

RESOLUTION OF THE
NAVAJO NATION COUNCIL

23rd NAVAJO NATION COUNCIL—First Year, 2015

AN ACTION

RELATING TO BUDGET AND FINANCE COMMITTEE, NAABIK'ÍYÁTI' COMMITTEE AND THE NAVAJO NATION COUNCIL; APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF \$200,000 FOR NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, BUSINESS UNIT NEW

BE IT ENACTED:

SECTION 1. FINDINGS

- A. Pursuant to 12 N.N.C. § 820 (L), "[t]he Navajo Nation Council may adopt and approve supplemental appropriations to the Annual Comprehensive Budget during the fiscal year. Supplemental appropriations of General Funds within the current fiscal year are permitted, if and when additional sources of revenues above and beyond the initial or current revenue projections are projected and which are also in excess of the reserve amount set forth at § 820(J)."
- B. Pursuant to 2 N.N.C. § 164 (A)(9), a proposed resolution that requires final action by the Navajo Nation Council shall be assigned to the Naabik'íyáti' Committee before it is heard by the Navajo Nation Council.
- C. Pursuant to 2 N.N.C. § 300 (C)(1)(3) and (4) the Budget and Finance Committee is authorized to recommend adoption of resolutions related to the expenditure of the Nation's financial resources.
- D. Pursuant to Navajo Nation Council resolution CJA-02-10, the Navajo Nation created the Navajo Community Development Financial Institution as a for-profit corporation and the Navajo Community Development Financial Institution's Articles of Incorporation the Corporation states the purpose of the Corporation is to provide financing and financial products on favorable terms to Navajo Tribal members who have been underserved by mainstream institutions.

- E. The Navajo Community Development Financial Institution requires operating funds to deploy capital into the market place.
- F. The Navajo Community Development Financial Institution requires operating funds to provide necessary funding to employ staff to distribute and administer the loans to the community. Budget forms attached as Exhibit A.
- G. The Title 12 Finance Act Supplemental Appropriation requirements include:
 - 1. Pursuant to 12 N.N.C. § 820(M), all requests for annual operating funds and supplemental funds shall be submitted to the Office of Management and Budget ("OMB") for budget impact analysis. Attached as Exhibit B.
 - 2. Pursuant to 12 N.N.C. § 820(M), when the Controller identifies additional sources of revenues above and beyond the initial or current revenue projections, supplemental appropriations may be allocated by the Navajo Nation Council. Attached as Exhibit C.
- H. The Navajo Nation finds it in the best interest to approve Supplemental Appropriation for the Navajo Community Development Financial Institution to employ staff to distribute and administer loans to the community.

SECTION 2. APPROVING SUPPLEMENTAL FUNDING FROM THE UNRESERVED, UNDESIGNATED FUND BALANCE IN THE AMOUNT OF \$200,000 FOR THE NAVAJO COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

- A. The Navajo Nation Council, having received certification by the Office of the Controller of the availability of certain funds from the Unreserved, Undesignated Fund Balance (UUFb) for supplemental appropriation hereby approves the supplemental appropriation of \$200,000 for the Navajo Community Development Financial Institution to employ staff to distribute and administer loans to the community and for operating expenses as described in Exhibit A.

B. This supplemental appropriation of \$200,000 shall be to Business Unit Number New and from that amount of funds that exceeds the minimum fund balance of the UUFB.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 9 in favor and 4 opposed, this 24th day of July 2015.



LoRenzo Bates, Speaker
Navajo Nation Council

7/29/15

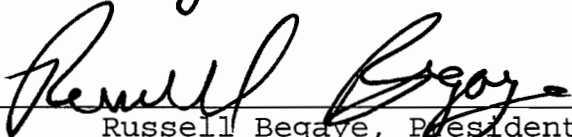
Date

Motion: Honorable Seth Damon

Second: Honorable Otto Tso

ACTION BY THE NAVAJO NATION PRESIDENT:

1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this 7th day of August 2015.





Russell Begaye, President
Navajo Nation

2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2015 for the reason(s) expressed in the attached letter to the Speaker.

Russell Begaye, President
Navajo Nation

3. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10) and 2 N.N.C. §164 (A) (17), on this _____ day of _____, 2015. The justification of my line-item veto is set forth by memorandum.

