



UNITED STATES GOVERNMENT
OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

Christopher J. Bavasi
Executive Director

November 15, 2024

Office of Management and Budget
725 17th St NW, Rm 8223
Washington DC 20503

Dear OMB,

The mission of the Office of Navajo and Hopi Indian Relocation is to provide quality services to eligible households and others impacted by the Relocation Act in such a way that our clients have the opportunity to re-establish their lives in a positive and productive manner.

The Office is organized as a separate agency reporting directly to the President of the United States. This makes it part of the Executive Branch, with oversight provided by the Office of Management and Budget and various congressional committees.

Our goal has always been to ensure that all relocation activities that the Office conducts are consistent with the intent of Congress and the Executive Branch, as expressed in the Navajo-Hopi Settlement Act (PL93-531) and the Navajo and Hopi Indian Relocation Amendments Acts (PL96-305). Our program includes eligibility determination, necessary family counseling assistance, acquisition of decent, safe, and sanitary replacement housing, disposal of abandoned property, and other activities associated with the relocation of the affected families. As of 10/31/24, out of 7,184 applications, the Office has certified 3,848 families for relocation benefits and denied 3,336 others. Of those certified, we have moved 3,712, closed cases on 127 families that, for various reasons, could not move, and currently have signed housing contracts with 1 family with 8 certified families left to move.

Over the years, some of the denied applicants have taken their cases to the US District Court for the District of Arizona after completing the administrative appeal process, and some of these have had their denials reversed. When this has happened, the Office has had to determine if the District Court's decision requires changes in our standards or procedures for evaluating Applications. We have not had to make any such changes in FY2024. There are currently 8 pending cases in the District Court for the District of Arizona under the Administrative Procedure Act (APA) challenging ONHIR decisions denying Relocation Benefits. There are 6 pending appeals in the Court of Appeals of the Ninth Circuit. There is one case in the Court of Federal Claims brought by the Navajo Nation against the U.S. Government challenging ONHIR's alleged acts and omissions seeking \$40,000,000 and injunctive relief.

In FY2024, our agency had both qualitative and quantitative goals:

Qualitative Goals:

a) There will be a constant application of equal opportunity to all staff, and managers or team leaders will be informed of their EEO/AA responsibilities. During FY2024, there were no complaints filed by staff. The Office has established a Policy on Reasonable Accommodation to ensure full access to equal employment opportunity. Staff members received training on whistleblower protections, affirmative action policies, responding to employees who allege violations of whistleblower protection, computer security awareness training, and ethics for federal employees. In addition, all justifiable requests for employee job training were approved.

b) There will be no violations of the Anti-Deficiency Act. There were no such violations during FY2024.

c) The agency's mission will be executed using sound business practices that consider the interests of the general public and the agency's clients. Several examples of managerial efficiency during FY2024 are: there were sufficient resources used in FY2024 to continue the relocation program without delays; management was able to reduce some administrative expenses to be able to reach the goal for client moves; the program staff is required to measure client satisfaction by regular and recurring client contact, and there were no formal complaints received from clients or other outsiders during this period.

Quantitative Goals:

The Office will move 4 families. There were 2 moves in FY2024, and the total number to be moved during FY2025 is now 8.

In accordance with the Federal Managers' Financial Integrity Act (FMFIA), the Office has established a system of managerial and financial internal controls. The Office can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2024, was operating effectively. Therefore, the contents of the attached reports may be relied upon by staff and external viewers. As the need arises, improvements are made in both managerial and financial controls. Presently, the Interior Business Center has taken over accounting procedures for ONHIR.

Sincerely,



Christopher J. Bavasi
Executive Director

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

ANNUAL PERFORMANCE REPORT

For the Fiscal Year 2024

GOALS:

1. Performance Goals and Indicators - The specific performance goal to be attained in FY2024 by the Office is to move 4 clients that are already certified, or may be certified by the court processes, consistent with PL93-531 and the Navajo and Hopi Indian Relocation Amendments Acts, PL96-305.

2. Resources Needed to Meet Goals—To move four clients, the Office will use the Relocation Program staff to counsel them, secure homesites on the Navajo reservation, dispose of abandoned property on the former Joint Use Area, and acquire replacement housing either through new construction or the purchase of resale homes on or off the reservation.

The New Lands staff will provide services, such as fence-building, waterline and windmill maintenance, biological counseling in range and herd management, and other personal services to relocatees in the New Lands area.

