agencies are recorded as expenditures in the Grant Fund and as a reduction of General Fund expenditures. Realization of the amounts recorded is subject to approval and audit by grantor agencies and availability of funds from such grantors.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The Nation consolidates several funds in the General Fund which do not meet the GASB definitions for one of the other fund types.

**(ii) Navajo Dam Escrow Fund (Included In General Funds)**

The Navajo Dam Escrow Fund is used to account for monetary settlements received in connection with an agreement between the Nation and the City of Farmington, New Mexico. Funds within the account shall be used solely for the purpose of collateralizing loans to Navajo individuals or entities within the San Juan County, New Mexico portion of the Nation.

**(iii) Oil and Gas Development Fund (Included In General Funds)**

The Oil and Gas Development Fund is used to provide financing for development projects and related costs of the Navajo Nation Oil and Gas Company, Inc. in furtherance of the Navajo Nation Energy Policy and pursuant to its corporate charter.

**(iv) Navajo Nation Reforestation Fund (included In General Funds)**

The Navajo Nation Reforestation Fund is used to account for funds reserved for the purpose of reseeding land within the Nation.

**(v) Capital Outlay Match Fund (Included In General Funds)**

The Capital Outlay Match Fund was established in 2001 with a \$5,000,000 appropriation from the Navajo Nation Council. The Nation often receives capital outlay grants for projects that benefit the Navajo people. The purpose of the Capital Outlay Match Fund is to establish a ready source of funds to meet the matching requirements associated with these grants.

**(vi) Sihasin Fund (Included In General Funds)**

The Sihasin Fund was created with monies received from a settlement with the U.S. government related to trust mismanagement of assets. The purposes of the fund include financing the planning and development of regional infrastructure, supporting economic and community development, education opportunities for members of the Nation, and leveraging the fund by way of guaranteeing loans or match funding.

**(vii) License Plate Revenue Fund (Included In General Funds)**

The License Plate Revenue Fund was established to account for the revenue from the sale of Arizona specialty license plates.

**(viii) Handicapped Services Trust Fund (included In General Funds)**

The Handicapped Services Trust Fund is used to supplement programs and projects, which provide services to handicapped Navajo citizens. The Navajo Nation Council resolution, that established the fund, stipulates that the principal may not be expended except pursuant to a referendum adopted by a two-thirds majority vote of registered Navajo voters. For the income earned by the fund, 95% is available for the stated purpose; the remainder is to be reinvested as principal.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(ix) Senior Citizens Services Trust Fund (included in General Funds)**

The Senior Citizens Services Trust Fund is used to supplement programs and projects, which provide services to Navajo senior citizens. The Navajo Nation Council resolution, that established the fund, stipulates that the principal may not be expended except pursuant to a referendum adopted by a two-thirds majority vote of registered Navajo voters. For the income earned by the fund, 95% is available for the stated purpose; the remainder is to be reinvested as principal.

**(x) Vocational Education Trust Fund (included in General Funds)**

The Vocational Education Trust Fund is used to fund grants to Navajo students attending vocational education institutions and to apprentices and practitioners selected to participate in the Navajo Traditional Apprenticeship Project on an annual basis.

The Navajo Nation Council resolution, that established the fund, stipulates that the principal may not be expended except pursuant to a referendum adopted by a two-thirds majority vote of registered Navajo voters. The previous year's market value of the fund is used to determine the amount available for use as 4% of the previous year's market value is available for the stated purpose while the remainder is to be reinvested as principal.

**(xi) Navajo Academy Trust Fund (included in General Funds)**

The Navajo Academy Trust Fund is intended to be used by the Navajo Preparatory School to provide funds to upgrade classroom equipment and materials, to fund costs associated with new educational facilities, and to fund scholarships for Navajo Preparatory School graduates to pursue postsecondary education. The Navajo Nation Council resolution, that established the fund, stipulates that the principal may not be expended except pursuant to a referendum adopted by a two-thirds majority of registered Navajo voters. The previous year's market value of the fund is used to determine the amount available for use as 4% of the previous year's market value is available for the stated purpose while the remainder is to be reinvested as principal.

**(xii) Navajo Trust Fund (included in General Funds)**

The Navajo Trust Fund was established as a result of the exchange/sale of the former Phoenix Indian School property. The United States wanted to acquire private land adjacent to the Big Cypress National Preserve to be included in the National Wildlife Refuge System and offered in exchange for this property the former Phoenix Indian School property. Trust income may be used only for supplemental educational and child welfare programs, activities, and services to benefit the Nation, and the design, construction, improvement, or repair of related facilities.

**(xiii) Local Governance Trust Fund (included in General Funds)**

The Local Governance Trust Fund was established in 2001 with a \$2,400,000 appropriation from the Navajo Nation Council. The purpose of the Local Governance Trust Fund is to support the chapters of the Nation in the implementation of the Local Governance Act enacted by the Navajo Nation Council in 1998.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

***Special Revenue Fund Type***

Special Revenue Funds are used to account for revenue from specific sources that are restricted by law or administrative action for specific purposes as follows:

**(i) *Grant Fund (Major Fund)***

The Grant Fund is used to account for the activities and programs over which the Nation exercises fiscal and administrative control, which are financed by various grantors. Program expenditure budgets are approved by the grantors. Disallowed costs, if any, resulting from compliance audits are recorded during the period when an amount is mutually agreed upon.

**(ii) *Scholarship Fund (Nonmajor Fund)***

The Scholarship Fund is used to account for certain assets budgeted to provide scholarships to tribal members for educational purposes. An 8.3333% portion of sales tax revenue, net of statutory allocations to the Permanent Fund, Veterans Trust Fund, and Land Acquisition Fund, are deposited to this Fund.

**(iii) *Navajo Tourism Fund (Nonmajor fund)***

The Navajo Tourism Fund is used to account for taxes, which are assessed on hotel room rentals within the Nation. The funds are to be used to improve tourism in the Nation.

**(iv) *Navajo Nation Environmental Protection Agency Fund (Nonmajor Fund)***

The Navajo Nation Environmental Protection Agency Fund is used to account for fees and penalties imposed upon owners and operators of underground storage tanks. The funds are to be used to administer and regulate the Navajo Nation Underground Storage Tank Act.

**(v) *Tax Suspense Fund (Nonmajor Fund)***

The Tax Suspense Fund is used to account for 2% of actual tax payments received, which are set aside to pay future tax claims and refunds. No later than 60 days prior to the end of each fiscal year, the Navajo Tax Commission shall make a determination as to what amount, if any, may be released from the fund to the General Fund.

**(vi) *Water Rights Fund (Nonmajor Fund)***

The Water Rights Fund was established in 2003 with a \$2,100,000 appropriation from the Navajo Nation Council. The purpose of the Water Rights Fund is to provide assured annual funding for the protection of the Nation's water rights in the states of Arizona, Utah, and New Mexico.

**(vii) *Navajo Nation Roads Fund (Nonmajor Fund)***

The Navajo Nation Roads Fund is used to account for the proceeds generated from the Nation's fuel excise tax. The tax proceeds are to be utilized to meet highway funding regulations and design standards, to improve overall road systems, to improve safety, and to meet community and economic development needs.

# THE NAVAJO NATION

## Notes to Basic Financial Statements

September 30, 2022

(vii) *Land Acquisition Fund (Nonmajor Fund)*

The Land Acquisition Fund is used to provide revenue to acquire land, including existing structures, for the Nation in accordance with the Navajo Nation Land Acquisition Policies and Procedures. A 2% portion of all unrestricted revenue of the Nation is transferred, via statutory allocation, to the Land Acquisition Fund. The Navajo Nation Council resolution, which established the fund, stipulates that the principal may not be expended except pursuant to a referendum adopted by a two-thirds majority vote of the Navajo Nation Council. Of the income earned, 90% is available for the stated purpose; the remainder is to be reinvested as principal.

(ix) *Navajo Rehabilitation Trust Fund (Nonmajor Fund)*

The Navajo Rehabilitation Trust Fund is used to account for amounts received from the U.S. government to benefit Navajo people and communities affected by the settlement of the Navajo/Hopi land dispute.

The fund qualifies as a special revenue fund as it has a recurring source of revenue through a business site lease with the Navajo Nation Gaming Enterprise (NNGE) Twin Arrows Casino and the fund is to be used for specific purposes.

(x) *Diné Relocatee Fund (Nonmajor Fund)*

The Diné Relocatee Fund is used to record all revenue, income, payments and proceeds generated from the Arizona New Lands acquired pursuant to Navajo-Hopi Settlement Act. The net proceeds of all settlement or judgement awards stemming from litigation brought by the Nation on behalf of Navajo families residing on the Hopi-partitioned lands as of December 22, 1974 against the United States shall be deposited into the fund.

(xi) *Gaming Development Fund (Nonmajor Fund)*

The Gaming Development Fund is used to account for the proceeds generated from any agreements entered into by the Nation concerning the lease of gaming machines to any other Indian nation. These sources of revenues will be used to provide funding for gaming development within the Nation.

(xii) *Gaming Revenue Distribution Fund (Nonmajor Fund)*

The Gaming Revenue Distribution Fund is used to account for the proceeds received from the NNGE and to provide an allocation plan for the use of the revenue received.

(xiii) *Judicial/Public Safety Facilities Fund (Nonmajor Fund)*

The Judicial/Public Safety Facilities Fund was established to provide funding for judicial and public safety facilities as approved by the Judiciary Committee and Public Safety Committee. Projects or activities funded by this fund include planning, site clearance, and development; site improvement and landscape development; utility access; street access and parking areas; construction, maintenance, renovation, and repair; and debt service financing as needed for these activities. A 16.6666% portion of sales tax revenue, net of statutory allocations to the Permanent Fund, Veterans Trust Fund, and Land Acquisition Fund, are deposited to this fund.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(xiv) Department of Public Safety (DPS) Gaming Fund (Nonmajor Fund)**

The DPS Gaming Fund was established to provide funding, received from NNGE, for police services at various Nation casinos.

**(xv) DPS Alcohol Tax Fund (Nonmajor Fund)**

The DPS Alcohol Tax Fund was established to fund public welfare. A 3.25% tax is added to the sale of all alcoholic beverages sold.

**(xvi) Healthy Diné Tax Act Fund (Nonmajor Fund)**

The Healthy Diné Tax Act Fund was established to fund community wellness projects. A 2% tax is added to the sale of food or beverage items considered to have minimal-to-no nutritional value.

**(xvii) Fire & Rescue Services Fund (Nonmajor Fund)**

The Fire & Rescue Services Fund was established to provide funding for fire and rescue services throughout the Navajo Nation. A 16.6666% portion of sales tax revenue, net of statutory transfers to the Permanent Fund, Veterans Trust Fund, and Land Acquisition Fund, are deposited to this fund.

**(xviii) Navajo Tribal Utility Authority (NTUA) Emergency and Replacement Fund (Nonmajor Fund)**

NTUA Emergency and Replacement Fund was established to provide funding for emergency water and wastewater projects and replacement throughout the Navajo Nation. A 60% portion of sales tax revenue associated with construction of public water and wastewater, net of statutory transfers to the Permanent Fund, Veterans Trust Fund, and Land Acquisition Fund, is deposited to this fund.

**(xix) Sales Tax Trust Fund (Nonmajor Fund)**

The Sales Tax Trust Fund is used to accumulate net sales tax revenue collected from retail establishments on the Navajo reservation. The net sales tax revenue collected from retail establishments is to be distributed to the specific Nation chapter in which the retail sale occurred, so long as that chapter is governance certified as defined by the Navajo Nation Local Governance Act. Net sales tax revenue collected from retail establishments where no governance certified chapter exists shall be distributed pursuant to a plan of operation developed by the Nation and approved by the Budget and Finance Committee of the Navajo Nation Council.

**(xx) Veterans' Trust Fund (Nonmajor Fund)**

The Veterans' Trust Fund is used to account for the accumulation of funds, which are expected to be used to pay for veterans' programs, projects, and services or activities, as well as survivors' benefits for the surviving spouses of deceased veterans. A 4% portion of all unrestricted revenues is transferred, via statutory allocation, to the Veterans' Trust Fund. Based on the average market value of the fund, 4% of the average market value of the fund is available to be spent for the stated purpose; the remainder is to be reinvested as principal.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

***Debt Service Fund Type***

Debt Service Funds are used to account for and report financial resources that are restricted to expenditures for principal and interest of long-term debt as follows:

**(xxi) *FMIS Key Bank Loan Fund (Nonmajor Fund)***

The fund was established with an unsecured general obligation credit facility to maintain and upgrade the Nation's Financial Management Information System. The loan will be repaid with general funds.

***Permanent Fund Type***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Nation's programs. The Nation has the following permanent fund types:

**(xxii) *Permanent Fund (Major Fund)***

The Permanent Fund was established to provide revenues in future years. The Navajo Nation Council resolution, that established the fund, stipulates that the principal may not be expended except pursuant to a referendum approved by the Navajo Nation Council and adopted by a two-thirds majority vote of registered Navajo voters. A 95% portion of the fund's income is available to supplement operations of the Nation's government, while 50% of the fund's income is available to be transferred to the Local Governance Trust Fund once a five-year spending plan is established.

**(xxiii) *Chapter Government Nation Building Fund (Nonmajor Fund)***

The Chapter Government Nation Building Fund is used to account for assets budgeted for use on chapter projects. Of the income earned on the assets, 95% is to be distributed to Navajo chapters for the benefit of chapter members.

***Proprietary Funds***

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. The Nation utilizes the following proprietary funds:

***Enterprise Fund Type***

Enterprise Funds are used to report activity for which a fee is charged to external users for goods and services. The Nation utilizes the following enterprise funds:

**(i) *Business and Industrial Development Fund (Nonmajor Fund)***

The Business and Industrial Development Fund was established to promote economic development through investment in, and loans to, entities that conduct business on the Navajo reservation. A 8.3333% portion of sales tax revenue, net of statutory allocations to the Permanent Fund, Veterans Trust Fund, and Land Acquisition Fund, are deposited to this Fund.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(ii) *Loan Fund (Nonmajor Fund)***

The Loan Fund is used to account for the loan programs that are administered by the Credit Services Department of the Division of Finance or the Veterans' Affairs Program of the Division of Human Resources.

**(iii) *Employee Housing Fund (Nonmajor Fund)***

The Employee Housing Department maintains and rents 149 housing units to Nation employees. Monthly rental payments are automatically deducted from Nation employee paychecks and are expected to be sufficient to fund the operations of the program.

**(iv) *Parks and Recreation Fund (Nonmajor Fund)***

The Parks and Recreation Fund is utilized to account for the scenic tour fees, gift shop charges, camping fees, and other charges associated with Nation parks and recreation areas. The largest of these parks is the Monument Valley Tribal Park. The fees collected are expected to be sufficient to fund the Parks and Recreation department operations.

**(v) *Fish and Wildlife Fund (Nonmajor Fund)***

The Fish and Wildlife Fund was established to manage, conserve, and protect the Nation's fish, wildlife, and plant resources and their habitats. The fund is utilized to account for the fees collected from hunting, fishing, and other wildlife management activities.

**(vi) *Navajo Nation Code Fund (Nonmajor Fund)***

The Navajo Nation Code Fund was established to account for the revenue generated from sale, reproduction, and transmission of the Navajo Nation Code and related expenses.

**(vii) *Navajo Transit Fund (Nonmajor Fund)***

The Navajo Transit Fund was established to account for the revenue generated from fixed route transportation services for transporting passengers and their baggage, newspapers, and express mail, between points in New Mexico and Arizona. In addition, the fund accounts for charter transportation services for passengers and their baggage between points in Arizona and New Mexico and other points in Utah, Colorado, California, Nevada, Idaho, Oregon, Washington, Oklahoma, Texas, Kansas, Mississippi, Illinois, Arkansas, Tennessee, North Carolina, Virginia, Missouri, Louisiana, and the District of Columbia.

**(viii) *Livestock Custody Fund (Nonmajor Fund)***

The Livestock Custody Fund was established by the Livestock and Foreign Animal Disease Response Act of 2006 to administer service fees collected from inspection of livestock by the Navajo Department of Resource Enforcement. The department is authorized to enhance methods of seizure of livestock; to safeguard the livestock industry, the livestock owner, and the Navajo Nation Government; to develop and maintain records for purposes of livestock tracking, animal identification, and ownership identification; to adhere to service charges and fees established by Navajo law; to initiate and establish a livestock identification program required by the U.S. government; and to collect penalties from violations of Navajo law regarding livestock.



**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(ix) Fourth of July Celebration Fund (Nonmajor Fund)**

The Fourth of July Celebration Fund was established to provide a dedicated source of funds to the Annual Navajo Nation Fourth of July Celebration as a self-sustaining event. All sources of revenue from this event as well as expenses are recorded in this fund.

**(x) Annual Navajo Nation Fair Fund (Nonmajor Fund)**

The Annual Navajo Nation Fair Fund was established to provide a dedicated source of funds to the Annual Navajo Nation Fair as a self-sustaining event. All sources of revenue from this event as well as expenses are recorded in this fund.

**(xi) Tribal Ranch Fund (Nonmajor Fund)**

The Tribal Ranch Fund was established to administer and regulate the Nation's tribal ranches specifically, ensuring the ranchers and lessees comply with U.S. Forest Service, Bureau of Land Management, adjoining states, and other governmental regulations and/or guidelines.

**(xii) Veterinary Medical Sales Fund (Nonmajor Fund)**

The Veterinary Medical Sales Fund was established to enable the Nation's Veterinary and Livestock Program to provide low cost comprehensive veterinary services and interact with Federal and State Veterinary Agencies in accordance with the Nation's Emergency Response to a Foreign Animal Disease, the Livestock and Foreign Animal Disease Act of 2006, and the Nation's Veterinary Act of 2007.

**(xiii) Colorado Ranch Fund (Nonmajor Fund)**

The Colorado Ranch Fund was established to manage, conserve, and protect the Nation's fish, wildlife, and plant resources and their habitats on lands owned in Colorado. The fund is utilized to account for the fees collected from hunting, fishing, and other wildlife management activities at the Colorado Ranch.

**Internal Service Fund Type**

Internal service funds are utilized to account for goods or services that are provided to the Nation's departments on a cost reimbursement basis. The Nation utilizes the following internal service funds:

**(i) Fleet Management Fund**

The Fleet Management department provides motor vehicle transportation services to the Nation's departments and programs, including those of certain affiliates. Fees collected from vehicle rentals and mileage are expected to be sufficient to sustain operations of the program.

**(ii) Duplicating Services Fund**

The Duplicating Services department provides duplicating services to the Nation's departments and programs, including those of certain affiliates. Fees collected from duplicating services are expected to be sufficient to sustain operations of the program.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(iii) Office Supply Center Fund**

The Office Supply Center procures office supplies, which are sold to the Nation's departments and programs, including those of certain affiliates. Fees collected from the sale of supplies are expected to be sufficient to sustain operations of the program.

**(iv) Air Transportation Fund**

The Air Transportation department utilizes three aircraft to provide flight services to Nation employees and third parties working on Nation government business. Fees billed to Nation departments for individual flights are expected to be sufficient to support program operations and aircraft maintenance. The majority of this fund's services are provided to departments and programs of the Nation's primary government.

**(v) Group Health Self-Insurance Fund**

The Group Health Self-Insurance Fund is used to account for the accumulation of funds, which are expected to be used to pay for health insurance claims of the Nation and certain affiliates. Life insurance premiums of third-party providers are also paid from this fund. The majority of this fund's services are provided to departments and programs of the Nation's primary government.

**(vi) Property and Casualty Self-Insurance Fund**

The Property and Casualty Self-Insurance Fund is used to account for the accumulation of funds, which are expected to be used to pay for liability and property claims and related costs necessary to administer a comprehensive risk management program for the Nation and certain affiliates. The majority of this fund's services are provided to departments and programs of the Nation's primary government.

**(vii) Workers' Compensation Self-Insurance Fund**

The Workers' Compensation Self-Insurance Fund is used to account for the accumulation of funds, which are expected to be used to pay for workers' compensation claims of employees of the Nation and of certain affiliates. The majority of this fund's services are provided to departments and programs of the Nation's primary government.

**(viii) Contingency Management Fund**

The Contingency Management Fund is used to account for management of the Nation's risk of loss.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

***Fiduciary Funds***

Fiduciary funds are utilized to account for assets held in a trustee capacity for others and, therefore, cannot be used to support the Nation's programs. Fiduciary funds are not classified as either major or nonmajor. The Nation uses the following fiduciary funds:

***Pension Trust Funds***

***(i) Retirement Fund***

The Retirement Fund includes the activities of the retirement plan for the Nation and certain affiliates. The plan covers all full-time employees. The provision for the retirement plan contribution is sufficient to cover the plan's normal cost and amortization of past service costs over 40 years. The policy is to fund pension costs accrued. Contributions are recognized when received and retirement benefits are recognized when paid.

***(ii) Deferred Retirement Fund***

The Deferred Retirement Fund includes the activities of the deferred retirement plan, which covers members of the Navajo Nation Council, the President, and the Vice President, and the deferred compensation plan, which covers employees who serve at the pleasure of the Navajo Nation Council, the President, and Speaker of the Council. The contribution to the fund is based upon a percentage of an official's compensation and is funded currently. The participants' deferred compensation benefit is their share of the market value of the fund.

***Private-Purpose Trust Funds***

***(iii) Navajo Bennett Freeze Trust Fund***

The Navajo Bennett Freeze Trust Fund is used to record the disputed area receipts. The fund was established in 2011 with a deposit of \$5,700,000 that was disbursed out of an escrow from the U.S. Treasury. The funds from the escrow account are for the use and benefit of the Western Navajo Agency Chapters impacted by the Bennett Freeze.

***(d) Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus, which reflects all long-term assets and liabilities, and the modified budget basis of accounting, which has been developed based upon U.S. generally accepted accounting principles, as modified by Navajo Nation Council resolutions and financial reporting practices. Under this basis of accounting, revenues are generally recorded when earned, except for taxes, natural resources, and right-of-way revenue, which are recognized when received, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Administrative overhead charges are included with direct expenses.

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual budget basis of accounting, which has been developed based upon U.S. generally accepted accounting principles, as modified by Navajo Nation Council resolutions and financial reporting practices. Under this basis of accounting, revenues are recorded when susceptible to accrual, that is, both measurable and available to be budgeted to pay liabilities of

## THE NAVAJO NATION

### Notes to Basic Financial Statements

September 30, 2022

the current period, October 1, 2021 to September 30, 2022, except for taxes, natural resources and right-of-way revenue, which are recognized when received. Interest income generated by assets of the Grant Fund is recorded in the General Fund. Other financing sources include the proceeds of long-term debt and obligations under capital leases. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Administrative overhead charges are included with direct expenses. Notes receivable from related enterprises are recorded as assets of the funds that financed the notes.

The Nation prepares its budget for the governmental funds on the budgetary basis of accounting, which differs from the modified accrual budget basis of accounting. The difference between the budgetary basis and the modified accrual budget basis of accounting is that encumbrances are recorded as the equivalent of expenditures (budgetary basis) as opposed to a commitment of fund balance (modified accrual budget basis).

In applying the susceptible to accrual concept to Grant Fund revenue, the legal and contractual requirements of the individual programs are used as guidance. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met and the related expenditure has been incurred. Such expenditures must be expended for the specific purpose outlined in the grant before they are recognized.

Grant Fund expenditures are subject to fiscal and/or program compliance audits by the grantors, which may result in disallowed program expenditures. Generally, such audits must commence within three years of the program's termination date. Expenditures disallowed as a result of such audits, if any, would require a General Fund appropriation.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses.

*Operating revenues* include activities that are generated through the entity's business activity. Examples include a) loan interest income; b) insurance premiums; c) gift shop charges; d) rental fees; and e) supply charges.

*Nonoperating revenues* include activities that have the characteristics of nonexchange transactions and primarily include interest and dividend income from investments and statutory allocations.

*Operating expenses* include activities that have the characteristics of an exchange transaction, such as a) employee salaries, benefits, and related expense; b) cost of sales and services; c) insurance benefit payments; and d) depreciation expenses related to capital assets.

*Nonoperating expenses* include activities that have the characteristics of nonexchange transactions, such as interest on debt.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Nation's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(e) Statutory Allocations**

General Fund revenues are subject to statutory allocations to other funds and are recorded based on percentages established by the Navajo Tribal Code (the Code). The specific percentages are discussed in the Fund Financial Statements section of the notes to the basic financial statements.

**(f) Net Position Classification and Fund Balances**

In the government-wide financial statements, net position is classified as follows:

*Net investment in capital assets* represents the Nation's total investment in capital assets, net of outstanding debt related to those capital assets.

*Restricted net position* represents those operating funds on which external restrictions or restrictions imposed by law have been imposed that limit the purposes for which such funds can be used. *Restricted expendable net position* is resources that the Nation is legally or contractually obligated to spend in accordance with imposed restrictions. *Restricted nonexpendable net position* consists of funds in which third parties have stipulated that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income. The income generated from the principal may be expended or added to principal. The government-wide statement of net position reports restricted net position and net position restricted by enabling legislation as follows:

|                                                       |                         |
|-------------------------------------------------------|-------------------------|
| Restricted for claims and refunds                     | \$ 95,963,428           |
| Restricted for future government operations           | <u>2,728,413,412</u>    |
| Total net position restricted by enabling legislation | 2,824,376,840           |
| Restricted for community and rural development        | 211,920,784             |
| Restricted for economic development and loans         | 8,961,186               |
| Restricted for education                              | 75,191,408              |
| Restricted for chapter activities                     | <u>58,781,824</u>       |
| Total restricted net position                         | <u>\$ 3,179,232,042</u> |

*Unrestricted net position* consists of those operating funds over which the Navajo Nation Council retains full control to use in achieving any of its authorized purposes.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

In the fund financial statements, fund balances are classified depending on the relative strength of the spending constraints placed on the purposes for which resources can be used as follows:

**(i) *Nonspendable Fund Balance***

This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

**(ii) *Restricted Fund Balance***

This classification includes amounts constrained to specific purposes externally imposed by creditors (such as through debt covenants) grantor and contributors, or laws or regulations of other governments, or through constitutional provisions, or by enabling legislation.

**(iii) *Committed Fund Balance***

This classification includes amounts that can only be used for specific purposes, pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In the case of the Nation, it is the Navajo Nation Council.

**(iv) *Assigned Fund Balance***

This classification includes amounts that are constrained by the Nation's intent to be used for specific purposes, but neither restricted nor committed.

**(v) *Unassigned Fund Balance***

This classification includes amounts that are available for any purpose; these amounts can be reported only in the Nation's General Fund.

The Nation typically uses restricted fund balance first, followed by committed resources, and then assigned resources before unassigned resources.

**(g) *Budgetary Information***

Annually, a General Fund budget is adopted on a basis consistent with the budgetary basis of accounting. Budget requests are submitted so that a budget may be prepared. The budget is presented to the Navajo Nation Council for review and a final budget must be prepared and adopted no later than September 30. All supplemental appropriations must also be approved by the Navajo Nation Council. The legal level of control is at the functional level. Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year-end are reported as committed fund balance.

**(h) *Pooled Cash and Investments, Cash and Cash Equivalents, and Investments***

The Nation considers cash and cash equivalents to be currency on hand, cash held by trustee, demand deposits with banks, short-term investments with an original maturity of three months or less at time of acquisition, and all amounts included in pooled cash accounts.

A pooled cash concept is used in maintaining certain cash accounts in the Nation's accounting records. Under this concept, cash is pooled for investment purposes in the General Fund and each fund has equity in the pooled amount. The Nation's pooled cash concept means bank accounts are not maintained for each of the individual funds.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

Investment securities are reported at fair value. The Nation utilizes established quoted market prices and model indexes for determining the fair value of its equity and corporate debt securities, respectively. The Nation also holds various alternative investments, which are reported at the net asset value (NAV). The Nation utilizes the market values as reported by its fund managers. The net increase (decrease) in fair value of investments is reported as general revenue in the government-wide statements and as nonoperating revenue in the proprietary fund financial statements.

**(i) Capital Assets**

Capital assets, that include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Such assets are valued at historical cost, if purchased, or fair market value on the date donated, when acquired by gift. Major outlays for capital assets and improvements are capitalized as projects are constructed within the government-wide and proprietary fund financial statements.

No monetary values have been assigned to the interest of the Nation in ancestral lands, irrigation projects, mineral deposits, and a substantial portion of the cost of water wells located on reservation lands, buildings, utility systems, or other improvements, which have been provided or returned by the U.S. government or others under treaty obligations or contributed prior to 1951. Items of a capital nature contributed subsequent to 1951 are capitalized at fair value at the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

|                            |                |
|----------------------------|----------------|
| Buildings and improvements | 20 to 40 years |
| Equipment                  | 3 to 15 years  |
| Furniture and fixtures     | 7 years        |

When fixed assets are retired from service or otherwise disposed of, a gain or loss, if any, on disposal of assets is recognized.

**(j) Unearned revenue**

Unearned revenue primarily represents amounts received from funding agencies that have been collected in advance of the revenue recognition criteria.

**(k) Compensated Absences**

The employees of the Nation are granted annual and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated annual leave. Employees are not paid for accumulated sick leave. All accumulated annual leave is accrued in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(l) Long-Term Liabilities**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the governmental fund financial statements, the proceeds of debt issued are reported as other financing sources. Repayment of long-term obligation principal and interest is recorded as an expenditure.

In the government-wide financial statements, bond discounts or premiums are capitalized and amortized over the term of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs other than prepaid insurance are reported as expenses.

**(m) Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(2) Pooled Cash and Investments, Cash and Cash Equivalents, and Investments**

A summary of cash and investments as of September 30, 2022 is as follows:

|                                           |                                |
|-------------------------------------------|--------------------------------|
| Cash, including money market accounts     | \$ 766,143,262                 |
| Certificates of deposit                   | 5,554,182                      |
| Government and federal agency obligations | 2,877,563,812                  |
| Municipal bonds                           | 2,868,102                      |
| Corporate bonds                           | 610,041,361                    |
| Corporate obligations                     | 385,637,458                    |
| Marketable securities                     | 2,270,933,083                  |
| Mutual funds                              | 334,367,762                    |
| Real estate funds                         | 584,865,608                    |
| High yield fixed income funds             | 207,920,258                    |
| <b>Total cash and investments</b>         | <b><u>\$ 8,045,894,888</u></b> |



**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**Government-wide financial statements (Exhibit A):**

|                                        |                  |
|----------------------------------------|------------------|
| Pooled cash and investments            | \$ 1,488,326,710 |
| Cash and cash equivalents              | 158,349,047      |
| Investments                            | 21,505,725       |
| Restricted pooled cash and investments | 5,242,333,150    |
| Restricted cash and cash equivalents   | 57,258,749       |
| Restricted investments                 | 55,813,887       |

**Fiduciary funds statement of net assets (Exhibit I):**

|                                     |                         |
|-------------------------------------|-------------------------|
| <b>Pension trust funds:</b>         |                         |
| Cash and cash equivalents           | 14,584,107              |
| Investments                         | 1,005,015,813           |
| <b>Private-purpose trust funds:</b> |                         |
| Cash and cash equivalents           | 2,707,700               |
|                                     | <u>\$ 8,045,894,888</u> |

**(a) Investment Policy**

The Nation's Investment Committee has established an investment policy to provide for the prudent management of invested funds. The fundamental goal of the policy is to produce the maximum return possible while preserving the Nation's assets. Qualified investments under the investment policy include investments in domestic equity securities publicly owned and traded; fixed income securities; U.S. Treasury bills and notes and U.S. agency securities; investment in foreign debt and equity; corporate bonds generally with an S&P rating of A or better although high yield bonds that are rated less than investment grade are permitted in certain instances; certificates of deposit, provided such amounts are fully insured by the Federal Deposit Insurance Corporation (FDIC) or fully collateralized; repurchase agreements acquired under an Investment Committee approved master agreement; real estate; and alternative investments such as commingled funds of funds and investments in partnerships. All investments will be diversified to minimize risk.

Investments in natural resource properties, commodities, floating rate securities, equity securities not traded on a national exchange, short sales, warrants, and margin transactions are prohibited. In addition, investments in companies that are involved in litigation or major contractual disputes with the Nation are prohibited.

**(b) Custodial Credit Risk**

In the case of deposits, the custodial credit risk is the risk that in the event of a depository institution failure, the Nation's deposits may not be recovered. The Nation does not have formal deposit policies that limit its exposure to custodial credit risk. At September 30, 2022, the Nation's bank balances were \$134,224,700. The balance in excess of FDIC coverage of \$500,000 was insured and collateralized.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Nation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Nation does not have specific policies regarding investment custodial credit risk. As of September 30, 2022, the Nation is not exposed to investment custodial credit risk as all of the Nation's investments are held in the Nation's name.

**(c) Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Nation. The Nation's investment policy states that it will minimize credit risk by the following:

- Limiting investments to the low-risk types of securities
- Performing proper due diligence of investment managers
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

The following table provides information on the credit ratings associated with the Nation's investment in debt securities including pro rata share of mutual fund fixed income as of September 30, 2022:

| Rating                        | Government<br>and federal<br>agency<br>obligations | Municipal<br>bonds | Corporate<br>bonds | Corporate<br>obligations | High-Yield<br>Fixed Income<br>Funds | Total                |
|-------------------------------|----------------------------------------------------|--------------------|--------------------|--------------------------|-------------------------------------|----------------------|
| AAA                           | \$ 43,749,886                                      | —                  | 3,199,592          | 76,393,242               | —                                   | 123,342,720          |
| AA                            | 373,242,723                                        | 711,789            | 13,999,228         | 10,214,305               | —                                   | 398,168,045          |
| A                             | 2,643,478                                          | 1,777,750          | 174,572,867        | 275,276,306              | —                                   | 454,269,401          |
| BBB                           | 6,214,223                                          | 378,563            | 379,572,348        | 6,444,101                | —                                   | 392,609,233          |
| BB                            | 369,649                                            | —                  | 17,442,628         | 327,181                  | —                                   | 18,139,458           |
| B                             | —                                                  | —                  | 14,555,988         | 113,331                  | —                                   | 14,669,319           |
| CCC                           | —                                                  | —                  | 614,404            | 380,679                  | —                                   | 995,083              |
| CC                            | —                                                  | —                  | 16,768             | 2,632,073                | —                                   | 2,648,841            |
| C                             | —                                                  | —                  | —                  | —                        | —                                   | —                    |
| D                             | —                                                  | —                  | —                  | —                        | —                                   | —                    |
| Not rated                     | 58,502,148                                         | —                  | 6,067,540          | 13,857,240               | 207,920,258                         | 287,347,186          |
| U.S. government<br>guaranteed | 2,391,841,705                                      | —                  | —                  | —                        | —                                   | 2,391,841,705        |
|                               | <u>\$ 2,877,563,812</u>                            | <u>2,888,102</u>   | <u>610,041,361</u> | <u>385,637,458</u>       | <u>207,920,258</u>                  | <u>4,084,030,991</u> |

**(d) Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Nation's investment policy states that it will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

operations. Operating funds will be invested primarily in short-term securities, money market mutual funds, or similar investment pools.

As of September 30, 2022, the Nation had the following investments and maturities:

| Investment type                           | Fair value              | Investment maturities |                      |                    |                    |
|-------------------------------------------|-------------------------|-----------------------|----------------------|--------------------|--------------------|
|                                           |                         | Less than 1 year      | 1-5 years            | 6-10 years         | 10 years +         |
| Certificates of deposit                   | \$ 5,554,182            | 5,554,182             | —                    | —                  | —                  |
| Government and federal agency obligations | 2,877,563,812           | 1,893,879,707         | 526,890,207          | 46,513,159         | 410,280,739        |
| Municipal bonds                           | 2,868,102               | —                     | 655,751              | —                  | 2,212,351          |
| Corporate bonds                           | 610,041,361             | 78,678,493            | 248,771,002          | 138,921,858        | 145,670,008        |
| Corporate obligations                     | 385,637,458             | 272,877,930           | 41,950,076           | 3,843,522          | 68,985,930         |
| High-Yield Fixed Income Funds (1)         | 207,920,258             | 237,136               | 207,883,122          | —                  | —                  |
|                                           | <u>\$ 4,089,585,173</u> | <u>2,251,227,448</u>  | <u>1,023,950,158</u> | <u>189,276,539</u> | <u>625,129,028</u> |

(1) The balance of high-yield fixed income funds reflected in the 1-5 years category consists of one high-yield income fund for which the classification above is based upon the fund's weighted average maturity.

**(e) Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the magnitude of the Nation's investment in a single type of security. The Nation's investment policy prohibits ownership of more than 2.5% of the outstanding common shares of any corporation. Except for the above limitation, the Nation does not have formal deposit and investment policies that limit its exposure to concentrations of credit risk.

The Nation does not have any investments that represent greater than 5% of total investments except for investments issued or explicitly guaranteed by the U.S. government and mutual funds.

**(f) Foreign Currency Risk**

The Nation's exposure to foreign currency risk derives from its positions in foreign currency denominated investments. The Nation's investment policy permits it to invest in foreign currency denominated investments, provided that the countries are in developed markets and the countries must

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

be represented on the Europe, Australasia, and Far East Asia (EAFE) Index. The Nation's exposure to foreign currency risk is as follows:

| Country                        | Currency | Corporate bonds      | Corporate obligations | Municipal bonds and corporate obligations | Government and federal agency obligations | Marketable securities | Total              |
|--------------------------------|----------|----------------------|-----------------------|-------------------------------------------|-------------------------------------------|-----------------------|--------------------|
| Australia                      | Dollar   | \$ 4,381,714         | —                     | —                                         | —                                         | 8,138,277             | 10,529,991         |
| Canada                         | Dollar   | 19,288,442           | —                     | 655,751                                   | 112,979                                   | 11,585,234            | 31,640,406         |
| Cayman Islands                 | Dollar   | —                    | 948,132               | —                                         | —                                         | 207,883,122           | 208,829,254        |
| Chile                          | Peso     | 450,334              | —                     | —                                         | 528,485                                   | —                     | 978,819            |
| China                          | Yuan     | 2,280,619            | —                     | —                                         | 228,349                                   | 6,242                 | 2,515,210          |
| Colombia                       | Peso     | 310,500              | —                     | —                                         | —                                         | —                     | 310,500            |
| Denmark                        | Krone    | —                    | —                     | —                                         | —                                         | 5,882,888             | 5,882,888          |
| EAFE                           | NA       | —                    | —                     | —                                         | —                                         | 47,582,810            | 47,582,810         |
| Europe                         | Euro     | 28,565,129           | —                     | —                                         | —                                         | 30,686,382            | 57,281,511         |
| India                          | Rupee    | 632,335              | —                     | —                                         | —                                         | —                     | 632,335            |
| Indonesia                      | Rupiah   | 280,183              | —                     | —                                         | 165,500                                   | —                     | 445,683            |
| Israel                         | Shekel   | 1,232,173            | —                     | —                                         | —                                         | —                     | 1,232,173          |
| Jamaica                        | Dollar   | 16,768               | —                     | —                                         | —                                         | —                     | 16,768             |
| Japan                          | Yen      | 7,683,262            | —                     | —                                         | —                                         | 4,037,330             | 11,630,592         |
| Jordan                         | Dinar    | —                    | —                     | —                                         | —                                         | 1,200,317             | 1,200,317          |
| Kuwait                         | Riyal    | —                    | —                     | —                                         | 189,877                                   | —                     | 189,877            |
| Mexico                         | Peso     | 2,728,255            | —                     | —                                         | 4,053,009                                 | —                     | 6,781,264          |
| Multi-National Agencies Region | NA       | —                    | —                     | —                                         | —                                         | 423,817,294           | 423,817,294        |
| Norway                         | Krone    | 1,414,085            | —                     | —                                         | —                                         | —                     | 1,414,085          |
| Panama                         | Balboa   | 149,840              | —                     | —                                         | 557,824                                   | —                     | 707,464            |
| Peru                           | Inti     | 183,277              | —                     | —                                         | 638,782                                   | —                     | 802,039            |
| Saudi Arabia                   | Riyal    | —                    | —                     | —                                         | 2,114,993                                 | —                     | 2,114,993          |
| South Africa                   | Rand     | 151,000              | —                     | —                                         | —                                         | —                     | 151,000            |
| Switzerland                    | Franc    | 4,894,558            | —                     | —                                         | —                                         | 9,655,170             | 14,349,728         |
| Taiwan                         | Dollar   | 1,222,093            | —                     | —                                         | —                                         | —                     | 1,222,093          |
| United Arab Emirates           | Dirham   | 317,168              | —                     | —                                         | —                                         | —                     | 317,168            |
| United Kingdom                 | Pound    | 20,540,998           | —                     | —                                         | —                                         | 1,148,573             | 21,689,569         |
|                                |          | <u>\$ 84,450,741</u> | <u>948,132</u>        | <u>655,751</u>                            | <u>8,889,578</u>                          | <u>749,383,247</u>    | <u>854,005,449</u> |

**(g) Pledged Securities**

As of September 30, 2022, the Nation held and pledged a \$5,554,182 certificate of deposit as security for debt of the Navajo Nation Hospitality Enterprise, a related party.

**(h) Fair Value Measurement**

The Nation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- **Level 1** inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
- **Level 2** inputs are inputs — other than quoted prices included within Level 1 — that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

- *Level 3* inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers, but the Nation considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

The Nation has the following recurring fair value measurements as of September 30, 2022:

|                                                  | Fair value              | Fair value measurement using                                                  |                                                             |                                                    |
|--------------------------------------------------|-------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
|                                                  |                         | Quoted prices<br>in active<br>markets for<br>identical<br>assets<br>(Level 1) | Significant<br>other<br>observable<br>inputs<br>(Level 2)   | Significant<br>Unobservable<br>inputs<br>(Level 3) |
| <b>Investments held by the Nation:</b>           |                         |                                                                               |                                                             |                                                    |
| Certificates of deposit                          | \$ 5,554,182            | 5,554,182                                                                     | —                                                           | —                                                  |
| Governmental and federal<br>agency obligations   | 2,877,563,812           | —                                                                             | 2,877,563,812                                               | —                                                  |
| Municipal bonds                                  | 2,868,102               | —                                                                             | 2,868,102                                                   | —                                                  |
| Corporate bonds                                  | 610,041,381             | —                                                                             | 610,041,381                                                 | —                                                  |
| Corporate obligations                            | 385,637,458             | —                                                                             | 385,637,458                                                 | —                                                  |
| Mutual funds                                     | 334,367,762             | 334,367,762                                                                   | —                                                           | —                                                  |
| Marketable securities                            | 2,270,933,083           | 2,270,933,083                                                                 | —                                                           | —                                                  |
| <b>Total investments held<br/>by the Nation</b>  | <b>\$ 6,486,965,760</b> | <b>2,610,855,027</b>                                                          | <b>3,876,110,733</b>                                        | <b>—</b>                                           |
|                                                  | <b>Fair Value</b>       | <b>Unfunded<br/>commitments</b>                                               | <b>Redemption<br/>frequency (if<br/>currently eligible)</b> | <b>Redemption<br/>notice<br/>period</b>            |
| <b>Investments measured at the NAV:</b>          |                         |                                                                               |                                                             |                                                    |
| Real estate funds (1)                            | \$ 584,865,608          | 12,250,000                                                                    | 45 to 90 days                                               | Quarterly                                          |
| High yield fixed income funds (2)                | 207,920,258             | —                                                                             | 30 days                                                     | Monthly                                            |
| <b>Total investments<br/>measured at the NAV</b> | <b>792,785,866</b>      | <b>\$ 12,250,000</b>                                                          |                                                             |                                                    |
| <b>Total investments held</b>                    | <b>\$ 7,279,751,626</b> |                                                                               |                                                             |                                                    |

(1) *Real estate funds.* This type includes three real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share of the partner's capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

(2) *High yield fixed income funds.* This type includes one investment in fixed income funds that invest in high yield corporate, governmental obligations and secured credit swaps/loans. The fair values

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

of the investments in this type have been determined using the NAV per share of the partner's capital. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

**(3) Accounts and Notes Receivable, Net**

The notes and accounts receivable in the governmental activities and fiduciary funds comprise the following as of September 30, 2022:

|                                           | <b>Governmental activities</b> |                     |                    |
|-------------------------------------------|--------------------------------|---------------------|--------------------|
|                                           | <b>Restricted</b>              | <b>Unrestricted</b> | <b>Total</b>       |
| Notes receivable:                         |                                |                     |                    |
| Permanent fund                            | \$ 136,384,851                 | —                   | 136,384,851        |
| Chapter government nation building fund   | 7,484,116                      | —                   | 7,484,116          |
| Land acquisition fund                     | —                              | 34,166,981          | 34,166,981         |
| Scholarship funds                         | 4,706,376                      | —                   | 4,706,376          |
| Navajo rehabilitation trust fund          | 2,786,048                      | —                   | 2,786,048          |
| Handicapped services fund                 | —                              | 1,136,866           | 1,136,866          |
| Senior citizen services fund              | —                              | 975,785             | 975,785            |
| Vocational education fund                 | —                              | 1,135,866           | 1,135,866          |
| Veterans' trust fund                      | —                              | 4,849,095           | 4,849,095          |
| <b>NNGE note receivable</b>               | <b>151,361,391</b>             | <b>42,284,593</b>   | <b>193,625,984</b> |
| <b>Sihasin fund – NNGE and NTUA</b>       |                                |                     |                    |
| <b>notes receivable</b>                   | <b>—</b>                       | <b>67,706,373</b>   | <b>67,706,373</b>  |
| Receivable from grantors:                 |                                |                     |                    |
| Grant fund                                | 40,623,508                     | —                   | 40,623,508         |
| Accounts receivable:                      |                                |                     |                    |
| General funds                             | —                              | 16,745,176          | 16,745,176         |
| Grant fund                                | 128,128                        | —                   | 128,128            |
| Chapter government nation building fund   | 7,790                          | —                   | 7,790              |
| Group health self-insurance fund          | 3,435,618                      | —                   | 3,435,618          |
| Property and casualty self-insurance fund | 2,328                          | —                   | 2,328              |
| Workers' compensation self-insurance fund | 10,115                         | —                   | 10,115             |
| Fleet management fund                     | —                              | 57,854              | 57,854             |
|                                           | <b>\$ 195,568,878</b>          | <b>126,773,996</b>  | <b>322,342,874</b> |

**(a) Governmental Activities Accounts Receivable**

Accounts receivable from grantors represent the majority of the governmental activities restricted accounts receivable balance at September 30, 2022.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(b) Notes Receivable with Navajo Nation Gaming Enterprise**

Notes receivable in the governmental activities primarily represent loans to the NNGE, a related party, to fund construction of casinos.

On April 3, 2012, the existing separate notes receivables were consolidated, along with the extension of additional credit in the form of a construction draw down loan for the Twin Arrows Casino, near Flagstaff, Arizona (2012 Credit Agreement). The total amount available for the consolidation and the construction draw down loan is \$200,000,000. The 2012 Credit Agreement required interest-only payments from the closing date (April 3, 2012) to June 30, 2013. Thereafter, the 2012 Credit Agreement requires interest and principal payments based on a 15-year amortization schedule with the remaining principal balance due at maturity (March 31, 2020).

In connection with the 2012 Credit Agreement above, the Nation has entered into an arrangement with NNGE whereby NNGE has granted a security interest in its cash balances to the Nation. The cash balances subject to this security agreement are not considered to be an asset of the Nation and have not been recorded on the Nation's financial statements.

NNGE reported to the Nation in the fall of 2013 that it would be unable to make debt service payments scheduled for December 31, 2013 and April 30, 2014. Consequently, a forbearance agreement was executed on December 11, 2013, whereby the Nation agreed to forbear enforcement of remedies through April 30, 2014. The forbearance agreement suspended quarterly principal payments during the forbearance period and reduced the base interest rate to 9%, payable from excess cash flow after paying all operating expenses. There was also additional interest due at a rate of 4% after NNGE made debt service payments on subordinate debt. Any interest that was not paid on a current basis was accrued as a liability of NNGE.

The forbearance agreement was amended on April 29, 2014, August 31, 2014, and December 31, 2014, to extend the forbearance through August 31, 2014, December 31, 2014, and March 31, 2015, respectively. On January 9, 2015, NNGE and the Nation agreed to a three-year extension of the forbearance agreement to December 31, 2017. Also, on January 9, 2015, the accrued but unpaid interest was added to the principal balance of the loan. During the period beginning January 9, 2015 through the 24-month period commencing on the effective date, the outstanding balance will carry an interest rate of 8% per annum. For the 12-month period commencing at the beginning of the third year following the effective date, the outstanding balance will carry an interest rate of 8% per annum plus a contingent interest of 1% payable from available cash flow. Commencing on July 1, 2016, principal payments are due based on a 30-year amortization schedule. On January 1, 2018, the repayment terms of the three-year extension of the forbearance agreement revert to the terms in the 2012 Credit Agreement if the forbearance agreement is not extended or the 2012 Credit Agreement is not refinanced. The 2012 Credit Agreement requires interest to be paid at a rate of between 10% to 13% based on the leverage ratio of NNGE; principal payments based on a 15-year amortization schedule; and had a maturity date of March 31, 2020. The 2012 Credit Agreement was refinanced on December 1, 2017.

On December 1, 2017, the Nation amended and restated the 2012 Credit Agreement with NNGE for an amount up to the outstanding principal amount but not to exceed \$208,759,393 (Loan Agreement). The maturity of the Loan Agreement is 15 years after the effective date of December 1, 2017 with an option

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

to renew for an additional 15 years. The interest rate of the Loan Agreement will be a fixed rate of the 10-year gross annual average return of the Nation's investment portfolio (Master Trust) to be reset every ten years. The interest will be payable quarterly beginning December 1, 2017. Debt service will be based on a 30-year amortization schedule, commencing January 15, 2018. As of September 30, 2022, the principal balance is \$190,839,936.

NNGE reported to the Nation in May 2020 that it would be unable to make a debt service payment scheduled for June 30, 2020, until such time as NNGE and the Nation are able to quantify available funding sources to cover operating expenses. The Nation modified the Loan Agreement with NNGE to suspend and defer debt service payments until December 31, 2020 and agreed to allow the gaming distribution set-aside to be used to fund the debt service payment due June 30, 2020. In July 2020, NNGE requested permission to use the annual gaming distribution set-aside payment for operations. NNGE made the debt service payment scheduled for June 30, 2020 in September 2020. As of June 2023, the Nation is in the process of amending the Loan Agreement to suspend and defer debt service payments to a future date. The Nation has accrued a total of \$26,762,268 in interest for the period of July 1, 2020 through September 30, 2022.

In 2010, the Navajo Hopi Land Commission entered into an agreement with NNGE to fund the purchase of the land, which the Twin Arrows Casino sits on for \$3,715,777 funded by the Navajo Nation Rehabilitation Trust Fund. Subsequently, the land was brought into Trust and ownership was transferred to the Navajo Nation. On January 9, 2015, the Navajo Hopi Land Commission agreed to reset the amortization of the note. The note has a 30-year amortization with a 10% interest rate. The outstanding principal balance at September 30, 2022 is \$2,786,048.

**(c) Notes Receivable in the Sihasin Fund – NNGE and NTUA**

The notes receivable in the Sihasin Fund represents a loan to NNGE for the planning, development, and construction of the Twin Arrows Travel Center. The term of the note is 15 years at an interest rate of 1.5%. As of September 30, 2022, the balance is \$3,760,401.

The notes receivable in the Sihasin Fund also represents a loan to NTUA for the construction of utility infrastructure that was funded during fiscal years 2017 to 2019. The note receivable agreement states funding will be provided by the end of the fiscal year of the lender (September 30). The note receivable balance from May 2, 2021 through May 1, 2022 was interest only at 0.06%. The note receivable balance from May 2, 2022 to May 1, 2023 is interest only at 2.10%. As of September 30, 2022, the note balance is \$63,945,972.



**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(d) Notes Receivable in Business-Type Activity Funds**

Notes receivable for business-type activities consist of the following as of September 30, 2022:

|                                                    | <u>Principal<br/>balance</u> | <u>Allowance for<br/>doubtful<br/>accounts</u> | <u>Total</u>     | <u>Portion due<br/>within<br/>one year</u> |
|----------------------------------------------------|------------------------------|------------------------------------------------|------------------|--------------------------------------------|
| Loan funds:                                        |                              |                                                |                  |                                            |
| Home loans                                         | \$ 4,722,761                 | (855,216)                                      | 3,867,545        | 582,820                                    |
| Personal loans                                     | 660,434                      | (187,949)                                      | 472,485          | 83,469                                     |
| Veterans' loans                                    | 560,302                      | (470,753)                                      | 89,549           | 76,444                                     |
|                                                    | <u>5,943,497</u>             | <u>(1,513,918)</u>                             | <u>4,429,579</u> | <u>742,733</u>                             |
| Business-type activities,<br>notes receivable, net | \$ <u>10,386,909</u>         | <u>(5,957,330)</u>                             | <u>4,429,579</u> | <u>742,733</u>                             |

**(4) Capital Assets**

A summary of changes in capital assets for the year ended September 30, 2022 is as follows:

|                                                     | <u>Beginning<br/>balance</u> | <u>Increases</u>  | <u>Decreases</u> | <u>Transfers</u>    | <u>Ending<br/>balance</u> |
|-----------------------------------------------------|------------------------------|-------------------|------------------|---------------------|---------------------------|
| Governmental activities:                            |                              |                   |                  |                     |                           |
| Capital assets not being<br>depreciated:            |                              |                   |                  |                     |                           |
| Purchased land                                      | \$ 122,148,799               | 3,158,108         | —                | —                   | 125,306,907               |
| Construction in progress                            | <u>26,857,153</u>            | <u>62,731,300</u> | <u>—</u>         | <u>(15,152,475)</u> | <u>74,435,978</u>         |
| Total capital<br>assets not<br>being<br>depreciated | <u>149,005,952</u>           | <u>65,889,408</u> | <u>—</u>         | <u>(15,152,475)</u> | <u>199,742,885</u>        |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

|                                                             | <u>Beginning<br/>balance</u> | <u>Increases</u>    | <u>Decreases</u>   | <u>Transfers</u>  | <u>Ending<br/>balance</u> |
|-------------------------------------------------------------|------------------------------|---------------------|--------------------|-------------------|---------------------------|
| <b>Capital assets being depreciated:</b>                    |                              |                     |                    |                   |                           |
| Building and improvements                                   | \$ 864,353,538               | 1,695,274           | —                  | 15,152,475        | 681,201,287               |
| Equipment                                                   | 126,383,113                  | 14,668,730          | (435,523)          | —                 | 140,596,320               |
| Furniture and fixtures                                      | 7,174,237                    | —                   | (2,563,006)        | —                 | 4,611,231                 |
| Vehicles                                                    | 149,599,318                  | 4,485,642           | (3,049,492)        | —                 | 151,035,468               |
| <b>Total capital<br/>assets being<br/>depreciated</b>       | <b>947,490,206</b>           | <b>20,849,646</b>   | <b>(6,048,021)</b> | <b>15,152,475</b> | <b>977,444,306</b>        |
| <b>Less accumulated depreciation:</b>                       |                              |                     |                    |                   |                           |
| Building and improvements                                   | 167,590,726                  | 18,283,429          | —                  | —                 | 185,874,155               |
| Equipment                                                   | 83,902,663                   | 8,219,529           | (435,523)          | —                 | 91,686,669                |
| Furniture and fixtures                                      | 7,258,814                    | 150,440             | (2,548,699)        | —                 | 4,860,555                 |
| Vehicles                                                    | 120,097,264                  | 10,608,280          | (2,998,891)        | —                 | 127,704,653               |
| <b>Total<br/>accumulated<br/>depreciation</b>               | <b>378,649,467</b>           | <b>37,259,678</b>   | <b>(5,983,113)</b> | <b>—</b>          | <b>410,126,032</b>        |
| <b>Depreciable<br/>capital<br/>assets, net</b>              | <b>568,840,739</b>           | <b>(16,410,032)</b> | <b>(84,908)</b>    | <b>15,152,475</b> | <b>587,318,274</b>        |
| <b>Governmental<br/>activities, capital<br/>assets, net</b> | <b>\$ 717,646,691</b>        | <b>49,479,376</b>   | <b>(64,908)</b>    | <b>—</b>          | <b>767,061,159</b>        |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

|                                               | <u>Beginning<br/>balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending<br/>balance</u> |
|-----------------------------------------------|------------------------------|------------------|------------------|------------------|---------------------------|
| <b>Business-type activities:</b>              |                              |                  |                  |                  |                           |
| Capital assets not being depreciated:         |                              |                  |                  |                  |                           |
| Construction in progress                      | \$ 11,093                    | 899,403          | —                | —                | 910,496                   |
| Land and land development costs               | 962,678                      | 2,779            | —                | —                | 965,457                   |
| Total capital assets not being depreciated    | 973,771                      | 902,182          | —                | —                | 1,875,953                 |
| Capital assets being depreciated:             |                              |                  |                  |                  |                           |
| Buildings and improvements                    | 34,776,178                   | 477,980          | —                | —                | 35,254,158                |
| Equipment                                     | 2,160,661                    | 98,442           | (113,484)        | —                | 2,145,619                 |
| Total depreciable capital assets              | 36,936,839                   | 576,422          | (113,484)        | —                | 37,399,777                |
| Less accumulated depreciation for:            |                              |                  |                  |                  |                           |
| Buildings                                     | 11,599,877                   | 603,404          | —                | —                | 12,203,281                |
| Equipment (and vehicles)                      | 1,570,080                    | 13,115           | (113,484)        | —                | 1,469,891                 |
| Total accumulated depreciation                | 13,169,937                   | 616,519          | (113,484)        | —                | 13,672,972                |
| Depreciable capital assets, net               | 23,766,902                   | (40,097)         | —                | —                | 23,726,805                |
| Business-type activities, capital assets, net | \$ 24,740,673                | 682,085          | —                | —                | 25,602,758                |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

Depreciation expense was charged to functions as follows:

|                                                            |                      |
|------------------------------------------------------------|----------------------|
| <b>Governmental activities:</b>                            |                      |
| General government                                         | \$ 2,724,233         |
| Economic development and planning                          | 1,170,791            |
| Community and rural development                            | 6,992,502            |
| Education and training                                     | 1,992,738            |
| Natural resources                                          | 3,520,803            |
| Public safety                                              | 8,783,864            |
| Health and welfare                                         | 2,184,071            |
| Culture and recreation                                     | 220,082              |
| Transportation                                             | 7,396,158            |
| Internal service funds                                     | 2,274,436            |
| <b>Total governmental activities depreciation expense</b>  | <b>\$ 37,259,678</b> |
| <b>Business-type activities:</b>                           |                      |
| Business and industrial development fund                   | \$ 504,086           |
| Parks and recreation                                       | 93,612               |
| Employee housing fund                                      | 18,821               |
| <b>Total business-type activities depreciation expense</b> | <b>\$ 616,519</b>    |

**(5) Interfund Activity**

The composition of interfund activity as of September 30, 2022 is as follows:

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Purpose</u>             | <u>Amount</u> |
|------------------------|---------------------|----------------------------|---------------|
| Grant Fund             | General Fund        | Investment fair value loss | \$ 25,210,983 |

At September 30, 2022, the following funds have deficit net positions, as follows:

| <u>Fund</u>                     | <u>Cash and cash equivalents</u> | <u>Net position</u> |
|---------------------------------|----------------------------------|---------------------|
| Fourth of July Celebration Fund | \$ 3,100                         | (21,504)            |
| Air Transportation Fund         | (3,188,334)                      | (3,080,113)         |

To the extent that operations of these funds are not sufficient to cover the deficits, the General Fund or other funds will be required to provide financial support.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

Interfund transfers are summarized as follows:

|                           | Transfers from |                |                            |                                      | Total       | Purpose           |
|---------------------------|----------------|----------------|----------------------------|--------------------------------------|-------------|-------------------|
|                           | General fund   | Permanent fund | Navajo Rehabilitation fund | Business Industrial Development fund |             |                   |
| Transfers to:             |                |                |                            |                                      |             |                   |
| Water rights fund         | \$ (2,000,000) | —              | —                          | —                                    | (2,000,000) | Required transfer |
| Capital outlay match fund | (2,000,000)    | —              | —                          | —                                    | (2,000,000) | Required transfer |
| Fish and wildlife         | (1,210,901)    | —              | —                          | —                                    | (1,210,901) | Operating         |
| Air transportation fund   | (146,330)      | —              | —                          | —                                    | (146,330)   | Operating         |
| Dine relocatee fund       | —              | —              | 4,901,907                  | 347,533                              | 5,249,440   | Establish fund    |
| General fund              | 41,366,131     | (41,366,131)   | —                          | —                                    | —           | Operating         |
| Total                     | \$ 36,008,900  | (41,366,131)   | 4,901,907                  | 347,533                              | (107,791)   |                   |

**(6) Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities as of September 30, 2022 are as follows:

|                               | Vendors       | Salaries and benefits | Construction contract payables | Other     | Total      |
|-------------------------------|---------------|-----------------------|--------------------------------|-----------|------------|
| Governmental activities:      |               |                       |                                |           |            |
| General fund                  | \$ 9,523,825  | 13,054,351            | 2,121,302                      | 4,979,326 | 29,678,804 |
| Grant fund                    | 19,424,276    | 7,696,237             | 6,336,613                      | —         | 33,457,126 |
| Permanent fund                | 1,962,834     | 33,869                | 339,966                        | —         | 2,336,669  |
| Aggregate nonmajor funds      | 5,535,071     | 761,700               | 126,720                        | 276,263   | 6,701,754  |
| Internal service funds        | 2,500,870     | 256,503               | —                              | 269,070   | 3,026,443  |
| Total governmental activities | \$ 38,946,878 | 21,802,660            | 8,926,601                      | 5,524,659 | 75,200,798 |
| Business-type activities:     |               |                       |                                |           |            |
| Enterprise funds              | \$ 877,514    | 269,664               | 77,342                         | 1,639,171 | 2,863,691  |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(7) Unearned Revenue**

At September 30, 2022, unearned revenue consisted of the following:

|                                                  | Governmental activities: |              |                |                                           |                                      | Total         |
|--------------------------------------------------|--------------------------|--------------|----------------|-------------------------------------------|--------------------------------------|---------------|
|                                                  | Grant fund               | General fund | Permanent fund | Property and casualty self-insurance fund | Workers' compensation insurance fund |               |
| Unearned revenue:                                |                          |              |                |                                           |                                      |               |
| Corporation for National and Community Service   | \$ 46,418                | —            | —              | —                                         | —                                    | 46,418        |
| U.S. Department of Education                     | 62,087,817               | —            | —              | —                                         | —                                    | 62,087,817    |
| U.S. Department of Energy                        | 5,880,087                | —            | —              | —                                         | —                                    | 5,880,087     |
| U.S. Department of Health and Human Service      | 253,574,211              | —            | —              | —                                         | —                                    | 253,574,211   |
| U.S. Department of Homeland Security             | 258,544                  | —            | —              | —                                         | —                                    | 258,544       |
| U.S. Department of Housing and Urban Development | 95,583                   | —            | —              | —                                         | —                                    | 95,583        |
| U.S. Department of Justice                       | 177,074                  | —            | —              | —                                         | —                                    | 177,074       |
| U.S. Department of Labor                         | 4,496                    | —            | —              | —                                         | —                                    | 4,496         |
| U.S. Department of the Interior                  | 186,717,519              | —            | —              | —                                         | —                                    | 186,717,519   |
| U.S. Department of Transportation                | 262,268,328              | —            | —              | —                                         | —                                    | 262,268,328   |
| U.S. Department of Treasury                      | 1,483,208,204            | —            | —              | —                                         | —                                    | 1,483,208,204 |
| Environmental Protection Agency                  | 21,549                   | —            | —              | —                                         | —                                    | 21,549        |
| National Endowment for the Humanities            | 37,209                   | —            | —              | —                                         | —                                    | 37,209        |
| U.S. Department of Agriculture                   | 1,153,342                | —            | —              | —                                         | —                                    | 1,153,342     |
| Other non-federal                                | 28,185,816               | 5,546,048    | 58,293         | 999                                       | 15,000                               | 33,805,956    |
| Total governmental activities                    | \$ 2,283,715,997         | 5,546,048    | 58,293         | 999                                       | 15,000                               | 2,289,336,337 |

**(8) Long-Term Liabilities**

On November 17, 2015, the Nation issued \$52,900,000 of general obligation bonds under Securities and Exchange Commission (SEC) Rule 144A. The bonds payable were issued to refinance a general obligation loan. The bonds payable carry tax-exempt coupon rates of 2.9% to 5.5%. The bonds require semiannual debt service payments beginning on November 2016. The bonds mature on December 1, 2020 to December 1, 2030.

| Description of issue             | Bonds issued  | Outstanding balance | Range of interest | Scheduled maturities |           | First call |
|----------------------------------|---------------|---------------------|-------------------|----------------------|-----------|------------|
|                                  |               |                     |                   | First year           | Last year |            |
| General Obligation 2016 Series A | \$ 52,900,000 | 35,585,000          | 2.9%-5.5%         | 2020                 | 2030      | 2016       |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

|                                            | <u>Principal</u>     | <u>Interest</u>   | <u>Total</u>      |
|--------------------------------------------|----------------------|-------------------|-------------------|
| <b>General Obligation Series A – 144A:</b> |                      |                   |                   |
| 2023                                       | \$ 3,235,000         | 1,855,600         | 5,090,600         |
| 2024                                       | 3,365,000            | 1,726,200         | 5,091,200         |
| 2025                                       | 3,535,000            | 1,557,950         | 5,092,950         |
| 2026                                       | 3,710,000            | 1,381,200         | 5,091,200         |
| 2027                                       | 3,895,000            | 1,195,700         | 5,090,700         |
| 2028–2032                                  | <u>17,845,000</u>    | <u>2,519,278</u>  | <u>20,364,278</u> |
|                                            | <u>\$ 35,585,000</u> | <u>10,235,928</u> | <u>45,820,928</u> |

Changes in long-term liabilities for the year ended September 30, 2022 were as follows:

|                                                           | <u>Beginning<br/>balance</u> | <u>Additions</u>   | <u>Reductions</u> | <u>Ending<br/>balance</u> | <u>Due within<br/>one year</u> |
|-----------------------------------------------------------|------------------------------|--------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>                           |                              |                    |                   |                           |                                |
| Notes payable                                             | \$ 318,184                   | —                  | 318,184           | —                         | —                              |
| Bonds payable                                             | 38,685,000                   | —                  | 3,110,000         | 35,585,000                | 3,235,000                      |
| Bond premium                                              | 1,205,200                    | —                  | 223,709           | 981,491                   | 202,771                        |
| Compensated absences                                      | 14,245,873                   | 17,483,851         | 13,017,875        | 18,711,849                | 18,711,849                     |
| Net pension liability (asset)                             | (61,300,043)                 | 262,100,416        | 27,621,545        | 173,178,828               | —                              |
| Claims and judgments                                      | <u>13,629,749</u>            | <u>9,253,969</u>   | <u>12,881,805</u> | <u>10,001,913</u>         | <u>7,428,286</u>               |
| <b>Governmental activities<br/>long-term liabilities</b>  | <b>\$ 6,793,943</b>          | <b>288,838,236</b> | <b>57,173,098</b> | <b>238,459,081</b>        | <b>29,575,806</b>              |
|                                                           |                              |                    |                   |                           |                                |
|                                                           | <u>Beginning<br/>balance</u> | <u>Additions</u>   | <u>Reductions</u> | <u>Ending<br/>balance</u> | <u>Due within<br/>one year</u> |
| <b>Business-type activities:</b>                          |                              |                    |                   |                           |                                |
| Compensated absences                                      | \$ 220,048                   | 288,219            | 245,546           | 262,721                   | 262,721                        |
| Net pension liability (asset)                             | <u>(1,322,318)</u>           | <u>6,013,167</u>   | <u>633,700</u>    | <u>4,057,149</u>          | <u>—</u>                       |
| <b>Business-type activities<br/>long-term liabilities</b> | <b>\$ (1,102,270)</b>        | <b>6,301,386</b>   | <b>879,246</b>    | <b>4,319,870</b>          | <b>262,721</b>                 |

There were no long-term liabilities recorded in the General Fund, Grant Fund, Permanent Fund or the other governmental funds. The notes payable, bonds payable, and net pension liability in governmental activities will be funded through the General Fund. Compensated absences and claims and judgments in governmental activities will be funded through the General Fund and Internal Service Funds.

**(9) Retirement Plans**

The Nation has implemented GASB Statement No. 68, *Accounting and Reporting for Pensions* (GASB Statement No. 68), which requires that employers report a net pension liability (NPL) and related pension expense as determined by the plan under the requirements contained in GASB Statement No. 67.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The Nation has implemented GASB Statement No. 67, which specified the required approach to measuring the pension liability and required plans to calculate a NPL to be measured as the total pension liability less the amount of the pension plan's fiduciary net position.

GASB Statement 68 does not affect the way that a government may choose to fund their pension obligations. While GASB Statement No. 68 changes the amount of the pension liability/asset that is reported on the financial statements, governments may continue to fund their plan by calculating an actuarially determined contribution and measuring their funded status as it relates to that actuarially determined contribution. GASB Statement No. 68 requires certain disclosures if an actuarially determined contribution has been calculated. The disclosures, which include schedules presenting the actuarially determined contribution, the amount of those contributions recognized by the plan, the difference between the two amounts, the amount of covered-employee payroll, and the contributions as a percentage of covered-employee payroll are included as Supplementary Information and Notes to Supplementary Information.

In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into the following two sections:

- The first section offers a description of the plan.
- The second section provides information regarding the pension plans that are required by GASB Statement Nos. 67 and 68 — changes in net pension liability/asset, balances of deferred pension outflows of resources and deferred pension inflows of resources (including prospective schedules of amortization of the deferred outflows and inflows), and the calculation of pension expense for the year.

**1. Disclosure about the Defined-Benefit Retirement Plan**

This section provides the disclosures about the defined-benefit retirement plan required by GASB Statement No. 67, including the plan description, benefits, and membership at September 30, 2022.

*Plan Description*

The Nation has established an agent, single-employer defined-benefit retirement plan (the Plan) for all employees of the Nation. All full-time, permanent employees over the age of 21 are eligible to participate in the Plan. Benefits vest after four years of service. Tribal participants who retire at or after the age of 60 (55 for law enforcement) with four years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of the average monthly salary for each month of their credited service. The Plan also provides death and disability benefits.

The Nation is the fiduciary for the Plan's assets. All assets of the Plan, including those contributed by the tribal entities, are reported in the Retirement Fund in the accompanying financial statements. The Plan document delegates the authority to establish and amend benefit provisions to the Navajo Nation Budget and Finance Committee of the Navajo Nation Council upon recommendation of the Navajo Nation Retirement Committee. Separate stand-alone financial statements are not issued for the Plan.



**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

At September 30, 2022, the Nation reported the following membership in the Plan:

|                                | <u>Total</u>     |
|--------------------------------|------------------|
| Retired participants           | \$ 4,756         |
| Terminated vested participants | 4,805            |
| Active participants            | <u>3,771</u>     |
| Total covered employees        | <u>\$ 13,132</u> |

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for the Plan's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The Plan is entirely employer funded. For the year ended September 30, 2022, the required contribution rate approximated 17% of covered payroll.

**2. Employer and Defined-Benefit Plan Reporting of Pension Liabilities, Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension Plans as required by GASB Statement Nos. 67 and 68**

This section includes the information that is required to be reported by employers per GASB Statement No. 68. It reports information regarding the calculation of the Nation's net pension liability/asset, including changes during the measurement period in both total pension liability and net position; balances in the various components of deferred pension outflows of resources and deferred pension inflows of resources and the amounts to be recognized in pension expense in future periods; and the calculation of pension expense.

This section also includes the information that is required to be presented by GASB Statement No. 67, reporting on the financial statements for the defined-benefit plans for the year ended September 30, 2022. Separate valuations were performed by the Nation's actuary to calculate the total pension liability in accordance with this standard for financial reporting by the pension plan and calculates the net pension liability. The plan elected to base the valuations on plan data as of October 1, 2021 and used update procedures to roll forward the total pension liability to the pension plan's fiscal year-end of September 30, 2022. In addition to presenting the NPL, this section also includes information on the actuarial assumptions used in the valuation, the discount rate that was used to calculate the NPL, and disclosures as to the sensitivity of the NPL to changes in the discount rate.

**(a) Reporting Date, Measurement Date, and Valuation Date**

Net pension liability, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Nation's reporting date (September 30, 2022) and for the Nation's reporting period (the fiscal year ended September 30, 2022). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date as of September 30, 2022, the Nation has chosen to use the end of the current fiscal year-end as the measurement date, and the fiscal year ended September 30, 2022 as the measurement period.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The total pension liability is determined by an actuarial valuation performed as of the measurement date or using update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and one day earlier than the employer's most recent fiscal year-end. The Nation has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of October 1, 2021, to the measurement date of September 30, 2022.

**(b) Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service, net of the pension plan's fiduciary net position. The changes in the components for the measurement period are as follows:

|                                                               | <b>Increase (decrease)</b>                 |                                                |                                                        |
|---------------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------------|
|                                                               | <b>Total pension<br/>liability<br/>(a)</b> | <b>Plan fiduciary<br/>net position<br/>(b)</b> | <b>Net pension<br/>liability (asset)<br/>(a) - (b)</b> |
| Balance at September 30, 2021                                 | \$ 1,159,252,758                           | 1,221,875,119                                  | (62,622,361)                                           |
| Changes for the year:                                         |                                            |                                                |                                                        |
| Service cost                                                  | 13,204,167                                 | —                                              | 13,204,167                                             |
| Interest                                                      | 72,413,556                                 | —                                              | 72,413,556                                             |
| Differences between expected and actual experience            | 4,616,289                                  | —                                              | 4,616,289                                              |
| Contributions — employer                                      | —                                          | 27,894,277                                     | (27,894,277)                                           |
| Investment income (loss) net of investment expense            | —                                          | (176,498,434)                                  | 176,498,434                                            |
| Benefit payments, including refunds of employee contributions | (56,457,402)                               | (56,457,402)                                   | —                                                      |
| Administrative expenses                                       | —                                          | (1,020,169)                                    | 1,020,169                                              |
| Net changes                                                   | <u>33,776,610</u>                          | <u>(206,081,728)</u>                           | <u>239,858,338</u>                                     |
| Balance at September 30, 2022                                 | <u>\$ 1,193,029,368</u>                    | <u>1,015,793,391</u>                           | <u>177,235,977</u>                                     |

Additional information regarding the changes in the net pension liability for the year ended September 30, 2022 can be found in the Other Supplementary Information (unaudited) immediately following these notes to the financial statements.

**(c) Deferred Pension Outflows of Resources and Deferred Pension Inflows of Resources**

Most changes in the net pension liability are included in pension expense during the year of change. Changes resulting from current period service cost, interest on the total pension liability, and changes in benefit terms are required to be included in pension expense immediately. Similarly, projected earnings on the pension plan's investments are also required to be included in the determination of pension expense immediately.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods, depending on the nature of the change.

The effect of the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. This treatment arises from the concept that these changes result from use of estimates, where probabilities of events range from zero to 100%, while actual events either occur or do not occur. Therefore, differences between some estimates and actual experience will occur with every measurement that incorporates future events.

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. This treatment arises from the concept that pensions arise from an exchange between employer and employee of salaries and benefits for employee service each period and that these transactions and related pension measurements are viewed in the context of ongoing, career-long employment relationships.

As of September 30, 2022, the Nation reported the following deferred pension outflows of resources and deferred inflows of resources:

| Source                                                                       | Deferred<br>outflows of<br>resources | Deferred<br>inflows of<br>resources |
|------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                           | \$ 2,748,750                         | —                                   |
| Net differences between projected and actual earnings on<br>plan investments | 103,911,171                          | —                                   |
| Total                                                                        | \$ 106,659,921                       | —                                   |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The deferred pension outflows of resources and deferred pension inflows of resources, as discussed above, will be recognized in pension expense as follows:

| <u>Year ending September 30</u> | <u>Amount</u>         |
|---------------------------------|-----------------------|
| 2023                            | \$ 22,201,620         |
| 2024                            | 13,909,886            |
| 2025                            | 19,795,125            |
| 2026                            | 50,753,290            |
| Total                           | <u>\$ 106,659,921</u> |

**(d) Pension Expense**

As discussed above, most changes in the net pension liability are included in pension expense in the year of change, including changes resulting from current period service cost, interest on the total pension liability, change in benefit terms, and projected earnings on the pension plan's investments. Other changes in net pension liability are recorded as deferred pension outflows of resources and deferred pension inflows of resources and included in pension expense on a systematic and rational manner over current and future periods.

Pension expense for the year ended September 30, 2022, is as follows:

|                                                                       |                      |
|-----------------------------------------------------------------------|----------------------|
| Service cost                                                          | \$ 13,204,167        |
| Interest on the total pension liability                               | 72,413,556           |
| Differences between expected and actual experience                    | 4,977,256            |
| Projected earnings on pension plan investments                        | (77,268,023)         |
| Differences between projected and actual earnings on plan investments | 14,532,242           |
| Pension plan administrative expense                                   | <u>1,020,169</u>     |
| Total pension expense                                                 | <u>\$ 28,879,367</u> |

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(e) Actuarial Methods and Assumptions**

Methods and assumptions used to determine pension expense and total pension liability are based on a valuation date of September 30, 2022. The chart below summarizes these methods and assumptions.

|                                                               |                                                                                                                                                                                                         |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date:                                               | Actuarially determined contribution rates are calculated as of September 30, one year prior to the end of the fiscal year in which contributions are reported                                           |
| Methods and assumptions used to determine contribution rates: |                                                                                                                                                                                                         |
| Actuarial cost method                                         | Entry age normal                                                                                                                                                                                        |
| Asset valuation method                                        | Fair value                                                                                                                                                                                              |
| Actuarial assumptions:                                        |                                                                                                                                                                                                         |
| Salary increases                                              | Age-graded scale 2.0%–6.0%                                                                                                                                                                              |
| Investment rate of return                                     | 6.4%                                                                                                                                                                                                    |
| Retirement age                                                | Group-specific rates based on age ranging from 45–75, with 100% by 75 for regular employees, 100% by age 70 for commissioned law enforcement and 100% upon reaching 75% benefit accrual cap for judges. |
| Mortality:                                                    | PUB-10 benefits weighted, with specific tables for females and males, adjusted for plan specific retiree experience from 2013-2017 by a factor of 1.7 for females and 1.2 for males.                    |

Additional information regarding changes in the net pension liability for the year ended September 30, 2022 can be found in the Other Supplementary Information (Unaudited) section immediately following these notes to the financial statements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

pension plan's target asset allocation as of September 30, 2022 (see the discussion of the pension plan's investment policy):

| <b>Asset class</b>               | <b>Target allocation</b> | <b>Long-term expected real rate of return</b> |
|----------------------------------|--------------------------|-----------------------------------------------|
| Domestic equity                  | 32.00 %                  | 5.93 %                                        |
| International equity             | 15.00                    | 8.18                                          |
| Fixed income                     | 18.00                    | 3.64                                          |
| Real estate                      | 10.00                    | 6.29                                          |
| Private equity                   | 10.00                    | 7.42                                          |
| Global tactical asset allocation | 15.00                    | 4.75                                          |

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 2.5%.

**(f) Discount Rate**

The discount rate used to measure the total pension liability was 6.4%. The projection of cash flows used to determine the discount rate assumed that contributions would continue to be made at the actuarially determined contribution rates. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses for the fiscal year ended September 30, 2022 was - 14.21%. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

**(g) Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Nation, calculated using the discount rates determined above, as well as what the Nation's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                                | <b>1 percentage decrease<br/>(5.4%)</b> | <b>Current discount rate (6.4%)</b> | <b>1 percentage increase<br/>(7.4%)</b> |
|--------------------------------|-----------------------------------------|-------------------------------------|-----------------------------------------|
| Nation's net pension liability | \$ 309,751,794                          | 177,235,977                         | 66,215,545                              |

## THE NAVAJO NATION

### Notes to Basic Financial Statements

September 30, 2022

#### **(h) Nihibeeso Retirement Savings Plan**

The Nation sponsors the Nihibeeso Retirement Savings Plan, a defined-contribution 401(k) plan available to substantially all employees in which the employer matches 50% of the first 6% of salary contributed by the participant. Matching contributions become fully vested after four years of service. The employer may elect to discontinue matching contributions upon notice to participants; the employer also has the right to terminate the plan. Employer contributions were \$3,337,153 and employee contributions were \$8,778,434 for the year ended September 30, 2022.

#### **(10) Tax Revenue**

During 1978, the Code was amended by the Navajo Nation Council to provide for taxes on those owning property rights on the Navajo Reservation (possessory interest tax) or doing business on the Navajo reservation (business activity tax). The U.S. Supreme Court affirmed the legality of the taxes in *Kerr McGee Corporation vs. Navajo Tribe of Indians*, on April 16, 1985. Subsequently, the Navajo Nation made significant provisions of the Code and those taxes are summarized as follows:

##### **(a) Business Activity Tax**

The business activity tax is imposed on those "engaged in trade, commerce, manufacture, power production, or any other productive activity, whether for profit or not, wholly or in part within the Navajo Nation." The tax is assessed on the gross receipts from the sale of services performed and goods produced within the Nation. According to the Navajo Nation Tax Code, the tax rate shall not be less than 4% or more than 8%. The rate in effect from the initial imposition of the tax through September 30, 2022 has been 5%.

Beginning January 1, 2001, any amounts on which the Navajo sales tax has been paid may be excluded from gross receipts.

##### **(b) Possessory Interest Tax**

The possessory interest tax is imposed on owners of property rights under leases granted by the Nation, including the rights to the leased premises and underlying natural resources. The tax is assessed against the value of the possessory interest, excluding leasehold improvements. According to the Code, the annual tax rate shall not be less than 1% or more than 10%. The rate in effect from the initial imposition of the tax through September 30, 2022 has been 3%.

##### **(c) Fuel Excise Tax**

The fuel excise tax is assessed on each gallon distributed for sale within the Nation and used for the powering of motor vehicles. These funds are to be used to meet highway funding regulations and design standards, to improve overall road systems, to improve safety, and to meet community and economic development needs. According to the Code, the annual tax shall not be less than 10 cents per gallon or more than 25 cents per gallon. The tax rates in effect at September 30, 2022 are 18 cents per gallon of gasoline and 25 cents per gallon of diesel fuel.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

**(d) Oil and Gas Severance Tax**

A tax imposed on those who are engaged in the severance of oil and natural gas products within the Nation. The taxes are assessed on the value of the products severed. According to the Code, the annual tax rate shall not be less than 3% or more than 8%. The rate in effect as of September 30, 2022 is 4%.

**(e) Sales Tax**

A tax imposed on "those engaged in the sale or leasing of real or personal property of any kind, the sale of services of any kind, and any other productive activity of any kind, whether for profit or not, conducted wholly or partially within the Navajo Nation." According to the Code, the annual tax rate shall not be less than 2% or more than 6%. The rate in effect at September 30, 2022 is 6%.

A majority of registered voters of any governance-certified chapter may enact an ordinance imposing an additional tax rate in addition to the rate approved by the Navajo Tax Commission. This additional rate may be from 0.25% to 4%.

**(f) Tobacco Products Tax**

The tobacco products tax is assessed on all tobacco products sold within the Nation. The tax rate in effect at September 30, 2022 was 5 cents to 11 cents per cigarette or cigar and ranges from 2.8 cents to 22.3 cents per ounce on other types of tobacco products.

**(g) Hotel Occupancy Tax**

The hotel occupancy tax is assessed on hotel room rentals within the Nation. The funds are to be used to improve tourism in the Nation. The tax rate in effect during the year ended September 30, 2022 was 8%.

**(h) Junk Food Tax**

A tax imposed on applicable gross receipts from all minimal-to-no nutritional value food items sold. The rate as of September 30, 2022 was 2%.

**(i) Alcohol Tax**

A tax imposed on any retailer or distributor of alcohol products within the Nation. The funds are to be used to improve public safety. The annual tax rate shall not be less than 2% or more than 6%. The rate in effect as of September 30, 2022 was 3.25%.



**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

Tax revenues for the year ended September 30, 2022 are summarized as follows:

|                           | General fund         | Other governmental funds |                   |                       |                      |                      | Tax suspense fund | Total              |
|---------------------------|----------------------|--------------------------|-------------------|-----------------------|----------------------|----------------------|-------------------|--------------------|
|                           |                      | Navajo tourism fund      | Navajo roads fund | Healthy dine act fund | DPS-alcohol tax fund | Sales tax trust fund |                   |                    |
| Business activity tax     | \$ 9,343,371         | —                        | —                 | —                     | —                    | —                    | 190,661           | 9,534,032          |
| Possessory interest tax   | 19,439,750           | —                        | —                 | —                     | —                    | —                    | 398,729           | 19,838,479         |
| Fuel excise tax           | —                    | —                        | 10,401,328        | —                     | —                    | —                    | 212,272           | 10,613,600         |
| Oil and gas severance tax | 8,428,780            | —                        | —                 | —                     | —                    | —                    | 131,159           | 8,559,939          |
| Sales tax                 | 57,915,738           | —                        | —                 | —                     | —                    | 11,517,812           | 1,417,013         | 70,850,561         |
| Tobacco products tax      | 181,038              | —                        | —                 | —                     | —                    | —                    | 3,995             | 184,733            |
| Hotel occupancy tax       | —                    | 1,142,308                | —                 | —                     | —                    | —                    | 23,312            | 1,165,618          |
| Junk food tax             | —                    | —                        | —                 | 1,980,525             | —                    | —                    | 40,823            | 2,021,148          |
| Alcohol tax               | —                    | —                        | —                 | —                     | 66,713               | —                    | 1,361             | 68,074             |
| <b>Total tax revenue</b>  | <b>\$ 93,306,675</b> | <b>1,142,308</b>         | <b>10,401,328</b> | <b>1,980,525</b>      | <b>66,713</b>        | <b>11,517,812</b>    | <b>2,416,945</b>  | <b>120,842,204</b> |

The Tax Commission's fiscal policy provides that 2% of tax collections be held for the potential payment of refunds for overpayment of tax, if any, which is recognized as revenue in the Tax Suspense Fund in the accompanying financial statements.

**(11) Commitments and Contingent Liabilities**

The following are the significant financial commitments and contingent liabilities of the Nation at September 30, 2022, in addition to the items further described in notes 2, 7, 8, 12, and 13:

**(a) Guarantor**

The Nation has guaranteed an obligation of NTUA for a note payable to Economic Development Administration and Rural Economic and Community Development in the amount of \$107,797.

**(b) Various Taxes**

The liabilities of the Nation for various taxes imposed with respect to activities of the Nation off the reservation have not yet been conclusively established. Legal counsel for the Nation is unable to predict or express an opinion as to the ultimate liability, if any, of the Nation for any such taxes.

**(12) Litigation**

**(a) General**

In the normal course of operations, the Nation is a party to various claims and litigation, some of which have been referred to its insurance carriers. Included in these claims are matters involving the Hopi Tribe; damage suits against the Nation for alleged actions of its officials and employees; actions resulting in claims for compensation and/or destruction of property; and various other matters. Except for matters related to the Hopi Tribe, after consultation with outside legal counsel and the attorney general of the Nation, it is not possible to ascertain what ultimate liability, if any, the Nation may have as a result of the various claims. The Nation has, and will, continue to vigorously litigate these matters at both the trial and appellate court levels.

**THE NAVAJO NATION**  
Notes to Basic Financial Statements  
September 30, 2022

**(b) Matters Related to Grants**

The Nation received notification of potential cost disallowances related to several grants. Cost disallowances could result from these notifications and subsequent proceedings. Management does not believe the potential settlements will be material to the financial statements.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. In certain instances, grantor agencies have questioned such costs, to which the Nation responded.

**(13) Risk Management**

The Nation is exposed to various risks of loss related to torts and civil rights; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and nonemployees; and natural disasters. The Navajo Nation Risk Management Department was established to manage, control, and minimize this risk. Through Risk Management, the Nation and certain enterprises of the Nation finance their uninsured risk of loss. This activity is accounted for in the Property and Casualty Self-Insurance Fund, an internal service fund, in the accompanying financial statements. Under this program, the Risk Management Pool provides coverage for up to a maximum of \$500,000 for each incident. Risk Management purchases commercial insurance for claims in excess of coverage provided by the Risk Management Pool. Claims payable amounts have been estimated based upon a review of open claims and an estimate of unreported claims.

The Nation and certain enterprises of the Nation have established a risk management plan codified under the Navajo Nation Code for workers' compensation. The activity is accounted for in the Workers' Compensation Self-Insurance Fund, an internal service fund, in the accompanying financial statements. During the year ended September 30, 2022, premiums of \$2,563,607 were paid into the fund to pay claim amounts and administrative costs. Claims payable amounts are estimated by the Nation based upon a review of open claims and an estimate of unreported claims.

The Nation and certain enterprises of the Nation have established an employee benefits program for health insurance. The activity is accounted for in the Group Health Self-Insurance Fund, an internal service fund, in the accompanying financial statements. Premiums are paid directly to a third-party administrator. The third-party administrator utilizes the premiums to pay claims and maintains excess premium payments as a reserve for future claims. An excess coverage insurance policy covers claims in excess of \$600,000. Claims payable amounts are estimated by the third-party administrator based upon a review of open claims and an estimate of unreported claims.

**THE NAVAJO NATION**  
**Notes to Basic Financial Statements**  
**September 30, 2022**

The amounts and changes in the Nation's Risk Management program claims payable for the year ended September 30, 2022 are as follows:

|                                                   |                     |
|---------------------------------------------------|---------------------|
| <b>Property and casualty self-insurance fund:</b> |                     |
| Claims payable, beginning of year                 | \$ 2,226,877        |
| Current year claims and changes in estimates      | 3,925,328           |
| Claim payments                                    | <u>(4,729,533)</u>  |
| Claims payable, end of year                       | <u>\$ 1,422,672</u> |
| <b>Workers' compensation self-insurance fund:</b> |                     |
| Claims payable, beginning of year                 | \$ 303,614          |
| Current year claims and changes in estimates      | 3,163,134           |
| Claim payments                                    | <u>(3,163,134)</u>  |
| Claims payable, end of year                       | <u>\$ 303,614</u>   |
| <b>Group health benefit self-insurance fund:</b>  |                     |
| Claims payable, beginning of year                 | \$ 5,115,000        |
| Current year claims and changes in estimates      | 22,505,890          |
| Claim payments                                    | <u>(21,920,890)</u> |
| Claims payable, end of year                       | <u>\$ 5,700,000</u> |

**(14) Special Item**

The Nation received a judgment on six consolidated cases with the DOI and BIA for violations related to the Indian Self-Determination and Education Assistance by partially declining the Nation's annual funding requests for its judicial branch operations for 2015 to 2020. In 2022, the Nation received payment of \$35 million in full satisfaction related to the judgment.

In 2022, The Nation reached a settlement with United State Environmental Protection Agency (EPA) under which the EPA agreed to pay the Nation a total of \$31 million to resolve the Nation's claims against the agency for triggering the August 2015 Gold King Mine spill. Of the amount \$10 million is provided to Comprehensive Environmental Response, Compensation, and Liability Act restricted purposes and such funds will be held in escrow; \$3 million is for EPA grants to the Nation (Superfund, Clean Water, and General Assistance Program grants); and \$18 million is unrestricted funding to the Nation.

**(15) Subsequent Events**

The Nation has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if any must be reported. The Nation has determined that there were no reportable subsequent events to be disclosed.