Russell Begaye, President
Navajo Nation

PART I. PROGRAM INFORMATION: Business Unit No.: _____ New _____ Program Name/Title: _____ Navajo Community Development Financial Institution																									
PART II. PLAN OF OPERATION REFERENCE/LEGISLATED PROGRAM PURPOSE: Navajo Community Development Financial Institution was created by the NN Council to built the Navajo economy by lending capital to individuals and chapters. No banks currently meet all these needs.																									
PART III. PROGRAM PERFORMANCE CRITERIA:																									
1. Program Performance Area: Originate and administer new loans Navajo related. Goal Statement: Obtain 3 new loans clients per quarter, either chapters or local business people.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">1st QTR</th> <th colspan="2">2nd QTR</th> <th colspan="2">3rd QTR</th> <th colspan="2">4th QTR</th> </tr> <tr> <td>Goal</td> <td>Actual</td> <td>Goal</td> <td>Actual</td> <td>Goal</td> <td>Actual</td> <td>Goal</td> <td>Actual</td> </tr> <tr> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> </tr> </table>	1st QTR		2nd QTR		3rd QTR		4th QTR		Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	3		3		3		3	
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Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual																		
3		3		3		3																			
2. Program Performance Area: Provide financial literacy program to the Navajo Community. Goal Statement: Schedule 3 financial literacy program to the Navajo Community per quarter.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> </tr> </table>	3		3		3		3																	
3		3		3		3																			
3. Program Performance Area: Obtain external funding from Federal & State governments. Goal Statement: Submit 2 - 3 funding applications per quarter.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> <td>3</td> <td></td> </tr> </table>	3		3		3		3																	
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4. Program Performance Area: Goal Statement:	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>																								
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PART IV. I HEREBY ACKNOWLEDGE THAT THE ABOVE INFORMATION HAS BEEN THOROUGHLY REVIEWED.																									
 Lorenzo Dimeyazhe, Legislative Financial Advisor Signature/Date 6/23/15	 Lorenzo Bates, Pro Tem Speaker, 22nd NNC Signature / Date 6/23/15																								

**THE NAVAJO NATION
DETAILED LINE ITEM BUDGET AND JUSTIFICATION**

PART I. PROGRAM INFORMATION:			
Program Name/Title: _____	Navajo Community Development Financial Institution	Business Unit No.: _____	New
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
2110	2001 PERSONNEL EXPENSE Salary to cover three staff under this program Chief Executive Officer - 75,000.00 Loan Officer - 35,000.00 Administrative Assistant - 24,000.00	134,000	134,000
3230	3000 TRAVEL EXPENSE Funds to cover travel expense relating to NCDFI official business travel. 3240 Per diem meals = 1,000.00 3250 Lodging = 2,000.00 3260 POV = 1,700.00	4,700	4,700
3810	3500 MEETING EXPENSE Funds for meeting stipends for Board members, shareholders & delegates. Meetings 3811 Stipends = 28,000.00	28,000	28,000
4120	4000 SUPPLIES EXPENSE Office Supplies 4130 General Office Supplies = 2,700.00	2,700	2,700
5110	5000 LEASE & RENTAL Building 5120 Office Space = 12,000.00	12,000	12,000
5520	5500 COMMUNICATIONS & UTILITIES Telephone 5530 Basic Service = 2,000.00	2,000	4,000
TOTAL		183,400	185,400

THE NAVAJO NATION
 DETAILED LINE ITEM BUDGET AND JUSTIFICATION

FY 2015

Page 3 of 3

PART I. PROGRAM INFORMATION:			
Program Name/Title:	Navajo Community Development Financial Institution	Business Unit No.:	New
PART II. DETAILED BUDGET:			
(A)	(B)	(C)	(D)
Object Code (LOD 6)	Object Code Description and Justification	Total by DETAILED Object Code	Total by MAJOR Object Code
5610	Wireless 5620 Cellular = 2,000.00	2,000	
6040	6000 REPAIRS & MAINTENANCE Services 6050 Building R & M Services = 600.00	600	600
6520	6500 CONTRACTUAL SERVICES Consulting 6530 Fees = 14,000.00	14,000	14,000
TOTAL		16,600	14,600

THE NAVAJO NATION
SUPPLEMENTAL FUNDING PROPOSAL SUMMARY

PART I. Business Unit No.: _____ **Program Title:** Navajo Community Development Financial Institution
Division/Branch: _____ **Amount Requested:** \$200,000.00 **Phone No.:** (602) 339-9934
Prepared By: L. Dineyazhe **Email Address:** ldineyazhe@navajo-nsn.gov