The remaining administrative staff will support these two programs in Contracting, Information Systems, Policies & Personnel, and Finance.

To accomplish all these various duties, the Office will have an FTE of 18 for FY2024 allocated by OMB. Funds to carry out the required work will come from the use of carryover funds from FY2023.

3. Verification and Validation of the Plan—The means used to verify and validate the office's actual performance will, first and foremost, be a tally of the cases closed during the fiscal year and scrutiny of the list of clients awaiting relocation.

RESULTS:

For FY2024, the Office did not receive an appropriation from Congress but had \$9.4M in carryover funds from FY2023 available. The Office signed 2 relocation contracts during FY2024, and there are only 8 clients left to move in FY2025.

AREAS FOR IMPROVEMENT:

Clients who are relocating to the Navajo Reservation must have a homesite lease from the Navajo Nation approved by the Bureau of Indian Affairs (BIA) for the area where they plan to move, move into a Navajo Housing Authority subdivision, or move into an available lot in a subdivision built by the Office. Without a current homesite lease, a client could also move off the reservation. These restrictions on where someone may move could be a problem for some

clients. Since there are only 8 left to move, the Office can be creative in finding solutions to individual problems.

To speed up our entire housing process, the executive director has instructed our housing specialists to help their clients in any way they can to facilitate client moves. This may involve anything from helping the clients obtain necessary documentation to transporting them to appointments with various Navajo Nation departments.

MANAGEMENT DISCUSSION AND ANALYSIS

The mission of the Office of Navajo and Hopi Indian Relocation is to provide quality services to eligible households and others impacted by the Relocation Act, in such a way that our clients have the opportunity to re-establish their lives in a positive and productive manner.

The Office is organized as a separate agency reporting directly to the President of the United States. This makes the Office part of the Executive Branch, with oversight provided by the Office of Management and Budget and various congressional committees.

Our goal has always been to ensure that all relocation activities that the Office conducts are consistent with the intent of Congress and the Executive Branch, as expressed in the Navajo-Hopi Settlement Act, PL93-531, and the Navajo and Hopi Indian Relocation Amendments Acts, PL96-305. Our program includes eligibility determination, necessary family counseling assistance, acquisition of decent, safe, and sanitary replacement housing, disposal of abandoned property, and other activities associated with the relocation of the affected families. As of 10/31/24, out of 3,848 families certified for relocation benefits, only 8 clients remain to sign contracts.

Over the years, some denied applicants have taken their cases to the U.S. District Court for the District of Arizona after completing the internal administrative appeal process, and some of these have had their denials reversed. When this has happened, the Office has had to determine if the District Court's decision would require changes in our standards or procedures for evaluating Applications. There have been no decisions by the U.S. District Court in FY2024 that would require changes in our business procedures. There are currently 8 appeals at the US District Court for the District of Arizona, and 6 appeals in the US Court of Appeals. There is one case in the Court of Federal Claims brought by the Navajo Nation against the U.S. Government challenging ONHIR's alleged acts and omissions, seeking \$40,000,000 and injunctive relief.

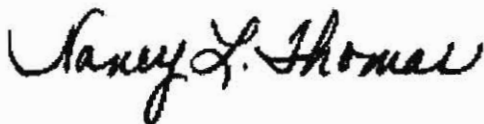
During FY2024, our financial statements show that there have been no major changes in the types or amounts of assets, liabilities, costs, obligations, and outlays. The financial statements have been prepared from the books and records of the Office in accordance with GAAP for Federal entities and formats prescribed by OMB. They are in addition to the financial reports used to monitor and control budgetary resources. There has been no audit of the financial records since FY2017, but DOI (through IBC) has taken over the accounting procedures for ONHIR and they have yearly audits.

CFO Letter

The Office of Navajo and Hopi Indian Relocation has had a financial audit every year starting in FY1995 through FY2017, per requirements of the Federal Managers' Financial Integrity Act. The Office has always received a clean opinion, with no material weaknesses or significant deficiencies. During FY2021, ONHIR began transitioning financial procedures to DOI via the Interior Business Center (IBC). IBC has been responsible for all payments made since May 2021 and has created a new financial system for ONHIR under Oracle, which is the company IBC uses for all its other financial clients. IBC has taken over all accounting procedures as of 10/1/2022, including preparing financial statements.