## Schedule 1

**THE NAVAJO NATION**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in**  
**Fund Balance – Budget to Actual – General Fund**  
**Year ended September 30, 2022**  
**(Unaudited Other Information)**

|                                                                             | Original<br>budget     | Final<br>budget     | Actual<br>(budgetary<br>basis) | September 30,<br>2022<br>Designated<br>fund balance<br>carryover | Budget<br>variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------------------------------------|------------------------|---------------------|--------------------------------|------------------------------------------------------------------|--------------------------------------------------|
| <b>Revenues</b>                                                             |                        |                     |                                |                                                                  |                                                  |
| Natural resource revenue:                                                   |                        |                     |                                |                                                                  |                                                  |
| Oil and gas                                                                 | \$ 27,919,000          | 27,919,000          | 40,118,240                     | —                                                                | 12,199,240                                       |
| Mining                                                                      | 28,835,000             | 28,835,000          | 41,961,423                     | —                                                                | 13,126,423                                       |
| Tax revenue, net (note 10)                                                  | 53,154,000             | 53,154,000          | 93,308,675                     | —                                                                | 38,152,675                                       |
| Land, buildings, business site, and right-of-way<br>revenue                 | 70,165,000             | 70,165,000          | 74,848,952                     | —                                                                | 4,683,952                                        |
| Interest and dividends                                                      | 4,000,000              | 4,000,000           | 7,296,581                      | —                                                                | 3,296,581                                        |
| Net increase in fair value of investments                                   | —                      | —                   | (35,050,939)                   | —                                                                | (35,050,939)                                     |
| Pasture, rangeland, and forage<br>insurance proceeds                        | —                      | —                   | 30,094,271                     | —                                                                | 30,094,271                                       |
| Other revenue                                                               | 1,250,000              | 1,250,000           | 8,013,097                      | —                                                                | 6,763,097                                        |
| Statutory allocation to permanent fund                                      | (22,479,000)           | (22,479,000)        | (30,685,606)                   | —                                                                | (8,206,606)                                      |
| Statutory allocation of current year revenues                               | (11,239,000)           | (11,239,000)        | (36,580,310)                   | —                                                                | (26,341,310)                                     |
| <b>Total revenues</b>                                                       | <b>153,605,000</b>     | <b>153,605,000</b>  | <b>190,322,384</b>             | <b>—</b>                                                         | <b>36,717,384</b>                                |
| <b>Expenditures</b>                                                         |                        |                     |                                |                                                                  |                                                  |
| General government                                                          | 103,896,891            | 127,985,382         | 86,122,008                     | 4,646,475                                                        | 37,196,899                                       |
| Economic development and planning                                           | 5,671,449              | 7,468,203           | 5,185,523                      | —                                                                | 2,282,680                                        |
| Community and rural development                                             | 37,185,204             | 44,980,511          | 39,587,385                     | 518,162                                                          | 4,774,984                                        |
| Education and training                                                      | 21,772,802             | 23,745,886          | 12,772,572                     | 845,853                                                          | 10,427,481                                       |
| Natural resources                                                           | 23,068,062             | 24,038,325          | 48,769,265                     | 782,044                                                          | (25,494,984)                                     |
| Public safety                                                               | 9,599,932              | 11,212,830          | 9,578,148                      | 751,922                                                          | 872,780                                          |
| Health and welfare                                                          | 17,959,881             | 22,123,209          | 14,211,685                     | 67,873                                                           | 7,843,551                                        |
| Culture and recreation                                                      | 1,048,451              | 1,217,090           | 798,685                        | 35,000                                                           | 386,525                                          |
| <b>Total expenditures</b>                                                   | <b>220,400,652</b>     | <b>282,849,436</b>  | <b>217,013,151</b>             | <b>7,337,429</b>                                                 | <b>36,296,856</b>                                |
| <b>Other financing sources</b>                                              |                        |                     |                                |                                                                  |                                                  |
| Transfers                                                                   | 23,600,000             | 23,600,000          | 36,008,900                     | —                                                                | 12,408,900                                       |
| <b>Total other financing uses</b>                                           | <b>23,600,000</b>      | <b>23,600,000</b>   | <b>36,008,900</b>              | <b>—</b>                                                         | <b>12,408,900</b>                                |
| <b>Special item</b>                                                         |                        |                     |                                |                                                                  |                                                  |
| Claim settlements                                                           | —                      | —                   | 65,496,689                     | —                                                                | 65,496,689                                       |
| <b>Total special items</b>                                                  | <b>—</b>               | <b>—</b>            | <b>65,496,689</b>              | <b>—</b>                                                         | <b>65,496,689</b>                                |
| <b>Net change under budgetary basis</b>                                     | <b>\$ (43,195,652)</b> | <b>(85,444,436)</b> | <b>74,814,822</b>              | <b>(7,337,429)</b>                                               | <b>152,921,829</b>                               |
| Reconciliation of budgetary basis net change to net change from schedule 6: |                        |                     |                                |                                                                  |                                                  |
| Less beginning encumbrances                                                 |                        |                     | \$ (12,966,573)                |                                                                  |                                                  |
| Add ending encumbrances                                                     |                        |                     | 17,447,378                     |                                                                  |                                                  |
| <b>Modified accrual budget net change in fund balance</b>                   |                        |                     | <b>\$ 79,282,527</b>           |                                                                  |                                                  |

See accompanying independent auditors' report.

## THE MAWAJO NATION

## Pension Other Supplementary Information

Year ended September 30, 2022

## Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (dollars in thousands)

(Unaudited Other Information)

|                                                                                    | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      | 2013                                                                               |
|------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------------------------------------------------------|
| <b>Total pension liability:</b>                                                    |           |           |           |           |           |           |           |           |           |                                                                                    |
| Service cost                                                                       | \$ 13,204 | \$ 13,438 | \$ 14,378 | \$ 15,165 | \$ 15,912 | \$ 13,780 | \$ 13,207 | \$ 12,839 | \$ 14,222 |                                                                                    |
| Interest                                                                           | 72,413    | 68,701    | 69,070    | 68,981    | 64,519    | 63,374    | 60,376    | 57,462    | 54,912    |                                                                                    |
| Changes of benefit terms                                                           | —         | 8,825     | (8,072)   | —         | —         | —         | —         | 302       | 5,303     |                                                                                    |
| Differences between expected and actual experience                                 | 4,618     | 2,887     | 8,447     | (5,852)   | (4,066)   | 2,372     | 1,467     | 4,911     | —         |                                                                                    |
| Changes of assumptions                                                             | (39,457)  | (48,621)  | (45,885)  | (22,169)  | (60,089)  | 81,833    | (24,170)  | (31,159)  | (28,419)  | (Historical information prior to implementation of GASB 87 and 88 is not required) |
| Benefit payments, including refunds of member contributions                        | 33,778    | 48,240    | 38,043    | 11,708    | 38,077    | 104,753   | 41,210    | 44,554    | 48,918    |                                                                                    |
| Net change in total pension liability                                              | 1,159,253 | 1,113,013 | 1,074,970 | 1,053,212 | 1,029,135 | 923,362   | 962,172   | 837,818   | 781,889   |                                                                                    |
| Total pension liability - ending (a)                                               | 1,193,029 | 1,149,253 | 1,113,013 | 1,074,970 | 1,053,212 | 1,029,136 | 923,362   | 837,818   | 781,889   |                                                                                    |
| Plan fiduciary net position:                                                       |           |           |           |           |           |           |           |           |           |                                                                                    |
| Contributions - employer                                                           | 27,894    | 28,154    | 38,250    | 34,549    | 36,770    | 42,820    | 48,473    | 49,978    | 47,750    |                                                                                    |
| Contributions - member                                                             | (178,498) | (218,008) | (90,837)  | (26,202)  | (80,052)  | (84,505)  | (72,182)  | (8,703)   | (8,712)   |                                                                                    |
| Net Investment Income                                                              | (58,439)  | (48,621)  | (45,885)  | (43,841)  | (40,089)  | (34,700)  | (34,179)  | (31,179)  | (28,419)  |                                                                                    |
| Benefit payments, including refunds of member contributions                        | (1,029)   | (1,147)   | (794)     | (1,184)   | (1,146)   | (1,157)   | (1,157)   | (1,157)   | (1,119)   |                                                                                    |
| Administrative expenses                                                            | —         | —         | —         | —         | —         | —         | —         | —         | —         |                                                                                    |
| Other                                                                              | (206,002) | (184,962) | (80,646)  | (19,868)  | (78,987)  | (103,109) | (83,373)  | (10,808)  | (8,833)   |                                                                                    |
| Plan fiduciary net position - beginning                                            | 1,221,875 | 1,022,883 | 942,277   | 922,581   | 845,574   | 742,375   | 659,022   | 548,086   | 466,133   |                                                                                    |
| Plan fiduciary net position - ending (b)                                           | 1,015,793 | 1,221,875 | 1,022,883 | 942,277   | 845,574   | 742,375   | 659,022   | 548,086   | 466,133   |                                                                                    |
| Nation's net pension liability (asset) - ending (a) - (b)                          | 177,236   | (82,622)  | 90,130    | 132,743   | 140,651   | 182,881   | 181,007   | 223,170   | 189,552   |                                                                                    |
| Plan fiduciary net position as a percentage of the total pension liability         | 86.14 %   | 106.40 %  | 91.90 %   | 87.65 %   | 80.77 %   | 82.34 %   | 80.40 %   | 74.70 %   | 77.37 %   |                                                                                    |
| Covered-employee payroll                                                           | 185,387   | 182,210   | 179,051   | 172,868   | 178,348   | 173,182   | 171,804   | 168,042   | 179,882   |                                                                                    |
| Nation's net pension liability (asset) as a percentage of covered-employee payroll | 107.18 %  | 54.377 %  | 50.34 %   | 76.78 %   | 78.88 %   | 105.42 %  | 106.54 %  | 132.81 %  | 105.49 %  |                                                                                    |

Notes to schedule:

2013 - Historical information prior to implementation of GASB 87 and 88 is not required.

Benefit Changes: As related in payment on October 1, 2014 was given a one-time 2% COLA increase to their benefit.

Benefit Changes: During 2021, the plan was amended to offer an enhanced retirement package (ERP) for regular status employees that were at least sixty (60) years of age with at least ten (10) years of service and employed on March 31, 2021. Participants who terminated employment with Navajo Nation after the commencement of COVID-19 related office closures, contractual payments on or after April 1, 2020, and who would otherwise satisfy the minimum age and service requirements as of March 31, 2021 if employment had continued until that date, were also entitled to ERP beginning October 1, 2021.

The enhancement provided eligible participants an additional three years of benefit service provided that the participants retired by October 1, 2021. The plan was revalued on September 30, 2021 to determine the impact of the ERP under GASB.

Change of Assumptions: Based on a review of the plan performance the discount rate was changed from 8% to 7% for the fiscal year 2014 valuation.

Change of Assumptions: Based on a review of the plan performance the discount rate was changed from 7% to 6.4% for the fiscal year 2017 valuation.

Change of Assumptions: The following assumptions were updated based on the results of an independent study conducted in 2018:

The base mortality rates were updated from the 1983 Group Annuity Mortality table to the P-100-10 blended weighted tables, with separate rates for females and males, adjusted for plan specific retiree experience from 2013-2017 by a factor of 1.7 for females and 1.2 for males.

The mortality improvement projection table MP-2018 with base year 2015 was added (gradually, no projection scale was used).

The salary history assumption was updated to be based on age for regular employees, 3.5% for commissioned law enforcement officers, and 6.0% for judges.

Termination rates were updated based on observed attrition in rates by service (gradually, termination rates were based on age and gender).

Retirement rates were updated based on observed rates by age and gender.

The term of payment assumption was updated from 100% decaying Single Life Annuity to 50% decaying Single Life Annuity, 25% decaying Joint & Survivor 60% Annuity, 10% decaying Joint & Survivor 100% Annuity, and 15% decaying 10 Year Certain & Life Annuity.

The present merit assumption was changed from 80% for males and 60% for females to 80% for both males and females.

The spouse age assumption was updated from three years younger than husbands to spouse assumed to be ten years younger than the primary participant.

See accompanying independent auditor's report.

## Schedule 3

**THE NAVAJO NATION**  
**Pension Other Supplementary Information**  
**Year ended September 30, 2022**  
**Schedule of the Nation's Contributions (dollars in thousands) –**  
**(Unaudited Other Information)**

| <b>Fiscal year ended</b> | <b>Actuarially<br/>determined<br/>contribution</b> | <b>Contributions<br/>in relation to<br/>the actuarially<br/>determined<br/>contribution</b> | <b>Contribution<br/>deficiency<br/>(excess)</b> | <b>Covered-<br/>employee<br/>payroll</b> | <b>Contributions<br/>as a percentage<br/>of covered-<br/>employee<br/>payroll</b> |
|--------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------|
| 2022                     | 26,195                                             | 27,594                                                                                      | (1,399)                                         | 165,367                                  | 17                                                                                |
| 2021                     | 34,121                                             | 29,154                                                                                      | 4,967                                           | 182,210                                  | 18                                                                                |
| 2020                     | 34,516                                             | 36,283                                                                                      | (1,767)                                         | 179,051                                  | 20                                                                                |
| 2019                     | 26,459                                             | 36,588                                                                                      | (10,130)                                        | 172,888                                  | 21                                                                                |
| 2018                     | 32,004                                             | 38,770                                                                                      | (6,766)                                         | 178,346                                  | 22                                                                                |
| 2017                     | 44,229                                             | 42,920                                                                                      | 1,309                                           | 173,182                                  | 25                                                                                |
| 2016                     | 42,590                                             | 46,473                                                                                      | (3,883)                                         | 171,604                                  | 27                                                                                |
| 2015                     | 49,723                                             | 49,975                                                                                      | (252)                                           | 168,042                                  | 30                                                                                |
| 2014                     | 49,723                                             | 47,750                                                                                      | 1,973                                           | 179,882                                  | 27                                                                                |
| 2013                     |                                                    |                                                                                             |                                                 |                                          |                                                                                   |

(Historical information prior to implementation of GASB 67 and 68 is not required)

**Notes to schedule:**

**Valuation date:**

Actuarially determined contribution rates are calculated as of September 30, one year prior to the end of the fiscal year in which contributions are reported

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method  
Amortization method  
Remaining amortization period  
Asset valuation method

Entry age normal, level percent of pay  
Straight line  
10 years  
Fair value

**Actuarial assumptions:**

Inflation  
Salary increases  
Investment rate of return  
Retirement age

2.0%  
Age-graded scale 2.0% – 6.0%  
6.4%

Group-specific rates based on age ranging from 55–75, with 100% by 75 for regular employees, 100% by age 70 for commissioned law enforcement and 100% upon reaching the 75% benefit accrual cap for judges.

**Mortality**

PUB 10 benefits weighted tables, with separate tables for females and males, adjusted for experience from 2013-2017 by a factor of 1.7 for females and 1.2 for males.

See accompanying independent auditors' report.

## Schedule 4

**THE NAVAJO NATION**  
**Pension Other Supplementary Information**  
**Year ended September 30, 2022**  
**Schedule of Investment Returns (dollars in thousands) –**  
**(Unaudited Other Information)**

| <u>Fiscal year ended</u> | <u>Annual money-weighted rate of return, net of investment expense</u>      |
|--------------------------|-----------------------------------------------------------------------------|
| 2022                     | (14.21)                                                                     |
| 2021                     | 20.81                                                                       |
| 2020                     | 10.07                                                                       |
| 2019                     | 3.10                                                                        |
| 2018                     | 9.45                                                                        |
| 2017                     | 13.24                                                                       |
| 2016                     | 11.15                                                                       |
| 2015                     | (1.03)                                                                      |
| 2014                     | 10.76                                                                       |
| 2013                     | (Historical information prior to implementation of GASB 67 is not required) |

See accompanying independent auditors' report.

THE MAYPOLO NATION  
Comparing Balance Sheet - Current Funds  
Modified Actual Budget Base  
September 30, 2022

Assets  
Fixed and current assets (including \$6,545,001 of pledged amounts)

| Assets                                                              | Current Fund   | Depreciation Fund | Oil and Gas Development Fund | Sample Station Subsidization Fund | Capital Outlay Fund | Block Fund     | Liability Pre-Production Fund | Handicapped Services Fund | Senior Citizens Services Fund | Financial Services Fund | Sample Auxiliary Fund | Sample Fund  | Total Fund    | Total Current Funds |
|---------------------------------------------------------------------|----------------|-------------------|------------------------------|-----------------------------------|---------------------|----------------|-------------------------------|---------------------------|-------------------------------|-------------------------|-----------------------|--------------|---------------|---------------------|
| Fixed and current assets (including \$6,545,001 of pledged amounts) | \$ 520,891,528 | 3,418,125         | 891,264                      | 281,240                           | 9,734,395           | 518,028,818    | 688,142                       | 14,738,885                | 11,722,800                    | 12,051,478              | 442,891               | 1,130,743    | 14,428,792    | 1,188,891,288       |
| Accounts receivable, net                                            | 16,746,176     | —                 | —                            | —                                 | —                   | 1,943,718      | —                             | 208,817                   | 173,364                       | 187,794                 | —                     | —            | —             | 18,746,176          |
| Accounts payable, net                                               | 2,098,345      | —                 | —                            | —                                 | —                   | 67,708,573     | —                             | 1,136,888                 | 878,785                       | 1,135,886               | —                     | —            | —             | 3,777,829           |
| Other assets                                                        | 5,537,448      | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 92,844,880          |
| Total assets                                                        | \$ 544,788,795 | \$ 3,418,125      | \$ 891,264                   | \$ 281,240                        | \$ 9,734,395        | \$ 587,673,811 | \$ 688,142                    | \$ 16,085,188             | \$ 12,671,872                 | \$ 13,365,158           | \$ 442,891            | \$ 1,130,743 | \$ 14,428,792 | \$ 1,205,538,349    |

Liabilities and Fund Balances

| Liabilities         | Current Fund  | Depreciation Fund | Oil and Gas Development Fund | Sample Station Subsidization Fund | Capital Outlay Fund | Block Fund | Liability Pre-Production Fund | Handicapped Services Fund | Senior Citizens Services Fund | Financial Services Fund | Sample Auxiliary Fund | Sample Fund | Total Fund | Total Current Funds |
|---------------------|---------------|-------------------|------------------------------|-----------------------------------|---------------------|------------|-------------------------------|---------------------------|-------------------------------|-------------------------|-----------------------|-------------|------------|---------------------|
| Accounts payable    | \$ 8,228,288  | —                 | —                            | —                                 | 250,398             | 2,708,113  | —                             | 6,428                     | 41,847                        | 10,891                  | —                     | —           | —          | 8,994,829           |
| Accounts receivable | 1,179,181     | —                 | —                            | 24                                | 482,871             | 1,118,824  | —                             | 10,296                    | —                             | —                       | —                     | —           | —          | 20,886,481          |
| Due to other funds  | 28,710,883    | —                 | —                            | —                                 | —                   | —          | —                             | —                         | —                             | —                       | —                     | —           | —          | 25,543,883          |
| Unearned revenue    | 5,548,048     | —                 | —                            | —                                 | —                   | —          | —                             | —                         | —                             | —                       | —                     | —           | —          | 5,548,048           |
| Total liabilities   | \$ 43,666,399 | —                 | —                            | 24                                | 733,269             | 3,826,937  | —                             | 16,724                    | 41,847                        | 10,891                  | —                     | —           | —          | \$ 50,453,828       |

Fund Balances

| Fund Balances                       | Current Fund   | Depreciation Fund | Oil and Gas Development Fund | Sample Station Subsidization Fund | Capital Outlay Fund | Block Fund     | Liability Pre-Production Fund | Handicapped Services Fund | Senior Citizens Services Fund | Financial Services Fund | Sample Auxiliary Fund | Sample Fund  | Total Fund    | Total Current Funds |
|-------------------------------------|----------------|-------------------|------------------------------|-----------------------------------|---------------------|----------------|-------------------------------|---------------------------|-------------------------------|-------------------------|-----------------------|--------------|---------------|---------------------|
| Nonspendable                        | —              | —                 | —                            | —                                 | —                   | 67,708,573     | —                             | 1,136,888                 | 878,785                       | 1,135,886               | —                     | —            | —             | 70,864,882          |
| Restricted for:                     | —              | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | —                   |
| Community development               | 5,543,081      | 3,418,125         | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 8,961,186           |
| Community and land development      | 10,000,000     | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 10,000,000          |
| Other capital projects              | 141,364,888    | —                 | —                            | —                                 | —                   | 948,385        | —                             | —                         | —                             | —                       | —                     | —            | —             | 142,313,273         |
| Committed for:                      | —              | —                 | —                            | —                                 | 8,023,888           | 515,388,705    | —                             | —                         | —                             | —                       | —                     | —            | —             | 523,412,593         |
| Other capital projects              | 8,023,888      | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 8,023,888           |
| Capital projects                    | —              | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | —                   |
| Capital projects                    | 87,438,165     | —                 | 891,264                      | 281,240                           | —                   | —              | 688,142                       | 14,027,203                | 11,864,540                    | 12,228,361              | 442,891               | 1,130,743    | 14,428,792    | 144,287,780         |
| Assigned for:                       | —              | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | —                   |
| Other purposes                      | 17,447,378     | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 17,447,378          |
| Unassigned:                         | 220,181,785    | —                 | —                            | —                                 | —                   | —              | —                             | —                         | —                             | —                       | —                     | —            | —             | 220,181,785         |
| Total fund balances                 | \$ 488,088,727 | \$ 3,418,125      | \$ 891,264                   | \$ 281,240                        | \$ 8,023,888        | \$ 683,821,674 | \$ 688,142                    | \$ 16,044,388             | \$ 12,860,325                 | \$ 13,344,357           | \$ 442,891            | \$ 1,130,743 | \$ 14,428,792 | \$ 1,188,891,288    |
| Total liabilities and fund balances | \$ 544,788,795 | \$ 3,418,125      | \$ 891,264                   | \$ 281,240                        | \$ 9,734,395        | \$ 587,673,811 | \$ 688,142                    | \$ 16,085,188             | \$ 12,671,872                 | \$ 13,365,158           | \$ 442,891            | \$ 1,130,743 | \$ 14,428,792 | \$ 1,205,538,349    |

See accompanying independent auditor's report.



Schedule 6

**TRIM BUDGETARY METHOD**  
**Continuing Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund**  
**Modified Annual Budget Year**  
**Year ended September 30, 2022**

|                                                               | General Fund         | Special Revenue | Capital Outlay | Debt Service | Interest | Transfer    | Headquarters | Public Safety | Health   | Human Resources | Other    | Local       | Total                |
|---------------------------------------------------------------|----------------------|-----------------|----------------|--------------|----------|-------------|--------------|---------------|----------|-----------------|----------|-------------|----------------------|
|                                                               | Revenue              | Expenditure     | Revenue        | Expenditure  | Revenue  | Expenditure | Revenue      | Expenditure   | Revenue  | Expenditure     | Revenue  | Expenditure | Revenue              |
| <b>Revenues:</b>                                              |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| <b>General:</b>                                               |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| Taxes                                                         | 45,118,340           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 45,118,340           |
| Fees                                                          | 41,971,423           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 41,971,423           |
| Licenses                                                      | 93,306,675           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 93,306,675           |
| Land, buildings, equipment, and right-of-way                  | 7,448,882            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 7,448,882            |
| Interest and dividends                                        | 11,775               | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 11,775               |
| Miscellaneous                                                 | 23,000,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 23,000,000           |
| Grants                                                        | 20,000,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 20,000,000           |
| Fines, penalties, and license fees                            | 30,000,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 30,000,000           |
| Other revenue                                                 | 8,000,000            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 8,000,000            |
| <b>Capital:</b>                                               |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| Interest on debt                                              | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| Bond premium                                                  | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| Other                                                         | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| <b>Transfer:</b>                                              |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| From other funds                                              | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| To other funds                                                | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| <b>Total:</b>                                                 | <b>158,355,320</b>   | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>158,355,320</b>   |
| <b>Expenditures:</b>                                          |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| <b>General:</b>                                               |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| Personnel                                                     | 84,160,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 84,160,000           |
| Materials and supplies                                        | 5,142,200            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 5,142,200            |
| Contractual services                                          | 20,000,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 20,000,000           |
| Community and social services                                 | 1,000,000            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 1,000,000            |
| Interest on debt                                              | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| Public safety                                                 | 4,000,000            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 4,000,000            |
| Health and welfare                                            | 13,000,000           | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 13,000,000           |
| Culture and recreation                                        | 1,000,000            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 1,000,000            |
| Capital outlay                                                | 1,000,000            | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | 1,000,000            |
| Debt service - principal                                      | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| Debt service - interest                                       | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| <b>Total:</b>                                                 | <b>129,262,200</b>   | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>129,262,200</b>   |
| <b>Excess (deficit) of revenues over (under) expenditures</b> | <b>29,093,120</b>    | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>29,093,120</b>    |
| <b>Other financing sources:</b>                               |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| <b>Transfer:</b>                                              |                      |                 |                |              |          |             |              |               |          |                 |          |             |                      |
| From other funds                                              | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| To other funds                                                | —                    | —               | —              | —            | —        | —           | —            | —             | —        | —               | —        | —           | —                    |
| <b>Total:</b>                                                 | <b>—</b>             | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>—</b>             |
| <b>Change in fund balance</b>                                 | <b>29,093,120</b>    | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>29,093,120</b>    |
| <b>Fund balance, beginning of year</b>                        | <b>1,400,000,000</b> | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>1,400,000,000</b> |
| <b>Fund balance, end of year</b>                              | <b>1,429,093,120</b> | <b>—</b>        | <b>—</b>       | <b>—</b>     | <b>—</b> | <b>—</b>    | <b>—</b>     | <b>—</b>      | <b>—</b> | <b>—</b>        | <b>—</b> | <b>—</b>    | <b>1,429,093,120</b> |

See accompanying independent auditor's report.







**THE MAHJUD MATRONS**  
**Continuing Statement of Revenue, Expense, and Changes in Net Position**  
**Enterprise Funds**  
**Modified Budget Basis**  
**Year ended September 30, 2022**

|                                                     | Business and<br>Intangible<br>Assets | Land       | Employee<br>Retirement | Paid and<br>Accumulated | Risk and<br>Insurance | Intergovernmental | Intergovernmental | Unassigned | Funds<br>in Other<br>Accounts | Total     | Voluntary<br>Contributions | Capital   | Total      |
|-----------------------------------------------------|--------------------------------------|------------|------------------------|-------------------------|-----------------------|-------------------|-------------------|------------|-------------------------------|-----------|----------------------------|-----------|------------|
|                                                     | Fund                                 | Fund       | Fund                   | Fund                    | Fund                  | Fund              | Fund              | Fund       | Fund                          | Fund      | Fund                       | Fund      | Fund       |
| Operating revenue:                                  |                                      |            |                        |                         |                       |                   |                   |            |                               |           |                            |           |            |
| Fund income                                         | 1,273,538                            | —          | 1,028,473              | 3,900                   | —                     | —                 | —                 | —          | —                             | 784,439   | —                          | 1,800     | 3,068,540  |
| Interest income                                     | 2,832                                | 297,848    | —                      | —                       | —                     | —                 | —                 | —          | —                             | 21,882    | —                          | —         | 270,472    |
| Charges for services                                | 2,348                                | 24,838     | —                      | 12,133,871              | 942,242               | 4,832             | —                 | 288,828    | —                             | 148,258   | 343,831                    | 151,879   | 14,888,882 |
| Other income                                        | 885,035                              | 3,630      | 1,184                  | 3,853                   | 1,338                 | —                 | 188               | —          | —                             | 21,333    | —                          | —         | 888,572    |
| Total operating revenue                             | 2,063,653                            | 307,516    | 1,030,657              | 12,151,127              | 943,542               | 4,832             | 188               | 288,828    | —                             | 151,882   | 343,831                    | 151,879   | 14,888,882 |
| Operating expense:                                  |                                      |            |                        |                         |                       |                   |                   |            |                               |           |                            |           |            |
| Fund income                                         | 57,684                               | 447,488    | 388,288                | 2,887,533               | 1,383,280             | —                 | —                 | 17,218     | —                             | 282,843   | 81,808                     | 182,888   | 3,068,540  |
| Travel, per diem, and vehicle                       | —                                    | 13,874     | 24,795                 | 278,417                 | 218,088               | —                 | —                 | 8,857      | —                             | 11,788    | 23,838                     | 87        | 888,472    |
| Supplies                                            | 14,278                               | 28,851     | 37,873                 | 288,782                 | 182,888               | —                 | —                 | 12,234     | —                             | 7,888     | 7,888                      | —         | 888,472    |
| Contractual services                                | —                                    | —          | —                      | 21,288                  | 234,888               | —                 | —                 | —          | —                             | 2,247     | 12,882                     | —         | 814,532    |
| Leases, telephone, and utilities                    | 2,198                                | 3,244      | 48,888                 | 178,417                 | 18,388                | —                 | —                 | 18,738     | —                             | 5,888     | —                          | —         | 888,472    |
| Repairs and maintenance                             | 11,111                               | 37,288     | 178,417                | 18,388                  | 18,388                | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Bad debt expense (recovery)                         | 11,111                               | 37,288     | 178,417                | 18,388                  | 18,388                | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Depreciation expense                                | 584,888                              | —          | 18,821                 | 83,812                  | 23,311                | —                 | —                 | 103        | —                             | 1,884     | 1,253                      | —         | 888,472    |
| Interest expense                                    | 288                                  | 3,882      | 3,837                  | 23,311                  | 8,878                 | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Total operating expense                             | 538,887                              | 7,878      | 4,823                  | 778,818                 | 89,781                | —                 | —                 | —          | —                             | 84,213    | 13,882                     | 88,139    | 1,383,280  |
| Total operating expense                             | 1,261,882                            | 634,888    | 788,888                | 4,888,888               | 1,383,280             | —                 | —                 | 42,141     | —                             | 388,114   | 114,288                    | 218,888   | 3,068,540  |
| Operating income (loss), net                        | 871,778                              | (327,372)  | 241,769                | 7,262,209               | (439,738)             | 4,832             | (1,192)           | 186,687    | —                             | 478,825   | 229,543                    | (166,889) | 8,888,888  |
| Nonoperating revenue:                               |                                      |            |                        |                         |                       |                   |                   |            |                               |           |                            |           |            |
| Interest and dividends                              | 22,187                               | 38,838     | —                      | 288                     | —                     | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Net increase in fair value of investments           | 98,781                               | 23,381     | —                      | —                       | —                     | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Subsidy allocations                                 | 4,888,888                            | 88,888     | —                      | —                       | —                     | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Total nonoperating revenue                          | 4,909,856                            | 152,107    | —                      | 288                     | —                     | —                 | —                 | —          | —                             | —         | —                          | —         | 888,472    |
| Nonoperating expense, net                           |                                      |            |                        |                         |                       |                   |                   |            |                               |           |                            |           |            |
| Excess (deficiency) of revenue over (under) expense | 5,888,888                            | (271,843)  | 328,877                | 7,214,447               | (883,817)             | 4,832             | (1,192)           | 186,687    | —                             | 478,825   | 229,543                    | (166,889) | 8,888,888  |
| Transfers                                           |                                      |            |                        |                         |                       |                   |                   |            |                               |           |                            |           |            |
| Change in net position                              | 5,341,280                            | (771,843)  | 328,877                | 7,214,447               | (883,817)             | 4,832             | (1,192)           | 186,687    | —                             | 478,825   | 229,543                    | (166,889) | 8,888,888  |
| Net position, beginning of year                     | 55,824,888                           | 17,814,888 | 1,088,222              | 86,113,388              | 2,118,881             | 158,888           | 288,812           | 1,088,878  | —                             | 1,333,888 | 83,388                     | 888,888   | 1,088,888  |
| Net position, end of year                           | 61,166,168                           | 17,043,045 | 1,417,099              | 93,327,835              | 2,377,698             | 154,884           | 218,888           | 1,215,565  | —                             | 1,812,713 | 312,932                    | 888,888   | 1,088,888  |

See accompanying independent auditor's report.



Schedule 12

**THE MAYAJO MATON**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**Modified Accrual Budget Basis**  
**September 30, 2022**

|    | Plant<br>Management<br>Fund | Duplicating<br>Services<br>Fund | Office<br>Supply<br>Center<br>Fund | Air<br>Transportation<br>Fund | Group Health<br>Self-Insurance<br>Fund | Property and<br>Casualty<br>Self-Insurance<br>Fund | Workers'<br>Compensation<br>Insurance<br>Fund | Contingency<br>Management<br>Fund | Total       |
|----|-----------------------------|---------------------------------|------------------------------------|-------------------------------|----------------------------------------|----------------------------------------------------|-----------------------------------------------|-----------------------------------|-------------|
| \$ | 32,119,396                  | 4,881,278                       | 268,029                            | (3,184,334)                   | 36,053,174                             | 10,039,490                                         | 368,095                                       | 3,882,140                         | 85,002,256  |
|    | --                          | --                              | --                                 | --                            | --                                     | 34,871,153                                         | 18,842,734                                    | 6,980,280                         | 62,489,147  |
|    | 57,854                      | --                              | --                                 | --                            | 3,438,818                              | 2,238                                              | 44,918                                        | --                                | 44,918      |
|    | --                          | --                              | 301,882                            | --                            | --                                     | --                                                 | 10,115                                        | --                                | 3,605,915   |
|    | 57,854                      | --                              | 301,882                            | --                            | --                                     | 2,238                                              | 55,034                                        | --                                | 3,605,915   |
| \$ | 32,177,250                  | 4,881,278                       | 569,911                            | (3,184,334)                   | 39,491,992                             | 46,712,981                                         | 20,363,882                                    | 10,349,480                        | 151,354,881 |
|    | 17,187                      | --                              | --                                 | --                            | --                                     | --                                                 | 147,411                                       | --                                | 17,187      |
|    | 228,338                     | --                              | --                                 | --                            | --                                     | --                                                 | --                                            | --                                | 373,728     |
|    | 44,399,443                  | --                              | --                                 | --                            | --                                     | --                                                 | --                                            | --                                | 44,399,443  |
|    | 1,153,085                   | 714,573                         | 11,546                             | 4,440,500                     | --                                     | 295,101                                            | 89,482                                        | --                                | 6,842,285   |
|    | 45,768,094                  | 714,573                         | 11,546                             | 4,440,500                     | --                                     | 294,191                                            | 233,873                                       | --                                | 51,488,887  |
|    | 42,797,220                  | 509,528                         | 8,718                              | 4,287,585                     | --                                     | 252,341                                            | 88,482                                        | --                                | 47,889,874  |
|    | 2,989,874                   | 205,045                         | 4,828                              | 142,985                       | --                                     | 3,880                                              | 147,411                                       | --                                | 3,605,012   |
|    | 1,089,889                   | 98,750                          | 65,100                             | 52,553                        | --                                     | 283,727                                            | 149,598                                       | --                                | 2,694,116   |
|    | 1,108,889                   | 98,750                          | 65,100                             | 52,553                        | --                                     | 283,727                                            | 149,598                                       | --                                | 2,694,116   |
| \$ | 38,344,080                  | 5,184,073                       | 634,039                            | (2,982,789)                   | 38,794,360                             | 47,000,548                                         | 20,860,872                                    | 10,349,480                        | 158,872,082 |
|    | 228,799                     | 34,428                          | --                                 | --                            | 388,939                                | 1,897,807                                          | 7,081                                         | --                                | 2,513,154   |
|    | 168,598                     | 12,418                          | 6,334                              | --                            | 312,898                                | 81,921                                             | 20,728                                        | --                                | 513,308     |
|    | --                          | --                              | --                                 | --                            | --                                     | 889                                                | 15,080                                        | --                                | 15,969      |
|    | 172,865                     | 12,095                          | 8,028                              | --                            | 10,294                                 | 54,088                                             | 28,862                                        | --                                | 268,278     |
|    | --                          | --                              | --                                 | --                            | 5,780,000                              | 1,422,872                                          | 303,514                                       | --                                | 7,438,288   |
|    | 507,844                     | 58,852                          | 15,388                             | --                            | 6,410,042                              | 3,387,579                                          | 375,205                                       | --                                | 10,755,008  |
|    | 1,842,294                   | 184,093                         | 106,175                            | 87,287                        | 368,301                                | 471,498                                            | 244,598                                       | --                                | 3,289,142   |
|    | --                          | --                              | --                                 | --                            | --                                     | --                                                 | --                                            | 2,575,827                         | 2,575,827   |
|    | 1,842,294                   | 184,093                         | 106,175                            | 87,287                        | 368,301                                | 471,498                                            | 244,598                                       | --                                | 3,289,142   |
|    | 2,450,116                   | 223,045                         | 123,541                            | 87,287                        | 6,798,243                              | 3,888,545                                          | 623,789                                       | --                                | 10,718,775  |
|    | 2,989,874                   | 205,045                         | 4,828                              | 142,985                       | --                                     | 3,880                                              | 147,411                                       | --                                | 3,605,012   |
|    | --                          | --                              | --                                 | --                            | 32,328,113                             | 43,137,443                                         | 10,889,872                                    | --                                | 86,385,438  |
|    | 30,885,948                  | 4,728,883                       | 511,270                            | (3,225,189)                   | --                                     | --                                                 | --                                            | 7,773,773                         | 40,884,878  |
|    | 32,984,825                  | 4,942,028                       | 518,088                            | (3,888,113)                   | 32,328,113                             | 43,137,443                                         | 26,837,083                                    | 7,773,773                         | 140,181,317 |
| \$ | 38,344,080                  | 5,184,073                       | 634,039                            | (2,982,789)                   | 38,794,360                             | 47,000,548                                         | 20,860,872                                    | 10,349,480                        | 158,872,082 |

## Assets and Deferred Outflows of Resources

|                                      |  |
|--------------------------------------|--|
| Current assets:                      |  |
| Cash and cash equivalents            |  |
| Investments                          |  |
| Receivables:                         |  |
| Accrued interest receivable          |  |
| Accounts receivable, net             |  |
| Inventory                            |  |
| Total receivables                    |  |
| Total current assets                 |  |
| Noncurrent assets:                   |  |
| Capital assets:                      |  |
| Construction in progress             |  |
| Buildings                            |  |
| Vehicles                             |  |
| Equipment                            |  |
| Total capital assets                 |  |
| Accumulated depreciation             |  |
| Capital assets, net                  |  |
| Total noncurrent assets              |  |
| Pension-related outflows             |  |
| Total deferred outflows of resources |  |
| Total assets and deferred outflows   |  |

## Liabilities and Net Position

|                                                 |  |
|-------------------------------------------------|--|
| Current liabilities:                            |  |
| Accounts payable                                |  |
| Accrued liabilities                             |  |
| Unearned revenue                                |  |
| Current portion of compensated absences         |  |
| Current estimated claims payable                |  |
| Total current liabilities                       |  |
| Noncurrent liabilities:                         |  |
| Net pension liability                           |  |
| Estimated claims payable                        |  |
| Total noncurrent liabilities                    |  |
| Total liabilities                               |  |
| Net position:                                   |  |
| Net investment in capital assets                |  |
| Restricted, expendable for claims and judgments |  |
| Unrestricted                                    |  |
| Total net position                              |  |
| Total liabilities and net position              |  |

See accompanying independent auditors' report.

**THE NAVAJO NATION**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**Modified Accrual Budget Basis**  
**Year ended September 30, 2022**

|                                                                  | Fleet Management Fund | Duplicating Services Fund | Office Supply Center Fund | Air Transportation Fund | Group Health Self-Insurance Fund | Property and Casualty Self-Insurance Fund | Worker's Compensation Insurance Fund | Contingency Management Fund | Total                 |
|------------------------------------------------------------------|-----------------------|---------------------------|---------------------------|-------------------------|----------------------------------|-------------------------------------------|--------------------------------------|-----------------------------|-----------------------|
| <b>Operating revenues:</b>                                       |                       |                           |                           |                         |                                  |                                           |                                      |                             |                       |
| Insurance premium income                                         | —                     | —                         | —                         | —                       | 42,108,947                       | 12,770,803                                | 2,563,807                            | —                           | 57,441,357            |
| Charges for services                                             | 10,599,480            | 614,808                   | 313,417                   | —                       | —                                | —                                         | —                                    | —                           | 11,527,485            |
| Other income                                                     | 687,047               | —                         | —                         | —                       | 88,838                           | —                                         | —                                    | —                           | 783,885               |
| <b>Total operating revenues</b>                                  | <b>11,286,527</b>     | <b>614,808</b>            | <b>313,417</b>            | <b>—</b>                | <b>42,193,595</b>                | <b>12,770,803</b>                         | <b>2,563,807</b>                     | <b>—</b>                    | <b>68,752,527</b>     |
| <b>Operating expenditures:</b>                                   |                       |                           |                           |                         |                                  |                                           |                                      |                             |                       |
| Personnel                                                        | 2,781,105             | 247,082                   | 151,115                   | 123,039                 | 520,554                          | 700,482                                   | 379,791                              | —                           | 4,903,188             |
| Travel, per diem, and vehicle                                    | 178,111               | 1,801                     | 6,059                     | 7,502                   | 24,864                           | 43,435                                    | 23,431                               | —                           | 283,203               |
| Supplies                                                         | 5,990,327             | 124,142                   | 5,140                     | 10,483                  | 37,356                           | 67,883                                    | 102,886                              | —                           | 6,038,027             |
| Cost of goods sold                                               | —                     | —                         | 247,327                   | —                       | —                                | —                                         | —                                    | —                           | 247,327               |
| Contractual service                                              | 1,150                 | —                         | —                         | 2,087                   | 3,780,274                        | 885,594                                   | 93,430                               | —                           | 4,842,805             |
| Lease, telephone, and utilities                                  | 16,451                | 125,755                   | 2,912                     | 1,308                   | 12,159                           | 15,701                                    | 10,235                               | —                           | 184,521               |
| Repairs and maintenance                                          | 288,888               | 28,207                    | —                         | —                       | —                                | —                                         | —                                    | —                           | 297,105               |
| Provision for bad debts                                          | —                     | —                         | —                         | —                       | —                                | —                                         | —                                    | —                           | —                     |
| Depreciation expense                                             | 2,265,384             | 7,504                     | —                         | —                       | —                                | 1,368                                     | —                                    | —                           | 2,274,436             |
| Benefits and claims                                              | 22,265                | 1,841                     | 1,189                     | 2,141                   | 22,505,890                       | 3,825,328                                 | 3,183,134                            | —                           | 29,594,352            |
| Reinsurance premiums                                             | 83,852                | 7,801                     | 1,187                     | 491                     | 4,779,843                        | 4,461,868                                 | 3,255                                | —                           | 9,288,120             |
| Other expense                                                    | —                     | —                         | —                         | —                       | 21,855                           | 59,222                                    | 91,135                               | —                           | 265,043               |
| <b>Total operating expenditures</b>                              | <b>11,305,543</b>     | <b>543,733</b>            | <b>414,828</b>            | <b>147,051</b>          | <b>31,679,595</b>                | <b>10,260,858</b>                         | <b>3,867,087</b>                     | <b>—</b>                    | <b>58,218,907</b>     |
| <b>Net operating income (loss)</b>                               | <b>(9,036)</b>        | <b>70,875</b>             | <b>(101,512)</b>          | <b>(147,051)</b>        | <b>10,513,990</b>                | <b>2,509,944</b>                          | <b>(1,303,480)</b>                   | <b>—</b>                    | <b>11,533,720</b>     |
| <b>Nonoperating revenues:</b>                                    |                       |                           |                           |                         |                                  |                                           |                                      |                             |                       |
| Interest and dividends                                           | —                     | —                         | —                         | —                       | —                                | —                                         | —                                    | —                           | —                     |
| Net increase (decrease) in fair value of investments             | —                     | —                         | —                         | —                       | —                                | —                                         | —                                    | —                           | —                     |
| <b>Total nonoperating revenues</b>                               | <b>—</b>              | <b>—</b>                  | <b>—</b>                  | <b>—</b>                | <b>—</b>                         | <b>—</b>                                  | <b>—</b>                             | <b>—</b>                    | <b>—</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(9,036)</b>        | <b>70,875</b>             | <b>(101,512)</b>          | <b>(147,051)</b>        | <b>10,513,990</b>                | <b>2,717,798</b>                          | <b>(4,075,548)</b>                   | <b>48,832</b>               | <b>9,018,116</b>      |
| <b>Transfers</b>                                                 | <b>—</b>              | <b>—</b>                  | <b>—</b>                  | <b>148,330</b>          | <b>—</b>                         | <b>—</b>                                  | <b>—</b>                             | <b>—</b>                    | <b>148,330</b>        |
| <b>Change in net position</b>                                    | <b>(9,036)</b>        | <b>70,875</b>             | <b>(101,512)</b>          | <b>(721)</b>            | <b>10,513,990</b>                | <b>2,717,798</b>                          | <b>(4,075,548)</b>                   | <b>48,832</b>               | <b>9,104,448</b>      |
| <b>Net position, beginning of year</b>                           | <b>33,903,868</b>     | <b>4,871,153</b>          | <b>617,610</b>            | <b>(3,079,382)</b>      | <b>22,422,123</b>                | <b>40,423,737</b>                         | <b>24,112,631</b>                    | <b>7,725,141</b>            | <b>130,988,871</b>    |
| <b>Net position, end of year</b>                                 | <b>\$ 33,894,832</b>  | <b>\$ 4,942,028</b>       | <b>\$ 516,098</b>         | <b>\$ (3,080,113)</b>   | <b>\$ 32,936,113</b>             | <b>\$ 43,141,503</b>                      | <b>\$ 20,037,083</b>                 | <b>\$ 7,773,773</b>         | <b>\$ 140,181,317</b> |

See accompanying independent auditors' report.



**THE MAHAJID NATION**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**Modified Accrual Budget Basis**  
**Year ended September 30, 2022**

|                                                                                         | Fleet Management Fund | Duplicating Service Fund | Office Supply Center Fund | Air Transportation Fund | Group Health Self Insurance Fund | Property and Capacity Self Insurance Fund | Workers' Compensation Insurance Fund | Contingency Management Fund | Totals        |
|-----------------------------------------------------------------------------------------|-----------------------|--------------------------|---------------------------|-------------------------|----------------------------------|-------------------------------------------|--------------------------------------|-----------------------------|---------------|
| Cash flows from operating activities:                                                   |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Receipts from customers                                                                 | 10,544,146            | 814,808                  | 313,417                   | —                       | —                                | —                                         | —                                    | —                           | 11,672,371    |
| Cash received for premiums from the government                                          | —                     | —                        | —                         | —                       | 25,362,281                       | 4,774,288                                 | 1,304,862                            | —                           | 31,471,431    |
| Cash received from others for premiums                                                  | —                     | —                        | —                         | —                       | 13,407,385                       | 7,988,081                                 | 1,263,126                            | —                           | 22,966,575    |
| Payments to employees for services                                                      | (2,784,373)           | (228,804)                | (150,722)                 | (122,318)               | (489,328)                        | (857,653)                                 | (248,874)                            | —                           | (4,769,362)   |
| Payment of claims                                                                       | —                     | —                        | —                         | —                       | (21,820,889)                     | (4,729,038)                               | (2,182,134)                          | (3,408,631)                 | (33,222,186)  |
| Payments to suppliers                                                                   | (5,838,853)           | (188,023)                | (388,807)                 | (10,453)                | (37,346)                         | (87,886)                                  | (101,185)                            | —                           | (6,609,491)   |
| Payments to third parties for services                                                  | (688,877)             | (182,327)                | (22,368)                  | (13,439)                | (8,672,674)                      | (4,188,871)                               | (218,729)                            | —                           | (13,065,461)  |
| Other receipts                                                                          | 887,047               | —                        | —                         | —                       | —                                | —                                         | —                                    | —                           | 887,047       |
| Net cash provided by (used in) operating activities                                     | 1,981,943             | 34,774                   | (228,461)                 | (148,330)               | 7,888,422                        | 3,145,898                                 | (1,258,716)                          | (3,408,631)                 | 7,789,872     |
| Cash flows from capital and related financing activity:                                 |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Acquisition of capital assets                                                           | (208,949)             | (174,589)                | —                         | —                       | —                                | —                                         | —                                    | —                           | (383,538)     |
| Sale of capital assets                                                                  | 48,223                | —                        | —                         | —                       | —                                | —                                         | —                                    | —                           | 48,223        |
| Net cash (used in) capital and related financing activity                               | (160,726)             | (174,589)                | —                         | —                       | —                                | —                                         | —                                    | —                           | (338,313)     |
| Cash flows from noncapital and related financing activity:                              |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Transfer                                                                                | —                     | —                        | —                         | 148,330                 | —                                | —                                         | —                                    | —                           | 148,330       |
| Net cash provided by noncapital and related financing activity                          | —                     | —                        | —                         | 148,330                 | —                                | —                                         | —                                    | —                           | 148,330       |
| Cash flows from investing activities:                                                   |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Purchases of investments                                                                | —                     | —                        | —                         | —                       | —                                | (78,863,854)                              | (14,308,397)                         | (22,548,197)                | (112,512,947) |
| Sale of investments                                                                     | —                     | —                        | —                         | —                       | —                                | 82,836,046                                | 15,705,498                           | 19,184,498                  | 117,806,042   |
| Interest on investment and cash balances                                                | —                     | —                        | —                         | —                       | —                                | 124,537                                   | 311,255                              | 29,556                      | 466,748       |
| Net cash provided by (used in) investing activities                                     | —                     | —                        | —                         | —                       | —                                | 7,396,182                                 | 1,710,448                            | (3,346,789)                 | 5,759,843     |
| Net increase (decrease) in cash and cash equivalents                                    | 1,820,420             | (139,812)                | (228,461)                 | —                       | 7,888,422                        | 10,540,731                                | 450,732                              | (8,755,390)                 | 13,368,638    |
| Cash and cash equivalents, beginning of year                                            | 30,298,878            | 5,081,080                | 484,490                   | (3,188,334)             | 28,383,732                       | 288,748                                   | (84,637)                             | 10,438,538                  | 71,642,822    |
| Cash and cash equivalents, end of year                                                  | 32,119,298            | 4,941,278                | 256,029                   | (3,188,334)             | 36,272,154                       | 10,829,480                                | 366,095                              | 3,683,148                   | 85,012,268    |
| Reconciliation of operating income (loss) to net cash from operating activities:        |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Operating income (loss)                                                                 | (9,036)               | 70,875                   | (101,812)                 | (147,061)               | 10,613,090                       | 2,509,944                                 | (1,303,490)                          | —                           | 11,533,720    |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: |                       |                          |                           |                         |                                  |                                           |                                      |                             |               |
| Depreciation expense                                                                    | 2,383,944             | 7,904                    | —                         | —                       | —                                | 1,306                                     | —                                    | —                           | 2,374,438     |
| Provision for bad debts                                                                 | (54,314)              | —                        | —                         | —                       | (3,383,919)                      | (1,474)                                   | 4,271                                | —                           | (3,448,333)   |
| (Increase) Decrease in accounts receivable                                              | —                     | —                        | (114,334)                 | —                       | —                                | (278,867)                                 | (143,809)                            | —                           | (114,334)     |
| Increase in inventories                                                                 | (1,335,446)           | (86,382)                 | (83,137)                  | (51,031)                | (210,069)                        | 1,388,817                                 | 6,298                                | —                           | (1,578,969)   |
| Increase in deferred outflows                                                           | (248,802)             | (82,163)                 | (11,000)                  | —                       | (94,878)                         | 8,778                                     | 18,933                               | —                           | (328,038)     |
| Increase (Decrease) in accounts payable and accrued liabilities                         | 1,129                 | 8,882                    | 1,254                     | —                       | 1,852                            | 4,778                                     | 324,899                              | —                           | 4,944,100     |
| Increase in compensated absences                                                        | 2,815,228             | 212,189                  | 147,799                   | 117,971                 | 468,120                          | 807,725                                   | —                                    | —                           | (2,468,182)   |
| Decrease in net pension liability                                                       | (1,464,197)           | (103,851)                | (85,433)                  | (84,218)                | (238,880)                        | (234,468)                                 | (184,597)                            | —                           | (3,227,836)   |
| Increase (Decrease) in estimated claims payable                                         | —                     | —                        | —                         | —                       | 888,020                          | —                                         | —                                    | (3,408,631)                 | (3,408,631)   |
| Total adjustments                                                                       | 1,980,078             | (38,101)                 | (124,949)                 | 721                     | (2,844,888)                      | 535,028                                   | 43,778                               | (3,408,631)                 | (3,746,048)   |
| Net cash provided by (used in) operating activities                                     | 1,981,943             | 34,774                   | (228,461)                 | (148,330)               | 7,888,422                        | 3,145,898                                 | (1,258,716)                          | (3,408,631)                 | 7,789,872     |

See accompanying independent auditor's report.

## THE NAVAJO NATION

## Combining Statement of Fiduciary Net Position

## Fiduciary Funds

## Modified Accrual Budget Basis

September 30, 2022

|                                                                    | Pension Trust Funds |                          |                           | Private-Purpose Trust Funds      |                       |
|--------------------------------------------------------------------|---------------------|--------------------------|---------------------------|----------------------------------|-----------------------|
|                                                                    | Retirement Fund     | Deferred Retirement Fund | Total Pension Trust Funds | Navajo Bennett Freeze Trust Fund | Total Fiduciary Funds |
| <b>Assets</b>                                                      |                     |                          |                           |                                  |                       |
| Cash and cash equivalents:                                         |                     |                          |                           |                                  |                       |
| Managed by:                                                        |                     |                          |                           |                                  |                       |
| The Navajo Nation                                                  | \$ (10,985,725)     | 25,169                   | (10,960,556)              | 2,707,700                        | (8,252,856)           |
| Managers selected by the Navajo Nation                             | 25,840,066          | 4,597                    | 25,844,663                | —                                | 25,844,663            |
| Total cash and cash equivalents                                    | 14,554,341          | 29,766                   | 14,584,107                | 2,707,700                        | 17,291,807            |
| Investments:                                                       |                     |                          |                           |                                  |                       |
| Managed by:                                                        |                     |                          |                           |                                  |                       |
| Managers selected by the Navajo Nation                             | 1,001,869,200       | 3,146,613                | 1,005,015,813             | —                                | 1,005,015,813         |
| Total investments                                                  | 1,001,869,200       | 3,146,613                | 1,005,015,813             | —                                | 1,005,015,813         |
| Receivables:                                                       |                     |                          |                           |                                  |                       |
| Accrued interest receivable                                        | 1,921,195           | 71                       | 1,921,266                 | —                                | 1,921,266             |
| Total receivables                                                  | 1,921,195           | 71                       | 1,921,266                 | —                                | 1,921,266             |
| Total assets                                                       | 1,018,344,736       | 3,176,450                | 1,021,521,186             | 2,707,700                        | 1,024,228,886         |
| <b>Liabilities and Net Position</b>                                |                     |                          |                           |                                  |                       |
| Accounts payable                                                   | 2,533,370           | —                        | 2,533,370                 | 35,332                           | 2,568,702             |
| Accrued liabilities                                                | 17,976              | —                        | 17,976                    | 6,666                            | 24,642                |
| Total liabilities                                                  | 2,551,346           | —                        | 2,551,346                 | 41,998                           | 2,593,344             |
| Net position held in trust for pension benefits and other purposes | \$ 1,015,793,390    | 3,176,450                | 1,018,969,840             | 2,665,702                        | 1,021,635,542         |

See accompanying independent auditors' report.

## THE NAVAJO NATION

## Combining Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

## Modified Accrual Budget Basis

September 30, 2022

|                                                      | Pension Trust Funds     |                          | Private-Purpose Trust Funds      |                           | Total                 |
|------------------------------------------------------|-------------------------|--------------------------|----------------------------------|---------------------------|-----------------------|
|                                                      | Retirement Fund         | Deferred Retirement Fund | Navajo Bennett Freeze Trust Fund | Total Pension Trust Funds | Total Fiduciary Funds |
| <b>Additions:</b>                                    |                         |                          |                                  |                           |                       |
| Interest and dividends                               | \$ 27,661,245           | 47,302                   | 16,016                           | 27,708,547                | 27,724,563            |
| Net increase (decrease) in fair value of investments | (200,168,531)           | (589,941)                | 4,588                            | (200,758,472)             | (200,753,884)         |
| Contributions to plans                               | 27,894,277              | 632,385                  | —                                | 28,526,662                | 28,526,662            |
| <b>Total additions</b>                               | <b>(144,613,009)</b>    | <b>89,746</b>            | <b>20,604</b>                    | <b>(144,523,263)</b>      | <b>(144,502,659)</b>  |
| <b>Deductions:</b>                                   |                         |                          |                                  |                           |                       |
| Personnel                                            | 458,695                 | —                        | —                                | 458,695                   | 458,695               |
| Travel                                               | 19,034                  | —                        | —                                | 19,034                    | 19,034                |
| Supplies                                             | 18,439                  | —                        | 2,727                            | 16,439                    | 19,166                |
| Chapter disbursements                                | —                       | —                        | —                                | —                         | —                     |
| Tribal grants                                        | —                       | —                        | —                                | —                         | —                     |
| Utilities                                            | 160,044                 | —                        | 1,767,336                        | 1,767,336                 | 1,767,336             |
| Retirement benefits                                  | 56,457,402              | 501,169                  | 4,878                            | 56,958,571                | 56,958,571            |
| Contractual services                                 | 4,330,793               | —                        | 95,326                           | 4,330,793                 | 4,426,119             |
| Other                                                | 26,313                  | —                        | 9,817                            | 26,313                    | 36,130                |
| <b>Total deductions</b>                              | <b>61,468,720</b>       | <b>501,169</b>           | <b>1,860,084</b>                 | <b>61,969,889</b>         | <b>63,849,973</b>     |
| <b>Change in net position</b>                        | <b>(206,081,729)</b>    | <b>(411,423)</b>         | <b>(1,859,480)</b>               | <b>(206,493,152)</b>      | <b>(208,352,632)</b>  |
| <b>Net position, beginning of year, as restated</b>  | <b>1,221,875,119</b>    | <b>3,587,873</b>         | <b>4,525,182</b>                 | <b>1,225,462,982</b>      | <b>1,229,988,174</b>  |
| <b>Net position, end of year</b>                     | <b>\$ 1,015,793,390</b> | <b>3,176,450</b>         | <b>2,665,702</b>                 | <b>1,018,969,840</b>      | <b>1,021,635,542</b>  |

See accompanying independent auditors' report.



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Basic Financial Statements, including  
Schedule of Required Supplementary Information

December 31, 2022 and 2021

(With Independent Auditors' Reports Thereon)

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Table of Contents**

|                                                                                                                                                                                                                                                                       | <b>Page(s)</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Independent Auditors' Report                                                                                                                                                                                                                                          | 1-3            |
| Management's Discussion and Analysis (Unaudited)                                                                                                                                                                                                                      | 4-13           |
| Basic Financial Statements:                                                                                                                                                                                                                                           |                |
| Balance Sheets                                                                                                                                                                                                                                                        | 14-15          |
| Statements of Revenues, Expenses, and Changes in Net Position                                                                                                                                                                                                         | 16             |
| Statements of Cash Flows                                                                                                                                                                                                                                              | 17-18          |
| Statements of Fiduciary Net Position                                                                                                                                                                                                                                  | 19             |
| Statements of Changes in Fiduciary Net Position                                                                                                                                                                                                                       | 20             |
| Notes to Basic Financial Statements                                                                                                                                                                                                                                   | 21-69          |
| Required Supplementary Information (Unaudited)                                                                                                                                                                                                                        |                |
| Schedule of Changes in Net Pension Asset and Related Ratios (10 years), Schedule of Authority's Contributions, Schedule of Annual Money-Weighted Rate of Return on Pension Plan Investments, Net of Investment Expense (10 years), Notes to Schedule of Contributions | 70-71          |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>                                             | 72-73          |



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## Independent Auditors' Report

The Management Board  
Navajo Tribal Utility Authority:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and fiduciary activities of the Navajo Tribal Utility Authority (the Authority), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1(v) to the basic financial statements, in fiscal year 2022, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives 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 auditors' report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Authority's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of changes in net pension asset and related ratios on page 61, and schedule of Authority's contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Albuquerque, New Mexico  
April 30, 2023



**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

This section of the Navajo Tribal Utility Authority (the Authority) annual financial report presents management's analysis of the Authority's financial performance during the fiscal years that ended on December 31, 2022 and 2021, with certain comparative information as of and for the year ended December 31, 2020. Please read it in conjunction with the basic financial statements that follow this section.

**Overview of Annual Financial Report**

The basic financial statements report information about the Authority using the economic resources measurement focus and the accrual method of accounting. The basic financial statements include the balance sheets; the statements of revenue, expenses, and changes in net position; the statements of cash flows; the statements of fiduciary net position; the statements of changes in fiduciary net position; and the notes to the basic financial statements. The basic financial statements include the accounts of the Authority and its wholly owned, blended component units, NTUA New Markets III, LLC; NTUA New Markets V, Inc.; NTUA Leverage Lending, LLC; NTUA Generation, Inc.; and NTUA Headquarters, Inc. (collectively, the Authority). NTUA New Markets III, LLC; NTUA New Markets V, Inc.; and NTUA Leverage Lending, LLC (the New Markets Component Units) were created in 2013, 2018, and 2018, respectively, as part of the Authority entering into tax credit transactions with third parties that allowed for the third parties to make loans to the New Markets Component Units, which provided tax credits to the third parties. The New Markets Component Units used the funds to construct certain capital assets, which they operate. NTUA Generation, Inc. (the Generation Component Unit) was created in 2015 to construct, own, and operate solar generation plants. NTUA Headquarters, Inc. was created in 2014 to sublease the land upon which the Authority's headquarters building is located.

The Authority's balance sheets provide information about the nature and amount of resources and obligations at their respective year-ends. The balance sheets present all the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position are one indication of whether the financial position of the Authority is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. These statements also provide certain information about the Authority's recovery of its costs.

The statements of cash flows present changes in cash and cash equivalents resulting from operating, capital and noncapital financing, and investing activities. These statements present cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The statements of fiduciary net position and the statements of changes in fiduciary net position present balances and activities of the Navajo Tribal Utility Authority Employees' Retirement Plan, which is a separate trust held for the benefit of the Authority's employees.

The notes to the basic financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

**Financial Analysis**

The following basic financial information and other selected information serve as the key financial data and indicators for management's monitoring and planning.

**Net Position**

A summary of the Authority's net position is presented in Table A-1, and a summary of changes in net position is presented in Table A-2.

**Table A-1**  
**Summary of Net Position**  
**December 31, 2022, 2021, and 2020**

|                                     | <u>2022</u>             | <u>2021</u>          | <u>2020</u>          |
|-------------------------------------|-------------------------|----------------------|----------------------|
| Current and other noncurrent assets | \$ 356,634,405          | 395,493,862          | 441,356,011          |
| Capital assets, net                 | <u>1,027,328,372</u>    | <u>894,620,926</u>   | <u>835,715,876</u>   |
| Total assets                        | <u>\$ 1,383,962,777</u> | <u>1,290,114,588</u> | <u>1,277,071,887</u> |
| Deferred outflows of resources      | \$ 48,707,459           | 28,572,599           | 26,346,351           |
| Current liabilities                 | \$ 220,761,109          | 137,407,750          | 178,282,251          |
| Noncurrent liabilities              | <u>420,584,165</u>      | <u>407,678,116</u>   | <u>435,133,631</u>   |
| Total liabilities                   | <u>\$ 641,345,274</u>   | <u>545,085,866</u>   | <u>613,415,882</u>   |
| Deferred inflows of resources       | \$ 461,056,771          | 477,462,121          | 431,243,510          |
| Net position:                       |                         |                      |                      |
| Net investment in capital assets    | \$ 213,008,071          | 156,961,539          | 160,287,155          |
| Restricted – debt service           | 33,056,114              | 12,919,766           | 10,216,195           |
| Unrestricted                        | <u>84,204,006</u>       | <u>126,257,895</u>   | <u>88,255,496</u>    |
| Total net position                  | <u>\$ 330,268,191</u>   | <u>296,139,200</u>   | <u>258,758,846</u>   |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

**Table A-2**  
**Summary of Changes in Net Position**  
**Years ended December 31, 2022, 2021, and 2020**

|                                                     | <u>2022</u>           | <u>2021</u>        | <u>2020</u>        |
|-----------------------------------------------------|-----------------------|--------------------|--------------------|
| Operating revenues:                                 |                       |                    |                    |
| Gross operating revenues                            | \$ 191,604,624        | 185,042,168        | 153,349,617        |
| Less provision for bad debt                         | <u>184,963</u>        | <u>1,243</u>       | <u>3,812</u>       |
| Total operating revenues, net                       | 191,419,661           | 185,040,925        | 153,345,805        |
| Operating expenses:                                 |                       |                    |                    |
| Total operating expenses                            | <u>180,045,492</u>    | <u>151,159,321</u> | <u>120,166,156</u> |
| Operating income                                    | 11,374,169            | 33,881,604         | 33,179,649         |
| Nonoperating revenues (expenses):                   |                       |                    |                    |
| Total nonoperating revenues (expenses)              | <u>(2,245,178)</u>    | <u>3,498,750</u>   | <u>2,133,144</u>   |
| Change in net position before capital contributions | 9,128,991             | 37,380,354         | 35,312,793         |
| Capital contributions                               | <u>25,000,000</u>     | <u>—</u>           | <u>—</u>           |
| Change in net position                              | 34,128,991            | 37,380,354         | 35,312,793         |
| Net position at beginning of year                   | <u>296,139,200</u>    | <u>258,758,846</u> | <u>223,446,053</u> |
| Net position at end of year                         | <u>\$ 330,268,191</u> | <u>296,139,200</u> | <u>258,758,846</u> |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
 (A Navajo Nation Enterprise)  
 Management Discussion and Analysis (Unaudited)  
 December 31, 2022 and 2021

**Capital Assets and Contributions in Aid of Construction**

At the end of 2022, the Authority's net capital assets in Table A-3 of approximately \$1,027,300,000 represented a 14.8%, or \$132,700,000, increase from December 31, 2021. At the end of 2021, the Authority's net capital assets in Table A-3 of approximately \$894,600,000 represented a 7.0%, or \$58,900,000, increase from December 31, 2020.

**Table A-3**  
**Capital Assets**  
 December 31, 2022, 2021, and 2020

|                               | <u>2022</u>             | <u>2021</u>          | <u>2020</u>          |
|-------------------------------|-------------------------|----------------------|----------------------|
| Capital assets:               |                         |                      |                      |
| Electric                      | \$ 738,343,086          | 686,083,375          | 661,732,198          |
| Natural gas                   | 110,977,151             | 110,262,841          | 43,208,908           |
| Water                         | 436,912,061             | 432,732,485          | 418,675,211          |
| Wastewater                    | 201,979,871             | 201,528,322          | 199,881,006          |
| Photovoltaic                  | 26,183,472              | 21,159,554           | 18,761,939           |
| Other                         | 116,619,787             | 109,922,942          | 98,352,386           |
| Common                        | 134,212,047             | 116,391,888          | 112,340,542          |
| Construction in progress      | 132,517,483             | 33,927,469           | 30,240,829           |
| Total capital assets, gross   | 1,897,744,958           | 1,712,008,876        | 1,583,193,019        |
| Less accumulated depreciation | <u>(870,416,586)</u>    | <u>(817,387,950)</u> | <u>(747,477,143)</u> |
| Net capital assets            | <u>\$ 1,027,328,372</u> | <u>894,620,926</u>   | <u>835,715,876</u>   |

2022 capital assets, net of accumulated depreciation increased approximately \$132,700,000 primarily due to the following construction assets: the Red Mesa renewable energy plant for approximately \$93,400,000, the Red Mesa to Aneth Transmission line and Red Mesa Substation for approximately \$21,900,000, the S4HANA accounting system upgrade for \$11,400,000, utility vehicles for \$1,700,000, computer upgrades for \$1,800,000, and assets constructed across various business lines using funds received from the Navajo Nation under the American Rescue Plan Act – Defunded CARES Act for approximately \$13,800,000. The increase in gross capital assets was partially offset by depreciation.

2021 capital assets, net of accumulated depreciation increased approximately \$58,900,000 primarily due to completing multiple projects related to the Navajo Nation Coronavirus Aid, Relief and Economic Security

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

(CARES) Act (note 11) and the acquisition of Southern Trails Pipeline. The increase in gross capital assets was partially offset by depreciation.

**Table A-4**  
**Contributions in Aid of Construction**  
**December 31, 2022, 2021, and 2020**

|                                             | <u>2022</u>           | <u>2021</u>          | <u>2020</u>          |
|---------------------------------------------|-----------------------|----------------------|----------------------|
| Contributions in aid of construction:       |                       |                      |                      |
| Electric                                    | \$ 317,174,230        | 297,010,400          | 265,068,041          |
| Natural gas                                 | 47,954,623            | 47,410,846           | 13,636,065           |
| Water                                       | 355,926,814           | 342,156,841          | 343,124,507          |
| Wastewater                                  | 175,544,808           | 172,343,971          | 169,606,442          |
| Photovoltaic                                | 16,187,892            | 16,166,134           | 14,855,783           |
| Other                                       | 45,595,398            | 42,198,439           | 39,095,631           |
| Common                                      | <u>8,984,672</u>      | <u>9,234,363</u>     | <u>9,178,277</u>     |
| Contributions in aid of construction, gross | 967,368,437           | 926,520,994          | 854,566,746          |
| Less accumulated amortization               | <u>(517,867,604)</u>  | <u>(490,278,689)</u> | <u>(464,307,630)</u> |
| Net contributions in aid of construction    | <u>\$ 449,500,833</u> | <u>436,242,305</u>   | <u>390,259,116</u>   |

At the end of 2022, the Authority's net contributions in aid of construction in Table A-4 of approximately \$449,500,000 represented a 3.0%, or \$13,300,000, increase from December 31, 2021. The increase was primarily due to the funds received from the Navajo Nation under the American Rescue Plan Act – Defunded Cares Project, Sihasin funds and Lower Greasewood USDA grants.

At the end of 2021, the Authority's net contributions in aid of construction in Table A-4 of approximately \$436,200,000 represented a 11.8%, or \$46,000,000, increase from December 31, 2020. The increase was primarily due to funds received from the Navajo Nation under the CARES Act and transactions related to the Southern Trails Pipeline acquisition.

**Long-Term Debt and Lines of Credit**

Total outstanding long-term debt at December 31, 2022 was approximately \$372,300,000, of which approximately \$12,500,000 was current. During the year ended December 31, 2022, the Authority paid principal and interest on long-term debt of approximately \$12,600,000 and \$6,300,000, respectively, and received forgiveness for a Payroll Protection Plan loan of approximately \$9,900,000.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

Total outstanding long-term debt at December 31, 2021 was approximately \$368,000,000, of which approximately \$23,200,000 was current. During the year ended December 31, 2021, the Authority paid principal and interest on long-term debt of approximately \$11,200,000 and \$3,600,000, respectively.

The increase in long-term debt in 2022 is the result of additional draws on notes of approximately \$26,900,000 issued by the Federal Financing Bank, which is guaranteed by Rural Utility Services. These increases are offset by principal payments made on total outstanding notes.

The total line of credit balance at December 31, 2022 was approximately \$84,600,000. During the year ended December 31, 2022, the Authority drew down approximately \$78,200,000 from its line of credit accounts and paid principal and interest of approximately \$16,500,000 and \$2,400,000, respectively.

The total line of credit balance at December 31, 2021 was approximately \$22,900,000. During the year ended December 31, 2021, the Authority drew down approximately \$22,900,000 from its line of credit accounts and paid principal and interest of approximately \$18,800,000 and \$500,000, respectively.

**Change in Net Position – Year ended December 31, 2022**

***Operating Revenues***

The Authority recognizes revenue from the sale of electricity, which includes solar-generated electricity, to retail and industrial customers, and from the sale of gas, water, wastewater, communication, and photovoltaic services to retail customers. The Authority also recognizes revenue from its communications system, which includes tower lease rentals and backhaul services. The Authority's rates for all services are approved and subject to oversight by its management board.

The Authority's electricity and gas rates have adjustment clauses that pass on the cost of purchased power and gas to customers. Differences between the cost of purchased power and gas and the amounts in base rates are reflected as regulatory liabilities in the accompanying balance sheets. Such differences are accrued until the applicable amounts are refunded.

Kilowatt-hours (kWh) increased from approximately 873,000,000 kWh in 2021 to 911,000,000 kWh in 2022, or 4.4%, and electric revenue increased from approximately \$116,900,000 in 2021 to \$118,600,000 in 2022, or 1.5%.

KWh produced by Kayenta I and Kayenta II decreased from approximately 156,000,000 kWh in 2021 to 143,000,000 kWh in 2022, or 8.3%. Electric revenue decreased from approximately \$9,800,000 in 2021 to \$4,500,000 in 2022, or 54.1%. Primarily due to an adjustment for REC shortages. These revenues are included within electric revenue in the statements of revenues, expenses, and changes in net position.

Gas revenue increased from approximately \$21,100,000 in 2021 to \$25,500,000 in 2022, or 20.9%, due to increased purchase gas cost. Therms sold increased from approximately 21,300,000 in 2021 to 21,600,000 therms in 2022, or 1.4%. Consumption by the Authority's largest gas customer decreased from approximately 10,900,000 in 2021 to 10,600,000 therms in 2022, or 2.8%. The revenue from this customer increased from approximately \$8,100,000 in 2021 to \$10,700,000 in 2022, or 32.1% due to increased purchased gas cost.

Water and wastewater revenues decreased from approximately \$28,200,000 in 2021 to \$27,400,000 in 2022, or 3.2%, primarily due to 69,100,000 gallon decrease in residential usage.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

Communication system revenue increased from \$18,400,000 in 2021 to \$19,600,000 in 2022, or 6.5%, as a result of increased tower site locations, direct internet access, and transport services provided to customers.

Photovoltaic revenue was unchanged from approximately \$400,000 in 2021 to \$400,000 in 2022, or 0.0%.

Provision for bad debt increased in 2022 to \$185,000 from a 2021 bad debt provision of \$1,000.

***Electric, Gas, and Water Purchased for Resale***

Electricity, gas, and water purchased for resale increased 12.8%, from \$74,900,000 in 2021 to \$84,500,000 in 2022.

The Authority's electricity purchased for resale decreased from approximately 1,247,000,000 kWh in 2021 to 1,118,000,000 kWh in 2022, or 10.3%. The average cost per kWh increased 11.4%, from 5.3 cents in 2021 to 5.9 cents in 2022. The cost of purchased electricity is passed on to customers through the Authority's adjustment clause.

The Authority's gas purchased for resale increased from approximately 21,300,000 therms in 2021 to 21,600,000 therms in 2022, or 1.4%. The average cost per therm increased 34.4%, from 58.2 cents in 2021 to 78.2 cents in 2022. The cost of purchased gas is passed on to customers through the Authority's adjustment clause.

***Other Operating Expenses***

Operation and maintenance expenses increased from approximately \$26,900,000 in 2021 to \$32,100,000 in 2022, or 19.3%, administrative and general expenses increased from approximately \$14,500,000 in 2021 to \$28,200,000 in 2022, or 94.5%, and Customer Accounts and sales expenses increased from approximately \$2,900,000 in 2021 to \$3,100,000 in 2022, or 6.9% primarily due to the cost of providing employer benefits and companywide compensation adjustments.

Provision for depreciation and amortization increased from approximately \$32,000,000 in 2021 to \$32,100,000 in 2022, or 0.3% due to the impact of current year additions to plant in service.

***Other Significant Events***

The COVID-19 pandemic that began in 2020, continued to have a dramatic impact on the stability of companies nationwide. As the crisis continues, the Authority has remained sturdy and has adapted well to withstand hardships caused by the pandemic. The Authority continues to be proactive in taking measures to protect and serve its employees and customers as well as to keep business steadily moving forward. The Authority maintained its financial position and continues to actively seek available government aid and other resources to assist and overcome any financial setback.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

With the continuance of the pandemic, the Navajo Nation continued to remain open in 2022 with reduced restrictions. On January 20, 2023, the Navajo Nation lifted the indoor mask mandate for the general public and for all businesses. Anticipated changes in business circumstances are positive and include the following:

- Aged receivable balances will improve as the Authority plans to lift the no disconnection policy as resources have become available in 2023 to assist customers who have been faced with challenges in paying their utility bills.
- In 2022, the Navajo Nation received American Rescue Plan Act funding from the Federal Government to mitigate and contain the spread of COVID – 19. The Navajo Nation has earmarked additional allocations to be distributed to the Authority in 2023.

The Authority continues to maintain internal policies to ensure the safety of its employees, customers, and the general public as they interact with the Authority.

**Change in Net Position – Year ended December 31, 2021**

*Operating Revenues*

The Authority recognizes revenue from the sale of electricity, which includes solar-generated electricity, to retail and industrial customers, and from the sale of gas, water, wastewater, communication, and photovoltaic services to retail customers. The Authority also recognizes revenue from its communications system, which includes tower lease rentals and backhaul services. The Authority's rates for all services are approved and subject to oversight by its management board.

The Authority's electricity and gas rates have adjustment clauses that pass on the cost of purchased power and gas to customers. Differences between the cost of purchased power and gas and the amounts in base rates are reflected as regulatory liabilities in the accompanying balance sheets. Such differences are accrued until the applicable amounts are refunded.

Kilowatt-hours (kWh) increased from approximately 829,700,000 kWh in 2020 to 873,000,000 kWh in 2021, or 5.2%, and electric revenue increased from approximately \$98,400,000 in 2020 to \$116,900,000 in 2021, or 18.8%, primarily as a result of increased electric usage of 121,500,000 kWh by industrial customer Westblock and higher PCA rates charged in 2021.

KWh produced by Kayenta I and Kayenta II decreased from approximately 156,300,000 kWh in 2020 to 156,000,000 kWh in 2021, or 0.2%. Electric revenue decreased from approximately \$9,900,000 in 2020 to \$9,800,000 in 2021, or 1%. These revenues are included within electric revenue in the statements of revenues, expenses, and changes in net position.

Gas revenue increased from approximately \$13,200,000 in 2020 to \$21,100,000 in 2021, or 59.8%, due to increased purchase gas cost. Therms sold decreased from approximately 23,800,000 in 2020 to 21,300,000 therms in 2021, or 10.5%. Consumption by the Authority's largest gas customer decreased from approximately 13,400,000 in 2020 to 10,900,000 therms in 2021, or 18.7%. The revenue from this customer increased from approximately \$4,800,000 in 2020 to \$8,100,000 in 2021, or 68.8% due to increased purchased gas cost.

Water and wastewater revenues decreased from approximately \$28,500,000 in 2020 to \$28,200,000 in 2021, or 1.1%, primarily due to 106,000,000 gallon decrease in residential usage.



**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Management Discussion and Analysis (Unaudited)**  
**December 31, 2022 and 2021**

Communication system revenue increased from \$13,000,000 in 2020 to \$18,400,000 in 2021, or 41.5%, as a result of increased tower site locations, direct internet access, and transport services provided to customers.

Photovoltaic revenue increased approximately \$200,000 in 2020 to \$400,000 in 2021, or 100%, primarily as a result of new customer installations.

Provision for bad debt decreased in 2021 to \$1,000 from a 2020 bad debt provision of \$4,000.

***Electric, Gas, and Water Purchased for Resale***

Electricity, gas, and water purchased for resale increased 45.7%, from \$51,400,000 in 2020 to \$74,900,000 in 2021.

The Authority's electricity purchased for resale increased from approximately 1,074,000,000 kWh in 2020 to 1,247,000,000 kWh in 2021, or 16.1%. The average cost per kWh increased 13.7%, from 4.7 cents in 2020 to 5.3 cents in 2021. The cost of purchased electricity is passed on to customers through the Authority's adjustment clause.

The Authority's gas purchased for resale decreased from approximately 23,800,000 therms in 2020 to 21,300,000 therms in 2021, or 10.5%. The average cost per therm increased 177.1%, from 20.5 cents in 2020 to 58.2 cents in 2021. Increase in cost was due to the freeze in Texas during February 2021 when high demand and scarce resources caused the cost per therm to increase significantly. The cost of purchased gas is passed on to customers through the Authority's adjustment clause.

***Other Operating Expenses***

Operation and maintenance expenses increased from approximately \$23,800,000 in 2020 to \$26,900,000 in 2021, or 13.0%, administrative and general expenses increased from approximately \$12,300,000 in 2020 to \$14,500,000 in 2021, or 17.9%, and Customer Accounts and sales expenses increased from approximately \$2,500,000 in 2020 to \$2,900,000 in 2021, or 16.0% primarily due to the cost of providing employer benefits and companywide compensation adjustments.

Provision for depreciation and amortization increased from approximately \$30,200,000 in 2020 to \$32,000,000 in 2021, or 6.0% due to the impact of current year additions to plant in service.

***Other Significant Events***

The COVID-19 pandemic that began in 2020, continued to have a dramatic impact on the stability of companies nationwide. As the crisis continues, the Authority has remained sturdy and has adapted well to withstand hardships caused by the pandemic. The Authority continues to be proactive in taking measures to protect and serve its employees and customers as well as to keep business steadily moving forward. The Authority maintained its strong financial position and continues to actively seek available government aid and other resources to assist and overcome any financial setback.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)  
Management Discussion and Analysis (Unaudited)  
December 31, 2022 and 2021

With the continuance of the pandemic, the Navajo Nation status continued to improve with the approval and rollout of COVID-19 vaccines in early 2021. Currently, the Navajo Nation is reopening businesses at a moderate-high restriction level. Anticipated changes in business circumstances are positive and include the following:

- Aged receivable balances will improve as the Authority considers lifting the no disconnection policy and customers become more able to pay their bills as challenges from the COVID pandemic begin to normalize.
- The Authority continues to be active in pursuing loan and grant opportunities to fund economic disparity on the Navajo Nation. In 2021, the Navajo Nation received American Rescue Plan Act funding from the Federal Government to mitigate and contain the spread of COVID – 19. The Navajo Nation has earmarked an allocation to be distributed to the Authority in 2022.

The Authority continues to maintain internal policies to ensure the safety of its employees, customers, and the general public as they interact with the Authority.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Balance Sheets

December 31, 2022 and 2021

| <b>Assets and Deferred Outflows of Resources</b>                                                                     | <b>2022</b>             | <b>2021</b>          |
|----------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|
| <b>Current assets:</b>                                                                                               |                         |                      |
| Cash and cash equivalents (note 2)                                                                                   | \$ 5,123,335            | 11,382,062           |
| Cash and cash equivalents – restricted (note 2)                                                                      | 20,099,193              | 10,859,048           |
| Investments – certificates of deposit (notes 2 and 3)                                                                | —                       | 250,088              |
| <b>Receivables:</b>                                                                                                  |                         |                      |
| Utility services, net of allowance for uncollectible accounts of \$698,000 in 2022 and 2021                          | 28,233,052              | 20,154,085           |
| Unbilled utility revenue                                                                                             | 11,537,878              | 10,877,536           |
| Other, net (note 5)                                                                                                  | 19,151,583              | 12,462,414           |
| Materials and supplies, at average cost                                                                              | 11,955,981              | 10,484,119           |
| Prepaid costs                                                                                                        | 857,891                 | 6,906,300            |
| Regulatory assets – gas                                                                                              | 5,315,193               | 737,035              |
| Regulatory assets – electric                                                                                         | 2,845,651               | 2,408,280            |
| <b>Total current assets</b>                                                                                          | <b>104,919,537</b>      | <b>86,320,987</b>    |
| <b>Noncurrent restricted assets:</b>                                                                                 |                         |                      |
| Cash and cash equivalents – other noncurrent funds (note 2)                                                          | 9,715,709               | 18,099,830           |
| Cash and cash equivalents – capital projects fund (note 2)                                                           | 45,601,850              | 42,542,829           |
| Cash and cash equivalents – restricted special funds – debt service (note 2)                                         | 2,023,014               | 2,013,621            |
| Investments – capital projects fund (notes 2 and 3)                                                                  | 41,464,609              | 49,098,528           |
| Investments – restricted special funds – debt service (notes 2 and 3)                                                | 121,839                 | 228,569              |
| <b>Total noncurrent restricted assets</b>                                                                            | <b>98,926,821</b>       | <b>111,981,375</b>   |
| <b>Other noncurrent assets:</b>                                                                                      |                         |                      |
| Notes receivable (notes 5 and 6)                                                                                     | 35,030,045              | 36,875,237           |
| Receivables, excluding current installments, net of allowance for uncollectible accounts of \$2,000 in 2022 and 2021 | 7,413,526               | 9,492,628            |
| Other noncurrent assets (note 1(d))                                                                                  | 38,726,332              | 33,513,352           |
| Net pension asset (note 12)                                                                                          | 40,214,404              | 80,617,742           |
| Housing, net of accumulated depreciation of \$2,722,742 and \$2,534,559 in 2022 and 2021, respectively               | 5,635,131               | 5,488,804            |
| Investments in joint ventures (note 4)                                                                               | 25,129,571              | 28,839,440           |
| Investments in associated organizations                                                                              | 2,639,038               | 2,384,117            |
| <b>Total other noncurrent assets</b>                                                                                 | <b>152,788,047</b>      | <b>197,191,320</b>   |
| <b>Capital assets, net of accumulated depreciation (note 6)</b>                                                      | <b>1,027,328,372</b>    | <b>894,820,926</b>   |
| <b>Total noncurrent assets</b>                                                                                       | <b>1,279,043,240</b>    | <b>1,203,793,621</b> |
| <b>Total assets</b>                                                                                                  | <b>1,383,962,777</b>    | <b>1,290,114,588</b> |
| <b>Deferred outflows of resources:</b>                                                                               |                         |                      |
| Pension (note 12)                                                                                                    | 22,518,101              | 2,478,367            |
| Asset retirement obligations (note 1(s))                                                                             | 26,189,358              | 26,084,232           |
| <b>Total deferred outflows of resources</b>                                                                          | <b>48,707,459</b>       | <b>28,572,599</b>    |
| <b>Total assets and deferred outflows of resources</b>                                                               | <b>\$ 1,432,670,236</b> | <b>1,318,687,187</b> |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Balance Sheets

December 31, 2022 and 2021

| Liabilities, Deferred Inflows of Resources, and Net Position                    | <u>2022</u>             | <u>2021</u>          |
|---------------------------------------------------------------------------------|-------------------------|----------------------|
| <b>Current liabilities:</b>                                                     |                         |                      |
| Current installments of long-term debt (note 7)                                 | \$ 12,468,759           | 23,185,613           |
| Accounts payable                                                                | 48,123,084              | 39,855,980           |
| Customer deposits                                                               | 148,250                 | 185,716              |
| Accrued expenses                                                                | 17,442,695              | 12,986,447           |
| Compensated absences                                                            | 5,820,558               | 6,237,164            |
| Line of credit (note 9)                                                         | 84,643,392              | 22,932,637           |
| Other current liabilities (note 1(u))                                           | <u>52,116,371</u>       | <u>32,024,213</u>    |
| <b>Total current liabilities</b>                                                | <u>220,761,109</u>      | <u>137,407,750</u>   |
| <b>Noncurrent liabilities:</b>                                                  |                         |                      |
| Long-term debt, excluding current installments (note 7)                         | 359,858,177             | 344,780,724          |
| Other noncurrent liabilities (note 1(u))                                        | 29,255,063              | 32,124,523           |
| Customer advances for construction                                              | 2,444,791               | 2,592,157            |
| Asset retirement obligations (note 1(s))                                        | <u>29,026,134</u>       | <u>28,180,712</u>    |
| <b>Total noncurrent liabilities</b>                                             | <u>420,584,165</u>      | <u>407,678,116</u>   |
| <b>Total liabilities</b>                                                        | <u>641,345,274</u>      | <u>545,085,866</u>   |
| <b>Deferred inflows of resources:</b>                                           |                         |                      |
| Contributions in aid of construction, net of accumulated amortization (note 10) | 449,500,833             | 436,242,305          |
| Pension (note 12)                                                               | 2,420,858               | 29,474,032           |
| Lease (note 13)                                                                 | <u>9,135,280</u>        | <u>11,745,784</u>    |
| <b>Total deferred inflows of resources</b>                                      | <u>461,056,771</u>      | <u>477,462,121</u>   |
| <b>Net position:</b>                                                            |                         |                      |
| Net investment in capital assets                                                | 213,008,071             | 156,981,539          |
| Restricted – debt service                                                       | 33,058,114              | 12,919,766           |
| Unrestricted                                                                    | <u>84,204,006</u>       | <u>126,257,895</u>   |
| <b>Total net position</b>                                                       | <u>330,268,191</u>      | <u>296,139,200</u>   |
| <b>Total liabilities, deferred inflows of resources, and net position</b>       | <u>\$ 1,432,670,236</u> | <u>1,318,687,187</u> |

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Statements of Revenues, Expenses, and Changes in Net Position**  
Years ended December 31, 2022 and 2021

|                                                  | <u>2022</u>           | <u>2021</u>        |
|--------------------------------------------------|-----------------------|--------------------|
| Operating revenues:                              |                       |                    |
| Electric                                         | \$ 118,648,617        | 116,910,585        |
| Gas                                              | 25,536,127            | 21,122,766         |
| Water                                            | 22,431,334            | 23,088,039         |
| Other                                            | 19,611,775            | 18,435,807         |
| Wastewater                                       | 4,944,116             | 5,092,017          |
| Photovoltaic                                     | <u>432,855</u>        | <u>392,954</u>     |
| Gross operating revenues                         | 191,604,624           | 185,042,168        |
| Less provision for bad debts                     | <u>184,963</u>        | <u>1,243</u>       |
| Total operating revenues, net                    | <u>191,419,661</u>    | <u>185,040,925</u> |
| Operating expenses:                              |                       |                    |
| Electricity, gas, and water purchased for resale | 84,500,419            | 74,911,572         |
| Operation and maintenance                        | 32,124,339            | 26,885,480         |
| Administrative and general                       | 28,188,987            | 14,454,954         |
| Customer accounts and sales                      | 3,125,006             | 2,895,077          |
| Provision for depreciation and amortization      | <u>32,106,741</u>     | <u>32,012,238</u>  |
| Total operating expenses                         | <u>180,045,492</u>    | <u>151,159,321</u> |
| Operating income                                 | <u>11,374,169</u>     | <u>33,881,604</u>  |
| Nonoperating revenues (expenses):                |                       |                    |
| Interest expense                                 | (8,696,393)           | (4,152,633)        |
| Decrease in fair value of investments            | (1,713,632)           | (464,818)          |
| Merchandising, jobbing, and contract work, net   | 193,456               | 306,950            |
| Other, net                                       | 8,017,052             | 3,657,635          |
| Investment and interest income                   | 3,664,207             | 3,537,678          |
| (Loss) income from investment in joint venture   | <u>(3,709,868)</u>    | <u>613,938</u>     |
| Total nonoperating revenues                      | <u>(2,245,178)</u>    | <u>3,498,750</u>   |
| Income before capital contributions              | 9,128,991             | 37,380,354         |
| Capital contributions (note 8(b))                | <u>25,000,000</u>     | <u>—</u>           |
| Change in net position                           | 34,128,991            | 37,380,354         |
| Net position at beginning of year                | <u>296,139,200</u>    | <u>258,758,846</u> |
| Net position at end of year                      | <u>\$ 330,268,191</u> | <u>296,139,200</u> |

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Statements of Cash Flows**

December 31, 2022 and 2021

|                                                                         | <u>2022</u>          | <u>2021</u>          |
|-------------------------------------------------------------------------|----------------------|----------------------|
| Cash flows from operating activities:                                   |                      |                      |
| Cash received from customers                                            | \$ 170,410,755       | 161,503,011          |
| Cash payments for electricity, gas, and water purchased for resale      | (83,787,923)         | (70,209,747)         |
| Cash payments to vendors and employees for services                     | (49,625,288)         | (53,224,477)         |
| Net cash provided by operating activities                               | <u>36,997,544</u>    | <u>38,068,787</u>    |
| Cash flows from noncapital financing activities:                        |                      |                      |
| Proceeds from other assets                                              | 194,817              | 199,840              |
| Additions to other assets                                               | (1,519,876)          | (430,580)            |
| Noncapital CARES Act payments                                           | (2,874,423)          | (5,524,753)          |
| Net cash used in noncapital financing activities                        | <u>(4,199,482)</u>   | <u>(5,755,493)</u>   |
| Cash flows from capital and related financing activities:               |                      |                      |
| Additions to capital assets                                             | (193,991,774)        | (87,259,281)         |
| Proceeds on sale of capital assets and other services                   | —                    | 4,887,285            |
| Payments for other services                                             | (592,430)            | —                    |
| Proceeds from long-term debt                                            | 26,880,000           | 17,450,000           |
| Principal payments on long-term debt                                    | (12,636,873)         | (11,238,656)         |
| Interest payments on long-term debt                                     | (6,344,738)          | (3,647,322)          |
| Proceeds from line of credit                                            | 78,190,755           | 22,825,588           |
| Principal payments on line of credit                                    | (16,480,000)         | (18,800,000)         |
| Interest payments on line of credit                                     | (2,351,655)          | (505,311)            |
| Additions to other noncurrent assets                                    | (5,128,867)          | (16,643,810)         |
| Customer advances for construction                                      | 277,014              | 619,775              |
| Additions to other current liabilities                                  | (392,587)            | (8,580,028)          |
| Proceeds from Defunded CARES Act                                        | 33,760,497           | —                    |
| CARES Act funds returned to grantor                                     | —                    | (68,135,134)         |
| Capital contribution (note 8(b))                                        | 25,000,000           | —                    |
| Proceeds from contributions in aid of construction, excluding CARES Act | 27,152,274           | 32,353,791           |
| Net cash used in capital and related financing activities               | <u>(46,656,384)</u>  | <u>(136,683,103)</u> |
| Cash flows from investing activities:                                   |                      |                      |
| (Payments to) proceeds from investments in associated organization      | (304,800)            | 13,095               |
| Dividends from joint venture                                            | —                    | 1,865,058            |
| Distribution from Joint Venture                                         | —                    | 850,000              |
| Issuance of notes receivable                                            | —                    | (434,500)            |
| Proceeds from notes receivable                                          | 1,841,715            | 1,873,365            |
| Interest and dividends on investments                                   | 3,711,815            | 3,832,475            |
| Purchases of investments                                                | (5,991,329)          | (22,026,184)         |
| Proceeds from sales and maturities of investments                       | 12,266,432           | 1,143,209            |
| Net cash provided by (used in) investing activities                     | <u>11,523,833</u>    | <u>(12,883,481)</u>  |
| Net decrease in cash and cash equivalents                               | <u>(2,334,489)</u>   | <u>(117,253,290)</u> |
| Cash and cash equivalents at beginning of year                          | <u>84,897,390</u>    | <u>202,150,680</u>   |
| Cash and cash equivalents at end of year                                | \$ <u>82,562,901</u> | <u>84,897,390</u>    |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Statements of Cash Flows**

December 31, 2022 and 2021

|                                                                                                         | <u>2022</u>          | <u>2021</u>       |
|---------------------------------------------------------------------------------------------------------|----------------------|-------------------|
| Supplementary disclosure of cash flow information:                                                      |                      |                   |
| Reconciliation of cash and cash equivalents at end of year:                                             |                      |                   |
| Current assets:                                                                                         |                      |                   |
| Cash and cash equivalents                                                                               | \$ 5,123,335         | 11,382,082        |
| Cash and cash equivalents – restricted                                                                  | 20,099,193           | 10,859,048        |
| Noncurrent restricted assets:                                                                           |                      |                   |
| Cash and cash equivalents – other noncurrent funds                                                      | 9,715,709            | 18,099,830        |
| Cash and cash equivalents – capital projects fund                                                       | 45,601,650           | 42,542,829        |
| Cash and cash equivalents – restricted special funds – debt service                                     | <u>2,023,014</u>     | <u>2,013,621</u>  |
| Cash and cash equivalents at end of year                                                                | \$ <u>82,562,901</u> | <u>84,897,390</u> |
| Reconciliation of operating income to net cash provided by operating activities:                        |                      |                   |
| Operating income                                                                                        | \$ 11,374,169        | 33,681,604        |
| Adjustments to reconcile operating income to net cash provided by operating activities:                 |                      |                   |
| Provision for depreciation and amortization                                                             | 32,106,741           | 32,012,238        |
| Provision for bad debt                                                                                  | 184,963              | 1,243             |
| Changes in assets and liabilities:                                                                      |                      |                   |
| Increase in receivables                                                                                 | (16,338,875)         | (11,392,126)      |
| Changes in regulatory liabilities – gas costs, regulatory liabilities – electric, and other liabilities | (4,815,530)          | (12,150,930)      |
| Increase in materials and supplies                                                                      | (1,471,862)          | (2,022,024)       |
| Decrease (increase) in other current assets                                                             | 6,048,409            | (4,498,998)       |
| Increase in accounts payable, accrued expenses, and compensated absences                                | 16,638,765           | 21,141,304        |
| Increase in pension plan                                                                                | (6,689,770)          | (18,909,427)      |
| (Decrease) increase in customer deposits                                                                | <u>(39,468)</u>      | <u>3,903</u>      |
| Net cash provided by operating activities                                                               | \$ <u>36,997,544</u> | <u>38,068,787</u> |
| Noncash items:                                                                                          |                      |                   |
| Decrease in fair value of investments                                                                   | \$ 1,713,632         | 464,818           |
| Projects terminated prior to completion                                                                 | 1,274,406            | 1,122,538         |
| Changes in accrued additions to capital assets                                                          | (4,331,998)          | (4,752,358)       |
| Additions to contributions in aid of construction                                                       | —                    | 33,611,109        |
| (Loss) income from investment in joint venture                                                          | (3,709,869)          | 613,938           |
| Expired customer advances                                                                               | 424,381              | 520,176           |
| Forgiveness of debt 7(a)                                                                                | 9,882,528            | —                 |

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Statements of Fiduciary Net Position**

**December 31, 2022 and 2021**

| <b>Assets</b>                             | <b>2022</b>                  | <b>2021</b>               |
|-------------------------------------------|------------------------------|---------------------------|
| <b>Assets:</b>                            |                              |                           |
| Cash and cash equivalents                 | \$ 3,423,989                 | 1,636,247                 |
| Accrued income receivable                 | 353,322                      | 236,280                   |
| Investments (at fair value)               | <u>160,664,349</u>           | <u>195,248,461</u>        |
| <b>Total assets</b>                       | <b>\$ <u>164,441,640</u></b> | <b><u>197,120,988</u></b> |
| <b>Liabilities and Net Position</b>       |                              |                           |
| <b>Liabilities:</b>                       |                              |                           |
| Benefits payable                          | \$ <u>382,464</u>            | <u>253,849</u>            |
| <b>Total liabilities</b>                  | <b><u>382,464</u></b>        | <b><u>253,849</u></b>     |
| <b>Net position:</b>                      |                              |                           |
| Net position restricted for pensions      | <u>164,059,176</u>           | <u>196,867,139</u>        |
| <b>Total net position</b>                 | <b><u>164,059,176</u></b>    | <b><u>196,867,139</u></b> |
| <b>Total liabilities and net position</b> | <b>\$ <u>164,441,640</u></b> | <b><u>197,120,988</u></b> |

See accompanying notes to basic financial statements.