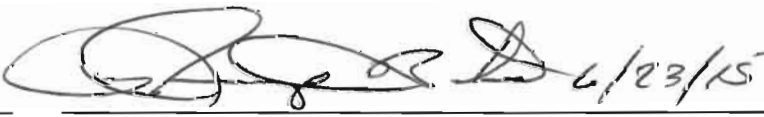
PART II. REASON FOR REQUEST AND STATEMENT OF NEED: The Navajo Community Development Financial Institution (NCDFI) was established by the Navajo Nation Council by Resolution CJA-02-10 on February 08, 2010 as a for-profit corporation, wholly owned by the Navajo Nation and authorized the members of the members of the standing committees of the Navajo Nation Council to serve as the Shareholder Representatives for the Corporation (NDFI). The NCDFI currently has capital to lend to the community but requires operating funds to deploy the capital into the market place. The requested operating funds in the amount of \$ 200,000.00 will provide the necessary funding to employ staff to distribute and administer the loans to the community. It is the goal of NCDFI to be entirely self-sustaining by obtaining external funds and interest collection to continue operations after expenditure of the requested amount.

PART III. SCOPE OF WORK/METHODOLOGY
The purpose of the NCDFI is to provide business loan options to members of the Navajo Nation community such as individually owned businesses, tribally owned entities, and local governance agents and chapters. The mission of NCDFI is to provide capital to these entities to further the economic development interests of the Navajo Nation and it's people.

PART IV. AFFIRMATION IS PROVIDED THAT THE PROPOSAL INFORMATION IS COMPLETE AND ACCURATE AND THE APPROPRIATE BRANCH CHIEF RECOMMENDS APPROVAL.



REVIEWED BY: , Program Manager/Director Signature / Date



RECOMMEND APPROVAL: Branch Chief's Signature / Date



THE NAVAJO NATION

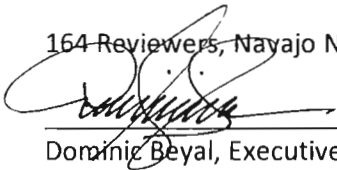
RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE PRESIDENT



Office of Management and Budget

Memorandum

To: 164 Reviewers, Navajo Nation

From: 
Dominic Beyal, Executive Director


Date: June 24, 2015

Subject: 164 Document # 5136, Navajo Community Development Financial Institution (NCDFI)
Request for Supplemental Funds

The Office of Management and Budget reviewed the above subject 164 document and the following needs further attention:

1. On Budget Form 4, Detailed Line Item Budget and Justification, Part II. Column (B), in the personnel expense portion, the amount for object code 2110 adds to \$144,000 instead of \$134,000 and, therefore, other parts of the budget forms (Budget Form 1, Parts II. and II. and the Supplemental Funding Proposal Summary, Part I.) need to be changed to reflect this revised amount. *CORRECTED 6/24 by [Signature]*
2. The Supplemental Funding Proposal Summary, Part II. needs minor correction where "members" is mentioned twice. *CORRECTED 6/24 by [Signature]*
3. Two sets of the Articles of incorporation is included in the budget package. ✓
4. An updated UUFB report needs to be included in the budget package. The UUFB has been reduced to about \$4.9 million after the last session of the Council approving several supplemental budgets. ✓
- ✓ 5. The 164 form and document should also include and reviewed by the Division of Economic Development and the Department of Justice. *only Finance & OMB required for Legislative Branch*
6. Upon approval of this supplemental budget by the Navajo Nation Council and the Navajo Nation President, the funds should be processed through a grant agreement with the Division of Economic Development. *Econ Dev would prefer direct dealing with NCDFI*

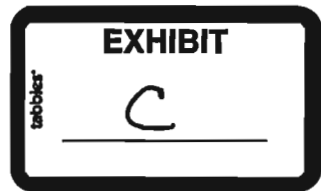
The above findings should be addressed or corrected before the supplemental funding request is considered further.

All findings above have been addressed or corrected as of 6/25/15.