Two particular areas that OMB has asked all agencies for reassurance on is that appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices and to work on reining in improper payments. The Office currently has only 18 employees, so examining all travel and purchase card statements closely is a monthly practice performed by the CFO. There were no improper purchases during FY2024, but any improper purchases would be dealt with immediately. The volume of purchases on these cards was about \$153,000 in FY2024, well below the \$10 million reporting requirement. In addition, there is added assurance that improper payments are not made due to the scrutiny of all payments by both the Office and DOI before payments are sent out.

As any other problems arise, the office's small size makes it easy to find both efficient and practical solutions while still maintaining sound internal controls.



Nancy L. Thomas

11/15/2024

Office of Navajo & Hopi Indian Relocation
Balance Sheet
As of September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Assets (Note 2)		
Intra-governmental Assets		
Fund Balance With Treasury	\$ 5,152,833	\$ 10,059,978
Total intra-governmental assets	<u>5,152,833</u>	<u>10,059,978</u>
Total assets	<u><u>\$ 5,152,833</u></u>	<u><u>\$ 10,059,978</u></u>
Liabilities: (Note 13)		
Other than intra-governmental liabilities		
Accounts Payable	-	6,264
Accrued Funded Payroll and Leave	44,626	35,314
Employer Contributions and Payroll Taxes Payable	15,077	12,146
Unfunded Leave	652,246	601,504
Total other than intra-governmental/with the public	<u>711,949</u>	<u>655,228</u>
Total liabilities	<u><u>\$ 711,949</u></u>	<u><u>\$ 655,228</u></u>
Net position:		
Total Unexpended Appropriation (Consolidated)	\$ 5,093,131	\$ 10,006,254
Unexpended appropriations - Funds from other than Dedicated Collections	5,093,131	10,006,254
Total Cumulative Results of Operations (Consolidated)	\$ (652,247)	\$ (601,504)
Cumulative results of operations - Funds from Dedicated Collections (Note 21)	\$ (652,246)	(601,504)
Total net position	<u>4,440,884</u>	<u>9,404,750</u>
Total liabilities and net position	<u><u>\$ 5,152,833</u></u>	<u><u>\$ 10,059,978</u></u>

Office of Navajo & Hopi Indian Relocation
Statement of Net Cost
For the Years Ended September 30, 2024 and 2023
(in dollars)

Gross Program Costs (Note 21):

Program A:

	<u>2024</u>	<u>2023</u>
Gross costs	<u>\$ 4,963,866</u>	<u>\$ 5,825,988</u>
Net cost of operations	<u>\$ 4,963,866</u>	<u>\$ 5,825,988</u>

Office of Navajo & Hopi Indian Relocation
Statement of Changes in Net Position
For the Years Ended September 30, 2024 and 2023
(in dollars)

	<u>2024</u>	<u>2023</u>
Unexpended Appropriations:		
Beginning Balance	\$ 10,006,254	\$ 15,816,152
Beginning balance, as adjusted	\$ 10,006,254	\$ 15,816,152
Appropriations used	(4,913,123)	(5,809,898)
Net Change in Unexpended Appropriations	<u>(4,913,123)</u>	<u>(5,809,898)</u>
Total Unexpended Appropriations	<u>\$ 5,093,131</u>	<u>\$ 10,006,254</u>
Cumulative Results of Operations:		
Beginning Balances	\$ (601,504)	\$ (585,414)
Beginning balances, as adjusted	\$ (601,504)	\$ (585,414)
Appropriations used	4,913,123	5,809,898
Net Cost of Operations	<u>(4,963,866)</u>	<u>(5,825,988)</u>
Net Change in Cumulative Results of Operations	<u>(50,743)</u>	<u>(16,090)</u>
Total Cumulative Results of Operations	<u>(652,247)</u>	<u>(601,504)</u>
Net Position	<u>\$ 4,440,884</u>	<u>\$ 9,404,750</u>

Office of Navajo & Hopi Indian Relocation
Statement of Budgetary Resources
For the Years Ended September 30, 2024 and 2023
(in dollars)