**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Statements of Changes in Fiduciary Net Position**  
**Years ended December 31, 2022 and 2021**

|                                                                             | <u>2022</u>           | <u>2021</u>        |
|-----------------------------------------------------------------------------|-----------------------|--------------------|
| <b>Additions:</b>                                                           |                       |                    |
| Employer contributions                                                      | \$ 3,000,000          | 3,000,000          |
| Employee contributions                                                      | 2,048,541             | 1,899,933          |
| Realized and unrealized gains on pension plan assets                        | (36,673,364)          | 10,840,887         |
| Interest, dividends, and other investment income, net of investment expense | <u>3,061,712</u>      | <u>2,903,945</u>   |
| <b>Total additions</b>                                                      | <u>(28,563,111)</u>   | <u>18,644,765</u>  |
| <b>Deductions:</b>                                                          |                       |                    |
| Administrative expense                                                      | 103,093               | 197,134            |
| Benefits expense                                                            | <u>4,141,759</u>      | <u>3,693,712</u>   |
| <b>Total deductions</b>                                                     | <u>4,244,852</u>      | <u>3,890,846</u>   |
| <b>Net (decrease) increase in fiduciary net position</b>                    | <u>(32,807,963)</u>   | <u>14,753,919</u>  |
| <b>Net position at beginning of year</b>                                    | <u>196,867,139</u>    | <u>182,113,220</u> |
| <b>Net position at end of year</b>                                          | <u>\$ 164,059,176</u> | <u>196,867,139</u> |

See accompanying notes to basic financial statements.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(1) Summary of the Business and Significant Accounting Policies**

**(a) Organization**

The Navajo Tribal Utility Authority (the Authority) was created in 1959 as a department of the Navajo Nation, and subsequently became an enterprise of the Navajo Nation pursuant to Resolution CD-61-61 of the Navajo Tribal Council, dated December 5, 1961, which was confirmed by Council Resolution CAP-46-65, dated April 22, 1965. The Authority, located in Fort Defiance, New Mexico, provides electric, gas, water, wastewater, photovoltaic, solar generation, and communication services within the Navajo Nation and surrounding areas.

**(b) Financial Preparation and Presentation**

As an enterprise of the Navajo Nation, the Authority is considered a special-purpose government engaged solely in business-type activities and follows proprietary fund accounting and reporting. As a tribal enterprise, the Authority considers itself exempt from federal and state income taxes.

The accompanying basic financial statements present the Authority and its blended component units, New Markets III, LLC (note 8(a)); NTUA Generation, Inc. (note 8(b)); NTUA New Markets V, Inc. (note 8(c)); NTUA Leverage Lending, LLC (note 8(d)); and NTUA Headquarters, Inc. (note 8(e)); (collectively, the Authority).

Although legally separate entities, NTUA New Markets III, LLC, NTUA New Markets V, Inc., NTUA Leverage Lending, LLC, NTUA Generation, Inc., and NTUA Headquarters, Inc. (the blended component units) are considered part of the operations of the Authority in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity; Omnibus, an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, and GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, because the Authority is legally obligated to provide financial support to, and is the sole beneficiary of, the blended component units and their assets.

All significant intercompany balances and transactions with the blended component units have been eliminated in consolidation.

The basic financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles as promulgated by the GASB. The Authority uses the economic resources measurement focus and the full accrual method of accounting.

The Authority complies with all applicable pronouncements of the GASB.

**(c) Regulation and Method of Accounting**

The Authority's rates for utility services are approved and subject to oversight by its management board and provide for the recovery of actual cost of purchased power and gas incurred for most customers. The Authority is not regulated by any federal or state utility commissions.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

The Authority accounts for its regulated operations under the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraphs 476–500. The economic effects of the regulation can result in a regulated entity recording costs that have been, or are expected to be, approved by the management board for recovery from customers in the rate-setting process in a period different from the period in which the costs would be charged to expense by an unregulated entity. Accordingly, the Authority records assets, liabilities, and deferred inflows of resources that result from the regulated ratemaking process that would not be recorded under U.S. generally accepted accounting principles for nonregulated entities. Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent amounts that are collected from customers through the ratemaking process associated with costs to be incurred in future periods. Management continually assesses whether regulatory assets are probable of future recovery by considering factors such as applicable regulatory changes and recent rate orders applicable to other regulated entities as well as meeting regularly with its management board. Based on this continual assessment, management believes the existing regulatory assets are probable of recovery. The regulatory assets, regulatory liabilities, and certain of the deferred inflows of resources are classified in the balance sheets as other noncurrent assets, regulatory liabilities – gas, regulatory liabilities – electric, contributions in aid of construction, other current liabilities, and other noncurrent liabilities. The Authority periodically evaluates the applicability of GASB Statement No. 62 and considers factors such as regulatory changes.

**(d) Other Noncurrent Assets**

Other noncurrent assets consist of preliminary survey and design costs that are incurred to determine the feasibility of potential construction projects. If determined to be feasible and project construction proceeds, the costs are transferred to construction in progress. If the project is determined to not be feasible, the costs are charged to expense at that time. Other noncurrent assets also include costs incurred to acquire infrastructure that were not capitalized as part of the acquired asset but for which the related costs incurred are expected to be approved by the management board to be recovered by the Authority.

The following is a summary of other noncurrent assets as of December 31:

|                               | <u>2022</u>          | <u>2021</u>       |
|-------------------------------|----------------------|-------------------|
| Preliminary survey and design | \$ 33,461,413        | 30,570,825        |
| Other                         | <u>3,264,919</u>     | <u>2,942,527</u>  |
|                               | <u>\$ 36,726,332</u> | <u>33,513,352</u> |

**(e) Customer Advances for Construction and Contributions in Aid of Construction**

Advances for construction represent amounts advanced by residential customers, primarily for line extensions. Advance contracts are refundable to the depositor in certain specific circumstances over a five-year period for electric, gas, water, and wastewater. Upon expiration of advance contracts, any remaining balances are credited to contributions in aid of construction (CIAC).

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Notes to Basic Financial Statements**  
**December 31, 2022 and 2021**

CIAC represents both cash and asset contributions from third parties, primarily government agencies, to construct capital assets. CIAC is amortized under the same method as the respective capital asset and the amortization is recorded as a reduction in depreciation expense.

**(f) *Materials and Supplies***

Materials and supplies consist of items held for consumption and are stated at the lower of average cost or market. The Authority accounts for materials and supplies under the consumption method, wherein acquisitions are recorded to materials and supplies accounts and charged to expense, capital projects, or other assets, as appropriate based on the specific use of the materials and supplies, when used.

**(g) *Capital Assets***

All the Authority's operations are conducted from capital assets located on the Navajo Nation and surrounding areas. Capital assets, which are to be recovered through rates charged to customers, are stated at original cost, which includes applicable labor, payroll taxes, pension costs, other fringe benefits, directly applicable administrative and general costs, and an allowance for funds used during construction. In 2022 and 2021, no projects qualified for the computation of an allowance. No allowance is computed on construction projects funded with CIAC or customer advances. The cost of current repairs is charged to operating expense and renewals and betterments are capitalized.

Rates charged to water and wastewater customers are not intended to recover depreciation on water and wastewater facilities acquired with CIAC. This policy was adopted given that: (1) significant amounts of the capital invested in water and wastewater facilities have been contributed to allow the Authority to construct facilities for which the customer base has been determined to be unable to bear the burden of the infrastructure costs through user charges; (2) the Authority anticipates that replacement capital requirements will also come from contributions; and (3) it is the policy of the Authority to provide water and wastewater treatment services at the lowest possible cost in an effort to improve the environmental health of the Navajo people.

The cost of capital assets acquired with CIAC and customer advances for construction is included in utility plant in service.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

Depreciation is computed using the composite method for plant in service assets and the straight-line depreciation method for all other asset classes at the following annual rates:

|                                          | <u>2022</u> | <u>2021</u> |
|------------------------------------------|-------------|-------------|
| Computers                                | 5 years     | 5 years     |
| Vehicles                                 | 5 years     | 5 years     |
| Software and other intangibles           | 5 years     | 5 years     |
| Heavy equipment                          | 10 years    | 10 years    |
| Buildings                                | 30 years    | 30 years    |
| Plant in service – Electric              | 2.5 %       | 2.5 %       |
| Plant in service – Gas                   | 3.7         | 3.7         |
| Plant in service – Water                 | 2.7         | 2.7         |
| Plant in service – Wastewater            | 3.6         | 3.6         |
| Plant in service – Photovoltaic          | 9.4         | 9.4         |
| Plant in service – Communication systems | 5.8         | 5.8         |
| Plant in service – Generation assets     | 5.0         | 5.0         |

Gains or losses resulting from plant in service retired or otherwise disposed of in the normal course of business, less any salvage value, are credited or charged to accumulated depreciation. If significant dispositions, retirements, or replacements of plant in service occur that represent significant variations from the original estimated lives, gains or losses will be charged to the statement of revenues, expenses, and changes in net position under gain/loss on the sale of assets. Gains and losses resulting from the disposition of vehicles, software and other intangibles, computers, heavy equipment, solar assets, and buildings will be charged to gain/loss on the sale of assets, which is included in other, net in the statements of revenues, expenses, and changes in net position.

**(h) Long-Lived Assets**

The Authority applies GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 states that asset impairment is a significant, unexpected decline in the service utility of a capital asset. The service utility of a capital asset is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization, which is the portion of the usable capacity currently being used. Decreases in utilization or increases in surplus capacity that are not associated with a decline in service utility are not considered to be impairments. No impairments were recorded in 2022 or 2021.

**(i) Revenues and Cost of Electricity, Gas and Water Purchased for Resale**

The Authority's tariff rates for all services are approved and subject to oversight by its management board. The principal operating revenues are generated from the sale and transmission of power. Electric for consumption, gas, and water operating revenues are recorded when the utility is delivered, or service is provided. Customers' meters are read, and bills are rendered monthly. Electric wholesale is recorded based on agreements. Residential wastewater operating revenues are recorded based on the average monthly amount of water delivered during the final quarter of the previous year. Commercial wastewater operating revenues are recorded based on the amount of water delivered. The

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

Authority accrues estimated unbilled revenues from the last meter reading dates to the end of the fiscal period. Communication revenues are recorded based on tower lease agreement terms and backhaul service revenues are recorded based on amount of service utilized.

Operating expenses for electricity, gas, and water purchased for resale are stated at actual cost incurred. The Authority, as approved by the management board, has adjustment clauses that pass on to customers the actual cost of purchased power and gas incurred. Any differences between the actual cost of purchased power and gas and the costs recovered in the base rates are reflected as regulatory assets – gas, regulatory assets – electric, regulatory liabilities – gas, and regulatory liabilities – electric in the accompanying balance sheets. Such differences are accrued until the applicable amounts are collected from or refunded to customers. Certain large power users are excluded from the adjustment clauses under their respective service agreements.

**(j) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows of resources, and deferred outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the valuation of accounts receivable, inventories, and long-lived assets, legal contingencies, and assumptions used in the calculation of postemployment benefits, among others. These estimates and assumptions are based on the Authority's best estimates and judgment.

**(k) Cash and Cash Equivalents and Restricted Cash – Current**

Cash and cash equivalents consist principally of deposits in financial institutions and money market funds that are restricted based on agreements. Agreements include grant and financing agreements. Cash and cash equivalents and restricted cash within current assets represent those amounts that are available, or are expected to become available, to meet current operating needs. Restricted cash – current represents amounts that have been restricted for use on specific, noncapital projects. For purposes of the statements of cash flows, the Authority considers all cash, including restricted cash, on hand and in banks, and all highly liquid securities with an original maturity of three months or less to be cash equivalents.

**(l) Restricted Special Funds**

The Authority is required under certain of its debt covenants to restrict various amounts for payment of debt service and contingencies. These amounts are not available to meet current operating needs of the Authority and, therefore, are classified as noncurrent assets. Restricted special funds are reported as Cash and cash equivalent – debt service and Investments – debt service. Noncurrent cash and cash equivalents consist of deposits in financial institutions and money market funds. Noncurrent investments – debt service consist of U.S. government obligations and a cushion of credit (COC) account.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply restricted resources, then apply unrestricted resources.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(m) Cash and Cash Equivalents – Capital Projects Fund**

Cash and cash equivalents – capital projects fund consists of deposits and money market funds at various financial institutions. The capital projects fund is recorded as a noncurrent asset and represents amounts that have been restricted, committed, or assigned to future capital expenditures.

**(n) Cash and Cash Equivalents – Other Noncurrent Funds**

Cash and cash equivalents – other noncurrent funds are funds that are required under certain agreements to be restricted for future operating and maintenance beyond twelve months as of the balance sheet date. Includes money market and deposits at various financial institutions.

**(o) Investments – Capital Projects Fund**

Other noncurrent investment capital funds consist of investments in U.S. Treasury bills and of investments in mutual funds. The capital projects fund is recorded as a noncurrent asset and represents amounts that have been restricted for use on future capital expenditures.

**(p) Investments**

The Authority's investments are made up primarily of joint ventures (note 4), certificates of deposit, mutual funds, capital term certificates, government agency securities, and corporate bonds. All investments, except for investments in joint ventures and investments in associated organizations, are recorded at fair value (note 3) and any changes in fair value are reported as increases (decreases) in fair value of investments in the accompanying statements of revenues, expenses, and changes in net position. Investments in associated organizations are recorded at amortized cost-plus allocated patronage capital less capital credits.

The Authority is a member of the National Rural Utilities Cooperative Finance Corporation (CFC). Membership in CFC requires the purchase of CFC Capital Term Certificates, as defined in the subscription agreement. The Authority is not committed to purchase any additional certificates.

**(q) Classification of Operating and Nonoperating Revenues and Expenses**

The Authority defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or a service. Operating revenues includes billings for utility consumption, wholesale electric sales, and related services. Operating expenses include personnel services, contractual services, utility services purchased for resale, other expenses (such as insurance), and depreciation. Revenues and expenses not meeting the above definitions are considered nonoperating.

For the year ended December 31, 2022, excluding affiliates (note 11), the Authority had six major electric customers and one major gas customer that aggregated to 13.9% of net utility services receivables. The six major electric customers aggregated to 22.5% of electric operating revenues (including communications). The one major gas customer aggregated to 41.9% of gas operating revenues. In total, the six major electric customers and one major gas customer aggregated to 21.8% of total operating revenues.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

For the year ended December 31, 2021, excluding affiliates (note 11), the Authority had six major electric customers and one major gas customer that aggregated to 4.8% of net utility services receivables. The six major electric customers aggregated to 22.7% of electric operating revenues (including communications). The one major gas customer aggregated to 38.4% of gas operating revenues. In total, the six major electric customers and one major gas customer aggregated to 21.0% of total operating revenues.

**(r) Compensated Absences**

Accumulated annual leave is recorded as a liability as incurred. Annual leave is provided to full-time employees. Up to 60 days of annual leave may be accumulated and carried over to a subsequent fiscal year.

**(s) Asset Retirement Obligations**

The Authority accounts for its asset retirement obligations in accordance with GASB Statement No. 83, Asset Retirement Obligations, which requires the recognition and measurement of liabilities for legal obligations associated with the retirement of tangible long-lived assets. Liabilities for asset retirement obligations are measured based on the best estimate of the current value of outlays and recognized when the liability is incurred and reasonably estimable, with a corresponding deferred outflow of resources. The deferred outflows of resources are recognized as expense in a systematic and rational manner over the remaining estimated useful life of the tangible capital asset. The Authority's asset retirement obligations associated with tangible capital assets are those for which a legal obligation exists under enacted laws, statutes or contracts. Amounts recorded for asset retirement obligations are subject to various assumptions and determinations, such as determining whether an obligation exists to remove assets and estimating the current value of the costs. After the initial recognition, the asset retirement obligation liability is adjusted for the effects of general inflation or deflation, and for any significant changes in estimated asset retirement outlays annually.

Existing laws and regulations require the Authority to take specific action when retiring water wells and wastewater lagoons. The Authority had 244 at December 31, 2022 and 2021, with an average remaining useful life of 31.5 years. The Authority had 104 wastewater lagoons at December 31, 2022 and 2021, with an average remaining useful life of 28.0 years. The Navajo Nation Environmental Protection Agency and the United States Environmental Protection Agency require the Authority take specific steps upon retirement of these assets. Steps include the permanent filling of wells and the removal, transportation and disposal of sludge lagoons. Based on contract estimates and invoices for similar projects, the Authority's asset retirement obligation for wells was approximately \$11,400,000 and \$11,000,000 at December 31, 2022 and 2021, respectively, and the Authority's asset retirement obligation for wastewater lagoons was approximately \$17,700,000 and \$17,200,000, respectively.

**(t) Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until that future time. Deferred inflows of resources represent an increase of net position that applies to future periods.



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(u) Other Current and Noncurrent Liabilities**

Other liabilities include grants, prepaid revenue, and other credits to be recognized after the balance sheet date. Included in Navajo Nation ARPA grants are unspent grant funds received through grant sub-agreements from the Navajo Nation. Included Other credits are credits to be applied to accounts receivables. Included in Other Navajo Nation Grants are unspent grants received from the Navajo Nation, primarily associated with Sihasin funds. Included in other prepayments is prepaid revenue received from Western Area Power Administration (WAPA) related to future wheeling agreement. Other liabilities designated to be spent in periods more than 12 months from the balance sheet date are classified as noncurrent.

The following is a summary of other current and noncurrent liabilities as of December 31:

|                            | 2022          | 2021         |
|----------------------------|---------------|--------------|
| Navajo Nation ARPA Act     | \$ 17,615,285 | —            |
| Other Navajo Nation grants | 22,312,515    | 30,405,200   |
| Customer prepayments       | —             | 2,988,075    |
| Other prepayments          | 24,940,142    | 21,605,680   |
| Other grants               | 3,261,552     | 495,461      |
| Other credits              | 13,241,940    | 8,654,320    |
| Total other liabilities    | 81,371,434    | 64,148,736   |
| Less noncurrent portion    | (29,255,063)  | (32,124,523) |
| Other current liabilities  | \$ 52,116,371 | 32,024,213   |

**(v) New Accounting Pronouncements**

In 2017, the GASB issued Statement No. 87, *Leases*, which, subsequent to the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, is effective for the Authority for reporting periods beginning after December 31, 2022, and 2021 for comparative purposes. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the statement, the Authority as a lessee, is required to recognize a lease liability and an intangible right to use the leased asset, and as a lessor is required to recognize a lease asset receivable and a deferred inflow of resources. The Authority adopted GASB Statement No. 87, *Leases*, in 2021 on a retroactive basis to all periods presented in the accompanying basic financial statements. The adoption of this statement did not have a significant effect on the basic financial statements of the Authority for the years ended 2022 and 2021.

In 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for reporting periods beginning after June 30, 2022. Statement 96 requires the recognition of subscription-based information technology arrangements (SBITAs) as an intangible right-to-use subscription asset with a corresponding subscription liability. Under this standard, a lessee is required to recognize a SBITA lease liability and an intangible right-to-use SBITA lease asset, and a

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

lessor is required to recognize a lease SBITA receivable and a deferred inflow of resources. The Authority is evaluating the impact of Statement No. 96 on its basic financial statements.

**(2) Cash, Cash Equivalents, and Investments**

**(a) Cash and Cash Equivalents**

While the Authority maintains all cash accounts at institutions covered by federal depository insurance, the Authority does not have a policy regarding custodial risk related to deposit accounts. The balances maintained at these institutions exceed the amounts covered by federal depository insurance levels, generally \$250,000 per depositor. As of December 31, 2022 and 2021, the Authority's main operating account had a carrying amount of \$6,079,524 and \$5,401,837, respectively. The balance in excess of federal depository insurance levels within the main operating account as of December 31, 2022 and 2021 of \$5,829,524 and \$5,151,837, respectively, is uncollateralized but it is covered by a fund insurance policy. The total cash and cash equivalents balance at December 31, 2022 and 2021 of \$5,123,335 and \$11,382,062, respectively, represents unrestricted petty cash, various cash accounts, and highly liquid securities with original maturities of three months or less.

**(b) Restricted Cash and Cash Equivalents – Current**

Restricted cash and cash equivalents – current balance at December 31, 2022 and 2021 was \$20,099,193 and \$10,859,048, respectively.

At December 31, 2022, restricted cash and cash equivalents – current included \$10,500,000 associated with a Wells Fargo standby letter of credit agreement dated September 28, 2022, \$6,825,000 associated with a Wells Fargo standby letter of credit agreement dated September 28, 2022 (note 9), \$2,625,000 associated with a Wells Fargo standby letter of credit collateral agreement dated March 7, 2018 (note 9), and \$149,193 associated with the new markets tax credit transactions (note 8).

At December 31, 2021, restricted cash and cash equivalents – current included \$5,000,000 associated with a Wells Fargo standby letter of credit agreement dated December 11, 2019 (note 9), \$2,500,000 associated with a Wells Fargo standby letter of credit collateral agreement dated March 7, 2018 (note 9), \$1,000,000 associated with the Great Western Bank (GWB) standby letter of credit collateral agreement dated May 19, 2017 (note 9), \$978,359 associated with a collateral cash balance related to the First Interstate Bank (FIB) loan agreement dated May 25, 2016 (note 7), \$1,000,000 related to anticipated 2022 operating spend relating to Asset Purchase Agreement dated November 27, 2017, and \$380,689 associated with the new markets tax credit transactions (note 8).

**(c) Restricted Cash and Cash Equivalents – Noncurrent**

Restricted cash and cash equivalents – noncurrent represent balances which have been identified as other noncurrent funds, capital project funds, or restricted special funds – debt service.

As of December 31, 2022 and 2021, cash and cash equivalents – other noncurrent funds balances include \$9,715,709 and \$18,099,830, respectively. Balances include \$5.9 million and \$10 million operating and maintenance grant, \$3.3 million and \$5 million repairs grant, \$480,000 and \$1.5 million

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

admin grant and \$0 and \$1.6 million Dominion operating and maintenance grant in 2022 and 2021 respectively.

As of December 31, 2022, the capital projects fund balance was \$45,601,650. This amount included \$15,887,695 associated with WAPA wheeling agreement, \$16,389,147 in unspent loan funds for water and waste water extensions, \$5,425,523 reserved from the Navajo Nation for identified electric projects (note 11), \$5,000,000 in grant funds earmarked for emergency replacement of water systems, \$2,363,000 related to deferred construction, \$285,583 relating to electric connections grant, \$142,261 utility extensions grant for the Westwater, UT area and \$108,441 in other grants earmarked for water projects.

As of December 31, 2021, the capital projects fund balance was \$42,542,829. This amount included \$20,504,048 associated with WAPA wheeling agreement, \$5,342,975 in unspent loan funds for water and waste water extensions, \$8,265,825 reserved from the Navajo Nation for identified electric projects (note 11), \$5,000,000 in grant funds earmarked for emergency replacement of water systems, \$2,363,000 related to deferred construction, \$444,101 relating to electric connections grant, \$388,244 related to Asset Purchase Agreement dated November 27, 2017, and \$234,636 utility extensions grant for the Westwater, UT area.

As of December 31, 2022 and 2021, cash and cash equivalents – debt service included \$2,023,014 and \$2,013,621, respectively, related to the 2018 debt agreement with FIB (note 7).

**(d) Investment Policy**

The primary objectives of the Authority's investments, other than investments in joint ventures and investments in associated organizations, are safety of principal and maintenance of adequate liquidity for operations. Consistent with this policy, the Authority attempts to invest in instruments to achieve the highest rate of return in the most cost-efficient manner. The Authority allows investments in, but is not limited to, U.S. Treasury and government agency securities, certificates of deposit, capital term certificates, and high-grade corporate instruments, including commercial paper and corporate and municipal bonds. The issuer or guarantor must have no less than an "A" rating by Standard & Poor's (S&P's) or Moody's Investor Services (Moody's) on its long-term debt. If the S&P's or Moody's rating should drop below the approved level, the Authority has 10 days to liquidate the position. The Authority was not in compliance with this policy as of December 31, 2022 and 2021, as current investments are not rated (investment ratings in note 2(e)). In addition, certificate of deposits shall not exceed \$250,000 per financial institution, which must be insured by the Federal Deposit Insurance Corporation. As of December 31, 2022 and 2021, the Authority was in compliance with this policy.

**(e) Investment Interest Rate and Credit Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment; the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits its exposure to interest rate risk.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

The following tables provide information on the interest rates and credit ratings associated with the Authority's investments at December 31, 2022 and 2021:

| <b>December 31, 2022</b> |                       |                                   |                                                                       |                      |
|--------------------------|-----------------------|-----------------------------------|-----------------------------------------------------------------------|----------------------|
| <b>Investment</b>        | <b>Carrying value</b> | <b>Rating<br/>Moody's S&amp;P</b> | <b>Weighted<br/>average<br/>investment<br/>maturities<br/>(years)</b> | <b>Interest rate</b> |
| U.S. Treasury bills      | \$ 32,628,886         | Not rated                         | N/A                                                                   | 0.125%–1.75%         |
| Mutual funds             | 8,820,522             | N/A                               | N/A                                                                   | N/A                  |
| Certificates of deposit  | —                     | Not rated                         | N/A                                                                   | N/A                  |
| MN Lehman Brothers       | 525                   | Not rated                         | N/A                                                                   | N/A                  |
| Other                    | 121,839               | Not rated                         | N/A                                                                   | 0.00%–4.00%          |
| Total investments        | <u>\$ 41,571,772</u>  |                                   |                                                                       |                      |

| <b>December 31, 2021</b> |                       |                                   |                                                                       |                      |
|--------------------------|-----------------------|-----------------------------------|-----------------------------------------------------------------------|----------------------|
| <b>Investment</b>        | <b>Carrying value</b> | <b>Rating<br/>Moody's S&amp;P</b> | <b>Weighted<br/>average<br/>investment<br/>maturities<br/>(years)</b> | <b>Interest rate</b> |
| U.S. Treasury bills      | \$ 39,742,450         | Not rated                         | N/A                                                                   | 0.125%–1.75%         |
| Mutual funds             | 9,355,251             | N/A                               | N/A                                                                   | N/A                  |
| Certificates of deposit  | 250,088               | Not rated                         | 0.83                                                                  | 1.68%–1.79%          |
| MN Lehman Brothers       | 825                   | Not rated                         | N/A                                                                   | N/A                  |
| Other                    | 226,569               | Not rated                         | N/A                                                                   | 0.00%–4.00%          |
| Total investments        | <u>\$ 49,575,183</u>  |                                   |                                                                       |                      |

The restricted investment listed under restricted special funds – debt service includes amount required under the debt agreement with the Economic Development Administration (note 7), and funds held in Rural Utility Services (RU) COC account which can only be applied to RUS debt principal or interest (note 7).

**(f) Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the magnitude of the Authority's investment in a single issuer. The Authority has a policy limiting the amount of certificates of deposit with one financial institution; however, it does not have a formal policy limiting the amount of other investments with a single issuer. The following issuers and their respective percentage of total investments represent greater than 5% of the Authority's total investments reported on the accompanying balance sheet as of December 31, 2022: U.S. Treasury bills 47.1%; Mutual funds 12.7%; and NTUA Wireless 36.2%. The following issuers and their respective percentage of total investments represent greater

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

than 5.0% of the Authority's total investments reported on the accompanying balance sheet as of December 31, 2021: U.S. Treasury bills 49.2%; Mutual funds 11.6%; and NTUA Wireless 36.8%.

**(3) Fair Value Measurements**

The Authority follows GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining fair value measurements and requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Certain of the Authority's investments are recorded at fair value as of December 31, 2022 and 2021.

GASB Statement No. 72 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the Authority's assumptions about how market participants would value the financial instrument.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels (Levels 1, 2, and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3. A financial instrument's level within the fair value hierarchy (where Level 1 is the highest and Level 3 is the lowest) is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

- Level 1 – Quoted or published prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – Observable inputs other than quoted or published prices included within Level 1, such as quoted prices for similar assets and liabilities, and other inputs that are observable for an asset or liability, either directly or indirectly.
- Level 3 – Pricing inputs that are unobservable for the asset or liability and may rely on inputs using the best available data under the circumstances, including the government's own data.

The following is a description of the valuation methodologies used for investments measured at fair value:

- Certificates of deposit – The fair value is based on quoted prices in active markets and is classified as Level 1.
- Mutual funds – The fair value is based on published prices in active markets and is classified as Level 1.
- U.S. government agency obligations – The fair value of U.S. Treasury bills is based on quoted prices in active markets and is classified as Level 1.
- Corporate obligations – The fair value is based on institutional bond quotes and evaluations based on various market data/inputs and is classified as Level 2.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

The Authority has no investments that are classified in Level 3.

The following tables summarize the Authority's investments within the fair value hierarchy at December 31, 2022 and 2021:

| December 31, 2022                  |               |            |         |         |
|------------------------------------|---------------|------------|---------|---------|
|                                    | Total         | Level 1    | Level 2 | Level 3 |
| Debt securities:                   |               |            |         |         |
| Certificates of deposit            | \$ —          | —          | —       | —       |
| Mutual funds                       | 8,820,522     | 8,820,522  | —       | —       |
| U.S. government agency obligations | 32,629,411    | 32,629,411 | —       | —       |
| Corporate obligations              | 121,839       | —          | 121,839 | —       |
| Total investments at fair value    | \$ 41,571,772 | 41,449,933 | 121,839 | —       |

| December 31, 2021                  |               |            |         |         |
|------------------------------------|---------------|------------|---------|---------|
|                                    | Total         | Level 1    | Level 2 | Level 3 |
| Debt securities:                   |               |            |         |         |
| Certificates of deposit            | \$ 250,088    | 250,088    | —       | —       |
| Mutual funds                       | 9,355,251     | 9,355,251  | —       | —       |
| U.S. government agency obligations | 39,743,275    | 39,743,275 | —       | —       |
| Corporate obligations              | 226,569       | —          | 226,569 | —       |
| Total investments at fair value    | \$ 49,575,183 | 49,348,614 | 226,569 | —       |

**(4) Investments In Joint Ventures**

In 2011, the Authority entered into a series of agreements, collectively the joint venture agreement, with Commnet Wireless, LLC (Commnet), for the purpose of engaging in the business of providing internet and voice telephone services in and near the Navajo Nation. The joint venture, NTUA Wireless, LLC, is a limited liability company under the laws of the state of Delaware. In accordance with the series of agreements, the Authority and Commnet own 51.0% and 49.0%, respectively, of NTUA Wireless, LLC. Commnet is the managing partner of NTUA Wireless, LLC. The net income of NTUA Wireless, LLC is allocated based on common stock ownership. The Authority is not required to fund any losses of NTUA Wireless, LLC. The Authority and Commnet each hold two seats on the board of directors of NTUA Wireless, LLC. In the event of a tie vote, Commnet, as the managing partner, will cast the tiebreak vote. However, at least one board of directors' member appointed by the Authority must vote in the affirmative for those matters related to significant business actions, such as the sale of NTUA Wireless, LLC, an acquisition or issuance of debt in excess of \$10 million, payments to Commnet except as set forth in the joint venture agreement, issuance of new equity securities, or dissolution of the joint venture. As a result, neither the Authority nor Commnet is considered to hold a controlling financial interest in NTUA Wireless, LLC as neither party has exclusive authority over the decision-making related to significant ordinary course of business actions.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

The Authority's investment in NTUA Wireless, LLC comprises of the following:

|                                               | <u>2022</u>          | <u>2021</u>        |
|-----------------------------------------------|----------------------|--------------------|
| Beginning balance of NTUA Wireless investment | \$ 28,839,440        | 30,090,560         |
| NTUA share of NTUA Wireless net income        | (3,709,869)          | 613,938            |
| Distributions from NTUA Wireless              | <u>—</u>             | <u>(1,865,058)</u> |
| Ending balance of NTUA Wireless investment    | \$ <u>25,129,571</u> | <u>28,839,440</u>  |

Financial statements of NTUA Wireless, LLC are not publicly available.

As part of the joint venture agreement, the Authority will provide NTUA Wireless, LLC certain services, including administer NTUA Wireless, LLC responsibilities related to obtaining necessary tribal approvals; administer all human resources services; purchase all equipment and services not received as part of the initial capital contributions; administer other services, such as meeting and hotel rooms, payroll management, and engineering services; participate in providing business and operations guidance to NTUA Wireless, LLC; and provide other services of employees of the Authority as needed by NTUA Wireless, LLC. NTUA Wireless, LLC shall compensate the Authority for all the provided services.

In 2019, the Authority entered into a series of agreements, collectively the joint venture agreement, with Westblock Hosting Arizona, LLC for the purpose of engaging in the business of providing blockchain services, applications, and hosting services on the Navajo Nation. In accordance with the agreements, the Authority and Westblock Hosting Arizona, LLC owned 51.0% and 49.0%, respectively. Westblock Hosting Arizona, LLC was the managing partner of NTUA Westblock, LLC

In 2021, the Authority entered a Unit Purchase, Sale and Installment agreement with Westblock Hosting Inc. whereas the Authority agreed to sell its interest in the joint venture including its 510,000 Common Units to Westblock Hosting Inc. for the purchase price of \$869,000. Westblock Hosting paid an initial payment of \$434,500 and is to pay the remaining in installments (See note 5(b)). Also, as part of the agreement Westblock Hosting Inc. transferred all related leases to the Authority.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(5) Other Receivables**

The Authority's other current and noncurrent receivables comprise the following:

**(a) Other Current Receivables**

Other current receivables consist of the following at December 31:

|                                                      | <u>2022</u>          | <u>2021</u>       |
|------------------------------------------------------|----------------------|-------------------|
| Receivables from customers for construction projects | \$ 15,332,751        | 8,175,933         |
| Current portion of notes receivables                 | 1,845,191            | 1,841,715         |
| Current portion of lease receivables                 | 1,835,296            | 2,321,598         |
| Interest receivable                                  | 83,013               | 80,742            |
| Other receivables                                    | <u>55,312</u>        | <u>42,426</u>     |
| Other current receivables                            | <u>\$ 19,151,583</u> | <u>12,462,414</u> |

**(b) Other Noncurrent Receivables**

In 2010 and 2011, the Authority and the Navajo Nation Gaming Enterprise (NNGE) entered into four construction and financing loan agreements to finance the purchase, construction, and installation of utility facilities. The construction associated with all these loan agreements was completed prior to 2015. The notes have an annual fixed interest rate of 9.0%. The notes are being amortized over a 30-year period, with interest payments due monthly beginning August 2016 and a final balloon payment due January 2022 for the remaining unpaid principal balance. On December 30, 2021 one of the three remaining notes was paid in full for \$428,104 and the final two notes were refinanced to extend the term twenty years, reduce the interest rate to 7.32% for years one through five and 8.5% for years six through twenty. In addition, the new terms permit prepayment of loans subject to certain conditions and provide that the NNGE shall only pay its pro-rata share of actual costs and services provided by the Authority and for the NNGE to receive a pro-rata reduction in principal in the event any additional persons or entities use the infrastructure financed by the loans. As of December 31, 2022 and 2021, \$26,433,056 and \$27,824,270, respectively, was reflected as notes receivable in the Authority's balance sheets. The current portion of these financing agreements as of December 31, 2022 and 2021 is \$1,391,213 and \$1,391,213, respectively, and is presented in other current receivables. The financing agreements have a maturity date of December 31, 2041.

In 2011, the Authority and Peabody Western entered into a construction and financing loan agreement for an aggregate loan amount of \$6,702,746 to finance the purchase, construction, and installation of electric facilities. As of December 31, 2022 and 2021, \$5,433,710 and \$5,584,959, respectively, was reflected as notes receivable in the Authority's balance sheets. The current portion of this agreement as of December 31, 2022 and 2021 is \$160,578 and \$151,249, respectively, and is presented in other current receivables. The financing agreement has an annual fixed rate of 6.0%, with a maturity date of October 25, 2041.

In 2011 and 2013, the Authority and Nacogdoches Oil & Gas Company entered into two separate construction and financing loan agreements for loan amounts up to \$2,102,183 to finance the



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

purchase, construction, and installation of electric facilities. As of December 31, 2022 and 2021, \$935,716 and \$1,013,398, respectively, was reflected as notes receivable in the Authority's balance sheets. The current portion of these agreements as of December 31, 2022 and 2021 is \$56,627 and \$77,882, respectively, and is presented in other current receivables. The financing agreements have an annual fixed rate of 6.5% and 7.0%, respectively, one of the notes matured in May 2022 with the second note maturing in April 2034.

In 2012, the Authority and Preferred Sands of Arizona entered into three separate construction and financing loan agreements, which were amended into one loan agreement in 2013, for a loan amount of up to \$1,464,659 to finance the purchase, construction, and installation of electric facilities. As of December 31, 2022 and 2021, \$778,807 and \$855,483, respectively, was reflected as notes receivable in the Authority's balance sheets. The current portion of this agreement as of December 31, 2022 and 2021 is \$81,405 and \$76,676, respectively, and is presented in other current receivables. The financing agreement has an annual fixed rate of 6.0% and matures in June 2032.

In 2021, the Authority and Westblock LLC entered into a loan agreement to finance a portion of the Unit Purchase, Sale, and Installment agreement for the purchase of 510,000 shares of Westblock Hosting Arizona, Inc. for a loan of \$434,500. As of December 31, 2022 and 2021, \$223,408 and \$368,302, respectively, was reflected as notes receivable in the Authority's balance sheets. The current portion of this agreement as of December 31, 2022 and 2021 is \$155,366 and \$141,895, respectively, and is presented in other current receivables. The financing agreement has an annual fixed rate of 7.0% and matures in May 2024.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

Notes to Basic Financial Statements  
December 31, 2022 and 2021

**(6) Capital Assets**

Capital assets consist of the following at December 31, 2022 and 2021:

|                                                         | <b>2022</b>                  |                     |                      |
|---------------------------------------------------------|------------------------------|---------------------|----------------------|
|                                                         | <b>Beginning<br/>balance</b> | <b>Increases</b>    | <b>Decreases</b>     |
| <b>Ending<br/>balance</b>                               |                              |                     |                      |
| <b>Capital assets, not being depreciated:</b>           |                              |                     |                      |
| Construction in progress                                | \$ 33,927,469                | 272,493,955         | (173,903,941)        |
| Land                                                    | 415,010                      | —                   | —                    |
| <b>Total capital assets,<br/>not being depreciated</b>  | <b>34,342,479</b>            | <b>272,493,955</b>  | <b>(173,903,941)</b> |
| <b>Capital assets, being depreciated</b>                |                              |                     |                      |
| Electric                                                | 686,083,375                  | 54,259,367          | (1,999,656)          |
| Natural gas                                             | 110,262,841                  | 889,510             | (155,200)            |
| Water                                                   | 432,732,485                  | 4,817,446           | (637,870)            |
| Wastewater                                              | 201,528,322                  | 482,909             | (31,360)             |
| Photovoltaic                                            | 21,159,554                   | 5,023,918           | —                    |
| Other                                                   | 109,922,942                  | 6,705,283           | (8,438)              |
| Common                                                  | 115,976,878                  | 18,206,055          | (385,898)            |
| <b>Total capital assets,<br/>being depreciated</b>      | <b>1,677,866,397</b>         | <b>90,364,488</b>   | <b>(3,218,420)</b>   |
| <b>Less accumulated depreciation</b>                    | <b>(817,387,950)</b>         | <b>(58,727,965)</b> | <b>5,699,329</b>     |
| <b>Total capital assets,<br/>being depreciated, net</b> | <b>860,278,447</b>           | <b>31,636,523</b>   | <b>2,480,909</b>     |
| <b>Total capital assets,<br/>net</b>                    | <b>\$ 894,620,926</b>        | <b>304,130,478</b>  | <b>(171,423,032)</b> |
|                                                         |                              |                     | <b>1,027,328,372</b> |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

|                                                 | 2021                 |              |              |                   |
|-------------------------------------------------|----------------------|--------------|--------------|-------------------|
|                                                 | Beginning<br>balance | Increases    | Decreases    | Ending<br>balance |
| Capital assets, not being depreciated:          |                      |              |              |                   |
| Construction in progress                        | \$ 30,240,830        | 81,306,001   | (77,619,362) | 33,927,469        |
| Land                                            | 415,010              | —            | —            | 415,010           |
| Total capital assets,<br>not being depreciated  | 30,655,840           | 81,306,001   | (77,619,362) | 34,342,479        |
| Capital assets, being depreciated               |                      |              |              |                   |
| Electric                                        | 661,732,198          | 39,655,128   | (15,303,951) | 686,083,375       |
| Natural gas                                     | 43,208,908           | 67,186,245   | (132,312)    | 110,262,841       |
| Water                                           | 418,675,211          | 14,427,785   | (370,511)    | 432,732,485       |
| Wastewater                                      | 199,881,006          | 1,721,620    | (74,304)     | 201,528,322       |
| Photovoltaic                                    | 18,761,939           | 2,397,615    | —            | 21,159,554        |
| Other                                           | 98,352,386           | 11,579,856   | (9,300)      | 109,922,942       |
| Common                                          | 111,925,532          | 5,197,526    | (1,146,180)  | 115,976,878       |
| Total capital assets,<br>being depreciated      | 1,552,537,180        | 142,185,775  | (17,036,558) | 1,677,666,397     |
| Less accumulated depreciation                   | (747,477,144)        | (89,534,374) | 19,623,568   | (617,387,950)     |
| Total capital assets,<br>being depreciated, net | 805,060,036          | 52,631,401   | 2,587,010    | 860,278,447       |
| Total capital assets,<br>net                    | \$ 835,715,876       | 133,937,402  | (75,032,352) | 894,620,926       |

In 2022, the Authority completed multiple projects including the Red Mesa to Aneth Transmission Line and Red Mesa Substation for approximately \$21,900,000, the S4HANA accounting system upgrade for \$11,400,000, utility vehicles for \$1,700,000, computer upgrades for \$1,800,000, and assets constructed across various business lines using funds received from the Navajo Nation under the American Rescue Plan Act – Defunded CARES Act for approximately \$13,800,000.

In 2021, the Authority completed multiple projects related to the Navajo Nation CARES Act (note 11) and closed the asset acquisition of the Southern Trails Pipeline in November of 2021. The authority obtained real property and pipeline assets consisting of the following: buildings, equipment, machinery, furnishings, pipelines, telecommunication/electrical automation/SCADA systems, appurtenances, materials, spare parts, and tools specifically necessary to operate the assets. The Southern Trails Pipeline assets were acquired at no cost to the Authority and therefore recorded at their historical cost resulting in an increase to plant in service and accumulated depreciation of \$66,164,785 and \$32,475,675, respectively, and an offsetting increase to contributions in aid of construction of \$33,689,110.

Certain water and wastewater system assets were funded by Indian Health Services grant funds that flowed through the Navajo Nation. The water and wastewater systems were constructed by the Indian Health Services and then contributed to the Authority, who maintains the contributed assets. These assets

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

are depreciated under the same depreciation method as all the Authority's other water and wastewater systems.

**(7) Long-Term Debt**

(a) The Authority's long-term debt at December 31 is summarized as follows:

|                                                                                                                                                                                                                                                                                                                       | <u>2022</u>    | <u>2021</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Federal Financing Bank – 1.0% and 4.4% interest rates. Interest and principal of \$2,623,349 due quarterly. Final maturity in 2044, 2045 and 2055. Collateralized by revenues of the electric system and its property. Loan guaranteed by RUS.                                                                        | \$ 216,492,112 | 196,664,466 |
| Navajo Nation – 2.1% interest payable quarterly in the amount of \$227,008 until May 1, 2024 at which time principal will become due, matures 2057.                                                                                                                                                                   | 63,945,972     | 63,945,972  |
| Federal Financing Bank – 1.0% interest rate. Interest and principal of \$659,613 due quarterly. Final maturity 2045. Collateralized by revenue, accounts receivable, and contract rights of the generation system located in Kayenta, Arizona. Guaranteed by RUS.                                                     | 52,067,577     | 54,174,000  |
| First Interstate Bank (formerly Great Western Bank) – 7.1 % interest rate. Principal and interest of \$142,005 due monthly, collateralized by equity interest in NTUA Wireless LLC, matures 2031. Guaranteed by the United States Department of the Interior (DOI).                                                   | 11,825,445     | 12,948,438  |
| First Interstate Bank – 5.6% interest rate, principal and interest of \$104,981 due monthly, collateralized by ground lease and headquarter building located in Ft. Defiance, NM, matures 2035                                                                                                                        | 11,540,121     | 12,123,343  |
| National Rural Utilities Cooperative Finance Corporation – 1.8% to 4.5% interest rates, principal and interest of \$356,150 due quarterly, matures 2022-2034, collateralized by revenues, accounts receivable, and contract rights arising from the operation of electric facilities less than 230,000-volt capacity. | 4,910,483      | 6,175,511   |
| Ecotrust NMTC – 1.5% interest payable quarterly, interest-only payments of \$16,654 due quarterly through December 2025 at which time \$79,638 will be due quarterly, matures 2041 and secured by substation located in Kayenta, AZ                                                                                   | 4,534,750      | 4,534,750   |
| Rural Utilities Service – 0.1% to 2.3% interest rates. Principal and interest of \$31,077 due monthly, matures 2034. Collateralized by revenue, accounts receivable, and contract rights arising from the operation of electric facilities with less than 230,000 volt capacity                                       | 3,895,840      | 4,215,814   |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

|                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>2022</u>           | <u>2021</u>        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------|
| Rural Economic and Community Development – 2.8% to 4.5% interest rates, payments of \$12,568 due monthly, matures 2038 and 2054, collateralized by revenues, accounts receivable and contract rights arising from the operation of wastewater systems located in Pinon, Arizona, Window Rock, Arizona, and Ft. Defiance, Arizona.                                                                                                           | \$ 3,003,458          | 3,068,536          |
| Economic Development Administration – 4.5% to 5.0% interest rate, total payments of \$812 due monthly, matures 2039 and 2041, collateralized by accounts receivable and contract rights arising from the waste water and water systems located in Shiprock, New Mexico gross revenues from the water systems located in Fort Defiance, Arizona, Shiprock, New Mexico, Chinle, Arizona and Tuba City, Arizona. Cosigned by the Navajo Nation | 111,178               | 115,507            |
| First Interstate Bank (Paycheck Protection Program) – 1.0 % interest rate, principal and interest became due January 2022 at which time \$292,405 was paid and \$9,712,493 was converted to grant leaving the principal and interest paid in full. Loan was guaranteed by Small Business Administration.                                                                                                                                    | <u>—</u>              | <u>10,000,000</u>  |
| Total long-term debt                                                                                                                                                                                                                                                                                                                                                                                                                        | 372,328,936           | 367,966,337        |
| Less current installments                                                                                                                                                                                                                                                                                                                                                                                                                   | <u>12,468,759</u>     | <u>23,185,613</u>  |
| Long-term debt, excluding current installments                                                                                                                                                                                                                                                                                                                                                                                              | \$ <u>359,858,177</u> | <u>344,780,724</u> |

(b) Changes in long-term debt obligations for periods ending December 31, 2022 and 2021.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

Long-term debt activity for year ended December 31, 2022 is as follows:

|                                             | Balance at<br>January 1,<br>2022 | Increases  | Decreases    | Balance at<br>December 31,<br>2022 | Due within<br>one year |
|---------------------------------------------|----------------------------------|------------|--------------|------------------------------------|------------------------|
| Long-term debt:                             |                                  |            |              |                                    |                        |
| Federal Financing Bank                      | \$ 196,664,466                   | 26,880,000 | (7,052,354)  | 216,492,112                        | 6,966,988              |
| Navajo Nation                               | 63,945,972                       | —          | —            | 63,945,972                         | —                      |
| Federal Financing Bank                      | 54,174,000                       | —          | (2,106,423)  | 52,067,577                         | 2,128,852              |
| First Interstate Bank (FIB):                |                                  |            |              |                                    |                        |
| DOI Guarantee                               | 12,948,438                       | —          | (1,122,993)  | 11,825,445                         | 1,053,346              |
| Non-DOI Guarantee                           | 22,123,343                       | —          | (10,583,222) | 11,540,121                         | 615,886                |
| National Rural Utilities:                   |                                  |            |              |                                    |                        |
| Cooperative Finance:                        |                                  |            |              |                                    |                        |
| Corporation (CFC)                           | 6,175,511                        | —          | (1,265,028)  | 4,910,483                          | 1,307,897              |
| Wells Capital Management, Inc.              | —                                | —          | —            | —                                  | —                      |
| Brownfield Revitalization XIX, LLC          | —                                | —          | —            | —                                  | —                      |
| Rural Utilities Service                     | 4,215,814                        | —          | (319,974)    | 3,895,840                          | 324,207                |
| Clearinghouse NTMC                          | —                                | —          | —            | —                                  | —                      |
| Ecotrust NTMC                               | 4,534,750                        | —          | —            | 4,534,750                          | —                      |
| Rural Economic and<br>Community Development | 3,068,536                        | —          | (65,078)     | 3,003,458                          | 67,045                 |
| Economic Development<br>Administration      | 115,507                          | —          | (4,329)      | 111,178                            | 4,538                  |
| Total long-term debt                        | \$ 367,966,337                   | 26,880,000 | (22,519,401) | 372,326,936                        | 12,468,759             |

Long-term debt activity for year ended December 31, 2021 is as follows:

|                                             | Balance at<br>January 1,<br>2021 | Increases  | Decreases    | Balance at<br>December 31,<br>2021 | Due within<br>one year |
|---------------------------------------------|----------------------------------|------------|--------------|------------------------------------|------------------------|
| Long-term debt:                             |                                  |            |              |                                    |                        |
| Federal Financing Bank                      | \$ 198,787,724                   | 5,400,000  | (7,523,258)  | 196,664,466                        | 7,646,156              |
| Navajo Nation                               | 51,895,972                       | 12,050,000 | —            | 63,945,972                         | —                      |
| Federal Financing Bank                      | 54,174,000                       | —          | —            | 54,174,000                         | 2,106,423              |
| First Interstate Bank (FIB):                |                                  |            |              |                                    |                        |
| DOI Guarantee                               | 14,111,838                       | —          | (1,163,400)  | 12,948,438                         | 1,197,805              |
| Non-DOI Guarantee                           | 22,672,583                       | —          | (549,220)    | 22,123,343                         | 10,581,648             |
| National Rural Utilities:                   |                                  |            |              |                                    |                        |
| Cooperative Finance:                        |                                  |            |              |                                    |                        |
| Corporation (CFC)                           | 7,798,014                        | —          | (1,622,503)  | 6,175,511                          | 1,265,028              |
| Wells Capital Management, Inc.              | —                                | —          | —            | —                                  | —                      |
| Brownfield Revitalization XIX, LLC          | —                                | —          | —            | —                                  | —                      |
| Rural Utilities Service                     | 4,526,790                        | —          | (312,976)    | 4,215,814                          | 319,146                |
| Clearinghouse NTMC                          | —                                | —          | —            | —                                  | —                      |
| Ecotrust NTMC                               | 4,534,750                        | —          | —            | 4,534,750                          | —                      |
| Rural Economic and<br>Community Development | 3,131,707                        | —          | (63,171)     | 3,068,536                          | 65,076                 |
| Economic Development<br>Administration      | 119,635                          | —          | (4,128)      | 115,507                            | 4,329                  |
| Total long-term debt                        | \$ 361,754,993                   | 17,450,000 | (11,238,656) | 367,966,337                        | 23,185,613             |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

(c) Certain disclosures related to long-term debt as of December 31, 2022.

In 2010, the Authority entered into a loan agreement with the Federal Financing Bank (FFB) to borrow up to \$103,128,000, of which the Authority drew a total of \$102,885,007. No additional draws on the loan will be made as the last day to draw on the loan was July 31, 2015. Prepayment of the loan in any amount without penalty is allowed if expressed in federal statutes or deemed mandatory by RUS to maintain debt ratios. The notes bear interest at fixed rates in accordance with the method selected by the Authority. On March 30, 2022, the Authority selected maturity of January 3, 2045 on the remaining unlocked six of eighteen individual borrowings under this loan. The current outstanding loan amount expected to be paid in 2022 and beyond are reflected as a noncurrent liability at December 31, 2022, amortized through 2045.

As of December 31, 2022, the Authority had ten individual loans outstanding from CFC. Seven of the individual loans, totaling \$3,235,243 mature between 2024 and 2034 with principal and interest due quarterly. The remaining three loans, totaling \$1,675,240, mature between 2023 and 2025 with interest-only payments due quarterly until January 1 of each loan's maturity year, at which time both principal and interest will be due. CFC loans are subject to prepayment administration fee of 0.33% of the amount being repaid.

In 2014, the Authority entered into an additional loan agreement with FFB to borrow up to \$167,779,000 of which, \$22,209,431 has not been drawn by the Authority. Last day to draw from the note is September 30, 2023. The notes bear interest at fixed and variable rates. On March 30, 2022, the Authority selected maturity of January 2, 2046 on three additional of the nineteen individual borrowings under this loan. The terms of the remaining nine individual borrowings are selected quarterly as long as the maturity is within the period of one complete calendar quarter from the borrowing date and the loan agreement maturity date. The current maturity on these loans is June 30, 2023. Prepayment of the loan in any amount without penalty is allowed if expressed in federal statutes or deemed mandatory by RUS in order to maintain debt ratios. Given the Authority has the intent and ability to extend the term of the current borrowings under the agreement without prior approval of RUS or FFB, the current outstanding loan amount expected to be paid in 2023 and beyond is reflected as a noncurrent liability at December 31, 2022, amortized through 2045.

On August 1, 2021, the Authority entered into an additional loan agreement with FFB to borrow up to \$235,150,000 of which, \$216,270,000 has not been drawn by the Authority. The last day to draw from the note is September 1, 2026. The notes will bear interest at variable rates in accordance with the method selected by the Authority. The terms of the individual borrowings are selected quarterly as long as the maturity is within the period of one complete calendar quarter from the borrowing date and the loan agreement maturity date. The current maturity on these loans is June 30, 2023. Given the Authority has the intent and ability to extend the term of the current borrowings under the agreement without prior approval of RUS or FFB, the current outstanding loan amount expected to be paid in 2023 and beyond is reflected as a noncurrent liability at December 31, 2022, amortized through 2055.

Under covenants of the RUS mortgages and general and pre-loan policies and procedures, the Authority must, among other things, obtain approvals from both CFC and RUS for certain transactions and contracts; design its rates to maintain, on an annual basis, an average times interest earned ratio of 1.50 and debt service coverage ratio of 1.25 (or 1.35 for certain CFC notes) based on an average of

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

the highest two of the last three years; timely file its audited basic financial statements with CFC and RUS; and maintain its accounting records in accordance with the RUS chart of accounts. The Authority was in compliance with the requirements as of December 31, 2022.

In 2014, the Authority entered into loan agreement with FIB (formerly GWB) to borrow \$15,000,000 to be used for qualified expenditures related to the construction of the Authority's administration building in Fort Defiance, New Mexico. The note is to bear interest at the 10-year swap rate plus 3.5% per annum until 2027, at which time the note will bear interest at the 1-year swap rate plus 4% and is recalculated annually on the anniversary of the loan. Prepayment of the loan is allowed but will include economic cost, which is to include all interest accrued and other sums due under loan documents.

In 2016, the Authority entered into a loan agreement with FIB in the amount of \$23,500,000. Proceeds of the loan were used to make an additional equity contribution in NTUA Wireless, LLC (note 4). The note is to bear interest equal to LIBOR rate plus 3.0% as of the first day of each calendar month. Prepayment of the loan in whole or in part is allowed without premium or penalty. The United States Department of Interior guaranteed 82.0% of the loan amount through its Indian Loan Guarantee and Insurance Program.

Under financial covenants of the FIB loans, the Authority must maintain an annual debt service ratio of at least 1.25, net assets of at least \$130,000,000 as measured from audited financial statements, and a reserve account of \$2,000,000, which is currently held in a FIB money market account. Quarterly unaudited and annual audited basic financial statements are also to be timely provided to FIB. The Authority was in compliance with the requirements as of December 31, 2022.

In 2017, the Authority entered into an agreement with the Navajo Nation (note 11), to borrow up to \$63,945,972. At December 31, 2022, all funds had been disbursed to the Authority. The loan agreement utilizes FFB publications as reference, and therefore, interest rates on outstanding amounts of the loan are to be adjusted to the applicable FFB rates, as published on the United States Department of Agriculture Rural Utilities website, on May 1 each year until 2024. On May 1, 2024, the interest rate for the remaining term of the loan is to be fixed at the FFB rate in effect on such date. Interest-only payments are currently due. Principal and interest will be due beginning May 1, 2024. Prepayment of the loan in whole or in part in amounts of not less than \$50,000 is allowed with not less than 15 days' prior written notice to lender.

Under covenants with the Navajo Nation, the Authority must, among other things, file timely annual audited basic financial statements and accompanying reports with the Navajo Nation; maintain, preserve, and protect all of the Authority's property in good order and condition; and utilize proceeds as noted in the agreement (note 11). The Authority was in compliance with the requirements as of December 31, 2022.

On January 2, 2020, NTUA Generation, Inc., a subsidiary of the Authority, entered into loan agreement with FFB to borrow \$54,174,000 to finance the construction of the Kayenta I solar farm. No additional amount remains to be drawn. The note is to bear interest at a fixed rate. Prepayment of the loan in any amount without penalty is allowed if expressed in federal statutes or deemed mandatory by RUS in order to maintain debt ratios. NTUA Generation, LLC currently has a corrective action plan in place with RUS as a result of force majeure events. Loan remains in satisfactory standing with RUS.



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

On April 11, 2020, the Authority entered into loan agreement with FIB to borrow \$10,000,000, pursuant to the Paycheck Protection Program (PPP) administered by the United States Small Business Association under the CARES Act. Funds from the loan may only be used for certain purposes, including payroll, benefits, rent, and utilities. Based on terms of the loan, the Authority submitted a forgiveness application and was awarded \$9,882,528 of which \$9,712,493 was applied to principal and \$170,035 was interest forgiven. The Authority paid the remaining principal and interest due in full.

(d) Debt service requirements on long-term debt outstanding at December 31, 2022 are as follows:

|                             | <u>Total</u>          | <u>Interest</u>    | <u>Principal</u>   |
|-----------------------------|-----------------------|--------------------|--------------------|
| Year(s) ending December 31: |                       |                    |                    |
| 2023                        | \$ 21,260,216         | 8,791,457          | 12,468,759         |
| 2024                        | 22,276,400            | 8,441,320          | 13,835,080         |
| 2025                        | 21,768,280            | 8,058,025          | 13,710,255         |
| 2026                        | 21,853,906            | 7,688,685          | 14,165,221         |
| 2027                        | 21,855,795            | 7,310,739          | 14,545,056         |
| 2028–2032                   | 106,037,731           | 30,412,123         | 75,625,608         |
| 2033–2037                   | 94,577,044            | 21,456,043         | 73,121,001         |
| 2038–2042                   | 89,601,378            | 13,620,239         | 75,981,139         |
| 2043–2047                   | 54,099,159            | 5,928,489          | 48,170,670         |
| 2048–2052                   | 19,074,417            | 2,872,035          | 16,202,382         |
| 2053–2058                   | 15,263,205            | 761,440            | 14,501,765         |
| Total                       | <u>\$ 487,667,531</u> | <u>115,340,595</u> | <u>372,326,936</u> |

**(8) Blended Component Units**

The Authority has five blended component units: NTUA New Markets III, LLC; NTUA New Market V, Inc.; NTUA Leverage Lending, LLC; NTUA Generation, Inc.; and NTUA Headquarters, LLC, which are summarized below.

- a) In 2013, Brownfield Revitalization XIX, LLC, a Delaware limited liability company (the Brownfield CDE), and Clearinghouse NMTC, LLC, a Delaware limited liability company (the Clearinghouse CDE), made new market tax credit loans of \$7,840,000 and \$4,704,000, respectively, to NTUA New Markets III, LLC (NTUA III LLC), an Arizona limited liability company and wholly owned component unit of the Authority, to finance construction costs of the Window Rock wastewater treatment facility (NMTC III Loan). The Brownfield CDE and Clearinghouse CDE received an allocation of new markets tax credits pursuant to Section 45D of the Internal Revenue Code. The availability of the new markets tax credits allowed USB CDC to invest \$4,093,440 in Window Rock Investment Fund II, LLC (Window Rock Investment Fund), a Delaware limited liability company. The Authority made a loan of \$9,112,560 to the Window Rock Investment Fund (Window Rock Leverage Loan). The Window Rock Investment Fund contributed \$8,000,000 and \$4,800,000 to the Brownfield CDE and Clearinghouse CDE, respectively, as a capital contribution, which in turn made the NMTC III Loan to NTUA III LLC.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

In 2020, the seven-year new markets tax credits period expired. The Brownhouse CDE and Clearinghouse CDE were liquidated and distributed their assets to the Window Rock Investment Fund. The Authority has acquired all interests in the Window Rock Investment Fund and the Window Rock Investment Fund has been liquidated. Following completion of the "exit" transactions, the Authority became the holder of the NMTC III Loan, and such loan has been eliminated for reporting purposes as it is now owned by the Authority, and as such, with the Authority being both the lender and borrower of the NMTC III Loan, such debt has been eliminated.

NTUA III LLC was legally dissolved on January 11, 2021.

- b) In 2015, the Authority's management board approved the creation of NTUA Generation, Inc., a Delaware limited liability company and wholly owned subsidiary of the Authority. NTUA Generation, Inc. was created for the purpose of developing wholesale energy projects within and outside of the Navajo Nation. The Authority is the sole customer of NTUA Generation, Inc. for the purpose for benefiting the Authority's customers by reducing the Authority's purchased electric operating expense.

NGI is organized and established as a for-profit subsidiary of the Authority and, as such, is subject to U.S. federal and Arizona Corporation income taxes.

Income tax expense differs from the amounts computed by applying the U.S. federal income tax rate of 21% to pretax income due to the change in the Company's valuation allowance. As of December 31, 2022, the Company had net deferred tax assets of approximately \$21,500,000. The temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2022 are related primarily to net operating loss carryforwards and tax credits.

Deferred tax assets were completely reduced by valuation allowances of approximately \$21,500,000 as of December 31, 2022. There was no change in the valuation allowance for the years ended December 31, 2022 and December 31, 2021.

Net operating losses carried forward as of December 31, 2022, were approximately \$10,600,000, net of tax rate. Of these, approximately \$1,800,000 and \$5,100,000 relate to state and federal losses, respectively, set to expire between 2037 and 2042, and \$3,700,000 relate to federal losses which have no expiry and are subject to an annual limitation of 80% of taxable income. The Company has tax credit carryovers of \$15,500,000, with \$15,400,000 set to expire in 2037 and \$100,000 set to expire in 2039.

In May 2017, NTUA Generation Inc. completed construction of the first large scale solar plant (27.3 megawatts) located on the Navajo Nation, also referred to as Kayenta I, or Phase I. NTUA Generation, Inc. financed the construction of Kayenta I through a loan from the Authority, which was backed by CFC. NTUA Generation, Inc. secured long-term project financing through FFB and paid off its loan to the Authority in early April 2020.

In June 2018, the NTUA Generation Inc. board of directors approved the creation of a for-profit, taxable entity called NTUA Generation Drew Solar, LLC. NTUA Generation Drew Solar, LLC is designed to own, operate, and finance, through the use of tax equity financing, a utility scale solar energy facility in Imperial Valley, CA. Furthermore, NTUA Generation Drew Solar, LLC and its partner, D.E. Shaw

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

Renewables, entered a purchase power agreement for 100 megawatts with the Sacramento Municipal Utility District. On January 11, 2021, NTUA Generation Drew Solar, LLC received \$1,900,000 relating to services provided as noted in agreement dated June 26, 2018, whereas NTUA Generation Drew Solar, LLC will receive a total nonrecurring amount of \$2,500,000.

In early 2019, NTUA Generation, Inc. initiated construction of Kayenta II, a 28-megawatt utility scale solar facility adjacent to the Kayenta I facility. NTUA Generation, Inc. formed two new entities to own, operate, manage, and utilize tax equity financing for Kayenta II. The new entities are Kayenta II Holdings, LLC and NGI-Kayenta II, LLC. NTUA Generation, Inc. and ATN International, Inc. (ATNI) (an unrelated entity) are members of Kayenta II Holdings, LLC, with ATNI providing approximately \$14,000,000 in tax equity financing contribution in 2019. ATNI received an allocation of investment tax credits pursuant to Section 48(a)(1) of the Internal Revenue Code as a result of its investment in Kayenta II Holdings, LLC. NTUA Generation, Inc. has a 51% interest in Kayenta II Holdings, LLC, is the managing member of the entity, is considered to have a controlling financial interest in the entity and is the sole beneficiary of the entity. As a result, Kayenta II Holdings, LLC is accounted for as a blended component unit of NTUA Generation, Inc. NTUA Generation, Inc. borrowed approximately \$31,000,000 from the Authority, recorded through intercompany transactions, for the construction of Kayenta II. Kayenta II Holdings, LLC has placed all the assets associated with the Kayenta II solar facility into NGI-Kayenta II, LLC. NGI-Kayenta II, LLC is a wholly owned, blended component unit of Kayenta II Holdings, LLC. NGI-Kayenta II, LLC agreed to sell 100% of the output of Kayenta II to NTUA Generation, Inc., which in turn entered into a power purchase agreement to sell all the energy output and environmental attributes to the Authority. The Kayenta II solar facility began commercial operation on August 1, 2019.

On August 16, 2019, NTUA Generation Inc. board of directors approved the creation of for-profit, taxable entity NTUA Generation-Utah, LLC. NTUA Generation-Utah, LLC is to construct, own, operate, and finance, through the use of tax equity financing, a 70-megawatt utility scale solar energy facility in the Red Mesa, Utah area. Furthermore, NTUA Generation-Utah, LLC entered a purchase power agreement dated July 17, 2019 and holds a standby letter of credit in connection to the purchase power agreement in the amount of \$5,000,000 (note 9). Construction of the solar plant began during 2022 and is expected to begin production in the second quarter of 2023.

On December 27, 2022, Today's Power, Inc. (TPI) made a \$25,000,000 contribution to NTUA Generation-Utah, LLC in exchange for 25% of the membership units of NTUA Generation-Utah, LLC.

In May 2020, the NTUA Generation, Inc. board of directors approved the creation of NGI-Antelope Valley, LLC as a subsidiary for the intent of owning, operating and utilizing tax equity financing for a proposed 400-megawatt utility scale solar energy plant in Lechee, Arizona in future years. No material activity occurred at NGI-Antelope Valley, LLC in 2022 or 2021.

Also in May 2020, the NTUA Generation, Inc. NGI board of directors approved the creation of NGI-Cameron I, LLC as a subsidiary for the intent of owning, operating, and utilizing tax equity financing for a proposed 200-megawatt utility scale solar energy plant in Cameron, Arizona. NGI will be the 100% owner of the entity.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

NGI-Cameron I, LLC entered into a purchase power agreement dated January 20, 2022 with the Salt River Project (SRP). NGI-Cameron I, LLC and its parent company, NTUA Generation, Inc., issued a \$10,000,000 standby letter of credit in connection to the purchase power agreement (note 7). No material activity occurred on NGI-Cameron I, LLC in 2020 or 2021. As of December 31, 2022, the plant remained in development. An operational plant is not anticipated in 2023.

All significant intercompany transactions with and between NTUA Generation, Inc.'s blended component units are eliminated in consolidation.

- c) In 2018, Ecotrust Sub-CDE XXV, LLC, a Delaware limited liability company (the Ecotrust CDE), made a new market tax credit loan of \$4,534,750 to NTUA New Markets V, Inc. (NTUA V Inc.), an Arizona incorporated company and wholly owned component unit of the Authority, to finance reimbursement of construction costs of a substation located in Kayenta, Arizona (NMTC V Loan), which is leased to the Authority. In 2018, Ecotrust Sub-CDE XXV, LLC received an allocation of new market tax credits pursuant to Section 45D of the Internal Revenue Code. The availability of the new markets tax credits allowed Capital One, National Association, to invest \$1,604,460 in COCRF Investor 115, LLC (COCRF Investment Fund), a Delaware limited liability company.

After the seven-year new markets tax credits period expires, it is anticipated that the Ecotrust CDE will liquidate and distribute its assets to the COCRF Investment Fund. It is also anticipated that the Authority will acquire all the interests in the COCRF Investment Fund from Capital One, National Association and that the COCRF Investment Fund will then be liquidated. Following completion of the "exit" transactions, the Authority will be the holder of the NMTC V Loan, and such loan will be eliminated for reporting purposes as it will be owed by NTUA V Inc. to the Authority. In addition, the Authority would be both the lender and borrower of the COCRF Leverage Loan, and therefore, such debt would also be eliminated.

The NMTC V Loan, dated November 8, 2018, stipulates NTUA V Inc. pay interest at a rate of 1.5% per quarter payable in arrears on the first day of each calendar quarter until November 8, 2025. Beginning on December 31, 2025, the NMTC V Loan requires quarterly payments of principal and interest such that the full principal balance will be paid in full as of the maturity date of November 8, 2041. The loan is not eligible for prepayment until November 8, 2025. The NMTC V Loan is guaranteed by the Authority and is secured by the Kayenta substation.

Under covenants of the Ecotrust-Sub CDE loans, the Authority must, among other things, timely file quarterly unaudited and annual audited basic financial statements with the lender; maintain separate books for the subsidiary; obtain certain approvals related to the construction projects set forth in the new markets tax credit agreement; complete construction on the project within a specified period of time; and maintain specified cash accounts. The Authority was in compliance with the requirements as of December 31, 2022.

- d) In 2018, in relation to the new markets tax credit agreement discussed in note 8(c), NTUA Leverage Lending, LLC was established to complete the investment transactions by offering a note to the COCRF Investment Fund in the amount of \$3,070,540 (COCRF Leverage Loan). Interest is due to NTUA Leverage Lending, LLC quarterly in the amount of \$7,676 until November 8, 2025, at which time both principal and interest will become due at \$51,977 quarterly.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

- e) In 2014, the Authority created NTUA Headquarters, LLC as a result of a loan agreement with First Interstate Bank, formerly Great Western Bank, (note 7(c)). NTUA Headquarters, LLC is the legal owner of the sublease of the land upon which the Authority's headquarters building is situated. NTUA Headquarters, LLC is a wholly owned component unit of the Authority. The loan from First Interstate Bank is to the Authority for construction of building located on subleased land held by NTUA Headquarters, LLC. The loan matures in 2035. NTUA Headquarters Inc. had no financial statement balances or activity in 2022 or 2021.

The following is the condensed financial statement information for the Authority's blended component units, which are consolidated in the accompanying basic financial statements:

| <b>Balance sheets</b>                                      | <b>2022</b>         |                                 |                    |                                          |
|------------------------------------------------------------|---------------------|---------------------------------|--------------------|------------------------------------------|
|                                                            | <b>NTUA III LLC</b> | <b>NTUA<br/>Generation Inc.</b> | <b>NTUA V Inc.</b> | <b>NTUA<br/>Leverage<br/>Lending LLC</b> |
| <b>Current assets:</b>                                     |                     |                                 |                    |                                          |
| Receivable from NTUA                                       | \$ —                | —                               | 183,333            | —                                        |
| Other current assets                                       | —                   | 3,297,160                       | 268,058            | 127,342                                  |
| <b>Total current assets</b>                                | —                   | 3,297,160                       | 451,391            | 127,342                                  |
| <b>Capital assets</b>                                      | —                   | 161,383,694                     | 7,194,491          | —                                        |
| <b>Other noncurrent assets</b>                             | —                   | 51                              | —                  | 3,070,540                                |
| <b>Total assets</b>                                        | \$ —                | 164,680,905                     | 7,645,882          | 3,197,882                                |
| <b>Current liabilities:</b>                                |                     |                                 |                    |                                          |
| Payables to NTUA                                           | \$ —                | 62,001,467                      | 59,775             | 3,115,644                                |
| Other current liabilities                                  | —                   | 2,894,561                       | —                  | 4,399                                    |
| <b>Total current liabilities</b>                           | —                   | 64,896,028                      | 59,775             | 3,120,043                                |
| <b>Noncurrent liabilities – long-term debt</b>             | —                   | 78,904,422                      | 4,534,750          | —                                        |
| <b>Deferred inflows of resources</b>                       | —                   | —                               | 4,054,747          | —                                        |
| <b>Total liabilities and deferred inflows of resources</b> | —                   | 143,800,450                     | 8,649,272          | 3,120,043                                |
| <b>Net position:</b>                                       |                     |                                 |                    |                                          |
| Net investment in capital assets                           | —                   | 21,587,688                      | (920,244)          | 55,492                                   |
| Unrestricted                                               | —                   | (707,233)                       | (83,146)           | 22,347                                   |
| <b>Total net position</b>                                  | —                   | 20,880,455                      | (1,003,390)        | 77,839                                   |
| <b>Total liabilities and net position</b>                  | \$ —                | 164,680,905                     | 7,645,882          | 3,197,882                                |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

| Statements of<br>revenues, expenses, and<br>changes in net position | 2022         |                         |             |                                 |
|---------------------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                                     | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating revenue                                                   | \$ —         | 4,739,800               | 100,000     | 30,705                          |
| Depreciation expense                                                | —            | 4,812,595               | 77,525      | —                               |
| Other operating expenses                                            | —            | 2,111,616               | 39,006      | 13,899                          |
| Total operating expense                                             | —            | 6,924,211               | 116,531     | 13,899                          |
| Operating income (loss)                                             | —            | (2,184,411)             | (16,531)    | 16,808                          |
| Nonoperating expense                                                | —            | (2,856,658)             | (66,615)    | 5,541                           |
| Income (loss) before                                                | —            | (5,041,069)             | (83,146)    | 22,347                          |
| Contributions                                                       | —            | 25,000,000              | —           | —                               |
| Change in net position                                              | —            | 19,958,931              | (83,146)    | 22,347                          |
| Net position at beginning of year                                   | —            | 921,524                 | (920,244)   | 55,491                          |
| Net position at end of year                                         | \$ —         | 20,880,455              | (1,003,390) | 77,838                          |

| Statements of cash flows                             | 2022         |                         |             |                                 |
|------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                      | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating activities                                 | \$ —         | 3,149,206               | 17,157      | 30,705                          |
| Noncapital financing activities                      | —            | —                       | —           | —                               |
| Capital and related financing activities             | —            | (10,268,975)            | (53,032)    | —                               |
| Investing activities                                 | —            | —                       | —           | —                               |
| Net increase (decrease) in cash and cash equivalents | —            | (7,119,769)             | (35,875)    | 30,705                          |
| Cash and cash equivalents at beginning of year       | —            | 10,416,929              | 284,053     | 96,637                          |
| Cash and cash equivalents at end of year             | \$ —         | 3,297,160               | 248,178     | 127,342                         |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

|                                                            | <b>2021</b>         |                                 |                    |                                          |
|------------------------------------------------------------|---------------------|---------------------------------|--------------------|------------------------------------------|
| <b>Balance sheets</b>                                      | <b>NTUA III LLC</b> | <b>NTUA<br/>Generation Inc.</b> | <b>NTUA V Inc.</b> | <b>NTUA<br/>Leverage<br/>Lending LLC</b> |
| <b>Current assets:</b>                                     |                     |                                 |                    |                                          |
| Receivable from NTUA                                       | \$ —                | 236,855                         | 206,111            | —                                        |
| Other current assets                                       | —                   | 13,839,426                      | 303,933            | 96,637                                   |
| <b>Total current assets</b>                                | —                   | 13,876,281                      | 510,044            | 96,637                                   |
| <b>Capital assets</b>                                      | —                   | 75,896,436                      | 7,272,016          | —                                        |
| <b>Other noncurrent assets</b>                             | —                   | 20,428                          | —                  | 3,070,540                                |
| <b>Total assets</b>                                        | \$ —                | 89,793,145                      | 7,782,060          | 3,167,177                                |
| <b>Current liabilities:</b>                                |                     |                                 |                    |                                          |
| Payables to NTUA                                           | \$ —                | 4,318,055                       | 112,807            | 3,108,586                                |
| Other current liabilities                                  | —                   | 2,802,983                       | —                  | 3,100                                    |
| <b>Total current liabilities</b>                           | —                   | 7,121,038                       | 112,807            | 3,111,686                                |
| <b>Noncurrent liabilities – long-term debt</b>             | —                   | 81,750,583                      | 4,534,750          | —                                        |
| <b>Deferred inflows of resources</b>                       | —                   | —                               | 4,054,747          | —                                        |
| <b>Total liabilities and deferred inflows of resources</b> | —                   | 88,871,621                      | 8,702,304          | 3,111,686                                |
| <b>Net position:</b>                                       |                     |                                 |                    |                                          |
| Net investment in capital assets                           | —                   | (1,971,661)                     | (841,265)          | 40,719                                   |
| Unrestricted                                               | —                   | 2,893,185                       | (78,979)           | 14,772                                   |
| <b>Total net position</b>                                  | —                   | 921,524                         | (920,244)          | 55,491                                   |
| <b>Total liabilities and net position</b>                  | \$ —                | 89,793,145                      | 7,782,060          | 3,167,177                                |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

December 31, 2022 and 2021

| Statements of<br>revenues, expenses, and<br>changes in net position | 2021         |                         |             |                                 |
|---------------------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                                     | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating revenue                                                   | \$ —         | 5,544,658               | 100,000     | 30,705                          |
| Depreciation expense                                                | —            | 4,443,231               | 77,525      | —                               |
| Other operating expenses                                            | —            | 1,161,780               | 34,839      | 11,433                          |
| Total operating expense                                             | —            | 5,605,011               | 112,364     | 11,433                          |
| Operating income (loss)                                             | —            | (60,353)                | (12,364)    | 19,272                          |
| Nonoperating expense                                                | —            | (985,337)               | (66,615)    | (4,500)                         |
| Change in net position                                              | —            | (1,045,690)             | (78,979)    | 14,772                          |
| Net position at beginning of year                                   | —            | 1,967,214               | (841,265)   | 40,719                          |
| Net position at end of year                                         | \$ —         | 921,524                 | (920,244)   | 55,491                          |

| Statements of cash flows                             | 2021         |                         |             |                                 |
|------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                      | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating activities                                 | \$ —         | 14,312,958              | (101,454)   | 30,706                          |
| Noncapital financing activities                      | —            | —                       | —           | —                               |
| Capital and related financing activities             | —            | (7,417,937)             | 65,579      | —                               |
| Investing activities                                 | —            | —                       | —           | —                               |
| Net increase (decrease) in cash and cash equivalents | —            | 6,895,021               | (35,875)    | 30,706                          |
| Cash and cash equivalents at beginning of year       | —            | 3,521,908               | 319,928     | 65,931                          |
| Cash and cash equivalents at end of year             | \$ —         | 10,416,929              | 284,053     | 96,637                          |

**(9) Lines of Credit**

The Authority has three line of credit agreements with CFC. The first line of credit agreement with CFC allows the Authority to borrow up to \$10,770,000, a reduced amount from \$12,000,000 due to \$1,230,000 reserved for a standby letter of credit (Series 9009). As of December 31, 2022 and 2021, the CFC interest



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

December 31, 2022 and 2021

| Statements of<br>revenues, expenses, and<br>changes in net position | 2021         |                         |             |                                 |
|---------------------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                                     | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating revenue                                                   | \$ —         | 5,544,658               | 100,000     | 30,705                          |
| Depreciation expense                                                | —            | 4,443,231               | 77,525      | —                               |
| Other operating expenses                                            | —            | 1,161,780               | 34,839      | 11,433                          |
| Total operating expense                                             | —            | 5,605,011               | 112,364     | 11,433                          |
| Operating Income (loss)                                             | —            | (60,353)                | (12,364)    | 19,272                          |
| Nonoperating expense                                                | —            | (985,337)               | (66,615)    | (4,500)                         |
| Change in net position                                              | —            | (1,045,690)             | (78,979)    | 14,772                          |
| Net position at beginning of year                                   | —            | 1,967,214               | (841,265)   | 40,719                          |
| Net position at end of year                                         | \$ —         | 921,524                 | (920,244)   | 55,491                          |

| Statements of cash flows                             | 2021         |                         |             |                                 |
|------------------------------------------------------|--------------|-------------------------|-------------|---------------------------------|
|                                                      | NTUA III LLC | NTUA<br>Generation Inc. | NTUA V Inc. | NTUA<br>Leverage<br>Lending LLC |
| Operating activities                                 | \$ —         | 14,312,958              | (101,454)   | 30,706                          |
| Noncapital financing activities                      | —            | —                       | —           | —                               |
| Capital and related financing activities             | —            | (7,417,937)             | 65,579      | —                               |
| Investing activities                                 | —            | —                       | —           | —                               |
| Net increase (decrease) in cash and cash equivalents | —            | 6,895,021               | (35,875)    | 30,706                          |
| Cash and cash equivalents at beginning of year       | —            | 3,521,908               | 319,928     | 65,931                          |
| Cash and cash equivalents at end of year             | \$ —         | 10,416,929              | 284,053     | 96,637                          |

**(9) Lines of Credit**

The Authority has three line of credit agreements with CFC. The first line of credit agreement with CFC allows the Authority to borrow up to \$10,770,000, a reduced amount from \$12,000,000 due to \$1,230,000 reserved for a standby letter of credit (Series 9009). As of December 31, 2022 and 2021, the CFC interest

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

rate was set at 5.75% and 2.45%, respectively, not to exceed the prevailing bank prime rate plus 1.0%. The line of credit is utilized primarily for construction and operations, except for the reserved standby letter of credit amount. At December 31, 2022 and 2021, the balances outstanding were \$10,250,000 and \$6,980,000, respectively. The line of credit automatically renews annually unless terminated by either party at the end of the annual period by written notice at least 90 days prior to the expiration of that annual period. The outstanding balance must be reduced to \$0 for at least five consecutive business days each year. In 2022 and 2021, the Authority was in compliance with the requirement.

The Authority's second line of credit agreement with CFC allows the Authority to borrow up to \$25,000,000 at an interest rate set by CFC (5.75% and 2.45% at December 31, 2022 and 2021, respectively). This line of credit matures on July 27, 2024. The line of credit is used primarily for construction and operations. At December 31, 2022 and 2021, the balances outstanding were \$23,213,304 and \$15,913,304, respectively.

The Authority's third line of credit agreement with CFC was entered into on October 27, 2021 and allows the Authority to borrow up to \$90,000,000 at an interest rate set by CFC of 5.75% and 2.45% at December 31, 2022 and 2021. This line of credit matures on October 26, 2023. The line of credit is used primarily for construction and operations related to NTUA Generation, Inc. At December 31, 2022 and 2021, the balances outstanding were \$51,143,153 and \$0, respectively.

On March 28, 2022, the Authority extended its \$1,230,000 irrevocable standby letter of credit with CFC in connection to purchase power agreement with Southwest Public Power Agency, Inc. (SPPA) dated June 30, 2011. SPPA is listed as the beneficiary of the letter of credit and is secured by a line of credit hold in the amount of \$1,230,000. This letter of credit expires on March 28, 2023.

The Authority has a commercial credit card account with Wells Fargo Bank, N.A., which allows the Authority to borrow up to \$2,400,000 to pay general payables. At December 31, 2022 and 2021, the balance outstanding was \$4,669 and \$36,934, respectively.

On March 7, 2022, the Authority extended and increased its irrevocable standby letter of credit with Wells Fargo Bank, N.A.. The letter increased from \$750,000 to \$2,500,000 and pertains to a purchase power agreement with Salt River Project Agricultural Improvement and Power District (SRP) effective January 26, 2018. SRP is listed as the beneficiary of the letter of credit and the line is secured by cash reserves (note 2(b)). This letter of credit expires on March 7, 2024.

On October 26, 2022, NTUA Generation-Utah, LLC, a subsidiary of the Authority's component unit NTUA Generation, Inc., increased its standby letter of credit with Wells Fargo Bank, N.A. from \$5,000,000 to \$6,500,000 and on December 8, 2022 extended the letter. The current letter has a maturity date of December 10, 2023. The standby letter of credit is associated with a power purchase agreement dated July 17, 2019, amended December 11, 2020, and lists Utah Associated Municipal Power Systems as the beneficiary. The credit amount is secured by a deposit equal to 105% of the letter amount in an account held by the Authority on behalf of NTUA Generation-Utah, LLC (note 2(b)).

On February 28, 2022, the Authority extended and increased its irrevocable standby letter of credit with First Interstate Bank. Current amount of the letter is \$10,000,000 which was increased from \$1,000,000 in connection with a purchase power agreement with SRP dated December 16, 2015. This letter of credit is secured by cash reserves (note 2(b)) and matures on February 28, 2023.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

December 31, 2022 and 2021

On September 28, 2022, NTUA Generation, Inc., a subsidiary of the Authority, was issued a standby letter of credit by Wells Fargo Bank, N.A. Current amount of the letter is \$10,000,000 and has a maturity date of September 28, 2023. The standby letter of credit is associated with a power purchase agreement dated January 20, 2022, between NTUA Generation subsidiary, NGI – Cameron I, LLC and Salt River Project Agricultural Improvement and Power District (SRP), whereas Salt River Project Agricultural is listed as the beneficiary. The credit amount is secured by a deposit of equal to 105% of the letter amount in an account held by the Authority on behalf of NTUA Generation, Inc. (note 2(b)).

**(10) Contributions In Aid of Construction**

CIAC consists of the following at December 31, 2022 and 2021:

|                                             |    | <b>2022</b>                  |                   |                           |
|---------------------------------------------|----|------------------------------|-------------------|---------------------------|
|                                             |    | <u>Beginning<br/>balance</u> | <u>Increases</u>  | <u>Decreases</u>          |
|                                             |    |                              |                   | <u>Ending<br/>balance</u> |
| CIAC related to construction<br>in progress | \$ | 12,070,408                   | 40,847,442        | (38,794,156)              |
| CIAC being amortized                        |    | 914,450,586                  | 38,794,156        | —                         |
| Less accumulated<br>amortization            |    | (490,278,689)                | (27,586,915)      | —                         |
| Total CIAC being<br>amortized, net          |    | <u>424,171,897</u>           | <u>11,205,241</u> | <u>—</u>                  |
| Total CIAC, net                             | \$ | <u>436,242,305</u>           | <u>52,052,683</u> | <u>(38,794,156)</u>       |
|                                             |    |                              |                   | <u>449,500,832</u>        |

|                                             |    | <b>2021</b>                  |                    |                           |
|---------------------------------------------|----|------------------------------|--------------------|---------------------------|
|                                             |    | <u>Beginning<br/>balance</u> | <u>Increases</u>   | <u>Decreases</u>          |
|                                             |    |                              |                    | <u>Ending<br/>balance</u> |
| CIAC related to construction<br>in progress | \$ | 17,543,565                   | 71,954,248         | (77,427,405)              |
| CIAC being amortized                        |    | 837,023,181                  | 77,427,405         | —                         |
| Less accumulated<br>amortization            |    | (464,307,630)                | (25,971,059)       | —                         |
| Total CIAC being<br>amortized, net          |    | <u>372,715,551</u>           | <u>51,456,346</u>  | <u>—</u>                  |
| Total CIAC, net                             | \$ | <u>390,259,116</u>           | <u>123,410,594</u> | <u>(77,427,405)</u>       |
|                                             |    |                              |                    | <u>436,242,305</u>        |

**(11) Transactions with the Navajo Nation and Affiliates**

The Authority provides utility services for the Navajo Nation and various other entities and activities of the Navajo Nation. Rates for all such services are in accordance with the Authority's tariffs applicable to all

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

On September 28, 2022, NTUA Generation, Inc., a subsidiary of the Authority, was issued a standby letter of credit by Wells Fargo Bank, N.A. Current amount of the letter is \$10,000,000 and has a maturity date of September 28, 2023. The standby letter of credit is associated with a power purchase agreement dated January 20, 2022, between NTUA Generation subsidiary, NGI – Cameron I, LLC and Salt River Project Agricultural Improvement and Power District (SRP), whereas Salt River Project Agricultural is listed as the beneficiary. The credit amount is secured by a deposit of equal to 105% of the letter amount in an account held by the Authority on behalf of NTUA Generation, Inc. (note 2(b)).

**(10) Contributions In Aid of Construction.**

CIAC consists of the following at December 31, 2022 and 2021:

|                                             |    | <b>2022</b>                  |                  |                  |
|---------------------------------------------|----|------------------------------|------------------|------------------|
|                                             |    | <b>Beginning<br/>balance</b> | <b>Increases</b> | <b>Decreases</b> |
|                                             |    | <b>Ending<br/>balance</b>    |                  |                  |
| CIAC related to construction<br>in progress | \$ | 12,070,408                   | 40,847,442       | (38,794,156)     |
| CIAC being amortized                        |    | 914,450,586                  | 38,794,156       | —                |
| Less accumulated<br>amortization            |    | (490,278,689)                | (27,588,915)     | —                |
| Total CIAC being<br>amortized, net          |    | 424,171,897                  | 11,205,241       | —                |
| Total CIAC, net                             | \$ | 436,242,305                  | 52,052,683       | (38,794,156)     |

|                                             |    | <b>2021</b>                  |                  |                  |
|---------------------------------------------|----|------------------------------|------------------|------------------|
|                                             |    | <b>Beginning<br/>balance</b> | <b>Increases</b> | <b>Decreases</b> |
|                                             |    | <b>Ending<br/>balance</b>    |                  |                  |
| CIAC related to construction<br>in progress | \$ | 17,543,565                   | 71,854,248       | (77,427,405)     |
| CIAC being amortized                        |    | 837,023,181                  | 77,427,405       | —                |
| Less accumulated<br>amortization            |    | (464,307,630)                | (25,971,059)     | —                |
| Total CIAC being<br>amortized, net          |    | 372,715,551                  | 51,456,346       | —                |
| Total CIAC, net                             | \$ | 390,259,116                  | 123,410,594      | (77,427,405)     |

**(11) Transactions with the Navajo Nation and Affiliates**

The Authority provides utility services for the Navajo Nation and various other entities and activities of the Navajo Nation. Rates for all such services are in accordance with the Authority's tariffs applicable to all

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

customers. Utility revenues from the Navajo Nation and affiliates totaled \$13,413,402 and \$11,444,111 for the years ended December 31, 2022 and 2021, respectively.

In 2010 and 2011, the Authority entered into agreements with the Navajo Nation Gaming Enterprise to finance the purchase, construction, and installation of utility facilities (note 5(b)).

In 2017, the Authority entered into an agreement with the Navajo Nation, which included a loan to the Authority of up to \$63,945,972 and grants to the Authority of up to \$21,500,000. As of December 31, 2022 all loan and grant funds had been fully distributed to the Authority. Funds received from the Navajo Nation under this agreement are from the Navajo Nation's Sihasin Fund, which was created and established by the Navajo Nation under Resolution No. CD-68-14 and was funded with proceeds from the settlement of the Navajo Nation v. United States, No 06-945L (U.S. Court of Federal Claims). The purpose of the funds is to maximize the use of federal, state, and private funding to subsidize bulk water delivery and wastewater development projects, also known as the Bulk Water & Wastewater Development Expenditure Plan. Amounts excluded from repayment are \$10,000,000 appropriated for the Emergency Reserve and Replacement Fund, \$10,000,000 for the Operating and Maintenance Fund, and \$1,500,000 for Administrative and Project Management Costs, for a total nonrepayment amount of \$21,500,000.

