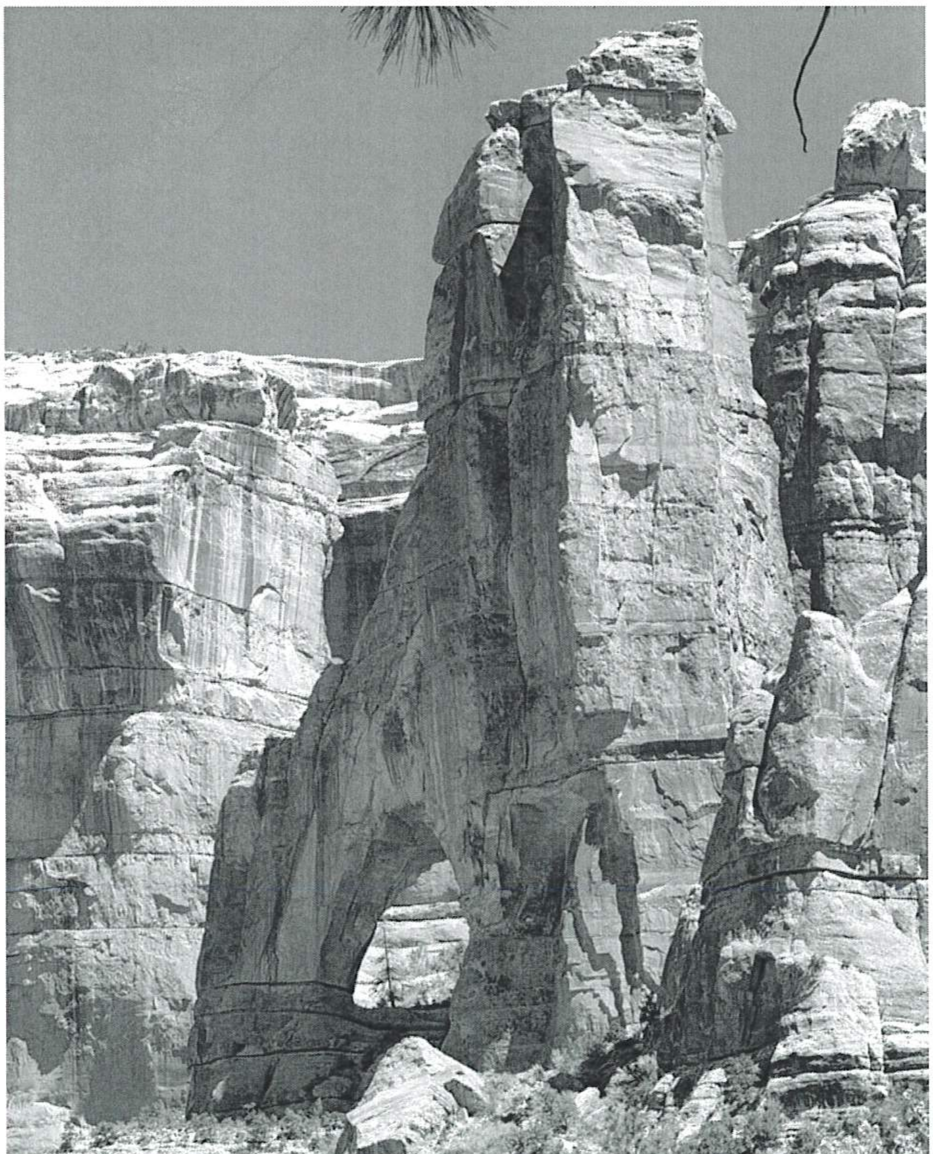
Utah Navajo Trust Fund

Annual Financial Report and
Government Auditing Standards Report
For the Year Ended June 30, 2025



(Cathedral Arch, in Arch Canyon)

Utah Navajo Trust Board of Trustees

In accordance with Utah Statute 51-10-202, the Board of Trustees is a three-member board. The Utah State Treasurer serves as member and chair, the director of the Division of Finance of the State of Utah serves as a second member, and the director of the Governor's Office of Planning and Budget or her designee serves as the third member.

Board members as of June 30, 2025 are as follows:

Marlo Oaks
Board Chair
State Treasurer

Van Christensen
Board Member
Finance Division Director

Evan Curtis
Board Member
Governor's Office of Planning and Budget

Diné Advisory Committee:

Melvin Captain Jr.
Aneth, Chair

Aretta Begay
Teecnospos, Vice Chair
Rebecca Benally
Red Mesa
Stanley Nez
Blue Mountain Diné Community
Jamie Harvey
Aneth
Ana Mae Jim
NaatsisAan Chapter