THE NAVAJO NATION

RUSSELL BEGAYE PRESIDENT
JONATHAN NEZ VICE-PRESIDENT




MEMORANDUM:

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

Honorable Lorenzo Bates, Speaker
Navajo Nation Council

Honorable Eleanor Shirley, Acting Chief Justice
Judicial Branch

FROM : 
Natasha Damon, Senior Accountant
General Accounting, Office of the Controller

DATE : June 30, 2015

SUBJECT : Financial Update-(General Fund Revenue, Expenditures, UUFb)

The following is the financial data from the General Fund for FY 2015. The total year to date gross General Fund Revenues, see Exhibit "A", as of June 30, 2015 is \$196,631,841 and the total set asides is \$51,393,731. The Net Revenue for the General Fund is \$145,238,110 which is 84.12% of the projection. The total expenditures by branch are shown on Exhibit "B". The Legislative Branch has actual expenditures of \$9,388,800, encumbrances of \$974,958, with a remaining budget of \$8,103,341. The Executive Branch actual expenditures are \$135,309,779, encumbrances of \$13,545,666, with a remaining budget of \$77,862,839. The Judicial Branch actual expenditures are \$9,727,746, encumbrances of \$68,925 and remaining budget of \$5,845,032. Total General Fund expenditures are \$154,426,324; total encumbrances are \$14,589,549 leaving an overall remaining General Fund budget of \$91,811,212. The updated UUFb as of June 30, 2015 is 4,906,679, attached Exhibit "C."

Thank you, if you should have any question please feel free to call me at tribal extension X6125.



THE NAVAJO NATION
Revenue Schedule (Unaudited)
June 30, 2015

FY 2015

Account Range	Original Budget	Revised Budget	Actuals	Budget Available	% Revenue of Total
107001 TNN: ROYAL; GAS; OIL	(50,567,000)	(50,567,000)	(28,215,077)	(22,351,923)	55.80
107002 TNN: COAL REVENUES	(54,683,000)	(54,683,000)	(44,457,546)	(10,225,454)	81.30
107003 TNN:OTR MINERALS REV			(27,796)	27,796	
107004 TNN: LAND REVENUES	(57,918,000)	(57,918,000)	(54,257,458)	(3,660,542)	93.68
107005 TNN: BUSINESS FEES			(51,738)	51,738	
107006 TNN: INTEREST INCOME	(800,000)	(800,000)	(1,074,842)	274,842	134.36
107007 TNN: TAX REVENUES	(66,052,000)	(66,052,000)	(68,184,586)	2,132,586	103.23
107008 COURT FINES + FEES	(400,000)	(400,000)	(327,706)	(72,294)	81.93
107009 TNN: OTHER REVENUES	(500,000)	(500,000)	46,228	(546,228)	-9.25
107010 BIA: ROYAL; GAS; OIL			(80,862)	80,862	
107011 BIA: COAL REVENUES			(459)	459	
TOTAL REVENUE	(230,920,000)	(230,920,000)	(196,631,841)	(34,288,159)	85.15
107017 CAPITAL OUTLAY MATCH	2,000,000	2,000,000	2,000,000	-	100.00
107018 LAND FUND TRANSFER	4,618,000	4,618,000	3,232,637	1,385,363	70.00
107019 PERMANENT FUND TRNSF	27,710,000	27,710,000	23,595,821	4,114,179	85.15
107028 WATER RIGHTS CLAIM FU	2,000,000	2,000,000	2,000,000	-	100.00
107029 DINE' HIGHER EDUCATIO	11,200,000	11,200,000	11,200,000	-	100.00
107030 HISTORICAL TRUST ASSE	1,500,000	1,500,000	1,500,000	-	100.00
107031 VETERANS TRUST FUND S	9,237,000	9,237,000	7,865,274	1,371,726	85.15
TOTAL SET ASIDE	58,265,000	58,265,000	51,393,731	6,871,269	88.21
SUBTOTAL	(172,655,000)	(172,655,000)	(145,238,110)	(27,416,890)	84.12

(1)- Based upon CS-46-14 Paragraph E which authorizes the use of Set Aside for debt service of \$10,000,000. \$10,000,000 has been deposited into N01305.



FY 2015 EXHIBIT "B"