In 2018, the Authority entered into an additional agreement with the Navajo Nation, which included a grant to the Authority of up to \$22,938,981, \$18,696,788 for power line projects and \$4,242,193 for waterline projects. Funds received are from the Navajo Nation's Sihasin Fund.

|                          | <u>2019</u>         | <u>2020</u>       | <u>2021</u>      | <u>Total</u>      |
|--------------------------|---------------------|-------------------|------------------|-------------------|
| NTUA Power Line Projects | \$ 2,866,371        | 12,796,424        | 3,033,993        | 18,696,788        |
| NTUA Waterline Projects  | 560,557             | 1,068,667         | 2,612,969        | 4,242,193         |
|                          | <u>\$ 3,426,928</u> | <u>13,865,091</u> | <u>5,646,962</u> | <u>22,938,981</u> |

During 2020, the Navajo Nation received \$714,189,631 in Coronavirus Relief Funds from the U.S. Treasury under the CARES Act. The U.S. Treasury on April 22, 2020 issued "Coronavirus Relief Fund Guidance for State, Territorial, Local and Tribal Governments" (Treasury Guidance) related to the permissible uses of the Coronavirus Relief Fund. The Navajo Nation awarded the Authority \$147,116,561 of CARES Act funds, via Navajo Nation Council Resolution CJ-67-20. The majority of the CARES Act funds received by the Authority were designated for specific capital projects related to electric, solar, water, wastewater, and communication systems. On December 21, 2020, the United States Congress passed the Consolidated Appropriations Act 2021, which included language extending the federal deadline to complete CARES Act funded projects from December 30, 2020 to December 31, 2021. On December 27, 2020, President Trump signed the Consolidated Appropriations Act 2021 into law. As of December 31, 2020, the Authority had received approximately \$145 million from the Navajo Nation under the sub recipient agreement between the entities, and had spent approximately \$66 million of the funds, including approximately \$16 million passed through to NTUA Wireless, LLC. Funds used for construction of assets owned by the Authority are classified in CIAC, net in the balance sheet. Funds passed through to NTUA Wireless, LLC and funds used for noncapital purposes are classified as nonoperating revenues in the statement of revenues, expenses, and changes in net position. Approximately \$11 million of the funds was spent for eligible purposes in early

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

2021. The remaining \$68 million of funds received by the Authority was not spent within the required timeframe and was reverted to the Navajo Nation in early 2021. In April 2021, an additional \$388,414 was also reverted to the Navajo Nation.

A reconciliation of the amounts awarded, received, and used by the Authority under the CARES Act in 2020 is as follows:

|                               | <u>2020</u>    | <u>2021</u>  | <u>Total</u> |
|-------------------------------|----------------|--------------|--------------|
| Grant funds awarded           | \$ 147,166,561 | —            | 147,166,561  |
| Received from Grantor         | \$ 144,964,983 | —            | 144,964,983  |
| Less – returned to Grantor    | —              | (68,135,133) | (68,135,133) |
| Funding received (returned)   | \$ 144,964,983 | (68,135,133) | 76,829,850   |
| Grant expenditures:           |                |              |              |
| Capital assets                | \$ 43,356,199  | 5,100,758    | 48,456,957   |
| Nonoperating revenues         | 22,848,140     | 5,524,753    | 28,372,893   |
| Less expenditures             | \$ 66,204,339  | 10,625,511   | 76,829,850   |
| Financial statement balances: |                |              |              |
| Other current liabilities     | \$ 78,760,644  | (78,760,644) | —            |
| CIAC, gross                   | 43,356,199     | 5,469,172    | 48,825,371   |
| Nonoperating revenues         | 22,848,140     | 5,524,753    | 28,372,893   |

The Navajo Nation Council passed, and the Navajo Nation President signed into law, Resolution No. CJY-41-21 establishing the Navajo Nation Fiscal Recovery Funds (NNFRF) on August 2, 2021. The Resolution immediately reinstated projects that were not completed under the CARES Fund Resolution No. CJY-67-20; this grant is also referred to as the Defunded CARES Grant. Grant sub-agreements between the Authority and the Navajo Nation were finalized and entered in March 2022. NTUA was awarded a total of \$65,694,064. Award is separated by expenditure types.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. ARPA's Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (Fiscal Recovery Funds) are intended to build on and expand the relief provided in the 2020 CARES Act.

On July 23, 2021, the Navajo Nation Council (NNC) passed Resolution No. CJY-41-21, which was signed into law by former Navajo Nation President Jonathan Nez on August 2, 2021. Resolution CJY-41-21 refunded projects that were defunded under the Navajo CARES Act resolution. The Navajo Nation Council Budget and Finance Committee issued Resolution No. BFS-31-21 on September 1, 2021, creating an application and review process, including the requirements for applicants to submit expenditure plans requiring all projects to fall into one of eighty-three expenditure categories, as defined by the U.S. Department of Treasury.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

**Expenditure categories and award amounts listed below:**

| <b>Expenditure category</b>                                       | <b>Total award</b> |
|-------------------------------------------------------------------|--------------------|
| 2.18 Housing Support: Other Housing Assistance                    | 28,982,874         |
| 5.2 Clean Water: Centralized Wastewater Collection and Conveyance | 3,200,004          |
| 5.3 Clean Water: Decentralized Wastewater                         | 11,105,636         |
| 5.11 Drinking water: Transmission & Distribution                  | 2,898,372          |
| 5.14 Drinking water: Storage                                      | 755,486            |
| 5.15 Drinking Water: Other water infrastructure                   | 3,701,879          |
| 5.19 Broadband: "Last Mile" Projects                              | 5,370,432          |
| 5.20 Broadband: Other projects                                    | 9,679,381          |
| <b>Total</b>                                                      | <b>65,694,064</b>  |

In March 2022 the Authority and the Navajo Nation entered into sub recipient grant agreements totaling \$65,694,064. In April 2022 the Authority received 50% of the total award. As the Authority expends 75% of funds received by expenditure category, the Authority may request an additional 25% of the award, until fully disbursed. Eligible expenditures included cost incurred as of March 3, 2021, and an additional 2% of cost incurred as allowed by the agreement to assist with cost related to administering the program. The remaining award is to be expended by December 31, 2026. Funds received and not expended by December 31, 2026, are to be reverted to the Navajo Nation immediately.

|                                    | <b>2022</b>          |
|------------------------------------|----------------------|
| Grant Funds Awarded                | \$ 65,694,064        |
| Received from Grantor              | \$ 33,760,496        |
| Less – Returned to Grantor         | —                    |
| <b>Funding received (returned)</b> | <b>\$ 33,760,496</b> |
| Grant expenditures:                |                      |
| Capital assets                     | \$ 13,270,788        |
| Nonoperating revenues              | 2,874,423            |
| <b>Less expenditures</b>           | <b>\$ 16,145,211</b> |
| Financial statement balances:      |                      |
| Other current liabilities          | \$ 17,615,285        |
| CIAC, gross                        | 13,270,788           |
| Nonoperating revenues              | 2,874,423            |

Other transactions with the Navajo Nation and affiliates are not significant.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(12) Pension Plan**

The Authority accounts for its pension plan in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

**(a) General Information about the Pension Plan**

Plan description: The Navajo Tribal Utility Authority Employees' Retirement Plan (the Plan) is a single-employer defined-benefit pension plan administered by the Authority. All employees who work more than 1,000 hours per year are eligible to participate in the Plan. Those hired before January 1, 1984 are eligible to participate one month after their date of hire, those hired after January 1, 1984 but before January 1, 2013 are eligible to participate one year after their date of hire, and those hired on or after January 1, 2013 shall be immediately eligible to participate in the Plan as of the date such individual is employed as an employee of the Authority. The Plan provides retirement benefits to retirees of the Authority and their beneficiaries. Cost-of-living adjustments are provided to retirees and beneficiaries at the discretion of the management board of the Authority. Any amendments to the Plan require approval by the management board.

As of December 31, 2022 and 2021, the following number of employees was covered by the Plan:

|                                                                        | 2022  | 2021  |
|------------------------------------------------------------------------|-------|-------|
| Active                                                                 | 862   | 856   |
| Inactive – former employees entitled to but not yet receiving benefits | 169   | 154   |
| Inactive – retirees and beneficiaries receiving benefits               | 212   | 198   |
| Total                                                                  | 1,243 | 1,208 |

**(i) Benefits Provided**

Retirement benefits are divided between normal retirement benefits, early retirement benefits, late retirement benefits, and death benefits.

Normal retirement is defined for those employees hired before January 1, 1986 who are aged 65 at retirement or for employees hired on or after January 1, 1986 who are the later of the attainment of age 65 or the fifth anniversary of the date they commenced participation in the Plan. Normal retirement benefits are determined by a formula that includes the following components: (i) for each year (or portion thereof) of credited service earned prior to January 1, 2011, 1.5% of plan compensation, which is defined as the compensation assumed to be paid in the respective year based on the employee's then current annual rate (hourly rate x actual hours), plus (ii) for each year (or portion thereof) of credited service earned on or after January 1, 2011, 2.0% of plan compensation, with a cap of 1.5% of plan compensation for all years of service earned in excess of 30 years of service beginning with years of service earned on or after January 1, 2013.

Early retirement is defined as employees who are aged 55 and with 10 years of service to the Authority or upon satisfying the Rule of 85 if they are younger than age 55. The early retirement



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

benefit is determined as for normal retirement benefit but considering only credited service and plan compensation to the date of early retirement. Benefits payable as of an early retirement date if the employee has not completed 20 years of service are actuarially reduced by 1/15 for each of the first five years that early retirement precedes normal retirement and by 1/30 for each of the next five years. For those who retired prior to January 1, 2013, there is no early retirement reduction after reaching age 62 and either completing 20 years of service or upon satisfying the Rule of 85. However, effective for those who retire on or after January 1, 2013, the early retirement benefit is determined without regard to the age 62 with 20 years of service early retirement feature noted above. Benefits payable as of an early retirement date after completion of 20 years of service after January 1, 2013 are actuarially reduced by 1/15 for each of the first two years that early retirement precedes 62 and by 1/30 for each of the next five years. Effective January 1, 2018, the early retirement benefit is determined without regard to the Rule of 85, while protecting the Rule of 85 benefits feature for benefits accrued through December 31, 2017. The benefit for inactive employees not receiving benefits who terminate employment with the Authority on or after January 1, 2013 will be determined without regard to the early retirement options noted above while allowing such terminated vested participants to elect early retirement benefits reduced on an actuarially equivalent basis.

Late retirement is defined as employees who defer retirement beyond the normal retirement age. Late retirement benefits are determined based on plan compensation and credited service to the normal retirement date, adjusted to an equivalent value of the benefit payable at normal retirement. If larger, benefits will be based on plan compensation and credited service at the late retirement date. Effective January 1, 2013, benefits will only be based on plan compensation and credited service at the late retirement date.

Death benefits for an active or inactive employee who dies after their earliest retirement age will be the benefit that the spouse or named beneficiary would have received had the employee retired immediately prior to his death and elected a qualified joint and survivor pension of 50%.

**(ii) Contributions and Funding Policy**

The Authority's policy is to fund the Plan in accordance with the actuarially determined contribution. Plan participants are required to make contributions of 4% of eligible compensation in 2018 and beyond. Any contributions to the Plan or amendments to contribution requirements are required to be approved by the management board. The Authority's contributions to the pension plan for the years ended December 31, 2022 and 2021 were \$3,000,000 in each year, while the employees' contributions to the pension plan were \$2,048,541 and \$1,899,933, respectively. The contributions in aggregate for the years ended December 31, 2022 and 2021 represent 9.6% in each year, of covered payroll of \$52,617,670 and \$50,986,727, respectively.

The Authority's funding policy is to contribute an amount equal to the sum of the normal cost with interest to the end of the year (less the expected employee contributions with interest to the end of the year), the expected administrative expenses for the coming year, and the unfunded pension liability amortized over five years using the valuation discount rate.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

**(b) Net Pension Asset**

The Authority's net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

**(i) Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions for 2022:

**Notes to schedule of contributions**

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|                           |                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date            | January 1, 2023                                                                                                                                   |
| Measurement date          | December 31, 2022                                                                                                                                 |
| Actuarial cost method     | Entry age normal                                                                                                                                  |
| Amortization method       | Level payment, open                                                                                                                               |
| Asset valuation method    | 5 year smoothed market                                                                                                                            |
| Inflation                 | 2.5%                                                                                                                                              |
| Salary increases          | Composition: 2.5% inflation and 1.0% promotional increases                                                                                        |
| Investment rate of return | 7.0%                                                                                                                                              |
| Retirement age            | Experience based table of age and service rates.<br>Last updated for the 2020 valuation pursuant to an experience study of the period 2015-2019   |
| Mortality                 | RP-2000 Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA applied generationally |

The assumptions above were the same for the actuarial valuation dated January 1, 2021 that was based on a December 31, 2020 measurement date.

The long-term expected rate of return on pension plan investments is 7.0%. The Plan's policy regarding the allocation of invested assets is established and may be amended by the management board. Plan assets are managed on a total return basis with an emphasis on capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of the Authority.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

for the year ended December 31, 2022 for each major asset class are summarized in the following table:

| <b>Asset class</b>   | <b>Target allocation</b> | <b>Long-term expected real rate of return (arithmetic)</b> |
|----------------------|--------------------------|------------------------------------------------------------|
| Domestic equity      | 50 – 60%                 | 5.3 %                                                      |
| International equity | 10 – 20%                 | 5.4                                                        |
| Core fixed income    | 25 – 35%                 | 2.0                                                        |
| Cash and equivalent  | 0 – 10%                  | —                                                          |
|                      | <b>100 %</b>             |                                                            |

**(ii) Discount Rate**

A single discount rate of 7.0% was used to measure the total pension liability for the plan years ended December 31, 2022 and 2021. This single discount rate was based on the expected rate of return on pension plan investment of 7.0%. Based on the assumption that the Authority will continue to pay at least the actuarially recommended contribution in future years, the pension plan's fiduciary net position and future contributions are expected to be sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The current funding policy adopted by the Authority for the Plan will remain in effect for all future years. Under this funding policy, the Authority will finance the unfunded actuarial accrued liability over five years using the valuation discount rate.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

**(III) Changes in the Authority's Net Pension Asset**

The following tables summarize the Authority's change in the net pension asset in 2022 and 2021:

|                                                   | <b>Schedule of changes in net pension asset</b> |                                    |                          |
|---------------------------------------------------|-------------------------------------------------|------------------------------------|--------------------------|
|                                                   | <b>2022</b>                                     |                                    |                          |
|                                                   | <b>Total pension liability</b>                  | <b>Plan fiduciary net position</b> | <b>Net pension asset</b> |
|                                                   | <b>(a)</b>                                      | <b>(b)</b>                         | <b>(a) - (b)</b>         |
| Balance at December 31, 2021                      | \$ 116,249,397                                  | 196,867,139                        | (80,617,742)             |
| Changes for the year:                             |                                                 |                                    |                          |
| Service cost                                      | 3,675,174                                       | —                                  | 3,675,174                |
| Interest (on total pension liability)             | 8,243,476                                       | —                                  | 8,243,476                |
| Difference between expected and actual experience | 72,333                                          | —                                  | 72,333                   |
| Changes in assumptions                            | —                                               | —                                  | —                        |
| Benefit payments                                  | (4,395,608)                                     | (4,395,608)                        | —                        |
| Contributions - employer                          | —                                               | 3,000,000                          | (3,000,000)              |
| Contributions - employee                          | —                                               | 2,048,541                          | (2,048,541)              |
| Net investment income                             | —                                               | (33,357,803)                       | 33,357,803               |
| Administrative expenses                           | —                                               | (103,093)                          | 103,093                  |
| Net changes                                       | <u>7,595,375</u>                                | <u>(32,807,963)</u>                | <u>40,403,338</u>        |
| Balance at December 31, 2022                      | \$ <u>123,844,772</u>                           | <u>164,059,176</u>                 | <u>(40,214,404)</u>      |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

| <b>Schedule of changes in net pension asset</b>   |                                |                                    |                          |
|---------------------------------------------------|--------------------------------|------------------------------------|--------------------------|
| <b>2021</b>                                       |                                |                                    |                          |
|                                                   | <b>Total pension liability</b> | <b>Plan fiduciary net position</b> | <b>Net pension asset</b> |
|                                                   | <b>(a)</b>                     | <b>(b)</b>                         | <b>(a) - (b)</b>         |
| Balance at December 31, 2020                      | \$ 107,605,158                 | 182,113,220                        | (74,508,062)             |
| Changes for the year:                             |                                |                                    |                          |
| Service cost                                      | 3,113,891                      | —                                  | 3,113,891                |
| Interest (on total pension liability)             | 7,617,205                      | —                                  | 7,617,205                |
| Difference between expected and actual experience | 1,782,051                      | —                                  | 1,782,051                |
| Changes in assumptions                            | —                              | —                                  | —                        |
| Benefit payments                                  | (3,868,708)                    | (3,868,708)                        | —                        |
| Contributions — employer                          | —                              | 3,000,000                          | (3,000,000)              |
| Contributions — employee                          | —                              | 1,899,933                          | (1,899,933)              |
| Net investment income                             | —                              | 13,919,828                         | (13,919,828)             |
| Administrative expenses                           | —                              | (197,134)                          | 197,134                  |
| Net changes                                       | 8,644,239                      | 14,753,919                         | (6,109,680)              |
| Balance at December 31, 2021                      | \$ 116,249,397                 | 196,867,139                        | (80,617,742)             |

**(iv) Sensitivity of the Authority's Net Pension Asset to Changes in the Discount Rate**

The following tables present the sensitivity of the Authority's net pension asset to changes in the discount rate as of December 31, 2022 and 2021. In particular, the tables below present the Authority's net pension asset under the current discount rate assumption, 7.0%, as if it were calculated using a discount rate that is one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate assumption.

| <b>2022</b>       |                           |                                     |                           |
|-------------------|---------------------------|-------------------------------------|---------------------------|
|                   | <b>1% Decrease (6.0%)</b> | <b>Current discount rate (7.0%)</b> | <b>1% Increase (8.0%)</b> |
| Net pension asset | \$ 22,608,237             | 40,214,404                          | 54,839,393                |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

|                   | <b>2021</b>                       |                                             |                                   |
|-------------------|-----------------------------------|---------------------------------------------|-----------------------------------|
|                   | <b>1%<br/>Decrease<br/>(6.0%)</b> | <b>Current<br/>discount rate<br/>(7.0%)</b> | <b>1%<br/>Increase<br/>(8.0%)</b> |
| Net pension asset | \$ 63,973,517                     | 80,617,742                                  | 94,441,451                        |

**(c) Pension Expense and Deferred Outflows and Inflows of Resources**

The Authority recognized a pension benefit of \$3,689,770 and \$15,909,427 for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                 | <b>2022</b>                                  |                                             |
|-------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                                                 | <b>Deferred<br/>outflow<br/>of resources</b> | <b>Deferred<br/>inflow of<br/>resources</b> |
| Differences in expected and actual experience in the measurement of the total pension liability | \$ 2,049,968                                 | (1,098,139)                                 |
| Changes in assumptions                                                                          | —                                            | (1,322,519)                                 |
| Net differences in expected and actual earnings on pension assets                               | 20,468,133                                   | —                                           |
|                                                                                                 | <b>\$ 22,518,101</b>                         | <b>(2,420,658)</b>                          |

|                                                                                                 | <b>2021</b>                                  |                                             |
|-------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------|
|                                                                                                 | <b>Deferred<br/>outflow<br/>of resources</b> | <b>Deferred<br/>inflow of<br/>resources</b> |
| Differences in expected and actual experience in the measurement of the total pension liability | \$ 2,478,367                                 | 1,607,146                                   |
| Changes in assumptions                                                                          | —                                            | 1,690,803                                   |
| Net differences in expected and actual earnings on pension assets                               | —                                            | 26,176,083                                  |
|                                                                                                 | <b>\$ 2,478,367</b>                          | <b>29,474,032</b>                           |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

Notes to Basic Financial Statements

December 31, 2022 and 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ending December 31: |                      |
|--------------------------|----------------------|
| 2023                     | \$ (1,413,858)       |
| 2024                     | 2,757,381            |
| 2025                     | 9,145,382            |
| 2026                     | 9,330,747            |
| 2027                     | 12,576               |
| 2028                     | 17,549               |
| 2029                     | 201,848              |
| 2030                     | 45,818               |
| Thereafter               | —                    |
|                          | <u>\$ 20,097,443</u> |

**(13) Lease Arrangements**

The Authority accounts for its lease revenue and expenses in accordance with GASB Statement No. 87, Leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the statement, the Authority as a lessee, is required to recognize a lease liability and an intangible right to use the leased asset, and as a lessor is required to recognize a lease asset receivable and a deferred inflow of resources.

The Authority has identified arrangements in which the Authority is a lessee that are not material under GASB 87 and has identified co-location agreements on communications towers and smaller related structures as the only arrangements in which the Authority is a lessor. The Authority owns approximately 90 communications towers and 33 small structures across the Navajo Nation. These towers and smaller structures are a combination of self-supporting towers, guyed towers, monopoles, steel poles, wood poles and water tanks. The Authority has entered 142 colocation leases for antenna and equipment mounting space on these towers and related structures. The lessees in most cases are last mile communications carriers providing cellular and broadband services. Individual colocation leases vary in length from five to ten years and are generally renewable at the end of the initial term. In most cases, these leases also include the right to either co-locate electronics equipment in ground mounted cabinets or use concrete pads for installation of their own cabinets. The Authority also has several colocation leases for rack space in its data center in Shiprock, NM. As of December 31, 2022, and 2021, the Deferred inflows of resources – leases were \$9,135,280 and \$11,745,784, respectively. As of December 31, 2022, and 2021 lease receivables were \$9,135,280 and \$11,745,784, respectively, of which \$1,835,296 and \$2,321,599, respectively, were current.

**(14) Fiduciary Funds**

**(a) Cash and Cash Equivalents**

The Plan had cash equivalents balances in a money market cash sweep account on deposit with Wells Fargo, the trustee of the Plan, at December 31, 2022 and 2021. Amounts exceeding the balance

# **NAVAJO TRIBAL UTILITY AUTHORITY**

(A Navajo Nation Enterprise)

## **Notes to Basic Financial Statements**

December 31, 2022 and 2021

insured by the Federal Deposit Insurance Corporation at December 31, 2022 and 2021 were approximately \$3,000,000 and \$1,400,000, respectively.

### **(b) Investments**

#### **(i) Investment Policy**

The Plan shall be invested to provide safety through diversification in a portfolio of common stocks, bonds, cash equivalents, and other investments, which may reflect varying rates of return. The overall rate of return objective for the portfolio is a reasonable rate consistent with the risk levels established by the Retirement Administrative Committee (RAC). The investments shall also be diversified within asset classes (e.g. equities shall be diversified by economic sector, industry, quality, and size). Portfolio diversification provides protection against a single security or class of securities having a disproportionate impact on aggregate performance. The RAC will review the performance of the Plan and the investment manager's conformity to the Plan's investment objectives. Any amendments to the Plan require approval by the management board of the Authority. There are seven management board members of the Authority.

#### **(ii) Investment Interest Rate and Credit Risk**

The following tables provide information on the interest rates and credit ratings associated with the Plan's investments in debt and equity securities at December 31, 2022 and 2021:

| December 31, 2022               |                |                       |                                                            |                  |
|---------------------------------|----------------|-----------------------|------------------------------------------------------------|------------------|
| Investment                      | Carrying value | Rating<br>Moody's S&P | Weighted<br>average<br>investment<br>maturities<br>(years) | Interest<br>rate |
| Mutual fund                     | \$ 72,035,865  | N/A                   | N/A                                                        | N/A              |
| Corporate bonds                 | 10,034,076     | A- to BBB-            | 5.6                                                        | 0.953%–6.950%    |
| U.S. government agency          |                |                       |                                                            |                  |
| Treasury notes and bonds        | 28,401,355     | AAA                   | 4.8                                                        | 0.000%–4.375%    |
| Mortgage asset-backed           | 5,274,749      | AAA to AA             | 12.3                                                       | 0.900%–5.385%    |
| Municipal bonds                 | 231,673        | AA to A               | 18.0                                                       | 2.850%–6.875%    |
| Bond private placements         | 3,111,996      | A to BA               | 4.4                                                        | 0.550%–7.507%    |
| Foreign bonds                   | 1,171,073      | A to BAA              | 8.2                                                        | 3.800%–5.354%    |
| Domestic equity securities      | 36,880,138     | N/A                   | N/A                                                        | N/A              |
| International equity securities | 3,523,424      | N/A                   | N/A                                                        | N/A              |
| Total investments               | \$ 180,664,349 |                       |                                                            |                  |



**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

December 31, 2022 and 2021

| December 31, 2021                                  |                |                       |                                                            |                  |
|----------------------------------------------------|----------------|-----------------------|------------------------------------------------------------|------------------|
| Investment                                         | Carrying value | Rating<br>Moody's S&P | Weighted<br>average<br>investment<br>maturities<br>(years) | Interest<br>rate |
| Mutual fund                                        | \$ 88,128,834  | N/A                   | N/A                                                        | N/A              |
| Corporate bonds                                    | 12,740,702     | AAA to BA2            | 5.8                                                        | 0.953%–8.125%    |
| U.S. government agency<br>Treasury notes and bonds | 30,446,722     | AAA to AA+            | 4.1                                                        | 0%–7.625%        |
| Mortgage asset-backed                              | 7,822,175      | AAA                   | 13.1                                                       | 0.900%–4.094%    |
| Municipal bonds                                    | 258,799        | AA to A2              | 15.8                                                       | 0.016%–6.875%    |
| Bond private placements                            | 6,658,640      | AAA to BA1            | 5.1                                                        | 0.550%–7.507%    |
| Domestic equity securities                         | 44,225,969     | N/A                   | N/A                                                        | N/A              |
| International equity securities                    | 4,968,600      | N/A                   | N/A                                                        | N/A              |
| Total Investments                                  | \$ 195,248,461 |                       |                                                            |                  |

**(iii) Concentration of Credit Risk**

The Plan has a policy that sets a maximum of 5% of the market value of the fixed income segment per issuer, unless the issuer is the U.S. government or its agencies, in which case there is no limit. The following issuer and their respective percentage of total investments represent greater than 5% of the Plan's total investments and fiduciary net position reported on the accompanying statement of fiduciary net position as of December 31, 2022: U.S. Treasury notes and bonds 16.5%. The following issuer and their respective percentage of total investments represent greater than 5% of the Plan's total investments and fiduciary net position reported on the accompanying statement of fiduciary net position as of December 31, 2021: U.S. Treasury notes and bonds 14.6%.

**(iv) Money-Weighted Rate of Return on Pension Plan Investments**

For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on pension plan investments was -17% and 8%, respectively. The annual money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the change in amounts actually invested.

**(c) Fair Value Measurements**

The Plan follows GASB Statement No. 72. All the Plan's investments are recorded at fair value and any changes in fair value are reported as realized and unrealized gains on pension plan assets in the accompanying statements of changes in fiduciary net position.

The following is a description of the valuation methodologies used for investments measured at fair value:

- Domestic equity – The fair value is based on quoted prices in active markets and is classified as Level 1.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

- International equity – The fair value is based on quoted prices in active markets and is classified as Level 1.
- Mutual fund – The fair value is based on quoted prices in active markets and is classified as Level 1.
- Corporate bonds – The fair value is based on institutional bond quotes and evaluations based on various market data/inputs and is classified as Level 2.
- U.S. government agency Treasury notes and bonds – The fair value is based on institutional quotes and evaluations based on various market data/inputs and is classified as Level 2.
- Mortgage asset-backed securities – The fair value is based on institutional quotes and evaluations based on various market data/inputs and is classified as Level 2.
- Municipal bonds – The fair value is based on institutional quotes and evaluations based on various market data/inputs and is classified as Level 2.
- Bond private placements – The fair value is based on institutional bond quotes and evaluations based on various market data/inputs and is classified as Level 2.

The Plan has no investments that are classified in Level 3.

The following tables summarize the Plan's investments within the fair value hierarchy at December 31, 2022 and 2021:

| December 31, 2022                               |                       |                    |                   |          |
|-------------------------------------------------|-----------------------|--------------------|-------------------|----------|
|                                                 | Total                 | Level 1            | Level 2           | Level 3  |
| Domestic equity securities                      | \$ 38,880,138         | 38,880,138         | —                 | —        |
| International equity securities                 | 3,523,424             | 3,523,424          | —                 | —        |
| Mutual fund                                     | 72,035,865            | 72,035,865         | —                 | —        |
| Corporate bonds                                 | 10,034,076            | —                  | 10,034,076        | —        |
| U.S. government agency Treasury notes and bonds | 28,401,355            | —                  | 28,401,355        | —        |
| Foreign bonds                                   | 1,171,073             | —                  | 1,171,073         | —        |
| Mortgage asset-backed                           | 5,274,749             | —                  | 5,274,749         | —        |
| Municipal bonds                                 | 231,673               | —                  | 231,673           | —        |
| Bond private placements                         | 3,111,996             | —                  | 3,111,996         | —        |
| <b>Total investments at fair value</b>          | <b>\$ 160,664,349</b> | <b>112,439,427</b> | <b>48,224,922</b> | <b>—</b> |

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

|                                 |    | <b>December 31, 2021</b> |                    |                   |                |
|---------------------------------|----|--------------------------|--------------------|-------------------|----------------|
|                                 |    | <b>Total</b>             | <b>Level 1</b>     | <b>Level 2</b>    | <b>Level 3</b> |
| Domestic equity securities      | \$ | 44,225,989               | 44,225,989         | —                 | —              |
| International equity securities |    | 4,968,600                | 4,968,600          | —                 | —              |
| Mutual fund                     |    | 88,126,834               | 88,126,834         | —                 | —              |
| Corporate bonds                 |    | 12,740,702               | —                  | 12,740,702        | —              |
| U.S. government agency          |    |                          |                    |                   |                |
| Treasury notes and bonds        |    | 30,446,722               | —                  | 30,446,722        | —              |
| Mortgage asset-backed           |    | 7,822,175                | —                  | 7,822,175         | —              |
| Municipal bonds                 |    | 258,799                  | —                  | 258,799           | —              |
| Bond private placements         |    | 6,658,640                | —                  | 6,658,640         | —              |
| Total investments at fair value | \$ | <u>195,248,461</u>       | <u>137,321,423</u> | <u>57,927,038</u> | <u>—</u>       |

**(15) Commitments and Contingencies**

The Authority has agreements providing for the future purchase and wheeling of electricity to supply its customers. The Authority's total expenses under such agreements were approximately \$70,700,000 and \$66,600,000 for the years ended December 31, 2022, and 2021, respectively. These agreements expire at various dates through September 30, 2067.

The Authority has an agreement providing for the future purchase of natural gas to supply its customers. Under this agreement, the Authority's natural gas purchases during 2022 and 2021 were approximately \$16,900,000 and \$12,400,000, respectively. With reasonable notice, either party may terminate this agreement.

In connection with the NTUA V, Inc. tax credit transaction (note 8(c)), the Authority has indemnified USBCDC as to USBCDC obtaining the new market tax credits under Section 45D of the Internal Revenue Code. If any tax credits are not able to be realized by USBCDC, the Authority shall be obligated to pay USBCDC the recaptured tax credit amount of up to \$1,823,250. At December 31, 2022, no tax credits are expected to be subject to recapture.

The Authority is involved in various legal matters arising in the ordinary course of business. After consultation with legal counsel, management does not believe the outcome of these legal matters will have an adverse impact on the Authority's financial position or results of operations.

**(16) Risk Management**

The Authority is subject to risk of loss from general liability matters and workers' compensation. The Authority manages this risk by purchasing commercial insurance policies. The Authority had no settlements in excess of policy limits in 2022 or 2021.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
(A Navajo Nation Enterprise)

**Notes to Basic Financial Statements**

**December 31, 2022 and 2021**

**(17) Subsequent Events**

On March 30, 2023 the Authority entered into a Subrecipient Agreement with the Navajo Nation for a subaward of American Rescue Plan Act Fiscal Recovery Funds for the purposes of electricity connection and electric capacity projects expenditure plan in the amount of \$96,400,000. The term of the Subrecipient Agreement is March 30, 2023 through June 30, 2026.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Schedule of Required Supplementary Information**  
**December 31, 2022 and 2021**

**Schedule of Changes in Net Pension Asset and Related Ratios (10 Years\*)**

| Total Pension Liability                                                | 2022            | 2021         | 2020         | 2019         | December 31, 2018 | 2017         | 2016        | 2015        | 2014        |
|------------------------------------------------------------------------|-----------------|--------------|--------------|--------------|-------------------|--------------|-------------|-------------|-------------|
| Service cost                                                           | \$ 3,675,174    | 3,113,891    | 2,980,508    | 2,931,329    | 2,879,403         | 2,916,067    | 2,744,561   | 2,808,525   | 2,728,142   |
| Interest                                                               | 8,243,478       | 7,817,205    | 7,267,472    | 6,905,487    | 6,536,237         | 6,088,027    | 5,688,631   | 5,188,919   | 4,970,185   |
| Changes in plan provisions                                             | —               | —            | —            | —            | —                 | —            | —           | —           | —           |
| Differences between expected and actual experience                     | 72,333          | 1,782,061    | 214,178      | (788,787)    | (389,408)         | 898,339      | (2,688,346) | 1,557,436   | (830,827)   |
| Changes in assumptions                                                 | —               | —            | (1,912,853)  | —            | —                 | —            | —           | —           | (1,445,982) |
| Benefit payments (including unpaid employee contributions)             | (4,366,808)     | (3,888,708)  | (3,510,381)  | (4,282,750)  | (3,279,842)       | (3,878,081)  | (2,582,883) | (1,983,308) | (2,861,978) |
| Net change in total pension liability                                  | 7,595,375       | 8,844,239    | 5,018,142    | 4,757,308    | 5,735,382         | 6,215,342    | 3,280,153   | 7,538,570   | 2,829,849   |
| Total pension liability – beginning                                    | 116,249,387     | 107,805,158  | 102,586,018  | 97,828,707   | 92,083,315        | 85,877,973   | 82,597,820  | 75,068,250  | 72,128,401  |
| Total pension liability – ending (a)                                   | \$ 123,844,772  | 116,249,387  | 107,805,158  | 102,586,018  | 97,828,707        | 92,083,315   | 85,877,973  | 82,597,820  | 75,068,250  |
| Plan Fiduciary Net Position                                            |                 |              |              |              |                   |              |             |             |             |
| Contributions – employer                                               | \$ 3,000,000    | 3,000,000    | 3,000,000    | 3,000,000    | 3,000,000         | 3,000,000    | 3,000,000   | 3,000,000   | 3,000,000   |
| Contributions – employee                                               | 2,048,541       | 1,889,833    | 1,708,851    | 1,700,791    | 1,588,484         | 1,538,808    | 1,448,302   | 1,364,303   | 973,907     |
| Net investment experience                                              | (33,387,803)    | 13,919,828   | 40,777,820   | 28,820,186   | (889,801)         | 20,988,793   | 1,848,108   | 1,388,873   | 2,208,134   |
| Benefit payments (including paid employee contributions)               | (4,013,144)     | (3,888,708)  | (3,510,381)  | (4,282,750)  | (3,279,842)       | (3,878,081)  | (2,582,883) | (1,983,308) | (2,861,978) |
| Employee contributions payable                                         | (382,484)       | —            | —            | —            | —                 | —            | —           | —           | —           |
| Administrative expense                                                 | (103,083)       | (187,134)    | (208,578)    | (215,513)    | (201,407)         | (183,024)    | (302,220)   | (287,887)   | (307,411)   |
| Other                                                                  | —               | —            | —            | —            | —                 | —            | —           | —           | —           |
| Net change in plan fiduciary net position                              | (32,807,963)    | 14,753,819   | 41,767,732   | 29,012,714   | 417,714           | 21,263,466   | 3,229,505   | 3,451,970   | 3,183,851   |
| Plan fiduciary net position – beginning                                | 186,867,138     | 182,113,220  | 140,345,488  | 111,332,774  | 110,915,080       | 89,651,564   | 86,422,066  | 82,970,088  | 78,786,435  |
| Plan fiduciary net position – ending (b)                               | \$ 184,059,175  | 196,867,138  | 182,113,220  | 140,345,488  | 111,332,774       | 110,915,080  | 89,651,564  | 86,422,066  | 82,970,088  |
| Net pension asset – beginning                                          | \$ (74,508,082) | (74,508,082) | (37,786,472) | (13,504,067) | (18,821,748)      | (3,773,981)  | (3,824,236) | (7,911,836) | (7,668,034) |
| Net pension asset – ending (a) – (b)                                   | (40,214,404)    | (80,617,742) | (74,508,082) | (37,759,472) | (13,504,067)      | (18,821,745) | (3,773,591) | (3,824,236) | (7,911,836) |
| Plan fiduciary net position as a percentage of total pension liability | 132.8 %         | 168.3 %      | 189.2 %      | 136.8 %      | 113.8 %           | 120.4 %      | 104.4 %     | 104.6 %     | 110.6 %     |
| Covered-employee payroll                                               | \$ 62,617,570   | 50,988,727   | 44,586,498   | 42,387,138   | 42,042,346        | 39,660,660   | 38,121,728  | 36,838,248  | 34,841,230  |
| Net pension asset as a percentage of covered-employee payroll          | (78.4)%         | (158.1)%     | (167.1)%     | (89.1)%      | (32.1)%           | (47.8)%      | (9.9)%      | (10.6)%     | (22.8)%     |
|                                                                        | 184,059,175     | 196,867,138  | 182,113,220  | 140,345,488  | 111,332,774       | 110,915,080  | 89,651,564  | 86,422,066  | 82,970,088  |

\* GASB Statement No. 68 requires this schedule includes 10 years of data. However, as a result of the Authority implementing GASB Statement No. 68 as of January 1, 2014, this schedule will only show the eight years of available data as of the end of 2022 and will include additional information as it becomes available.

**NAVAJO TRIBAL UTILITY AUTHORITY**  
**(A Navajo Nation Enterprise)**  
**Schedule of Required Supplementary Information**  
**December 31, 2022 and 2021**

**Schedule of Authority's Contributions**

|                                                                                                | 2022          | 2021        | 2020        | 2019        | December 31<br>2018 | 2017        | 2016        | 2015        | 2014       |
|------------------------------------------------------------------------------------------------|---------------|-------------|-------------|-------------|---------------------|-------------|-------------|-------------|------------|
| Actuarial determined contribution                                                              | \$ 2,090,101  | 1,757,787   | 1,987,789   | 1,856,235   | 1,681,951           | 1,795,312   | 1,493,101   | 1,821,878   | 2,881,880  |
| Contributions in relation to the actuarial determined contribution                             | 3,000,000     | 3,000,000   | 3,000,000   | 3,000,000   | 3,000,000           | 3,000,000   | 3,000,000   | 3,000,000   | 3,000,000  |
| Contribution excess                                                                            | \$ (909,899)  | (1,242,213) | (1,312,211) | (1,343,765) | (1,318,049)         | (1,214,688) | (1,506,899) | (1,378,124) | (308,120)  |
| Authority's covered employee payroll contributions as a percentage of covered employee payroll | \$ 52,617,570 | 50,998,727  | 44,598,498  | 42,387,138  | 42,042,348          | 38,580,880  | 38,121,725  | 35,936,248  | 34,641,230 |
|                                                                                                | 5.7 %         | 5.9 %       | 6.7 %       | 7.1 %       | 7.1 %               | 7.8 %       | 7.9 %       | 8.3 %       | 8.7 %      |

**Schedule of annual money-weighted rate of return on pension plan investments, net of investment expense (10 years)**

|  | 2022  | 2021 | 2020 | 2019 | December 31<br>2018 | 2017 | 2016 | 2015 |
|--|-------|------|------|------|---------------------|------|------|------|
|  | (17)% | 8 %  | 29 % | 26 % | (1)%                | 23 % | 1 %  | 1 %  |

**Notes to schedule of contributions**

|                           |                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date            | January 1, 2023                                                                                                                                   |
| Measurement date          | December 31, 2022                                                                                                                                 |
| Actuarial cost method     | Entry age normal                                                                                                                                  |
| Amortization method       | Level payment, open                                                                                                                               |
| Asset valuation method    | 5 year smoothed market                                                                                                                            |
| Inflation                 | 2.5%                                                                                                                                              |
| Salary increases          | Composition: 2.5% inflation and 1.0% promotional increases                                                                                        |
| Investment rate of return | 7.0%                                                                                                                                              |
| Retirement age            | Experience based table of age and service rates.<br>Last updated for the 2020 valuation pursuant to an experience study of the period 2015-2019   |
| Mortality                 | RP-2000 Mortality Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA applied generationally |



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**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

The Management Board  
Navajo Tribal Utility Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Navajo Tribal Utility Authority (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 30, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
April 30, 2023





**DINÉ COLLEGE**  
Basic Financial Statements  
September 30, 2022 and 2021  
(With Independent Auditors' Report Thereon)

**DINÉ COLLEGE****Table of Contents**

|                                                                      | <b>Page</b> |
|----------------------------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b>                                  | <b>1</b>    |
| <b>Management's Discussion and Analysis (Unaudited)</b>              | <b>4</b>    |
| <b>Basic Financial Statements:</b>                                   |             |
| <b>Statements of Net position</b>                                    | <b>11</b>   |
| <b>Statements of Revenues, Expenses, and Changes in Net Position</b> | <b>12</b>   |
| <b>Statements of Cash Flows</b>                                      | <b>13</b>   |
| <b>Notes to Basic Financial Statements</b>                           | <b>14</b>   |



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## Independent Auditors' Report

The Board of Regents  
Diné College

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Diné College (the College), a component unit of the Navajo Nation, as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the College as of September 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 1(n) to the basic financial statements, during fiscal year 2022, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives 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 auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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. Misstatements 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 College's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

KPMG LLP

Albuquerque, New Mexico  
June 9, 2023

# **DINÉ COLLEGE**

## **Management's Discussion and Analysis**

**September 30, 2022 and 2021**

**(Unaudited – See accompanying auditors' report)**

### **Overview of the Financial Statements and Financial Analysis**

This report consists of management's discussion and analysis (MD&A), the statements of net position, the statements of revenues, expenses, and changes in net position, the statements of cash flows, and the related notes to the basic financial statements. These statements provide both long-term and short-term financial information on Diné College (the College). The discussion and analysis of the College's financial statements provide an overview of its financial activities for the years ended September 30, 2022 and 2021. Management has prepared the financial statements and the related note disclosures along with this discussion and analysis.

### **Financial Highlights**

Total operating and nonoperating revenue decreased approximately \$2,193,000 for year ended September 30, 2022 and increased approximately \$12,454,000 for the year ended September 30, 2021.

Net position increased approximately \$19,137,000 and \$14,984,000 during 2022 and 2021, respectively.

### **The Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position**

The statements of net position and statements of revenues, expenses, and changes in net position report the College's net position and how they have changed. Net position—the difference between assets and liabilities—is one way to measure the College's financial health or position. Over time, increases or decreases in the College's net position are an indicator of whether its financial health is improving or declining. Nonfinancial factors are also important to consider, including student enrollment and the condition of campus buildings.

These statements include all assets and liabilities using the accrual basis of accounting, which is consistent with the accounting method used by private sector institutions. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The following table summarizes the College's assets, liabilities, and net position as of September 30, 2022, 2021, and 2020:

|                          | <u>2022</u>       | <u>2021</u>    | <u>2020</u>    |
|--------------------------|-------------------|----------------|----------------|
|                          | (In thousands)    |                |                |
| <b>Assets:</b>           |                   |                |                |
| Current assets           | \$ 63,122         | 75,239         | 31,413         |
| Capital assets, net      | 74,940            | 60,826         | 57,809         |
| Other noncurrent assets  | 23,303            | 16,679         | 28,496         |
| <b>Total assets</b>      | <b>\$ 161,365</b> | <b>152,744</b> | <b>117,718</b> |
| <b>Liabilities:</b>      |                   |                |                |
| Current liabilities      | \$ 34,054         | 44,516         | 24,419         |
| Noncurrent liabilities   | 271               | 326            | 380            |
| <b>Total liabilities</b> | <b>\$ 34,325</b>  | <b>44,842</b>  | <b>24,799</b>  |

**DINÉ COLLEGE**  
**Management's Discussion and Analysis**  
**September 30, 2022 and 2021**  
(Unaudited – See accompanying auditors' report)

|                                  | <b>2022</b> | <b>2021</b>    | <b>2020</b> |
|----------------------------------|-------------|----------------|-------------|
|                                  |             | (In thousands) |             |
| <b>Net position:</b>             |             |                |             |
| Net investment in capital assets | \$ 73,664   | 60,446         | 57,377      |
| Restricted                       | 28,059      | 20,171         | 14,381      |
| Unrestricted                     | 25,317      | 27,285         | 21,161      |
| Total net position               | \$ 127,040  | 107,902        | 92,919      |

In 2022, total assets increased primarily due to an increase in capital assets, which resulted from increased construction activities, including the renovations of the College's HVAC system and continued construction of the Shiprock Math & Science Buildings. Other noncurrent assets also contributed to an increase in total assets for 2022, which was a result of the College opting to invest more of their operational funds compared to the prior year. Finally, both increases were partially offset by a decrease in current assets, which is a result of the College receiving their annual federal appropriation subsequent to September 30, 2022. In 2021, total assets increased primarily due to an increase in current assets, which primarily resulted from cash advances received on Federal COVID grants and investments in the operational investment fund maturing and not being reinvested as of year-end. Further, the maturing of investments resulted in a decrease in other noncurrent in 2021.

In 2022, total liabilities decreased, which was attributable to an untimely disbursement of the College's annual federal appropriation, which resulted in the monies being received by the College subsequent September 30, 2022. The receipt of the annual federal appropriation after September 30, 2022, also resulted in an increase in receivables for the amount of the appropriation that was recognized prior to September 30, 2022.

In 2021, total liabilities increased, which was attributable to the College receiving Federal COVID funding during the year that had not been earned as of September 30, 2021. In 2021, the increase in total liabilities was also increased by accounts payables, which was due to the timing of payments made in 2021 compared to 2020 offset by the forgiveness of the Payroll Protection Loan by the Federal Government.

# **DINÉ COLLEGE**

## **Management's Discussion and Analysis**

**September 30, 2022 and 2021**

**(Unaudited – See accompanying auditors' report)**

The following table summarizes the College's revenues, expenses, and changes in net position for the years ended September 30, 2022, 2021, and 2020:

|                                                                | <u>2022</u> | <u>2021</u>    | <u>2020</u> |
|----------------------------------------------------------------|-------------|----------------|-------------|
|                                                                |             | (In thousands) |             |
| Operating revenues                                             | \$ 10,722   | 8,378          | 7,949       |
| Operating expenses                                             | (41,186)    | (40,058)       | (35,037)    |
| Operating loss                                                 | (30,464)    | (31,680)       | (27,088)    |
| Nonoperating revenues, net                                     | 37,213      | 41,750         | 29,725      |
| Income (loss) before capital appropriations, grants, and gifts | 6,749       | 10,070         | 2,637       |
| Capital appropriations, grants, and gifts                      | 12,388      | 4,914          | 1,106       |
| Increase in net position                                       | \$ 19,137   | 14,984         | 3,743       |

### **Operating Revenues**

The following table summarizes the College's operating revenues for the years ended September 30, 2022, 2021, and 2020:

|                            | <u>2022</u> | <u>2021</u>    | <u>2020</u> |
|----------------------------|-------------|----------------|-------------|
|                            |             | (In thousands) |             |
| Tuition and fees, net      | \$ 177      | 232            | 285         |
| Grants and contracts       | 9,971       | 7,672          | 6,895       |
| Auxiliary enterprises, net | 574         | 474            | 769         |
| Total operating revenues   | \$ 10,722   | 8,378          | 7,949       |

In 2022, total operating revenues increased primarily due to an increase in grants and contracts. The increase in grants and contracts is due to a increase in funding received from various grantors with the majority of the increase being attributed to funding received from the Department of Education and new grants received from the National Science Foundation and National Institute of Health. In 2021, total operating revenues increased primarily due to an increase in grants and contracts. The increase in grants and contracts is due to an increase in funding received from the Higher Education Institutional Aid Grant.



# **DINÉ COLLEGE**

## **Management's Discussion and Analysis**

September 30, 2022 and 2021

(Unaudited – See accompanying auditors' report)

### **Operating Expenses**

The following table summarizes the College's operating expenses for the years ended September 30, 2022, 2021, and 2020:

|                          | <u>2022</u>      | <u>2021</u>    | <u>2020</u>   |
|--------------------------|------------------|----------------|---------------|
|                          |                  | (In thousands) |               |
| Instruction              | \$ 7,068         | 7,757          | 8,543         |
| Research                 | 2,620            | 1,721          | 1,843         |
| Student aid              | 5,239            | 5,606          | 4,783         |
| Academic support         | 4,399            | 2,370          | 2,357         |
| Student services         | 3,132            | 2,193          | 1,303         |
| Institutional support    | 17,252           | 19,037         | 14,686        |
| Auxiliary enterprises    | 1,476            | 1,374          | 1,721         |
| Total operating expenses | <u>\$ 41,186</u> | <u>40,058</u>  | <u>35,036</u> |

In 2022, total operating expenses increased, which is primarily related to an increase in Academic Support and Student Services, partially offset by a decrease in Institutional Support. These fluctuations are attributed to fluctuations in grant spending from FY2021, with new grants being awarded and spent on during FY2022 and the primary purpose of those grants driving fluctuations in functional expense line items. In 2021, total operating expenses increased, which is primarily due to an increase in Institutional support. The increases were partially offset by decrease in instruction.

### **Nonoperating Revenue and Expenses**

The following table summarizes the College's nonoperating revenue and expenses for the years ended September 30, 2022, 2021, and 2020:

|                                        | <u>2022</u>      | <u>2021</u>    | <u>2020</u>   |
|----------------------------------------|------------------|----------------|---------------|
|                                        |                  | (In thousands) |               |
| Federal appropriations                 | \$ 14,287        | 14,724         | 13,967        |
| Navajo Nation appropriations           | 4,700            | 4,700          | 4,700         |
| Federal COVID grants                   | 13,337           | 11,304         | 3,483         |
| Loan forgiveness                       | —                | 3,381          | —             |
| Scholarship revenue                    | 5,438            | 6,188          | 6,845         |
| Investment income (loss)               | (2,637)          | 1,464          | 744           |
| Donations                              | 2,097            | —              | —             |
| Interest on capital asset-related debt | (9)              | (11)           | (14)          |
| Total nonoperating revenue, net        | <u>\$ 37,213</u> | <u>41,750</u>  | <u>29,725</u> |

# **DINÉ COLLEGE**

## **Management's Discussion and Analysis**

September 30, 2022 and 2021

(Unaudited – See accompanying auditors' report)

The majority of nonoperating revenues are comprised of Federal appropriations, Navajo Nation appropriations, Federal COVID Relief grants, Payroll Protection Program (PPP) revenue and scholarship revenue, which are subject to political and budgetary considerations outside the control of the College.

In 2022, net nonoperating revenues decreased due to a decrease investment income, resulting from the federal reserve raising interest rates during the latter half of 2022, which in turn decreased the value in the College's bond focused investment portfolio. Additionally, unlike 2021, the College did not recognize revenue from the Payroll Protection Program loan forgiveness, which also contributed to the overall decrease in net nonoperating revenues. These reductions were partly offset by an increase in donations received by the College. In 2021, net nonoperating revenues increased primarily due to an increase in Federal COVID Relief grants, which the College received as a result of the CARES Act. Further, net nonoperating revenues increased in 2021 as a result of the Payroll Protection Program loan that was received in 2020 being forgiven in 2021.

### **Capital Appropriations, Grants, and Gifts**

The following table summarizes the College's capital appropriations, grants, and gifts for the years ended September 30, 2022, 2021, and 2020:

|                                           | <u>2022</u> | <u>2021</u>   | <u>2020</u> |
|-------------------------------------------|-------------|---------------|-------------|
|                                           |             | (In thousand) |             |
| Capital appropriations, grants, and gifts | \$ 12,388   | 4,914         | 1,108       |

In 2022, capital appropriations, grants, and gifts increased, which is a result of funding received from the State of Arizona to construct a student center. In 2021, capital appropriations, grants, and gifts increased, which is a result of funding received from the Arizona Compact Fund and the New Mexico Higher Education Institutional Aid Grant.

**DINÉ COLLEGE**  
**Management's Discussion and Analysis**  
**September 30, 2022 and 2021**  
**(Unaudited – See accompanying auditors' report)**

**Capital Assets and Debt Administration**

**Capital Assets**

The following table summarizes the College's capital assets, net of accumulated depreciation as of September 30, 2022, 2021, and 2020:

|                                     | <u>2022</u> | <u>2021</u>    | <u>2020</u> |
|-------------------------------------|-------------|----------------|-------------|
|                                     |             | (In thousands) |             |
| Land improvements                   | \$ 1,415    | 1,222          | 1,226       |
| Buildings and building improvements | 46,650      | 48,135         | 47,384      |
| Equipment and furnishings           | 2,416       | 2,724          | 2,798       |
| Modular buildings                   | 934         | 1,036          | 1,126       |
| Vehicles                            | 101         | 86             | 82          |
| Data processing equipment           | 696         | 771            | 928         |
| Library books                       | 533         | 642            | 742         |
| Art works                           | 2,505       | 2,505          | 2,505       |
| Construction in progress            | 19,690      | 3,705          | 1,018       |
| Capital assets net, end of year     | \$ 74,940   | 60,826         | 57,809      |

In 2022 and 2021, capital assets, net of accumulated depreciation increased due to increased construction activities, including the renovation of the College's HVAC system and construction of the Shiprock Math & Science Building.

Additional information about the College's capital assets is presented in note 5 to the basic financial statements.

**Notes Payable**

The following table summarizes outstanding long-term debt as of September 30, 2022, 2021, and 2020:

|               | <u>2022</u> | <u>2021</u>   | <u>2020</u> |
|---------------|-------------|---------------|-------------|
|               |             | (In thousand) |             |
| Notes payable | \$ 326      | 380           | 432         |

As of September 30, 2022, 2021, and 2020, the College had approximately \$326,000 and \$380,000, and \$432,000, respectively, in outstanding long-term debt, a decrease of approximately \$54,000 during 2022, and a decrease of approximately \$52,000 during 2021. The decreases in 2022 and 2021 are due to scheduled debt service payments.

Additional information about the College's notes payable is presented in note 7 to the basic financial statements.

**DINÉ COLLEGE****Management's Discussion and Analysis****September 30, 2022 and 2021****(Unaudited – See accompanying auditors' report)****Economic Outlook**

The College's economic outlook is closely related to its role as a tribally controlled college. The College is dependent upon ongoing financial and political support from the federal government and the Navajo Nation. Specifically, the College receives annual appropriations from the federal government and the Navajo Nation. Both appropriations have remained relatively stable with little overall growth over the long term.

In August 2004, the Navajo Nation approved the Navajo Higher Education Act that, among other things, provides for funding to the College for 20 years, beginning with fiscal year 2006, in the amount of \$4,200,000 per year. Starting in fiscal year 2019, the Navajo Nation Higher Education Act was amended to increase the annual appropriation to \$4,700,000.

Under an act of Congress known as the Navajo Community College Act (the Act), the College receives annual appropriations from the federal government to provide for the operation and maintenance of the College, including instruction, academic support, student services, institutional support, and physical plant. This has resulted in an annual appropriation of approximately \$14.3 million.

Any reduction in funding from the primary sources of the College would result in a reevaluation of its operations and the potential for reduced operations or closing of some of its less utilized locations.

**Contacting Diné College's Financial Management**

This financial report is designed to provide the public with a general overview of the finances of the College. If you have questions about this report, contact Diné College's Finance and Accounting office at P.O. Box C12 Tsalle, Arizona 86556.

**DINE COLLEGE**
**Statements of Net Position**  
**September 30, 2022 and 2021**

|                                         | <b>Assets</b>       | <b>2022</b>        | <b>2021</b>        |
|-----------------------------------------|---------------------|--------------------|--------------------|
| <b>Current assets:</b>                  |                     |                    |                    |
| Cash and cash equivalents               | \$                  | 2,261,349          | 22,154,439         |
| Cash and cash equivalents – restricted  |                     | 24,964,302         | 41,376,777         |
| Investments – restricted                |                     | 19,829,368         | —                  |
| Accounts receivable, net                |                     | 8,357,705          | 4,171,720          |
| Grants and contracts receivable         |                     | 5,706,873          | 4,621,527          |
| Inventories                             |                     | 985,135            | 1,127,379          |
| Prepaid expenses                        |                     | 1,017,230          | 1,587,409          |
| <b>Total current assets</b>             |                     | <b>63,121,962</b>  | <b>75,239,251</b>  |
| <b>Noncurrent assets:</b>               |                     |                    |                    |
| Cash and cash equivalents – restricted  |                     | 2,804,581          | 1,785,992          |
| Endowment investments – restricted      |                     | 4,373,407          | 6,185,813          |
| Investments – unrestricted              |                     | 16,063,267         | 8,645,497          |
| Deposits with trustee                   |                     | 61,426             | 61,426             |
| Capital assets, net                     |                     | 74,940,092         | 60,826,400         |
| <b>Total noncurrent assets</b>          |                     | <b>98,242,773</b>  | <b>77,505,128</b>  |
| <b>Total assets</b>                     | \$                  | <b>161,364,735</b> | <b>152,744,379</b> |
|                                         | <b>Liabilities</b>  |                    |                    |
| <b>Current liabilities:</b>             |                     |                    |                    |
| Accounts payable                        | \$                  | 3,254,633          | 2,908,267          |
| Accrued liabilities                     |                     | 3,117,433          | 2,453,724          |
| Unearned tuition and auxiliary revenue  |                     | —                  | 267,832            |
| Unearned federal COVID grants           |                     | 27,432,734         | 27,915,710         |
| Advanced federal appropriations revenue |                     | —                  | 10,727,139         |
| Deposits held in custody for others     |                     | 194,068            | 188,941            |
| Current portion – notes payable         |                     | 55,432             | 53,806             |
| <b>Total current liabilities</b>        |                     | <b>34,054,300</b>  | <b>44,515,439</b>  |
| <b>Noncurrent notes payable</b>         |                     | <b>270,924</b>     | <b>326,356</b>     |
| <b>Total liabilities</b>                | \$                  | <b>34,325,224</b>  | <b>44,841,795</b>  |
|                                         | <b>Net Position</b> |                    |                    |
| <b>Net investment in capital assets</b> | \$                  | <b>73,664,210</b>  | <b>60,446,238</b>  |
| <b>Restricted:</b>                      |                     |                    |                    |
| Nonexpendable:                          |                     |                    |                    |
| Capital assets                          |                     | 913,905            | 913,905            |
| Scholarships                            |                     | 533,900            | 533,900            |
| College operations                      |                     | 1,321,568          | 1,321,568          |
| Other                                   |                     | 669,607            | 669,607            |
| Expendable:                             |                     |                    |                    |
| Capital assets                          |                     | 14,966,570         | 7,355,549          |
| Scholarships                            |                     | 2,609,803          | 2,782,632          |
| Other                                   |                     | 7,043,011          | 6,593,864          |
| <b>Unrestricted</b>                     |                     | <b>25,316,937</b>  | <b>27,285,321</b>  |
| <b>Total net position</b>               | \$                  | <b>127,039,511</b> | <b>107,902,584</b> |

See accompanying notes to basic financial statements.

## DINE COLLEGE

## Statements of Revenues, Expenses, and Changes in Net Position

Years ended September 30, 2022 and 2021

|                                                                                                  | 2022                  | 2021                |
|--------------------------------------------------------------------------------------------------|-----------------------|---------------------|
| <b>Revenues:</b>                                                                                 |                       |                     |
| <b>Operating revenues:</b>                                                                       |                       |                     |
| Tuition and fees (net of scholarship allowances of \$1,601,463 in 2022 and \$1,382,785 in 2021)  | \$ 176,463            | 231,730             |
| Grants and contracts                                                                             | 9,971,151             | 7,872,195           |
| Auxiliary enterprises (net of scholarship allowances of \$382,517 in 2022 and \$162,527 in 2021) | 574,098               | 473,922             |
| <b>Total operating revenues</b>                                                                  | <b>10,721,712</b>     | <b>8,377,847</b>    |
| <b>Expenses:</b>                                                                                 |                       |                     |
| <b>Operating expenses:</b>                                                                       |                       |                     |
| Instruction                                                                                      | 7,068,000             | 7,757,554           |
| Research                                                                                         | 2,620,559             | 1,720,587           |
| Student aid                                                                                      | 5,238,587             | 5,605,651           |
| Academic support                                                                                 | 4,398,665             | 2,369,809           |
| Student services                                                                                 | 3,132,217             | 2,193,172           |
| Institutional support                                                                            | 17,251,505            | 19,036,816          |
| Auxiliary enterprise                                                                             | 1,476,348             | 1,374,614           |
| <b>Total operating expenses</b>                                                                  | <b>41,185,881</b>     | <b>40,058,203</b>   |
| <b>Operating loss</b>                                                                            | <b>(30,464,169)</b>   | <b>(31,680,356)</b> |
| <b>Nonoperating revenues (expenses):</b>                                                         |                       |                     |
| Federal appropriations                                                                           | 14,286,782            | 14,723,805          |
| Navajo Nation appropriations                                                                     | 4,700,000             | 4,700,000           |
| Federal COVID grants                                                                             | 13,336,553            | 11,304,317          |
| Loan forgiveness                                                                                 | —                     | 3,380,851           |
| Scholarships                                                                                     | 5,438,470             | 6,187,880           |
| Investment income (loss)                                                                         | (2,636,726)           | 1,463,954           |
| Donations                                                                                        | 2,096,554             | —                   |
| Interest on capital asset related debt                                                           | (8,598)               | (10,158)            |
| <b>Net nonoperating revenues</b>                                                                 | <b>37,213,035</b>     | <b>41,750,649</b>   |
| <b>Increase in net position before capital appropriations, grants, and gifts</b>                 | <b>6,748,866</b>      | <b>10,070,293</b>   |
| <b>Capital appropriations, grants, and gifts:</b>                                                | <b>12,388,061</b>     | <b>4,913,634</b>    |
| <b>Increase in net position</b>                                                                  | <b>19,136,927</b>     | <b>14,983,927</b>   |
| <b>Net position, beginning of year</b>                                                           | <b>107,902,584</b>    | <b>92,918,657</b>   |
| <b>Net position, end of year</b>                                                                 | <b>\$ 127,039,511</b> | <b>107,902,584</b>  |

See accompanying notes to basic financial statements.

**DINÉ COLLEGE**  
**Statements of Cash Flows**  
**Years ended September 30, 2022 and 2021**

|                                                                                          | <u>2022</u>            | <u>2021</u>         |
|------------------------------------------------------------------------------------------|------------------------|---------------------|
| <b>Cash flows from operating activities:</b>                                             |                        |                     |
| Tuition and fees                                                                         | \$ 123,406             | 381,547             |
| Grants and contracts                                                                     | 8,372,084              | 7,805,402           |
| Payments to suppliers                                                                    | (14,816,234)           | (12,121,910)        |
| Payments to employees                                                                    | (15,661,054)           | (15,168,362)        |
| Payments for benefits                                                                    | (3,624,995)            | (3,271,842)         |
| Payments for scholarships                                                                | (3,217,780)            | (4,597,993)         |
| Auxiliary enterprise receipts                                                            | 574,098                | 473,922             |
| <b>Net cash used in operating activities</b>                                             | <u>(28,250,475)</u>    | <u>(26,519,236)</u> |
| <b>Cash flows from noncapital financing activities:</b>                                  |                        |                     |
| Federal appropriations                                                                   | —                      | 14,723,805          |
| Deferred federal appropriations                                                          | —                      | (63,568)            |
| Navajo Nation appropriations                                                             | 4,141,099              | 4,248,010           |
| Scholarships                                                                             | 5,293,540              | 6,117,098           |
| COVID relief                                                                             | 12,282,169             | 31,652,393          |
| Student organization agency transactions                                                 | 5,129                  | 2,015               |
| Donations                                                                                | 2,096,554              | —                   |
| <b>Net cash from noncapital financing activities</b>                                     | <u>23,618,491</u>      | <u>56,657,751</u>   |
| <b>Cash flows from capital financing activities:</b>                                     |                        |                     |
| Capital appropriations, grants, and gifts                                                | 13,550,287             | 4,011,387           |
| Purchases of capital assets                                                              | (16,271,417)           | (6,043,481)         |
| Principal paid on capital bonds, notes, and leases                                       | (53,806)               | (52,232)            |
| Interest paid on capital debt and leases                                                 | (8,598)                | (10,158)            |
| <b>Net cash used in capital financing activities</b>                                     | <u>(2,783,534)</u>     | <u>(2,094,484)</u>  |
| <b>Cash flows from investing activities:</b>                                             |                        |                     |
| Proceeds from sale and maturity of investments                                           | 15,452,904             | 24,702,757          |
| Investment income                                                                        | 1,032,460              | 992,243             |
| Purchase of investments                                                                  | (44,556,822)           | (13,403,959)        |
| <b>Net cash (used in) from investing activities</b>                                      | <u>(28,071,458)</u>    | <u>12,291,041</u>   |
| <b>Net (decrease) increase in cash and cash equivalents</b>                              | <u>(35,286,976)</u>    | <u>40,335,072</u>   |
| <b>Cash and cash equivalents, beginning of year</b>                                      | <u>65,378,634</u>      | <u>25,043,562</u>   |
| <b>Cash and cash equivalents, end of year</b>                                            | <u>\$ 30,091,658</u>   | <u>65,378,634</u>   |
| <b>Reconciliation of operating loss to net cash used in operating activities:</b>        |                        |                     |
| Operating loss                                                                           | \$ (30,464,169)        | (31,680,356)        |
| <b>Adjustments to reconcile operating loss to net cash used in operating activities:</b> |                        |                     |
| Depreciation expense                                                                     | 3,107,250              | 3,026,070           |
| Bad debt expense                                                                         | —                      | (234,844)           |
| <b>Changes in assets and liabilities:</b>                                                |                        |                     |
| Receivables                                                                              | (1,603,768)            | 494,012             |
| Inventories and prepaids                                                                 | 712,423                | (124,364)           |
| Unearned tuition and auxiliary revenue                                                   | (82,719)               | 6,700               |
| Accounts payable and accrued liabilities                                                 | 60,528                 | 1,993,546           |
| <b>Net cash used in operating activities</b>                                             | <u>\$ (28,250,475)</u> | <u>(26,519,236)</u> |

See accompanying notes to basic financial statements.

# **DINÉ COLLEGE**

## **Notes to Basic Financial Statements**

September 30, 2022 and 2021

### **(1) Summary of Significant Accounting Policies**

#### **(a) Organization and Relationship with the Navajo Nation**

Diné College (the College) operates as a nonprofit educational institution on the Navajo Nation (the Nation) by Navajo Nation Council Resolution CH-95-68. The College is considered an enterprise of the Nation and receives funding from the Nation. The College provides educational opportunities to the Navajo people and others in areas important to the economic and social development of the Nation. The College offers both two-year and four-year degrees. The College has no active component units.

#### **(b) Basis of Presentation**

The College follows Governmental Accounting Standards Board (GASB) Statements. The financial statement presentation required by these statements provides a comprehensive, entity-wide perspective of the College's assets, liabilities, and net position; revenues, expenses, and changes in net position; and cash flows.

#### **(c) Basis of Accounting**

For financial reporting purposes, the College is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred.

#### **(d) Capital Assets**

The College's capital assets are stated at cost at date of acquisition or fair value at date of donation, in the case of gifts. The College is located on a campus of approximately 1,200 acres of Navajo Nation land in Tsaile, Arizona. This land was set aside as a permanent site for the College by resolution of the Navajo Nation Council, as was approximately 300 acres of Navajo Nation land located at Shiprock, New Mexico. No monetary value has been assigned to these lands in the accompanying basic financial statements.

The College's capitalization threshold for equipment, furniture and fixtures, and real property is \$5,000.

Depreciation and amortization of property and equipment are provided using the straight-line method over the estimated useful lives of the respective assets as follows:

|                                     | Useful lives<br>(year(s)) |
|-------------------------------------|---------------------------|
| Land improvements                   | 40                        |
| Buildings and building improvements | 40                        |
| Equipment and furnishings           | 7-10                      |
| Modular buildings                   | 20                        |
| Vehicles                            | 4                         |
| Data processing equipment           | 3                         |
| Library books                       | 15                        |



## DINÉ COLLEGE

### Notes to Basic Financial Statements

September 30, 2022 and 2021

As an institute of higher education, the College has acquired significant collections of art, rare books, historical treasures, and other special collections. The purpose of these collections is for public exhibition, education, or research in furtherance of public service rather than financial gain. They are protected and preserved and subject to the College's policies regarding accessioning and deaccessioning. The collections have an indefinite life and are not depreciable. However, because of their invaluable and irreplaceable nature, these collections generally have not been capitalized. When the valuation of a collection is possible and practical, it is capitalized. Repairs and renovations are expensed as incurred.

**(e) Cash and Cash Equivalents**

The College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**(f) Investments**

Investments are reported at fair value as determined by quoted market prices or pricing services. The net increase (decrease) in fair value is reported as investment income. The College's investments are managed and invested by an unrelated investment adviser with oversight from the College. The College records investments as noncurrent assets when their intention is to hold the assets to maturity.

**(g) Inventories**

Inventories that consist principally of books, fuel, and repair parts are stated at the lower of cost or market, as determined by the average-cost method.

**(h) Prepaid Expenses**

Some payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

**(i) Net Position**

Net position is classified as follows:

**Net investment in capital assets** – Represents the College's total investment in capital assets, net of outstanding debt related to those capital assets

**Restricted net position** – Represents those operating funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted expendable net position is resources that the College is legally or contractually obligated to spend in accordance with imposed restrictions by third parties. Restricted nonexpendable net position consists of endowment and other restricted funds in which third parties have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income. The income generated from the principal may be expended.

**Unrestricted net position** – Consists of those operating funds over which the governing board retains full control to use in achieving any of its authorized purposes.

## DINÉ COLLEGE

### Notes to Basic Financial Statements

September 30, 2022 and 2021

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

#### (j) Revenues

Revenues are classified as operating or nonoperating according to the following criteria:

*Operating revenue* includes activities that are generated through the College's normal business activities, such as (a) student tuition and fees, net of scholarship discounts and allowances; (b) auxiliary enterprises; and (c) contracts and grants.

*Nonoperating revenue* includes activities that have the characteristics of nonexchange transactions, such as (a) appropriations and (b) gifts. These revenue streams are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues are recognized when all applicable eligibility requirements have been met.

Student tuition and fee revenue from students are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on students' behalf. Certain governmental grants, such as the Pell grant, and other tribal, federal, state, or nongovernmental programs are recorded as operating or nonoperating revenue in the College's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees, other student charges, and auxiliary enterprises charges, the College has recorded a scholarship allowance.

Contract and grant revenues are recognized when all of the eligibility requirements have been met.

Unearned tuition and auxiliary revenues consist primarily of fall term tuition and auxiliary revenue unearned as of year-end. Advanced federal appropriations consist of advances from the federal government during one fiscal year that will be utilized in the College's subsequent fiscal year. Unearned federal COVID grants represent advance funds received from the federal government that will be recognized in revenue once all eligibility requirements have been met.

The College records student accounts receivable at the time a student registers for classes. Tuition and fees levied for academic terms that fall entirely within one fiscal year are recognized as revenue in that fiscal year. When revenues and fees are assessed during an academic term that encompasses more than one fiscal year, the revenue is recognized in the period it is earned. Provisions for uncollectible accounts are recorded to maintain an adequate allowance for anticipated losses.

#### (k) Expenses

Expenses are classified as operating or nonoperating according to the following criteria:

*Operating expenses* – Include activities that have the characteristics of an exchange transaction, such as (a) employee salaries, benefits, and related expenses; (b) scholarships and fellowships, net of scholarship discounts and allowances; (c) utilities, supplies, and other services; (d) professional fees; and (e) depreciation expenses related to the College's capital assets.

## DINÉ COLLEGE

### Notes to Basic Financial Statements

September 30, 2022 and 2021

*Nonoperating expenses* – Include activities that have the characteristics of nonexchange transactions, such as interest on capital asset-related debt that are defined as nonoperating expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Government*.

Student financial aid expense is generally recognized at the beginning of each academic semester.

#### (l) Tax Status

The College is listed on the Internal Revenue Service master file as an organization described in Internal Revenue Code (IRC) Section 501(c)(3) and as an organization not required to file Form 990. As an organization described in IRC Section 501(c)(3), the College is exempt from federal income tax on its related income under Section 501(a). The College had no material unrelated business income in the years ended September 30, 2022 and 2021. Accordingly, no provision has been made for income taxes.

#### (m) Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the recognition of the federal appropriation revenue and the useful lives of capital assets.

#### (n) Recent Accounting Pronouncements

GASB Statement No. 87, *Leases* was adopted effective October 1, 2021. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of this standard did not have a material impact to the College's financial statements.

### (2) College Funding

Under an act of Congress known as the Navajo Community College Act (the Act), the College receives annual appropriations from the federal government to provide for the operation and maintenance of the College, including instruction, academic support, student services, institutional support, and physical plant. The College recognizes these appropriations on an academic semester basis since the revenues under the Act are recognized in different fiscal years. The revenues under the Act are recorded as federal appropriations. The funds received under the Act are to be used by the College to fund its operations for the period from July 1 to June 30. Typically, the College receives its annual appropriation under the Act

**DINÉ COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

prior to September 30, thus resulting in unearned revenue on the Statement of Net Position at year-end. However, the College did not receive its current annual appropriation until November 4, 2022. As a result, the College has recorded a receivable as of September 30, 2022, for the portion of the annual appropriation that it has recognized at that date and the College has not recorded unearned revenue.

The College has received, and continues to receive, annual appropriations from the Nation. These appropriations are determined on an annual basis by the Navajo Nation Council and are funded based on the Nation's fiscal year, October 1 through September 30. Appropriations from the Nation are recognized as revenue in the year for which they are appropriated.

The College depends primarily upon the Act and the Nation to fund its ongoing operations. As these funds are appropriated annually, the amounts may be subject to fluctuation and/or discontinuance. In August 2004, the Nation approved the Navajo Higher Education Act, which, among other things, provides for funding to the College for 20 years, beginning with fiscal year 2006, in the amount of \$4,200,000 per year. Starting in fiscal year 2019, the Navajo Nation Higher Education Act was amended to increase the annual appropriation to \$4,700,000.

**(3) Cash, Cash Equivalents, and Investments**

A summary of cash and investments as of September 30, 2022 and 2021 is as follows:

|                                | 2022          | 2021       |
|--------------------------------|---------------|------------|
| Cash and deposits with trustee | \$ 30,091,658 | 65,378,634 |
| Fund – corporate equities      | 3,302,633     | 4,277,105  |
| Fund – corporate debt          | 2,715,025     | 2,936,404  |
| Corporate equities             | 8,985         | 8,882      |
| Corporate debt                 | 34,239,399    | 7,608,919  |
| Total cash and investments     | \$ 70,357,700 | 80,209,944 |

As of September 30, 2022, the amount of net appreciation of donor-restricted endowment investments that are available for authorization for expenditure totaled \$4,308,766. These balances are included within the restricted expendable net position and unrestricted net position based on the nature of the underlying donor restrictions.

**(a) Custodial Credit Risk**

In the case of deposits, the custodial credit risk is the risk that, in the event of a depository institution failure, the College's deposits may not be recovered. Investment custodial risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the total value of its investments. At September 30, 2022 and 2021, \$14,756,429 and \$49,389,590, respectively, of cash balances deposited at financial institutions were uninsured and uncollateralized. As of September 30, 2022 and 2021, the College is not exposed to investment custodial credit risk as all of the College's investments are held in the College's name.

**DINÉ COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

**(b) Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the College. The College does have formal investment policies that limit its exposure to credit risk.

The following tables provide information on the Standard & Poor's credit ratings associated with the College's investment in funds holding debt securities at September 30, 2022 and 2021:

**September 30, 2022**

| Rating    | Corporate debt       | Fund corporate debt | Total             |
|-----------|----------------------|---------------------|-------------------|
| AA+       | \$ —                 | 197,958             | 197,958           |
| AA        | —                    | 64,495              | 64,495            |
| A         | —                    | 180,558             | 180,558           |
| BBB       | 34,239,399           | 536,694             | 34,776,093        |
| BB        | —                    | 472,489             | 472,489           |
| B         | —                    | 1,009,179           | 1,009,179         |
| Below B   | —                    | 131,806             | 131,806           |
| Not rated | —                    | 121,846             | 121,846           |
|           | <u>\$ 34,239,399</u> | <u>2,715,025</u>    | <u>36,954,424</u> |

**September 30, 2021**

| Rating    | Corporate debt      | Fund corporate debt | Total             |
|-----------|---------------------|---------------------|-------------------|
| AA+       | \$ —                | 218,083             | 218,083           |
| AA        | —                   | 139,616             | 139,616           |
| A         | —                   | 192,207             | 192,207           |
| BBB       | 7,608,919           | 626,131             | 8,235,050         |
| BB        | —                   | 502,329             | 502,329           |
| B         | —                   | 924,628             | 924,628           |
| Below B   | —                   | 188,255             | 188,255           |
| Not rated | —                   | 145,155             | 145,155           |
|           | <u>\$ 7,608,919</u> | <u>2,936,404</u>    | <u>10,545,323</u> |

**(c) Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment – the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The College does have formal investment policies that limit its exposure to interest rate risk. Operating funds of the College may only be invested in securities with

**DINE COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

maturities of less than one year and funds restricted for a specific purpose that are more than one year from the present date may be invested in securities that mature on a date no later than the expected date the funds will be needed.

As of September 30, 2022, the College had the following funds holding debt securities and maturities:

| Investment type       | Fair value           | Investment maturities |                   |                  |
|-----------------------|----------------------|-----------------------|-------------------|------------------|
|                       |                      | Less than<br>1 year   | 1-5 Years         | 5 Years +        |
| Corporate debt        | \$ 34,239,399        | 19,829,368            | 14,410,031        | —                |
| Fund – corporate debt | 2,715,025            | 336,241               | 999,066           | 1,379,718        |
|                       | <u>\$ 36,954,424</u> | <u>20,165,609</u>     | <u>15,409,097</u> | <u>1,379,718</u> |

As of September 30, 2021, the College had the following funds holding debt securities and maturities:

| Investment type       | Fair value           | Investment maturities |                  |                  |
|-----------------------|----------------------|-----------------------|------------------|------------------|
|                       |                      | Less than<br>1 year   | 1-5 Years        | 5 Years +        |
| Corporate debt        | \$ 7,608,919         | 7,608,919             | —                | —                |
| Fund – corporate debt | 2,936,404            | 393,121               | 1,028,922        | 1,514,361        |
|                       | <u>\$ 10,545,323</u> | <u>8,002,040</u>      | <u>1,028,922</u> | <u>1,514,361</u> |

**(d) Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the magnitude of the College's investment in a single issuer. The College adopted a formal investment policy that limits its exposure to various credit risks and interest rate risks identified above.

At September 30, 2022, corporate debt investments in Autozone (\$4,938,764), General Motors Co. (\$4,980,100), Global Payments Inc. (\$4,961,710), GM Financial Co. (\$4,979,175), Golub Capital BDC (\$3,598,920) and Walgreens Boots (\$3,907,422) represented 5% or more of the College's total investments.

**(e) Fair Value Measurement**

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. All of the College's investments are categorized as Level 1.

GASB defines certain hierarchy of inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) for identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.

**DINÉ COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for an asset; either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.
- Level 3 inputs are unobservable inputs for an asset.

**(4) Accounts Receivable**

Accounts receivable balances at September 30, 2022 and 2021 consist of the following:

|                                           | <u>2022</u>         | <u>2021</u>        |
|-------------------------------------------|---------------------|--------------------|
| Navajo Nation                             | \$ 4,700,000        | 4,145,486          |
| Student balances                          | 59,897              | 3,676,569          |
| Federal appropriations                    | 3,564,030           | —                  |
| Other                                     | 41,138              | 26,755             |
|                                           | <u>8,365,065</u>    | <u>7,848,810</u>   |
| Less allowance for uncollectible balances | <u>(7,360)</u>      | <u>(3,677,090)</u> |
|                                           | <u>\$ 8,357,705</u> | <u>4,171,720</u>   |

Grants and contracts receivable balances at September 30, 2022 and 2021 consist of the following:

|                                           | <u>2022</u>         | <u>2021</u>      |
|-------------------------------------------|---------------------|------------------|
| Grants and contracts                      | \$ 2,739,667        | 1,203,320        |
| Scholarships                              | 170,162             | 230,346          |
| Capital appropriations, grants, and gifts | 166,585             | 1,328,810        |
| COVID relief                              | 2,630,459           | 2,059,051        |
|                                           | <u>\$ 5,706,873</u> | <u>4,821,527</u> |

During the year-ended September 30, 2022, the College completed a project to write-off older uncollectible student receivable balances against the allowance for uncollectible balances.

**DINÉ COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

**(5) Capital Assets**

A summary of changes in capital assets is as follows:

|                                              | Balance,<br>September 30,<br>2021 | Additions                | Dispositions<br>and transfers | Balance,<br>September 30,<br>2022 |
|----------------------------------------------|-----------------------------------|--------------------------|-------------------------------|-----------------------------------|
| <b>Capital assets not being depreciated:</b> |                                   |                          |                               |                                   |
| Construction in progress                     | \$ 3,704,728                      | 16,054,412               | (69,189)                      | 19,689,951                        |
| Donated art work                             | 2,504,511                         | —                        | —                             | 2,504,511                         |
| <b>Depreciable capital assets:</b>           |                                   |                          |                               |                                   |
| Land improvements                            | 2,718,705                         | 239,560                  | —                             | 2,958,265                         |
| Buildings and building improvements          | 79,979,954                        | 89,304                   | 69,189                        | 80,138,447                        |
| Equipment and furnishings                    | 12,496,554                        | 624,049                  | —                             | 13,120,603                        |
| Modular buildings                            | 2,012,917                         | —                        | —                             | 2,012,917                         |
| Vehicles                                     | 967,832                           | 58,756                   | —                             | 1,026,588                         |
| Data processing equipment                    | 7,679,429                         | 154,861                  | —                             | 7,834,290                         |
| Library books                                | 4,229,691                         | —                        | —                             | 4,229,691                         |
|                                              | <u>116,294,521</u>                | <u>17,220,942</u>        | <u>—</u>                      | <u>133,515,463</u>                |
| <b>Less accumulated depreciation:</b>        |                                   |                          |                               |                                   |
| Land improvements                            | 1,496,455                         | 46,990                   | —                             | 1,543,445                         |
| Buildings and improvements                   | 31,844,244                        | 1,643,733                | —                             | 33,487,977                        |
| Equipment and furnishings                    | 9,772,778                         | 931,372                  | —                             | 10,704,150                        |
| Modular buildings                            | 976,662                           | 102,645                  | —                             | 1,079,307                         |
| Vehicles                                     | 881,514                           | 44,300                   | —                             | 925,814                           |
| Data processing equipment                    | 6,908,917                         | 229,865                  | —                             | 7,138,782                         |
| Library books                                | 3,587,551                         | 108,345                  | —                             | 3,695,896                         |
|                                              | <u>55,468,121</u>                 | <u>3,107,250</u>         | <u>—</u>                      | <u>58,575,371</u>                 |
| <b>Net carrying amount</b>                   | <b>\$ <u>60,826,400</u></b>       | <b><u>14,113,692</u></b> | <b><u>—</u></b>               | <b><u>74,940,092</u></b>          |



## DINÉ COLLEGE

## Notes to Basic Financial Statements

September 30, 2022 and 2021

|                                       | Balance,<br>September 30,<br>2020 | Additions        | Dispositions<br>and transfers | Balance,<br>September 30,<br>2021 |
|---------------------------------------|-----------------------------------|------------------|-------------------------------|-----------------------------------|
| Capital assets not being depreciated: |                                   |                  |                               |                                   |
| Construction in progress              | \$ 1,018,270                      | 2,686,458        | —                             | 3,704,728                         |
| Donated art work                      | 2,504,511                         | —                | —                             | 2,504,511                         |
| Depreciable capital assets:           |                                   |                  |                               |                                   |
| Land improvements                     | 2,678,789                         | 39,916           | —                             | 2,718,705                         |
| Buildings and building improvements   | 77,610,048                        | 2,369,906        | —                             | 79,979,954                        |
| Equipment and furnishings             | 11,937,004                        | 559,550          | —                             | 12,496,554                        |
| Modular buildings                     | 2,012,917                         | —                | —                             | 2,012,917                         |
| Vehicles                              | 916,798                           | 51,034           | —                             | 967,832                           |
| Data processing equipment             | 7,363,871                         | 315,558          | —                             | 7,679,429                         |
| Library books                         | 4,208,832                         | 21,059           | —                             | 4,229,891                         |
|                                       | <u>110,251,040</u>                | <u>6,043,481</u> | <u>—</u>                      | <u>118,294,521</u>                |
| Less accumulated depreciation:        |                                   |                  |                               |                                   |
| Land improvements                     | 1,453,593                         | 42,862           | —                             | 1,496,455                         |
| Buildings and improvements            | 30,225,869                        | 1,818,385        | —                             | 31,844,244                        |
| Equipment and furnishings             | 9,138,852                         | 633,926          | —                             | 9,772,778                         |
| Modular buildings                     | 886,970                           | 89,692           | —                             | 976,662                           |
| Vehicles                              | 834,364                           | 47,150           | —                             | 881,514                           |
| Data processing equipment             | 6,435,501                         | 473,416          | —                             | 6,908,917                         |
| Library books                         | 3,466,912                         | 120,639          | —                             | 3,587,551                         |
|                                       | <u>62,442,051</u>                 | <u>3,026,070</u> | <u>—</u>                      | <u>55,468,121</u>                 |
| Net carrying amount:                  | <u>\$ 57,808,989</u>              | <u>3,017,411</u> | <u>—</u>                      | <u>60,826,400</u>                 |

As of September 30, 2022, the College has open capital commitments of \$11,098,479. In addition, the College has recorded a liability of \$949,526 for retainage payable on its open construction projects. Depreciation expense for the years ended September 30, 2022 and 2021 was \$3,107,250 and \$3,026,070, respectively.

## (6) Accounts Payable and Accrued Liabilities

At September 30, 2022 and 2021, accounts payable and accrued liabilities consisted of the following:

|                               | 2022                | 2021             |
|-------------------------------|---------------------|------------------|
| Vendors                       | \$ 4,204,159        | 2,908,287        |
| Employee payroll and benefits | 2,159,849           | 2,445,666        |
| Interest expense              | 8,058               | 8,058            |
|                               | <u>\$ 6,372,066</u> | <u>5,362,011</u> |

## DINE COLLEGE

## Notes to Basic Financial Statements

September 30, 2022 and 2021

## (7) Notes Payable

The following is a summary of note payable transactions for the College for the years ended September 30, 2022 and 2021:

|                                                              | Balance,<br>September 30,<br>2021 | Principal<br>payments | Balance,<br>September 30,<br>2022 | Current<br>portion |
|--------------------------------------------------------------|-----------------------------------|-----------------------|-----------------------------------|--------------------|
| United States of America Loan<br>Agreement – Faculty Housing | \$ 380,182                        | 53,806                | 326,356                           | 55,432             |
|                                                              | Balance,<br>September 30,<br>2020 | Principal<br>payments | Balance,<br>September 30,<br>2021 | Current<br>portion |
| United States of America Loan<br>Agreement – Faculty Housing | \$ 432,389                        | 52,227                | 380,182                           | 53,806             |

The United States of America Loan Agreement, dated September 10, 1974 and restructured on November 20, 1987, is collateralized by the pledge of revenues to be derived from the operation of the faculty and staff housing facilities and a deed of trust on the leasehold interest. Under the restructured 1987 agreement, payments are due in semiannual installments of \$32,405, including interest at 3%, over a term of 40 years.

The amounts required to be paid for retirement of the notes payable in accordance with the provisions of the note agreement are as follows:

|                                     | Principal  | Interest | Total   |
|-------------------------------------|------------|----------|---------|
| Fiscal year(s) ending September 30: |            |          |         |
| 2023                                | \$ 55,432  | 9,378    | 64,810  |
| 2024                                | 57,108     | 7,702    | 64,810  |
| 2025                                | 58,834     | 5,976    | 64,810  |
| 2026                                | 60,612     | 4,198    | 64,810  |
| 2027                                | 62,444     | 2,366    | 64,810  |
| 2028–2030                           | 31,926     | 479      | 32,405  |
| Total                               | \$ 326,356 | 30,099   | 356,455 |

## (8) Retirement Plans

The College adopted a defined-contribution retirement plan (the Plan) effective January 1, 1991, with a plan year of January 1 to December 31. All individuals employed by the College on January 1, 1991 were automatically participants in the Plan. After January 1, 1991, participation in the Plan requires an employee to work at least 1,000 hours in a consecutive 12-month period and be at least age 21.

## DINÉ COLLEGE

### Notes to Basic Financial Statements

September 30, 2022 and 2021

The Plan was amended effective January 1, 2000 to be qualified under IRC Section 401(k), with employees eligible to participate in the Plan upon completing a year of service in which the employee has been compensated for 1,000 hours. The Plan requires mandatory participant contributions equal to 2.5% of the participant's compensation and allows the participants to elect an additional salary deferral of up to 12.0% of the participant's compensation. The Plan limits pretax contributions at \$20,500 for 2022 based on IRS limits, with the allowance for a catch-up contribution of \$6,500 for employees over the age of 50. For the years ended September 30, 2022 and 2021, participant contributions were approximately \$715,157 and \$784,586, respectively. The Plan requires employer contributions equal to 4.5% of the participant's salary for any participant who is employed by the College on the last day of the plan year and has worked 1,000 hours during the plan year. The Plan also allows the employer to make additional discretionary contributions. For the years ended September 30, 2022 and 2021, the College's contributions were approximately \$541,224 and \$569,892, respectively. There were no discretionary contributions for 2022 or 2021.

Participants vest in their contributions immediately and in the employer's contributions ratably over a period of four years. Although it has not stated intent to do so, the College may terminate the Plan at any time.

#### **(9) Risk Management**

The College is exposed to various risks of loss related to torts and civil rights; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and nonemployees; and natural disasters. The College participates in the Navajo Nation Risk Management Program (Risk Management), which was established to manage, control, and minimize this risk. Under this program, the Risk Management pool provides coverage for up to a maximum of \$500,000 for each incident. Risk Management purchases commercial insurance for claims in excess of coverage provided by the Risk Management pool. The claims payable are not an obligation of the College, and therefore, no amount for this risk is recorded in the College's financial statements.

The College is a defendant in various legal actions occurring in the normal course of its operations. Management believes the ultimate liability, if any, not covered by insurance will not materially affect the College's financial position.

#### **(10) Restricted Expenditures**

The College is administratively and fiscally responsible for numerous programs and activities funded in whole or in part by various federal and state agencies and private grantors. Expenditures made under such programs are subject to audit and approval or disallowance by the agencies or grantors, generally within a three-year period. Any costs disallowed by the agencies or grantors are subject to negotiation. At September 30, 2022 and 2021, no significant amounts of expenditures have been disallowed that have not been provided for in the financial statements. The amount of possible disallowed expenditures, if any, is not determinable at this time, and the College, therefore, has not provided an allowance in the accompanying financial statements for expenditures, if any, which may be disallowed. As of September 30, 2022 and 2021, total grant funds received within the last three years that are subject to audit (i.e., have not been audited by the grantor) approximated \$81,323,335 and \$67,392,000, respectively. Management does not believe that any potential disallowed amounts would be material to the College.

**DINÉ COLLEGE**  
**Notes to Basic Financial Statements**  
**September 30, 2022 and 2021**

**(11) Subsequent Events**

The College has considered subsequent events reviewed through June 9, 2023. There were no subsequent events that required recognition or disclosure.

**(12) Related Party**

The College was established by Navajo Nation Council Resolution CH-95-68 and operates as an enterprise of the Navajo Nation. See notes 2, 4, and 9 for a discussion of the related party transactions with the Navajo Nation.



## **NAVAJO NATION**

**Independent Auditors' Reports as Required by Title 2 U.S. Code of  
Federal Regulations Part 200, *Uniform Administrative Requirements, Cost  
Principles, and Audit Requirements for Federal Awards and Government  
Auditing Standards* and Related Information**

**September 30, 2022**

**(With Independent Auditors' Report Thereon)**

# THE NAVAJO NATION AND RELATED TRIBAL ENTITIES

## Table of Contents

|                                                                                                                                                                                                                                                             | <b>Page(s)</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>The Navajo Nation and Related Tribal Entities – Single Audit:</b>                                                                                                                                                                                        |                |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Navajo Nation                   | 1–2            |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Navajo Tribal Utility Authority | 3–4            |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Diné College                    | 5–6            |
| Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance                                            | 7–12           |
| Schedule of Expenditures of Federal Awards and Related Notes                                                                                                                                                                                                | 13–21          |
| Notes to Schedule of Expenditures of Federal Awards                                                                                                                                                                                                         | 22–23          |
| Schedule of Findings and Questioned Costs                                                                                                                                                                                                                   | 24–63          |

# THE NAVAJO NATION AND RELATED TRIBAL ENTITIES

## Table of Contents

|                                                                                                                                                                                                                                                             | <b>Page(s)</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>The Navajo Nation and Related Tribal Entities – Single Audit:</b>                                                                                                                                                                                        |                |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Navajo Nation                   | 1–2            |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Navajo Tribal Utility Authority | 3–4            |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Diné College                    | 5–8            |
| Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance                                            | 7–12           |
| Schedule of Expenditures of Federal Awards and Related Notes                                                                                                                                                                                                | 13–21          |
| Notes to Schedule of Expenditures of Federal Awards                                                                                                                                                                                                         | 22–23          |
| Schedule of Findings and Questioned Costs                                                                                                                                                                                                                   | 24–63          |



KPMG LLP  
Two Park Square, Suite 700  
6565 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

The Navajo Nation Council  
The Navajo Nation  
Window Rock, Arizona:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Navajo Nation (the Nation), as of and for the year ended September 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Nation's basic financial statements, and have issued our report thereon dated July 25, 2023. Our report thereon included unmodified opinions on the grant fund, permanent fund, and the aggregate remaining fund information opinion units. Our report included a qualified opinion on the governmental activities opinion unit as the basic financial statements did not reflect the adoption of: (i) Government Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests*, and accordingly, did not include the majority equity interests for the aggregate discretely presented components units, nor (ii) GASB Statement No. 87, *Leases*, and accordingly, did not record lease right-to-use assets, lease liabilities, lease receivables, deferred inflows of resources, and related revenues and expenses. Additionally, our report included qualified opinions on the general fund and business-type activities opinion units as the basic financial statements did not reflect the adoption of GASB Statement No. 87, *Leases*, and accordingly, did not record lease right-to-use assets, lease liabilities, lease receivables, deferred inflows of resources, and related revenues and expenses. Finally, our report included in adverse opinion on the aggregate discretely presented components units, which were excluded from the basic financial statements. Our report also included a paragraph that stated that the basic financial statements were prepared in accordance with the basis of accounting described in Note 1(d) which are a basis of accounting other than U.S. generally accepted accounting principles.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Nation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.





Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items FS 2022-001 and FS 2022-002 that we consider to be material weaknesses.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Nation's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Navajo Nation's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Nation's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Nation's response was not subjected to the other auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

#### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
July 25, 2023



KPMG LLP  
Two Park Square, Suite 700  
6565 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

The Management Board  
Navajo Tribal Utility Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of the Navajo Tribal Utility Authority (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 30, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
April 30, 2023



KPMG LLP  
Two Park Square, Suite 700  
6585 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

The Board of Regents  
Diné College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Diné College (the College), which comprise the statement of net position as of September 30, 2022, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 9, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
June 9, 2023



KPMG LLP  
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**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Navajo Nation Council  
Navajo Nation  
Window Rock, Arizona:

**Report on Compliance for Each Major Federal Program**

*Adverse, Qualified and Unmodified Opinions*

We have audited the Navajo Nation's (which includes the Navajo Nation's primary government, the Navajo Tribal Utility Authority and Diné College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Navajo Nation's major federal programs for the year ended September 30, 2022. The Navajo Nation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Summary of Opinions*

| <b>Major Federal Program</b>                                                    | <b>Type of Opinion</b> |
|---------------------------------------------------------------------------------|------------------------|
| Services to Indian Children, Elderly and Families                               | Qualified              |
| Water Resources on Indian Lands                                                 | Qualified              |
| Indian Education Assistance to Schools                                          | Unmodified             |
| Highway Planning and Construction Cluster                                       | Qualified              |
| Coronavirus Relief Fund                                                         | Unmodified             |
| Coronavirus State and Local Fiscal Recovery Funds                               | Qualified              |
| Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects | Adverse                |
| Indian Self-Determination                                                       | Qualified              |
| Child Care Development Fund (CCDF) Cluster                                      | Unmodified             |
| Aid to Tribal Governments                                                       | Qualified              |
| Indian Health Service, Health Management Development Program                    | Qualified              |
| Food Distribution on Indian Reservations                                        | Qualified              |
| Navajo-Gallup Water Supply                                                      | Qualified              |
| Education Stabilization Fund                                                    | Qualified              |
| Student Financial Assistance Cluster                                            | Unmodified             |



#### ***Adverse Opinion on Major Federal Program as Summarized Above***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the Navajo Nation did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program listed in the Matters Giving Rise to Adverse Opinion on Major Federal Program section below for the year ended September 30, 2022.

#### ***Qualified Opinions on Major Federal Programs as Summarized Above***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Navajo Nation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs listed in Matters Giving Rise to Qualified Opinions on Major Federal Programs section below of our report for the year ended September 30, 2022.

#### ***Unmodified Opinions on Each of the Other Major Federal Programs***

In our opinion, the Navajo Nation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2022.

#### ***Basis for Adverse, Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Navajo Nation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Navajo Nation's compliance with the compliance requirements referred to above.

#### ***Matters Giving Rise to Adverse Opinion on a Major Federal Program***

As described in Finding 2022-010 in the accompanying schedule of findings and questioned costs, the Navajo Nation did not comply with requirements regarding the following:

| <b><i>Finding #</i></b> | <b><i>Assistance Listing #</i></b> | <b><i>Major Federal Program</i></b>                                       | <b><i>Compliance Requirement</i></b> |
|-------------------------|------------------------------------|---------------------------------------------------------------------------|--------------------------------------|
| 2022-010                | 93.237                             | Special Diabetes for Indians – Diabetes Prevention and Treatment Projects | Eligibility                          |

Compliance with such requirements is necessary, in our opinion, for the Navajo Nation to comply with the requirements applicable to that program.



***Matters Giving Rise to Qualified Opinions on Various Major Federal Programs***

As described in Findings 2022-003 to 2022-006, 2022-008, 2022-009, 2022-011, and 2022-016 in the accompanying schedule of findings and questioned costs, the Navajo Nation did not comply with requirements regarding the following:

| <b><i>Finding #</i></b>                   | <b><i>Assistance Listing #</i></b> | <b><i>Major Federal Program</i></b>                                       | <b><i>Compliance Requirement</i></b>                   |
|-------------------------------------------|------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------|
| 2022-003                                  | 15.025                             | Services to Indian Children, Elderly and Families                         | Eligibility                                            |
| 2022-004, 2022-005 and 2022-008           | 93.228                             | Indian Health Service – Health Management Development Program             | Equipment and Procurement                              |
| 2022-005, 2022-006 and 2022-008           | 15.552                             | Navajo-Gallup Water Supply                                                | Procurement                                            |
| 2022-004, 2022-005, 2022-008 and 2022-011 | 93.237                             | Special Diabetes for Indians – Diabetes Prevention and Treatment Projects | Equipment and Real Property, Procurement and Reporting |
| 2022-005, 2022-006 and 2022-008           | 21.027                             | Coronavirus State and Local Fiscal Recovery Funds                         | Procurement                                            |
| 2022-005, 2022-006 and 2022-008           | 93.441                             | Indian Self-Determination                                                 | Procurement                                            |
| 2022-004, 2022-005 and 2022-008           | 20.205                             | Highway Planning and Construction Cluster                                 | Equipment and Real Property and Procurement            |
| 2022-005 and 2022-008                     | 15.020                             | Aid to Tribal Governments                                                 | Procurement                                            |
| 2022-004, 2022-005, 2022-006 and 2022-008 | 15.037                             | Water Resources on Indian Lands                                           | Equipment and Real Property Management and Procurement |
| 2022-004 and 2022-009                     | 10.567                             | Food Distribution Program on Indian Reservations                          | Equipment and Real Property Management and Eligibility |
| 2022-016                                  | 84.425E, 84.425F and 84.425K       | Higher Education Emergency Relief Fund                                    | Reporting                                              |

Compliance with such requirements is necessary, in our opinion, for the Navajo Nation to comply with the requirements applicable to that program





### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Navajo Nation's federal programs.

### *Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Navajo Nation's compliance based on our 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 referred to above 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 Navajo Nation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Navajo Nation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Navajo Nation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Navajo Nation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance 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 identified during the audit.

### *Other Matters*

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Items 2022-001, 2022-002, 2022-012 to 2022-015. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Navajo Nation's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Navajo Nation is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Navajo Nation's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.



### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-006, 2022-008 to 2022-011 (for Assistance Listing No. 93.237), 2022-016 and 2022-017 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-007, 2022-011 (for Assistance Listing Nos. 93.441 and 93.228), 2022-012 to 2022-015 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Navajo Nation's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Navajo Nation is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The Navajo Nation's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the Navajo Nation (the Nation), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Nation's basic financial statements, and issued our report thereon dated July 25, 2023. Our report thereon included unmodified opinions on the grant fund, permanent fund, and the aggregate remaining fund information opinion units. Our report included a qualified opinion on the governmental activities opinion unit as the basic financial statements did not reflect the adoption of: (a) Government Accounting Standards Board (GASB) Statement No. 90, Majority Equity Interests, and accordingly, did not include the majority equity interests for the aggregate discretely presented components units, nor (ii) GASB Statement No. 87, Leases, and accordingly, did not record lease right-to-use assets, lease



liabilities, lease receivables, deferred inflows of resources, and related revenues and expenses. Additionally, our report included qualified opinions on the general fund and business-type activities opinion units as the basic financial statements did not reflect the adoption of GASB Statement No. 87, Leases, and accordingly, did not record lease right-to-use assets, lease liabilities, lease receivables, deferred inflows of resources, and related revenues and expenses. Our report also included an adverse opinion on the aggregate discretely presented components units, which were excluded from the basic financial statements. Finally, our report included a paragraph that stated that the basic financial statements were prepared in accordance with the basis of accounting described in Note 1(d) to the basic financial statements which are a basis of accounting other than U.S. generally accepted accounting principles.

We have audited the financial statements of the Navajo Tribal Utility Authority (the Authority), a component unit of the Navajo Nation, as of and for the year ended December 31, 2022, and have issued our report thereon dated April 30, 2023, which contained an unmodified opinion on those financial statements.

We have audited the financial statements of Diné College, a component unit of the Navajo Nation, as of and for the year ended September 30, 2022, and have issued our report thereon dated June 9, 2023, which contained an unmodified opinion on those financial statements.

Our audits were conducted for the purpose of forming opinions on the respective entities' financial statements that collectively comprise the respective entities' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards for the Navajo Nation, the Authority and Diné College is fairly stated in all material respects in relation to the respective basic financial statements as a whole.

**KPMG LLP**

Albuquerque, New Mexico  
October 2, 2023

[illegible]

1

[illegible]



[illegible]

2













**THE NAVAJO NATION AND RELATED ENTITIES**  
**Notes to Schedule of Expenditures of Federal Awards**  
**September 30, 2022**

**(1) Reporting Entity**

The accompanying schedule of expenditures of federal awards (the Schedule) reflects the fiscal year (as listed in the table of contents) expenditures and financial status of the various grants, which are accounted for by the following entities:

- Navajo Nation's primary government (the Navajo Nation or the Nation)
- Navajo Tribal Utility Authority (the Authority or NTUA)
- Diné College

**(2) Basis of Presentation**

The Schedule includes the federal grant activity of the Navajo Nation's primary government and its related tribal entities as listed above. The Schedule is presented using the basis of accounting described in the notes to the financial statements of the Navajo Nation's primary government and the related tribal entities listed above. To prepare the financial statements, the Authority and Diné College use the basis of accounting principles generally accepted in the United States of America. The Navajo Nation's primary government financial statements are accounted for using the basis of accounting described note 1(d) of the Navajo Nation's basic financial statements. As described in note 1(d) to the basic financial statements, the basic financial statements are prepared on the modified budget basis of accounting, which has been developed based upon U.S. generally accepted accounting principles, as modified by Navajo Nation Council resolutions and financial reporting practices, which is a basis of accounting other than accounting principles generally accepted in the United States.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and in accordance with the Department of Treasury's guidance and frequently asked questions in accordance with the OMB Compliance Supplement Addendum, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Because the Schedule presents only a selected portion of the operations of the Nation and the related tribal entities listed above, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Nation and related entities.

The Schedule includes Assistance Listing Nos. 21.019 and 21.027 funding received by the Navajo Nation; some of which was passed through to the Authority and Diné College. As the Authority and the Diné College are part of the reporting entity as noted above, the pass through amounts are reported in each entities respective column in the accompanying Schedule when as the federal awards were expended.

**THE NAVAJO NATION AND RELATED ENTITIES**  
**Notes to Schedule of Expenditures of Federal Awards**  
**September 30, 2022**

**(3) Commodities**

For fiscal year 2022, the Navajo Nation received approximately \$2,333,284 of commodities through the Food Distribution Program, Assistance Listing No. 10.567.

**(4) Loans and Loan Guarantees**

The Navajo Nation, NTUA and Diné College did not have any loans payable to, or guaranteed by, the U.S. Government or an agency thereof that contained continuing compliance requirements as of year-end.

**(5) 10% De Minimis Indirect Cost Rate**

For fiscal year 2022, the Navajo Nation, NTUA or Diné College did not elect to use the 10% de minimis indirect cost rate per Uniform Guidance Section 200.414.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Summary of Auditors' Results**

#### **Financial Statements**

#### **(1) Financial statement information**

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles

(i) Navajo Tribal Utility Authority Unmodified

(ii) Diné College Unmodified

- (b) Type of report issued on whether the financial statements were prepared in accordance with a special purpose framework

(i) Navajo Nation Other basis — modified accrual  
budget basis of accounting

(ii) Was the special purpose framework used a basis of accounting required by state law or tribal law? Yes

- (iii) Type of opinion on each opinion unit:

Governmental activities Qualified

Business-type activities Qualified

Aggregate discretely presented component units Adverse

General fund Qualified

Grant fund Unmodified

Permanent fund Unmodified

Aggregate remaining fund information Unmodified

#### **(2) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:**

- Material weaknesses: Yes
- Significant deficiencies: None Reported

#### **(3) Noncompliance which is material to the financial statements:** No

#### **Federal Awards**

#### **(4) Internal control deficiencies over each major program disclosed by the audit:**

- Material weaknesses: Yes
- Significant deficiencies: Yes

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

(5) Type of report issued on compliance for each major program:

See identification of major programs and specific type of audit opinion rendered by major program in (7) below

(6) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a):

Yes

(7) Major programs:

| <u>Program name</u>                                                               | <u>Assistance listing numbers</u> |
|-----------------------------------------------------------------------------------|-----------------------------------|
| <b>Adverse opinion:</b>                                                           |                                   |
| Special Diabetes for Indians – Diabetes Prevention and Treatment Projects         | 93.237                            |
| <b>Qualified opinions:</b>                                                        |                                   |
| Food Distribution on Indian Reservations                                          | 10.567                            |
| COVID-19 – Aid to Tribal Governments                                              | 15.020                            |
| COVID-19 – Services to Indian Children, Elderly and Families                      | 15.025                            |
| Water Resources on Indian Lands                                                   | 15.037                            |
| Navajo-Gallup Water Supply                                                        | 15.552                            |
| Highway Planning and Construction Cluster                                         | 20.205                            |
| COVID-19 – Coronavirus State and Local Fiscal Recovery Funds                      | 21.027                            |
| COVID 19 – Education Stabilization Fund – Higher Education Emergency Relief Funds | 84.425E, 84.425F and 84.425K      |
| Indian Health Service, Health Management Development Program                      | 93.228                            |
| COVID-19 – Indian Self-Determination                                              | 93.441                            |
| <b>Unmodified opinions:</b>                                                       |                                   |
| Indian Education Assistance to Schools                                            | 15.130                            |
| COVID-19 – Coronavirus Relief Fund                                                | 21.019                            |
| Student Financial Assistance Cluster                                              | 84.007, 84.003 and 84.063         |
| COVID-19 – Child Care Development Fund (CCDF) Cluster                             | 93.575 and 93.596                 |

(8) Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

(9) Auditee qualified as a low-risk auditee:

No



# THE NAVAJO NATION AND RELATED ENTITIES

## Schedule of Findings and Questioned Costs

September 30, 2022

### Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards

#### Finding FS 2022-001

Entity – Navajo Nation

Finding Title – Recognition of Decreases in Fair Value of Investments in the Grant Fund

Impact of Finding – Material Weakness in Internal Controls

Responsible Party – Office of the Controller

#### Criteria

Per 2 CFR 200.1 *advance payment* means a payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes.

Per 2 CFR 200.403(a) In order to be allowable under Federal awards costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under the cost principles of 2 CFR 200.

#### Condition/Context

The Nation received advance funding on a grant agreement which was invested in allowable investment securities. During fiscal year 2022, the fair value of the investment securities decreased resulting in the recognition of unrealized losses, which is not in an allowable expense in accordance with the program. KPMG identified an error wherein the net decrease in the fair value of investments was recorded in the grant fund along with a corresponding reduction of deferred revenue and recognition of grant revenue. As the Nation is obligated to provide services for the full amount of advance funding received, the associated investment losses should be recognized by the general fund. Management recorded this correction in the financial statements once it was identified by KPMG.

#### Cause

Management lacked sufficient controls over the recording of unrealized gains and losses on investments held by the grant fund. The FMIS accounting system automatically posted an entry to reduce deferred revenue and record grant revenue in order to balance the fund when the unrealized investment losses were incorrectly recorded in the grant fund. These accounting matters were not timely identified and corrected during the general ledger closing process.

#### Effect

Grant fund revenue and decrease in fair value of investments were overstated by \$25.2 million while deferred revenue and due from the general fund were understated by the same amount. Additionally, the general fund decrease in fair value and due to the grant fund was understated by \$25.2 million.

#### Auditor's Recommendation

Policies and procedures should be revised to ensure the accounting for grant fund advances is reviewed during the general ledger close out process.

# THE NAVAJO NATION AND RELATED ENTITIES

## Schedule of Findings and Questioned Costs

September 30, 2022

### Finding FS 2022-001 (Continued)

#### *Views of Responsible Officials and Planned Corrective Action*

Management concurs with finding. Investments section in coordination with the Contract Accounting and General Accounting will oversee the update of the controls to ensure sufficient review of investment entries related to any losses to the externally funded programs are not recorded to the grants. These remediation steps will be completed by October 31, 2023.

### Finding FS 2022-002

Entity – Navajo Nation

Finding Title – Recognition of Settlement Revenues Held in Escrow

Impact of Finding – Material Weakness in Internal Controls

Responsible Party – Office of the Controller

#### *Criteria*

Per Governmental Accounting Standards Board Codification N50, Nonexchange Transactions, a recipient in a nonexchange transaction should recognize revenues when the resources are received, provided that all eligibility requirements have been met, and the resulting net position should be reported as restricted for as long as the provider's purpose restrictions remain in effect.

#### *Condition/Context*

The Nation entered into a legal settlement with an external party wherein the external party agreed to pay the Nation \$18.0 million in cash and deposit an additional \$10.0 million into an escrow account for the benefit and use of the Nation. The cash payment and the deposit into the escrow account were both completed prior to September 30, 2022. The Nation recorded revenue associated with the cash received but did not record the transaction associated with the funds deposited into the escrow account. As the Nation is entitled to the funds held in escrow, revenue should have been recorded when the funds were deposited into the escrow account, and an offsetting amount should have been recorded to restricted cash and cash equivalents. Management recorded this correction in the financial statements once it was identified by KPMG.

#### *Cause*

Management lacked sufficient controls over the review of settlement/court orders by accounting personnel to ensure the settlement/court orders were properly accounted for and recorded in the financial records. These accounting matters were not timely identified and corrected during the general ledger closing process.

#### *Effect*

General fund and entity wide special item revenue and restricted cash and cash equivalents were understated by \$10.0 million.

#### *Auditor's Recommendation*

Policies and procedures should be revised to ensure the accounting for grant fund advances is reviewed during the general ledger close out process.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding FS 2022-002 (Continued)**

#### *Views of Responsible Officials and Planned Corrective Action*

Management concurs with finding. The settlements identified shall be recorded as part of the General Revenue and reserved as restricted in the Fund Balance at year end. Funds will remain restricted until a formal plan is passed to set the use of the funds. This remediation step will be completed by October 31, 2023.

### **Findings and Questioned Costs Relating to Federal Awards**

#### **Finding 2022-001 – Allowable Costs**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Treasury**

**Federal Program Title – COVID-19 – Coronavirus Relief Fund**

**Assistance Listing No. – 21.019**

**Federal Award Number – SocSEC Act S601(a) S5001 CARES**

**Grant Award Periods – 3/1/2020 – 3/31/2023**

**Repeating Finding – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-002**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance and Instance of Noncompliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

#### *Criteria*

CARES Act, Pub. L. No. 116-136, Division A, Title V (2020) requires that the Coronavirus Relief Fund monies must be used to cover costs that are:

Necessary expenditures incurred due to the public health emergency with respect to COVID-19;

Not accounted for in the governments' most recently approved as of March 27, 2020; and

Incurred during the period that begins on March 1, 2020 and ends on December 30, 2021.

In addition, Title 2 CFR 200.403 (a) and (g) stated that except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these, and (g) be adequately documented. See also § 200.300 through 200.309 of this part.

**THE NAVAJO NATION AND RELATED ENTITIES****Schedule of Findings and Questioned Costs****September 30, 2022****Finding 2022-001 (Continued)**

Moreover, 2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

***Condition/Context***

We were unable to identify controls we could test related to the approval and disbursement of hardship applications and the related payments made by Navajo Nation during the year. However, out of the 60 hardship payments tested that were made to individuals, management was able to provide supporting documents for 59 of the 60 samples and no exceptions were noted related to these samples. For 1 out of the 60 samples selected which totaled \$342, the check associated with the expenditure was voided and not reissued. However, the expenditure was not removed from the program expenditures.

***Cause***

The Nation did not have documented internal controls in place to ensure that support for hardship applications and payments were approved before disbursements were made to participants. Also, the Nation did not have proper controls in place to ensure hardship payments that were voided were properly removed from the expenditure listing.

***Effect***

The costs incurred by the Navajo Nation submitted for reimbursement may be overstated and considered unallowable by the federal government.

***Questioned Costs***

Questioned costs of \$342 which represents the amount of the hardship payment reported as an expenditure in the schedule of expenditures of federal awards when the related check was voided and not reissued. The likely questioned costs are greater than \$25,000.

***Auditor's Recommendation***

We recommend the Navajo Nation establish documented controls over the review and approval of hardship disbursement to ensure that costs charged to grant are adequately documented, allowable and in accordance with grant requirements. We also recommend the Navajo Nation enhance its policies and procedures to ensure that evaluation policies and procedures are in place to ensure that documentation is maintained by the program to support the expenditures incurred and that checks which are voided are not included as part of program expenditures submitted for reimbursement.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-001 (Continued)**

##### ***Views of Responsible Officials and Planned Corrective Action***

The Navajo Nation Office of the Controller (OOC) acknowledges the finding. We will comment that the issues over hardship disbursements stemmed from the lack of accessibility to Certificates of Indian Blood for the audit samples selected. This control was an "above and beyond" control initiated by the Nation and not a federal requirement. The OOC will work with the Department of Justice and the Navajo Fiscal Recovery Funds among other departments to enhance controls for future hardship payments, if any. It is important to note that future hardship payments from CARES or ARPA funds may not occur. We will revisit the policies and procedures, nonetheless. In addition, the OOC will develop internal procedures and internal controls to mitigate the risk of counting voided checks as expenditures in the Schedule of Expenditures of Federal Awards.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-002 – Allowable Costs**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Treasury**

**Federal Program Title – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds**

**Assistance Listing No. – 21.027**

**Federal Award Number – ARPA of 2021 (H.R. 1319)**

**Grant Award Periods – 10/1/2021-9/30/2022**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance and Instances of Noncompliance**

**Repeating Finding – This is not a repeat finding.**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

##### ***Criteria***

The Coronavirus State and Local Fiscal Recover Funds (SLFRF) program authorized by the American Rescue Plan Act provides guidance for recipients on the use of SLFRF funds, subject to the Final Rule released by the U.S. Department of the Treasury on January 6, 2022. The Final Rule included in 31 CFR Part 35 of the Federal Register includes eligible uses of SLFRF funds, including cash assistance to respond to impacts of the pandemic on households and communities.

2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-002 (Continued)**

#### *Condition/Context*

We were unable to identify controls we could test related to the approval and disbursement of hardship applications and the related payments made by Navajo Nation during the year. However, out of the 57 hardship payments tested that were made to individuals, management was able to provide supporting documents for 56 of the 57 samples and no exceptions were noted related to these samples. For 1 out of the 57 samples selected which totaled \$2,000, the check associated with the expenditure was voided and not reissued. However, the expenditure was not removed from the program expenditures.

For the 10 artisan and small business grant applications selected for testwork, we noted there was not adequate supporting documentation provided for 5 of the samples to support the total amount of the grant awarded which represented \$40,665 of the \$296,939 grant disbursements tested.

#### *Cause*

The Navajo Nation did not have documented internal controls in place to ensure that support for hardship applications and payments were approved before disbursements were made to participants. The Nation also did not have proper controls in place to ensure hardship payments that were voided were properly removed from the expenditure listing. Finally, review controls were not effective to ensure that supporting documentation was maintained to support the total amount of certain artisan and small business grants.

#### *Effect*

The costs incurred by the Navajo Nation submitted for reimbursement may be overstated and considered unallowable by the federal government.

#### *Questioned Costs*

The questioned costs of \$42,665 represents the \$2,000 voided hardship disbursement and \$40,665 of grant disbursements lacking sufficient supporting documentation noted above.

#### *Auditor's Recommendation*

We recommend the Navajo Nation establish documented controls over the review and approval of hardship disbursement to ensure that costs charged to grant are adequately documented, allowable and in accordance with grant requirements. We also recommend the Navajo Nation enhance its policies and procedures to ensure that controls and evaluation policies and procedures are in place to ensure that expenditures which are voided are not included as part of program expenditures submitted for reimbursement. Finally, we recommend that the Nation ensure that adequate supporting documentation is maintained to support the amount of grants disbursed.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-002 (Continued)**

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation Office of the Controller acknowledges the finding. We will comment that the issues over hardship disbursements stemmed from the lack of accessibility to Certificates of Indian Blood for the audit samples selected. This control was an "above and beyond" control initiated by the Nation and not a federal requirement. The OOC will work with the Department of Justice and the Navajo Fiscal Recovery Funds among other departments to enhance controls for future hardship payments, if any. It is important to note that future hardship payments from CARES or ARPA funds may not occur. We will revisit the policies and procedures, nonetheless. In addition, the Office of the Controller will develop procedures and internal controls to mitigate the risk of supporting documentation of amounts disbursed. We will work the Department of Economic Development to develop a more effective process for the handling of any future small business grant awards.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-003 – Eligibility**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of the Interior – Direct Program**

**Federal Program Title – COVID-19 – Services to Indian Children, Elderly, and Families Program**

**Assistance Listing No. – 15.025**

**Federal Award Number – A16AV00385, A21AV00003, A21AV00383, A21AV00384**

**Grant Award Periods – 1/1/2016 – 12/31/2025**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance**

**Repeating Finding – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-003**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

##### *Criteria*

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf.

In accordance with the Navajo Nation Department of Family Services Child and Family Service Manual (the "Policy"), the case manager shall determine eligibility for services, including obtaining certain documents before the applicants receive service. The documents include: 1) Certificate of Indian Blood; 2) verification of residency; 3) identification of need; 4) birth certificate (supporting documents); 5) Social Security Card (supporting documents); 6) Income verification (supporting documents). To be eligible the applicant must fully meet each of the eligibility conditions in this Policy.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-003 (Continued)**

2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

#### *Condition/Context*

We selected 60 participant files selected to test eligibility and recalculate benefits in accordance with the policy, including samples from Navajo Family Assistance Services (NFAFS) and samples from Department of Family Services (DFS). We noted 26 participants with the following exceptions:

3 participants out of 35 samples of DFS did not have a Certificate of Indian Blood on file.

10 participants out of 35 sample of DFS did not have proof of residence in the Navajo Nation.

16 participants out of 35 samples of DFS did not have support for identification of needs on file (e.g., verification of court-order or voluntary placement agreement/guardian agreement).

6 participants out of 35 samples of DFS did not have an application form on file.

#### *Cause*

The Navajo Nation did have adequate controls in place to ensure proper supporting documentation is maintained to support participants are eligible to receive the benefit payments.

#### *Effect*

The participants may be ineligible for the program.

#### *Questioned Costs*

Questioned costs of \$16,359 represent disbursements associated with the exceptions noted above out of a total of \$84,053 of disbursements tested and the likely questioned costs are greater than \$25,000.

#### *Auditor's Recommendation*

Established policies and procedures should be reemphasized and followed to ensure participant files are properly maintained, and eligibility should be determined continuously in accordance with the Policy to ensure all participants are eligible and benefits paid were appropriate.

#### *Views of Responsible Officials and Planned Corrective Action*

The Department of Family Services (DFS) field supervisors complete all incoming case reviews. DFS has experienced turnovers in supervisors and the reassignment of two supervisors to oversee additional field offices, particularly for Kayenta and Gallup field offices. DFS has continued to conduct monthly case reviews. The assigned Case Manager prepares the Service Action Report Form (SARF) on a monthly basis for any child who is in out-of-home placement. The immediate field supervisor reviews and signs the SARF. The field supervisor is responsible for reviewing the case record to ensure all applications and placement agreements are current. This process will be reviewed by all field supervisors.



# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

**Finding 2022-003 (Continued)**

Due to recent changes in administration & management, data from previous years are not available. However, since the start of new management, case reviews have been conducted monthly at the local level, with quarterly internal case audits starting in September 2023 where a team of five individuals audit the cases in accordance with the criteria listed above.

**Finding 2022-004 – Equipment and Real Property Management**

**Entity:** Navajo Nation

**Federal Agency:**

U.S. Department of Agriculture

U.S. Department of the Interior

U.S. Department of Transportation

U.S. Department of Health and Human Services

**Federal Program Name and Assistance Listing No.:**

Food Distribution Program on Indian Reservations – Assistance Listing No. 10.567

Water Resources on Indian Lands – Assistance Listing No. 15.037

Highway Planning and Construction – Assistance Listing No. 20.205

Indian Health Service, Health Management Development Program – Assistance Listing No. 93.228

Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

**Federal Award Number:**

Assistance Listing No. 10.567 – 7AZ430NA4 and 6AZ430006

Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024

Assistance Listing No. 20.205: DTFH69-16-H-00028, DTFH69-17-H-00028, DTFH69-18-H-00028, 693JG41930085K600AZ0028, and 693JG41930085K600AZ0028/N48796

Assistance Listing No. 93.228: HHSI245201200008C, HHSI245201400004C and HHSI245201500002C

Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-23-00 and H1D1IHS0199-24-02

**Grant Award Periods:**

Assistance Listing No. 10.567: 10/1/2020 – 9/30/2022

Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024

Assistance Listing No. 20.205: 4/5/2016 – 9/30/2022

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-004 (Continued)**

Assistance Listing No. 93.228: 1/1/2016 – 12/31/2022

Assistance Listing No. 93.237: 1/15/2016 – 12/31/2022

**Repeat Finding** – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-004

**Impact of Finding** – Material Weakness in Internal Controls and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

#### *Criteria*

In accordance with the Uniform Guidance in 2 CFR Section 200.313 Equipment. (d) Management requirements, procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, F. Equipment and Real Property Management, Title to equipment acquired by a non-federal entity under grants and cooperative agreements vests in the non-federal entity subject to certain obligations and conditions. In accordance with 2 CFR § 200.313(d)(3), a control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

#### *Condition/Context*

During our testing of the inventory county data included within the Fixed Asset Master List, we were unable to obtain supporting count sheets for 30 of the 60 samples selected which included samples from each of the programs noted below). We also noted the following exceptions for each program:

**Food Distribution (ALN# 10.567):** Based on review of the Equipment Inventory Reconciliation, 16 out of the 43 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 16 uncounted equipment had an original cost of \$585,324 out of total inventory with original costs of \$2,421,252.

**Water Resources (ALN# 15.037):** Based on review of the Equipment Inventory Reconciliation, 7 out of the 69 equipment items were not physically inventoried and reconciled back to the FAML at least once in the past two years. The 7 uncounted equipment had an original cost of \$642,739 out of total inventory with original costs of \$3,918,343. Additionally, we noted 3 out of the 5 additions tested were missing the Fixed Asset Department Head's signature authorization and all of the additions tested where the serial number/item ID could not be verified. The 5 additions had an original cost of \$54,442.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-004 (Continued)**

**Highway Planning and Construction (ALN# 20.205):** Based on review of the Equipment Inventory Reconciliation, 2 out of 175 equipment items were not physically inventoried and reconciled back to the FAML at least once in the past two years. The 2 uncounted equipment related had an original cost of \$179,648 out of total inventory with original costs of \$111,605,554.

**Indian Health Services (93.228):** Based on review of the Equipment Inventory Reconciliation, 25 out of 141 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 25 uncounted equipment had an original cost of \$870,726 out of total inventory with original costs of \$8,302,001. Additionally, 1 of the 5 additions tested during the year was missing the Fixed Asset Department Head's signature authorization.

**Special Diabetes (ALN# 93.237):** Based on review of the Equipment Inventory Reconciliation, 5 out of 67 equipment items were not physically inventoried and reconciled back to the FAML at least once in the past two years. The 5 uncounted equipment had an original cost of \$242,620 out of total inventory with original costs of \$2,334,899.

#### ***Cause***

There were not sufficient controls in place to ensure documentation was maintained to support the equipment that was physically counted and the reconciliation of the count back to the FAML. Additionally, there were not sufficient controls in place to ensure that equipment that was not counted in the prior year was counted in the current year physical inventory.

#### ***Effect***

Management was not in compliance with the requirements set forth in 2 CFR 200.313 which could result in amounts owed to the federal government if equipment is not found as part of the physical inventory.

#### ***Questioned Costs***

Questioned costs represent the original cost of the untested equipment inventory in each program as we could not rely on the Inventory count date in FAML:

Assistance Listing No. 10.567: \$1,700,741

Assistance Listing No. 15.037: \$2,475,890

Assistance Listing No. 20.205: \$7,604,623

Assistance Listing No. 93.228: \$6,294,713

Assistance Listing No. 93.237: \$2,244,644

#### ***Auditor's Recommendation***

The Navajo Nation should strengthen the controls around the performance of the physical inventory which should include reviewing a list of the equipment counted in the prior year to ensure that all uncounted equipment is counted in the current year, maintaining the count sheets to support the physical inventory and maintaining documentation to support the reconciliation of the physical count to the FAML.

# THE NAVAJO NATION AND RELATED ENTITIES

## Schedule of Findings and Questioned Costs

September 30, 2022

### Finding 2022-004 (Continued)

#### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation acknowledges this finding and is in process of revisiting the policies and procedures over the proper inventory and recording of capital assets. The OOC is coordinating with other departments to develop the technology and internal controls to help mitigate risks of theft and misstatement of capital assets.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

### Finding 2022-005 – Procurement

**Entity – Navajo Nation**

#### **Federal Agency:**

U.S. Department of Health and Human Services

U.S. Department of Transportation

U.S. Department of Treasury

U.S. Department of the Interior

#### **Federal Program Name and Assistance Listing No.:**

Navajo-Gallup Water Supply – Assistance Listing No. 15.552

COVID-19 – Indian Self-Determination – Assistance Listing No. 93.441

Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

Indian Health Service, Health Management Development Program – Assistance Listing No. 93.228

Highway Planning and Construction – Assistance Listing No. 20.205

COVID-19 – Aid to Tribal Governments – Assistance Listing No. 15.020

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) No. 21.027

Water Resources – Assistance Listing No. 15.037

#### **Federal Award Number:**

Assistance Listing No. 15.552: R12AC40004 and R18AC00045

Assistance Listing No. 93.441: HHSI245201400004C, COVID-19 HHSI245201400004C, ISDC-NNNTC2020-2024, COVID-19 ISDC-NNNTC2020-2024, HHSI245201200008C, COVID-19 HHSI245201200008C, HHSI245201800002C, and DES-20-I-0022

Assistance Listing No. 93.228: HHSI245201200008C, HHSI245201400004C and HHSI245201500002C

# **THE NAVAJO NATION AND RELATED ENTITIES**

## Schedule of Findings and Questioned Costs

September 30, 2022

### **Finding 2022-005 (Continued)**

Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-23-00, and H1D1IHS0199-24-02

Assistance Listing No. 20.205: DTFH69-16-H-00028, DTFH69-17-H-00028, DTFH69-18-H-0026, 693JG41930085K600AZ0028/N48796, and 693JG41930085K600AZ0028

Assistance Listing No. 15.020: A19AV00373, COVID-19 A19AV00373, and A20AV00150

Assistance Listing No. 21.027: ARPA of 2021 (H.R. 1319)

Assistance Listing No. 15.037: A12AV01296, A13AV00083, A16AV00710, A17AV00180, A18AV00338, A19AV00070, and A20AV00139

### **Grant Award Periods:**

Assistance Listing No. 15.552: 9/19/2012 – 12/31/2024

Assistance Listing No. 93.441: 1/1/2012 – 6/30/2022

Assistance Listing No. 93.237: 1/15/2016 – 12/31/2022

Assistance Listing No. 93.228: 1/1/2016 – 12/31/2022

Assistance Listing No. 20.205: 4/5/2016 – 9/30/2022

Assistance Listing No. 15.020: 1/1/2019 – 12/31/2021

Assistance Listing No. 21.027: 5/27/21 – 9/30/2022

Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024

**Repeat Finding** – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-005 except for Assistance Listing Nos. 15.552 and 21.027.

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

### **Criteria**

2 CFR 200.324 requires that the non-Federal entity perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$50,000 as established by the Navajo Nation) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-005 (Continued)**

#### *Condition/Context*

Navajo-Gallup Water Supply (ALN #15.552): For 2 of the 7 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 2 samples totaled \$26,830. There were also 5 of the 7 procurement samples tested which were missing signature approvals supporting the procurement.

Indian Self Determination (ALN #93.441): For 10 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 6 samples totaled \$1,052,758. There were also 7 of the 40 procurement samples tested which were missing signature approvals supporting the procurement, 6 of which related to the aforementioned samples missing the cost or price analysis.

Special Diabetes (ALN #93.237): For 8 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 8 samples totaled \$53,788. There were also 3 of the 40 procurement samples tested which were missing signature approvals supporting the procurement, 2 of which related to the aforementioned samples missing the cost or price analysis.

Indian Health Service (ALN #93.228) For 1 of the 40 samples selected for testing which had a related procurement above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the sample totaled \$1,370. This same procurement sample tested was also missing signature approvals supporting the procurement.

Highway Planning and Construction (ALN #20.205): For 7 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 7 samples totaled \$966,119. These 7 procurement samples tested were also missing signature approvals supporting the procurement.

Aid to Tribal Governments (ALN #15.020): For 7 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 7 samples totaled \$269,888. There were also 8 of the 40 procurement samples tested which were missing signature approvals supporting the procurement, 4 of which related to the aforementioned samples missing the cost or price analysis.

Water Resources (ALN #15.037): For 7 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 7 samples totaled \$612,512. There were also 10 of the 40 procurement samples tested which were missing signature approvals supporting the procurement, 7 of which related to the aforementioned samples missing the cost or price analysis.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-005 (Continued)**

CSLFRF (ALN #21.027): For 21 of the 40 samples selected for testing which had related procurements above the Nation's Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed before receiving bids or proposals. The expenditures for the 21 samples totaled \$30,654,890. There were also 25 of the 40 procurements tested which were missing signature approvals supporting the procurement, 21 of which related to the aforementioned samples missing the cost or price analysis.

#### ***Cause***

The Navajo Nation has not updated its Procurement Policies to conform with the requirements of 2 CFR 200, Subpart D. The Nation does not have sufficient controls implemented to ensure that a cost or price analysis is performed prior to receiving bids or proposals.

#### ***Effect***

The above programs are not in compliance with one of the procurement requirements related to performing a cost price analysis for procurements over the simplified acquisition threshold which could result in disallowed costs if procurement amounts aren't considered reasonable.

#### ***Questioned Costs***

The questioned costs represent the amount of the procurement expenditures noted above as follows:

Assistance Listing No. 15.552: \$26,830

Assistance Listing No. 93.441: \$1,049,816

Assistance Listing No. 93.237: \$53,788

Assistance Listing No. 93.228: \$1,370, with likely questioned costs over \$25,000

Assistance Listing No. 20.205: \$966,119

Assistance Listing No. 15.020: \$134,998

Assistance Listing No. 21.027: \$30,654,890

Assistance Listing No. 15.037: \$587,345

#### ***Auditor's Recommendation***

We recommend the Nation update procurement policies and procedures to conform with requirements set forth in 2 CFR 200, Subpart D, "Procurement Standards" which includes the requirements to perform a cost price analysis on every procurement over the Simplified Acquisition Threshold. We also recommend the Nation strengthen process and internal controls to ensure that a cost or price analysis is performed prior to receiving bids or proposals for all procurement actions above the Simplified Acquisition Threshold.

**THE NAVAJO NATION AND RELATED ENTITIES**

**Schedule of Findings and Questioned Costs**

**September 30, 2022**

**Finding 2022-005 (Continued)**

*Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation Office of the Controller is currently working with the Budget and Finance Committee of the 25th Navajo Nation Council to make necessary changes to the procurement policy. The goal of which is to enhance efficiency but also strengthen controls over procurement of good and services. Part of this process will be to develop and implement a single form to report cost/price analysis for purchases over \$50,000.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023

**Finding 2022-006 – Procurement**

**Entity – Navajo Nation**

**Federal Agency:**

U.S. Department of Health and Human Services

U.S. Department of Treasury

U.S. Department of the Interior

**Federal Program Name and Assistance Listing No.:**

Navajo-Gallup Water Supply – Assistance Listing No. 15.552

COVID-19 – Indian Self-Determination– Assistance Listing No. 93.441

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – Assistance Listing No. 21.027

Water Resources – Assistance Listing No. 15.037

**Federal Award Number:**

Assistance Listing No. 15.552: R12AC40004 and R18AC00045

Assistance Listing No. 93.441: HHSI245201400004C, COVID-19 HHSI245201400004C, ISDC-NNNTC2020-2024, COVID-19 ISDC-NNNTC2020-2024, HHSI245201200008C, COVID-19 HHSI245201200008C, HHSI245201800002C, and DES-20-I-0022

Assistance Listing No. 21.027: ARPA of 2021 (H.R. 1319)

Assistance Listing No. 15.037: A12AV01296, A13AV00083, A16AV00710, A17AV00180, A18AV00338, A19AV00070, and A20AV00139

**Grant Award Periods:**

Assistance Listing No. 15.552: 9/19/2012 – 12/31/2024

Assistance Listing No. 93.441: 1/1/2012 – 6/30/2022

Assistance Listing No. 21.027: 5/27/2021 – 9/30/2022



## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-006 (Continued)**

Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024

**Repeat Finding** – Not a repeat finding

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

#### *Criteria*

2 CFR 200.318(l) requires that the non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

#### *Condition/Context*

Navajo-Gallup Water Supply (ALN #15.552): For 5 of the 7 samples selected for testing, which related to 2 procurements, the procurement files did not have sufficient documentation over the basis for contractor selection, basis for the contract price, proof of full and open competition, or sole source rationale.

Indian Self Determination (ALN #93.441): For 1 of the 40 samples selected for testing, which related to 1 procurements, the procurement files did not have sufficient documentation over the basis for contractor selection, basis for the contract price, proof of full and open competition, or sole source rationale.

CSLFRF (ALN #21.027): For 4 of the 40 samples selected for testing, which related to 4 procurements, the procurement files did not have sufficient documentation over the basis for contractor selection, basis for the contract price, proof of full and open competition, or sole source rationale.

Water Resources (ALN #15.037): For 3 of the 40 samples selected for testing, which related to 2 procurements, the procurement files did not have sufficient documentation over the basis for contractor selection, basis for the contract price, proof of full and open competition, or sole source rationale.

#### *Cause*

The Navajo Nation did not have adequate controls in place to ensure the procurement requirements related to maintaining supporting documents supporting the procurement history which could result in disallowed costs.

#### *Effect*

The above programs are not in compliance with the requirements set forth in 2 CFR 200.318(l) which could result in disallowed costs for the Nation.

#### *Questioned Costs*

The questioned costs represent the amount of the expenditures associated with the exceptions noted above:

Assistance Listing No. 15.552: \$244,190

Assistance Listing No. 93.441: \$6,277, with likely questioned costs over \$25,000

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-006 (Continued)**

Assistance Listing No. 21.027: \$43,023

Assistance Listing No. 15.037: \$587,345

#### *Auditor's Recommendation*

We recommend the Nation strengthen its internal controls to ensure that procurement records are maintained in sufficient detail to document the history of each procurement. These records should include, rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price as well as documentation of the approval of the review of the procurement file for completeness.

#### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation Office of the Controller acknowledges this finding. The OOC will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25th Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

### **Finding 2022-007 – Procurement**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Health and Human Services**

**Federal Program Name and Assistance Listing No.**

Indian Health Service, Health Management Development Program – Assistance Listing No. 93.228

**Federal Award Number**

Assistance Listing No. 93.228: HHSI245201200008C, HHSI245201400004C and HHSI245201500002C

**Grant Award Periods**

Assistance Listing No. 93.228: 1/1/2016 – 12/31/2022

**Repeat Finding – Not a repeat finding**

**Impact of Finding – Significant Deficiency in Internal Controls Over Compliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-007 (Continued)**

##### *Criteria*

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at <https://www.beta.sam.gov/> (click on Search Record, then click on Advanced Search Exclusions) (Note: The OMB guidance at 2 CFR Part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

##### *Condition/Context*

For 1 of the 3 procurement samples selected for testing, we noted there was no support for the review and approval of the procurement transaction to evidence the vendor was not suspended or debarred. There was, however, support in the file that the vendor was not suspended or debarred. The procurement tested was \$714 and the vendor had a total of \$36,765 of expenditures in the current year.

##### *Cause*

The Navajo Nation did not have adequate controls in place to ensure management reviewed the procurement file to ensure that the vendor was not suspended or debarred before procuring goods or services.

##### *Effect*

Without confirming a vendor is not suspended or debarred, the Nation's procurement could result in disallowed costs.

##### *Questioned Costs*

None noted

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-007 (Continued)**

#### *Auditor's Recommendation*

We recommend the Nation strengthen its internal controls to ensure that procurement files contain evidence that management reviewed evidence in the procurement file of all vendors with procurements over \$25,000 are not suspended or debarred.

#### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation Office of the Controller acknowledges this finding. The OOC will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25th Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

### **Finding 2022-008 – Procurement**

**Entity – Navajo Nation**

#### **Federal Agency:**

U.S. Department of Health and Human Services

U.S. Department of Treasury

U.S. Department of Transportation

U.S. Department of the Interior

#### **Federal Program Name and Assistance Listing No.:**

Navajo-Gallup Water Supply – Assistance Listing No. 15.552

Indian Self-Determination – Assistance Listing No. 93.441

Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

Indian Health Service, Health Management Development Program – Assistance Listing No. 93.228

Highway Planning and Construction – Assistance Listing No. 20.205

COVID-19 – Aid to Tribal Governments – Assistance Listing No. 15.020

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) No. 21.027

Water Resources – Assistance Listing No. 15.037

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

**Finding 2022-008 (Continued)**

**Federal Award Number:**

Assistance Listing No. 15.552: R12AC40004 and R18AC00045

Assistance Listing No. 93.441: HHSI245201400004C, COVID-19 HHSI245201400004C, ISDC-NNNTC2020-2024, COVID-19 ISDC-NNNTC2020-2024, HHSI245201200008C, COVID-19 HHSI245201200008C, HHSI245201800002C, and DES-20-I-0022

Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-23-00, and H1D1IHS0199-24-02

Assistance Listing No. 93.228: HHSI245201200008C, HHSI245201400004C and HHSI245201500002C

Assistance Listing No. 20.205: DTFH69-16-H-00028, DTFH69-17-H-00028, DTFH69-18-H-0028, 693JG41930085K600AZ0028/N48796, and 693JG41930085K600AZ0028

Assistance Listing No. 15.020: A19AV00373, COVID-19 A19AV00373, and A20AV00150

Assistance Listing No. 21.027: ARPA of 2021 (H.R. 1319)

Assistance Listing No. 15.037: A12AV01296, A13AV00083, A16AV00710, A17AV00180, A18AV00338, A19AV00070, and A20AV00139

**Grant Award Periods:**

Assistance Listing No. 15.552: 9/19/2012 – 12/31/2024

Assistance Listing No. 93.441: 1/1/2012 – 6/30/2022

Assistance Listing No. 93.237: 1/15/2016 – 12/31/2022

Assistance Listing No. 93.228: 1/1/2016 – 12/31/2022

Assistance Listing No. 20.205: 4/5/2016 – 9/30/2022

Assistance Listing No. 15.020: 1/1/2019 – 12/31/2021

Assistance Listing No. 21.027: 5/27/21 – 9/30/2022

Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024

**Repeat Finding** – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-006.

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### Finding 2022-008 (Continued)

##### *Criteria*

2 CFR 200.318 requires that the non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327, which include oversight of contractors' performance and maintaining written standards of conduct for employees involved in contracting. Also, 2 CFR 200.324 requires a cost price analysis for procurements over the entity's simplified acquisition threshold. They must also include procedures for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded (2CFR sections 200.212 and 200.318(h); 2 CFR section 180.300; 48 CFR section 52.2096)

##### *Condition/Context*

Based on our review of the Navajo Nation Procurement Rules and Regulations and the Navajo Nation Procurement Act, we were unable to locate documented procedures related to oversight of contractors' performance and written standards of conduct for employees involved in contracting. We also did not locate written policies related to verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded. Finally, we were unable to find written policies requiring a cost price analysis for procurements over the Navajo Nation's simplified acquisition threshold of \$50,000.

##### *Cause*

The Nation has not updated procurement policies to conform with the requirements of 2 CFR 200, Subpart D, "Procurement Standards".

##### *Effect*

The Nation's procurement transactions may not comply with guidelines set forth in the Uniform Guidelines.

##### *Questioned Costs*

None noted.

##### *Auditor's Recommendation*

We recommend the Nation update procurement policies and procedures to conform with requirements set forth in 2 CFR 200, Subpart D, "Procurement Standards" and include training to staff on the updates to the procurement policies.

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation Office of the Controller acknowledges this finding. The OOC will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25th Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

**Finding 2022-009 – Eligibility**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Agriculture – Direct Program**

**Federal Program Name and Assistance Listing No. – Food Distribution Program on Indian Reservations – Assistance Listing No. 10.567**

**Federal Award Number – 7AZ430NA4 and 6AZ430006**

**Grant Award Periods – 10/1/2020 – 9/30/2022**

**Repeat Finding – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-007**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

*Criteria*

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2022 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf. Also, per 7 CFR 253.11(j)(1)(i) organizations are to keep such accounts and records as may be necessary to enable the Food and Nutrition Service (FNS) to determine whether there has been compliance with this section.

In accordance with the Navajo Nation Department of Family Services Child and Family Service Manual (the "Policy"), the case manager shall determine eligibility for services, including obtaining certain documents before the applicants receive service. The documents include: 1) Certificate of Indian Blood; 2) verification of residency; 3) identification of need; 4) birth certificate (supporting documents); 5) Social Security Card (supporting documents); 6) Income verification (supporting documents). To be eligible the applicant must fully meet each of the eligibility conditions in this Policy.

2 CFR § 200.303 requires the recipient of federal funds to establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Condition/Context*

The program was unable to provide complete participant listings which only included active participants during 10/1/21-9/30/22 for each warehouse location in order for participants to be selected for testing.

*Cause*

Program management did not maintain hard copy complete listings of individuals that participated in the program, and was not able to access the listings on the AIS system, for each warehouse during the year ended September 30, 2022.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-009 (Continued)**

#### **Effect**

The participants that received benefits may have been ineligible to participate in the program.

#### **Questioned Costs**

None noted.

#### **Auditor's Recommendation**

Program management should ensure that policies and procedures are in place for each warehouse to maintain complete participant listings for each fiscal year. This could include printing out participant lists during the year at each warehouse to enable management to demonstrate all the participants in the program.

#### **Views of Responsible Officials and Planned Corrective Action**

The Navajo Food Distribution Program (NFDP) shall implement the following planned corrective action to resolve the finding:

| <b>Action Type</b>                                  | <b>Duties</b>                                                                                                                                                     | <b>Responsible Persons</b>      |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Implement Internal Policy and Procedure Development | Written policies and procedures on participants/Client master listing to be printed the last day of each month. Beginning September 30, 2023.                     | Program Manager and Supervisors |
| Internal Check List Development                     | Development of log in sheet for all master listing and store in locking file cabinet.                                                                             | Program Manager and Supervisors |
| Internal Audits for FDP Central Office              | Incorporate the internal procedures across all 7 warehouse and to be consistent. Program Manager will ensure their internal procedures are in place and practice. | Program Manager                 |

The Executive Director of the Navajo Department of Health is responsible to ensure the planned corrective action is fully achieved by December 31, 2023.

### **Finding 2022-010 – Eligibility**

**Entity – Navajo Nation**

**Federal Agency – Department of Health and Human Services – Direct Program**

**Federal Program Name and Assistance Listing No.:** Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

**Federal Award Number –** H1D1IHS0199-22-CO, H1D1IHS0199-23-00 and H1D1IHS0199-24-02

**Grant Award Periods –** 1/15/2016 – 12/31/2022



## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-010 (Continued)**

**Repeat Finding** – Yes, this finding is a repeat of a finding in the immediately prior audit and the prior year finding number was 2021-009

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

#### *Criteria*

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf.

In accordance with 42 CFR § 136.12, eligibility requirements for services under the Indian Health Services program state that "services will be made available, as medically indicated, to persons of Indian descent belonging to the Indian community served by the local facilities and programs. Generally, an individual may be regarded as within the scope of the Indian health and medical service program if he/she is regarded as an Indian by the community in which he/she lives as evidenced by such factors as tribal membership, enrollment, residence on tax-exempt land, ownership of restricted property, active participation in tribal affairs, or other relevant factors in keeping with general Bureau of Indian Affairs practices in the jurisdiction."

2 CFR § 200.303 requires the recipient of federal funds to establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

#### *Condition/Context*

We selected 60 participant files verifying eligibility and recalculate benefits in accordance with 42 CFR § 136.12 and noted exceptions for all of the samples selected as the participant files did not contain all documentation required to determine eligibility, including a certificate of Indian blood (CIB) records and a Participant Data Entry Form which collects personal demographic/medical history information. Additionally, we were unable to confirm that the participant listing we were provided was complete.

#### *Cause*

The Navajo Nation did not maintain proper supporting documentation or complete participant listings to ensure participants were eligible to receive the benefit payments.

#### *Effect*

Participants in the program may be ineligible to participate in the program which may lead to unallowable costs by the funding agency.

#### *Questioned Costs*

This program is a prevention program that focuses on providing preventative diabetes and nutrition education. Since benefits are not paid out directly to the individuals, there were no known questioned costs.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-010 (Continued)**

##### *Auditor's Recommendation*

We recommend that the Navajo Nation strengthen its policies and procedures and training to emphasize the importance of ensuring participant files are properly maintained. Eligibility should be determined continuously in accordance with the Policy to ensure all participants are eligible and benefits paid were appropriate.

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Special Diabetes Program (NSDP) will update the Policy and Procedures (Policies) to ensure it includes requirements that only eligible participants are assisted. The Policy will be reviewed by Department of Justice (DOJ) and thereafter approved by the Nation. NSDP shall conduct staff training on participant files management at each site. These would be internal procedures while the policy and procedure is being updated. NSDP shall develop a plan to conduct site visits or a report focused on checking participant files regarding eligibility every month.

The Executive Director of Navajo Department of Health is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-011 – Reporting**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Health and Human Services**

**Federal Program Name and Assistance Listing No.:** Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

**Federal Award Numbers:** H1D1IHS0199-22-CO, H1D1IHS0199-23-00, and H1D1IHS0199-24-02

**Grant Award Periods:** 1/15/2016 – 12/31/2022

**Repeat Finding – Not a repeat finding**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

##### *Criteria*

As set forth in 2 CFR 200.328, the Federal Financial Report, SF 425, must be collected with the frequency required by the terms and conditions of the federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-011 (Continued)**

##### *Condition/Context*

The annual SF-425 report was not submitted. In addition, we were unable to obtain the annual performance report.

##### *Cause*

The Navajo Nation did not have an effective system of internal control in place to ensure the reports are reviewed for accuracy and updated as necessary and filed within the Federal governments reporting deadlines.

##### *Effect*

As certain reports were not submitted, there is a risk that the federal government may deem expenditures unallowable and limit future funding.

##### *Questioned Costs*

None noted.

##### *Auditor's Recommendation*

We recommend the Navajo Nation strengthen processes and internal controls to ensure there are effective internal controls in place to ensure that reports are complete, accurate and submitted to the U.S. Department of Health and Human Services as required.

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation acknowledges this finding. There was turnover in the Contract Accounting department of the Office of Controller. We are currently working through staffing issues and plan a review of the federal reporting process. The goal is to put the personnel and procedures in place to mitigate the risk of late reporting.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-012 – Reporting**

**Entity – Navajo Nation**

**Federal Agency – U.S. Department of Treasury**

**Federal Program Name and Assistance Listing No.:** COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing No. 21.027

**Federal Award Number – ARPA of 2021 (H.R. 1319)**

**Grant Award Periods – 10/1/2021 – 9/30/2022**

**Impact of Finding – Significant Deficiency in Internal Controls and Instance of Noncompliance**

**Repeat Finding – Not a repeat finding**

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-012 (Continued)**

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

##### *Criteria*

Per State and Local Fiscal Recovery Fund Compliance and Reporting Guidance, the Navajo Nation was required to submit a one-time Interim report by August 31, 2021. In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

##### *Condition/Context*

The interim report for this program was due August 31, 2021. However, the Navajo Nation didn't submit the interim report during the year under audit. The report was ultimately submitted subsequent to year end on December 1, 2022.

##### *Cause*

The Navajo Nation did not have an effective system of internal control in place to ensure the reports are filed within the Federal governments reporting deadlines.

##### *Effect*

The interim report was not submitted within the Federal governments deadline which could impact future funding.

##### *Questioned Costs*

None noted.

##### *Auditor's Recommendation*

We recommend the Navajo Nation strengthen processes and internal controls to ensure there are effective internal controls in place to ensure that reports are complete and accurate prior to submitting to the U.S. Department of Health and Human Services.

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation acknowledges this finding. There was turnover in the Contract Accounting department of the Office of Controller. We are currently working through staffing issues and plan a review of the federal reporting process. The goal is to put the personnel and procedures in place to mitigate the risk of late reporting.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-013 – Matching**

**Entity** – Navajo Nation

**Federal Agency** – Department of Agriculture

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

**Finding 2022-013 (Continued)**

**Federal Program Name and Assistance Listing No. – Food Distribution Program on Indian Reservations – Assistance Listing No. 10.567**

**Federal Award Number – 7AZ430NA4 and 6AZ430006**

**Grant Award Periods – 10/1/2020 – 9/30/2022**

**Repeating Finding – This is not a repeat finding**

**Impact of Finding – Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

*Criteria*

7 CFR § 253.11(c)(1) states, "each organization must contribute 20 percent of its total approved administrative costs. Cash or non-cash contributions, including third party in-kind contributions, and the value of services rendered by volunteers, may be used to meet the organization's matching requirement. In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Condition/Context*

During our review of the total required local match for the Food Distribution FY21 award #7AZ430NA4 that expired September 30, 2022, we noted the program under matched by \$158,816.

*Cause*

Historically the Food Distribution program has had seven employee positions, including the fringe benefit costs, identified as 100% cash match. During FY22, three of the seven positions remained vacant. As the Federal share amount of the personnel expenditures was lower as a result of the vacancies and the low expenditures of all other Costs, the program was under matched. The COVID pandemic hindered the operation of the program and how they were able to expend funds.

*Effect*

The Nation did not meet its targeted matching requirements for the program.

*Questioned Costs*

The questioned costs represent the under matched amount of \$158,816.

*Auditor's Recommendation*

We recommend the Nation develop and implement a system for tracking matching requirements throughout the period of the program to ensure the required matching contributions are made as required by the grant agreement.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-013 (Continued)**

##### *Views of Responsible Officials and Planned Corrective Action*

The Navajo Nation acknowledges this finding. We will comment that we believe this to be a one time oversight within the accounting team. The finding will be communicated to the team and any necessary amendments to the internal controls will be considered. We do believe that the controls are documented but this was a onetime departure from the established policies and procedures as the matching funds are established and recorded during the budget process and the expectation is to monitor the matching requirement monthly as funds are expended. We will review the process again to mitigate the risk of this occurring in the future.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

#### **Finding 2022-014 – Subrecipient Monitoring**

**Entity** – Navajo Nation

**Federal Agency** – Department of Interior

**Federal Program Name and Assistance Listing No.** – Indian Education Assistance to Schools – Assistance Listing No. 15.130

**Federal Award Numbers** – A18AV00337 and A21AV00004

**Grant Award Periods** – 1/1/2018 – 12/31/2023

**Repeating Finding** – This is not a repeat finding

**Impact of Finding** – Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

##### *Criteria*

The Compliance Supplement Part 4 requires the review of pass-through entity's (PTE) subrecipient monitoring policies and procedures to gain an understanding of the PTE's process to identify subawards, evaluate risk of noncompliance, and perform monitoring procedures based upon identified risks as referenced in 2 CFR 200.332.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

##### *Condition/Context*

The Nation does not have written monitoring policies and procedures for subrecipient monitoring so we were unable to review the monitoring policies and procedures used to monitor the subrecipients within the program

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

### **Finding 2022-014 (Continued)**

#### ***Questioned Costs***

None noted.

#### ***Cause***

There are not sufficient controls in place over the preparation and adherence to documented subrecipient monitoring policies and procedures for the year ended September 30, 2022.

#### ***Effect***

Without written subrecipient monitoring policies and procedures, there is an increased risk that the Nation will not comply with the Federal guidelines on subrecipient monitoring.

#### ***Auditor's Recommendation***

We recommend the Nation document formal subrecipient policies and procedures to incorporate the requirements noted in 2 CFR 200.332.

#### ***Views of Responsible Officials and Planned Corrective Action***

The Navajo Nation Johnson-O'Malley Program (JOM) shall develop the Policies & Procedures (Policy) for Subrecipient Monitoring. The Policy will be reviewed by Navajo Nation Department of Justice (DOJ) and Board of Education (BoE) and thereafter adopted by the Health, Education and Human Services Committee. The Navajo Nation JOM will implement the new Policies & Procedures to monitor Subrecipient Agreements the Navajo Nation enters into with Schools that serve Native American students.

The Acting Superintendent of Schools is responsible to ensure the planned corrective action is achieved by December 31, 2023.

### **Finding 2022-015 – Allowable Costs**

**Entity – Navajo Nation**

#### **Federal Agency:**

U.S. Department of Agriculture

U.S. Department of the Interior

U.S. Department of Health and Human Services

#### **Federal Program Name and Assistance Listing No.**

Food Distribution Program on Indian Reservations – Assistance Listing No. 10.567

COVID-19 – Aid to Tribal Governments – Assistance Listing No. 15.020

COVID-19 – Services to Indian Children, Elderly and Families – Assistance Listing No. 15.025

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-015 (Continued)**

**Special Diabetes Program for Indians - Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237**

**COVID-19 – Indian Self-determination – Assistance Listing No. 93.441**

#### **Federal Award Number**

**Assistance Listing No. 10.567 - 7AZ430NA4 and 6AZ430006**

**Assistance Listing No. 15.020: A16AV00285, A19AV00373, COVID-19 A19AV00373 and A20AV00150**

**Assistance Listing No. 15.025: A16AV00385, COVID-19 A16AV00385, A21AV00003, COVID-19 A21AV00003, A21AV00383, COVID-19 A21AV00384, A21AV00384**

**Assistance Listing No. 93.237 - : H1D1IHS0199-22-CO, H1D1IHS0199-23-00 and H1D1IHS0199-24-02**

**Assistance Listing No. 93.441: HHSI245201400004C, COVID-19 HHSI245201400004C, ISDC-NNNTC2020-2024, COVID-19 ISDC-NNNTC2020-2024, HHSI245201200008C, COVID-19 HHSI245201200008C, HHSI245201800002C, and DES-20-I-0022**

#### **Grant Award Periods**

**Assistance Listing No. 10.567: 10/1/2021 – 9/30/2022**

**Assistance Listing No. 15.020: 1/1/2013 – 12/31/2021**

**Assistance Listing No. 15.025: 1/15/2016 – 12/31/2022**

**Assistance Listing No. 93.237: 1/15/2016 – 12/31/2022**

**Assistance Listing No. 93.441: 1/20/2020 – 12/31/2021**

**Repeating Finding – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2021-011**

**Impact of Finding – Significant Deficiency in Internal Controls Over Compliance and Instances of Noncompliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

#### **Criteria:**

2 CFR § 200.431 indicates that fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. The cost of fringe benefits in the form of employer contributions or expenses for employee life, and health are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities and charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices.



## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-015 (Continued)**

##### *Condition/Context:*

We noted that the Navajo Nation includes the cost of fringe benefits, excluding retirement and state unemployment tax amounts, in its' Group Health Self-Insurance Fund. We calculated the percentage of actual costs included in the Group Health Self-Insurance Fund to the total payroll expenditures in the current year for the Navajo Nation, excluding amounts related to retirement contributions, which totaled 14.86%. We noted that the percentage of fringe benefit costs charged to the grants as a percentage of payroll charged to the grants exceeded the actual costs incurred by the Navajo Nation during the year ended September 30, 2022.

##### *Cause:*

The Nation did not true-up the related fringe costs charged to the grants to the actual costs incurred during the year.

##### *Effect:*

A portion of the fringe benefit costs charged to the grants exceeded the actual costs for those benefits during the year.

##### *Questioned Costs*

Questioned costs represent the fringe benefit costs charged to the grants in excess of the actual costs incurred during the year:

Assistance Listing No. 10.567: \$94,306

Assistance Listing No. 15.020: \$26,397

Assistance Listing No. 15.025: \$44,252

Assistance Listing No. 93.237: \$39,033

Assistance Listing No. 93.441: \$147,400

##### *Auditor's Recommendation:*

We recommend the Navajo Nation implement policies and procedures to update the amount of fringe costs charged to grant agreements to reflect the actual costs incurred for these benefits by the Navajo Nation at the end of the fiscal year.

##### *Views of Responsible Officials and Planned Corrective Action:*

The Navajo Nation acknowledges this finding. The Navajo Nation Office of the Controller will work with the Office of Management and Budget as well as Payroll to ensure that a reconciliation is done from applying a fringe rate percentage to a federal program to the actual fringe benefits incurred. This reconciliation will start to be completed on a monthly basis and adjustments made to ensure that actual fringe costs are recorded in the books of record.

The Interim Controller is responsible to ensure the planned corrective action is achieved by December 31, 2023.

# **THE NAVAJO NATION AND RELATED ENTITIES**

## **Schedule of Findings and Questioned Costs**

**September 30, 2022**

**Finding 2022-016 – Reporting**

**Entity –** Diné College

**Federal Agency –** U.S. Department of Education (ED)

**Federal Program Title –** COVID-19 – Education Stabilization Fund – Higher Education Emergency Relief Funds (HEERF)

**Assistance Listing No. –** 84.425E, 84.425F, and 84.425K

**Federal Award Number –** P425E202761, P425F201508, P425K200048

**Grant Award Period –** 3/22/20 – 6/30/23

**Compliance Requirement –** Reporting

**Repeat Finding –** Yes, this finding is a repeat of a finding in the immediately prior audit and the finding number was 2021-013

**Impact of Finding –** Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample –** The sample was not intended to be, and was not, a statistically valid sample

**Criteria:**

As set forth in the CARES Act 18004(e) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) 314(e), there are three components to reporting for HEERF: 1) public reporting on the (a)(1) Student Aid Portion; 2) public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) programs (Quarterly Reporting Form), as applicable; and the 3) the annual report.

**Student Aid Portion –** The College was required to post four quarterly Student Aid Portion public filings during the year ended September 30, 2022, for AL 84.425E. The four reports were due January 10, 2022, April 10, 2022, and July 10, 2022 and October 10, 2022. The required information is to be conspicuously posted on the College's primary website.

**Institutional Portion –** The College was required to post four quarterly Institution Portion public filings during the year ended September 30, 2022 related to AL 84.425F and 84.425K. The four reports were due January 10, 2022, April 10, 2022, and July 10, 2022 and October 10, 2022. The required information is to be conspicuously posted on the College's primary website.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-016 (Continued)**

##### *Condition/Context:*

**Student Aid Portion –** Based on our review of the College's primary website and discussion with Diné College (the College) management, the College did not publicly post the required information for the first two quarters of fiscal 2022 (quarters ended December 31, 2021 and March 31, 2022). The College executed a corrective action plan once they became aware of the missing reports and the College timely posted the Student Aid Portion reports for the quarters ended June 30, 2022 and September 30, 2022.

**Institutional Portion –** We reviewed the quarterly reports filed for quarters ended June 30, 2022 and September 30, 2022. Based on our review of these reports, the College did not include the expenses for its renovation projects which represent the majority of the Institutional expenses. The "Construction, renovation, and real property" line item in the report shows zero for both quarters tested.

##### *Cause:*

**Student Aid Portion –** For the first half of fiscal 2022 the College was unaware of the requirement to publicly post student information on quarterly basis. The College management indicated that they did not become aware of the requirement to update and publicly post the Student Aid Portion information on a quarterly basis until the third quarter of fiscal 2022. Once the College became aware, all subsequent reports were timely posted.

**Institutional Portion –** The College did not reconcile the financial information in the Institutional report to its general ledger.

##### *Effect:*

The Student Aid information was not made publicly available as required for the December 31, 2021 and March 31, 2022 quarters.

The Institutional information included in its quarterly reports for June 30, 2022 and September 30, 2022 was incomplete.

##### *Questioned Costs:*

There are no questioned costs.

##### *Auditor's Recommendation:*

We recommend the College continue to follow the Corrective Action Plan it executed in the third quarter of fiscal 2022 to ensure that required reports are accurately completed and timely posted on the College's website.

We also recommend that the College reconcile the financial information included on its reports to its general ledger before finalizing the reports to ensure that the information is complete and accurate.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-016 (Continued)**

##### *Views of Responsible Officials and Planned Corrective Action:*

The College has corrected this finding in the current fiscal year. On a quarterly basis, the Grant Accountant will complete the required reporting forms and have Controller review the forms for accuracy. Once the forms have been reviewed, the grant accountant will have the College's marketing team post the form on the College's website for public viewing.

Dine College Office of the Controller is responsible for ensuring Corrective Action Plan is achieved.

#### **Finding 2022-017 – Suspension and Debarment**

**Entity** – Diné College

**Federal Agency** – U.S. Department of Education (ED)

**Federal Program Title** – COVID-19 – Education Stabilization Fund – Higher Education Emergency Relief Funds

**Assistance Listing No.** – 84.425F and 84.425K

**Federal Award Number** – P425F201508, P425K200048

**Grant Award Period** – 3/22/20 – 6/30/23

**Compliance Requirement** – Procurement, Suspension and Debarment

**Repeat Finding** – Yes, this finding is a repeat of a finding in the immediately prior audit and the finding number was 2021-014

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

##### *Criteria:*

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

## THE NAVAJO NATION AND RELATED ENTITIES

### Schedule of Findings and Questioned Costs

September 30, 2022

#### **Finding 2022-017 (Continued)**

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at <https://www.beta.sam.gov/> (click on Search Record, then click on Advanced Search-Exclusions) (Note: The OMB guidance at 2 CFR Part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a

certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

#### *Condition/Context:*

The College's written procurement policies properly address the need to comply with the suspension and debarment requirements. However, the College was not able to demonstrate that they confirmed that vendors were not suspended or debarred prior entering into covered transactions.

For a sample of 40 individual expenses for 6 different vendors, KPMG checked the SAM for each of the vendors. None of the vendors tested were identified on the SAM as being suspended or debarred.

#### *Cause:*

The College did not comply with their written procurement policies to confirm that vendors are not suspended or debarred before entering into a covered transaction.

#### *Effect:*

The College could have utilized federal funds to pay vendors identified as being suspended or debarred.

#### *Questioned Costs:*

There are no questioned costs since none of the vendors tested were identified as being suspended or debarred per review of SAM.gov.

#### *Auditor's Recommendation:*

We recommend the College comply with its written procurement policies and confirm vendors are not suspended or debarred before entering into covered transactions.

**THE NAVAJO NATION AND RELATED ENTITIES****Schedule of Findings and Questioned Costs****September 30, 2022****Finding 2022-017 (Continued)*****Views of Responsible Officials and Planned Corrective Action:***

Dine College developed a suspension and debarment form that all new vendors must complete before the College will do business with a given vendor. The form makes the Vendor attest that to their knowledge they have not been suspended or debarred from working with the government. Additionally, all existing vendors must complete this form annually to ensure that all vendors that the College transacts have not been suspended or debarred.

Dine College Office of the Controller is responsible for ensuring Corrective Action Plan is achieved.



**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáadi Nitsáhákees**

**The Navajo Nation**  
**Planned Corrective Action on Single Audit Findings - Prepared by Management**  
**Final Year Ended September 30, 2022**

**Finding 2022-001**

**Corrective Action Plan**

The Navajo Nation Office of the Controller acknowledges the finding. We will comment that the issues over hardship disbursements stemmed from the lack of accessibility to Certificates of Indian Blood for the audit sample selected. This control was an "above and beyond" control initiated by the Nation and not a federal requirement. The Office of The Controller will work with the Department of Justice and the Navajo Fiscal Recovery Funds among other departments to enhance controls for future hardship payments, if any. It is important to note that future hardship payments from CAREs or ARPA funds may not occur. We will revisit the policies and procedures, nonetheless. In addition, the Office of the Controller will develop internal procedures and internal controls to mitigate the risk of counting voided checks as expenditures in the Schedule of Expenditures of Federal Awards

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved  
**Estimated Completion Date**

December 31, 2023.

**Finding 2022-002**

**Corrective Action Plan**

The Navajo Nation Office of the Controller acknowledges the finding. We will comment that the issues over hardship disbursements stemmed from the lack of accessibility to Certificates of Indian Blood for the audit sample selected. This control was an "above and beyond" control initiated by the Nation and not a federal requirement. The Office of The Controller will work with the Department of Justice and the Navajo Fiscal Recovery Funds among other departments to enhance controls for future hardship payments, if any. It is important to note that future hardship payments from CAREs or ARPA funds may not occur. We will revisit the policies and procedures, nonetheless. In addition, the Office of the Controller will develop procedures and internal controls to mitigate the risk of supporting documentation of amounts disbursed. We will work the Department of Economic Development to develop a more effective process for the handling of any future small business grant awards.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

315

December 31, 2023.

**Finding Number 2022-003****Corrective Action Plan**

Department of Family Services (DFS) field supervisors complete all incoming case reviews. DFS has experienced turnovers in supervisors and the reassignment of two supervisors to oversee additional field offices, particularly for Kayenta and Gallup field offices. DFS has continued to conduct monthly case reviews. The assigned Case Manager prepares the Service Action Report Form (SARF) on a monthly basis for any child who is in out-of-home placement. The immediate field supervisor reviews and signs the SARF. The field supervisor is responsible for reviewing the case record to ensure all applications and placement agreements are current. This process will be reviewed by all field supervisors.

Due to recent changes in administration & management, data from previous years are not available. However, since the start of new management, case reviews have been conducted monthly at the local level, with quarterly internal case audits starting in September 2023 where a team of five individuals audit the cases in accordance with the criteria listed above.

DFS under current management will address any questionable costs with GF. The payments that were made at the time when the clients' eligibility lapsed, were due to no case management oversight. The payments were issued using the department's 638 funding and cannot be corrected at this time.

**Office Responsible**

Thomas Cody, Division Director of Navajo Division of Social Services is responsible to ensure the planned corrective action is achieved.

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-004****Corrective Action Plan**

The Navajo Nation acknowledges this finding and is in process of revisiting the policies and procedures over the proper inventory and recordation of capital assets. The Office of the Controller is coordinating with other departments to develop the technology and internal controls to help mitigate risks of theft and misstatement of capital assets.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved.

**Estimated Completion Date**

December 31, 2023.



**Corrective Action Plan**

The Navajo Nation Office of the Controller is currently working with the Budget and Finance Committee of the 25<sup>th</sup> Navajo Nation Council to make necessary changes to the procurement policy. The goal of which is to enhance efficiency but also strengthen controls over procurement of good and services. Part of this process will be to develop and implement a single form to report cost/price analysis for purchases over \$50,000.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-006****Corrective Action Plan**

The Navajo Nation Office of the Controller acknowledges this finding. The Office of the Controller will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25<sup>th</sup> Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-007****Corrective Action Plan**

The Navajo Nation Office of the Controller acknowledges this finding. The Office of the Controller will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25<sup>th</sup> Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Corrective Action Plan**

The Navajo Nation Office of the Controller acknowledges this finding. The Office of the Controller will be working with the Department of Justice to come up with a revised plan for all procurement. In addition, the Office of the Controller is currently working with the Budget and Finance Committee of the 25<sup>th</sup> Navajo Nation Council to make much needed reform to the procurement policies and procedures with the goal of enhancing efficiency and mitigating procurement risks

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-009****Corrective Action Plan**

The Navajo Food Distribution Program (NFDP) shall implement the following planned corrective action to resolve the finding:

| <b>Action Type</b>                                  | <b>Duties</b>                                                                                                                                                     | <b>Responsible Persons</b>      |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Implement Internal Policy and Procedure Development | Written policies and procedures on participants/Client master listing to be printed the last day of each month. Beginning September 30, 2023.                     | Program Manager and Supervisors |
| Internal Check List Development                     | Development of log in sheet for all master listing and store in locking file cabinet.                                                                             | Program Manager and Supervisors |
| Internal Audits for FDP Central Office              | Incorporate the internal procedures across all 7 warehouse and to be consistent. Program Manager will ensure their internal procedures are in place and practice. | Program Manager                 |

**Office Responsible**

Kim Russell, Executive Director of the Navajo Department of Health is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Corrective Action Plan**

The Navajo Special Diabetes Program (NSDP) will update the Policy and Procedures (Policies) to ensure it includes requirements that only eligible participants are assisted. The Policy will be reviewed by Department of Justice (DOJ) and thereafter approved by the Nation. NSDP shall conduct staff training on participant files management at each site. These would be internal procedures while the policy and procedure is being updated. NSDP shall develop a plan to conduct site visits or a report focused on checking participant files regarding eligibility every month.

**Office Responsible**

Kim Russell, Executive Director of Navajo Department of Health is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Audit Finding - Number 2022-011****Corrective Action Plan**

The Navajo Nation acknowledges this finding. There was turnover in the Contract Accounting department of the Office of Controller. We are currently working through staffing issues and plan a review of the federal reporting process. The goal is to put the personnel and procedures in place to mitigate the risk of late reporting.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Audit Finding - Number 2022-012****Corrective Action Plan**

The Navajo Nation acknowledges this finding. There was turnover in the Contract Accounting department of the Office of Controller. We are currently working through staffing issues and plan a review of the federal reporting process. The goal is to put the personnel and procedures in place to mitigate the risk of late reporting.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Corrective Action Plan**

The Navajo Nation acknowledges this finding. We will comment that we believe this to be a one time oversight within the accounting team. The finding will be communicated to the team and any necessary amendments to the internal controls will be considered. We do believe that the controls are documented but this was a onetime departure from the established policies and procedures as the matching funds are established and recorded during the budget process and the expectation is to monitor the matching requirement monthly as funds are expended. We will review the process again to mitigate the risk of this occurring in the future.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-014****Corrective Action Plan**

The Navajo Nation Johnson-O'Malley Program (JOM) shall develop the Policies & Procedures (Policy) for Subrecipient Monitoring. The Policy will be reviewed by Navajo Nation Department of Justice (DOJ) and Board of Education (BoE) and thereafter adopted by the Health, Education and Human Services Committee. NN JOM will implement the new Policies & Procedures to monitor Subrecipient Agreements the Navajo Nation enters into with Schools that serve Native American students.

**Office Responsible**

Ms. Claudia Edgewater, Acting Superintendent of Schools is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.

**Finding 2022-015****Corrective Action Plan**

The Navajo Nation acknowledges this finding. The Navajo Nation Office of the Controller will work with the Office of Management and Budget as well as Payroll to ensure that a reconciliation is done from applying a fringe rate percentage to a federal program to the actual fringe benefits incurred. This reconciliation will start to be completed on a monthly basis and adjustments made to ensure that actual fringe costs are recorded in the books of record.

**Office Responsible**

Sean McCabe CPA, Interim Controller is responsible to ensure the planned corrective action is achieved

**Estimated Completion Date**

December 31, 2023.



**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáadi Nitsáhákees**

**The Navajo Nation  
 FY 2022 Single Audit Report**

**Status Report on Planned Corrective Action on Prior Year (FY 2021) Findings and Questioned Costs**

**Finding 2021-001 – Allowable Costs**

**Entity** – Navajo Nation

**Federal Agency** – U.S. Department of Treasury – Coronavirus Relief Fund

**Federal Program Title** – COVID-19 – Coronavirus Relief Fund

**Assistance Listing No.** – 21.019

**Federal Award Number** – SocSEC Act S601(a) S5001 CARES

**Grant Award Periods** – 3/1/2020 – 12/31/2021

**Repeating Finding** – This is not a repeat finding

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

**Criteria:**

CARES Act, Pub. L. No. 116-136, Division A, Title V (2020) requires that the Coronavirus Relief Fund monies must be used to cover costs that are:

1. Necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. Not accounted for in the governments' most recently approved as of March 27, 2020; and
3. Incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In addition, Title 2 CFR 200.403 (a) and (g) stated that except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these , and (g) be adequately documented. See also § 200.300 through 200.309 of this part.

Moreover, 2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

***Condition/Context:***

For one of the 15 contractual cost samples selected that totaled \$1,997,485, we noted that allegations were raised that the contract costs were unreasonable for the services provided.

***Cause:***

The Nation did not have proper internal controls in place to ensure that the payments funded by the Coronavirus Relief Fund were adequately documented to support that the costs were necessary and reasonable expenditures incurred due to the public health emergency with respect to COVID-19.

***Effect:***

The costs incurred by the Navajo Nation as well as other costs submitted for reimbursement may be considered unallowable by the federal government.

***Questioned Costs:***

Questioned costs of \$1,997,485 represent the contract costs referenced above.

***Auditor's Recommendation:***

We recommend the Navajo Nation enhance its policies and procedures to ensure that controls and evaluation policies and procedures are in place to ensure that the reasonableness of costs incurred under the federal program are adequately documented.

***Views of Responsible Officials and Planned Corrective Action:***

The Navajo Nation Procurement Act, 12 N.N.C. § 301 *et seq.* establishes internal controls over the use of all funds for procurement, including federal funds. In particular, 12 N.N.C. § 370 makes clear that the Navajo Nation "shall comply with such federal law and authorized regulations which are mandatorily applicable, and which are not presently reflected in [the Procurement] Act. This citation shows that the Navajo Nation has internal controls designed to ensure management of federal awards in compliance with all applicable terms of the award, laws, and regulations, whether federal or otherwise.

To enhance the internal controls over the procurement of goods and services, the Navajo Nation Office of the Controller (OOC) will create training materials on procurement processes and requirements, to assist procuring parties understand their responsibilities in the procurement and management of goods and/or services, when using federal funds. This flowchart on procurement will be completed and posted on the OOC website for easy access by all Navajo Nation procuring parties.

Additionally, the OOC will recommend to Navajo Nation leadership a review of the Navajo Nation's current procurement policies for amendment as leadership finds necessary.

Elizabeth Begay, Acting Controller, Office of the Controller, will oversee the implementation of the planned corrective action by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on allowable costs in the FY 22 audit (Finding 2022-001) and responded accordingly under Interim Controller Sean McCabe CPA.

**Finding 2021-002 – Allowable Costs****Entity – Navajo Nation****Federal Agency – U.S. Department of Treasury – Coronavirus Relief Fund****Federal Program Title – COVID-19 – Coronavirus Relief Fund****Assistance Listing No. – 21.019****Federal Award Number – SocSEC Act S601(a) S5001 CARES****Grant Award Periods – 2021****Impact of Finding – Significant Deficiency in Internal Controls Over Compliance****Repeating Finding – This is not a repeat finding.****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample****Criteria:**

2 CFR § 200.303 requires the recipient of federal funds establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition/Context:**

We were unable to identify a control we could test related to the approval and disbursement of payments made by the vendor the Navajo Nation outsourced the hardship payments under the program. We were also unable to obtain supporting documentation to support sufficient controls were in place over disbursements approved and made by Navajo Nation. However, out of the 45 hardship payments tested that were made to individuals, no exceptions were noted in our compliance testing.

**Cause:**

The vendor utilized by the Navajo Nation terminated its contract during the fiscal 2021 and the controls outsourced to the vendor over the approval of applications and the disbursement of hardship payments could not be tested. Additionally, we also noted insufficient control documentation over the hardship disbursement processed and disbursed by management at the Navajo Nation.

**Effect:**

The Navajo Nation did not have sufficient controls in place that could be tested which could have resulted in hardship payments processed that were not approved or allowable.

**Questioned Costs:**

None noted.

**Auditor's Recommendation:**

We recommend the Navajo Nation establish and document controls over the disbursement of federal expenditures to ensure that costs charged to grant are necessary, adequately documented, allowable and in accordance with grant requirements.

*Views of Responsible Officials and Planned Corrective Action:*

The CARES Act funding must be fully expended by September 30, 2022 and closed out by December 30, 2022. Disbursements of the Phase II of the CARES hardship payments were handled in-house by the Office of the Controller (OOC) and not outsourced to Consultant or Contractor. The OOC has developed a workflow chart in processing the hardship applications that includes control procedures to ensure hardship payments are adequately documented, allowable and in accordance with the grant expenditure guidelines and Navajo Nation Council Resolution approving the hardship assistance.

Elizabeth Begay, Acting Controller – Office of the Controller will be responsible to fully implement the planned corrective action plan by September 30, 2022.

Status Report on Planned Corrective Action – For FY 2022 Audit Report

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on allowable costs in the FY 22 audit (Finding 2022-001) and responded accordingly under Interim Controller Sean McCabe CPA.



**Finding 2021-003 – Eligibility****Entity – Navajo Nation****Federal Agency – U.S. Department of the Interior – Direct Program****Federal Program Title – Services to Indian Children, Elderly, and Families Program****Assistance Listing No. – 15.025****Federal Award Number – A16AV00385, A21AV00003, A21AV00383, A21AV00384****Grant Award Periods – January 15, 2016 – December 31, 2022****Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance****Finding 2021-003 – Eligibility (Continued)****Repeating Finding – Yes, a finding was included in the immediately prior audit and the prior year finding number was 2020-007****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample****Criteria:**

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf.

In accordance with the Navajo Nation Department of Family Services Child and Family Service Manual (the "Policy"), the case manager shall determine eligibility for services, including obtaining certain documents before the applicants receive service. The documents include: 1) Certificate of Indian Blood; 2) verification of residency; 3) identification of need; 4) birth certificate (supporting documents); 5) Social Security Card (supporting documents); 6) Income verification (supporting documents). To be eligible the applicant must fully meet each of the eligibility conditions in this Policy.

**Condition/Context**

We randomly selected 60 participant files verifying eligibility and recalculated benefits in accordance with the policy. Out of the 60 samples, 30 samples were from Navajo Family Assistance Services (NFAFS) and 30 samples were from Department of Family Services (DFS). We noted the following exceptions:

2 participants out of 30 samples of DFS were noted not having certificate of Indian Blood on file and income verification.

2 participants out of 30 sample of DFS were noted not having certificate of Indian Blood.

4 participants out of 30 samples of DFS were noted not having income verification.

**Cause:**

The Navajo Nation did not maintain proper supporting documentation to ensure participants were eligible to receive the benefit payments.

**Effect:**

The participants may be ineligible for the program.

***Questioned Costs:***

Questioned costs of \$3,976 represent disbursements associated with the exceptions noted above and the likely questioned costs are greater than \$25,000.

***Auditor's Recommendation:***

Established policies and procedures should be reemphasized and followed to ensure participant files are properly maintained, and eligibility should be determined continuously in accordance with the Policy to ensure all participants are eligible and benefits paid were appropriate.

***Views of Responsible Officials and Planned Corrective Action:***

The Department of Family Services (DFS) will perform the following:

1. The field supervisors continue to conduct monthly case reviews on at least 10% of its overall field office caseload.
2. The administrative and field staff will be trained on the newly developed case management database called Tribal Assistance Services (TAS).
3. The TSA will be implemented by December 31, 2022. The database is designed to have all elements entered on a case and will alert the worker to enter missing information with timelines. The database will remind workers on action item needing attention, such as, uploading a case document or completing a case review. The database will include eligibility determination and payment processing.
4. An amended case management manual will be implemented by December 31, 2022. With the manual and TSA, field office staff will be better able to use procedures to better address eligibility criteria for clients who are foster care licensed, kinship caretakers who are eligible for guardianship and adoption subsidies.

Deannah Neswood-Gishey, Division Director of NDSS, will oversee the implementation of planned corrective action by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was achieved. The tasks achieved on the four (4) items that were in the PCA are as follows.

No. 1 - DFS field supervisors will continue to conduct monthly case reviews at least 10% of its overall field office caseload in which all nine field offices have met its minimum 10% case reviews on a monthly basis. DFS developed a form that is used to perform case reviews.

No. 2 - Fifty-two (52) staff were trained on Tribal Assistance Services (TSA) at two separate trainings conducted in September 2022, two separate trainings conducted in October 2022, and one training conducted in December 2022. Staff trained were those who handle child welfare cases. The Trainings was based on (180) pages training manual on TAS. An Agenda and the attendees signed in was available.

No. 3 – DFS implemented the TAS database in October 2022 when staff were issued username and passcode to begin entering cases in the TAS. Entering cases is an ongoing process.

No. 4 – DFS continues to work on its case management manual amendments. Upon amending the manual, DFS will re-submit the document to the legal department for another review.

However, we acknowledge a repeat finding on eligibility in the FY 22 audit (Finding 2022-003) and responded accordingly under Thomas Code, Division Director of Navajo Division of Social Services.

# **Finding 2021-004 – Equipment Management**

**Entity:** Navajo Nation

## **Federal Agency:**

- U.S. Department of the Interior
- U.S. Department of Transportation
- U.S. Department of Health and Human Services

## **Federal Program Name and Assistance Listing No.:**

- Water Resources on Indian Lands Program – Assistance Listing No. 15.037
- Highway Planning and Construction – Assistance Listing No. 20.205
- Indian Health Service – Health Management Development Program – Assistance Listing No. 93.228
- Special Diabetes for Indians – Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237

## **Federal Award Number:**

- Assistance Listing No. 15.037: AV13A00193, A12AV01296, A12AV01292, A15AV00083, A16AV00710, A17AV00180, A18AV00338, A19AV00070, and A20AV00139
- Assistance Listing No. 20.205: A12AV01089, DTFH69-14-H-00028, DTFH69-15-H-00028, DTFH69-16-H-00028, DTFH69-17-H-00028, DTFH69-18-H-00028, 693JG41930085K600AZ0028, 693JG42030000K600AZ0028, 693JG42130000K600AZ0028 and 693JG41930085K600AZ0028/N48796
- Assistance Listing No. 93.228: HHSI245201500002C, HHSI245201400004C and HHSI245201200008C
- Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-22-00, and H1D1IHS0199-23-00

## **Grant Award Periods:**

- Assistance Listing No. 15.037: 9/7/2012 – 12/31/2024
- Assistance Listing No. 20.205: 10/1/20 – 9/30/2021
- Assistance Listing No. 93.228: 1/1/14 – 12/31/2024
- Assistance Listing No. 93.237: 1/1/16 – 12/31/2020

**Repeat Finding** – This is not a repeat finding

**Impact of Finding** – Assistance Listing Nos. 15.037 and 93.228: Material Weakness in Internal Controls Over Compliance and Material Noncompliance

– Assistance Listing Nos. 20.205 and 93.237: Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

## **Criteria:**

In accordance with the Uniform Guidance in 2 CFR Section 200.313 Equipment. (d) Management requirements, procedures for managing equipment (including replacement equipment), whether

acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements: (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. (2) A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

*Condition/Context:*

**Water Resources (15.037):** Based on review of the Equipment Inventory Reconciliation, 16 out of 50 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 16 uncounted equipment had an original cost of approximately \$544,348 out of total inventory of \$2,765,487.

**Highway Planning and Construction (20.205):** Based on review of the Equipment Inventory Reconciliation, 18 out of 180 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 18 uncounted equipment had an original cost of \$241,474 out of total inventory of \$9,080,253.

**Indian Health Services (93.228):** Based on review of the Equipment Inventory Reconciliation, 79 out of 302 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 79 uncounted equipment had an original cost of \$2,299,729 out of total inventory of \$10,232,457.

**Special Diabetes (93.237):** Based on review of the Equipment Inventory Reconciliation, 7 out of 67 equipment items were not physically inventoried and reconciled back to the Fixed Asset Master List (FAML) at least once in the past two years. The 7 uncounted equipment had an original cost of \$107,812 out of total inventory of \$2,334,899.

*Cause:*

Although a risk assessment was performed to identify the programs that required a physical inventory, there was not sufficient follow-up after the physical inventory to ensure all equipment that hadn't been counted in fiscal year 2020 was counted in fiscal year 2021.

*Effect:*

Without strong internal controls over equipment management, the Nation may not be properly monitoring equipment purchased with federal funds as equipment records are not being updated. The above programs are not in compliance with the requirements set forth in 2 CFR 200.313.

*Questioned Costs:*

Questioned costs represent the cost of the uncounted inventory in each program noted above:

- Assistance Listing No. 15.037: \$544,348
- Assistance Listing No. 20.205: \$241,474
- Assistance Listing No. 93.228: \$2,299,729
- Assistance Listing No. 93.237: \$107,812

*Repeat Finding:*

This finding is not a repeat finding.

***Auditor's Recommendation:***

The Navajo Nation should strengthen the controls around the performance of the physical inventory which should include a review of the inventory listing subsequent to the physical inventory to ensure all assets not counted in the previous year were counted during the current period.