Utah Navajo Trust Fund Administrator:
Tony Dayish

Statement Prepared by:
Maury Bergman
Finance Manager

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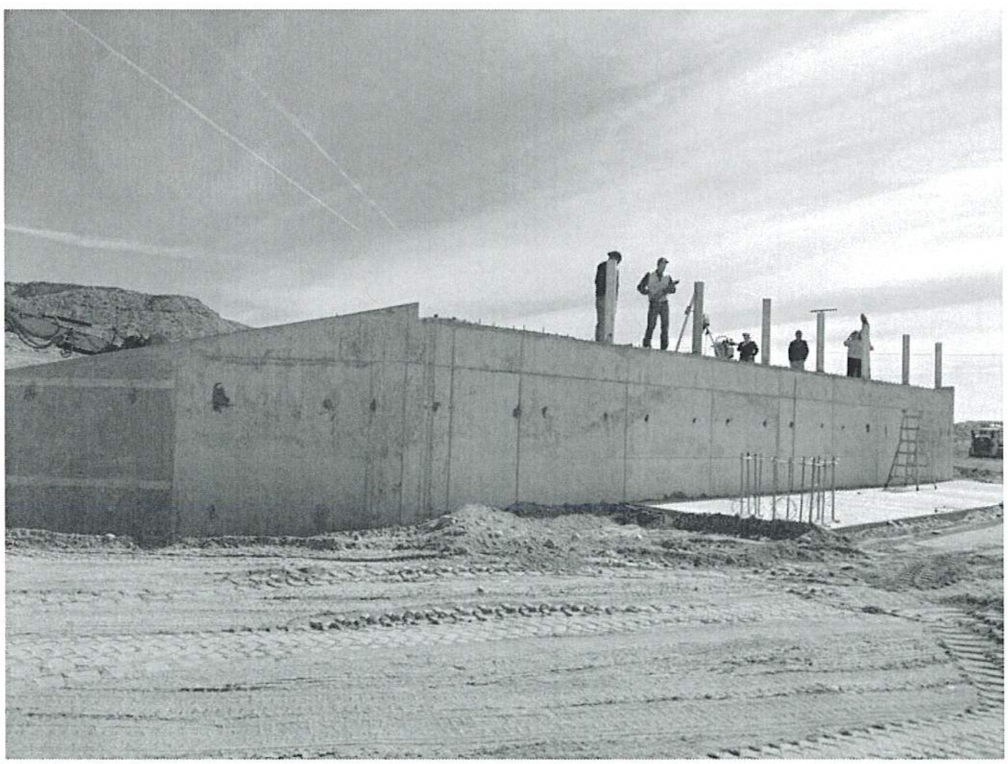


(Construction of the Aneth Chapter solid waste transfer station)

State of Utah
Office of the Utah State Auditor

Tina M. Cannon
Utah State Auditor

Independent Auditor's Report

To the Board of Trustees
and
Tony Dayish, Trust Administrator
Utah Navajo Trust Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Utah Navajo Trust Fund (UNTF) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise UNTF's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UNTF, as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UNTF 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 audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the UNTF and do not purport to, and do not, present fairly the financial position of the State of Utah as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Utah State Capitol, Suite 260, Salt Lake City, UT 84114, (801) 538-1025

In addition, as discussed in Note 1, the accounting and reporting policies of UNTF follow the accrual basis of accounting, with the exception of oil royalty revenues, which are accounted for on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America, 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 UNTF'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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 UNTF'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 UNTF'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

Accounting principles generally accepted in the United States of America require that the required supplementary information, which includes Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Defined Benefit Pension 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 auditing standards generally accepted in the United States of America, 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 audit 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the section disclosing the UNTF Board of Trustees, the Dine' Advisory Committee, the UNTF Administrator, and the statement preparer, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2026 on our consideration of UNTF'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 UNTF'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 UNTF's internal control over financial reporting and compliance.

Office of the State Auditor

Office of the Utah State Auditor
Salt Lake City, Utah
April 20, 2026

Management's Discussion and Analysis

Introduction

The following is a discussion and analysis of the Utah Navajo Trust Fund's (UNTF) financial performance and position for the fiscal year ending June 30, 2025. It is intended to be an introduction to the fund's financial statements.

Highlights

For fiscal year 2025 the Trust Fund's net position increased $10.464 million or 11.0% as a result of favorable investment gains. Investment income increased $2.907 million over last year or 38.8%. This gain was a result of investing more money into higher returning assets and an upswing in the securities market. Scholarship assistance decreased 14.8% over fiscal year 2024 equating to equating to more students utilizing the Utah State University Endowment Fund and a decline in student applications. Finally, $1.140 million of Trust Fund money was used to purchase materials and labor for Chapter projects.

Overview of Financial Statements

This report includes the Financial Statements for the UNTF, including Blue Mountain Diné Associates, LLC, a blended component unit. The Financial Statements include the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements.

Financial Statements
The Statement of Fiduciary Net Position shows the UNTF's assets and liabilities as of the end of the fiscal year, with the difference reported as net position. The Statement of Changes in Fiduciary Net Position shows the additions (revenues) and deductions (expenses) for the fund as of the end of the fiscal year. These statements are meant to give a broad overview of the financial position of the fund as well as to show the fund's ability to meet its obligations. The statements are prepared using the full-accrual basis of accounting, with the exception of oil royalty revenue, which is on a cash basis because royalty receivables are not reasonably estimable at year end. All revenue and expenses are recognized when the underlying transactions occur regardless of when cash is received or spent, except for the oil royalty revenue, which is recognized on a cash basis when received.