		<u>2024</u>	<u>2023</u>
	Budgetary resources:		
1071 *	Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 25)	<u>\$ 9,766,905</u>	<u>\$ 15,626,370</u>
1910	Total budgetary resources	<u><u>\$ 9,766,905</u></u>	<u><u>\$ 15,626,370</u></u>
	Status of Budgetary Resources:		
2190	New obligations and upward adjustments (total)	\$ 5,395,160	\$ 6,251,243
	Unobligated balance, end of year:		
2204 *	Apportioned, unexpired account	<u>4,371,745</u>	<u>9,375,127</u>
2412	Unexpired unobligated balance, end of year	<u>4,371,745</u>	<u>9,375,127</u>
2490	Unobligated balance, end of year (total)	<u>4,371,745</u>	<u>9,375,127</u>
2500	Total budgetary resources	<u><u>\$ 9,766,905</u></u>	<u><u>\$ 15,626,370</u></u>
	Outlays, Net and Disbursements, Net		
4190	Outlays, net (total) (discretionary and mandatory)	<u>\$ 4,907,144</u>	<u>\$ 5,806,922</u>
4210 *	Agency outlays, net (discretionary & mandatory)	<u><u>\$ 4,907,144</u></u>	<u><u>\$ 5,806,922</u></u>

* Represents a line number that is unique to the SBR. Further information on the description and composition of these lines can be found in OMB Circular A-11, Appendix F.

The accompanying notes are an integral part of these statements.

Office of Navajo & Hopi Indian Relocation
As of September 30, 2024
(in dollars)

Budget and Accrual Reconciliation

For the period ended September 30, 2024

	Intragovernmental	With the Public	Total FY2024
Net Operating Cost (SNC)	\$ 187,596	\$ 4,776,269	\$ 4,963,865
Components of Net Operating Cost Not Part of the Budgetary Outlays			
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	-	6,263	6,263
Salaries and benefits	-	(12,243)	(12,243)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(50,741)	(50,741)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	-	(56,721)	(56,721)
Net Outlays (Calculated Total)	\$ 187,596	\$ 4,719,548	\$ 4,907,144
Agency Outlays, Net (SBR Line 4210)			4,907,144

#REF!

	Intragovernmental	With the Public	Total FY2023
Net Operating Cost (SNC)	\$ 454,726	\$ 5,371,262	\$ 5,825,988
Components of Net Operating Cost Not Part of the Budgetary Outlays			
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	-	(717)	(717)
Salaries and benefits	-	(2,259)	(2,259)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(16,090)	(16,090)
Transfers out (in) without reimbursement			
Total Components of Net Operating Cost Not Part of the Budget Outlays	-	(19,066)	(19,066)
Net Outlays (Calculated Total)	\$ 454,726	\$ 5,352,196	\$ 5,806,922
Agency Outlays, Net (SBR Line 4210)			5,806,922

Office of Navajo and Hopi Indian Relocation

NOTES TO FINANCIAL STATEMENTS

Years ended September 30, 2024, and 2023

Note 1 – Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Reporting Entity

The Office of Navajo and Hopi Indian Relocation (ONHIR) was established pursuant to 25 USC640d-11 in 1974 as part of the Executive Branch of the federal government. ONHIR was tasked with developing a relocation plan to relocate members of the Navajo Nation residing within the area partitioned to The Hopi Tribe, and members of The Hopi Tribe residing within the area partitioned to the Navajo Nation, and to carry out the directed relocation as promptly and fairly as possible, with a minimum of hardship and discomfort to the relocatee. In order to accomplish its mission, ONHIR was allowed to acquire 400,000 acres of land to be held in trust for the Navajo Nation.

The financial statements of ONHIR have been prepared in conformity with the U.S. generally accepted accounting principles as applied to federal government departments and agencies. The Federal Accounting Standards Advisory Board (FASAB) is the accepted standard setting body establishing governmental accounting and financial reporting principles. The more significant of ONHIR's accounting policies are described below.

Recognition of Financing Sources

The entire fund balance with Treasury derives from appropriated funds. This balance is reported under entity assets as ONHIR has full access to these funds and has the authority to decide how these funds are used.

Property and Equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives based upon federal government fixed assets schedules ranging between two and eight years on a straight-line basis. Maintenance and repairs are charged to operations when obligated. Betterments and renewals are capitalized. The capitalization threshold for ONHIR is \$250,000. These assets are available for unrestricted use.

As a branch of the federal government, upon completion of the objectives of ONHIR, all property and equipment will remain the property of the United States government.

Retirement Plans

Employees hired by ONHIR prior to January 1, 1984, participate in the Civil Service Retirement System (CSRS), to which ONHIR makes contributions of seven percent (7%) of employee gross wages. ONHIR not report CSRS assets or accumulated plan benefits, as the reporting requirements are the responsibility of the US Office of Personnel Management.