***Views of Responsible Officials and Planned Corrective Action:***

The Property Management Department (PMD) of the Office of the Controller (OOC) in coordination with programs and grants that had findings are performing physical inventory on the grant. 75% of the equipment that was not inventoried have now been inventoried and the records updated in the Financial Management Information System (FMIS). PMD will continue to work in completing the physical inventory of the remaining items to ensure all assets not counted in FY 2021 are counted to avoid repeat finding.

A risk assessment will be conducted to identify the programs that will be audited in FY 2022 and PMD will ensure all assets of the programs are inventoried.

The PMD will implement control procedures that the fixed asset master list is updated and reconciled in the FMIS, all assets are physically inventoried, tagged and safeguarded. The PMD will review the current internal control procedures over property management and will revise and update the process to address any control deficiencies.

Elizabeth Begay, Acting Controller of Office of the Controller, and Division / Executive Directors for Division of Natural Resources, Navajo Department of Health and Navajo Division of Transportation will oversee the implementation of planned corrective action by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was achieved. The Department of Water Resources (DWR) within the Division of Natural Resources coordinated with Property Management Department (PMD) of the Office of the Controller (OOC) to obtain a fixed asset listing on August 23, 2022 to inventory the assets. As of September 30, 2022, forty-eight (48) of the fifty (50) items that were noted as exceptions in the audit were located. Search for two (2) items bearing Fixed Assets numbers 3918 and 2919 (both are welding machines) is continuing. PMD / OOC is in the process of updating the asset inventory listing.

However, we acknowledge a repeat finding on equipment as additional exceptions were noted in the FY 22 audit (Finding 2022-004) and we responded accordingly under Interim Controller Sean McCabe CPA.

**Finding 2021-005 – Procurement****Entity – Navajo Nation****Federal Agency:**

- U.S. Department of Health and Human Services
- U.S. Department of Transportation
- U.S. Department of the Interior

**Federal Program Name and Assistance Listing No.:**

- Indian Health Service – Health Management Development Program – Assistance Listing No. 93.228
- Indian Self-Determination – Assistance Listing No. 93.441
- COVID-19 – Indian Self-Determination – Assistance Listing No. 93.441
- Special Diabetes for Indians – Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237
- Highway Planning and Construction – Assistance Listing No. 20.205
- Aid to Tribal Governments – Assistance Listing No. 15.020
- COVID – 19 Aid to Tribal Governments – Assistance Listing No. 15.020
- Water Resources – Assistance Listing No. 15.037

**Federal Award Number:**

- Assistance Listing No. 93.228: HHS1245201500002C, HHSI245201400004C and HHSI245201200008C
- Assistance Listing No. 93.441: HHSI245201400004C, HHSI245201500002C, ISDC-NNNTC2020-2024, HHSI245201200008C, HHSI245201800002C, and DES-20-I-0022
- Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-22-00, and H1D1IHS0199-23-00
- Assistance Listing No. 20.205: DTFH69-14-H-00028, DTFH69-15-H-00028, DTFH69-16-H-00028, DTFH69-17-H-00028, DTFH69-18-H-0028, 693JG41930085K600AZ0028, 693JG41930085K600AZ0028/N48796, 693JG42030000K600AZ0028, 693JG42130000K600AZ0028, and A12AV01089
- Assistance Listing No. 15.020: A19AV00373, A13AV00203, and A16AV00285
- Assistance Listing No. 15.037: A12AV01292, A13AV00193, A15AV00083, A16AV00710, A18AV00338, A19AV00070, A12AV01296, A17AV00180, and A20AV00139

**Grant Award Periods:**

- Assistance Listing No. 93.228: 1/1/2014 – 12/31/2024
- Assistance Listing No. 93.441: 1/20/2020 – 12/31/2021
- Assistance Listing No. 93.237: 1/1/2016 – 12/31/2020
- Assistance Listing No. 20.205: 10/1/2020 – 9/30/2021
- Assistance Listing No. 15.020: 1/1/2013 – 12/31/2021
- Assistance Listing No. 15.037: 10/1/11 – 12/31/2024

**Repeat Finding** – This is not a repeat finding

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

*Criteria:*

2 CFR 200.324 requires that the non-Federal entity perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$50,000 as established by the Navajo Nation) including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

*Condition/Context:*

**Indian Health Services (93.228):** For three of the twelve samples selected which were above the Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed as part of the procurements. The two procurements totaled \$924,903.

**Indian Self Determination (93.441):** For ten of the fourteen samples selected which were above the Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed as part of the procurements. The two procurements totaled \$1,965,801.

**Special Diabetes (93.237):** For two of the five selected which were above the Simplified Acquisition Threshold, there was no support evidencing a cost or price analysis was performed as part of the procurements. The procurement totaled \$277,192.

**Highway Planning and Construction (20.205):** For one of the eleven samples selected which was above the Simplified Acquisition Threshold, there was no support showing a cost or price analysis was performed prior to receiving bids or proposal was able to be provided. The procurement totaled \$1,545,904.

**Aid to Tribal Governments (15.020):** For two of the five samples selected which were above the Simplified Acquisition Threshold, there was no support showing a cost or price analysis was performed prior to receiving bids or proposals. The procurements totaled \$125,692.

**Water Resources (15.037):** For one of the six samples selected which was the Simplified Acquisition Threshold, there was no support showing a cost or price analysis was performed prior to receiving bids or proposals. The procurement totaled \$244,415.

*Cause:*

The Navajo Nation has not updated its Procurement Policies to conform with the requirements of 2 CFR 200, Subpart D. The Nation does not have sufficient controls implemented to ensure that a cost or price analysis is performed prior to receiving bids or proposals.

*Effect:*

The above programs are not in compliance with the requirements set forth in 2 CFR 200.318 and 200.324.

*Questioned Costs:*

The questioned costs represent the amount of the procurements noted above as follows:

- Assistance Listing No. 93.228: \$924,903

- Assistance Listing No. 93.441: \$1,965,801
- Assistance Listing No. 93.237: \$277,192
- Assistance Listing No. 20.205: \$1,545,904
- Assistance Listing No. 15.020: \$50,225
- COVID-19 Assistance Listing No. 15.020: \$75,467
- Assistance Listing No. 15.037: \$244,415

*Auditor's Recommendation:*

We recommend the Nation update procurement policies and procedures to conform with requirements set forth in 2 CFR 200, Subpart D, "Procurement Standards" which includes the requirements to perform a cost price analysis on every procurement over the Simplified Acquisition Threshold. We also recommend the Nation strengthen process and internal controls to ensure that a cost or price analysis is performed prior to receiving bids or proposals for all procurement actions above the Simplified Acquisition Threshold.

*Views of Responsible Officials and Planned Corrective Action:*

The Office of the Controller (OOC) will recommend that Navajo Nation leadership review current procurement policies for possible amendments, to clarify standards and requirements concerning procurement generally, and establishment of a "Maximum Feasible Price/Cost" particularly. Per Navajo Nation law, the Navajo Nation Council is responsible for establishing and amending Navajo Nation laws, and the Budget and Finance Committee is responsible for amending the Navajo Nation Procurement Rules and Regulations.

In the meantime, the Navajo Nation's current procurement policies conform to the requirements set forth in federal laws, and in particular the federal Uniform Guidance. The Navajo Nation Procurement Act mandates compliance "with such federal law and authorized regulations which are mandatorily applicable, and which are not presently reflected in [the Procurement] Act." This language requires that Navajo Nation procurements using federal funds must comply with federal procurement standards, including the Uniform Guidance. Specific conformity to the Uniform Guidance regarding performance of a "cost-price analysis" is documented in the Navajo Nation's Procurement Rules and Regulations. This document requires procuring parties to establish a "Maximum Feasible Price/Cost," equivalent to the federal "cost-price analysis" for each procurement conducted by the Navajo Nation, which is a standard more stringent than that of the Uniform Guidance's requirement in relation to procurements over the Simplified Acquisition Threshold.

To improve awareness cost-price analysis requirements by Navajo Nation procuring parties and increase understanding of what steps must be taken to meet these requirements, OOC will create training materials outlining how procuring parties can meet the requirement to establish a "Maximum Feasible Price/Cost," including what factors should be used to make this determination.

Elizabeth Begay, Acting Controller – Office of the Controller, and Division / Executive Directors for Navajo Department of Health and Navajo Division of Transportation will oversee the implementation of OOC's portion of the planned corrective action by September 30, 2022.

Status Report on Planned Corrective Action – For FY 2022 Audit Report

The Planned Corrective Action was achieved. DWR (Department of Water Resources) performs cost analysis necessary to procure goods and services that are most feasible and pursuant to the Nation's Procurement laws and regulations. An example of cost analysis performed by DWR in coordination with our Engineering Contractor KB-Walkoma, LLC was emailed for reference to KPMG on July 18, 2022.



The finding was also on Aid to Tribal Governments award. To show compliance with Navajo Nation Procurement Rules, documentation was provided on purchase from Life Assist for Medical Supplies using K200768.4500 for \$75,466.88 on behalf of Navajo Emergency Medical Services. The total of all invoices is \$75,466.88. Request for bid was sent to three (3) vendors. One (1) vendor responded. Two (2) vendors did not respond. However, we acknowledge a repeat finding on procurement as additional procurement exceptions were noted in the FY 22 audit (Finding 2022-005) and we responded accordingly under Interim Controller Sean McCabe CPA.

**Finding 2021-006 – Procurement Policies**

**Entity – Navajo Nation**

**Federal Agency:**

- U.S. Department of Health and Human Services
- U.S. Department of Transportation
- U.S. Department of the Interior

**Federal Program Name and Assistance Listing No.:**

- Indian Self-Determination – Assistance Listing No. 93.441
- COVID-19 – Indian Self-Determination – Assistance Listing No. 93.441
- Special Diabetes for Indians – Diabetes Prevention and Treatment Projects – Assistance Listing No. 93.237
- Highway Planning and Construction – Assistance Listing No. 20.205
- Federal Transit Capital Investment Grants – Assistance Listing No. 20.500
- Aid to Tribal Governments – Assistance Listing No. 15.020
- COVID – 19 Aid to Tribal Governments – Assistance Listing No. 15.020
- Water Resources – Assistance Listing No. 15.037
- Indian Health Service – Health Management Development Program – Assistance Listing No. 93.228

**Federal Award Number:**

- Assistance Listing No. 93.441: HHSI245201400004C, HHSI245201500002C, HHSI245201800002C, ISDC-NNNTC2020-2024, HHSI245201200008C and DES-20-I-0022
- Assistance Listing No. 93.237: H1D1IHS0199-22-CO, H1D1IHS0199-22-00, and H1D1IHS0199-23-00
- Assistance Listing No. 20.205: DTFH69-14-J-00028, DTFH69-15-H-00028, DTFH69-16-00028, DTFH69-17-H-00028, DTFH69-18-H-0028, 693JG41930085K600AZ0028/N48796, 693JG42030000K600AZ0028, 693JG42130000K600AZ0028, A12AV01089 and 693JG41930085K600AZ0028
- Assistance Listing No. 20.500: AZ-04-0024-00
- Assistance Listing No. 15.020: A19AV00373, A13AV00203 and A16AV00285
- Assistance Listing No. 15.037: A12AV01292, A13AV00193, A15AV00083, A16AV00710, A18AV00338, A19AV00070, A12AC01296, A17AV00180, and A20AV00139
- Assistance Listing No. 93.228: HHSI245201500002C, HHSI245201400004C and HHSI245201200008C

**Grant Award Periods:**

- Assistance Listing No. 93.441: 1/20/2020 – 12/31/2021
- Assistance Listing No. 93.237: 1/1/2016 – 12/31/2020
- Assistance Listing No. 20.205: 10/1/2020 – 9/30/2021
- Assistance Listing No. 20.500: 9/5/2014 – 9/30/2023
- Assistance Listing No. 15.020: 1/1/2013 – 12/31/2021
- Assistance Listing No. 15.037: 10/1/11 – 12/31/2024
- Assistance Listing No. 93.228: 1/1/2014 – 12/31/2024

**Repeat Finding** – This is not a repeat finding

**Impact of Finding** – Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

**Criteria:**

2 CFR 200.318 requires that the non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327, which include oversight of contractors' performance and maintaining written standards of conduct for employees involved in contracting. Also, 2 CFR 200.324 requires a cost price analysis for procurements over the entity's simplified acquisition threshold. They must also include procedures for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded (2CFR sections 200.212 and 200.318(h); 2 CFR section 180.300; 48 CFR section 52.2096)

**Condition/Context:**

Based on our review of the Navajo Nation Procurement Rules and Regulations and the Navajo Nation Procurement Act, we were unable to locate documented procedures related to oversight of contractors' performance and maintaining written standards of conduct for employees involved in contracting. We also did not locate written policies related to verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded. Finally, we were unable to find written policies requiring a cost price analysis for procurements over the Navajo Nation's simplified acquisition threshold of \$50,000.

**Cause:**

The Nation has not updated procurement policies to conform with the requirements of 2 CFR 200, Subpart D, "Procurement Standards".

**Effect:**

The Nation's procurement transactions may not comply with guidelines set forth in the Uniform Guidelines.

**Questioned Costs:**

None noted.

*Auditor's Recommendation:*

We recommend the Nation update procurement policies and procedures to conform with requirements set forth in 2 CFR 200, Subpart D, "Procurement Standards."

*Views of Responsible Officials and Planned Corrective Action:*

The OOC will recommend that Navajo Nation leadership review current procurement policies for possible amendments, to clarify standards and requirements concerning procurement. Per Navajo Nation law, the Navajo Nation Council is responsible for establishing and amending Navajo Nation laws, including the Procurement Act, and the Budget and Finance Committee is responsible for amending the Navajo Nation Procurement Rules and Regulations.

In the meantime, the Navajo Nation's current procurement policies conform to the requirements set forth in federal laws, and in particular the federal Uniform Guidance. The Navajo Nation Procurement Act mandates compliance "with such federal law and authorized regulations which are mandatorily applicable, and which are not presently reflected in [the Procurement] Act." This language requires that Navajo Nation procurements using federal funds must comply with federal procurement standards, including the Uniform Guidance. In particular, the Navajo Nation has documented procedures covering the entirety of a procurement process, which are consistent with local, state, and federal standards and laws, including the Uniform Guidelines. Various Navajo Nation laws and documents concerning procurement require oversight of contractor performance, include standards of conduct for those employees involved in contracting, and require procedures for verifying that contractors are not debarred, suspended, or otherwise excluded from contracting opportunities.

To improve awareness by Navajo Nation procurement parties on the procurement standards relating to oversight of contractors' performance, OOC will create training materials highlighting the Navajo Nation's procurement procedures, requirements, and standards. These training materials will underscore the responsibilities of Navajo Nation procuring parties, both in the solicitation and management of procurements.

Elizabeth Begay, Acting Controller – Office of the Controller, and Division / Executive Director for Navajo Department of Health and Navajo Division of Transportation will oversee the implementation of the planned corrective action by September 30, 2022

Status Report on Planned Corrective Action – For FY 2022 Audit Report

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on procurement in the FY 22 audit (Finding 2022-008) and responded accordingly under Interim Controller Sean McCabe CPA.

**Finding 2021-007 – Eligibility****Entity – Navajo Nation****Federal Agency – U.S. Department of Agriculture – Direct Program****Federal Program Title – Food Distribution Program on Indian Reservations****Assistance Listing No. – 10.567****Federal Award Number – 7AZ430NA4****Grant Award Periods – 10/1/2020 – 9/30/2021****Repeat Finding – This is not a repeat finding****Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample*****Criteria:***

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf. Also, per 7 CFR 253.11(j)(1)(i) organizations are to keep such accounts and records as may be necessary to enable the Food and Nutrition Service (FNS) to determine whether there has been compliance with this section.

Additionally, 2 CFR § 200.303 requires the recipient of federal funds to establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition/Context***

The program was unable to provide complete participant listings which only included active participants during FY21 (10/1/20-9/30/21) for each warehouse location in order for participants to be selected for testing.

***Cause:***

Program management did not maintain hard copy complete listings of individuals that participated in the program, and was not able to access the listings on the AIS system, for each warehouse during the year ended September 30, 2021.

***Effect:***

The participants that received benefits may have been ineligible to participate in the program.

***Questioned Costs:***

None noted.

***Auditor's Recommendation:***

Program management should ensure that policies and procedures are in place for each warehouse to maintain complete participant listings for each fiscal year. This could include printing out participant lists during the year at each warehouse to enable management to demonstrate all the participants in the program.

***Views of Responsible Officials and Planned Corrective Action:***

The Navajo Food Distribution Program (NFDP) Policy and Procedures (Policy) for warehouses to address participant list management will be revised and updated. The Policy will be reviewed by Department of Justice (DOJ) prior to approval by the Nation. Implementation will follow. The Policy will include a process for warehouse staff to print client list by the last business day of each month. NFDP shall implement the process to begin collecting participant list from each warehouse by the end of each business day of the month. The monthly data collection is the outcome of this action type.

Dr. Jill Jim, Executive Director of the Navajo Department of Health is responsible to ensure the planned corrective action is fully achieved by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on eligibility in the FY 22 audit (Finding 2022-009) and responded accordingly under Kim Russell, Executive Director of the Navajo Department of Health.

**Finding 2021-008 – Reporting****Entity – Navajo Nation****Federal Agency – U.S. Department of Health and Human Services****Federal Program Title – Indian Health Service Health Management Development Program****Assistance Listing No. – 93.228****Federal Award Number – HHSI245201400004C, HHSI245201200008C, and HHSI245201500002C****Grant Award Period – 1/1/2016 – 12/31/2016****Compliance Requirement – Reporting****Repeat Finding – This is not a repeat finding****Impact of Finding – Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample****Finding 2021-008 – Reporting (Continued)***Criteria:*

As set forth in 2 CFR 200.328, the Federal Financial Report, SF 425, must be collected with the frequency required by the terms and conditions of the federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Condition/Context:*

The Navajo Nation did not have an effective system of internal control in place to ensure the reports that are required to be submitted to the U.S. Department of Health and Human Services were accurate. We selected a sample of two reports and determined that one report for Business Unit K160518 – K160561 contained an incorrect amount reported for "Federal Share of Unliquidated Obligations" for the fiscal year ended September 30, 2021. There was a difference of \$943,198 between what was reported, and the underlying documentation inspected.

The Nation is required to submit annual federal financial reports related to the Indian Health Service program that include all Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded. Enter the Federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors. On the final report, this line should be zero unless the awarding agency has provided other instructions.

*Cause:*

The Nation management indicated that the report was not reviewed in a detailed and in timely manner to update all the required fields contained in the report prior to submitting to the grantor.

*Effect:*

As a result, the Navajo Nation overreported the Federal Share of Unliquidated Obligations amount by \$943,198.

*Questioned Costs:*

None noted.

*Auditor's Recommendation:*

We recommend the Navajo Nation strengthen processes and internal controls to ensure there are effective internal controls in place to ensure that reports are complete and accurate prior to submitting to the U.S. Department of Health and Human Services.

**Finding 2021-008 – Reporting (Continued)***Views of Responsible Officials and Planned Corrective Action:*

The Contract Accounting Section (CAS) of the Office of the Controller is responsible for submitting all financial reports. The over reporting of the Federal Share of Unliquidated Obligations has been corrected and a revised SF-425 has been submitted to the funding agency. CAS's updated internal control shall have the Accounting Supervisor verify the entries once the journal voucher entry has been posted by the Accountant to ensure the financial reports are complete and accurate prior to submission to the funding agency.

Elizabeth Begay, Acting Controller – Office of the Controller, will oversee the implementation of the corrective action plan by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on reporting in the FY 22 audit (Finding 2022-011) and responded accordingly under Interim Controller Sean McCabe CPA.



**Finding 2021-009 – Eligibility****Entity – Navajo Nation****Federal Agency – U.S. Department of Health and Human Services****Federal Program Title – Special Diabetes for Indians – Diabetes Prevention and Treatment Projects****Assistance Listing No. – 93.237****Federal Award Number – H1D1HS0199-22-CO, H1D1HS0199-22-00, and H1D1HS0199-23-00****Grant Award Periods – 1/1/2016 – 12/31/2021****Repeating Finding – Yes, this finding is a repeat of a finding in the immediately prior audit and the prior year finding number was 2020-003.****Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material Noncompliance****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample***Criteria:*

As set forth with the Uniform Guidance 2 CFR Part 200, Appendix XI, Compliance Supplement 2021 Part 3, E. Eligibility, the nonfederal entity should maintain eligibility records, including information about each individual and benefits paid to or on behalf.

In accordance with 42 CFR § 136.12, eligibility requirements for services under the Indian Health Services program state that "services will be made available, as medically indicated, to persons of Indian descent belonging to the Indian community served by the local facilities and programs. Generally, an individual may be regarded as within the scope of the Indian health and medical service program if he/she is regarded as an Indian by the community in which he/she lives as evidenced by such factors as tribal membership, enrollment, residence on tax-exempt land, ownership of restricted property, active participation in tribal affairs, or other relevant factors in keeping with general Bureau of Indian Affairs practices in the jurisdiction."

*Condition/Context:*

Additionally, we randomly selected 60 participant files verifying eligibility and recalculate benefits in accordance with 42 CFR § 136.12 and noted exceptions for all of the samples selected as the participant files did not contain all documentation required to determine eligibility, including a certificate of Indian blood (CIB) records and a Participant Data Entry Form which collects personal demographic/medical history information. We also noted 3 exceptions out of 25 samples selected to determine the completeness of the participants receiving benefits as the samples were not included in the FY2021 participant listing.

***Cause:***

The Navajo Nation did not maintain proper supporting documentation to ensure participants were eligible to receive the benefit payments. Additionally, we were unable to confirm that the participant listing we were provided was complete.

***Effect:***

Participants in the program may be ineligible to participate in the program which may lead to unallowable costs by the funding agency.

***Questioned Costs:***

This program is a prevention program that focuses on providing preventative diabetes and nutrition education. Since benefits are not paid out directly to the individuals, there were no known questioned costs.

***Auditor's Recommendation:***

We recommend that the Navajo Nation strengthen its policies and procedures and training to emphasize the importance of ensuring participant files are properly maintained. Eligibility should be determined continuously in accordance with the Policy to ensure all participants are eligible and benefits paid were appropriate.

***Views of Responsible Officials and Planned Corrective Action:***

The Navajo Special Diabetes Program (NSDP) will update the Policy and Procedures (Policies) to ensure it include requirement that only eligible participants are assisted. The Policy will be reviewed by Department of Justice (DOJ) for review and thereafter approved by the Nation. NSDP shall conduct staff training on participant files management at each site. These would be internal procedures while the policy and procedure is being updated. NSDP shall develop a plan to conduct site visits or a report focused on checking participant files regarding eligibility every month.

Dr. Jill Jim, Executive Director of the Navajo Department of Health is responsible to ensure the planned corrective action is fully achieved by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on reporting in the FY 22 audit (Finding 2022-011) and responded accordingly under Interim Controller Sean McCabe CPA.

**Finding 2021-010 – Earmarking****Entity – Navajo Nation****Federal Agency –US Department of Health and Human Services****Finding 2021-010 – Earmarking (Continued)****Federal Program Title – Child Care and Development Fund Cluster and  
COVID-19 Child Care and Development Block Grant****Assistance Listing No. – 93.575 and 93.596****Federal Award Number – G-18PGAZCONT, G-18PGAZCCDF, G-19PGAZCCDD,  
G-19PGAZCCDF, G-20PGAZCCC3, G-20PGAZCCDD, G-  
20PGAZCCDF, and G-21PGAZCCDD****Grant Award Periods – October 1, 2017 – September 30, 2021  
October 1, 2018 – September 30, 2021****Repeating Finding – Yes, this finding is a repeat of a finding in the immediately prior audit and the  
prior year finding number was 2020-006.****Impact of Finding – Material Weakness in Internal Controls Over Compliance and Material  
Noncompliance****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid  
sample*****Criteria:***

In accordance with 45 CFR 98.83 (a), administrative earmarking requirements for the Child Care and Development Fund, "not more than 15 percent of the aggregate CCDF funds expended by the Tribal Lead Agency from each fiscal year's shall be expended for administrative activities." Per 45 CFR §98.54 these activities may include, "salaries and related cost of the staff of the Lead Agency or other agencies engaged in the administration and implementation of the program," including "indirect costs as determined by an indirect cost agreement or cost allocation plan."

In accordance with 45 CFR 98.83 (g), "of the aggregated amount of funds expended, not less than eight percent in fiscal year 2020 [...] shall be used for activities designed to improve the quality of child care services and increase parental options for, and access to high-quality child care" and "no less than three percent in fiscal year 2019 and each succeeding fiscal year shall be used to carry out activities at §98.53 (a)(4) as such activities relate to the quality of care for infants and toddlers."

45 CFR 98.53 states "the lead agency must expend funds from each fiscal year's allotment on quality activities pursuant to 98.50(b) and 98.83 (g) in accordance with an assessment of need by the Lead Agency. Such funds must be used to carry out at least one of the following quality activities to improve the quality of child care service for all children [...]" The paragraph goes on to list out the activities that can be considered as quality activities.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

*Condition/Context:*

During our review of the total cumulative expenditures for the CCDF grants that have expired during FY2021, we noted the following exceptions:

- For the 15% administrative cap earmarking requirement
  - Grants G-19PGAZCCDF and G-19PGAZCCDD exceeded the administrative cap by \$837,029 (Total administrative expenditures incurred of \$3,348,633 exceeded the administrative cap of \$2,511,604)
- For the 3% quality of care for infants and toddlers earmarking requirement, grants G-19PGAZCCDF and 19PGZCCDD did not meet the requirement by \$246,698 (Minimum quality of care expenditures of \$466,321 were required to be met but the program only spent \$219,623)

During our review of payroll samples to verify proper classification, we noted 3 out of 25 expenditure samples related to positions carrying out administrative activities classified as direct services. In addition, we noted the program has been manually moving administrative positions out of business unit accounts used to track administrative costs for other CCDF grants, in order to get closer to the 15% threshold.

During our review of non-payroll samples to verify proper classification, we noted 13 out of 25 expenditure samples tested that were classified as Quality activities, but were not consistent with the Quality activities listed under 45 CFR 98.53. These expenditures included, but were not limited to, purchases of pickup trucks, office supplies, office furniture, and cleaning services.

In our procedure to test the internal controls over the classification of expenditures, we noted that the childcare department at TNN utilized stamps on invoice documents as evidence of review. However, we noted for 3 out of 25 sample invoice documents were not stamped.

*Questioned Costs:*

The questioned costs represent the amount the program exceeded its 15% administrative earmark threshold which was \$837,029. Questioned costs also relate to the amount in which the program did not meet the Infant/Toddler quality earmark threshold by \$246,698.

*Cause:*

The Nation was following a long-established policy to apply the full approved indirect cost rate percentage to the program. However, the FY21 indirect cost rate for the Nation was 18.7%, which exceeds the program's 15% limit. In addition, the Nation does not have sufficient controls implemented to ensure that the CCDF earmarking requirements are met.

*Effect:*

The Nation did not meet its targeted earmarking requirements for the program.

*Auditor's Recommendation:*

We recommend the Nation develop and implement a system for tracking earmarking compliance requirements for the CCDF Cluster. The program's compliance with the earmarking requirements should be reviewed on at least an annual basis and if it appears the earmarking requirements will not be met, apply for a waiver from the funding agency.

*Views of Responsible Officials and Planned Corrective Action:*

The Child Care and Development Fund Program (CCDF) will perform the following:

5. Meet with Region IX Program Specialist regarding the 15% administrative CAP requirement.

6. Request supplemental appropriation of \$837,029 for exceeding the administrative cap.
7. Submit waiver request to Region IX Program Specialist for not meeting the earmarking requirement.
8. Implement a process to code expenditures to ensure proper use and tracking of quality and infant toddler funds.
9. Develop a review process and meet with key personnel within CCDF, and ACF Program Specialist to review and reconcile expenditures monthly to ensure compliance with the earmarking requirements.

Deannah Neswood-Gishey, Division Director of NDSS, will oversee the implementation of planned corrective action by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. However, there was not repeat finding in the FY 2022 audit.

**Finding 2021-011 – Allowable Costs****Entity – Navajo Nation****Federal Agency – U.S. Department of Agriculture****Federal Program Name and Assistance Listing No. – Food Distribution Program on Indian Reservations – Assistance Listing No. 10.567****Federal Award Numbers – ZAZ430NA4****Grant Award Periods – 10/1/2020 – 9/30/2021****Repeating Finding – This is not a repeat finding****Impact of Finding – Significant Deficiency in Internal Controls Over Compliance and Instance of Noncompliance****Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample*****Criteria:***

2 CFR § 200.431 indicates that fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. The cost of fringe benefits in the form of employer contributions or expenses for employee life, and health are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities and charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices.

***Condition/Context:***

When testing the actual employ life and health insurance benefit costs in the current year, we noted a \$6.5 million reimbursement to the Navajo Nation was recorded in Group Health Benefit Fund's expenses for the year related to the reimbursement of advances from the Navajo Nations' Personal Savings Fund and Undesignated Funds of the Navajo in 2017, 2018 and 2019.

***Cause:***

The Nation included costs in the fringe base cost pool which were not allowable based on 2 CFR § 200.431 and the Nation did not record a fringe benefit true-up calculation for the period to ensure the fringe benefit amounts allocated to federal programs were adjusted to reflect actual costs incurred for the year.

***Effect:***

The costs incurred by the Navajo Nation as well as other costs submitted for reimbursement may be considered unallowable by the federal government.

***Questioned Costs:***

The questioned costs were calculated by removing the \$6.5 million of expenses from fringe base cost pool which resulted in a 2.9% decrease in the respective fringe base to total salary costs from 16.0% to 13.2%. The following questioned costs are the related fringe costs claimed for the program over the 13.2% of total salary costs which totaled \$33,032.

***Auditor's Recommendation:***

We recommend the Navajo Nation implement policies and procedures to ensure that fringe benefit to ensure the fringe benefit amounts allocated to federal programs are adjusted to reflect only amounts allowable under 2 CFR § 200.431.

***Views of Responsible Officials and Planned Corrective Action:***

Navajo Nation Insurance Services Department (NNISD) – Navajo Nation Employee Benefits Program (NNEBP) will work with Navajo Nation Office of the Controller (OOC) to identify employees whose fringe benefits are funded through federal funded programs.

OOC will implement Policies and Procedures to ensure the fringe benefit amounts allocated to the federal programs are adjusted to reflect the actual cost incurred for the year.

NNEBP will provide projected fringe benefits annually based on plan enrollment and shared contribution. NNEBP and OOC will identify the federal funded programs' allocation of premiums to ensure the budget coincide with the proposed fringe benefits. OOC will assign as accountant dedicated to closely monitor federal funded programs' fringe benefit rate and required reserve.

Elizabeth Begay, Acting Controller – OOC and the Division Director of Division of General Services are responsible to ensure the planned corrective action is achieved by September 30, 2022.

**Status Report on Planned Corrective Action – For FY 2022 Audit Report**

The Planned Corrective Action was not achieved. We acknowledge a repeat finding on this fringe benefit reconciliation in the FY 22 audit (Finding 2022-015) and responded accordingly under Interim Controller Sean McCabe CPA.



# DINÉ COLLEGE<sup>347</sup>

THE HIGHER EDUCATION INSTITUTION OF THE NAVAJO NATION SINCE 1968



**Finding 2022-016 – Reporting**

**Federal Agency** – U.S. Department of Education (ED)

**Federal Program Title** – COVID-19 – Higher Education Emergency Relief Fund (HEERF)

**Assistance Listing No.** – 84.425E, 84.425F, and 84.425K

**Federal Award Number** – P425E202761, P425F201508, P425K200048

**Grant Award Period** – 3/22/20 – 6/30/23

**Compliance Requirement** – Reporting

**Repeat Finding** – This is a repeat finding

**Impact of Finding** – Material Weakness in Internal Controls Over Compliance and Material Noncompliance

**Statistically Valid Sample** – The sample was not intended to be, and was not, a statistically valid sample

**Criteria:**

As set forth in the CARES Act 18004(e) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) 314(e), there are three components to reporting for HEERF: 1) public reporting on the (a)(1) Student Aid Portion; 2) public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) programs (Quarterly Reporting Form), as applicable; and the 3) the annual report.

**Student Aid Portion** – The College was required to post four quarterly Student Aid Portion public filings during the year ended September 30, 2022, for AL 84.425E. The four reports were due January 10, 2022, April 10, 2022, and July 10, 2022 and October 10, 2022. The required information is to be conspicuously posted on the College's primary website.

**Institutional Portion** – The College was required to post four quarterly Institution Portion public filings during the year ended September 30, 2022 related to AL 84.425F and 84.425K. The four reports were due January 10, 2022, April 10, 2022, and July 10, 2022 and October 10, 2022. The required information is to be conspicuously posted on the College's primary website.

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition/Context:**

**Student Aid Portion** – Based on our review of the College's primary website and discussion with College management, the College did not publicly post the required information for the first two



quarters of fiscal 2022 (quarters ended December 31, 2021 and March 31, 2022). The College executed a corrective action plan once they became aware of the missing reports and the College timely posted the Student Aid Portion reports for the quarters ended June 30, 2022 and September 30, 2022.

**Institutional Portion** – We reviewed the quarterly reports filed for quarters ended June 30, 2022 and September 30, 2022. Based on our review of these reports, the College did not include the expenses for its renovation projects which represent the majority of the Institutional expenses. The "Construction, renovation, and real property" line item in the report shows zero for both quarters tested.

**Cause:**

**Student Aid Portion** – For the first half of fiscal 2022 the College was unaware of the requirement to publicly post student information on quarterly basis. The College management indicated that they did not become aware of the requirement to update and publicly post the Student Aid Portion information on a quarterly basis until the third quarter of fiscal 2022. Once the College became aware, all subsequent reports were timely posted.

**Institutional Portion** – The College did not reconcile the financial information in the Institutional report to its general ledger.

**Effect:**

The Student Aid information was not made publicly available as required for the December 31, 2021 and March 31, 2022 quarters.

The Institutional information included in its quarterly reports for June 30, 2022 and September 30, 2022 was incomplete.

**Questioned Costs:**

There are no questioned costs.

**Auditor's Recommendation:**

We recommend the College continue to follow the Corrective Action Plan it executed in the third quarter of fiscal 2022 to ensure that required reports are accurately completed and timely posted on the College's website.

We also recommend that the College reconcile the financial information included on its reports to its general ledger before finalizing the reports to ensure that the information is complete and accurate.

**Views of Responsible Officials and Planned Corrective Action:**

The College has corrected this finding in the current fiscal year. On a quarterly basis, the Grant Accountant will complete the required reporting forms and have Controller review the forms for accuracy. Once the forms have been reviewed, the grant accountant will have the College's marketing team post the form on the College's website for public viewing.

Raychelle Leonard, Controller is responsible for ensuring Corrective Action Plan is achieved.

Implementation date: September 30, 2023

**Finding 2022-017 – Suspension and Debarment**

**Federal Agency – U.S. Department of Education (ED)**

**Federal Program Title – COVID-19 – Higher Education Emergency Relief Fund (HEERF)**

**Assistance Listing No. – 84.425F, and 84.425K**

**Federal Award Number – P425F201508, P425K200048**

**Grant Award Period – 3/22/20 – 6/30/23**

**Compliance Requirement – Procurement, Suspension and Debarment**

**Repeat Finding – This is a repeat finding**

**Impact of Finding – Material Weakness in Internal Controls Over Compliance**

**Statistically Valid Sample – The sample was not intended to be, and was not, a statistically valid sample**

**Criteria:**

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at <https://www.beta.sam.gov/> (click on Search Record, then click on Advanced Search-Exclusions) (Note: The OMB guidance at 2 CFR Part 180 and agency implementing regulations still refer to the SAM Exclusions as the Excluded Parties List System (EPLS)), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

In addition, 2 CFR 200.303 requires nonfederal entities to, among other things, establish and maintain effective internal control over the federal award that provides reasonable assurance that the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition/Context:**

The College's written procurement policies properly address the need to comply with the suspension and debarment requirements. However, the College was not able to demonstrate that they confirmed that vendors were not suspended or debarred prior entering into covered transactions.

For a sample of 40 individual expenses for 6 different vendors, KPMG checked the SAM for each of the vendors. None of the vendors tested were identified on the SAM as being suspended or debarred.

**Cause:**

The College did not comply with their written procurement policies to confirm that vendors are not suspended or debarred before entering into a covered transaction.

**Effect:**

The College could have utilized federal funds to pay vendors identified as being suspended or debarred.

**Questioned Costs:**

There are no questioned costs since none of the vendors tested were identified as being suspended or debarred per review of SAM.gov.

***Auditor's Recommendation:***

We recommend the College comply with its written procurement policies and confirm vendors are not suspended or debarred before entering into covered transactions.

***Views of Responsible Officials and Planned Corrective Action:***

Dine College developed a suspension and debarment form that all new vendors must complete before the College will do business with a given vendor. The form makes the Vendor attest that to their knowledge they have not been suspended or debarred from working with the government. Additionally, all existing vendors must complete this form annually to ensure that all vendors that the College transacts have not been suspended or debarred.

Raychelle Leonard, Controller is responsible for ensuring Corrective Action Plan is achieved.

Implementation date: September 30, 2023



# DINÉ COLLEGE<sup>351</sup>

THE HIGHER EDUCATION INSTITUTION OF THE NAVAJO NATION SINCE 1968

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Dine College

Summary Schedule of Prior Year Findings

Fiscal Year Ended September 30, 2022

| Finding Number                    | Finding                                                                                                                                                                                                                                    | Status   |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 2021-014 Suspension and Debarment | The College did not comply with their written procurement policies to confirm that vendors are not suspended or debarred before entering into a covered transaction.                                                                       | Repeated |
| 2021-013 Reporting                | The College management indicated that they were not aware of the requirement to update and publicly post information on a quarterly basis nor were they aware of the requirement to publicly notify students regarding the HEERF II award. | Repeated |
| 2021-012 – Reporting              | The hardcopy binder appears to have been misplaced in connection with employee turnover.                                                                                                                                                   | Resolved |

# **477 Tribal Office**

## **Appendix G**

**PUBLIC LAW 102-477**  
**TRIBAL SIGNATORY OFFICIALS**

*The Division of Workforce Development is requesting this information.*

Grantee Officials(s)/Representative(s). List below the names, title and contact information of those individuals (i.e., signatory official(s), 477 Director, organization's comptroller, contract officer, etc.) who are authorized and responsible for the operation and the administration of the 477 Program.

**Tribal Name: Navajo Nation**

**Date: June 27, 2024**

1. Name & Title Dr. Buu V. Nygren, Navajo Nation President

Phone Number: 928-871-7000

Signatory? Yes ☒ No ☐

Email: [PresidentNygren@navajo.nsn.gov](mailto:PresidentNygren@navajo.nsn.gov)

Mailing Address: P.O. Box 7440, Window Rock, Arizona 86515

Physical Address: Navajo Nation Office of the President, 100 Parkway, Window Rock, AZ, 86515

2. Name & Title Thomas Cody, Executive Director

Phone Number: 928-871-6851

Signatory? Yes ☒ No ☐

Email: [Thomas.Cody@nndss.org](mailto:Thomas.Cody@nndss.org)

Mailing Address: Navajo Division of Social Services, P.O. Box 4590, Window Rock, Arizona 86515

Physical Address: 2296 Administration Building #2, Window Rock Blvd. Window Rock, Arizona 86515

3. Name & Title Sean McCabe, Controller

Phone Number: 928-871-6308

Signatory? Yes ☒ No ☐

Email: [SeanMcCabe@nnooc.org](mailto:SeanMcCabe@nnooc.org)

Mailing Address: Navajo Nation Office of the Controller, P.O. Box 3150, Window Rock, Arizona 86515

Physical Address: 2559 Administration Building #1, Window Rock Blvd. Window Rock, Arizona 86515

4. Name & Title Mary Descheeny-Reyna, Interim Deputy Division Director

Phone Number: 928-871-6851

Signatory? Yes ☐ No ☒

Email: [Mary.Reyna@nndss.org](mailto:Mary.Reyna@nndss.org)

Mailing Address: Navajo Division of Social Services, P.O. Box 4590, Window Rock, Arizona 86515

Physical Address: 2296 Administration Building #2, Window Rock Blvd. Window Rock, Arizona 86515

5. Name & Title Brenda Tsosie, Principal Accountant

Phone Number: 928-871-6851

Signatory? Yes ☐ No ☒

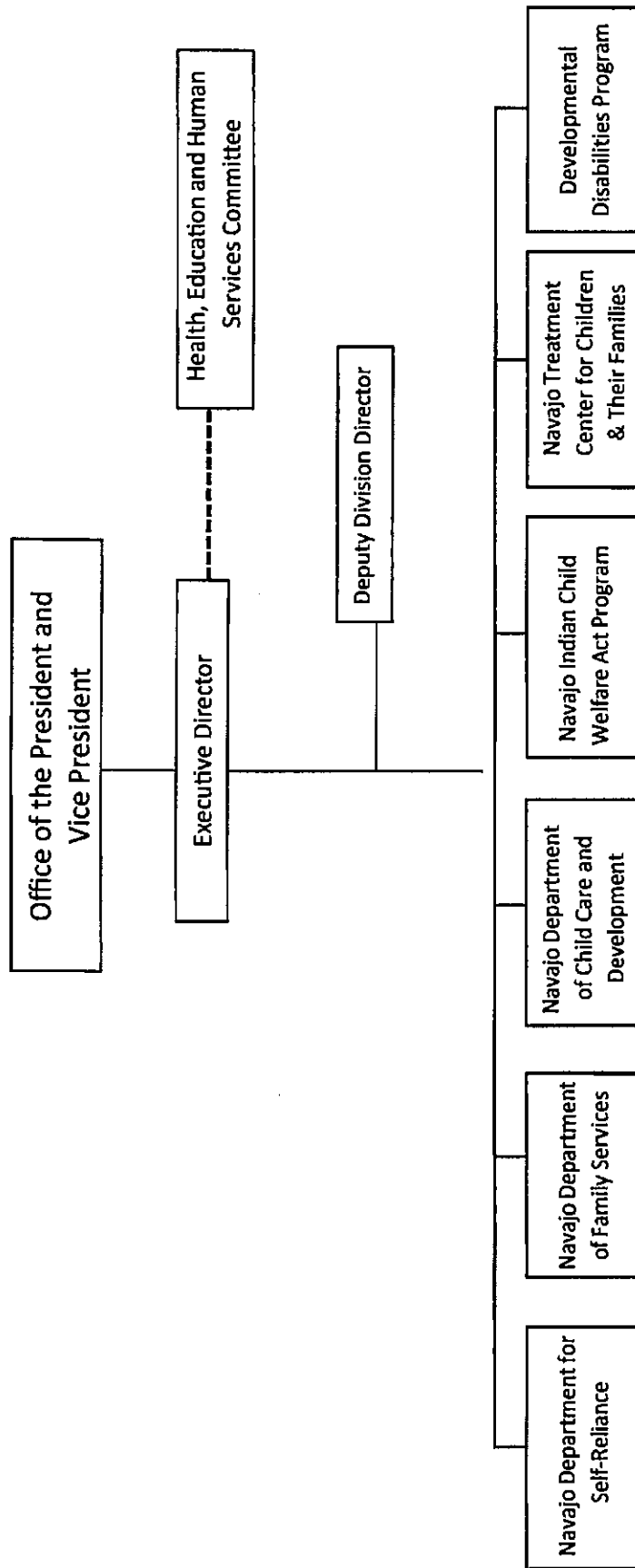
Email: [Brenda.Tsosie@nndss.org](mailto:Brenda.Tsosie@nndss.org)

Mailing Address: Navajo Division of Social Services, P.O. Box 4590, Window Rock, Arizona 86515

Physical Address: 2296 Administration Building #2, Window Rock Blvd. Window Rock, Arizona 86515

**Organizational Chart**  
**Division for Children and Family Services**  
**Appendix H**

## Appendix H - DSS Organizational Chart

**NAVAJO DIVISION of SOCIAL SERVICES****Office of the Executive Director**



# **Department for Self Reliance**

## **Pay Rates**

### **Appendix I**

## Appendix I - TANF Payment Rates

354



### DIVISION OF SOCIAL SERVICES

#### Department for Self Reliance

#### Payment Standard

(Effective beginning with July 2022 payments)

| Benefit Group Size | Payment Standard                 |
|--------------------|----------------------------------|
| 1                  | \$415                            |
| 2                  | \$505                            |
| 3                  | \$620                            |
| 4                  | \$725                            |
| 5                  | \$830                            |
| 6                  | \$935                            |
| 7                  | \$1,040                          |
| 8                  | \$1,175                          |
| 9                  | \$1,270                          |
| 10                 | \$1,365                          |
| 11                 | \$1,470                          |
| 12                 | \$1,575                          |
| 13+                | ADD: \$155 per additional member |

**Child Care Development Fund Child  
Count  
Appendix J**

## Appendix J - Child Count Declaration

355

FFY 2023–2025 Tribal CCDF Plan Print

### Appendix 1

#### Triennial Child Count Declaration

If the Tribal Lead Agency is not a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: **Navajo Nation**

This certifies that the number of Indian children younger than age 13 (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) is: **51611** (number).

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agencies that have overlapping or neighboring service areas.

The counts above show the number of Indian children younger than age 13 as of **6/30/2022** (date).

Tribal Lead Agencies are advised that ACF will not accept Child Count Declarations based on child counts that were conducted before July 1 of the year prior to the Child Count Declaration.

If the Tribal Lead Agency is a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: **Navajo Nation**

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agency that have overlapping or neighboring service areas.

The counts below show the number of Indian children younger than age 13 as of (date).

This certifies that the number of Indian children (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) for the Consortium Lead Agency and each Consortium Member are:

**Child Care Department Fund**  
**Sliding Fee Scale**  
**Appendix K**

## Appendix K - Child Care Sliding Fee Scale & Program Rate Schedule

356

NAVAJO NATION 477 PLAN 2025-2029 effective 10/01/2024

### INCOME MATRIX & SLIDING FEE SCALE

#### Child Care Sliding Fee Scale for Co-Pay Fee

| 185% of Federal Poverty Guidelines |              |                                                  |
|------------------------------------|--------------|--------------------------------------------------|
| 1                                  | \$27,861.00  | Co-pay Fee is 4%<br>of Family Unit<br>Net Income |
| 2                                  | \$37,814.00  |                                                  |
| 3                                  | \$47,767.00  |                                                  |
| 4                                  | \$57,720.00  |                                                  |
| 5                                  | \$67,673.00  |                                                  |
| 6                                  | \$77,626.00  |                                                  |
| 7                                  | \$87,579.00  |                                                  |
| 8                                  | \$97,532.00  |                                                  |
| 9                                  | \$107,485.00 |                                                  |
| 10                                 | \$117,438.00 |                                                  |
| 11                                 | \$127,391.00 |                                                  |
| 12                                 | \$137,344.00 |                                                  |

#### References:

\* 2023 Poverty Guidelines,  
Federal Register Notice  
Thursday, January 17, 2024  
Vol. 89, No. 11; Page: 3424-3425;  
Document Number: 2024-00796

\*\*LIHEAP-IM-2024-04, State Median  
Income Estimates for Optional Use  
in FFY 2023 and Mandatory Use in  
FFY 2024

# **Child Care Development Payment Rates**

## **Appendix L**

## Appendix L - Payment Rates for Child Care Providers

Effective 12.01.2023

### NAVAJO NATION DIVISION OF SOCIAL SERVICES Department of Child Care & Development

### NAVAJO NATION PAYMENT RATES Approved for Fiscal Year 2023-2025

| FULL DAY RATE | AGE OF CHILD         | CENTER | GROUP HOME | FAMILY & CHILD HOME | RELATIVE CAREGIVER<br><small>Self-certification</small> |
|---------------|----------------------|--------|------------|---------------------|---------------------------------------------------------|
|               | 1-12 Months Old      | 34.00  | 31.00      | 28.00               | 20.00                                                   |
|               | 12.1 - 36 Months Old | 32.00  | 29.00      | 28.00               | 18.00                                                   |
|               | 3.1 -5 Years Old     | 29.00  | 28.00      | 25.00               | 18.00                                                   |
|               | 5.1 -13 Years Old    | 23.00  | 23.00      | 23.00               | 18.00                                                   |

| PART DAY RATE | AGE OF CHILD       | CENTER | GROUP HOME | FAMILY & CHILD HOME | RELATIVE CAREGIVER<br><small>Self-certification</small> |
|---------------|--------------------|--------|------------|---------------------|---------------------------------------------------------|
|               | 1-12 Months Old    | 26.00  | 24.00      | 21.00               | 16.00                                                   |
|               | 12.1-36 Months Old | 26.00  | 23.00      | 21.00               | 14.00                                                   |
|               | 3.1-5 Years Old    | 24.00  | 21.00      | 18.00               | 14.00                                                   |
|               | 5.1-13 Years Old   | 19.00  | 18.00      | 17.00               | 14.00                                                   |

The maximum weekly benefits is authorized for payment up to five (5) full-time or part-time days.  
 Full-Day Rate: Five (5) or more hours of childcare per day.  
 Part-Day Rate: Less than Five (5) hours of childcare per day.

All childcare center, group home, family home, child's home and relative's childcare providers on Navajo Nation and near Navajo Nation (pursuant to HHSC-AU-40-89) are subject to use this subsidy payment rate.

If the provider's rate is less than the DCCD Rate, the provider's rate will be approved.  
 If the provider's rate is higher than the DCCD rate, the DCCD Rate will be approved.  
 Parent(s)/Legal Guardian(s) will be responsible for paying the cost difference between what the provider's rate is and what the DCCD's approved rates are.

Children who require nontraditional hours of care i.e., care provided to children at times outside of the traditional workday, between 6:00 pm and 7:00 am, and between 7:00 am and 8:00 pm on Saturday and Sunday are paid at a full-time or part-time rate.

The Navajo Nation Payment Rates are set based on the final triennial Market Rate Survey Report, dated October 2023.

DCCD Approved 12.01.2023



**Child Care Development Fund**  
**Consumer Statement**  
**Appendix M**

## Appendix M - Child Care Provider Consumer Statement

### NAVAJO NATION DEPARTMENT OF CHILD CARE AND DEVELOPMENT (DCCD)



### CCDF Consumer Statement

#### **INFORMATION**

The Child Care and Development Fund (CCDF) is a federal and state partnership program authorized under the Child Care and Development Block Grant Act (CCDBG) and administered by states, territories, and tribes with funding and support from the Administration for Children and Families' Office of Child Care (OCC). CCDF is used to provide financial assistance to low-income families to access childcare so they can work or attend a job training or educational program.

The Navajo Nation implements and provides CCDF services through Navajo Nation Department of Child Care & Development (DCCD). DCCD is under the Executive Branch of the Navajo Nation government and is a department under the Division of Social Services.

#### **PURPOSE**

OCC allows tribes the flexibility to utilize the CCDF grant to meet the purposes as outlined below:

- 1) Develop child care programs and policies that best suit the needs of children and parents within the service delivery area
- 2) Promote parental choice to empower working parents to make their own decisions regarding the child care services that best suits their family's needs;
- 3) Provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings;
- 4) Deliver high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance;
- 5) Improve the overall quality of child care services and programs by implementing health, safety, licensing, training, and oversight standards;
- 6) Improve child care and development of participating children; and
- 7) Increase the number and percentage of low-income children in high-quality childcare settings.

#### **DIRECT SERVICES**

DCCD provides childcare services to the Navajo Nation through five (5) regions: Chinle Region, Ft. Defiance Region, Northern Region, Western Region, and Eastern Region. Within each region DCCD has a casework unit that provides eligibility determination for families and individuals interested in being independent providers. In addition, each region has child care centers that provide quality child care services to children from 6 months to 13 years of age. DCCD has three (3) types of child care categories: tribally operated child care centers; independent providers; and relative providers.

#### **SERVICE DELIVERY AREA**

The Service Delivery Area (SDA) for DCCD includes the Navajo Nation and the border town communities as listed below:

- Arizona: Grand Canyon, Joseph City, Marble Canyon, Flagstaff, Snowflake, Holbrook, Page, Wupatki, and Winslow.
- New Mexico: Farmington, Aztec, Bloomfield, Magdalena, Cuba, Kirtland, Grants, Milan, Socorro, and Gallup.

Please contact your local DCCD Office to request additional information.

**NAVAJO NATION DEPARTMENT OF CHILD CARE AND DEVELOPMENT (DCCD)****ELIGIBILITY**

DCCD has eligibility requirements for the following:

**1.) Child Care Assistance**

- a. At minimum the child must be between the ages of Six (6) months and up to 13 years of age.
- b. The child must be an enrolled member of the Navajo Nation if residing within the identified border towns OR another federally recognized tribe if residing within the boundaries of the Navajo Nation.

- *Note: Income may be a factor in determining eligibility, please contact your local DCCD Office for more information.*

**2.) Qualifying Provider**

- a. Independent licensed and Relative/Family members may apply to become a DCCD provider. A complete federal background check is required of all non-relative providers. The provider must meet qualification standards, such as possession of a first aid certificate and CPR card for infants and children. Additional qualifying factors may be required.

- *Note: Please contact your local DCCD Office for more information regarding relative care and independent provider information.*

**DCCD CONTACT DETAILS**

Feel free to contact your local DCCD caseworker office to request more information and/or ask additional questions.

- Chinle Region Casework Office:
  - Phone: (928) 674-2388
  - Fax: (928) 674-2010
- Ft. Defiance Casework Office:
  - Phone: (928) 871-7078 and (928) 871-6189
  - Fax: (928) 871-7290
- Shiprock Casework Office:
  - Phone: (928) 871-6911
  - Fax: (928) 871-7290
- Crownpoint Casework Office:
  - Phone: (505) 786-2438
  - Fax: (505) 786-2448
- Tuba City Casework Office
  - Phone: (928) 283-3472
  - Fax: (928) 283-3471
- Central DCCD Administration Office
  - Phone: (928) 871-6629
  - Fax: (928) 871-7077

# **Uniform Appeal and Grievance Process**

## **Appendix N**

## **Division of Social Services Grievances and Appeal Process**

The Division of Social Services (DSS) provides an opportunity for an affected individual to appeal a determination when a benefit under the 477 plan is denied. See the DSS' established appeal procedures in the Navajo Nation DSS Quality Assurance Manual, section entitled, "Notification Requirements for Denial, Reduction, Suspension, and or Termination of Social Services. This process applies to individuals, who have submitted an application for 477 services, and DSS has denied the 477 services.

### **Grievance Conference:**

If the client disagrees with the denial, the client may request a review of that decision through a grievance conference with the Program/ Department Manager prior to filing a Client Appeal with the Office of the Executive Director. If a client wants to proceed with a grievance conference, the client should comply with the following:

- The client must submit a written response to the respective program office that denied the 477 services and request a grievance conference. The written response must either be hand delivered or emailed to the respective program/ department manager that issued the denial. Program/ Department contact information is available at the Navajo Division of Social Services website [www.nndss.org](http://www.nndss.org). The written response must include the following information:
  - Client name and contact information.
  - Summary of the situation (date, names, etc.)
  - Supporting documentation to your claim, if relevant
  - Resolution being sought.
- The client must write to the respective program office within twenty (20) business days of the date of the decision from the respective program office in order to grieve the initial decision.
- The grievance conference will be held between the Program Manager, Principal Social Worker, the Case Manager, and the client within or by the seventh business days after receiving the written grievance.
- A written Grievance Conference Decision will be provided to the client within (5) business days.
  1. If the issue is resolved at the grievance conference, the grievance file is closed.
  2. If there is no resolution, the respective program office will issue a written response. That will provide a reasonable explanation to the decision.
- If the client does not agree with the Grievance Conference Decision, she/he may appeal the grievance decision to the Office of the Executive Director.

**Client Appeals:**

If a client disagrees with the Grievance Conference Decision, the client may file a Client Appeal with the Office of the Executive Director. Client services will continue pending the outcome of the final decision of the Office of the Executive Director.

- The client must submit a written appeal within (5) business day from receipt of the Grievance Conference decision. The written appeal must either be hand delivered or emailed to the Office of the Executive Director at [info@nndss.org](mailto:info@nndss.org) which will be directed to the attention of Quality Assurance.
- The written appeal must include:
  - Client name and contact information.
  - Summary of the situation (date, names, etc.)
  - A copy of the Grievance Conference Decision indicated no resolution.
  - Supporting documentation to your claim, if relevant
  - Resolution being sought.
- Once the Office of the Executive Director receives the written appeal request, Quality Assurance will track the appeal request and ensure that the request is carried out according to the established appeals procedures and timeframes.
- The Client Appeal meeting will be held between twenty (20) business days from the date the Office of the Executive Director receives the written appeal.
- The Executive Director will provide an Appeal Decision to the client on the outcome of the hearing within five (5) business days from the date of the hearing.
- The Executive Director's decision is final.

At the conclusion of the Client Appeal meeting, the Executive Director shall provide a copy of the written appeal decision to the respective program office with recommendation for the service to overturn or uphold the Grievance Conference Decision.

# **477 Plan Public Notice Hearing**

## **Appendix O**

## **Appendix O - 477 Plan Public Notice Hearing**

### **477 Plan Public Notice Hearing**

Navajo DSS Notice(s) of the DSS Public Hearing:

- DSS held a 477 Plan Information Session on February 13, 2024, which was hosted virtually and in-person. There were over 100 attendees that included DSS staff, Directors, and Navajo Leadership.
- DSS published a recorded Information Session on the DSS Facebook page and website.
- DSS hosted collaborative weekly meetings with Navajo Nation Office of Management and Budget and Office of the Controller for the month of March 2024.
- On March 20-21, 2024, a 477 Plan Information Session was held with each DSS department and program, wherein staff were advised to submit written comments. There were no comments that were submitted or received.
- 477 Plan Information was shared at the scheduled Navajo Agency Council meetings in April and May 2024.
- A recorded Information Session and a copy of the 477 Plan will be made available for a 45-day open public comment period on the DSS Facebook page and website. This will begin in April 2024.

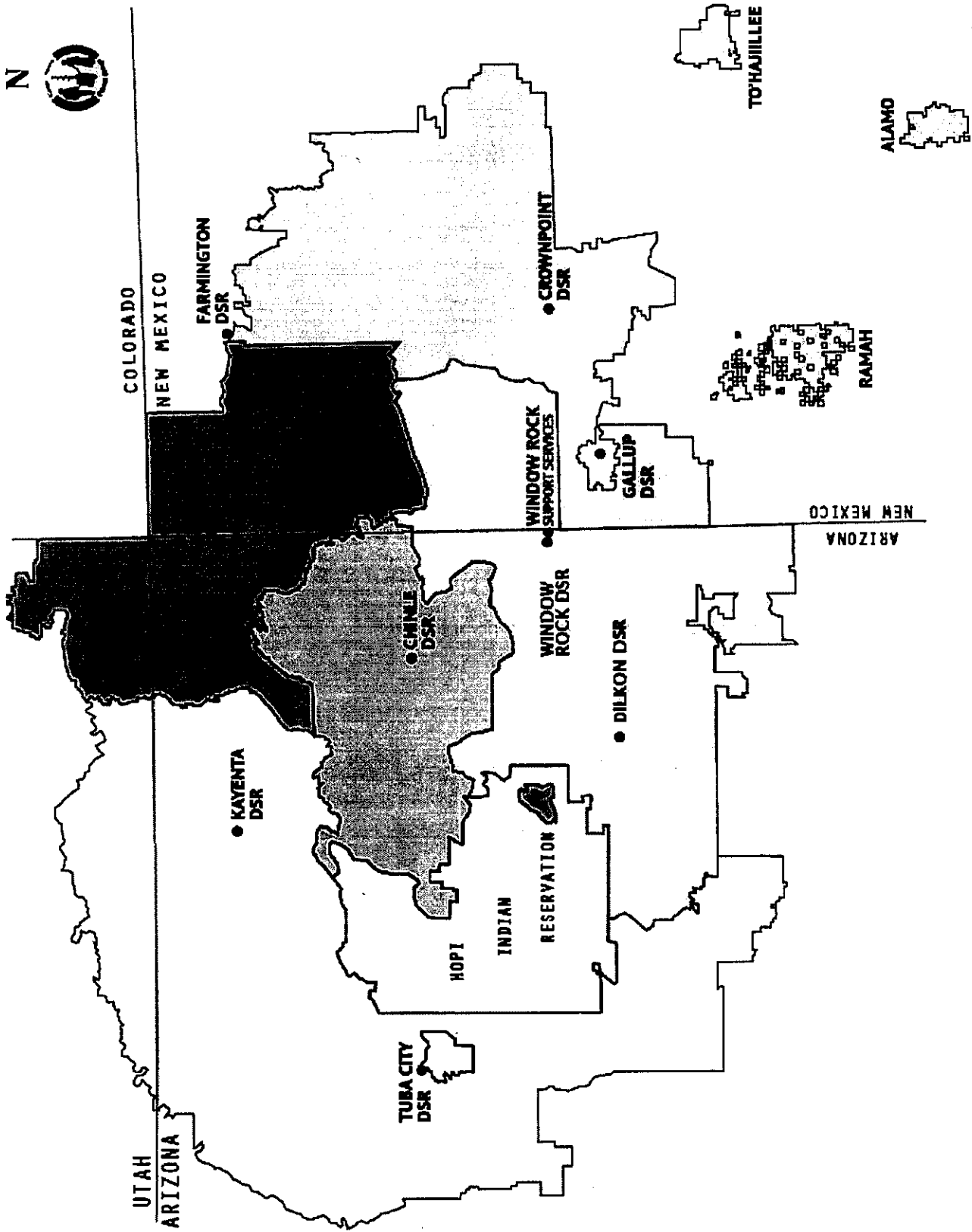
Community members will be encouraged to submit recommendations and comments on the plan in writing via a form available at the public comment meeting or via email to the DSS office. All comments, feedback, and recommendations will be recorded and considered to better serve the children and families of the Navajo Nation.



# Navajo Nation Map

## Appendix P

Appendix P - Navajo Nation Map



**List of Designated Near Reservations  
Communities  
Appendix Q**

**ON OR NEAR RESERVATION DESIGNATION FOR THE NAVAJO NATION:**  
Federal Register Vol. 44 No. 9, Friday, January 12, 1979, pp. 20934

**Designated Near Reservation Communities for the Navajo Nation  
Department for Self Reliance:**

| <b>ARIZONA</b> | <b>NEW MEXICO</b> |
|----------------|-------------------|
| Flagstaff      | Aztec             |
| Grand Canyon   | Bloomfield        |
| Holbrook       | Cuba              |
| Joseph City    | Gallup            |
| Marble Canyon  | Grants            |
| Page           | Farmington        |
| Snowflake      | Kirtland          |
| Winslow        | Magdalena         |
| Wupatki        | Milan             |
|                | Socorro           |

## Appendix R - SF424B

365

OMB Number: 4040-0007

Expiration Date: 02/28/2025

### ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

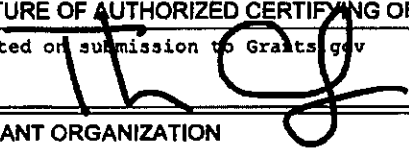
**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

|                                                                                                                                                                                    |                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| <b>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b><br><br>Completed on submission to Grants.gov | <b>TITLE</b><br>Executive Director |
| <b>APPLICANT ORGANIZATION</b><br>Navajo Nation Division for Children & Family Services                                                                                             | <b>DATE SUBMITTED</b><br>8/26/2024 |



**State of Utah**

**SPENCER J. COX**  
Governor

**DEIDRE HENDERSON**  
Lieutenant Governor

**Department of  
Workforce Services**

**CASEY R. CAMERON**  
*Executive Director*

**REBECCA BANNER**  
*Deputy Director*

**KEVIN BURT**  
*Deputy Director*

**GREG PARAS**  
*Deputy Director*

**Appendix S**

367

September 6, 2024

Antoinette Miller  
Department Manager III  
Navajo Nation Department for Self Reliance  
P.O. Box 2279  
Window Rock, AZ 86515

Ms. Antoinette Miller,

In response to your request, the Utah Department of Workforce Services hereby authorizes the Navajo Nation Department for Self Reliance (DSR) to serve non-Indian families who reside in the Utah portion of the DSR's Service Delivery Area.

Further, we understand and acknowledge that non-Indian families served by the Navajo Nation DSR are subject to Tribal TANF program Rules.

Sincerely,

Casey R. Cameron  
Executive Director



DEPARTMENT OF  
**WORKFORCE  
SERVICES**

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Relay Utah 711 • Spanish Relay Utah 1-888-346-3162  
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**DEPARTMENT OF ECONOMIC SECURITY***Your Partner For A Stronger Arizona*

Katie Hobbs  
Governor

Vacant  
Director

August 16, 2024

Antoinette Miller  
Department Manager III  
Navajo Nation Department for Self Reliance  
P.O. Box 2279  
Window Rock, Arizona 86515

Dear Ms. Miller,

The Navajo Nation Department for Self Reliance serves both Native American and non-Native American clients under their Tribal Family Assistance Plan (TFAP) and has the explicit authorization of the Arizona Department of Economic Security (DES) to continue to do so within the NNDSR service delivery area. This authorization is a continuation of the one granted by DES on September 28, 2015 and referenced in the Tribal Family Assistance Plan (TFAP).

DES understands and acknowledges that non-Native American families served by NNDSR are subject to Tribal TANF rules.

If you have any questions or need assistance, please contact Stephen Brennan, Business Administrator for the DES Division of Benefits and Medical Eligibility (DBME).

Sincerely,

A handwritten signature in black ink, appearing to read 'J Morley', is written over a horizontal line.

Jeffrey Morley  
Assistant Director  
Division of Benefits and Medical Eligibility  
Arizona Department of Economic Security





Susana Martinez, Governor  
Brent Earnest, Secretary  
Marilyn Martinez, Director

September 22, 2015

Roxanne Gorman, Department Manager III  
Navajo Nation Department for Self Reliance  
P.O. Box 2279  
Window Rock, AZ 86515

Dear Ms. Gorman:

This letter is in response to the Navajo Nation Department for Self Reliance's (NND SR) request to serve non-Indians who reside in the New Mexico Human Services Department (NMHSD) portion of the NND SR's Service Delivery Area.

NMHSD does authorize, pursuant to 45 CFR 286.75(d)(2), the NND SR to serve non-Indians who reside in the NND SR's Service Delivery Area. All non-Indian families who reside within the portion of the NND SR Service Delivery area must be subject to NND SR program rules.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Earnest", written over a horizontal line.

Brent Earnest, Secretary  
New Mexico Human Services Department

Cc: Kelly K. Zunie, Cabinet Secretary, NM Indian Affairs Department  
Marilyn Martinez, Director, New Mexico Human Services Department, Income Support Division  
Priscilla Caverly, Native American Liaison, New Mexico Human Services Department

**US DOI**  
**PL 102-477**  
**Attachment B**

**ATTACHMENT B**

OMB Control No. 1076-0135 370  
 Expiration Date: XX/XX/XXXX

U.S. Department of the Interior  
 Public Law 102-477  
 Annual Financial Expenditure Report

|                                                                                                                                                                                                                                                                                                                                     |                                           |                                                                                                                              |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 1. Tribe/Tribal Organization:                                                                                                                                                                                                                                                                                                       |                                           | 2. Other Identifying Number Assigned by DOI:                                                                                 |                                 |
| 6. Annual Report Period:<br><br>From: ___ / ___ / ___ To: ___ / ___ / ___<br>(Month/Day/Year) (Month/Day/Year)                                                                                                                                                                                                                      |                                           | 7. Plan Period Covered by this Report:<br><br>From: ___ / ___ / ___ To: ___ / ___ / ___<br>(Month/Day/Year) (Month/Day/Year) |                                 |
| 8. Transactions:                                                                                                                                                                                                                                                                                                                    | Column I:<br>This Annual Report<br>Period | Column II:<br>Previously Reported                                                                                            | Column III:<br>Cumulative/Total |
| a. Total Funds Available                                                                                                                                                                                                                                                                                                            | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| b. Cash Assistance Expenditures                                                                                                                                                                                                                                                                                                     | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| c. Child Care Services Expenditures                                                                                                                                                                                                                                                                                                 | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| d. Other Education, Employment, Training and<br>Supportive Services Expenditures                                                                                                                                                                                                                                                    | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| e. Program Operations Expenditures                                                                                                                                                                                                                                                                                                  | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| f. Administration/Indirect Cost Expenditures                                                                                                                                                                                                                                                                                        | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| g. Total Federal Expenditures (Sum of lines b through f)                                                                                                                                                                                                                                                                            | \$ -                                      | \$ -                                                                                                                         | \$ -                            |
| h. Total Unexpended Funds                                                                                                                                                                                                                                                                                                           | \$                                        | \$                                                                                                                           | \$                              |
| 9. Certification: This is to certify that the information reported on all parts of this form is accurate and true to the best of my knowledge and belief and that the tribe has complied with all directly applicable statutory requirements and with those directly applicable regulatory requirements which have not been waived. |                                           |                                                                                                                              |                                 |
| a. Signature of Tribal Official                                                                                                                                                                                                                                                                                                     |                                           |                                                                                                                              |                                 |
| b. Type Name and Title                                                                                                                                                                                                                                                                                                              |                                           | c. Date Report Submitted                                                                                                     |                                 |
| d. Questions regarding this report -- Contact: (Type Name, Title, Phone #, and Email Address)                                                                                                                                                                                                                                       |                                           |                                                                                                                              |                                 |

**Paperwork Reduction Act Statement:** The information being collected meets the requirements of Public Law 102-477 for program evaluation, compliance, audit and program planning and management purposes. The data collected is shared with all participating Federal agencies providing funds. The reports are used to monitor the progress of the grantees in delivering services to tribal members, to identify unmet needs, to identify any other problems, and to provide information to justify budget submissions by the three federal agencies involved. Only tribes who have voluntarily applied to participate in this project will submit the annual report. Response is required to obtain benefits of the program. This report takes about two hours to complete. An agency may not request or sponsor a collection of information, and a person is not required to respond to a request, if a valid OMB control number is not provided. Comments concerning this information collection can be sent to: Information Collection Clearance Officer, Office of Regulatory Affairs -- Indian Affairs, 1001 Indian School Road NW, Suite 229, Albuquerque, New Mexico 871040. Please note: comments, names and addresses of commenters are available for public review during regular business hours. If you wish us to withhold this information, you must state that prominently at the beginning of your comment. We will honor your request to the extent allowable by law.

**Privacy Act Statement:** The information being collected for the Act's financial expenditure report is covered by a system of records, BIA-8, Indian Social Services Case, which was published in the Federal Register August 21, 1990, 55 FR 34085. The single reporting system contains information used to monitor the progress of the grantees in delivering services to Tribal members, to identify unmet needs, to identify any other problems, and to provide information to justify budget submissions by the three federal agencies involved.

OMB Control No. 1076-0135  
Expiration Date: XX/XX/XXX

U.S. Department of the Interior  
Public Law 102-477 (PL477)

**Annual Financial Expenditure Report - Instructions**

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award. You may also contact the Federal agency directly.

1. Enter the complete name of the Tribe or Tribal organization.
2. Enter the Award or Grant number assigned by the Department of the Interior (DOI).
3. Enter the complete mailing address of the Tribe or Tribal Organization.
4. Specify the status of this report submission; is this the original or a revised edition.
5. Specify if this is the final financial report for the Plan Period. Mark "No" if this financial report includes funds that are unexpended. An Annual Report must be prepared and submitted for each Plan Period until all of the funds available for the Plan Period have been fully expended and reported. When the funds for the Plan Period have been fully expended, a final report for the Plan Period shall be submitted that notes the Total Unexpended Funds are zero.
6. Enter the Annual Report period beginning date (From) for the Annual Report Period and the date it ends (To). An Annual Report shall be prepared and submitted for each Plan Period until all of the funds available for the Plan Period have been fully expended and reported. Financial reports are filed annually per plan period until all plan period funds are expended. If funds remain available, tribes/tribal organizations may have two plan period financial reports.
7. Enter the beginning date (From) for this approved Pub. L. 102-477 Plan Period and the date it ends (To). This will be the end date of the approved 477 Plan period of performance.
8. Transactions: The purpose of columns I, II and III is to show the effect of this Annual Report Period's transactions on cumulative financial status for the Plan Period. The amounts entered in column II will be the same as those in column III of the previous report in the same Plan Period. If this is the first or only report of the Plan Period, leave column II blank. Column I will reflect the transactions for this Annual Report Period and column III will be the total of columns I and II.
  - 8.a: Enter the total of Federal funds available as of the Annual Report Period end date (i.e., funds awarded this period and carried over from previous periods within this Plan Period).
  8. b-f: Refer to cost category definitions to determine appropriate placement of expenditure per category (see attached).
  8. g: Enter the sum of lines b-f for the total Federal expenditures as of this Annual Report Period end date.
  - 8.h: Enter the total amount of funds not yet expended that will be carried over to the next Annual Report Period.
- 9.a-d are self explanatory.

**Paperwork Reduction Act Statement**

The information being collected meets the requirements of Public Law 102-477 for program evaluation, compliance, audit, and program planning and management purposes. The data collected is shared with all participating Federal agencies providing funds. The reports are used to monitor the progress of the grantees in delivering services to tribal members, to identify unmet needs, to identify any other problems, and to provide information to justify budget submissions by the three federal agencies involved. Only tribes who have voluntarily applied to participate will submit the annual report. Response is required to obtain benefits of the program. The report takes approximately 2 hours to complete. The requirements contained in this form have been reviewed and approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act, 44 U.S.C. 3504(h). An agency may not conduct or sponsor, and you are not required to respond to, any information collection that does not display a currently valid OMB Control Number. Comments concerning this information collection can be sent to: Information Collection Clearance Officer, Office of Regulatory Affairs - Indian Affairs, 1001 Indian School Road NW, Suite 228, Albuquerque, New Mexico 87104. Please note: comments, names and addresses of commenters are available for public review during regular business hours. If you wish us to withhold this information, you must state that prominently at the beginning of your comment. We will honor your request to the extent allowable by law.

**A REPORTING SYSTEM FOR PUBLIC LAW 102-477, AS AMENDED BY THE  
INDIAN EMPLOYMENT, TRAINING, AND RELATED SERVICES CONSOLIDATION  
ACT OF 2017**

**GENERAL OVERVIEW OF THE PROGRAM**

Public Law 102-477 (PL477), as amended, allows Tribes<sup>1</sup> to integrate employment, training, and related services programs administered by the Secretary of the Interior, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Education, the Secretary of Energy, the Secretary of Health and Human Services, the Secretary of Homeland Security, the Secretary of Housing and Urban Development, the Secretary of Labor, the Secretary of Transportation, and the Secretary of Veterans Affairs. 25 U.S.C. § 3404(b). Integration of these programs, which are funded by diverse Federal sources, is intended to improve the effectiveness of those services; reduce joblessness in Indian communities; serve Tribally determined goals consistent with the policies of self-determination; and reduce administrative, reporting, and accounting costs. 25 U.S.C. § 3401. Participation by Tribes under PL477 is voluntary.

Participating Tribes are required to submit a single report of activities undertaken under approved PL477 Plans. The current single-report system includes an annual narrative, statistical, and financial report.

Pursuant to 25 U.S.C. § 3410(b)(2), the report format is designed to contain information sufficient:

- (A) to determine whether the Tribe has complied with the requirements of its approved plan;
- (B) to determine the number and percentage of program participants in unsubsidized employment during the second quarter after exit from the program; and
- (C) to provide assurances to the head of each applicable Federal department or agency that the Tribe has complied with all directly applicable statutory and regulatory requirements not waived.

**Paperwork Reduction Act Statement:** The information being collected meets the requirements of PL477 and is composed of a single report consisting of an annual narrative, statistical, and financial report. A response is required to obtain and retain benefits of the program. The report is used to monitor the progress of the grantees in delivering services, to identify unmet needs, to identify any other problems, and to provide information to justify budget submissions by the twelve Federal agencies involved. The report is shared with all participating Federal agencies providing funds to a Tribe through an approved 477 Plan. Only Tribes who have an approved 477 Plan are required to submit the annual report. The reporting system takes about 60 hours to complete. Some Tribes have automated the data collection and thus may require less time. In compliance with the Paperwork Reduction Act of 1995, as amended, this collection has been reviewed by the Office of Management and Budget and assigned a number and expiration date.

---

<sup>1</sup> "Indian Tribe" is defined to include any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians." 25 U.S.C. § 3402(2)(A) (referencing 25 U.S.C. § 5304). "Indian Tribe" is also defined to include Tribal Organizations. 25 U.S.C. § 3402(2)(B).

The OMB control number for this collection is 1076-0135 and is effective [XX/XX/XXXX] to [XX/XX/XXXX]. The number and expiration date are also displayed on top of this page. Please note that an agency may not conduct or sponsor, and you are not required to respond to, any information collection that does not display a currently valid OMB Control Number. Comments concerning this information collection, including suggestions for reducing the burden, can be sent to: Information Collection Clearance Officer, Office of Regulatory Affairs – Indian Affairs, 1849 C Street. Please note: comments, names and addresses of commentators are available for public review during regular business hours. If you wish us to withhold this information, you must state that prominently at the beginning of your comment. We will honor your request to the extent allowable by law.

**Privacy Act Statement:** The information being collected for the Act's single reporting system is covered by a system of records which was published in the Federal Register August 21, 1990, 55 FR 34087. The single reporting system contains information used to monitor the progress of the grantees in delivering services to Tribal members, to identify unmet needs, to identify any other problems, and to provide information to justify budget submissions by the twelve Federal agencies involved.

### **NARRATIVE REPORT**

The narrative report allows Tribes to describe the use of their employment, training and related activities and services to address the unique needs of their communities and the extent to which the Tribes have succeeded in doing so. The narrative report is a mandatory component of the single report format developed in accordance with PL477.

The narrative report may be in any format, but the report must be typed and include page numbers. Quantitative and anecdotal information is encouraged.

The narrative report must provide sufficient information for the Federal agencies to determine that the Tribe complied with its approved PL477 Plan. In order to show that the Tribe complied with its approved PL477 Plan, the narrative must include a description of the services and activities provided and the results achieved under the PL477 Plan. For example, if a Tribe has integrated crime victim services programs under its PL477 Plan, the Tribe should describe the effectiveness of any victim services activities carried out under the Plan, including how these services protected victim confidentiality and met the needs of crime victims, and what the Tribe's most significant accomplishments were in delivering crime victim services. When applicable, Tribes may also describe barriers to success or challenges faced by participants, programmatic barriers, internal capacity issues, economic conditions of the Tribal service area, unmet needs, limitation of resources, success stories and other accomplishments. Tribes may include an estimate of the unemployment/under-employment rate in the Tribe's service area. This information may be used by funding agencies and Tribes to advocate for additional funding.

If the Tribe has integrated one or more Federal Programs that include an un-waived Federal matching requirement, the narrative must include a statement regarding whether the Tribe has complied with that requirement.

### **STATISTICAL REPORT**

The annual PL477 report also includes a statistical summary of the participants (individuals or families) participating in and terminating from the program, their characteristics, the activities and services received, and outcomes. Response to the statistical summary request is a mandatory component of the single-report format developed in accordance with the PL477. In order to provide standard, meaningful data on PL477's provisions as a whole, each Tribe's statistical summary will be provided in a uniform format (copy attached).

#### **ANNUAL FINANCIAL EXPENDITURE REPORT**

The PL477 Annual Financial Expenditure Report will be used by Tribes to report their financial expenditures under their PL477 Plan. Response to the Annual Financial Expenditure Report request is a mandatory component of the single report format developed in accordance with PL477. Financial reports are filed annually per plan period until all plan period funds are expended. (copy attached).

#### **DEADLINE FOR SUBMISSION**

All annual reports must be completed and submitted no later than 90 days after each program year, as defined in the Tribe's PL477 Plan. Tribes may request a report extension in advance of the reporting due date. Reports may be submitted by email to [477Reporting@bia.gov](mailto:477Reporting@bia.gov) or by U.S. Mail to:

Chief  
Division of Workforce Development  
Bureau of Indian Affairs – Office of Indian Services  
1001 Indian School Road – Office 228  
Albuquerque, NM 87104



OMB 1076-0135

Expiration Date: XX/XX/XXXX

| PL 477 Statistical Report                                                                                                                                                                                                            |  |                         |                                     |                         |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------|-------------------------------------|-------------------------|-------|
| Tribal Nation Name:                                                                                                                                                                                                                  |  |                         | Original                            | <input type="radio"/>   |       |
| Report Period: (From/To)                                                                                                                                                                                                             |  |                         | Revision                            | <input type="radio"/>   |       |
|                                                                                                                                                                                                                                      |  | Current Participants    |                                     | Participants Terminated |       |
|                                                                                                                                                                                                                                      |  | Adults                  | Youth                               | Adults                  | Youth |
| <b>I. Total Participants</b>                                                                                                                                                                                                         |  |                         |                                     |                         |       |
| <b>II. Participant Characteristics</b>                                                                                                                                                                                               |  |                         |                                     |                         |       |
| <b>A. Education Level</b>                                                                                                                                                                                                            |  |                         |                                     |                         |       |
| 1. Nongraduate                                                                                                                                                                                                                       |  |                         |                                     |                         |       |
| 2. Current Student Pre-K-12                                                                                                                                                                                                          |  |                         |                                     |                         |       |
| 3. High School Diploma/High School Equivalency                                                                                                                                                                                       |  |                         |                                     |                         |       |
| 4. Postsecondary - no degree                                                                                                                                                                                                         |  |                         |                                     |                         |       |
| 5. Postsecondary Degree/Certificate                                                                                                                                                                                                  |  |                         |                                     |                         |       |
| <b>B. Veterans</b>                                                                                                                                                                                                                   |  |                         |                                     |                         |       |
| <b>C. Participants with a Disability</b>                                                                                                                                                                                             |  |                         |                                     |                         |       |
| <b>D. Participants with Justice Involvement</b>                                                                                                                                                                                      |  |                         |                                     |                         |       |
| <b>III. Participant Activities/Services</b>                                                                                                                                                                                          |  |                         |                                     |                         |       |
| <b>A. Employment</b>                                                                                                                                                                                                                 |  |                         |                                     |                         |       |
| 1. Entered Unsubsidized Employment                                                                                                                                                                                                   |  |                         |                                     |                         |       |
| 2. In Unsubsidized Employment 2 <sup>nd</sup> Quarter After Exit                                                                                                                                                                     |  |                         |                                     |                         |       |
| 3. Average Earnings Gain                                                                                                                                                                                                             |  |                         |                                     |                         |       |
| 4. Other Employment Outcomes                                                                                                                                                                                                         |  |                         |                                     |                         |       |
| 5. Employment Objective Not Achieved                                                                                                                                                                                                 |  |                         |                                     |                         |       |
| <b>B. Education/Training</b>                                                                                                                                                                                                         |  |                         |                                     |                         |       |
| 1. Degree/Certificate Attained                                                                                                                                                                                                       |  |                         |                                     |                         |       |
| 2. Other Education Outcomes                                                                                                                                                                                                          |  |                         |                                     |                         |       |
| 3. Education Objective Not Achieved                                                                                                                                                                                                  |  |                         |                                     |                         |       |
| <b>C. Related Services (Supportive)</b>                                                                                                                                                                                              |  |                         |                                     |                         |       |
| 1. Cash Assistance                                                                                                                                                                                                                   |  |                         | Individuals                         |                         |       |
| 2. General Assistance                                                                                                                                                                                                                |  |                         | Individuals                         |                         |       |
| 3. Child Assistance                                                                                                                                                                                                                  |  |                         | Individuals                         |                         |       |
| 4. Adult Care Assistance                                                                                                                                                                                                             |  |                         | Individuals                         |                         |       |
| 5. Burial Assistance                                                                                                                                                                                                                 |  |                         | Individuals                         |                         |       |
| 6. Emergency Assistance                                                                                                                                                                                                              |  |                         | Individuals                         |                         |       |
| 7. Cash Assistance for Families                                                                                                                                                                                                      |  | Average Monthly Numbers |                                     |                         |       |
| 7a. Families with one or two parents receiving cash assistance from the Tribe where the parents are participating in a work activity approved in the PL477 plan for at least the minimum number of hours approved in the PL477 plan. |  |                         | Families                            |                         |       |
| 7b. Families with one or two parents receiving cash assistance (not including disregarded cases).                                                                                                                                    |  |                         | Families                            |                         |       |
| 7c. Adult and child recipients.                                                                                                                                                                                                      |  |                         | Individual, both Adult and Children |                         |       |

|                                                                                                                         |  |            |               |
|-------------------------------------------------------------------------------------------------------------------------|--|------------|---------------|
| 7d. Families receiving cash assistance.                                                                                 |  |            |               |
| 7d(i). One-parent families                                                                                              |  |            | Families      |
| 7d(ii). Two-parent families                                                                                             |  |            | Families      |
| 7d(iii). No-parent families/ "child-only" cases                                                                         |  |            | Families      |
| 7e. Families by number of child recipients                                                                              |  |            |               |
| 7e(i). One child                                                                                                        |  |            | Families      |
| 7e(ii). Two children                                                                                                    |  |            | Families      |
| 7e(iii). Three children                                                                                                 |  |            | Families      |
| 7e(iv). Four or more children                                                                                           |  |            | Families      |
| 7f. Child recipients by age                                                                                             |  |            |               |
| 7f(i). Age 0-1                                                                                                          |  |            | Children      |
| 7f(ii). Age 2-5                                                                                                         |  |            | Children      |
| 7f(iii). Age 6-11                                                                                                       |  |            | Children      |
| 7f(iv). Age 12-15                                                                                                       |  |            | Children      |
| 7f(iv). Age 16-19                                                                                                       |  |            | Children      |
| 7g. Cash assistance amount                                                                                              |  |            | Dollar Amount |
| 7h. Work Participation Status (average monthly number of adults)                                                        |  |            |               |
| 7h(i). Work Requirement Met                                                                                             |  |            | Families      |
| 7h(ii). Work Requirement Not Met                                                                                        |  |            | Families      |
| 7h(iii). Deemed Hours                                                                                                   |  |            | Families      |
| 7h(iv). Exempt, Other                                                                                                   |  |            | Families      |
| 7h(v). Exempt, Disabled                                                                                                 |  |            | Families      |
| 7h(vi). Exempt, Tribal TANF Plan Reason                                                                                 |  |            | Families      |
| 7h(vii). Disregarded, Other Reason                                                                                      |  |            | Families      |
| 7h(viii). Disregarded, Child under 1                                                                                    |  |            | Families      |
| 7i. Adults in work activities (average monthly)                                                                         |  |            | Families      |
| 8. Utility Assistance                                                                                                   |  |            |               |
| 8a. Heating                                                                                                             |  | Households | Households    |
| 8b. Cooling                                                                                                             |  | Households | Households    |
| 8c. Crisis                                                                                                              |  | Households | Households    |
| 8d. Weatherization                                                                                                      |  | Households | Households    |
| 9. Services to Victims of Crimes                                                                                        |  |            |               |
| 9a. Victims of domestic violence, sexual assault, dating violence, stalking, or sex trafficking served.                 |  |            |               |
| 9b. Victims of domestic violence, sexual assault, dating violence, stalking, or sex trafficking who could not be served |  |            |               |
| 9c. Victims of other crimes served.                                                                                     |  |            |               |
| 10. Cultural and Language Activities                                                                                    |  |            |               |
| 11. Nutrition Services                                                                                                  |  |            |               |
| 12. Child Care and Development Activities                                                                               |  | Children   |               |
| 12a. Children Receiving Child Care                                                                                      |  |            |               |
| 12a(i). Birth to Five                                                                                                   |  |            |               |
| 12a(ii). School Age                                                                                                     |  |            |               |
| 12b. Care Received – Type of Provider                                                                                   |  |            |               |
| 12b(i). Center-Based                                                                                                    |  |            |               |
| 12b(ii). Family Child Care Home                                                                                         |  |            |               |
| 12b(iii). In-Home (Child's Home)                                                                                        |  |            |               |
| IV. Jobs Creation/Economic Development                                                                                  |  |            |               |
| A. Jobs Created                                                                                                         |  |            |               |
| B. AI/AN Employed                                                                                                       |  |            |               |
| C. Businesses Assisted                                                                                                  |  |            |               |
| V. Report Prepared By                                                                                                   |  |            |               |
| Print Name:                                                                                                             |  | Sign:      |               |
| Phone Number:                                                                                                           |  | Date:      |               |

| Public Law 102-477 Program Statistical Report   | Line description (comprehensive for plan)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Statutory Citation                                                                                                                                                                                                                            |
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| <b>Instructions</b>                             | Purpose: The attached Program Statistical Report is one of three parts of the statutorily integrated annual report for Public Law 102-477, as amended (PL477). The report provides statistical summary data of participants receiving any of the services available under the initiative. The data includes current participants and those terminated from the program identifying outcomes, characteristics, activities, goals and objectives. At the time of enrollment, participants are categorized as adult (age 24 and above), youth (age 23 and under). The report collects summary data sufficient to demonstrate compliance with all non-waived federal requirements identified in the PL477 Plan. If a Tribe is not required by the terms of its PL477 Plan to report on any data point listed in the Program Statistical Report, it should write "N/A" in the response field. Finally, the report provides economic development data including number of jobs created and businesses assisted. Responses to the report will be provided in a uniform format. Statistics listed are reported by program services and activities, in accordance with the PL477 plan, not by fund source. | 25 U.S.C. § 3410(b)(2)                                                                                                                                                                                                                        |
| <b>Identification Section:</b>                  | Provide the name of the Tribe or Tribe organization along with the report period (To/From). Annual reports are required, unless a formal written request has been requested and approved in advance. Indicate if this report is an original submission or a revision.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 25 U.S.C. § 3410(b)(2)                                                                                                                                                                                                                        |
| <b>I. Total Participants:</b>                   | Report the total number of Adults and Youth Participants Served and Terminated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                               |
| <b>II. Participant Characteristics</b>          | grayed out                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                               |
| <b>A. Education Level</b>                       | grayed out                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                               |
| 1. Nongraduate:                                 | At the time of enrollment into the program, report participants who had not attained a high school diploma or General Education Diploma (GED) / High School Equivalency Diploma (HiSET) and were not attending school.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ANEP: Section 6304 of the Elementary and Secondary Education Act, (20 U.S.C. 7544 (a)(2)(B)) - Mandatory Activities; ANEP: Section 6303 of the ESEA (20 U.S.C. 7543); performance measures published under 34 CFR 75.110 for the ANEP program |
| 2. Current Student Pre-K-12/Post-Secondary      | At the time of enrollment into the program, report participants who were enrolled in any level of pre-K to grade 12 education. [Note - post-secondary students are counted in B(5).]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ANEP: Section 6304 of the Elementary and Secondary Education Act, (20 U.S.C. 7544 (a)(2)(B)) - Mandatory Activities; ANEP: Section 6303 of the ESEA (20 U.S.C. 7543); performance measures published under 34 CFR 75.110 for the ANEP program |
| 3. High School Diploma/High School Equivalency  | At the time of enrollment into the program, report participants whose highest level of educational attainment a high school diploma.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                               |
| 4. Postsecondary Education - no degree          | At the time of enrollment into the program, report participants whose highest level of educational attainment in the program was greater than a high school diploma or GED / HiSET.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                               |
| 5. Postsecondary Degree / Certificate           | At the time of enrollment into the program, report participants who have attained a postsecondary degree or certificate. Options may include, but are not limited to, two-year college, four-year college or university, independent private career schools, the military, or apprenticeships, or (on-the-job training (OJT).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                               |
| <b>B. Veterans</b>                              | At the time of enrollment into the program, report participants that have served in the military and are considered veterans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                               |
| <b>C. Participants with a Disability</b>        | At the time of enrollment into the program, report participants who have self-reported as having a physical or mental impairment that substantially limits one or more major life activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Section 13 of the Rehabilitation Act of 1973, as amended (24 U.S.C. 710(b)) - Reporter; Section 121(a) of the Rehabilitation Act, as amended (29 U.S.C. 741(a)); performance measures published under 34 CFR 75.110 for the AIVRS program     |
| <b>D. Participants with Justice Involvement</b> | At the time of enrollment into the program, report participants with justice system involvement; impacted by the justice system; or affected by the justice system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DOJ citation for OYVW is 34 U.S.C. 30110(g), which requires the OVC Director to report "on the effectiveness of the activities supported under [VOCA], which appropriates the funding allocated by the CJS Act to TVSSA."                     |