The Navajo Nation
Budget Status_Income Statement
As of June 30, 2015

Branch / Object Account	Original Budget	Revised Budget	Actuals	Encumbrances	Budget Remaining	% Remaining
LEGISLATIVE BRANCH						
2001 - Personnel Expenses	10,146,535	11,623,591	6,659,072		4,964,519	42.71
3000 - Travel Expenses	1,669,815	1,868,597	1,034,912	30,031	803,654	43.01
3500 - Meeting Expenses	377,399	491,252	277,689	-	213,563	43.47
4000 - Supplies	555,594	798,315	327,629	141,069	329,617	41.29
5000 - Lease & Rental	280,550	284,847	165,228	46,581	73,038	25.64
5500 - Communications & Utilities	235,969	277,780	154,389	-	123,390	44.42
6000 - Repairs & Maintenance	93,050	143,934	99,629	5,406	38,899	27.03
6500 - Contractual Services	549,234	1,739,641	419,240	707,282	613,119	35.24
7000 - Special Transactions	472,981	565,435	249,833	32,620	282,982	50.05
8000 - Assistance	-	146	404	-	(258)	-176.55
9000 - Capital Outlay	730,368	673,561	775	11,969	660,816	98.11
9500 - Matching & Indirect Cost	-	-	-	-	-	
Total LEGISLATIVE BRANCH	15,111,495	18,467,098	9,388,800	974,958	8,103,341	43.88
EXECUTIVE BRANCH						
2001 - Personnel Expenses	80,059,332	85,789,874	53,166,173	-	32,623,700	38.03
3000 - Travel Expenses	11,703,111	11,847,547	7,323,814	1,901	4,521,831	38.17
3500 - Meeting Expenses	1,093,830	2,660,573	1,411,583	-	1,248,990	46.94
4000 - Supplies	5,500,493	7,570,573	3,227,536	694,601	3,648,436	48.19
5000 - Lease & Rental	1,897,790	2,351,905	1,359,683	121,132	871,089	37.04
5500 - Communications & Utilities	7,890,698	8,952,706	4,975,183	828,040	3,149,482	35.18
6000 - Repairs & Maintenance	6,666,744	5,956,661	2,501,195	1,023,921	2,431,546	40.82
6500 - Contractual Services	4,781,901	12,203,130	4,087,573	6,102,108	2,013,449	16.50
7000 - Special Transactions	18,435,873	19,503,653	17,140,521	155,008	2,208,123	11.32
8000 - Assistance	46,184,477	58,150,122	37,324,888	4,455,855	16,369,378	28.15
9000 - Capital Outlay	1,758,850	3,673,866	464,786	163,100	3,045,981	82.91
9300 - Other Income and Expense	-	-	-	-	-	
9500 - Matching & Indirect Cost	4,498,820	8,057,676	2,326,842	-	5,730,834	71.12
Total EXECUTIVE BRANCH	190,471,919	226,718,285	135,309,779	13,545,666	77,862,839	34.34
JUDICIAL BRANCH						
2001 - Personnel Expenses	12,730,707	13,134,117	8,443,633		4,690,484	35.71
3000 - Travel Expenses	670,491	717,546	415,449	-	302,097	42.10
3500 - Meeting Expenses	112,000	114,700	12,395	-	102,305	89.19
4000 - Supplies	373,978	422,684	197,851	9,595	215,238	50.92
5000 - Lease & Rental	94,175	121,272	46,383	-	74,889	61.75
5500 - Communications & Utilities	269,475	243,443	49,588	-	193,855	79.63
6000 - Repairs & Maintenance	245,541	187,450	56,365	-	131,085	69.93
6500 - Contractual Services	36,334	48,680	8,417	13,226	27,036	55.54
7000 - Special Transactions	248,024	225,160	120,863	653	103,644	46.03
8000 - Assistance	-	-	-	-	-	
9000 - Capital Outlay	-	426,651	376,801	45,451	4,399	1.03
9300 - Other Income and Expense	-	-	-	-	-	
Total JUDICIAL BRANCH	14,780,725	15,641,702	9,727,746	68,925	5,845,032	37.37
GRAND TOTAL:	220,364,139	260,827,085	154,426,324	14,589,549	91,811,212	35.20



Undesignated, Unreserved, Fund Balance (UUFB)
June 30, 2015
(Unaudited)

09-30-14 Balance	47,939,125
Min Fund Balance-CJA-07-06	17,592,800
UUFB 10-01-13	<u>30,346,325</u>
Supplementals	
CN-53-14 Phoenix Indian Center	148,325
CD-69-14 - Cameron Chapter	180,120
CD-71-14 - Nahatadzil Shopping Center, Oljato Chapter	5,500,000
CD-72-14- Navajo Transit	600,000
CD-73-14-Grazing, Farm Boards,ENavajoLand Board	1,559,250
CD-75-14-Tonalea/Red Lake Chapter	500,000
CD-70-14- Headstart Matching	3,558,856
CMA-06-15-Navajo Election Admin	317,891
CAP-12-15-Powerline Projects, Cap Improvement , Zoo	13,075,204
UUFB 06-30-15	<u>4,906,679</u>