Note 1 – Summary of Significant Accounting Policies – Continued

Employees hired by ONHIR subsequent to January 1, 1984, participate in the Federal Employees Retirement System (FERS). FERS went into effect on January 1, 1984, pursuant to Public Law 99-335. One feature of FERS is that it offers the TSP savings plan whereby ONHIR automatically contributes one percent (1%) of gross wages and matches any employee's contributions up to an additional four percent (4%).

Note 2 – Accounting Estimates

Preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the end of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Funds Balance with Treasury

The Department of the Treasury (Treasury) performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the ONHIR to draw down funds from Treasury for expenses and liabilities.

The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be re-apportioned, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

The Status of Fund Balance with Treasury as of September 30, 2024, and September 30, 2023, consists of the following:

	<u>FY 2024</u>	<u>FY 2023</u>
<u>Status of Funds</u>		
Unobligated balance:		
Available	\$ 4,371,745	\$ 9,375,127
Unavailable	-	-
Obligated balance not yet disbursed	781,088	684,851
Non-budgetary Fund Balance with Treasury	-	-
Totals	\$ 5,152,833	\$ 10,059,978

Note 4 – Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts.

Liabilities not covered by budgetary resources as of September 30, 2024, and September 30, 2023, are shown in the following table:

	FY 2024	FY 2023
A. Intragovernmental:		
(1) Accounts payable	\$ -	\$ -
Total Intragovernmental	-	-
B. Accounts payable (Public)	-	6,264
C. Employer Contributions and Payroll Taxes Payable	15,077	12,146
D. Unfunded Leave	652,246	601,504
E. Accrued Funded Payroll and Leave	44,626	35,314
Total liabilities not covered by budgetary resources	\$ 652,246	\$ 601,504
Total liabilities covered by budgetary resources	\$ 59,703	\$ 53,724
Total liabilities not requiring budgetary resources	-	-
Total liabilities	\$ 711,949	\$ 655,228

Note 5: Other Liabilities

ONHIR must disclose intragovernmental and other than intragovernmental Other Liabilities separately and provide other information necessary to understand the nature of Other Liabilities. ONHIR does not have Other Liabilities.

Note 6: Undelivered Orders at the End of the Period

Undelivered orders are purchase orders issued by ONHIR during Fiscal Year 2024 or Fiscal Year 2023 that have not had delivery of required product or service as of September 30, 2024 or 2023, respectively. It is anticipated that these undelivered items will be provided in future periods and will require resources obligated during Fiscal Year 2024 or Fiscal Year 2023.

	FY 2024	FY 2023
Unpaid:		
Federal	48,764	63,889
Non-Federal	672,622	567,239
Totals	\$ 721,386	\$ 631,128

Note 7 - Explanation of Differences between the SBR and The Budget of the US Government

Statement of Federal Financial Accounting Standards No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, calls for explanations of material differences between amounts reported in the Statement of Budgetary Resources (SBR) and the actual balances published in the Budget of the United States Government (President's Budget). However, the President's Budget that will include FY25 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2025 and can be found at the OMB website: <http://www.whitehouse.gov/omb>. The 2025 Budget of the United States Government, with the actual column completed for 2023, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

Note 8 – Budget and Accrual Reconciliation

The Budget and Accrual Reconciliation (BAR) requires a reconciliation of the new outlays on a budgetary basis and the net cost of operations during the period.

Office of Navajo & Hopi Indian Relocation
As of September 30, 2024
(in dollars)

Budget and Accrual Reconciliation
For the period ended September 30, 2024

	Intragovernmental	With the Public	Total FY2024
Net Operating Cost (SNC)	\$ 187,596	\$ 4,776,269	\$ 4,963,865
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Total Components of Net Operating Cost Not Part of the Budgetary Outlays	-	(56,721)	(56,721)
Net Outlays (Calculated Total)	\$ 187,596	\$ 4,719,548	\$ 4,907,144
Agency Outlays, Net (SBR Line 4210)			4,907,144

For the period ended September 30, 2023

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Net Operating Cost (SNC)	\$ 454,726	\$ 5,371,262	\$ 5,825,988
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Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(16,090)	(16,090)
Transfers out (in) without reimbursement	-	-	-
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	-	(19,066)	(19,066)
Net Outlays (Calculated Total)	\$ 454,726	\$ 5,352,196	\$ 5,806,922
Agency Outlays, Net (SBR Line 4210)			5,806,922