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| <b>III. Participation Activities/Services</b>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                      |
| <b>A. Employment</b>                                           | <b>Employment Objective:</b> Count all trainees who included an employment objective in their individualized service plan when they were participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                      |
| 1. Entered Unsubsidized Employment                             | Entered Unsubsidized Employment: Include the number of trainees who have entered employment and do not receive a subsidy. Include self-employment in this count.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 25 U.S.C. 3410(b)(2)(A)                                                                                                                                                                                                                                                                                              |
| 2. Continued in Unsubsidized Employment 2nd Quarter After Exit | For those trainees who have entered unsubsidized employment, include the number who have continued in unsubsidized employment during the 2nd quarter after exiting the program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 25 U.S.C. 3410(b)(2)(A)                                                                                                                                                                                                                                                                                              |
| 3. Average Adult Earnings Gain                                 | For those adult trainees who have entered unsubsidized employment, calculate the hourly wage at the last job held within the measurement period prior to PL477 enrollment and compare that rate with the hourly wage earned at time of termination from this program. Trainees unemployed for the entire six months prior to entering the program should be considered to have \$0 per hour rate at entry. To illustrate, if at termination, such a person entered unsubsidized employment earning \$6.50 per hour, the gain would be \$6.50 per hour. Add all gains and subtract any losses. Divide this number by the number of adult trainees who entered unsubsidized employment. The result will be the average gain. |                                                                                                                                                                                                                                                                                                                      |
| 4. Other Employment Outcomes                                   | Other Employment Outcomes: Include the number of trainees who met an employment objective other than entered unsubsidized employment. This includes participants who have been successfully assisted in retaining an existing job with supportive services or successfully completed an (OJT) assignment but were not retained in employment.                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                      |
| 5. Employment Objective Not Achieved                           | Include the number of trainees who had an employment objective but did not meet any of their employment goals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                      |
| <b>B. Education / Training</b>                                 | Count all trainees who included an education/training objective in their individualized service plan when they were participants. Include trainees gaining knowledge such as completing a semester or more of classes, or long or short-term classroom training.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                      |
| 1. Degree / Certificate Attained                               | Include the number of participants who attained a degree or certificate. Examples of programs resulting in degrees and certificates are provided in the instructions for II.B(5).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Section 114(a) of the Strengthening Career and Technical Education for the 21st Century Act ("Perkins V") (20 U.S.C. 2324(a)(1)) - Program Performance Information; Section 116(b)(1), (c)(1) of Perkins V (20 U.S.C. 2326(b)(1), (c)(1)); performance measures published under 34 CFR 75.110 for the NACETP program |
| 2. Other Education Outcomes                                    | Report the number of trainees who met an educational goal other than attainment of a certificate or degree.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                      |
| 3. Education Objective Not Achieved                            | Report the number of trainees who had educational goals but did not meet any of them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                      |
| <b>C. Related Services (Supportive)</b>                        | Count all trainees who included a related (supportive) service objective in their individualized service plan when they were participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                      |
| 1. Cash Assistance                                             | Cash Assistance: "Cash assistance" means any financial assistance provided to individuals or families in accordance with the terms of the PL477 Plan. Count the total individuals receiving cash assistance at any time during enrollment in a PL477 service, or within 6 months prior to enrollment, should be included in this section. For example, if a participant receives cash assistance at the time of enrollment, entered unsubsidized employment and continues with supportive services for 90 days, the individual should be counted as a cash assistance recipient here because cash assistance was received during enrollment, and also counted in the employment and supportive services sections.          | Items A, B, H, I: Required under 42 U.S.C. 611(b)(1)(A) and 42 U.S.C. 612(c) as part of reporting on the work participation rate.                                                                                                                                                                                    |
| 2. General Assistance                                          | Count the total number of individuals receiving general assistance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                      |
| 3. Child Assistance                                            | Count the total number individual youth receiving child assistance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                      |
| 4. Adult Care Assistance                                       | Count the total number of individual adults receiving adult care assistance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                      |
| 5. Burial Assistance                                           | Count the total number of individuals receiving burial assistance. Burial assistance means a financial assistance payment made on behalf of an indigent American Indian/Alaska Native person who meets the eligibility criteria to provide minimum burial expenses according to Bureau of Indian Affairs payment standards established by the Assistant Secretary - Indian Affairs.                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                      |
| 6. Emergency Assistance                                        | Count the total number of individuals receiving emergency assistance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                      |

|                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>7. Cash Assistance for Families</b>                                                                                                                                                                                                      | <b>Cash Assistance for Families: "Cash Assistance for Families"</b> means any financial assistance provided to families in accordance with the terms of the PL477 Plan. Families (as defined in the PL477 Plan) receiving cash assistance at any time during enrollment in a PL477 project, or within the measurement period prior to enrollment, should be included in this section. For example, if a participant's family receives cash assistance at the time of enrollment, is placed in a job, and continues with supportive services for 90 days, the individual's family should be counted as a cash assistance recipient because cash assistance was received during enrollment. Only complete this section of the report if you (1) have agreed in your PL477 Plan to be bound by the reporting requirements at 42 U.S.C. §§ 611(b)(1)(A), 611(b)(2), and 612(c); and (2) you have elected in your plan to provide the required data annually by completing this section. Tribes that are subject to the reporting requirements at 42 U.S.C. §§ 611(b)(1)(A), 611(b)(2), and 612(c) may elect in their plan to submit individual-level data directly to the TANF Data Portal ( <a href="https://tanfdata.scf.hhs.gov/">https://tanfdata.scf.hhs.gov/</a> ). For the purpose of this section, a child is an individual who has not attained 18 years of age, or is 18 or 19 years of age and is a full time student in secondary school. | <b>Only complete this section of the report if you (1)</b> have agreed in your PL477 Plan to be bound by the reporting requirements at 42 U.S.C. §§ 611(b)(1)(A), 611(b)(2), and 612(c); and (2) you have elected in your plan to provide the required data annually by completing this section. Tribes that are subject to the reporting requirements at 42 U.S.C. §§ 611(b)(1)(A), 611(b)(2), and 612(c) may elect in their plan to submit individual-level data directly to the TANF Data Portal ( <a href="https://tanfdata.scf.hhs.gov/">https://tanfdata.scf.hhs.gov/</a> ). |
| <b>7a. Families with one or two parents receiving cash assistance from the Tribe where the parents are participating in a work activity approved in the PL477 plan for at least the minimum number of hours approved in the PL477 plan.</b> | <b>The average monthly number of families with one or two parents receiving cash assistance from the Tribe who where the parents are participating in a work activity approved in the PL477 Plan for at least the minimum number of hours approved in the PL477 Plan.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Items A, B, H, I Required under 42 U.S.C. 611(b)(1)(A) and 42 U.S.C. 612(a) as part of reporting on the work participation rate.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7b. Families with an adult or minor head-of-household receiving cash assistance (not including disregarded cases).</b>                                                                                                                   | <b>The average monthly number of families with one or two parents receiving cash assistance (not including disregarded cases).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Items A, B, H, I Required under 42 U.S.C. 611(b)(1)(A) and 42 U.S.C. 612(a) as part of reporting on the work participation rate.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7c. Adult and child recipients.</b>                                                                                                                                                                                                      | <b>This section covers the average monthly number of families receiving cash assistance (by number of parents).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Items C-Q Required under 42 U.S.C. 611(b)(2) as part of reporting to Congress on the demographic and financial characteristics of families receiving assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7d. Families receiving cash assistance.</b>                                                                                                                                                                                              | <b>Enter the average monthly number of one-parent families receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Items C-Q Required under 42 U.S.C. 611(b)(2) as part of reporting to Congress on the demographic and financial characteristics of families receiving assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7d(i). One-parent families</b>                                                                                                                                                                                                           | <b>Enter the average monthly number of one-parent families receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7d(ii). Two-parent families</b>                                                                                                                                                                                                          | <b>Enter the average monthly number of two-parent families receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7d(iii). No-parent families/ "child-only" cases</b>                                                                                                                                                                                      | <b>Enter the average monthly number of families in which only the child receives family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7e. Families by number of child recipients</b>                                                                                                                                                                                           | <b>This section covers the average monthly number of families by number of child recipients.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Items C-Q Required under 42 U.S.C. 611(b)(2) as part of reporting to Congress on the demographic and financial characteristics of families receiving assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7e(i). One child</b>                                                                                                                                                                                                                     | <b>Enter the average monthly number of families in which one child receives cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7e(ii). Two children</b>                                                                                                                                                                                                                 | <b>Enter the average monthly number of families in which two children receive cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7e(iii). Three children</b>                                                                                                                                                                                                              | <b>Enter the average monthly number of families in which three children receive cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7e(iv). Four or more children</b>                                                                                                                                                                                                        | <b>Enter the average monthly number of families in which four or more children receive cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7f. Child recipients by age</b>                                                                                                                                                                                                          | <b>This section covers the average monthly number of child recipients by age.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Items C-Q Required under 42 U.S.C. 611(b)(2) as part of reporting to Congress on the demographic and financial characteristics of families receiving assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>7f(i). Age 0-1</b>                                                                                                                                                                                                                       | <b>Enter the average monthly number of children between ages 0-1 receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7f(ii). Age 2-5</b>                                                                                                                                                                                                                      | <b>Enter the average monthly number of children between ages 2-5 receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>7f(iii). Age 6-11</b>                                                                                                                                                                                                                    | <b>Enter the average monthly number of children between ages 6-11 receiving family cash assistance.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7f(iv). Age 12-15                                                                                                       | Enter the average monthly number of children between ages 12-15 receiving family cash assistance                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                   |
| 7f(v). Age 16-19                                                                                                        | Enter the average monthly number of children between ages 16-19 receiving family cash assistance                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                   |
| 7g. Cash assistance amount                                                                                              | Enter the average monthly dollar amount of cash assistance that the family received or that was paid on behalf of the family. See item #20 starting on page 7 of the Tribal TANF Data Coding Instructions for a full definition of "assistance", available at <a href="https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions">https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions</a> . | Items C-G: Required under 42 U.S.C. 611(b)(2) as part of reporting to Congress on the demographic and financial characteristics of families receiving assistance. |
| 7h. Work Participation Status (average monthly number of adults)                                                        | See item #48 starting on page 21 of the Tribal TANF Data Coding Instructions to complete these data elements 1-8 below, available at <a href="https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions">https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions</a> .                                                                                                                          | Items A, B, M, L: Required under 42 U.S.C. 611(b)(1)(A) and 42 U.S.C. 612(e) as part of reporting on the work participation rate.                                 |
| 7h(i). Work Requirement Met                                                                                             | Enter the average monthly number of families required to participate in work activities and meeting minimum participation requirements.                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                   |
| 7h(ii). Work Requirement Not Met                                                                                        | Enter the average monthly number of families required to participate in work activities but not meeting minimum participation requirements.                                                                                                                                                                                                                                                                                             |                                                                                                                                                                   |
| 7h(iii). Deemed Hours                                                                                                   | Enter the average monthly number of families deemed engaged in work.                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                   |
| 7h(iv). Exempt, Other                                                                                                   | Enter the average monthly number of families exempt for a reason other than a disabled parent or a reason specified in the PL477 plan. "Exempt" means that the individual will not be penalized for failure to engage in a work activity; however, the family receiving cash assistance is included in the calculation of the work participation rate.                                                                                  |                                                                                                                                                                   |
| 7h(v). Exempt, Disabled                                                                                                 | Enter the average monthly number of families exempt because of a disabled parent.                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                   |
| 7h(vi). Exempt, Tribal TANF Plan Reason                                                                                 | Enter the average monthly number of families exempt for reasons specified in the negotiated PL477 plan.                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                   |
| 7h(vii). Disregarded, Other Reason                                                                                      | Enter the average monthly number of families disregarded for a reason other than having a child under 12 months. "Disregarded" from the participation rate means the family is not included in the participation rate.                                                                                                                                                                                                                  |                                                                                                                                                                   |
| 7h(viii). Disregarded, Child under 1                                                                                    | Enter the average monthly number of families disregarded with a child under 12 months.                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                   |
| 7i. Adults in work participation activities (average monthly)                                                           | Enter the average monthly number of adults in work participation activities. See item #48 starting on page 23 of the Tribal TANF Data Coding Instructions for work participation activities, available at <a href="https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions">https://www.acf.hhs.gov/policy-guidance/tribal-tanf-data-coding-instructions</a> .                                                     | Item I: Required under 42 U.S.C. 611(b)(4) as part of reporting to Congress on trends in employment.                                                              |
| 8. Utility Assistance                                                                                                   | Count the total number of households receiving utility assistance.                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                   |
| 8a. Heating                                                                                                             | Count the total number of households receiving heating assistance: assistance with home heating bills, preventing energy shutoffs, reconnecting services, and repairing or replacing heating equipment.                                                                                                                                                                                                                                 | 42 U.S.C. 8629 Section 2610, 42 U.S.C. 8629(b)                                                                                                                    |
| 8b. Cooling                                                                                                             | Count the total number of households receiving cooling assistance: assistance with home cooling bills, preventing energy shutoffs, reconnecting services, and repairing or replacing cooling equipment.                                                                                                                                                                                                                                 | 42 U.S.C. 8629 Section 2610, 42 U.S.C. 8629(b)                                                                                                                    |
| 8c. Crisis                                                                                                              | Count the total number of households receiving services in response to a crisis, as determined by the Tribe.                                                                                                                                                                                                                                                                                                                            | 42 U.S.C. 8629 Section 2610, 42 U.S.C. 8629(b)                                                                                                                    |
| 8d. Weatherization                                                                                                      | Count the total number of households receiving weatherization or energy efficiency improvements.                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                   |
| 9. Services to Victims of Crimes                                                                                        | Count all participants and trainees who received services due to being a victim of crime.                                                                                                                                                                                                                                                                                                                                               | PVP2A 42 U.S.C. 10408(d) as made applicable to tribes by 42 U.S.C. 10408(c). 43 U.S.C. 10404, 10404(a)(4) & (a), 10407(b)(4), 10408(b), and 10408(c) & (e).       |
| 9a. Victims of domestic violence, sexual assault, dating violence, stalking, or sex trafficking served.                 | Count the number of persons provided services under the PL477 Plan due to being a victim of domestic violence, sexual assault, dating violence, stalking, or sex trafficking.                                                                                                                                                                                                                                                           |                                                                                                                                                                   |
| 9b. Victims of domestic violence, sexual assault, dating violence, stalking, or sex trafficking who could not be served | Count the number of persons who sought services under the PL477 Plan due to being a victim of domestic violence, sexual assault, dating violence, stalking, or sex trafficking but could not be served.                                                                                                                                                                                                                                 |                                                                                                                                                                   |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 9c. Victims of other crimes served.                  | Count the number of persons provided services under the PL477 Plan due to being a victim of a crime other than domestic violence, sexual assault, dating violence, stalking, or sex trafficking.                                                                                                                                                                                                                                          |  |
| 10. Cultural and Language Activities                 | Count the total number of adults or youth receiving cultural or language services or participating in cultural or language activities.                                                                                                                                                                                                                                                                                                    |  |
| 11. Nutritional Services                             | Count the total number of adults or youth receiving nutritional services.                                                                                                                                                                                                                                                                                                                                                                 |  |
| 12. Child Care and Development Activities - Children | Count of total number of such children served. The two age categories will add up to the total number of children shown receiving child care. These child care services include any such services provided through the program, regardless of whether the program's PL477 budget includes funds from formal child care programs, such as the Child Care and Development Fund program.                                                     |  |
| 12a. Children Receiving Child Care                   | <del>Graded out</del>                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| 12a(i). Birth to Five                                | Count the unduplicated total number of children birth to age five.                                                                                                                                                                                                                                                                                                                                                                        |  |
| 12a(ii). School Age                                  | Count the unduplicated total number of children age five to thirteen, as well as any qualifying children (physically and/or mentally incapable of self-care, or under court supervision) over the age of thirteen up to and including age nineteen.                                                                                                                                                                                       |  |
| 12b. Care Received - Type of Provider                | Count children using each type of provider. A child may be counted in more than one provider line (Lines 1-3) if the child receives care from more than one provider type for different portions of the typical day, week, or month.                                                                                                                                                                                                      |  |
| 12b(i). Center Based                                 | Count the children being provided group care in a facility outside of the child's or provider's home.                                                                                                                                                                                                                                                                                                                                     |  |
| 12b(ii). Family Child Care Home                      | Count the children being provided care in a private residence other than the child's residence.                                                                                                                                                                                                                                                                                                                                           |  |
| 12b(iii). In-Home (Child's Home)                     | Count the children being provided care in the child's home.                                                                                                                                                                                                                                                                                                                                                                               |  |
| IV. Job Creation/Economic Development                | <del>graded out</del>                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| A. Jobs Created                                      | Count the number of new jobs (not participants) which were created as a result of your PL477 program. Only count those jobs that did not exist before the PL477 program helped create them. The count includes jobs created at a new or expanding business that received on the job training support.                                                                                                                                     |  |
| B. American Indians/Alaska Natives Employed          | Count the number of additional American Indians/Alaska Natives who were employed as a result of the jobs created (and reported in the previous line item).                                                                                                                                                                                                                                                                                |  |
| C. Businesses Assisted                               | Provide the number of businesses that the PL477 program assisted. This may include businesses assisted through supportive services such as counseling services for existing employees, training for employees of businesses, on-the-job placements, recruitment and advertisement of positions, and related support. Count all businesses assisted. Do not limit the count to tribal businesses or individual tribal members' businesses. |  |
| V. Report Prepared By                                |                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| Print Name                                           | Sign:                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| Phone Number                                         | Date:                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| Privacy Act Statement                                |                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| Paperwork Reduction Act Statement                    |                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |

### **ATTACHMENT C – Additional Reports / Application**

1. Quarterly FTANF data reports through HHS Portal
2. Child Care and Development (CCDF) ACF-PI-2024-04 Triennial Child Count
3. Indian Child Welfare data to be included in the OMB 1076-0135 Annual Narrative Report
4. Financial Assistance and Social Service Report (FASSR)
5. Office of Family Violence Prevention and Services Act (FVPSA) Notice of Funding Opportunity (NOFA) Renewal Application if applicable.



# **QUARTERLY FTANF DATA REPORTS THROUGH HHS PORTAL**



LAYOUT FOR SECTION 1 DISAGGREGATED  
FAMILY LEVEL DATA

| ITEM # | DESCRIPTION                                                      | LENGTH | FROM | TO  | COMMENTS (DATA TYPE) | Example of Contents (if BOLD & Blue = fixed value) |           |   |   |   |   |   |   |   |   |   |   |
|--------|------------------------------------------------------------------|--------|------|-----|----------------------|----------------------------------------------------|-----------|---|---|---|---|---|---|---|---|---|---|
|        | RECORD TYPE                                                      | 2      | 1    | 2   |                      | T                                                  | 1         | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4      | REPORTING MONTH                                                  | 6      | 3    | 8   |                      | Numeric                                            |           |   |   |   |   |   |   |   |   |   |   |
| 6      | CASE NUMBER                                                      | 11     | 9    | 19  |                      | Alphanumeric                                       | A         | B | C | 1 | 2 | 3 | A | B | C | 4 | 5 |
| 2      | COUNTY FIPS CODE                                                 | 3      | 20   | 22  |                      | Numeric                                            | 1         | 2 | 3 |   |   |   |   |   |   |   |   |
| 5      | STRATUM                                                          | 2      | 23   | 24  |                      | Numeric                                            | 1         | 2 |   |   |   |   |   |   |   |   |   |
| 7      | ZIP CODE                                                         | 5      | 25   | 29  |                      | Alphanumeric                                       | 1         | 2 | 3 | 4 | 5 |   |   |   |   |   |   |
| 8      | FUNDING STREAM                                                   | 1      | 30   | 30  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 9      | DISPOSITION                                                      | 1      | 31   | 31  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 10     | NEW APPLICANT                                                    | 1      | 32   | 32  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 11     | # FAMILY MEMBERS                                                 | 2      | 33   | 34  |                      | Numeric                                            | 1         | 2 |   |   |   |   |   |   |   |   |   |
| 12     | TYPE OF FAMILY FOR WORK PARTICIPATION                            | 1      | 35   | 35  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 13     | RECEIVES SUBSIDIZED HOUSING                                      | 1      | 36   | 36  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 14     | RECEIVES MEDICAL ASSISTANCE                                      | 1      | 37   | 37  |                      | Numeric                                            | 1         |   |   |   |   |   |   |   |   |   |   |
| 15     | RECEIVES SNAP - NO LONGER IN USE                                 | 1      | 38   | 38  |                      | Numeric                                            | 0         |   |   |   |   |   |   |   |   |   |   |
| 16     | AMOUNT OF SNAP                                                   | 4      | 39   | 42  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
| 17     | RECEIVES SUBSIDIZED CHILD CARE - NO LONGER IN USE                | 1      | 43   | 43  |                      | Numeric                                            | 0*        |   |   |   |   |   |   |   |   |   |   |
| 18     | AMOUNT OF SUBSIDIZED CHILD CARE                                  | 4      | 44   | 47  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
| 19     | AMOUNT OF CHILD SUPPORT                                          | 4      | 48   | 51  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
| 20     | AMOUNT OF FAMILY'S CASH RESOURCES                                | 4      | 52   | 55  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
| 21     | CASH & CASH EQUIVALENTS                                          |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM21A AMOUNT                                                   | 4      | 56   | 59  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM21B NBR MONTH                                                | 3      | 60   | 62  |                      | Numeric                                            | 1         | 2 | 3 |   |   |   |   |   |   |   |   |
| 22     | TANF CHILD CARE                                                  |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM22A AMOUNT                                                   | 4      | 63   | 66  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM22B CHILDREN COVERED                                         | 2      | 67   | 68  |                      | Numeric                                            | 1         | 2 |   |   |   |   |   |   |   |   |   |
|        | ITEM22C NBR MONTHS                                               | 3      | 69   | 71  |                      | Numeric                                            | 1         | 2 | 3 |   |   |   |   |   |   |   |   |
| 23     | TRANSPORTATION AND OTHER SUPPORTIVE SERVICE                      |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM23A AMOUNT                                                   | 4      | 72   | 75  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM23B NBR MONTHS                                               | 3      | 76   | 78  |                      | Numeric                                            | 1         | 2 | 3 |   |   |   |   |   |   |   |   |
| 24     | TRANSITIONAL SERVICES - NO LONGER IN USE                         |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM24A AMOUNT                                                   | 4      | 79   | 82  |                      | Numeric                                            | 0         | 0 | 0 | 0 |   |   |   |   |   |   |   |
|        | ITEM24B NBR MONTHS                                               | 3      | 83   | 85  |                      | Numeric                                            | 0         | 0 | 0 | 0 |   |   |   |   |   |   |   |
| 25     | OTHER - NO LONGER IN USE                                         |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM25A AMOUNT                                                   | 4      | 86   | 89  |                      | Numeric                                            | 0         | 0 | 0 | 0 |   |   |   |   |   |   |   |
|        | ITEM25B NBR MONTHS                                               | 3      | 90   | 92  |                      | Numeric                                            | 0         | 0 | 0 | 0 |   |   |   |   |   |   |   |
| 26     | REASON FOR & AMOUNT OF ASSISTANCE REDUCTION                      |        |      |     |                      |                                                    |           |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A I SANCTIONS REDUCTION AMOUNT                             | 4      | 93   | 96  |                      | Numeric                                            | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM26A II WORK REQUIREMENTS SANCTION                            | 1      | 97   | 97  |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A III - NO LONGER IN USE                                   | 1      | 98   | 98  |                      | Alphanumeric                                       | 0         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A IV SANCTION FOR TEEN PARENT NOT ATTENDING SCHOOL         | 1      | 99   | 99  |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A V NON-COOPERATION WITH CHILD SUPPORT                     | 1      | 100  | 100 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A VI FAILURE TO COMPLY WITH INDIVIDUAL RESPONSIBILITY PLAN | 1      | 101  | 101 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26A VII OTHER SANCTION                                       | 1      | 102  | 102 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26B RECOUPMENT OF PRIOR OVERPAYMENT                          | 4      | 103  | 106 |                      | Alphanumeric                                       | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM26C I OTHER TOTAL REDUCTION AMOUNT                           | 4      | 107  | 110 |                      | Alphanumeric                                       | 1         | 2 | 3 | 4 |   |   |   |   |   |   |   |
|        | ITEM26C II FAMILY CAP                                            | 1      | 111  | 111 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26C III REDUCTION BASED ON LENGTH OF RECEIPT OF ASSISTANCE   | 1      | 112  | 112 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
|        | ITEM26C IV OTHER NON-SANCTION                                    | 1      | 113  | 113 |                      | Alphanumeric                                       | 1         |   |   |   |   |   |   |   |   |   |   |
| 27     | WAIVER EVALUATION CONTROL GRPS - NO LONGER IN USE                | 1      | 114  | 114 |                      | Alphanumeric                                       | 0         |   |   |   |   |   |   |   |   |   |   |
| 28     | TANF FAMILY EXEMPT FROM TIME LIMITS                              | 2      | 115  | 116 |                      | Numeric                                            | 1         | 2 |   |   |   |   |   |   |   |   |   |
| 29     | TANF FAMILY NEW CHILD ONLY FAMILY - NO LONGER IN USE             | 1      | 117  | 117 |                      | Numeric                                            | 0         |   |   |   |   |   |   |   |   |   |   |
|        | BLANK                                                            | 39     | 118  | 156 |                      | Spaces                                             | 39 SPACES |   |   |   |   |   |   |   |   |   |   |

**TANF  
LAYOUT FOR SECTION 1 DISAGGREGATED  
ADULT CHARACTERISTIC DATA**

[illegible]



| ITEM # | DESCRIPTION                                       | LENGTH | FROM | TO  | COMMENTS (DATA TYPE)      | Example of Contents (If BOLD & Blue = fixed value) |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|--------|---------------------------------------------------|--------|------|-----|---------------------------|----------------------------------------------------|----|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|
|        | RECORD TYPE                                       | 2      | 1    | 2   | "T3" - UP TO 10 CHILDREN  | T                                                  | 3  |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 4      | REPORTING MONTH                                   | 6      | 3    | 8   | Numeric                   | Y                                                  | Y  | Y | Y | M | M |   |   |   |   |   |  |  |  |  |  |  |  |
| 6      | CASE NUMBER                                       | 11     | 9    | 19  | Alphanumeric              | A                                                  | B  | C | 1 | 2 | 3 | A | B | C | 4 | 5 |  |  |  |  |  |  |  |
| 67     | FAMILY AFFILIATION-1                              | 1      | 20   | 20  | Numeric,Child 1,3,5,7,9   | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 68     | DATE OF BIRTH                                     | 8      | 21   | 28  | Numeric                   | Y                                                  | Y  | Y | Y | M | D | D |   |   |   |   |  |  |  |  |  |  |  |
| 69     | SOCIAL SECURITY NUMBER                            | 9      | 29   | 37  | Alphanumeric              | 1                                                  | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |  |  |  |  |  |  |  |
| 70     | RACE/ETHNICITY                                    |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70A_HISPANIC OR LATINO                        | 1      | 38   | 38  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70B_AMERICAN INDIAN OR ALASKA NATIVE          | 1      | 39   | 39  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70C_ASIAN                                     | 1      | 40   | 40  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70D_BLACK OR AFRICAN AMERICAN                 | 1      | 41   | 41  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70E_NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER | 1      | 42   | 42  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70F_WHITE                                     | 1      | 43   | 43  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 71     | SEX                                               | 1      | 44   | 44  | Numeric                   | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 72     | RECEIVES FEDERAL DISABILITY BENEFITS              |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | UNDER NON-SSA PROGRAMS                            | 1      | 45   | 45  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM72B_RECEIVES SSI UNDER TITLE XVI-SSI          | 1      | 46   | 46  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 73     | RELATIONSHIP TO HEAD OF HOUSEHOLD                 | 2      | 47   | 48  | Numeric                   | 1*                                                 | 2* |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 74     | PARENT WITH MINOR CHILD                           | 1      | 49   | 49  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 75     | EDUCATIONAL LEVEL                                 | 2      | 50   | 51  | Alphanumeric              | 1                                                  | 2  |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 76     | CITIZENSHIP/IMMIGRATION STATUS                    | 1      | 52   | 52  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 77     | AMOUNT OF UNEARNED INCOME                         |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM77A_SSI                                       | 4      | 53   | 56  | Alphanumeric              | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM77B_OTHER UNEARNED INCOME                     | 4      | 57   | 60  | Alphanumeric              | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 67     | FAMILY AFFILIATION-2                              | 1      | 61   | 61  | Numeric; Child 2,4,6,8,10 | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 68     | DATE OF BIRTH                                     | 8      | 62   | 69  | Numeric                   | Y                                                  | Y  | Y | Y | M | D | D |   |   |   |   |  |  |  |  |  |  |  |
| 69     | SOCIAL SECURITY NUMBER                            | 9      | 70   | 78  | Alphanumeric              | 1                                                  | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |  |  |  |  |  |  |  |
| 70     | RACE/ETHNICITY                                    |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70A_HISPANIC OR LATINO                        | 1      | 79   | 79  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70B_AMERICAN INDIAN OR ALASKA NATIVE          | 1      | 80   | 80  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70C_ASIAN                                     | 1      | 81   | 81  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70D_BLACK OR AFRICAN AMERICAN                 | 1      | 82   | 82  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70E_NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER | 1      | 83   | 83  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM70F_WHITE                                     | 1      | 84   | 84  | Alphanumeric              | 1*                                                 |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 71     | SEX                                               | 1      | 85   | 85  | Numeric                   | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 72     | RECEIVES FEDERAL DISABILITY BENEFITS              |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | UNDER NON-SSA PROGRAMS                            | 1      | 86   | 86  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM72B_RECEIVES SSI UNDER TITLE XVI-SSI          | 1      | 87   | 87  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 73     | RELATIONSHIP TO HEAD OF HOUSEHOLD                 | 2      | 88   | 89  | Numeric                   | 1*                                                 | 2* |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 74     | PARENT WITH MINOR CHILD                           | 1      | 90   | 90  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 75     | EDUCATIONAL LEVEL                                 | 2      | 91   | 92  | Alphanumeric              | 1                                                  | 2  |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 76     | CITIZENSHIP/IMMIGRATION STATUS                    | 1      | 93   | 93  | Alphanumeric              | 1                                                  |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
| 77     | AMOUNT OF UNEARNED INCOME                         |        |      |     |                           |                                                    |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM77A_SSI                                       | 4      | 94   | 97  | Alphanumeric              | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | ITEM77B_OTHER UNEARNED INCOME                     | 4      | 98   | 101 | Alphanumeric              | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |  |  |  |
|        | BLANK                                             | 55     | 102  | 156 | Spaces                    | 55 SPACES                                          |    |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |

**LAYOUT FOR SECTION 2 DISAGGREGATED  
FAMILY LEVEL DATA**

[illegible]



LAYOUT FOR SECTION 2 DISAGGREGATED  
PERSON LEVEL DATA

| ITEM # | DESCRIPTION                                                                           | LENGTH | FROM | TO | COMMENTS (DATA TYPE) | Example of Contents (If BOLD & Blue = fixed value) |   |   |   |   |   |   |   |   |   |   |  |
|--------|---------------------------------------------------------------------------------------|--------|------|----|----------------------|----------------------------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|        | RECORD TYPE                                                                           | 2      | 1    | 2  | "TS" SECTION 2       | T                                                  | 5 |   |   |   |   |   |   |   |   |   |  |
| 4      | REPORTING MONTH                                                                       | 6      | 3    | 8  | Numeric              | Y                                                  | Y | Y | Y | M | M |   |   |   |   |   |  |
| 6      | CASE NUMBER                                                                           | 11     | 9    | 19 | Alphanumeric         | A                                                  | B | C | 1 | 2 | 3 | A | B | C | 4 | 5 |  |
| 14     | FAMILY AFFILIATION                                                                    | 1      | 20   | 20 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 15     | DATE OF BIRTH                                                                         | 8      | 21   | 28 | Numeric              | Y                                                  | Y | Y | Y | M | M | D | D |   |   |   |  |
| 16     | SOCIAL SECURITY NUMBER                                                                | 9      | 29   | 37 | Alphanumeric         | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |  |
| 17     | RACE/ETHNICITY                                                                        |        |      |    |                      |                                                    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17A_HISPANIC OR LATINO                                                            | 1      | 38   | 38 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17B_AMERICAN INDIAN OR ALASKA NATIVE                                              | 1      | 39   | 39 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17C_ASIAN                                                                         | 1      | 40   | 40 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17D_BLACK OR AFRICAN AMERICAN                                                     | 1      | 41   | 41 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17E_NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                     | 1      | 42   | 42 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM17F_WHITE                                                                         | 1      | 43   | 43 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
| 18     | SEX                                                                                   | 1      | 44   | 44 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 19     | RECEIVES DISABILITY BENEFITS                                                          |        |      |    |                      |                                                    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM19A_RECEIVED FEDERAL DISABILITY INSURANCE BENEFITS UNDER THE OASDI PROGRAM        | 1      | 45   | 45 | Alphanumeric         | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM19B_RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER NON-SSA PROGRAMS   | 1      | 46   | 46 | Alphanumeric         | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM19C_RECEIVED AID TO THE PERMANENTLY & TOTALLY DISABLED UNDER TITLE XIV-APDT       | 1      | 47   | 47 | Alphanumeric         | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM19D_NO LONGER IN USE                                                              | 1      | 48   | 48 | Alphanumeric         | 0                                                  |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM19E_RECEIVED SSI UNDER TITLE XVI-SSI                                              | 1      | 49   | 49 | Alphanumeric         | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 20     | MARITAL STATUS                                                                        | 1      | 50   | 50 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
| 21     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                     | 2      | 51   | 52 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 22     | PARENT WITH MINOR CHILD IN THE FAMILY                                                 | 1      | 53   | 53 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
| 23     | NEEDS OF A PREGNANT WOMAN -NO LONGER IN USE                                           | 1      | 54   | 54 | Alphanumeric         | 0                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 24     | EDUCATIONAL LEVEL                                                                     | 2      | 55   | 56 | Alphanumeric         | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |
| 25     | CITIZENSHIP/IMMIGRATION STATUS                                                        | 1      | 57   | 57 | Alphanumeric         | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 26     | NUMBER OF COUNTABLE MONTHS TOWARD FEDERAL TIME LIMIT                                  | 3      | 58   | 60 | Alphanumeric         | 1                                                  | 2 | 3 |   |   |   |   |   |   |   |   |  |
| 27     | NUMBER OF COUNTABLE MONTHS REMAINING UNDER STATE/TRIBAL TIME LIMIT - NO LONGER IN USE | 2      | 61   | 62 | Alphanumeric         | 0                                                  | 0 |   |   |   |   |   |   |   |   |   |  |
| 28     | EMPLOYMENT STATUS                                                                     | 1      | 63   | 63 | Alphanumeric         | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |
| 29     | AMOUNT OF EARNED INCOME                                                               | 4      | 64   | 67 | Alphanumeric         | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |
| 30     | AMOUNT OF UNEARNED INCOME                                                             | 4      | 68   | 71 | Alphanumeric         | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |

TANF  
LAYOUT FOR SECTION 3 AGGREGATED DATA

| ITEM # | DESCRIPTION                             | LENGTH | FROM | TO  | COMMENTS (DATA TYPE)                            | Example of Contents (If <b>BOLD &amp; Blue</b> = fixed value) |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|--------|-----------------------------------------|--------|------|-----|-------------------------------------------------|---------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|
|        | RECORD TYPE                             | 2      | 1    | 2   | "TB" ONE PER QUARTER                            | T                                                             | B |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 3      | CALENDAR QUARTER                        |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | CALENDAR YEAR                           | 4      | 3    | 6   | Numeric                                         | 2                                                             | 0 | 2 | 3 |   |   |   |   |   |   |   |   |  |  |  |  |
|        | CALENDAR QUARTER                        | 1      | 7    | 7   | Numeric                                         | 1                                                             |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 4      | TOTAL NUMBER OF APPLICATIONS            |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 4 FIRST MONTH                      | 8      | 8    | 15  | Numeric; First month, sum(item5+item6)          | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 4 SECOND MONTH                     | 8      | 16   | 23  | Numeric; Second month, sum(item5+item6)         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 4 THIRD MONTH                      | 8      | 24   | 31  | Numeric; Third month, sum(item5+item6)          | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 5      | TOTAL NUMBER OF APPROVED APPLICATIONS   |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 5 FIRST MONTH                      | 8      | 32   | 39  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 5 SECOND MONTH                     | 8      | 40   | 47  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 5 THIRD MONTH                      | 8      | 48   | 55  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 6      | TOTAL NUMBER OF DENIED APPLICATIONS     |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 6 FIRST MONTH                      | 8      | 56   | 63  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 6 SECOND MONTH                     | 8      | 64   | 71  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 6 THIRD MONTH                      | 8      | 72   | 79  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 7      | TOTAL AMOUNT OF ASSISTANCE              |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 7 FIRST MONTH                      | 12     | 80   | 91  | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 0 | 1 | 2 |  |  |  |  |
|        | ITEM 7 SECOND MONTH                     | 12     | 92   | 103 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 0 | 1 | 2 |  |  |  |  |
|        | ITEM 7 THIRD MONTH                      | 12     | 104  | 115 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 0 | 1 | 2 |  |  |  |  |
| 8      | TOTAL NUMBER OF FAMILIES                |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 8 FIRST MONTH                      | 8      | 116  | 123 | Numeric; First month sum(item9+item10+item11)   | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 8 SECOND MONTH                     | 8      | 124  | 131 | Numeric; Second month, sum(item9+item10+item11) | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 8 THIRD MONTH                      | 8      | 132  | 139 | Numeric; Third month, sum(item9+item10+item11)  | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 9      | TOTAL NUMBER OF 2 PARENT FAMILIES       |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 9 FIRST MONTH                      | 8      | 140  | 147 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 9 SECOND MONTH                     | 8      | 148  | 155 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 9 THIRD MONTH                      | 8      | 156  | 163 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 10     | TOTAL NUMBER OF 1 PARENT FAMILIES       |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 10 FIRST MONTH                     | 8      | 164  | 171 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 10 SECOND MONTH                    | 8      | 172  | 179 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 10 THIRD MONTH                     | 8      | 180  | 187 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 11     | TOTAL NUMBER OF NO PARENT FAMILIES      |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 11 FIRST MONTH                     | 8      | 188  | 195 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 11 SECOND MONTH                    | 8      | 196  | 203 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 11 THIRD MONTH                     | 8      | 204  | 211 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 12     | TOTAL NUMBER OF RECIPIENTS              |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 12 FIRST MONTH                     | 8      | 212  | 219 | Numeric; First month, sum(item13+item14)        | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 12 SECOND MONTH                    | 8      | 220  | 227 | Numeric; Second month, sum(item13+item14)       | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 12 THIRD MONTH                     | 8      | 228  | 235 | Numeric; Third month, sum(item13+item14)        | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 13     | TOTAL NUMBER OF ADULT RECIPIENTS        |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 13 FIRST MONTH                     | 8      | 236  | 243 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 13 SECOND MONTH                    | 8      | 244  | 251 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 13 THIRD MONTH                     | 8      | 252  | 259 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 14     | TOTAL NUMBER OF CHILD RECIPIENTS        |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 14 FIRST MONTH                     | 8      | 260  | 267 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 14 SECOND MONTH                    | 8      | 268  | 275 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 14 THIRD MONTH                     | 8      | 276  | 283 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 15     | TOTAL NUMBER OF NONCUSTODIAL RECIPIENTS |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 15 FIRST MONTH                     | 8      | 284  | 291 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 15 SECOND MONTH                    | 8      | 292  | 299 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 15 THIRD MONTH                     | 8      | 300  | 307 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 16     | TOTAL NUMBER OF BIRTHS                  |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 16 FIRST MONTH                     | 8      | 308  | 315 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 16 SECOND MONTH                    | 8      | 316  | 323 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 16 THIRD MONTH                     | 8      | 324  | 331 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 17     | TOTAL NUMBER OF OUT OF WEDLOCK BIRTHS   |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 17 FIRST MONTH                     | 8      | 332  | 339 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 17 SECOND MONTH                    | 8      | 340  | 347 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 17 THIRD MONTH                     | 8      | 348  | 355 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
| 18     | TOTAL NUMBER OF CLOSED CASES            |        |      |     |                                                 |                                                               |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM 18 FIRST MONTH                     | 8      | 356  | 363 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 18 SECOND MONTH                    | 8      | 364  | 371 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |
|        | ITEM 18 THIRD MONTH                     | 8      | 372  | 379 | Numeric                                         | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 | 8 |   |   |   |   |  |  |  |  |

TANF  
LAYOUT FOR SECTION 4 AGGREGATED STRATIFIED DATA

| ITEM # | DESCRIPTION              | LENGTH | FROM | TO  | COMMENTS (DATA TYPE) | Example of Contents (If BOLD & Blue = fixed value) |   |   |   |   |   |   |
|--------|--------------------------|--------|------|-----|----------------------|----------------------------------------------------|---|---|---|---|---|---|
|        | RECORD TYPE              | 2      | 1    | 2   | "T7" ONE PER QUARTER | T                                                  | 7 |   |   |   |   |   |
| 3      | CALENDAR QUARTER         |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | CALENDAR YEAR            | 4      | 3    | 6   | Numeric              | 2                                                  | 0 | 2 | 3 |   |   |   |
|        | CALENDAR QUARTER         | 1      | 7    | 7   | Numeric              | 1                                                  |   |   |   |   |   |   |
| 4      | TDRS SECTION INDICATOR   | 1      | 8    | 8   | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-1                | 2      | 9    | 10  | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 11   | 17  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 18   | 24  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 25   | 31  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 32   | 32  | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-2                | 2      | 33   | 34  | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 35   | 41  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 42   | 48  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 49   | 55  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 56   | 56  | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-3                | 2      | 57   | 58  | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 59   | 65  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 66   | 72  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 73   | 79  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 80   | 80  | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-4                | 2      | 81   | 82  | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 83   | 89  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 90   | 96  | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 97   | 103 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 104  | 104 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-5                | 2      | 105  | 106 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 107  | 113 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 114  | 120 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 121  | 127 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 128  | 128 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-6                | 2      | 129  | 130 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 131  | 137 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 138  | 144 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 145  | 151 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 152  | 152 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-7                | 2      | 153  | 154 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 155  | 161 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 162  | 168 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 169  | 175 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 176  | 176 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-8                | 2      | 177  | 178 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 179  | 185 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 186  | 192 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 193  | 199 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 200  | 200 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-9                | 2      | 201  | 202 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 203  | 209 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 210  | 216 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 217  | 223 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
| 4      | TDRS SECTION INDICATOR   | 1      | 224  | 224 | Numeric              | 1                                                  |   |   |   |   |   |   |
| 5      | STRATUM-10               | 2      | 225  | 226 | Numeric              | 1                                                  | 2 |   |   |   |   |   |
| 6      | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                    |   |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH       | 7      | 227  | 233 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 SECOND MONTH      | 7      | 234  | 240 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |
|        | ITEM 6 THIRD MONTH       | 7      | 241  | 247 | Numeric              | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 |

Defaults: zero filled and right adjusted for all valid entries  
Blank fill if no data for stratum or # of families  
Can have up to 10 record types T7, each with 10 stratum codes



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[illegible]

SSP  
LAYOUT FOR SECTION 1 DISAGGREGATED  
ADULT CHARACTERISTIC DATA

| ITEM # | DESCRIPTION                                                                        | LENGTH | FROM | TO  | COMMENTS (DATA TYPE)  | Example of Contents (If BOLD & Blue = fixed value) |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|--------|------------------------------------------------------------------------------------|--------|------|-----|-----------------------|----------------------------------------------------|---|---|---|---|---|---|---|---|---|---|--|--|--|--|
|        | RECORD TYPE                                                                        | 2      | 1    | 2   | VALUE = M2 (8 ADULTS) | M                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 3      | REPORTING MONTH                                                                    | 6      | 3    | 8   | Numeric               | Y                                                  | Y | Y | Y | M | M |   |   |   |   |   |  |  |  |  |
| 5      | CASE NUMBER                                                                        | 11     | 9    | 19  | Alphanumeric          | A                                                  | B | C | 1 | 2 | 3 | A | B | C | 4 | 5 |  |  |  |  |
| 26     | FAMILY AFFILIATION                                                                 | 1      | 20   | 20  | Numeric               | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 27     | NONCUSTODIAL PARENT                                                                | 1      | 21   | 21  | Numeric               | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 28     | DATE OF BIRTH ADULT                                                                | 8      | 22   | 29  | Numeric               | Y                                                  | Y | Y | Y | M | M | D | D |   |   |   |  |  |  |  |
| 29     | SOCIAL SECURITY NUMBER                                                             | 9      | 30   | 38  | Alphanumeric          | 1                                                  | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |  |  |  |  |
| 30     | RACE/ETHNICITY                                                                     |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30A HISPANIC OR LATINO                                                         | 1      | 39   | 39  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30B AMERICAN INDIAN OR ALASKA NATIVE                                           | 1      | 40   | 40  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30C ASIAN                                                                      | 1      | 41   | 41  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30D BLACK OR AFRICAN AMERICAN                                                  | 1      | 42   | 42  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30E NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                  | 1      | 43   | 43  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM30F WHITE                                                                      | 1      | 44   | 44  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 31     | SEX                                                                                | 1      | 45   | 45  | Numeric               | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 32     | RECEIVES DISABILITY BENEFITS                                                       |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM32A RECEIVES FEDERAL DISABILITY INSURANCE BENEFITS UNDER OASDI PROGRAM         | 1      | 46   | 46  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM32B RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER ON-SSA PROGRAMS | 1      | 47   | 47  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM32C RECEIVES AID TO THE PERMANENTLY AND TOTALLY DISABLED UNDER TITLE XIV-APDT  | 1      | 48   | 48  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM32D - NO LONGER IN USE                                                         | 1      | 49   | 49  | Alphanumeric          | 0                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM32E RECEIVES SSI UNDER TITLE XVI-SSI                                           | 1      | 50   | 50  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 33     | MARITAL STATUS                                                                     | 1      | 51   | 51  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 34     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                  | 2      | 52   | 53  | Numeric               | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 35     | PARENT WITH MINOR CHILD                                                            | 1      | 54   | 54  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 36     | NEEDS OF A PREGNANT WOMAN - NO LONGER IN USE                                       | 1      | 55   | 55  | Alphanumeric          | 0                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 37     | EDUCATIONAL LEVEL                                                                  | 2      | 56   | 57  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 38     | CITIZENSHIP/IMMIGRATION STATUS                                                     | 1      | 58   | 58  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 39     | COOPERATION WITH CHILD SUPPORT                                                     | 1      | 59   | 59  | Alphanumeric          | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 40     | EMPLOYMENT STATUS                                                                  | 1      | 60   | 60  | Alphanumeric          | 1*                                                 |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 41     | WORK ELIGIBLE INDIVIDUAL INDICATOR                                                 | 2      | 61   | 62  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 42     | WORK PARTICIPATION STATUS                                                          | 2      | 63   | 64  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 43     | UNSUBSIDIZED EMPLOYMENT HOURS                                                      | 2      | 65   | 66  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 44     | SUBSIDIZED PRIVATE EMPLOYMENT HOURS                                                | 2      | 67   | 68  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 45     | SUBSIDIZED PUBLIC EMPLOYMENT HOURS                                                 | 2      | 69   | 70  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 46     | WORK EXPERIENCE HOURS OF                                                           |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM46A PARTICIPATION                                                              | 2      | 71   | 72  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM46B EXCUSED ABSENCES                                                           | 2      | 73   | 74  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM46C HOLIDAYS                                                                   | 2      | 75   | 76  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 47     | ON THE JOB TRAINING HOURS                                                          | 2      | 77   | 78  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 48     | JOB SEARCH & JOB READINESS HOURS OF                                                |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM48A PARTICIPATION                                                              | 2      | 79   | 80  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM48B EXCUSED ABSENCES                                                           | 2      | 81   | 82  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM48C HOLIDAYS                                                                   | 2      | 83   | 84  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 49     | COMMUNITY SERVICE PROGRAMS HOURS OF                                                |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM49A PARTICIPATION                                                              | 2      | 85   | 86  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM49B EXCUSED ABSENCES                                                           | 2      | 87   | 88  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM49C HOLIDAYS                                                                   | 2      | 89   | 90  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 50     | VOCATIONAL EDUCATION TRAINING HOURS OF                                             |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM50A PARTICIPATION                                                              | 2      | 91   | 92  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM50B EXCUSED ABSENCES                                                           | 2      | 93   | 94  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM50C HOLIDAYS                                                                   | 2      | 95   | 96  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 51     | JOB SKILLS TRAINING RELATED EMPLOYMENT HOURS OF                                    |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM51A PARTICIPATION                                                              | 2      | 97   | 98  | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM51B EXCUSED ABSENCES                                                           | 2      | 99   | 100 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM51C HOLIDAYS                                                                   | 2      | 101  | 102 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 52     | ED. RELATED TO EMPLOYMENT W/O HS DIPLOMA HOURS OF                                  |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM52A PARTICIPATION                                                              | 2      | 103  | 104 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM52B EXCUSED ABSENCES                                                           | 2      | 105  | 106 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM52C HOLIDAYS                                                                   | 2      | 107  | 108 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 53     | SATISFACTORY SCHOOL ATTENDANCE HOURS OF                                            |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM53A PARTICIPATION                                                              | 2      | 109  | 110 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM53B EXCUSED ABSENCES                                                           | 2      | 111  | 112 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM53C HOLIDAYS                                                                   | 2      | 113  | 114 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 54     | PROVIDING CHILD CARE HOURS OF                                                      |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM54A PARTICIPATION                                                              | 2      | 115  | 116 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM54B EXCUSED ABSENCES                                                           | 2      | 117  | 118 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM54C HOLIDAYS                                                                   | 2      | 119  | 120 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 55     | OTHER WORK ACTIVITIES                                                              | 2      | 121  | 122 | Alphanumeric          | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 56     | DEEMED CORE HOURS FOR OVERALL RATE                                                 | 2      | 123  | 124 | Alphanumeric          | 0                                                  | 0 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 57     | DEEMED CORE HOURS FOR THE TWO-PARENT RATE                                          | 2      | 125  | 126 | Alphanumeric          | 0                                                  | 0 |   |   |   |   |   |   |   |   |   |  |  |  |  |
| 58     | AMOUNT OF EARNED INCOME                                                            | 4      | 127  | 130 | Alphanumeric          | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |
| 59     | AMOUNT OF UNEARNED INCOME                                                          |        |      |     |                       |                                                    |   |   |   |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM59A - NO LONGER IN USE                                                         | 4      | 131  | 134 | Alphanumeric          | 0                                                  | 0 | 0 | 0 |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM59B SOCIAL SECURITY                                                            | 4      | 135  | 138 | Alphanumeric          | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM59C SSI                                                                        | 4      | 139  | 142 | Alphanumeric          | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM59D WORKER'S COMPENSATION                                                      | 4      | 143  | 146 | Alphanumeric          | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |
|        | ITEM59E OTHER UNEARNED INCOME                                                      | 4      | 147  | 150 | Alphanumeric          | 1                                                  | 2 | 3 | 4 |   |   |   |   |   |   |   |  |  |  |  |



LAYOUT FOR SECTION 1 DISAGGREGATED  
CHILD CHARACTERISTIC DATA

| ITEM # | DESCRIPTION                                                                         | LENGTH | FROM | TO  | COMMENTS (DATA TYPE)<br>VALUE = M3 (MAX 5 PER CASE) | Example of Contents (If BOLD & Blue = fixed value) |    |   |   |   |   |   |   |   |   |   |   |  |
|--------|-------------------------------------------------------------------------------------|--------|------|-----|-----------------------------------------------------|----------------------------------------------------|----|---|---|---|---|---|---|---|---|---|---|--|
|        |                                                                                     |        |      |     |                                                     | M                                                  | 1  | 3 | Y | Y | Y | Y | Y | Y | Y | M | M |  |
| 3      | REPORTING MONTH                                                                     | 2      | 1    | 2   |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
| 5      | CASE NUMBER                                                                         | 6      | 3    | 8   | Numeric                                             | Y                                                  | Y  | Y | Y | Y | Y | Y | Y | Y | Y | M | M |  |
| 60     | FAMILY AFFILIATION - CHILD                                                          | 11     | 9    | 19  | Alphanumeric                                        | A                                                  | B  | C | 1 | 2 | 3 | A | B | C | 4 | 5 |   |  |
| 61     | DATE OF BIRTH - CHILD                                                               | 1      | 20   | 20  | Numeric; CHILD 1,3,5,7,9                            | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 62     | SOCIAL SECURITY NUMBER                                                              | 8      | 21   | 28  | Numeric                                             | Y                                                  | Y  | Y | Y | Y | Y | M | D | D |   |   |   |  |
| 63     | RACE/ETHNICITY                                                                      | 9      | 29   | 37  | Alphanumeric                                        | 1                                                  | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |   |  |
|        | ITEM63A_HISPANIC OR LATINO                                                          | 1      | 38   | 38  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63B_AMERICAN INDIAN OR ALASKA NATIVE                                            | 1      | 39   | 39  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63C_ASIAN                                                                       | 1      | 40   | 40  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63D_BLACK OR AFRICAN AMERICAN                                                   | 1      | 41   | 41  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63E_NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                   | 1      | 42   | 42  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63F_WHITE                                                                       | 1      | 43   | 43  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
| 64     | SEX                                                                                 | 1      | 44   | 44  | Numeric                                             | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 65     | RECEIVES DISABILITY BENEFITS                                                        |        |      |     |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM65A_RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER NON-SSI PROGRAMS | 1      | 45   | 45  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM65B_RECEIVES SSI UNDER TITLE XVI-SSI                                            | 1      | 46   | 46  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 66     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                   | 2      | 47   | 48  | Numeric                                             | 1*                                                 | 2* |   |   |   |   |   |   |   |   |   |   |  |
| 67     | PARENT WITH MINOR CHILD                                                             | 1      | 49   | 49  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 68     | EDUCATIONAL LEVEL                                                                   | 2      | 50   | 51  | Alphanumeric                                        | 1*                                                 | 2* |   |   |   |   |   |   |   |   |   |   |  |
| 69     | CITIZENSHIP/IMMIGRATION STATUS                                                      | 1      | 52   | 52  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
| 70     | AMOUNT OF UNEARNED INCOME                                                           |        |      |     |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM70A_SSI                                                                         | 4      | 53   | 56  | Alphanumeric                                        | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |   |  |
|        | ITEM70B_OTHER UNEARNED INCOME                                                       | 4      | 57   | 60  | Alphanumeric                                        | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |   |  |
| 60     | FAMILY AFFILIATION - CHILD                                                          | 1      | 61   | 61  | Numeric; CHILD 2,4,6,8,10                           | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 61     | DATE OF BIRTH ADULT - CHILD                                                         | 8      | 62   | 69  | Numeric                                             | Y                                                  | Y  | Y | Y | Y | Y | M | D | D |   |   |   |  |
| 62     | SOCIAL SECURITY NUMBER                                                              | 9      | 70   | 78  | Numeric                                             | 1                                                  | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 |   |   |   |  |
| 63     | RACE/ETHNICITY                                                                      |        |      |     |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63A_HISPANIC OR LATINO                                                          | 1      | 79   | 79  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63B_AMERICAN INDIAN OR ALASKA NATIVE                                            | 1      | 80   | 80  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63C_ASIAN                                                                       | 1      | 81   | 81  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63D_BLACK OR AFRICAN AMERICAN                                                   | 1      | 82   | 82  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63E_NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                   | 1      | 83   | 83  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM63F_WHITE                                                                       | 1      | 84   | 84  | Alphanumeric                                        | 1*                                                 |    |   |   |   |   |   |   |   |   |   |   |  |
| 64     | SEX                                                                                 | 1      | 85   | 85  | Numeric                                             | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 65     | RECEIVES DISABILITY BENEFITS                                                        |        |      |     |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM65A_RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER NON-SSI PROGRAMS | 1      | 86   | 86  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM65B_RECEIVES SSI UNDER TITLE XVI-SSI                                            | 1      | 87   | 87  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 66     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                   | 2      | 88   | 89  | Numeric                                             | 1*                                                 | 2* |   |   |   |   |   |   |   |   |   |   |  |
| 67     | PARENT WITH MINOR CHILD                                                             | 1      | 90   | 90  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 68     | EDUCATIONAL LEVEL                                                                   | 2      | 91   | 92  | Alphanumeric                                        | 1                                                  | 2  |   |   |   |   |   |   |   |   |   |   |  |
| 69     | CITIZENSHIP/IMMIGRATION STATUS                                                      | 1      | 93   | 93  | Alphanumeric                                        | 1                                                  |    |   |   |   |   |   |   |   |   |   |   |  |
| 70     | AMOUNT OF UNEARNED INCOME                                                           |        |      |     |                                                     |                                                    |    |   |   |   |   |   |   |   |   |   |   |  |
|        | ITEM70A_SSI                                                                         | 4      | 94   | 97  | Alphanumeric                                        | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |   |  |
|        | ITEM70B_OTHER UNEARNED INCOME                                                       | 4      | 98   | 101 | Alphanumeric                                        | 1                                                  | 2  | 3 | 4 |   |   |   |   |   |   |   |   |  |
|        | BLANK                                                                               | 49     | 102  | 150 | Spaces                                              | 49 SPACES                                          |    |   |   |   |   |   |   |   |   |   |   |  |



LAYOUT FOR SECTION 2 DISAGGREGATED  
FAMILY LEVEL DATA

| ITEM # | RECORD TYPE                    | DESCRIPTION | LENGTH | FROM | TO | COMMENTS (DATA TYPE) | Example of Contents (if BOLD & Blue = fixed value) |   |   |   |   |   |   |   |   |   |   |  |
|--------|--------------------------------|-------------|--------|------|----|----------------------|----------------------------------------------------|---|---|---|---|---|---|---|---|---|---|--|
|        |                                |             | 2      | 1    | 2  | VALUE = M4           | M                                                  | 4 |   |   |   |   |   |   |   |   |   |  |
| 3      | REPORTING MONTH                |             | 6      | 3    | 8  | Numeric              | Y                                                  | Y | Y | Y | M | M |   |   |   |   |   |  |
| 5      | CASE NUMBER                    |             | 11     | 9    | 19 | Alphanumeric         | A                                                  | B | C | 1 | 2 | 3 | A | B | C | 4 | 5 |  |
| 2      | COUNTY FIPS CODE               |             | 3      | 20   | 22 | Numeric              | 1                                                  | 2 | 3 |   |   |   |   |   |   |   |   |  |
| 4      | STRATUM                        |             | 2      | 23   | 24 | Numeric              | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |
| 6      | ZIP CODE                       |             | 5      | 25   | 29 | Alphanumeric         | 1                                                  | 2 | 3 | 4 | 5 |   |   |   |   |   |   |  |
| 7      | DISPOSITION                    |             | 1      | 30   | 30 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 8      | REASON FOR CLOSURE             |             | 2      | 31   | 32 | Numeric              | 1                                                  | 2 |   |   |   |   |   |   |   |   |   |  |
| 9      | RECEIVES SUBSIDIZED HOUSING    |             | 1      | 33   | 33 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 10     | RECEIVES MEDICAL ASSISTANCE    |             | 1      | 34   | 34 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 11     | RECEIVES FOOD STAMPS           |             | 1      | 35   | 35 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
| 12     | RECEIVES SUBSIDIZED CHILD CARE |             | 1      | 36   | 36 | Numeric              | 1                                                  |   |   |   |   |   |   |   |   |   |   |  |
|        | BLANK                          |             | 30     | 37   | 66 | SPACES               | 30 SPACES                                          |   |   |   |   |   |   |   |   |   |   |  |

OMB #0970-0336. expires 10/31/2026



LAYOUT FOR SECTION 2 DISAGGREGATED  
PERSON LEVEL DATA

| ITEM # | DESCRIPTION                                             | LENGTH | FROM | TO | COMMENTS (DATA TYPE)<br>VALUE = M5 | Example of Contents (If <b>BOLD</b> & <b>Blue</b> = fixed value) |   |   |   |   |   |   |   |   |     |
|--------|---------------------------------------------------------|--------|------|----|------------------------------------|------------------------------------------------------------------|---|---|---|---|---|---|---|---|-----|
|        | RECORD TYPE                                             | 2      | 1    | 2  |                                    | M                                                                | 1 | 5 |   |   |   |   |   |   |     |
| 3      | REPORTING MONTH                                         | 6      | 3    | 8  | Numeric                            | Y                                                                | Y | Y | Y | Y | M | M |   |   |     |
| 5      | CASE NUMBER                                             | 11     | 9    | 19 | Alphanumeric                       | A                                                                | B | C | 1 | 2 | 3 | A | B | C | 4 5 |
| 13     | FAMILY AFFILIATION                                      | 1      | 20   | 20 | Numeric                            | 1                                                                |   |   |   |   |   |   |   |   |     |
| 14     | DATE OF BIRTH                                           | 8      | 21   | 28 | Numeric                            | Y                                                                | Y | Y | Y | Y | M | D | D |   |     |
| 15     | SOCIAL SECURITY NUMBER                                  | 9      | 29   | 37 | Alphanumeric                       | 1                                                                | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |     |
| 16     | RACE/ETHNICITY                                          |        |      |    |                                    |                                                                  |   |   |   |   |   |   |   |   |     |
|        | ITEM17A_ HISPANIC OR LATINO                             | 1      | 38   | 38 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
|        | ITEM17B_ AMERICAN INDIAN OR ALASKA NATIVE               | 1      | 39   | 39 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
|        | ITEM17C_ ASIAN                                          | 1      | 40   | 40 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
|        | ITEM17D_ BLACK OR AFRICAN AMERICAN                      | 1      | 41   | 41 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
|        | ITEM17E_ NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER      | 1      | 42   | 42 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
|        | ITEM17F_ WHITE                                          | 1      | 43   | 43 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
| 17     | SEX                                                     | 1      | 44   | 44 | Numeric                            | 1                                                                |   |   |   |   |   |   |   |   |     |
| 18     | RECEIVES DISABILITY BENEFITS                            |        |      |    |                                    |                                                                  |   |   |   |   |   |   |   |   |     |
|        | ITEM18A_ RECEIVED FEDERAL DISABILITY INSURANCE BENEFITS | 1      | 45   | 45 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
|        | UNDER OASDI PROGRAM                                     |        |      |    |                                    |                                                                  |   |   |   |   |   |   |   |   |     |
|        | ITEM18B_ RECEIVED BENEFITS BASED ON FEDERAL DISABILITY  | 1      | 46   | 46 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
|        | STATUS UNDER NON-SSA PROGRAMS                           |        |      |    |                                    |                                                                  |   |   |   |   |   |   |   |   |     |
|        | ITEM18C_ RECEIVED AID TO THE PERMANENTLY AND TOTALLY    | 1      | 47   | 47 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
|        | DISABLED UNDER TITLE XIV-APDT                           |        |      |    |                                    |                                                                  |   |   |   |   |   |   |   |   |     |
|        | ITEM18D - NO LONGER IN USE                              | 1      | 48   | 48 | Alphanumeric                       | 0                                                                |   |   |   |   |   |   |   |   |     |
|        | ITEM18E_ RECEIVED SSI UNDER TITLE XVI-SSI               | 1      | 49   | 49 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
| 19     | MARITAL STATUS                                          | 1      | 50   | 50 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
| 20     | RELATIONSHIP TO HEAD OF HOUSEHOLD                       | 2      | 51   | 52 | Numeric                            | 1                                                                |   |   |   |   |   |   |   |   |     |
| 21     | PARENT WITH MINOR CHILD IN THE FAMILY                   | 1      | 53   | 53 | Alphanumeric                       | 1*                                                               |   |   |   |   |   |   |   |   |     |
| 22     | NEEDS OF A PREGNANT WOMAN - NO LONGER IN USE            | 1      | 54   | 54 | Alphanumeric                       | 0                                                                |   |   |   |   |   |   |   |   |     |
| 23     | EDUCATIONAL LEVEL                                       | 2      | 55   | 56 | Alphanumeric                       | 1                                                                | 2 |   |   |   |   |   |   |   |     |
| 24     | CITIZENSHIP/IMMIGRATION STATUS                          | 1      | 57   | 57 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
| 25     | EMPLOYMENT STATUS                                       | 1      | 58   | 58 | Alphanumeric                       | 1                                                                |   |   |   |   |   |   |   |   |     |
| 26     | AMOUNT OF EARNED INCOME                                 | 4      | 59   | 62 | Alphanumeric                       | 1                                                                | 2 | 3 | 4 |   |   |   |   |   |     |
| 27     | AMOUNT OF UNEARNED INCOME                               | 4      | 63   | 66 | Alphanumeric                       | 1                                                                | 2 | 3 | 4 |   |   |   |   |   |     |

Up to 16 persons per case

OMB #0970-0338, expires 10/31/2026



## LAYOUT FOR SECTION 3 AGGREGATED DATA

| ITEM # | RECORD TYPE                                             | DESCRIPTION | LENGTH | FROM | TO  | COMMENTS (DATA TYPE)                         | Example of Contents (If BOLD & Blue = fixed value) |   |   |   |   |   |
|--------|---------------------------------------------------------|-------------|--------|------|-----|----------------------------------------------|----------------------------------------------------|---|---|---|---|---|
|        |                                                         |             |        |      |     |                                              | M                                                  | 6 |   |   |   |   |
| 2      | RECORD TYPE                                             |             | 2      | 1    | 2   | "M6" ONE PER QUARTER                         |                                                    |   |   |   |   |   |
|        | CALENDAR QUARTER                                        |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | CALENDAR YEAR                                           |             | 4      | 3    | 6   | Numeric                                      | 2                                                  | 0 | 2 | 3 |   |   |
| 3      | CALENDAR QUARTER                                        |             | 1      | 7    | 7   | Numeric                                      | 1                                                  |   |   |   |   |   |
|        | TOTAL NUMBER OF SSP-MOE FAMILIES                        |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 3 FIRST MONTH                                      |             | 8      | 8    | 15  | Numeric; First month sum(item4+item5+item6)  | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 4      | ITEM 3 SECOND MONTH                                     |             | 8      | 16   | 23  | Numeric; Second month sum(item4+item5+item6) | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 3 THIRD MONTH                                      |             | 8      | 24   | 31  | Numeric; Third month sum(item4+item5+item6)  | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF 2 PARENT FAMILIES                       |             |        |      |     |                                              |                                                    |   |   |   |   |   |
| 5      | ITEM 4 FIRST MONTH                                      |             | 8      | 32   | 39  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 4 SECOND MONTH                                     |             | 8      | 40   | 47  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 4 THIRD MONTH                                      |             | 8      | 48   | 55  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 6      | TOTAL NUMBER OF 1 PARENT FAMILIES                       |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 5 FIRST MONTH                                      |             | 8      | 56   | 63  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 5 SECOND MONTH                                     |             | 8      | 64   | 71  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 7      | ITEM 5 THIRD MONTH                                      |             | 8      | 72   | 79  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF NO PARENT FAMILIES                      |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 6 FIRST MONTH                                      |             | 8      | 80   | 87  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 8      | ITEM 6 SECOND MONTH                                     |             | 8      | 88   | 95  | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 6 THIRD MONTH                                      |             | 8      | 96   | 103 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF RECIPIENTS                              |             |        |      |     |                                              |                                                    |   |   |   |   |   |
| 9      | ITEM 7 FIRST MONTH                                      |             | 8      | 104  | 111 | Numeric; First month sum(item8+item9)        | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 7 SECOND MONTH                                     |             | 8      | 112  | 119 | Numeric; Second month sum(item8+item9)       | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 7 THIRD MONTH                                      |             | 8      | 120  | 127 | Numeric; Third month sum(item8+item9)        | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 10     | TOTAL NUMBER OF ADULT RECIPIENTS                        |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 8 FIRST MONTH                                      |             | 8      | 128  | 135 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 8 SECOND MONTH                                     |             | 8      | 136  | 143 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 11     | ITEM 8 THIRD MONTH                                      |             | 8      | 144  | 151 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF CHILD RECIPIENTS                        |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 9 FIRST MONTH                                      |             | 8      | 152  | 159 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 12     | ITEM 9 SECOND MONTH                                     |             | 8      | 160  | 167 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 9 THIRD MONTH                                      |             | 8      | 168  | 175 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF NONCUSTODIAL PARENTS IN WORK ACTIVITIES |             |        |      |     |                                              |                                                    |   |   |   |   |   |
| 13     | ITEM 10 FIRST MONTH                                     |             | 8      | 176  | 183 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 10 SECOND MONTH                                    |             | 8      | 184  | 191 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 10 THIRD MONTH                                     |             | 8      | 192  | 199 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 14     | TOTAL AMOUNT OF ASSISTANCE                              |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 11 FIRST MONTH                                     |             | 12     | 200  | 211 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 11 SECOND MONTH                                    |             | 12     | 212  | 223 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 15     | ITEM 11 THIRD MONTH                                     |             | 12     | 224  | 235 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | TOTAL NUMBER OF CLOSED CASES                            |             |        |      |     |                                              |                                                    |   |   |   |   |   |
|        | ITEM 12 FIRST MONTH                                     |             | 8      | 236  | 243 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
| 16     | ITEM 12 SECOND MONTH                                    |             | 8      | 244  | 251 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |
|        | ITEM 12 THIRD MONTH                                     |             | 8      | 252  | 259 | Numeric                                      | 1                                                  | 2 | 3 | 4 | 5 | 6 |

SSP  
LAYOUT FOR SECTION 4 AGGREGATED STRATIFIED DATA

| TEM # | DESCRIPTION              | LENGTH | FROM | TO  | COMMENTS (DATA TYPE) | Example of Contents (If <b>BOLD &amp; Blue</b> = fixed value) |   |   |   |   |   |   |
|-------|--------------------------|--------|------|-----|----------------------|---------------------------------------------------------------|---|---|---|---|---|---|
|       | RECORD TYPE              | 2      | 1    | 2   | "M7" ONE PER QUARTER | M.                                                            | 7 |   |   |   |   |   |
| 2     | CALENDAR QUARTER         |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | CALENDAR YEAR            | 4      | 3    | 6   | Numeric              | 2                                                             | 0 | 2 | 3 |   |   |   |
|       | CALENDAR QUARTER         | 1      | 7    | 7   | Numeric              | 1                                                             |   |   |   |   |   |   |
| 3     | TDRS SECTION INDICATOR   | 1      | 8    | 8   | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-1                | 2      | 9    | 10  | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 11   | 17  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 18   | 24  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 25   | 31  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 32   | 32  | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-2                | 2      | 33   | 34  | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 35   | 41  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 42   | 48  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 49   | 55  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 56   | 56  | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-3                | 2      | 57   | 58  | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 59   | 65  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 66   | 72  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 73   | 79  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 80   | 80  | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-4                | 2      | 81   | 82  | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 83   | 89  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 90   | 96  | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 97   | 103 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 104  | 104 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-5                | 2      | 105  | 106 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 107  | 113 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 114  | 120 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 121  | 127 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 128  | 128 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-6                | 2      | 129  | 130 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 131  | 137 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 138  | 144 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 145  | 151 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 152  | 152 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-7                | 2      | 153  | 154 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 155  | 161 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 162  | 168 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 169  | 175 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 176  | 176 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-8                | 2      | 177  | 178 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 179  | 185 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 186  | 192 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 193  | 199 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 200  | 200 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-9                | 2      | 201  | 202 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 203  | 209 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 210  | 216 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 217  | 223 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
| 3     | TDRS SECTION INDICATOR   | 1      | 224  | 224 | Numeric              | 1                                                             |   |   |   |   |   |   |
| 4     | STRATUM-10               | 2      | 225  | 226 | Numeric              | 1                                                             | 2 |   |   |   |   |   |
| 5     | TOTAL NUMBER OF FAMILIES |        |      |     |                      |                                                               |   |   |   |   |   |   |
|       | ITEM 5 FIRST MONTH       | 7      | 227  | 233 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 SECOND MONTH      | 7      | 234  | 240 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |
|       | ITEM 5 THIRD MONTH       | 7      | 241  | 247 | Numeric              | 1                                                             | 2 | 3 | 4 | 5 | 6 | 7 |

# TANF DATA REPORT - SECTION 1 TANF DISAGGREGATED DATA COLLECTION FOR FAMILIES RECEIVING ASSISTANCE UNDER THE TANF PROGRAM

## GENERAL INFORMATION

|                   |                    |                                        |                   |       |          |
|-------------------|--------------------|----------------------------------------|-------------------|-------|----------|
| 1 State FIPS Code | 2 County FIPS Code | 3 Tribal Code<br>(For Tribal Use Only) | 4 Reporting Month |       | 5 Status |
|                   |                    |                                        | Year              | Month |          |
|                   |                    |                                        | Y Y Y Y           | M M   |          |

## FAMILY LEVEL DATA

|                      |               |                             |                                          |
|----------------------|---------------|-----------------------------|------------------------------------------|
| 6 Case Number - TANF | 7 ZIP Code    | 11 Number of Family Members | 12 Type of Family for Work Participation |
|                      |               |                             |                                          |
|                      |               |                             |                                          |
| 8 Funding Stream     | 9 Disposition | 10 New Applicant            |                                          |
|                      |               |                             |                                          |

## ASSISTANCE RECEIVED BY THE FAMILY

|                                |                                          |                         |                                     |                                   |                                    |
|--------------------------------|------------------------------------------|-------------------------|-------------------------------------|-----------------------------------|------------------------------------|
| 13 Receives Subsidized Housing | 14 Receives Medical Assistance           | 15 Receives Food Stamps | 16 Amount of Food Stamps Assistance | 17 Receives Subsidized Child Care | 18 Amount of Subsidized Child Care |
|                                |                                          |                         |                                     |                                   |                                    |
| 19 Amount of Child Support     | 20 Amount of the Family's Cash Resources |                         |                                     |                                   |                                    |
|                                |                                          |                         |                                     |                                   |                                    |



**AMOUNT OF ASSISTANCE RECEIVED AND THE NUMBER OF MONTHS THAT THE FAMILY HAS RECEIVED  
EACH TYPE OF ASSISTANCE UNDER STATE (TRIBAL) TANF PROGRAM**

|                                    |  |                      |  |
|------------------------------------|--|----------------------|--|
| <b>21 Cash and Cash Equivalent</b> |  |                      |  |
| A Amount                           |  | B Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |
| <b>22 TANF Child Care</b>          |  |                      |  |
| A Amount                           |  | B Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |
| B Amount                           |  | C Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |
| <b>23 Transportation</b>           |  |                      |  |
| A Amount                           |  | B Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |
| <b>24 Transitional Services</b>    |  |                      |  |
| A Amount                           |  | B Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |
| <b>25 Other Assistance</b>         |  |                      |  |
| A Amount                           |  | B Number of Months   |  |
| <input type="text"/>               |  | <input type="text"/> |  |

**REASON FOR AND AMOUNT OF REDUCTION IN ASSISTANCE**

|                                                        |  |                                                                 |  |                                                                          |  |                                                 |  |                                                            |  |
|--------------------------------------------------------|--|-----------------------------------------------------------------|--|--------------------------------------------------------------------------|--|-------------------------------------------------|--|------------------------------------------------------------|--|
| <b>26 Reason and Amount of Reduction in Assistance</b> |  |                                                                 |  |                                                                          |  |                                                 |  |                                                            |  |
| <b>A Sanctions</b>                                     |  |                                                                 |  |                                                                          |  |                                                 |  |                                                            |  |
| Total Dollar Amount for Reduction Due to Sanctions     |  | a Work Requirements Sanction                                    |  | b Family Sanction for an Adult with No High School Diploma or Equivalent |  | c Sanction for Teen Parent Not Attending School |  | d Failure to Comply with an Individual Responsibility Plan |  |
| <input type="text"/>                                   |  | <input type="text"/>                                            |  | <input type="text"/>                                                     |  | <input type="text"/>                            |  | <input type="text"/>                                       |  |
| B Recoupment of Prior Overpayment                      |  | C Other                                                         |  | e Reduction Based on Length of Receipt of Assistance                     |  | f Other Non-sanction                            |  | g Is the TANF Family a New Child-Only Family?              |  |
| <input type="text"/>                                   |  | <input type="text"/>                                            |  | <input type="text"/>                                                     |  | <input type="text"/>                            |  | <input type="text"/>                                       |  |
| <b>27 Waiver Evaluation Research Group</b>             |  |                                                                 |  |                                                                          |  |                                                 |  |                                                            |  |
| <input type="text"/>                                   |  | 28 Is the TANF Family Exempt from Federal Time Limit Provisions |  | 29 Is the TANF Family a New Child-Only Family?                           |  |                                                 |  |                                                            |  |
| <input type="text"/>                                   |  | <input type="text"/>                                            |  | <input type="text"/>                                                     |  |                                                 |  |                                                            |  |

PERSON LEVEL DATA

ADULT AND MINOR CHILD HEAD-OF-HOUSEHOLD CHARACTERISTICS

| Adult | 30 Family Affiliation | 31 Non-Custodial Parent Indicator | 32 Date of Birth (Age) | 33 Social Security Number |
|-------|-----------------------|-----------------------------------|------------------------|---------------------------|
|       |                       |                                   | Y Y Y Y Y Y Y Y        |                           |
| 1     |                       |                                   |                        |                           |
| 2     |                       |                                   |                        |                           |
| 3     |                       |                                   |                        |                           |
| 4     |                       |                                   |                        |                           |
| 5     |                       |                                   |                        |                           |
| 6     |                       |                                   |                        |                           |

| Adult | 34 Race/Ethnicity | Race                             | Ethnicity          |
|-------|-------------------|----------------------------------|--------------------|
|       |                   | American Indian of Alaska Native | Hispanic or Latino |
| 1     |                   |                                  |                    |
| 2     |                   |                                  |                    |
| 3     |                   |                                  |                    |
| 4     |                   |                                  |                    |
| 5     |                   |                                  |                    |
| 6     |                   |                                  |                    |

| Adult | 35 Gender | 36 Receives Disability Benefits | Receives Federal Disability Insurance Benefits - OASDI | Receives Benefits Based on Federal Disability Status | Receives Aid Under Title XIV-APDT | Receives Aid Under Title XVI-AABD | Receives Aid Under Title XVI-SSI |
|-------|-----------|---------------------------------|--------------------------------------------------------|------------------------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
|       |           | A                               | B                                                      | C                                                    | D                                 | E                                 | F                                |
| 1     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |
| 2     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |
| 3     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |
| 4     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |
| 5     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |
| 6     |           |                                 |                                                        |                                                      |                                   |                                   |                                  |

| Adult | 37 Marital Status | 38 Relationship to Head of Household | 39 Parent with Minor Child in the Family | 40 Needs of a Pregnant Woman | 41 Educational Level | 42 Citizenship / Alienage |
|-------|-------------------|--------------------------------------|------------------------------------------|------------------------------|----------------------|---------------------------|
| 1     |                   |                                      |                                          |                              |                      |                           |
| 2     |                   |                                      |                                          |                              |                      |                           |
| 3     |                   |                                      |                                          |                              |                      |                           |
| 4     |                   |                                      |                                          |                              |                      |                           |
| 5     |                   |                                      |                                          |                              |                      |                           |
| 6     |                   |                                      |                                          |                              |                      |                           |

| Adult | 43 Cooperation in Child Support | 44 Number of Months Countable Toward Federal Time Limit | 45 Number of Countable Months Remaining Under State's (Tribe's) Time Limit | 46 Is Current Month Exempt From State's (Tribe's) Time Limit | 47 Employment Status | 48 Work-Eligible Individual Indicator | 49 Work Participation |
|-------|---------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------|----------------------|---------------------------------------|-----------------------|
| 1     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |
| 2     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |
| 3     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |
| 4     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |
| 5     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |
| 6     |                                 |                                                         |                                                                            |                                                              |                      |                                       |                       |

| Adult | 50 Unsubsidized Employment | 51 Subsidized Private Sector Employment | 52 Subsidized Public Sector Employment | 53 Work Experience | 54 On-the-Job Training |
|-------|----------------------------|-----------------------------------------|----------------------------------------|--------------------|------------------------|
|       | A                          | B                                       | C                                      | D                  | E                      |
| 1     |                            |                                         |                                        |                    |                        |
| 2     |                            |                                         |                                        |                    |                        |
| 3     |                            |                                         |                                        |                    |                        |
| 4     |                            |                                         |                                        |                    |                        |
| 5     |                            |                                         |                                        |                    |                        |
| 6     |                            |                                         |                                        |                    |                        |

ADULT WORK PARTICIPATION ACTIVITIES

Adult

55 Job Search and Job Readiness Assistance

|   | A Hours of Participation | B Excused Absences | C Holidays |
|---|--------------------------|--------------------|------------|
| 1 |                          |                    |            |
| 2 |                          |                    |            |
| 3 |                          |                    |            |
| 4 |                          |                    |            |
| 5 |                          |                    |            |
| 6 |                          |                    |            |

Adult

57 Vocational Educational Training

|   | A Hours of Participation | B Excused Absences | C Holidays |
|---|--------------------------|--------------------|------------|
| 1 |                          |                    |            |
| 2 |                          |                    |            |
| 3 |                          |                    |            |
| 4 |                          |                    |            |
| 5 |                          |                    |            |
| 6 |                          |                    |            |

Adult

59 Education Directly Related to Employment for Individuals with No High School Diploma or Certificate of High School Equivalency

|   | A Hours of Participation | B Excused Absences | C Holidays |
|---|--------------------------|--------------------|------------|
| 1 |                          |                    |            |
| 2 |                          |                    |            |
| 3 |                          |                    |            |
| 4 |                          |                    |            |
| 5 |                          |                    |            |
| 6 |                          |                    |            |

56 Community Service Programs

|  | A Hours of Participation | B Excused Absences | C Holidays |
|--|--------------------------|--------------------|------------|
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |

58 Job Skills Training Directly Related to Employment

|  | A Hours of Participation | B Excused Absences | C Holidays |
|--|--------------------------|--------------------|------------|
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |

60 Satisfactory School Attendance for Individuals with No High School Diploma or Certificate of High School Equivalency

|  | A Hours of Participation | B Excused Absences | C Holidays |
|--|--------------------------|--------------------|------------|
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |
|  |                          |                    |            |

61 Providing Child Care Services to an Individual Who is Participating in a Community Service Program

Adult

| Hours of Participation |  | Excused Absences |  | C Holidays |  |
|------------------------|--|------------------|--|------------|--|
| A                      |  | B                |  | C          |  |
| 1                      |  |                  |  |            |  |
| 2                      |  |                  |  |            |  |
| 3                      |  |                  |  |            |  |
| 4                      |  |                  |  |            |  |
| 5                      |  |                  |  |            |  |
| 6                      |  |                  |  |            |  |

62 Other Work Activities

|  |  |  |  |  |  |
|--|--|--|--|--|--|
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63 Number of Deemed Core Hours for Overall Rate

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64 Number of Deemed Core Hours for Two-Parent Rate

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AMOUNT OF INCOME, BY TYPE

65 Amount of Unearned Income

A Earned Income Tax Credit - EITC

|  |  |  |  |  |  |
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B Social Security

|  |  |  |  |  |  |
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|  |  |  |  |  |  |

Adult

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |
| 6 |  |  |  |  |  |

C SSI

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |

D Worker's Compensation

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
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|  |  |  |  |  |  |

E Other Unearned Income

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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Adult

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |
| 6 |  |  |  |  |  |

CHILD CHARACTERISTICS

| Child | 67 Family Affiliation | 68 Date of Birth (Age) |   |   |   | 69 Social Security Number |   |   |   |
|-------|-----------------------|------------------------|---|---|---|---------------------------|---|---|---|
|       |                       | Y                      | Y | Y | D | Y                         | Y | Y | D |
| 1     |                       |                        |   |   |   |                           |   |   |   |
| 2     |                       |                        |   |   |   |                           |   |   |   |
| 3     |                       |                        |   |   |   |                           |   |   |   |
| 4     |                       |                        |   |   |   |                           |   |   |   |
| 5     |                       |                        |   |   |   |                           |   |   |   |
| 6     |                       |                        |   |   |   |                           |   |   |   |
| 7     |                       |                        |   |   |   |                           |   |   |   |
| 8     |                       |                        |   |   |   |                           |   |   |   |
| 9     |                       |                        |   |   |   |                           |   |   |   |
| 10    |                       |                        |   |   |   |                           |   |   |   |

| Child | 70 Race/Ethnicity    |                                    |         |                             |                                       |         |
|-------|----------------------|------------------------------------|---------|-----------------------------|---------------------------------------|---------|
|       | A Hispanic or Latino | B American Indian or Alaska Native | C Asian | D Black or African American | E Native Hawaiian or Pacific Islander | F White |
| 1     |                      |                                    |         |                             |                                       |         |
| 2     |                      |                                    |         |                             |                                       |         |
| 3     |                      |                                    |         |                             |                                       |         |
| 4     |                      |                                    |         |                             |                                       |         |
| 5     |                      |                                    |         |                             |                                       |         |
| 6     |                      |                                    |         |                             |                                       |         |
| 7     |                      |                                    |         |                             |                                       |         |
| 8     |                      |                                    |         |                             |                                       |         |
| 9     |                      |                                    |         |                             |                                       |         |
| 10    |                      |                                    |         |                             |                                       |         |

72 Receives Disability Benefits

| Child | 71 Gender | 72 Receives Disability Benefits | 73 Relationship to Head of Household | 74 Parent with Minor Child in the Family | 75 Educational Level |
|-------|-----------|---------------------------------|--------------------------------------|------------------------------------------|----------------------|
| 1     |           |                                 |                                      |                                          |                      |
| 2     |           |                                 |                                      |                                          |                      |
| 3     |           |                                 |                                      |                                          |                      |
| 4     |           |                                 |                                      |                                          |                      |
| 5     |           |                                 |                                      |                                          |                      |
| 6     |           |                                 |                                      |                                          |                      |
| 7     |           |                                 |                                      |                                          |                      |
| 8     |           |                                 |                                      |                                          |                      |
| 9     |           |                                 |                                      |                                          |                      |
| 10    |           |                                 |                                      |                                          |                      |

77 Amount of Unearned Income

| Child | 76 Citizenship / Marriage | 77 Amount of Unearned Income |
|-------|---------------------------|------------------------------|
| 1     |                           |                              |
| 2     |                           |                              |
| 3     |                           |                              |
| 4     |                           |                              |
| 5     |                           |                              |
| 6     |                           |                              |
| 7     |                           |                              |
| 8     |                           |                              |
| 9     |                           |                              |
| 10    |                           |                              |

# TANF DATA REPORT - SECTION 2 TANF DISAGGREGATED DATA COLLECTION FOR FAMILIES NO LONGER RECEIVING ASSISTANCE UNDER THE TANF PROGRAM

## GENERAL INFORMATION

|   |                      |   |                      |   |                                      |   |                              |   |                               |
|---|----------------------|---|----------------------|---|--------------------------------------|---|------------------------------|---|-------------------------------|
| 1 | State FIPS Code      | 2 | County FIPS Code     | 3 | Tribal Code<br>(For Tribal Use Only) | 4 | Reporting Month              | 5 | Stratum                       |
|   | <input type="text"/> |   | <input type="text"/> |   | <input type="text"/>                 |   | Year<br><input type="text"/> |   | Month<br><input type="text"/> |

## FAMILY LEVEL DATA

|   |                      |   |                      |   |                      |   |                      |
|---|----------------------|---|----------------------|---|----------------------|---|----------------------|
| 6 | Case Number - TANF   | 7 | ZIP Code             | 8 | Disposition          | 9 | Reason for Closure   |
|   | <input type="text"/> |   | <input type="text"/> |   | <input type="text"/> |   | <input type="text"/> |

## ASSISTANCE RECEIVED BY THE FAMILY

|    |                             |    |                             |    |                      |    |                                |
|----|-----------------------------|----|-----------------------------|----|----------------------|----|--------------------------------|
| 10 | Received Subsidized Housing | 11 | Received Medical Assistance | 12 | Received Food Stamps | 13 | Received Subsidized Child Care |
|    | <input type="text"/>        |    | <input type="text"/>        |    | <input type="text"/> |    | <input type="text"/>           |

## PERSON LEVEL DATA

| Person | 14                   | Family Affiliation   | 15                   | Date of Birth (Age)  | 16                   | Social Security Number |                      |                      |                      |                      |                      |
|--------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|        |                      |                      | Y                    | Y                    | Y                    | M                      | M                    | M                    | D                    | D                    | D                    |
| 1      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 4      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 5      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 6      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 7      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 8      | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |



**16. Social Security Number**

**15. Date of Birth (Age)**

## 14 Family Affiliation

Person[illegible]

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

9 10 11 12 13 14 15 16

17. Race/Ethnicity

**Ethnicity**

Race

**A. Hispanic or Latino**

**B. American Indian of Alaska**

C AsianD. Black or African American

س

**Native Hawaiian or Pacific**

E. White[illegible][illegible][illegible][illegible][illegible][illegible]

19 Received Disability Benefits

| Person | 18 Gender | Received Federal Disability Insurance Benefits - OASDI |   |   |   | Received Benefits Based on Federal Disability Status |   |   |   | Received Aid Under Title C XIV-APDT |   |   |   | Received Aid Under Title D XVI-AABD |   |   |   | Received Aid Under Title E XVI-SSI |   |   |   |
|--------|-----------|--------------------------------------------------------|---|---|---|------------------------------------------------------|---|---|---|-------------------------------------|---|---|---|-------------------------------------|---|---|---|------------------------------------|---|---|---|
|        |           | A                                                      | B | C | D | E                                                    | F | G | H | I                                   | J | K | L | M                                   | N | O | P | Q                                  | R | S | T |
| 1      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 2      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 3      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 4      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 5      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 6      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 7      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 8      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 9      |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 10     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 11     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 12     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 13     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 14     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 15     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |
| 16     |           |                                                        |   |   |   |                                                      |   |   |   |                                     |   |   |   |                                     |   |   |   |                                    |   |   |   |

| Person | 20. Marital Status | 21. Relationship to Head of Household | 22. Parent with Minor Child in Family | 23. Needs of a Pregnant Woman | 24. Educational Level | 25. Citizenship / Alienage |
|--------|--------------------|---------------------------------------|---------------------------------------|-------------------------------|-----------------------|----------------------------|
| 9      |                    |                                       |                                       |                               |                       |                            |
| 10     |                    |                                       |                                       |                               |                       |                            |
| 11     |                    |                                       |                                       |                               |                       |                            |
| 12     |                    |                                       |                                       |                               |                       |                            |
| 13     |                    |                                       |                                       |                               |                       |                            |
| 14     |                    |                                       |                                       |                               |                       |                            |
| 15     |                    |                                       |                                       |                               |                       |                            |
| 16     |                    |                                       |                                       |                               |                       |                            |

| Person | 26. Number of Months Countable Toward Federal Time Limit | 27. Number of Countable Months Remaining Under State's (Tribe's) Time Limit | 28. Employment Status |
|--------|----------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------|
| 1      |                                                          |                                                                             |                       |
| 2      |                                                          |                                                                             |                       |
| 3      |                                                          |                                                                             |                       |
| 4      |                                                          |                                                                             |                       |
| 5      |                                                          |                                                                             |                       |
| 6      |                                                          |                                                                             |                       |
| 7      |                                                          |                                                                             |                       |
| 8      |                                                          |                                                                             |                       |
| 9      |                                                          |                                                                             |                       |
| 10     |                                                          |                                                                             |                       |
| 11     |                                                          |                                                                             |                       |
| 12     |                                                          |                                                                             |                       |
| 13     |                                                          |                                                                             |                       |
| 14     |                                                          |                                                                             |                       |
| 15     |                                                          |                                                                             |                       |
| 16     |                                                          |                                                                             |                       |

AMOUNT OF INCOME, BY TYPE

| Person | 29. Amount Earned Income |  |  |  |  |  |  |  |  |  | 30. Amount of Unearned Income |  |  |  |  |  |  |  |  |  |
|--------|--------------------------|--|--|--|--|--|--|--|--|--|-------------------------------|--|--|--|--|--|--|--|--|--|
| 1      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 2      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 3      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 4      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 5      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 6      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 7      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 8      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 9      |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 10     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 11     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 12     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 13     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 14     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 15     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |
| 16     |                          |  |  |  |  |  |  |  |  |  |                               |  |  |  |  |  |  |  |  |  |

# TANF DATA REPORT - SECTION 3 TANF AGGREGATED DATA COLLECTION FOR FAMILIES RECEIVING ASSISTANCE UNDER THE TANF PROGRAM

## GENERAL INFORMATION

|                      |                                         |                                                                                                                                                                                                                 |
|----------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. State FIPS Code   | 2. Tribal Code<br>(For Tribal Use Only) | 3. Calendar Quarter                                                                                                                                                                                             |
| <input type="text"/> | <input type="text"/>                    | <div>Year</div> <div> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> </div> <div>Quarter</div> <div> <input type="text"/> <input type="text"/> <input type="text"/> </div> |

## TANF APPLICATIONS

|                                          | First Month          | Second Month         | Third Month          |
|------------------------------------------|----------------------|----------------------|----------------------|
| 4. Total Number of Applications          | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 5. Total Number of Approved Applications | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 6. Total Number of Denied Applications   | <input type="text"/> | <input type="text"/> | <input type="text"/> |

## FAMILIES RECEIVING ASSISTANCE

|                                         | First Month          | Second Month         | Third Month          |
|-----------------------------------------|----------------------|----------------------|----------------------|
| 7. Total Amount of Assistance           | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 8. Total Number of Families             | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 9. Total Number of Two-Parent Families  | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 10. Total Number of One-Parent Families | <input type="text"/> | <input type="text"/> | <input type="text"/> |

11 Total Number of No-Parent Families

12 Total Number of Recipients

13 Total Number of Adult Recipients

14 Total Number of Child Recipients

15 Total Number of Non-Custodial Parents Participating in Work Activities

16 Total Number of Births

17 Total Number of Out-of-Wedlock Births

FAMILIES NO LONGER RECEIVING ASSISTANCE

First Month

Second Month

Third Month

18 Total Number of Closed Cases

All data is Right Adjusted  
 File Names:  
 ADS.E2J.NDMn.TSxx (C:D)  
 ADS.E2J.FTPn.TSxx (FTP)

TRIBAL TANF  
 DISAGGREGATED TANF DATA COLLECTION  
 TRANSMISSION FORMAT SECTION 1  
 FAMILY CASE CHARACTERISTIC DATA

| ITEM # | DESCRIPTION                                                   | LENGTH | FROM | TO  | COMMENTS         |
|--------|---------------------------------------------------------------|--------|------|-----|------------------|
|        | RECORD TYPE                                                   | 2      | 1    | 2   | "T1" - SECTION 1 |
| 4      | REPORTING MONTH                                               | 6      | 3    | 8   | Numeric          |
| 6      | CASE NUMBER                                                   | 11     | 9    | 19  | Alphanumeric     |
| 2      | COUNTY FIPS CODE                                              | 3      | 20   | 22  | Numeric          |
| 5      | STRATUM                                                       | 2      | 23   | 24  | Numeric          |
| 7      | ZIP CODE                                                      | 5      | 25   | 29  | Alphanumeric     |
| 8      | FUNDING STREAM                                                | 1      | 30   | 30  | Numeric          |
| 9      | DISPOSITION                                                   | 1      | 31   | 31  | Numeric          |
| 10     | NEW APPLICANT                                                 | 1      | 32   | 32  | Numeric          |
| 11     | # FAMILY MEMBERS                                              | 2      | 33   | 34  | Numeric          |
| 12     | TYPE OF FAMILY FOR WORK PARTICIPATION                         | 1      | 35   | 35  | Numeric          |
| 13     | RECEIVES SUBSIDIZED HOUSING                                   | 1      | 36   | 36  | Numeric          |
| 14     | RECEIVES MEDICAL ASSISTANCE                                   | 1      | 37   | 37  | Numeric          |
| 15     | RECEIVES FOOD STAMPS                                          | 1      | 38   | 38  | Numeric          |
| 16     | AMOUNT OF FOOD STAMP ASSISTANCE                               | 4      | 39   | 42  | Numeric          |
| 17     | RECEIVES SUBSIDIZED CHILD CARE                                | 1      | 43   | 43  | Numeric          |
| 18     | AMOUNT OF SUBSIDIZED CHILD CARE                               | 4      | 44   | 47  | Numeric          |
| 19     | AMOUNT OF CHILD SUPPORT                                       | 4      | 48   | 51  | Numeric          |
| 20     | AMOUNT OF FAMILY'S CASH RESOURCES                             | 4      | 52   | 55  | Numeric          |
| 21     | CASH & CASH EQUIVALENTS                                       |        |      |     |                  |
|        | ITEM21A AMOUNT                                                | 4      | 56   | 59  | Numeric          |
|        | ITEM21B NBR MONTH                                             | 3      | 60   | 62  | Numeric          |
| 22     | TANF CHILD CARE                                               |        |      |     |                  |
|        | ITEM22A AMOUNT                                                | 4      | 63   | 66  | Numeric          |
|        | ITEM22B CHILDREN COVERED                                      | 2      | 67   | 68  | Numeric          |
|        | ITEM22C NBR MONTHS                                            | 3      | 69   | 71  | Numeric          |
| 23     | TRANSPORTATION                                                |        |      |     |                  |
|        | ITEM23A AMOUNT                                                | 4      | 72   | 75  | Numeric          |
|        | ITEM23B NBR MONTHS                                            | 3      | 76   | 78  | Numeric          |
| 24     | TRANSITIONAL SERVICES                                         |        |      |     |                  |
|        | ITEM24A AMOUNT                                                | 4      | 79   | 82  | Numeric          |
|        | ITEM24B NBR MONTHS                                            | 3      | 83   | 85  | Numeric          |
| 25     | OTHER                                                         |        |      |     |                  |
|        | ITEM25A AMOUNT                                                | 4      | 86   | 89  | Numeric          |
|        | ITEM25B NBR MONTHS                                            | 3      | 90   | 92  | Numeric          |
| 26     | REASON FOR & AMOUNT OF ASSISTANCE Reduction                   |        |      |     |                  |
|        | ITEM26A SANCTIONS REDUCTION AMOUNT                            | 4      | 93   | 96  | Numeric          |
|        | ITEM26A WORK REQUIREMENTS SANCTION                            | 1      | 97   | 97  | Alphanumeric     |
|        | ITEM26A FAMILY SANCTION FOR ADULT, NO HIGH SCHOOL DIPLOMA     | 1      | 98   | 98  | Alphanumeric     |
|        | ITEM26A SANCTION FOR TEEN PARENT NOT ATTENDING SCHOOL         | 1      | 99   | 99  | Alphanumeric     |
|        | ITEM26A NON-COOPERATION WITH CHILD SUPPORT                    | 1      | 100  | 100 | Alphanumeric     |
|        | ITEM26A FAILURE TO COMPLY WITH INDIVIDUAL RESPONSIBILITY PLAN | 1      | 101  | 101 | Alphanumeric     |
|        | ITEM26A OTHER SANCTION                                        | 1      | 102  | 102 | Alphanumeric     |
|        | ITEM26B RECOUPMENT OF PRIOR OVERPAYMENT                       | 4      | 103  | 106 | Alphanumeric     |
|        | ITEM26C OTHER TOTAL REDUCTION AMOUNT                          | 4      | 107  | 110 | Alphanumeric     |
|        | ITEM26C FAMILY CAP                                            | 1      | 111  | 111 | Alphanumeric     |
|        | ITEM26C REDUCTION BASED ON LENGTH OF RECEIPT OF ASSISTANCE    | 1      | 112  | 112 | Alphanumeric     |
|        | ITEM26C OTHER, NON-SANCTION                                   | 1      | 113  | 113 | Alphanumeric     |
| 27     | WAVES EVALUATION CONTROL GRPS                                 | 1      | 114  | 114 | Alphanumeric     |
| 28     | TANF FAMILY EXEMPT FROM TIME LIMITS                           | 2      | 115  | 116 | Numeric          |
| 29     | TANF FAMILY NEW CHILD ONLY FAMILY                             | 1      | 117  | 117 | Numeric          |
|        | BLANK                                                         | 6      | 118  | 122 | SPACES           |

All Data is Right Adjusted

TRIBAL TANF  
DISAGGREGATED TANF DATA COLLECTION  
TRANSMISSION FORMAT SECTION 1  
ADULT DATA

| ITEM # | DESCRIPTION                                                                       | LENGTH | FROM | TO  | COMMENTS                      |
|--------|-----------------------------------------------------------------------------------|--------|------|-----|-------------------------------|
|        | RECORD TYPE                                                                       | 2      | 1    | 2   | "T2" UP TO 6<br>ADULT RECORDS |
| 4      | REPORTING MONTH                                                                   | 6      | 3    | 8   | Numeric                       |
| 6      | CASE NUMBER                                                                       | 11     | 9    | 19  | Alphanumeric                  |
| 30     | FAMILY AFFILIATION                                                                | 1      | 20   | 20  | Numeric                       |
| 31     | NONCUSTODIAL PARENT                                                               | 1      | 21   | 21  | Numeric                       |
| 32     | DATE OF BIRTH                                                                     | 8      | 22   | 29  | Numeric                       |
| 33     | SOCIAL SECURITY NUMBER                                                            | 9      | 30   | 38  | Alphanumeric                  |
| 34     | RACE/ETHNICITY                                                                    |        |      |     |                               |
|        | ITEM34A HISPANIC OR LATINO                                                        | 1      | 39   | 39  | Alphanumeric                  |
|        | ITEM34B AMERICAN INDIAN OR ALASKA NATIVE                                          | 1      | 40   | 40  | Alphanumeric                  |
|        | ITEM34C ASIAN                                                                     | 1      | 41   | 41  | Alphanumeric                  |
|        | ITEM34D BLACK OR AFRICAN AMERICAN                                                 | 1      | 42   | 42  | Alphanumeric                  |
|        | ITEM34E NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                 | 1      | 43   | 43  | Alphanumeric                  |
|        | ITEM34F WHITE                                                                     | 1      | 44   | 44  | Alphanumeric                  |
| 35     | SEX                                                                               | 1      | 45   | 45  | Numeric                       |
| 36     | RECEIVES FEDERAL DISABILITY BENEFITS                                              |        |      |     |                               |
|        | ITEM36A RECEIVES FEDERAL DISABILITY INSURANCE OASDI PROGRAM                       | 1      | 46   | 46  | Alphanumeric                  |
|        | ITEM36B RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS                      | 1      | 47   | 47  | Alphanumeric                  |
|        | ITEM36C RECEIVES AID TO THE PERMANENTLY AND TOTALLY DISABLED UNDER TITLE XIV-APDT | 1      | 48   | 48  | Alphanumeric                  |
|        | ITEM36D RECEIVES AID TO THE AGED, BLIND                                           | 1      | 49   | 49  | Alphanumeric                  |
|        | ITEM36E RECEIVES SUPPLEMENTAL SECURITY INCOME UNDER TITLE XVI-SSI                 | 1      | 50   | 50  | Alphanumeric                  |
| 37     | MARITAL STATUS                                                                    | 1      | 51   | 51  | Alphanumeric                  |
| 38     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                 | 2      | 52   | 53  | Numeric                       |
| 39     | PARENT WITH MINOR CHILD                                                           | 1      | 54   | 54  | Alphanumeric                  |
| 40     | NEEDS OF A PREGNANT WOMAN                                                         | 1      | 55   | 55  | Alphanumeric                  |
| 41     | EDUCATION LEVEL                                                                   | 2      | 56   | 57  | Alphanumeric                  |
| 42     | CITIZENSHIP STATUS                                                                | 1      | 58   | 58  | Alphanumeric                  |
| 43     | COOPERATION WITH CHILD SUPPORT                                                    | 1      | 59   | 59  | Alphanumeric                  |
| 44     | NUMBER OF COUNTABLE MONTHS TOWARD FEDERAL TIME-LIMIT                              | 3      | 60   | 62  | Alphanumeric                  |
| 45     | NUMBER OF COUNTABLE MONTHS REMAINING UNDER STATE/TRIBE TIME-LIMIT                 | 2      | 63   | 64  | Alphanumeric                  |
| 46     | CURRENT MONTH EXEMPT FROM STATE TRIBE TIME-LIMIT                                  | 1      | 65   | 65  | Alphanumeric                  |
| 47     | EMPLOYMENT STATUS                                                                 | 1      | 66   | 66  | Alphanumeric                  |
| 48     | WORK PARTICIPATION STATUS                                                         | 2      | 67   | 68  | Alphanumeric                  |
| 49     | UNSUBSIDIZED EMPLOYMENT                                                           | 2      | 69   | 70  | Alphanumeric                  |
| 50     | SUBSIDIZED PRIVATE EMPLOYMENT                                                     | 2      | 71   | 72  | Alphanumeric                  |
| 51     | SUBSIDIZED PUBLIC EMPLOYMENT                                                      | 2      | 73   | 74  | Alphanumeric                  |
| 52     | WORK EXPERIENCE                                                                   | 2      | 75   | 76  | Alphanumeric                  |
| 53     | ON THE JOB TRAINING                                                               | 2      | 77   | 78  | Alphanumeric                  |
| 54     | JOB SEARCH & JOB READINESS                                                        | 2      | 79   | 80  | Alphanumeric                  |
| 55     | COMMUNITY SVS PROG.                                                               | 2      | 81   | 82  | Alphanumeric                  |
| 56     | VOCATIONAL EDUCATION TRAINING                                                     | 2      | 83   | 84  | Alphanumeric                  |
| 57     | JOB SKILLS TRAINING EMPLOYMENT RELATED                                            | 2      | 85   | 86  | Alphanumeric                  |
| 58     | EDUCATION RELATED TO EMPLOYMENT WITH NO HIGH SCHOOL DIPLOMA                       | 2      | 87   | 88  | Alphanumeric                  |
| 59     | SATISFACTORY SCHOOL ATTENDENCE                                                    | 2      | 89   | 90  | Alphanumeric                  |
| 60     | PROVIDING CHILD CARE                                                              | 2      | 91   | 92  | Alphanumeric                  |
| 61     | ADDITIONAL WORK ACTIVITIES                                                        | 2      | 93   | 94  | Alphanumeric                  |
| 62     | OTHER WORK ACTIVITIES                                                             | 2      | 95   | 96  | Alphanumeric                  |
| 63     | REQUIRED HOURS UNDER WAIVER DEMO                                                  | 2      | 97   | 98  | Alphanumeric                  |
| 64     | AMOUNT OF EARNED INCOME                                                           | 4      | 99   | 102 | Alphanumeric                  |
| 65     | AMOUNT OF UNEARNED INCOME                                                         |        |      |     |                               |
|        | ITEM66A EARNED INCOME TAX CREDIT                                                  | 4      | 103  | 106 | Alphanumeric                  |
|        | ITEM66B SOCIAL SECURITY                                                           | 4      | 107  | 110 | Alphanumeric                  |
|        | ITEM66C SSI                                                                       | 4      | 111  | 114 | Alphanumeric                  |
|        | ITEM66D WORKER'S COMPENSATION                                                     | 4      | 115  | 118 | Alphanumeric                  |
|        | ITEM66E OTHER UNEARNED INCOME                                                     | 4      | 119  | 122 | Alphanumeric                  |
|        | BLANK                                                                             | 1      | 123  | 122 | Spaces                        |



All data is Right Adjusted

TRIBAL TANF  
DISAGGREGATED TANF DATA COLLECTION  
TRANSMISSION FORMAT SECTION 1  
CHILDREN DATA

| ITEM # | DESCRIPTION                                                                         | LENGTH | FROM | TO  | COMMENTS                  |
|--------|-------------------------------------------------------------------------------------|--------|------|-----|---------------------------|
|        | RECORD TYPE                                                                         | 2      | 1    | 2   | "T3" - UP TO 10 CHILDREN  |
| 4      | REPORTING MONTH                                                                     | 6      | 3    | 8   | Numeric                   |
| 6      | CASE NUMBER                                                                         | 11     | 9    | 19  | Alphanumeric              |
| 67     | FAMILY AFFILIATION-1                                                                | 1      | 20   | 20  | Numeric; Child 1,3,5,7,9  |
| 68     | DATE OF BIRTH                                                                       | 8      | 21   | 28  | Numeric                   |
| 69     | SOCIAL SECURITY NUMBER                                                              | 9      | 29   | 37  | Alphanumeric              |
| 70     | RACE/ETHNICITY                                                                      |        |      |     |                           |
|        | ITEM70A HISPANIC OR LATINO                                                          | 1      | 38   | 38  | Alphanumeric              |
|        | ITEM70B AMERICAN INDIAN OR ALASKA NATIVE                                            | 1      | 39   | 39  | Alphanumeric              |
|        | ITEM70C ASIAN                                                                       | 1      | 40   | 40  | Alphanumeric              |
|        | ITEM70D BLACK OR AFRICAN AMERICAN                                                   | 1      | 41   | 41  | Alphanumeric              |
|        | ITEM70E NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                   | 1      | 42   | 42  | Alphanumeric              |
|        | ITEM70F WHITE                                                                       | 1      | 43   | 43  | Alphanumeric              |
| 71     | SEX                                                                                 | 1      | 44   | 44  | Numeric                   |
| 72     | RECEIVES FEDERAL DISABILITY BENEFITS                                                |        |      |     |                           |
|        | ITEM72A RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER NON-SSA PROGRAMS | 1      | 45   | 45  | Alphanumeric              |
|        | ITEM72B RECEIVES SSI UNDER TITLE XVI-SSI                                            | 1      | 46   | 46  | Alphanumeric              |
| 73     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                   | 2      | 47   | 48  | Numeric                   |
| 74     | PARENT WITH MINOR CHILD                                                             | 1      | 49   | 49  | Alphanumeric              |
| 75     | EDUCATION LEVEL                                                                     | 2      | 50   | 51  | Alphanumeric              |
| 76     | CITIZENSHIP/ALIENAGE                                                                | 1      | 52   | 52  | Alphanumeric              |
| 77     | AMOUNT OF UNEARNED INCOME                                                           |        |      |     |                           |
|        | ITEM77A SSI                                                                         | 4      | 53   | 56  | Alphanumeric              |
|        | ITEM77B OTHER UNEARNED INCOME                                                       | 4      | 57   | 60  | Alphanumeric              |
| 67     | FAMILY AFFILIATION-2                                                                | 1      | 61   | 61  | Numeric; Child 2,4,6,8,10 |
| 68     | DATE OF BIRTH                                                                       | 8      | 62   | 69  | Numeric                   |
| 69     | SOCIAL SECURITY NUMBER                                                              | 9      | 70   | 78  | Alphanumeric              |
| 70     | RACE/ETHNICITY                                                                      |        |      |     |                           |
|        | ITEM70A HISPANIC OR LATINO                                                          | 1      | 79   | 79  | Alphanumeric              |
|        | ITEM70B AMERICAN INDIAN OR ALASKA NATIVE                                            | 1      | 80   | 80  | Alphanumeric              |
|        | ITEM70C ASIAN                                                                       | 1      | 81   | 81  | Alphanumeric              |
|        | ITEM70D BLACK OR AFRICAN AMERICAN                                                   | 1      | 82   | 82  | Alphanumeric              |
|        | ITEM70E NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER                                   | 1      | 83   | 83  | Alphanumeric              |
|        | ITEM70F WHITE                                                                       | 1      | 84   | 84  | Alphanumeric              |
| 71     | SEX                                                                                 | 1      | 85   | 85  | Numeric                   |
| 72     | RECEIVES FEDERAL DISABILITY BENEFITS                                                |        |      |     |                           |
|        | ITEM72A RECEIVES BENEFITS BASED ON FEDERAL DISABILITY STATUS UNDER NON-SSA PROGRAMS | 1      | 86   | 86  | Alphanumeric              |
|        | ITEM72B RECEIVES SSI UNDER TITLE XVI-SSI                                            | 1      | 87   | 87  | Alphanumeric              |
| 73     | RELATIONSHIP TO HEAD OF HOUSEHOLD                                                   | 2      | 88   | 89  | Numeric                   |
| 74     | PARENT WITH MINOR CHILD                                                             | 1      | 90   | 90  | Alphanumeric              |
| 75     | EDUCATION LEVEL                                                                     | 2      | 91   | 92  | Alphanumeric              |
| 76     | CITIZENSHIP/ALIENAGE                                                                | 1      | 93   | 93  | Alphanumeric              |
| 77     | AMOUNT OF UNEARNED INCOME                                                           |        |      |     |                           |
|        | ITEM77A SSI                                                                         | 4      | 94   | 97  | Alphanumeric              |
|        | ITEM77B OTHER UNEARNED INCOME                                                       | 4      | 98   | 101 | Alphanumeric              |
|        | BLANK                                                                               | 22     | 102  | 122 | Spaces                    |

**Child Care and Development (CCDF) ACF-  
PI-2024-04 Triennial Child Count**

## Appendix 1

### Triennial Child Count Declaration

If the Tribal Lead Agency is not a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: Navajo Nation

This certifies that the number of Indian children younger than age 13 (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) is: **51611** (number).

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agencies that have overlapping or neighboring service areas.

The counts above show the number of Indian children younger than age 13 as of **6/30/2022** (date).

Tribal Lead Agencies are advised that ACF will not accept Child Count Declarations based on child counts that were conducted before July 1 of the year prior to the Child Count Declaration.

If the Tribal Lead Agency is a Consortium, complete the information below.

Name of Tribe/Tribal Lead Agency: Navajo Nation

The Tribal Lead Agency may not count any children who are included in the child count of another CCDF Tribal Lead Agency. To ensure unduplicated child counts, a Tribal Lead Agency is required to confer with all other CCDF Tribal Lead Agency that have overlapping or neighboring service areas.

The counts below show the number of Indian children younger than age 13 as of (date).

This certifies that the number of Indian children (as defined in CCDF Plan) who reside on or near the reservation or service area (as defined in CCDF Plan) for the Consortium Lead Agency and each Consortium Member are:

| Consortium Member | Mandatory Count of Children Less than 13 Years Old | Discretionary Count of Children Less than 13 Years Old | Declaration Letter for Each Consortium Member (attach letter) |
|-------------------|----------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------|
|-------------------|----------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------|

#### Indian Child Definition

Identify which Indian child(ren) are counted in the Tribal Lead Agency's child count (98.81(b)(2)(i)).

Programs and activities are to be carried out for the benefit of Indian children. Although Tribal Lead Agencies have some flexibility in defining "Indian Child," the definition must be limited to children from federally recognized Indian Tribes, consistent with the CCDBG Act's definition of Indian Tribe (98.2). This information could include children who are Tribal members, whose membership is pending, who are eligible for membership, and/or are children/descendants of members and could also include adopted children, foster children, step-children, etc.

The Tribal Lead Agency defines an "Indian child" as: A child who is an enrolled member of the Navajo Nation, eligible for enrollment, enrollment is pending, or a child of or a descendent of an enrolled member of the Navajo Nation, OR

A child under thirteen (13) years of age who is an enrolled member of a federally recognized Indian tribe and resides within the Navajo Nation reservation boundaries or "near reservation" designated communities pursuant as approved by the Navajo Nation Tribal Council Resolution, No: HHSC-AU-40-89.

This includes children in protective services, adopted children, foster children, stepchildren, and children placed with a person standing in loco parentis or power of attorney.

#### Indian Reservation or Service Area

Programs and activities are to be carried out for the benefit of Indian children living on or near the Indian reservation or service area. The service area must be within reasonably close geographic proximity to the borders of a Tribe's reservation (except for Tribes in Alaska, California, and Oklahoma). Tribes that do not have reservations must establish service areas within reasonably close geographic proximity to the area where the Tribe's population resides. There is an expectation that the Tribal Lead Agency will be able to provide services to families throughout the service area. ACF will not approve an entire state as a Tribe's service area. Tribal Lead Agencies can limit services within the reservation boundaries or go beyond the reservation boundaries.

If a Tribal Lead Agency establishes a different service area than the borders of the Tribe's reservation or existing service area for CCDF purposes, it must be within reasonably close geographic proximity (6580(c)(2)(B); 98.80(e); 98.81(b)(2)(ii); 98.81(b)(3)(ii); 98.83(b)); for example, "Permanent residence is

within the reservation boundaries; however, the participant is temporarily attending school outside of the reservation area," or "[the participant] resides within 20 miles of the reservation boundaries."

**Amended: Effective Date 06/25/2024**

The Tribal Lead Agency defines the Reservation/Service Area as: The Navajo Nation Reservation and designated "near reservation" communities as approved by the Navajo Nation Tribal Council Resolution No.: HHSC-AU-40-89 and residence is within the Navajo Nation reservation and "near reservation" communities; OR

The parent/guardian or person standing in loco parentis, including two-parent households, whose permanent residence is within the Navajo Nation reservation or "near reservation" communities and are temporarily attending school, vocational training, or a job training program outside of the Navajo Nation reservation or "near reservation" designated communities. In a two-parent household, both parents must be in school, vocational training or a job training program to receive childcare assistance.

The Navajo Nation Department of Child Care and Development does not assist families outside of the Navajo Nation reservation or "near reservation" communities who are employed or working.

\_\_\_\_\_  
Official Signature of Individual Authorized to Act for the Tribe

Date:

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

**Indian Child Welfare data included in the  
OMB 1076-0135 Annual Narrative Report**

INDIAN CHILD WELFARE QUARTERLY AND ANNUAL REPORT

PART A - INDIAN CHILD WELFARE ACT (ICWA) DATA

Tribes fill out Part A below for their ICWA program(s).

1. Official Name of Tribe: Navajo Nation
2. Name of Program: Division of Social Services / Navajo Indian Child Welfare Act Program
3. ICWA Contract/Grant No.: A23AV00368
4. BIA Region: Navajo Region
5. Identify the type of program operated through by placing a checkmark beside one of the options below:

- ☐ OSG: Tribes operating under ISDEAA Self-Governance Funding Agreements
- ☒ 638: Tribes operating the under ISDEAA Title I Contracts.

| 6. ICWA Notifications                                            | Q1      | Q2                           | Q3 | Q4 | TOTAL |
|------------------------------------------------------------------|---------|------------------------------|----|----|-------|
| A. Total Number New Received                                     | 359     |                              |    |    |       |
| B. Total Number Acted On                                         | 86      |                              |    |    |       |
| 1. Participated in State Court Hearing                           | 283     |                              |    |    |       |
| 2. Participated in Case Planning                                 | 190     |                              |    |    |       |
| 3. Transferred to Tribal Court                                   | 0       |                              |    |    |       |
| 4. Placement with Relative                                       | 105     |                              |    |    |       |
| 5. Placement in Indian Foster Home                               | 15      |                              |    |    |       |
| 6. Placement in non-Indian Foster Home                           | 22      |                              |    |    |       |
| 7. Placement in Group Home or Residential Facility               | 29      |                              |    |    |       |
| 8. Child Remains in Home (Family Preservation Services Provided) | 154     |                              |    |    |       |
| 9. Transferred to Tribal Court and Case Managed by the Tribe     | 0       |                              |    |    |       |
| C. Total Number of New Non-Tribal ICWA Notices "Acted On"        | 273     |                              |    |    |       |
| D. Total Number of ICWA Workers                                  | 11      |                              |    |    |       |
| 7. Placement Funding Source                                      | Q1      | Q2                           | Q3 | Q4 | TOTAL |
| A. Title IV-E                                                    | Unknown |                              |    |    |       |
| B. BIA Child Assistance                                          | Unknown |                              |    |    |       |
| C. State                                                         | Unknown |                              |    |    |       |
| D. Other (Please specify in the narrative).                      | N/A     |                              |    |    |       |
| Fiscal or Calendar Year: <u>FY 2025</u>                          |         | Date: <u>4/4/25</u>          |    |    |       |
| Preparer's Signature & Title: <u>[Signature]</u>                 |         | Delegated Program Manager II |    |    |       |
| Preparer's Name (Please Print): <u>Lashaina Hoskie</u>           |         |                              |    |    |       |



**INDIAN CHILD WELFARE QUARTERLY AND ANNUAL REPORT**  
**PART B – TRIBAL CHILD ABUSE AND NEGLECT DATA**

*Tribes or BIA Agencies fill out Part B below for their program(s).*

*Do not fill out if the program does not provide child protection services.*

*If the Tribe's child protection program is carried out by the State and BIA, then Part B of this form is not required.*

1. Official Name of Tribe : Navajo Nation  
2. Name of Program: Division of Social Services / Department of Family Services  
3. ICWA Contract/Grant No.: A21AV00003  
4. BIA Region: Navajo Region

5. Identify the type of program operated through (Check One):

- ☐ OSG: Tribes operating under ISDEAA Self-Governance Funding Agreements.  
☒ 638: Tribes operating the under ISDEAA Title I Contracts.  
☐ BIA: The BIA is providing child protection and/or child welfare services.

6. Does your program have any Tribal/State Agreements (i.e. Title IV-E Agreements, etc.) involving child welfare/assistance? ☒ Yes or ☐ No (Check One) Please explain the different types of agreements the Tribe has in place with the State (if any). Title XX grants with Arizona, Utah, and New Mexico

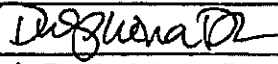
7. Please identify who provides case management services (Check one): ☒ Tribe ☐ BIA ☐ State

8. Please identify who provides child protection services (Check one): ☒ Tribe ☐ BIA ☐ State

| 9. Tribal Child Abuse and Neglect Data                 | Q1  | Q2 | Q3 | Q4 | TOTAL |
|--------------------------------------------------------|-----|----|----|----|-------|
| A. Total Reports/Referrals Received                    | 808 |    |    |    |       |
| B. Substantiated (court involvement)                   | 35  |    |    |    |       |
| C. Unsubstantiated (case closed- no action taken)      | 172 |    |    |    |       |
| D. Pending (case opened for services or investigation) | 148 |    |    |    |       |
| E. Sexual Abuse                                        | 35  |    |    |    |       |
| F. Physical Abuse                                      | 76  |    |    |    |       |
| G. Neglect                                             | 207 |    |    |    |       |
| H. Psychological Abuse                                 | na  | na | na | na | na    |
| I. Verbal Abuse                                        | na  | na | na | na | na    |
| J. Alcohol Involved                                    | 120 |    |    |    |       |
| K. Drugs and/or Inhalants Involved (not listed below)  | na  | na | na | na | na    |
| (a) Prescription Drugs Involved                        | na  | na | na | na | na    |
| (b) Methamphetamine Involved                           | na  | na | na | na | na    |

INDIAN CHILD WELFARE QUARTERLY AND ANNUAL REPORT

|                                                                                                       |      |    |    |    |    |
|-------------------------------------------------------------------------------------------------------|------|----|----|----|----|
| L. Recurring Cases                                                                                    | 98   |    |    |    |    |
| M. Cases of Siblings Involved                                                                         | 213  |    |    |    |    |
| N. Placement with Relative                                                                            | 1034 |    |    |    |    |
| O. Placement in Indian Foster Home                                                                    | 305  |    |    |    |    |
| P. Placement in Non-Indian Foster-Home                                                                | 109  |    |    |    |    |
| Q. Placement in Group Home or Residential Facility                                                    | 129  |    |    |    |    |
| R. Child Remains in Home (Family Preservation Services Provided)                                      | 11   |    |    |    |    |
| S. Petition to Tribal Court                                                                           | 35   |    |    |    |    |
| T. Human Trafficking Involved                                                                         | na   | na | na | na | na |
| U. Domestic Violence Involved                                                                         | na   | na | na | na | na |
| V. Total Number of Child Protection or Child Welfare Workers (explain child-staff ratio in narrative) | 10   |    |    |    |    |

|                                                                                                                                             |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Fiscal or Calendar Year: <b>FY 25</b>                                                                                                       | Date: <b>03/24/2025</b> |
| Preparer's Signature & Title:  , Principal Social Worker |                         |
| Preparer's Name (Please Print): <b>Delphina Benallie</b>                                                                                    |                         |

# **Financial Assistance and Social Service Report (FASSR)**



## SECTION II: THE NARRATIVE

Instructions: Complete the Narrative below by answering the following questions. Some questions are yes or no, others are fillable narrative form. Be as detailed as possible, as the Narrative is intended to tell the story of your program and the numbers you reported on the data portion for the report.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Question #1: Does your Social Services Program respond to and investigate allegations of child abuse and neglect? (Please answer Yes or No)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | YES           |
| Question #1a: If you answered NO, to question #1, please briefly explain who is responsible for responding to and investigating allegations of abuse and neglect for your tribal community. For example, in states that fall under P.L. 38-280, the state is typically responsible for this.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               |
| Type Here.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |
| Question #2: Does your Tribal or BIA Social Services Program place Indian children in out-of-home care when needed? (Please answer Yes or No)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | YES           |
| Question #2a: If you answered NO, to question #2, please briefly explain who is responsible for placing Indian Children in out-of-home care when needed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |
| Type Here.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |
| Question #3: Does your Tribe operate its own Foster Care Program (Please answer Yes or No)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | YES           |
| DFS - The Department of Family Services (DFS) operates a foster care program, which is overseen by a Program Supervisor and field office Social Workers. The program is responsible in recruitment and licensing of foster parents, renewing foster home licensing and conducting Foster Care Review Board hearings. DFS has a total of 27 licensed homes including 10 licensed relative homes and 17 licensed foster homes. 3 new homes were recruited and applications are completed. 0 homes were closed this quarter. The foster care program also provided 1 training session to potential and current foster/kinship parents that need training for foster home licensure. The foster care program conducted 1 foster care review board hearing in this quarter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |
| Question #4: (1-2 paragraphs) Briefly describe the community(ies) or tribe(s) that you provide services to (i.e. any information that you feel will help us understand more about your program, include the following information: Tribes served, counties served, location, climate, demographics, culture, economy, employment, housing, crime, abuse statistics).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |
| DFS - DFS provides services to children and families who reside on the Navajo Nation and in border towns of the Navajo Nation. In Arizona, the Navajo Nation is within Coconino, Apache and Navajo Counties. In New Mexico, the Navajo Nation is in McKinley, San Juan, Cibola, San Juan, Socorro, Sandoval Counties. In Utah, the Navajo Nation is within San Juan and Kane Counties. The Navajo Nation has over 400,000 members with over 154,000 people residing in multi-generational households. The Navajo Nation has a poverty rate of more than 40 percent and has some of the most remote, challenging, and sparsely populated terrain in the country. DFS provides services from 9 field offices across the Navajo Nation. Services include child welfare services, adult welfare services, and domestic violence prevention/intervention. 800 Total reports were received for suspected abuse, neglect, exploitation reports of children, vulnerable adults and elders. 207 referrals were received for child abuse and neglect include 149 reports of child neglect issues, 59 involving child abuse issues, and 24 cases involving sexual abuse issues. DFS filed 13 court petitions for dependency and completed 94 referrals to other services. On-going case management is provided to children and their families where 1106 cases are ongoing, which includes 808 dependency cases. Adult Services including Adult Protective Services, Case Management for Adult Institutional Care and Adult In-Home Care are provided. 381 adult protective services were investigated, 61 cases were maintained for Adult Case Management, including 296 adult institutional care placements. 167 adults/elders were served with adult-in-home care services. DFS also receives courtesy home study requests from Navajo Nation Family Courts in all judicial districts across the Navajo Nation for court ordered homesteads for child or adult/elder guardianships, child adoption and Termination of Parental Rights. A total of 318 cases are maintained for court ordered home studies. 103 cases were responded to by DFS Victim Advocates for intervention services for domestic violence, sexual assault and dating violence. Services include coordination for shelter placement, transportation, court support and referrals to other services. NFAS continues to serve families residing on the Navajo Reservation and nearby border towns. Counties include Apache, Coconino, Navajo, and Maricopa in the State of Arizona. New Mexico Counties are San Juan, McKinley, Cibola, Sandoval, Valencia, and Bernalillo. NFAS has seven (7) field offices across the reservation and one (1) administration office to provide burial assistance and general assistance. NFAS has eleven (11) permanent staff and is currently working on filling vacant positions. NFAS recognizes the increase in burial assistance and general assistance each year, primarily because Covid-19 has affected the health conditions of adults and individuals with compromised immune systems. For example, those diagnosed with preexisting health conditions, such as heart failure, cancer, or diabetes, may have been exposed to Covid-19. Adults may have also been challenged economically in that their employment was terminated, hours and income reduced, or unable to afford daily expenses, such as housing, food, healthcare, transportation, and clothing. |               |
| Question #5: What type of delivery method is your program? (Is your GA operated through an approved 477-plan (477), do you have a ISDEAA Contract to operate the program under P.L. 93-438 (638), are you a BIA-operated program (BIA), or are you a Self-Governance Tribe (OSG), or a Combination of these? (For example, 638-477, your tribe has a contract but operates General Assistance through a 477-plan.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |               |
| NFAS is not 477 for this quarter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               |
| Question #6: Briefly describe your staffing: How many workers do you have under your program? What is the client to staff ratio per worker?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |               |
| DFS - At the end of 1st Quarter, FY 2025, DFS had 88 employees: 59 field social workers including supervisors that handled child welfare cases and 15 social workers that handled adult/elderly cases. DFS continues to try to recruit new staff to enhance the service delivery. DFS also tries to recruit additional service providers to subcontract with to add to the service delivery. DFS is in process of renewing contracts for vendors providing emergency placements or adult institutional care placements, and in establishing a contract with one new vendor that will provide emergency and institutional care for youth. NFAS - During the 1st Quarter of FY2025, NFAS consisted of Senior Case Workers and 3 administrative staff who covered the entire Navajo Reservation. All eight (8) offices serve the majority of remote areas of the reservation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |
| QUESTION #7: How much carryover was reported in Column Q in the Data Section of the Report, if any or applicable?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 26,629.26**** |
| QUESTION #8: (1-2 paragraphs). Compare the current year statistical report to the previous year. Discuss changes in the number of persons served - increases or decreases in services/ case loads, and funds expended. If different, why? (i.e. natural disaster, inflation, program funds reduced) How might your program be impacted should a shortage of funds occur? (i.e. cite programs that were discontinued or areas where services were reduced due to a shortage of funds). What success stories can you share?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |               |
| DFS - When compared to 1st quarter FY 2025, there was a decrease of total reports reported to and responded to by DFS. DFS does observe slight decreases in number of clients served and decrease in expenditures. This may be attributed to invoices not yet received by certain vendors. Guardianship and Adoption subsidy services and payments remain on average at steady amounts compared to previous years. NFAS - There is a small decrease in the General Assistance and Burial Assistance Programs for 2nd Quarter. Although there is a slight decrease, the need is always there and NFAS is readily to assist with general assistance and burial assistance. A decrease in funds will impact services to our communities both in burial assistance and general assistance as the Program has had to previously turn away households due to depleted funding for other programs, like CSBG and LIHEAP. NFAS is aware that the Programs are successful and beneficial to many Navajo families as they have often returned to the NFAS and expressed their appreciation and gratitude for not only the financial assistance but for the staffs services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |               |

NAVAJO DIVISION OF SOCIAL SERVICES  
RECEIVED  
MAY 05 2025  
EXECUTIVE ADMINISTRATION



**The Navajo Nation DR. BUU NYGREN PRESIDENT**

**Videeskáadi Nitsáhákees | Think for the Future**

March 18, 2025

Jeanette Quintero, Self-Determination Officer  
Bureau of Indian Affairs – Navajo Regional Office (BIA-NRO)  
Branch of Indian Self-Determination Services  
P.O. Box 1060  
Gallup, New Mexico 87305

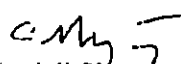
**Re:** P.L. 93-638 Contract No. A21AV00384 – Navajo Family Assistance Services  
(NFAS) Program and A21AV00003 – Department of Family Services (DFS)

Ms. Quintero:

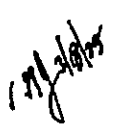
Pursuant to CY 2024 Annual Funding Agreement (AFA) of the subject Contracts, the Navajo Nation (Nation) is submitting the attached Financial Assistance and Social Services Report (FASSR) that includes data for all quarters ending up to September 30, 2024.

The Nation regrets the inconvenience caused by the untimely submission of the report. If you have questions, contact our office at (928) 871-6033.

Sincerely,  
**THE NAVAJO NATION**

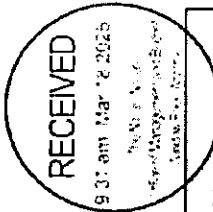
  
Cordell Shortey, Contracting Officer  
Contracts and Grants Section / OMB

Attachment

 CC: File – CGS  
Thomas Cody, Executive Director, DCFS  
Sonlatsa Jim, Deputy Director, DCFS  
Brenda Tsosic, Principal Accountant, NFAS  
Crescenta Tso, Department Manager III, NDFS  
Michelle Begay-Nakai, Principal Attorney, NNDOJ  
Tammy Tso, Self-Determination Specialist / Awarding Official



OFFICE OF MANAGEMENT AND BUDGET  
POST OFFICE BOX 846 | WINDOW ROCK, AZ 86515 | PHONE: (928) 871-8570 | FAX: (928) 871-6567



| Enter FY 2024                                       |       |                       |       |                |       |                       |       |                |        |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
|-----------------------------------------------------|-------|-----------------------|-------|----------------|-------|-----------------------|-------|----------------|--------|-------------------------------------------------------------------------------|---------------|---------------|--|------------------------------------------|--|--------------|--|-----------------------|--|-----------------------------------------|--|-----------------------------------|--|----------------------|--|
| Navajo Nation                                       |       | FIRST QUARTER         |       | SECOND QUARTER |       | THIRD QUARTER         |       | FOURTH QUARTER |        | END-OF-YEAR STATUS                                                            |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| A                                                   |       | B                     |       | D              |       | E                     |       | G              |        | B                                                                             |               | J             |  | K                                        |  | M            |  | N                     |  | P                                       |  | Q                                 |  | R                    |  |
| Program Component                                   |       | Actual Persons Served |       | Expenditures   |       | Actual Persons Served |       | Expenditures   |        | Actual Persons Served                                                         |               | Expenditures  |  | Actual Persons Served                    |  | Expenditures |  | Actual Persons Served |  | Expenditures (Sum of All Four Quarters) |  | Available Amount/Amount Allocated |  | Carryover or Deficit |  |
| Child Assistance Foster Care                        | 249   | 161,053.39            | 212   | 126,180.35     | 202   | 125,627.65            | 215   | 127,162.57     | 878    | 540,023.96                                                                    | 4,719,900.00  | 4,179,976.04  |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Child Assistance Residential Care                   | 349   | 896,884.28            | 350   | 808,924.81     | 353   | 762,460.78            | 321   | 690,501.43     | 1,373  | 3,158,771.30                                                                  | 8,312,595.49  | 5,153,824.19  |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Child Assistance Adoption Study                     | 21    | 12,883.50             | 21    | 12,883.50      | 21    | 12,883.50             | 20    | 12,259.50      | 83     | 50,910.00                                                                     | 100,000.00    | 49,089.00     |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Child Assistance Guardianship Study                 | 555   | 344,700.30            | 565   | 351,147.80     | 552   | 342,239.92            | 535   | 328,779.30     | 2,207  | 1,366,867.22                                                                  | 230,000.00    | 1,136,867.22  |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Child Assistance Special Needs                      | -     | -                     | -     | -              | -     | -                     | -     | -              | -      | -                                                                             | -             | -             |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Child Assistance Homebased Services                 | -     | -                     | -     | -              | -     | -                     | -     | -              | -      | -                                                                             | -             | -             |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Adult Care Assistance Homebased Services            | 240   | 58,680.86             | 214   | 54,053.03      | 214   | 60,590.40             | 170   | 53,322.72      | 838    | 226,657.01                                                                    | 350,888.40    | 124,231.39    |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Adult Care Assistance Residential Care (Group Home) | 349   | 1,130,869.52          | 334   | 1,556,435.28   | 343   | 1,595,761.58          | 335   | 1,373,371.77   | 1,381  | 5,855,944.15                                                                  | 11,222,429.51 | 5,366,485.36  |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance Total Person Served              | 292   | 112,676.00            | 435   | 180,281.00     | 392   | 163,341.00            | 426   | 176,867.00     | 1,545  | 633,165.00                                                                    |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance Employable                       | 89    |                       | 89    |                | 76    |                       | 104   |                | 358    |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance Unemployable                     | 203   |                       | 346   |                | 316   |                       | 322   |                | 1,187  |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance # of ISP Plans                   | 56    |                       | 59    |                | 59    |                       | 72    |                | 246    |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance # of ISP Goals Completed         | 10    |                       | 10    |                | 10    |                       | 10    |                | 40     |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance Applications Approved            | 65    |                       | 83    |                | 67    |                       | 90    |                | 305    |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| General Assistance Applications Disapproved         | 12    |                       | 23    |                | 20    |                       | 13    |                | 67     |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Bureau Assistance Bureau Assistance                 | 873   | 2,191,471.06          | 591   | 1,476,996.09   | 519   | 1,300,181.66          | 569   | 1,420,025.05   | 2,552  | 6,388,676.86                                                                  | 5,746,633.00  | 642,043.86    |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Emergency Assistance Emergency Assistance           | -     | -                     | -     | -              | -     | -                     | -     | -              | -      | -                                                                             | -             | -             |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| ISM Accounts Services                               | -     | -                     | -     | -              | -     | -                     | -     | -              | -      | -                                                                             | -             | -             |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| ISM Accounts Distribution Plans Processed           | -     | -                     | -     | -              | -     | -                     | -     | -              | -      | -                                                                             | -             | -             |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Service - Only Child Protection Services            | 227   |                       | 282   |                | 357   |                       | 262   |                | 1,128  |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Service - Only Adult Protection Services            | 161   |                       | 287   |                | 350   |                       | 359   |                | 1,157  |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Service - Only Child and Family Services            | 251   |                       | 104   |                | 247   |                       | 273   |                | 875    |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Service - Only Domestic Violence Services           | 66    |                       | 78    |                | 103   |                       | 62    |                | 309    |                                                                               |               |               |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| TOTAL:                                              | 3,633 | 4,909,218.91          | 3,493 | 4,566,901.46   | 3,653 | 4,362,586.49          | 3,547 | 4,392,308.34   | 14,376 | 18,221,815.40                                                                 | 30,913,163.93 | 12,692,148.33 |  |                                          |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| 638 Tribal BIA Agency Program Certification (Only)  |       |                       |       |                |       |                       |       |                |        |                                                                               |               |               |  | ONG, or 477 Program Certification (Only) |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| Navajo Nation/Thomas Cody, Executive Director       |       | DATE                  |       | DATE           |       | DATE                  |       | DATE           |        | TRIBAL OFFICIAL: NAME/TITLE OF CERTIFYING OFFICIAL                            |               |               |  | DATE                                     |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| TRIBE/AGENCY (Insert name/title):                   |       | 03/18/25              |       | 03/18/25       |       | 03/18/25              |       | 03/18/25       |        | OFFICE OF SELF GOVERNANCE or OIG, DIVISION OF WORKFORCE DEVELOPMENT (Certify) |               |               |  | DATE                                     |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| BIA AGENCY SUPERSTENDENT (Certify)                  |       | DATE                  |       | DATE           |       | DATE                  |       | DATE           |        | OFFICE OF SELF GOVERNANCE or OIG, DIVISION OF WORKFORCE DEVELOPMENT (Certify) |               |               |  | DATE                                     |  |              |  |                       |  |                                         |  |                                   |  |                      |  |
| REGIONAL SOCIAL WORKER (Certify)                    |       | DATE                  |       | DATE           |       | DATE                  |       | DATE           |        | OFFICE OF SELF GOVERNANCE or OIG, DIVISION OF WORKFORCE DEVELOPMENT (Certify) |               |               |  | DATE                                     |  |              |  |                       |  |                                         |  |                                   |  |                      |  |

## SECTION II: THE NARRATIVE

Instructions: Complete the Narrative below by answering the following questions. Some questions are yes or no, others are fillable narrative form. Be as detailed as possible, as the Narrative is intended to tell the story of your program and the numbers you reported on the data portion to the report.

Question #1: Does your Social Services Program respond to and investigate allegations of child abuse and neglect? (Please answer Yes or No) YES  
 Question #1a: If you answered NO, to question #1, please briefly explain who is responsible for responding to and investigating allegations of abuse and neglect for your tribal community. For example, in states that fall under P.L. 38-280, the state is typically responsible for this.

Type Here

Question #2: Does your Tribal or BIA Social Services Program place Indian children in out-of-home care when needed? (Please answer Yes or No) YES

Question #2a: If you answered NO, to question #2, please briefly explain who is responsible for placing Indian Children in out-of-home care when needed

Type Here

Question #3: Does your Tribe operate its own Foster Care Program (Please answer Yes or No)? YES

DFS - The Department of Family Services (DFS) operates a foster care program, which is overseen by a Program Supervisor and field office Social Workers. The program is responsible in recruitment and licensing of foster parents, renewing foster home licensing and conducting Foster Care Review Board hearings. In 2023, there was a slight decrease in licensed kinship foster homes to 16 homes and a slight increase to licensed non-kinship foster homes to 31 homes, for a total of 47 licensed homes. In 2024, DFS transitioned supervision of 5 foster care staff to the field office supervisors. Currently there is a decline in foster care staff at 2 staff, due to internal promotion and staff leaving the department.

Question #4: (1-2 paragraphs) Briefly describe the community(ies) or tribe(s) that you provide services to (i.e. any information that you feel will help us understand more about your program, include the following information: Tribes served, counties served, location, climate, demographics, culture, economy, employment, housing, crime, abuse statistics)

DFS - DFS provides services to children and families who reside on the Navajo Nation and in border towns of the Navajo Nation. In Arizona, the Navajo Nation is within Coconino, Apache and Navajo Counties. In New Mexico, the Navajo Nation is in McKinley, San Juan, Cibola, San Juan, Socorro, Sandoval Counties. In Utah, the Navajo Nation is within San Juan and Kane Counties. The Navajo Nation has over 400,000 members with over 154,000 people residing in multi-generational households. The Navajo Nation has a poverty rate of more than 40 percent and has some of the most remote, challenging, and sparsely populated terrain in the country. NFAS - provides services to families residing on the Navajo Reservation, and border towns of the Navajo Nation. Counties served is Apache County, Coconino County, Navajo County, and Maricopa County in the State of Arizona. New Mexico Counties are San Juan, McKinley, Cibola, Sandoval, Socorro, Valencia, and Bernalillo. With the Navajo Nation being a large area, majority is remote that makes it an overall challenge.

Question #5: What type of delivery method is your program? (Is your GA operated through an approved 477-plan (477), do you have a ISDEAA Contract to operate the program under P.L. 93-638 (638), are you a BIA-operated program (BIA), or are you a Self-Governance Tribe (OSG), or a Combination of these? (For example, 638-477, NFAS and DFS operates with a P.L. 93-638 contract)

NFAS - No, we are not 477 for this fiscal year.

Question #6: Briefly describe your staffing: How many workers do you have under your program? What is the client to staff ratio per worker?

DFS - At the end of the 2024, DFS had 88 employees: 59 field social workers including supervisors that handled child welfare cases and 15 social workers that handled adult/elderly cases. There was 2696 referrals for the quarter, equating to 36 cases per worker. The average case per work increased from the previous year. NFAS - For 2024 we had 17 employees. One Supervisor, Senior Project & Program Specialist (SPPS) that oversee agency staff.

QUESTION #7: How much carryover was reported in Column Q in the Data Section of the Report, if any or applicable?

00000000

QUESTION #8: (1-2 paragraphs). Compare the current year statistical report to the previous year. Discuss changes in the number of persons served - increases or decreases in services/ case loads, and funds expended. If different, why? (i.e. natural disaster, inflation, program funds reduced). How might your program be impacted should a shortage of funds occur? (i.e. cite programs that were discontinued or areas where services were reduced due to a shortage of funds). What success stories can you share?

DFS - When compared to 2023, there was an increase of total reports responded to by DFS in 2024, thus increasing in case load for each worker. This may be attributed to new staff being available to assist with the caseload and increase in reporting from schools, health professionals, law enforcement and state agencies. In 2024, DFS implemented an online report option and increased coordination in receiving reports by email from New Mexico Children Youth and Families Department. DFS does observe slight differences in the number of individuals served: the adult services has a slight increase than previous years; and the child services placements also show an increase in placements for foster care and residential placements. Guardianship and Adoption subsidy services and payments remain on average at steady amounts compared to previous years. NFAS did experience an increase in both General Assistance and Burial Assistance. In General Assistance are mostly families returning in the reservation and they are unable to get back into the work force after covid pandemic. In Burial Assistance we are still receiving numerous covid deaths and we are working with the Mortuaries to process the invoices.



**Office of Family Violence Prevention and  
Services Act (FVPSA) Notice of Funding  
Opportunity (NOFA) Renewal Application**

# Application SF-424M

**Program Name:** Family Violence Prevention & Services State Grants

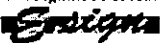
**Grantee Name:** NAVAJO NATION TRIBAL GOVERNMENT

**Report Name:** Application SF-424M

**Report Period:** 10/01/2025 to 09/30/2026

**Report Status:** Submitted

|                                                                                                                          |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b><br><b>Administration for Children and Families</b>                   |                                                                                                                                    | <b>Form Approved</b><br><b>Control No: 4040-0020</b><br><b>Expires: 02/08/2026</b><br><b>Version 01.2</b> |                                                                                                                                                                            |
| <b>APPLICATION FOR FEDERAL ASSISTANCE</b><br><b>SF - 424 - MANDATORY</b>                                                 |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* 1.a. Type of Submission:</b><br><input type="radio"/> Plan<br><input checked="" type="radio"/> Funding Request      | <b>* 1.b. Frequency:</b><br><input checked="" type="radio"/> Annual<br><input type="radio"/> Other<br><br><b>* Other (Specify)</b> | <b>* 1.c. Consolidated Application/ Plan/Funding Request?</b><br>Explanation:                             | <b>* 1.d. Version:</b><br><input checked="" type="radio"/> Initial<br><input type="radio"/> Resubmission<br><input type="radio"/> Revision<br><input type="radio"/> Update |
|                                                                                                                          |                                                                                                                                    | <b>2. Date Received:</b>                                                                                  | <b>State Use Only:</b>                                                                                                                                                     |
|                                                                                                                          |                                                                                                                                    | <b>3. Applicant Identifier:</b>                                                                           |                                                                                                                                                                            |
|                                                                                                                          |                                                                                                                                    | <b>4a. Federal Entity Identifier:</b>                                                                     | <b>5. Date Received By State:</b>                                                                                                                                          |
|                                                                                                                          |                                                                                                                                    | <b>4b. Federal Award Identifier:</b><br>24PIIAZEVPS                                                       | <b>6. State Application Identifier:</b>                                                                                                                                    |
| <b>7. APPLICANT INFORMATION</b>                                                                                          |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* a. Legal Name:</b> NAVAJO NATION TRIBAL GOVERNMENT                                                                  |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* b. Employer/ Taxpayer Identification Number (EIN/TIN):</b>                                                          | 1860092335A6                                                                                                                       | <b>* c. Organizational UFI:</b>                                                                           | KEBVZNK93W87                                                                                                                                                               |
| <b>* d. Address:</b>                                                                                                     |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* Street 1:</b>                                                                                                       | PO Box 9000                                                                                                                        | <b>Street 2:</b>                                                                                          |                                                                                                                                                                            |
| <b>* City:</b>                                                                                                           | WINDOW ROCK                                                                                                                        | <b>County:</b>                                                                                            |                                                                                                                                                                            |
| <b>* State:</b>                                                                                                          | AZ                                                                                                                                 | <b>Province:</b>                                                                                          |                                                                                                                                                                            |
| <b>* Country:</b>                                                                                                        | United States                                                                                                                      | <b>* Zip / Postal Code:</b>                                                                               | 86515                                                                                                                                                                      |
| <b>e. Organizational Unit:</b>                                                                                           |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>Department Name:</b>                                                                                                  |                                                                                                                                    | <b>Division Name:</b>                                                                                     |                                                                                                                                                                            |
| <b>f. Name and contact information of person to be contacted on matters involving this application:</b>                  |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>Prefix:</b>                                                                                                           | <b>* First Name:</b><br>Crescentia                                                                                                 | <b>Middle Name:</b>                                                                                       | <b>* Last Name:</b><br>Tso                                                                                                                                                 |
| <b>Suffix:</b>                                                                                                           | <b>Title:</b><br>Delegated Department Manager III                                                                                  | <b>Organizational Affiliation:</b><br>Department of Family Services                                       |                                                                                                                                                                            |
| <b>* Telephone Number:</b><br>(928) 871-7986                                                                             | <b>Fax Number:</b>                                                                                                                 | <b>* Email:</b><br>crescentia.tso@ndefc.org                                                               |                                                                                                                                                                            |
| <b>* 8a. TYPE OF APPLICANT:</b><br>I: Indian/Native American Tribal Government (Federally Recognized)                    |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* h. Additional Description:</b><br>Navajo Nation                                                                     |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
| <b>* 9. Name of Federal Agency:</b><br>Administration for Children and Families, Family Violence Prevention and Services |                                                                                                                                    |                                                                                                           |                                                                                                                                                                            |
|                                                                                                                          |                                                                                                                                    | Catalog of Federal Domestic                                                                               | CFDA Title:                                                                                                                                                                |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                             |                       |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------|-----------------------|--|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            | Assistance Number:                                          |                       |  |
| 10. CFDA Numbers and Titles 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                                                             |                       |  |
| 11. Descriptive Title of Applicant's Project<br>Family Harmony Program                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                                                             |                       |  |
| 12. Areas Affected by Funding:                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                            |                                                             |                       |  |
| 13. CONGRESSIONAL DISTRICTS OF:                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                             |                       |  |
| * a. Applicant<br>01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            | b. Program/Project:                                         |                       |  |
| Attach an additional list of Program/Project Congressional Districts if needed.                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                             |                       |  |
| 14. FUNDING PERIOD:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            | 15. ESTIMATED FUNDING:                                      |                       |  |
| a. Start Date:<br>09/30/2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | b. End Date:<br>10/01/2025 | * a. Federal (\$):<br>\$0                                   | b. Match (\$):<br>\$0 |  |
| * 16. IS SUBMISSION SUBJECT TO REVIEW BY STATE UNDER EXECUTIVE ORDER 12372 PROCESS?                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |                                                             |                       |  |
| a. This submission was made available to the State under the Executive Order 12372                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |                                                             |                       |  |
| Process for Review on :                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                            |                                                             |                       |  |
| b. Program is subject to E.O. 12372 but has not been selected by State for review.                                                                                                                                                                                                                                                                                                                                                                                                                    |                            |                                                             |                       |  |
| c. Program is not covered by E.O. 12372.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                            |                                                             |                       |  |
| * 17. Is The Applicant Delinquent On Any Federal Debt?                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                                                             |                       |  |
| <input type="radio"/> YES<br><input checked="" type="radio"/> NO                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                                                             |                       |  |
| Explanation:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                                                             |                       |  |
| 18. By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) |                            |                                                             |                       |  |
| **I Agree <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                                                             |                       |  |
| ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.                                                                                                                                                                                                                                                                                                                                   |                            |                                                             |                       |  |
| 18a. Typed or Printed Name and Title of Authorized Certifying Official<br>Crescentia Tsou                                                                                                                                                                                                                                                                                                                                                                                                             |                            | 18c. Telephone (area code, number and extension)            |                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            | 18d. Email Address<br>crescentia.tso@ndefb.org              |                       |  |
| 18b. Signature of Authorized Certifying Official<br>                                                                                                                                                                                                                                                                                                                                                               |                            | 18e. Date Report Submitted (Month, Day, Year)<br>03/19/2025 |                       |  |
| Attach supporting documents as specified in agency instructions.                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                                                             |                       |  |

## **The Project Description**

The application must contain the following project description information in the specific order shown below with sections labeled accordingly.

### **A. Statement of Need**

A narrative of the need for services, including the following information:

**(1) A detailed description of the service area(s) [(i.e., reservation(s), towns, counties, and/or portions of the state(s)) and population(s)] to be served (i.e., utilization of census numbers and/or the tribe's and/or service area's population, etc.).**

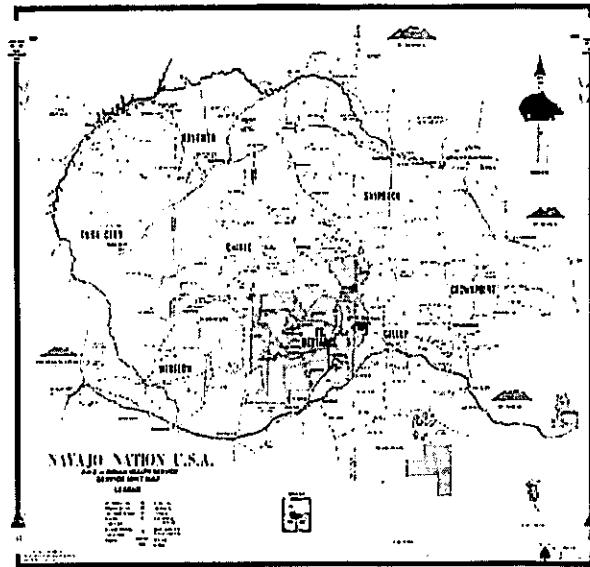
The Navajo Nation is the largest federally recognized Indian tribe in the United States. The Navajo Nation land base occupies a total area of approximately 27,000 square miles spans across the states of northeastern Arizona, northwestern New Mexico, and southeastern Utah. This includes 110 Navajo chapters and three (3) Navajo "satellite" communities: Alamo, To'hajiilee, and Ramah, are in central New Mexico. According to the Navajo Nation Census Data dated February 21, 2024, 415,863 individuals claim Navajo ethnicity who reside on the Navajo Nation, in urban, border towns, and elsewhere in the U.S. DCFS provides assistance and services to the following areas:

A. All communities within the Navajo Nation, including Trust lands, Fee lands and the satellite communities.

B. The city limits of a federally designated Near Reservation community, where the identified head-of-household or a Benefit Group member has a Navajo Census Number. The Navajo Nation's designated "near reservation" communities, as listed in the Federal Register (Vol. 44, No.9, January 12, 1979).

C. Eligible Navajo children and families residing off the Navajo Nation, who are involved involuntary or involuntary state child custody proceedings.

D. Services may be coordinated with other tribes and states through formal agreements such as Memorandums of Agreement (MOA) or Memorandums of Understanding (MOU).



According to Navajo Nation Census Enrollment Data, February 21, 2024: 415,863 Total enrollment numbers for the Navajo Nation; 109,461 Total number of enrolled children under the age of 18; and 306,402 Total number of enrolled adults.

**(2) Provide the number of victims of domestic violence, dating violence, and their dependents that the applicant estimates it will serve through shelter and supportive services annually.**

During FY24, DFS' domestic violence shelter and its ten subcontracted domestic violence facilities, three new subcontractors from FY23. The combined total of shelter nights among the ten subcontract domestic violence facilities was 45,663; serving a total of 1,323 adults and 1,245 children. In the prior FY23 application, the highlighted increase in these services was attributed to lack of accessible services due to the COVID-19 pandemic. However, DFS continues to see an increased need for shelter services as facilities have transitioned back to operating full-time.

During FY24, an overall increase of approximately 42,000 shelter nights were provided. The ten subcontracted domestic violence facilities had a combined total of 6,203 crisis/hotline calls.

**(3) Describe the barriers that victims of domestic violence, dating violence, and their dependents are experiencing in the applicant's service area(s) and the challenges that the applicant is experiencing in providing services.**

The impacts of the COVID-19 pandemic have been seen throughout the Navajo Nation from minimal access to domestic violence shelters and mental health services. As the Nation fully transitions back to full-time operation, there continues to be a high need for mental health services, permanent housing, and scheduling telephonic/in-person court hearings. Many of these services have implemented a waitlist and courts continue to experience a backlog of cases and hearings.

DFS has advertised Victim Witness Advocate vacant positions throughout FY24. However, the Nation is having trouble in filling these professional positions. Due to the rural environment and lack of available housing contributes to the high vacancies. As stated in the FY23 application, the remote communities on the Nation lack rural addressing, making it difficult for first responders to locate the victim in a timely manner. Road conditions may cause a delay in response time, due to impassible roads due to the weather or

the deteriorating roads. The Nation's lack of Telecom infrastructure creates additional barriers for modern communication systems that victims can access. In rural parts of the Nation, many communities do not have access to fiber optic cables, satellite networks, cellular towers, data centers, and switching systems. Many residents who have government issued cell phones may reside in areas with limited to no cell tower access and limited data. The lack of infrastructure also contributes to the available services in these areas, requiring residents to travel to the nearest community to seek the services needed. However, if the residents do not have access to reliable transportation, accessing these services can be difficult.

## **B. Capacity**

**1) A description of the applicant's operation or ability to operate and/or capacity to provide services under the FVPSA program, including, but not limited to, the following: a) The current operation of a shelter, safe house, or the current operation of a domestic violence prevention program.**

Since 2018, the department has operated the residential domestic violence shelter services in Shiprock, New Mexico. The community of Shiprock is located in the northeastern part of the Navajo Nation. In 2023, the Nation and the Utah Navajo Health System entered into a Memorandum of Agreement to assist with the daily operations of the shelter. The shelter has four (4) bedrooms, it can accommodate up to four (4) families. The size and dimension of each room, the room has a capacity of three (3) occupants and/or six (6) single adults. Since 2018, reports illustrate that women and children have been the majority of the residents at this shelter and have sought victim services. The following positions operate this shelter: one (1) Shelter Director, five (5) Shelter Advocates, and one (1) Counselor. The Shelter Advocates rotate to ensure there is coverage 24/7. The Maintenance Worker maintains the shelter and grounds. The shelter staff provide trauma informed services, understanding the cycle of victimization and abuse, understanding perpetrators, and intergenerational trauma. The staff provide transportation services to victims and their dependents to alternative safe placements according to the victim preferences such as relative homes.

**b) Establishment of joint or collaborative service agreements with other entities, such as a local public agency or a private nonprofit agency for shelter and/or supportive services.**

During FY 24, DFS subcontracted with ten (10) domestic violence shelters on and near the Nation. All ten domestic violence shelters have complied with the subcontract terms and deliverables. The shelters provide 24/7 shelter services, support services, counseling, transportation, case management, and responding to crisis and hotline calls. There are two (2) domestic violence service providers on the Nation, who do not provide 24/7 shelter services but provide case management services and coordinate with shelters located on and off the Navajo Nation to ensure clients have a safe placement. Additionally, DFS has partnered with organizations such as the Utah Navajo Health Systems (UNHS), Strengthening Nations, Inc., and the Northern Arizona Victim Services of Coconino County. UNHS is a private clinic that provides services to enrolled tribal members who reside on or off the Navajo Nation. UNHS provides health care and behavioral health services that include victim advocates who provide direct crisis services to communities on the Utah Navajo strip of the Navajo Nation. UNHS manages and operates the 24/7 domestic violence shelter that is located in Blanding, Utah. The Navajo Nation and UNHS has entered into a multi-year lease agreement with UNHS to manage and operate two (2) shelters that are in Blanding, Utah and Shiprock, New Mexico. DFS will continue to coordinate with UNHS shelters to make placement of victims and their dependents on a 24/7 basis.

**c) The operation of social services programs through receipt of grants or contracts under Indian Child Welfare grants from BIA or Child Welfare Services or Family Support grants under Title IV-B of the Social Security Act ((45 CFR § 1370.10(c)(5)(i-iii)).**

The Navajo Nation's Division for Children and Family Services (DCFS), formally known as the Division of Social Services under the Executive Branch of the Navajo Nation's three-branch government. NDCFS provides social services consistent with professional social work ethics and values; and human services in accordance with Navajo cultural values to help reduce and alleviate hardship. Under the direction of the Executive Director, DCFS has initiated organizational rebranding efforts of its departments and programs aimed to improve coordinated efforts of the division's overall social well-being through case management, financial benefits, career development, childcare services, protective services, counseling, crisis intervention, and family reunification. The rebranding initiative includes a division name change to the Division for Children and Family Services (DCFS), which will be referenced accordingly henceforth.

DCFS will continue to serve tribal members consistent with the division's Mission, Vision Statement and with the Navajo Nation's Diné Action Plan (DAP). DCFS offers an array of services through the self-governance compact and within organizational goals for the purpose of administering services to eligible clients. Therefore, DCFS's successful comprehensive approach addresses challenges and barriers to self-sufficiency for both individuals, families, and children. Pursuant to the Indian Employment, Training, and Related Services Consolidation Act of 2017, DCFS will implement a consolidated employment, education, and training program for the benefit of its tribally defined membership. DCFS's 477 Plan consolidates diverse federal program funds into a single comprehensive 477 plan for both 477 and non-477 funded programs to be fully integrated to ensure non-duplication.

**(2) A description of staff involved in carrying out the FVPSA program:**

**a) Expertise, skills, and knowledge of staff.**

The DFS Department Manager is responsible for the overall department operations, from developing and implementation of policies and procedures, oversight and management of budgets, administrative duties including grant management, and contract compliance. The Department Manager reports to the Executive Director of the Navajo Division for Children and Family Services. DFS has recently experienced a turnover in management, therefore, the Executive Director and the Deputy Director have played a key role in ensuring that DFS services continue. Once the DFS Department Manager position is filled, the Department Manager's role in overseeing all administrative operations will continue.

The Victim Witness Advocates (VWA) provide 24/7 crisis intervention services, advocacy, transportation, and case management for victims and their dependents of domestic, family and dating violence, and/or human trafficking. The VWAs provide prevention education and awareness to the general public and collaborates with law enforcement agencies, prosecutors, courts, probation/parole officers, medical personnel, and other local, tribal, state and federal agencies. VWAs and their immediate supervisors focus on continued staff development to ensure skill and capacity growth to improve service delivery in all areas of victim advocacy, crisis intervention, prevention education, and management of mobile advocacy and the 24/7 domestic violence residential shelter. VWAs each possess at a minimum an associate degree in the human services or criminal justice fields and have experience in the Navajo Nation tribal court process, supportive and emotional support to victims and providing guidance in filling protection orders in tribal court.

**b) Commitment to increasing staff's expertise, skills, and knowledge through continuing education and training.**

DFS is committed to ongoing culturally relevant professional development for staff. The DFS staff have access to in-person and online training opportunities related to motivational interviewing, trauma-informed care, forms of violence and abuse; working with the judicial system; and advocacy for victims, to ensure

the skill and capacities of DFS staff are being met. Staff will continue to receive proper training to provide effective crisis intervention and trauma informed practices so victims experience a positive, supportive, and safe healing environment that will foster their ability to self-advocacy. Continuous professional development is encouraged and supported to help employees retain and enhance the knowledge and skills needed to deliver tasks on time and increase customer satisfaction.

**(3) A description of the methods to involve knowledgeable individuals and other interested organizations in providing services. For example, individuals and organizations may include other social services programs operated by the applicant that assist victims of domestic and dating violence and their dependents, such as social services staff, tribal officials, tribal law enforcement, state domestic violence coalition or tribal coalitions, other domestic violence shelters or supportive service providers, etc. (45 CFR § 1370.10(c)(4)).**

The Navajo Nation's Division for Children and Family Services (DCFS), formally known as the Division of Social Services under the Executive Branch of the Navajo Nation's three-branch government. NDCFS provides social services consistent with professional social work ethics and values; and human services in accordance with Navajo cultural values to help reduce and alleviate hardship. Under the direction of the Executive Director, DCFS has initiated organizational rebranding efforts of its departments and programs aimed to improve coordinated efforts of the division's overall social well-being through case management, financial benefits, career development, childcare services, protective services, counseling, trauma-informed crisis intervention, and family reunification.

The DCFS has seven (7) departments that include the Navajo Family Assistance Services (NFAS); Navajo Indian Child Welfare Act Program (NICWAP); Navajo Treatment Center for Children and Their Families (NTCCF); Department of Child Care (DCC); Developmental Disabilities Program (DDP); Department for Self Reliance (DSR); and the DFS. DFS VWAs coordinate with DFS child welfare staff to provide home-based services to prevent children welfare system through a dependency. The VWAs provide case management services that include referrals for services to the following department and programs: DSR and NFAS for emergency financial assistance to meet the basic needs of the children and family; referral to DCC for child care services; NTCCF for mental health and behavioral health services to receive clinical-based therapy to address the effects of trauma associated with domestic violence, dating violence, family violence, child abuse, neglect, and/or sexual abuse. The DFS and NICWAP coordinate and collaborate on cases that involve state child welfare agencies to ensure that the children and families are connected to resources within proximity to the family's home.

DCFS will continue to serve tribal members consistent with the division's Mission, Vision Statement and with the Navajo Nation's Diné Action Plan (DAP). DCFS offers an array of services through the self-governance compact and within organizational goals for the purpose of administering services to eligible clients. Therefore, DCFS's successful comprehensive approach addresses challenges and barriers to self-sufficiency for both individuals, families, and children. Pursuant to the Indian Employment, Training, and Related Services Consolidation Act of 2017, DCFS will implement a consolidated employment, education, and training program for the benefit of its tribally defined membership. DCFS's 477 Plan consolidates diverse federal program funds into a single comprehensive 477 plan for both 477 and non-477 funded programs to be fully integrated to ensure non-duplication.

### **C. Services to be Provided**

**(1) A description of the activities and services that will be provided (45 CFR § 1370.10(c)(6)) in whole or in part with FVPSA funds, including the following information:**



**a. How the applicant will provide shelter (see *Section I., Program Description, Definitions*) to adult and youth victims of domestic violence, dating violence, and their dependents. Please note that victims of sexual assault and human trafficking may be included when the sexual assault or trafficking relates specifically to a victim of domestic or dating violence. The description must include how shelter will be provided to all victims regardless of sex, sexual orientation, gender, or gender identity.**

The DFS provides 24/7 emergency residential shelter services in Shiprock, New Mexico. The Shiprock Shelter can accommodate approximately four (4) families with two (2) dependents in each family. Due to the size of the rooms, the capacity limit is three (3) occupants per room and/or six (6) single adult victims. The Shiprock Shelter accepts male, female, transgender, LGBTQIA+ victims and their dependents. The shelter staff collaborate with nearby shelters and send referrals for additional services as needed. The shelter provides a safe environment, food, and necessities to meet the needs of victims and their dependents. The shelter is managed 24/7 on a rotating schedule among the Shelter Director and several VWAs. The shelter is secure, fenced with a locked gate that can only be opened by a staff member.

**b. If the applicant does not have its own shelter, then describe how it will use FVPSA funds to provide shelter in alternative ways (e.g., hotels, safe houses, referrals or subcontracts with shelter programs in the area), or other expenses associated with placing a victim in another entity's shelter (e.g., transportation to that facility or the personnel costs for an advocate responsible for coordinating shelter).**

During FY 24, DFS subcontracted with ten (10) domestic violence shelters on and near the Nation. All ten domestic violence shelters have complied with the subcontract terms and deliverables. The shelters provide 24/7 shelter services, support services, counseling, transportation, case management, and responding to crisis and hotline calls. There are two (2) domestic violence service providers on the Nation, who do not provide 24/7 shelter services but provide case management services and coordinate with shelters located on and off the Navajo Nation to ensure clients have a safe placement. Additionally, DFS has partnered with organizations such as the Utah Navajo Health Systems (UNHS), Strengthening Nations, Inc., and the Northern Arizona Victim Services of Coconino County. UNHS is a private clinic that provides services to enrolled tribal members who reside on or off the Navajo Nation. UNHS provides health care and behavioral health services that include victim advocates who provide direct crisis services to communities on the Utah Navajo strip of the Navajo Nation. UNHS manages and operates the 24/7 domestic violence shelter located in Blanding, Utah. The Navajo Nation and UNHS has entered into a multi-year lease agreement with UNHS to manage and operate two (2) shelters that are in Blanding, Utah and Shiprock, New Mexico. DFS will continue to coordinate with UNHS shelters to make placement of victims and their dependents on a 24/7 basis.

The partners listed above complete and submit Performance Progress Report to DFS, highlighting the number of clients served with shelter and non-shelter services, age range of clients, race/ethnicity, shelter services/crisis calls, types of services provided and community education. These reports capture statistical data of the needed services across the Navajo Nation.

**c. Supportive services (see *Section I., Program Description, Definitions* and *Use of Funds* for a complete description) that will be provided to adult and youth victims of domestic violence and dating violence, which may include the following: i. Individual and group counseling, peer support groups, and referral to community-based services.**

DFS provides supportive services to all victims who request services. The goal is to promote holistic healing to empower the victim and their dependents for self-advocation and self-determination. VWAs complete an intake assessment process new referrals for services. Through the intake process and referral to appropriate resources, a strengths-based approach is taken to empower and encourage victims to identify personal goals and develop their own safety plan. The VWAs have knowledge of the Navajo Nation's court processes. The request for VWA services is voluntary, there are no court mandates associated with this service. The services include referrals to local resources to address the unmet needs of the victim and their dependents, supporting and guiding the victims through the process of obtaining a protection order, court accompaniment, and when needed transportation to shelter, medical exams, and tribal/federal court hearings.

The VWAs are trained to respond to reported domestic violence, dating violence, and assess the immediate support and safety needs of the victims. The VWAs have strong partnerships with tribal and federal law enforcement agencies, prosecutors, courts, probation/parole officers, medical/hospital personnel, and other local, tribal, state, and federal agencies.

DFS operates a 24/6 crisis line through the UNHS Agreement, any person can call to speak with a live VWA. The crisis line connects callers to workers who are active listeners and ask questions that can help the person process their emotions and situations. Depending on the circumstances, a crisis line worker may help the caller create an action plan that identifies their support system (friends and family), identifying local resources, and next steps. The crisis line is designated for any domestic violence, family violence, dating violence, and sexual assault related calls.

DFS will continue to collaborate with the Navajo Nation Office of the President and Vice President and/or elected officials, to bring awareness and education on domestic violence, family violence, dating violence, and/or human trafficking in a coordinated effort. DFS was unable to complete a community needs assessment, however, DFS has been part of the Dine Action Plan. The Dine Action Plan provides a roadmap for all entities and partners to address the issues plaguing the Navajo Nation which include violence, substance use disorder, suicide, and our missing/murdered Dine relatives. In 2015, the three branches of the Navajo Nation government collaborated and created an agreement with the purpose of improving the quality of life. DFS's active role in the Dine Action Plan has contributed to the ongoing efforts to bring awareness to and education on domestic violence, family violence, dating violence, and/or human trafficking.

**d. Assistance in developing safety plans and supporting efforts of victims of family violence, domestic violence, or dating violence to make decisions related to their ongoing safety and well-being.**

DFS provides supportive services to all victims who request services. The goal is to promote holistic healing to empower the victim and their dependents for self-advocation and self-determination. The VWAs are trained to respond to reported domestic violence, dating violence, and assess the immediate support and safety needs of the victims. The VWAs complete an intake assessment process new referrals for services. Through the intake process and referral to appropriate resources, a strengths-based approach is taken to empower and encourage victims to identify personal goals and develop their own safety plan.

The intake assessment allows the VWAs to gather evidence and information as the victim tells their story. VWAs guides the victims through developing a safety plan based on the victim's current circumstances. A safety plan will differ for each person, some safety plans may not be permanent escape plan but a leave for

right now plan. DFS's goal is to have the victims take ownership of their safety plans so the steps identified are steps the victim is comfortable taking and implementing. This process is the start of the victim's healing journey. Through DFS's established partnerships with law enforcement, medical facilities, behavioral/mental health services, domestic violence services, and community resources across the Navajo Nation and the cities/towns that border the Navajo Nation; the VWAs connect the victims to these resources to continue working towards self-determination.

**c. Services, training, technical assistance, and outreach to increase awareness of family violence, domestic violence, and dating violence, and increase the accessibility of family violence, domestic violence, and dating violence services.**

DFS has partnered with other outside resources to provide health care and mental health services to victims and their dependents. There are eleven Indian Health Services facilities located across the Navajo Nation. DFS has partnered with the Utah Navajo health Systems at their Montezuma Creek, Utah and Blanding, Utah clinics. In each medical facility, a sexual assault exam can be conducted by a medical professional.

The Navajo Department of Public Safety has seven (7) police districts throughout the Navajo Nation to protect and serve the residents. VWAs coordinate with these police districts when victims need assistance in retrieving personal items from abusers such as providing transportation. Law enforcements are responsive to needs to victims. VWAs assist clients in completing required court forms, filing the court forms, transporting clients to tribal/federal court hearings, and when requested, accompanying the client at court hearings for support.

VWAs also coordinate with the Navajo Division of Behavioral & Mental Health Services (DBMHS) when clients request services to address substance abuse and/or mental health issues. The DBMHS has twelve (12) field offices throughout the Nation that provide services to adults and youth, such as: 1) outpatient substance abuse care, 2) residential substance abuse care, 3) outreach services, 4) Navajo traditional-based services, 5) faith-based services, 6) crisis response team, and/or 7) medically necessary case management services.

Workers collaborate with states of Arizona, New Mexico, and Utah for Supplemental Nutrition Assistance Program (SNAP) and Medicaid/Medicare, as well as Women, Infant, and Children (WIC) for nutrition assistance for clients and their dependents and will transport clients to appointments with these agencies.

The partnerships that NDCFS/DFS continues to make with internal and external agencies is an opportunity to bring awareness to family violence, domestic violence, and dating violence. DFS has been invited to events to provide education and information on topics that impact children and families. NDCFS is hosting the Dine Action Plan community outreach events at local chapter houses for individuals to learn about the modern monsters that impact our Dine people.

**f. Culturally and linguistically appropriate services.**

The mission of the DCFS is to provide quality, culturally sensitive, and value-based support and services to our Navajo people. To accomplish this DCFS will promote and preserve our cultural and traditional heritage by providing emphasis on the importance of traditional Tribal values and cultural practices. Therefore, this Plan offers holistic approaches to address the need for family support, education, support services, and providing culturally sensitive services that encourage our Tribal relatives to be successful and to aid in their efforts towards self-sufficiency.

The following are cultural services DCFS will provide:

- To promote Navajo/Diné and Native American holistic healing and treatment services through utilization of sacred traditional ceremonies to promote healing for the emotional, physical, and psychological trauma and restore the psychological state of *il hózhó* (balance and harmony) by participating in traditional services.
- Include our Navajo language in service delivery whenever possible. Learning and preserving our Navajo language are vital. Healing through learning and incorporating our Navajo language is a form of prevention/treatment modality.
- Offering the opportunity to engage and utilize traditional services and cultural learning.
- Provide financial assistance for Diné Traditional Services.
- To utilize culturally based curriculum and provide Prevention education sessions, wherein the
  - Traditional Practitioner will provide services to restore the spiritual and holistic state of *liná Dítzin* (Honoring Life) within the family.
- To provide cultural resources to children placed in non-relative, non-Native American placements.
- To provide Dine Parenting Training, Navajo traditional child-rearing practices and encourage positive Dine/Native American Traditional Cultural family values and life skills. Provide on-going cultural awareness education, supportive counseling, and training to foster parents, relative foster homes and adoptive families, and state/tribal representatives.

**g. Services for children exposed to family violence, domestic violence, or dating violence, including age-appropriate counseling, supportive services, and services for the non-abusing parent that support that parent's role as a caregiver, which may, as appropriate, include services that work with the non-abusing parent and child together.**

VWAs coordinate with the Navajo Division of Behavioral & Mental Health Services (DBMHS) when clients request services to address substance abuse and/or mental health issues. The DBMHS has twelve (12) field offices throughout the Nation that provide services to adults and youth, such as: 1) outpatient substance abuse care, 2) residential substance abuse care, 3) outreach services, 4) Navajo traditional-based services, 5) faith-based services, 6) crisis response team, and/or 7) medically necessary case management services.

DFS VWAs coordinate with DFS child welfare staff to provide home-based services to prevent children welfare system through a dependency. The VWAs provide case management services that include referrals for services to the following department and programs: DSR and NFAS for emergency financial assistance to meet the basic needs of the children and family; referral to DCC for child care services; NTCCF for mental health and behavioral health services to receive clinical-based therapy to address the effects of trauma associated with domestic violence, dating violence, family violence, child abuse, neglect, and/or sexual abuse.

**h. Advocacy, case management services, and information and referral services concerning issues related to family violence, domestic violence, or dating violence intervention and prevention.**

The VWAs are trained to respond to reported domestic violence, dating violence, and assess the immediate support and safety needs of the victims. The VWAs complete an intake assessment process new referrals for services. Through the intake process and referral to appropriate resources, a strengths-based approach is taken to empower and encourage victims to identify personal goals and develop their own safety plan.

DFS has partnered with other outside resources to provide health care and mental health services to victims and their dependents. There are eleven Indian Health Services facilities located across the Navajo Nation.

DFS has partnered with the Utah Navajo health Systems at their Montezuma Creek, Utah and Blanding, Utah clinics. In each medical facility, a sexual assault exam can be conducted by a medical professional.

The Navajo Department of Public Safety has seven (7) police districts throughout the Navajo Nation to protect and serve the residents. VWAs coordinate with these police districts when victims need assistance in retrieving personal items from abusers such as providing transportation. Law enforcements are responsive to the needs to victims. VWAs assist clients in completing required court forms, filing the court forms, transporting clients to tribal/federal court hearings, and when requested, accompanying the client at court hearings for support.

**i. Prevention services, including outreach to underserved populations.**

The Navajo Division for Children and Family Services (DCFS) adopts the following goals for its 477 Plan as each goal is consistent with the purposes of P.L. 102-477. Whenever possible, DCFS will strive to make all 477 programming culturally relevant in accordance with DCFS Vision Statement of promoting the holistic and cultural values of T'áá hwó ájít' éego and K'e to individuals and families in order to have safer and healthier communities for future generations.

To protect and promote the welfare of Navajo individuals, children, vulnerable adults, elderly, and families. While delivering service in an efficient and culturally sensitive manner utilizing the wrap around method of intervention and the system of care model while promoting and preserving cultural teaching, cultural identity, and the Navajo language.

To increase awareness of and prevention education of child welfare, adult/elderly protection and domestic violence and to promote family and community involvement in addressing these concerns, while providing 24/7, 365 days advocacy for emergency residential shelter for victims/survivors of violence and their dependents.

Create youth mentorship/internship and training opportunities throughout the Navajo Nation that will synchronize with Navajo values. This will ensure youth have a positive ongoing community.

To create and support responsible parenting to strengthen healthy, stable family relationships. Encourage the formation, maintenance, and strengthening of two-parent families, extended families, and non-traditional families.

To prevent neglect, abuse and exploitation while providing education, assessment, counseling, and trauma informed care to support, treat and stabilize behavioral/mental health needs.

**j. A description of all other services that will be provided to victims of family violence, domestic violence, dating violence and their dependents that will be supported by other funding sources outside of FVPSA.**

**BUDGET NARRATIVE**

| Staff Position:                                      | Responsibilities:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principal Victim<br>Witness Advocate<br>(1 position) | Provides a variety of social services and support assistance to victims, witnesses, family members and others who have been impacted by criminal activities and/or violent crimes; receives, assesses and analyzes social, physical, financial and other needs of victims and witnesses of crimes; participants in crisis intervention; initiates and communicates information and assistance to victims; identifies and places affected parties in counseling programs, social and other services. Services |

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|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p>as a liaison between individuals needing service and services providers; assists individuals in collecting documents to initiate services; provides protection and/or services to meet victim, witness and family needs; provides education on criminal justice system; transports and accompanies victims and witness to court and/or other locations; provides update of all findings from audits, inspections and quality assurance review to ensure compliance and meet expectations and standards, including taking corrective action to address findings; develops new standards that outline the essential elements and core functions of service delivery; develops measurement tools, evaluation tool, food safety and nutrition, health and safety standards; develops policies and procedures to ensure consistency of services delivery, including standard forms for bed logs, emergency incidents, evacuation, first aide, and cleaning supplies. Ensures data software and electronic filing system are maintained and operating properly; conducts performance appraisals for assigned staff; assists with recruitment and selection of staff; coordinates and monitors client and financial reports; assists and monitors the processing of invoices for payment; participates in the preparation of annual budget; prepares, presents and gathers reports.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Victim Witness Advocate (8 positions) | <p>Receives, assesses, and analyzes social, physical, psychological, financial and other needs of victims and witnesses of crimes; provides crisis intervention, counseling, social services referrals and disposition information, criminal justice information and witness advocacy; makes appropriate referrals for counseling, housing, shelter, legal assistance and other services, as needed; assists criminal investigators, police officers and others in gathering information, facts and evidence related to criminal activities, accidents or other incidents; initiates and continues communication, information and assistance to victims, witnesses, family members and other regarding status of investigations, court and other activity; Identifies and places affected parties in appropriate settings, counseling programs social and other services; informs victims, witnesses, family members and others of services available; serves as a liaison between those needing services and service providers; maintains contact with courts, law enforcement and social services agencies; coordinates services with law enforcement, health and social agencies; draft orders, reports, other documents required to initiate services; provides protection and/or services to meet other victims; witness and family member needs. Assists victim in filing compensation forms, victim/witness statements, and other documentation pertinent to case; transports and accompanies victims and witnesses to court and/or other locations; maintains assigned cases of victims and witnesses, including detailed documentation and appropriate statistical information; provides education on the criminal justice system; conducts educational presentations on program for community groups and schools; attends meetings in-service training and conferences.</p> |
| Accountant (1 position)               | <p>Maintain, monitor and reconcile assigned business unit ledgers to the Navajo Nation Financial Management Information System and submits monthly reconciliation for assigned business unit for review and approval. Identify, research, and analyze any expenditure discrepancies, prepare journal voucher entries and work closely with all internal and external entities to resolve any discrepancies. Checks and ensures funds availability for all financial transactions, maintain/monitor all personnel expenditures. Develop and prepare procedures for financial processing. Assist with audits, run financial reports, and work in accordance with Navajo Nation financial policies and procurement policies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planner<br>(1 position)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Provides technical support and administrative assistance to program staff and other tribal and non-tribal entities; clarifies and interprets policies, goals and objectives, planning and research activities and proposals; applies specialized knowledge and socioeconomic data to the planning studies; interacts with the public in applying planning requirements and associated regulations to project plans and applications and requests for changes or variances. Assists in grant applications by researching required areas; gathers and assembles all pertinent data as related to the planning project; makes analysis of data collected and presents recommendations with supporting conclusions and findings; provides technical support to program staff; formulates, defines clarifications and interprets the policies, goals and objectives, activities of planning, research and proposals. |
| <b>Travel Expenses:</b> All pertinent travel expenses by direct service staff for official business travel and attend mandatory administrative meetings, training, conferences, lodging, meals, air fare, rental car, miscellaneous travel expenses, or personal mileage reimbursement.                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Operating Supplies:</b> Postage, first aid kit, promotional and educational items, food supplies, dishes, linens, curtains, blankets, carpets/rugs, baby cribs, baby supplies that include meeting the needs of the baby/child, car seats, water dispensers, safe/locks, custodial supplies, uniforms, toiletries, grounds/yard tools to execute outreach events, and financial assistance to ensure safety and implementation of protection orders.                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Office Supplies:</b> Case file folders, day planners, envelopes, writing utensils, tape, staplers, etc. Office furniture, USB drives, toner cartridge, bulk paper, printing expenses, postal stamps, brochures/informational material, binding, photocopying and publication, subscriptions, curriculums, and other training supplies.                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Equipment:</b> Computers (desktop, laptops, and tablets), projector, software, user licenses, printers, case management database for record storage and reports, scanners, laminators, cameras, equipment/materials for shelter/facility for safety measures.                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Lease and Rental:</b> Meeting space/office rental for staff meetings/training and public outreach events for prevention and education. Rental of water dispensers, storage space and GSA vehicles.                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Communication &amp; Utilities:</b> Telephone services (landline and cellular service) including a 24/7 crisis line, installation, connection and service charges for internet and telephone. Basic utility service charges. Virtual communication platform fees: Zoom, Microsoft Office, Survey Monkey, Adobe, case management database, technical assistance (case management database, community outreaches, etc.).                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Repairs &amp; Maintenance:</b> Annual repair and maintenance fee for equipment and computer hardware, software, HVAC and heating systems, roofing materials, etc. Materials needed to maintain the safety and security of the building/offices.                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Contractual Services:</b> Professional contractual services with various vendors for strategic planning, staff development/training, awareness initiatives, consultation fees for staff development, media/radio announcements, and advertisements on billboards, banners, websites, etc.                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Special Transactions:</b> All other services to promote quarterly Domestic Violence awareness meetings and special events. Registration, safe hotels/motels, meals for victims and their dependents. Transactions intended to support victims and their dependents who start a new home away from the abuser, this includes utilities, rental assistance, food, clothing, emergency financial assistance, basic necessities, etc. Transactions intended to support victims and their dependents for federal court hearings including: food, lodging, clothing, etc. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Training:</b> NDCFS staff are to be trained to provide effective intervention, trauma informed, culturally sensitive, evidence-based training/education, relevant services and practices to help victims to experience a supportive safe and healing environment that will foster their ability to self-advocate with confidence.                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**k. A description of services that will be provided to victims of family violence, domestic violence, dating violence and their dependents that describes the plans for meaningful access for people with disabilities, provides examples of services to people with disabilities, and training and technical assistance on serving people with disabilities.**

VWAs will receive training on evidence-based approaches such as the Person-centered approach designed to empower individuals. VWAs will learn that the personal experience of the victims and their dependents is of utmost importance, as it emphasizes that the individuals are experts in their own lives, creating a supportive space for ongoing self-discovery and growth. VWAs will continue to learn that their role in this process is to provide an environment conducive to exploration. The person-centered approach relies on empathy, acceptance, authenticity and other techniques to encourage meaningful dialogue. Adults with significant cognitive, physical, and/or mental disabilities that limit their ability to make decisions or comprehend the information presented will be supported and guided throughout the entire process. VWAs will learn techniques that allow them to meet the needs of the victims and their dependents.

#### **E. Policies and Procedures**

**a) Describe how the applicant will document and track the data elements (outputs) required under the annual PPR, such as number of People Served (race/ethnicity and age); Shelter Services (bed nights and unmet requests for shelter); Supportive Services for Adults; Supportive Services for Children; and Community Education and Public Awareness activities.**

Monthly and Quarterly statistical reports outlining all the elements above will be completed by DFS staff and the subcontractors. These reports will be submitted directly to NDCFS Administrative office. The DV subcontractors are required to submit their financial status reports and annual performance reports detailing their accomplishments. The data captures the number of victims served, the type of supportive services provided which include counseling, crisis intervention, transportation, race, ethnicity, and the number and type of community education/public awareness outreaches/initiatives.

**b) Provide as an attachment, the section in the applicant's policies and procedures that addresses the protection and confidentiality and privacy of victims of domestic and dating violence and their dependents as described in Section 1. Funding Opportunity Description/Client Confidentiality (45 CFR § 1370.10(c)(S)). This must include the following elements:**

**1. Non-disclosure of PII to a third party including any federal, state, or tribal funder for purposes of data collection, reporting monitoring or evaluation.**

DFS is required to follow the Navajo Nation Privacy and Access to Information Act. DFS policy mandates that all personal identifying information is in accordance to the FHP policies and procedures, which states, "each client has a right to privacy, which includes protection of any identifying information (2017, p.8) and that the "VWA will follow the appropriate case set up to ensure the client's identifying information is protected at all times (before, during and after services are rendered) (2017, p.11). Finally, the policy states, "All client documents are confidential and can only be released with proper authorization." (2017, p.13).

**2. Prohibition on sharing client information without an informed, written, reasonably time-limited client release to any third-party including welfare, tribal police, and/or tribal officials.**

DFS is required to follow the Navajo Nation Privacy and Access to Information Act. The tribal law states any release of information to a third party, requires a notarized consent by the adult client, which must specify specifically what is being released and time frame in which the information is to be released.



### **3. When and how a client may consent to a release of information.**

DFS is required to follow the Navajo Nation Privacy and Access to Information Act. The tribal law states that an adult person must sign a notarized consent before any information is released to a third party. Further, DFS policy manual states that FHP workers cannot release any information about the client without the client's consent, unless a legal exception exists.

### **4. When the applicant may need to share PH without the consent of the client.**

DFS policy states, "The client verbally expresses the intent to harm and injure other individual(s), a client's intent to harm self or others, including SFP personnel, and suspected child abuse and neglect" (2017, p.24).

### **5. Confidentiality of location of shelter, if applicable.**

DFS policy describes the shelter admission process and indicates, "Shelter staff will arrange to meet referring agencies (i.e., policy, family, friends), to assist client to the shelter. Designated pick up areas will be identified and verbally communicated to the person assisting the client" (2017, p.24).

# NAVAJO NATION

659

6/12/2025

Naa'bik'iyati' Committee Regular Meeting

12:00:00 AM

Amd# to Amd#

New Business: Item H. (MAIN)

PASSED

MOT Yazzie, C

#0110-25

SEC Simonson, G

**Yeas : 13**

**Nays : 0**

**Excused : 2**

**Not Voting : 8**

**Yea : 13**

Begay, H

Curley, C

Parrish, S

Tolth, G

Begay, N

James, V

Simonson, G

Yazzie, C

Charles-Newton, E

Notah, N

Slater, C

Yazzie, L

Claw, S

**Nay : 0**

**Excused : 2**

Nez, A

Nez, R

**Not Voting : 8**

Arviso, S

Jesus, B

Mitchell, A

Tso, O

Daniels, H

Johnson, C

Simpson, D

Yanito, C

**Presiding Speaker: Crotty, A**