Notes to Financial Statements

The Notes to Financial Statements contain information and schedules that are essential to a complete understanding of the financial statements.

Financial Analysis

The condensed statements below summarize the changes in the UNTF's financial statements between fiscal years 2025 and 2024.

Condensed Statement of Fiduciary Net Position

	2025	2024 [1]	Change	Percentage
Assets				
Current & Other Assets	$ 100,176,272	$ 90,584,727	$ 9,591,545	10.6%
Capital Assets	6,633,529	6,139,013	494,516	8.1%
Total Assets	106,809,801	96,723,740	10,086,061	10.4%
Deferred Outflow of Resources	243,315	226,507	16,808	7.4%
Liabilities				
Current Liabilities	313,381	619,873	(306,492)	(49.4)%
Long-term Liabilities	559,451	553,701	5,750	1.0%
Total Liabilities	872,832	1,173,574	(300,742)	(25.6)%
Deferred Inflows of Resources	201,578	262,327	(60,749)	(23.2)%
Total Net Position	$ 105,978,706	$ 95,514,346	$ 10,464,360	11.0%

[1] Figures for June 30, 2024 have been restated to include adjustments to beginning net position for corrections and implementation of GASB 101. See Note 1.

Net Position

As shown on the Condensed Statement of Fiduciary Net Position, the fund's net position increased $10.464 million or 11.0% as the fund's investments increased. Capital assets also increased $494,516 or 8.1% with the completion of the boiler project. The decrease in current liabilities of 49.4% or $306,492 is attributable to the timing of year-end payments between UNTF and state agencies recognized as a payable due to state agencies. Long-term liabilities increased $5,750 or 1.0% with the implementation of of GASB 101, *Compensated Absences* which now requires UNTF to recognize a liability for sick leave that is more likely than not to be used (see Note 1).

Condensed Statement of Changes in Fiduciary Net Position

	2025	2024 [1]	Change	Percentage
Additions (Revenues)				
Investment Income (Loss)	$ 10,395,276	$ 7,488,244	$ 2,907,032	38.8%
Oil Royalties	3,124,169	3,137,171	(13,002)	(0.4)%
NRF Grants	590,847	1,058,218	(467,371)	(44.2)%
Rental Income	572,763	556,226	16,537	3.0%
Other Income	57,677	2,874	54,803	1906.9%
Total Additions (Revenues)	$ 14,740,732	$ 12,242,733	$ 2,497,999	20.40%
Deductions (Expenses)				
Chapter Projects	$ 1,139,879	$ 1,334,195	$ (194,316)	(14.6)%
Educational Assistance	329,629	386,889	(57,260)	(14.8)%
NRF Projects	619,803	1,001,413	(381,610)	(38.1)%
Depreciation	440,468	414,818	$ 25,650	6.2%
Operating & Maintenance	370,801	390,966	(20,165)	(5.2)%
Administrative Expenses	1,375,792	1,150,148	225,644	19.6%
Total Deductions (Expenses)	$ 4,276,372	$ 4,678,429	$ (402,057)	(8.59)%
Change in Net Position	$ 10,464,360	$ 7,564,304	$ 2,900,056	38.3%
Beginning Net Position	95,514,346	87,950,042		
Ending Net Position	$ 105,978,706	$ 95,514,346		

[1] Figures for June 30, 2024 have been restated to include adjustments to beginning net position for corrections and implementation of GASB 101. See Note 1.

Additions (Revenues)

Overall, revenues for the Trust Fund increased 20.4%, due to an increase in investment income. This significant gain reflects the Treasurer's continued diversification of the Fund's investment portfolio, further enhanced by favorable market conditions. This year the fund received 21.2% from oil royalties, 4.0% from the Navajo Revitalization Fund (NRF) reimbursements, 3.9% from rental income and 70.5% from investment income. While investment income saw strong growth, NRF revenue decreased 44.2% consistent with the reduction in reimbursable Chapter project expenses during the year.

Deductions (Expenses)

Expenses for the Trust Fund decreased 8.6% in fiscal year 2025. Expenditures for Chapter projects totaled $1.140 million, down 14.6% from the previous year. This drop is attributed to a decrease in submitted proposals a natural leveling off following the prior year's completion of major milestones, such as the Aneth Chapter solid waste station and significant design phases for a 24-acre development. Higher education financial aid awards decreased this year by 14.8%, because of fewer student applications and an increase in the San Juan Endowment Fund allotment. The Navajo Revitalization Fund (NRF) expenses decreased 38.1% as fewer Chapter projects advanced to implementation during the year. Although NRF and Chapter funding allocations remain available, project execution varies among Chapters based on local planning capacity, approval timing, and project readiness. Administrative costs grew by $225,644 (19.6%) as the portfolio's continued growth and diversification into alternative investments led to higher management fees.

Financial Outlook

Oil prices, production, sales, and interest rates significantly affect the financial future of the fund and remain difficult to predict. Production from the Aneth Extension Oil Field has remained relatively stable through the first half of fiscal year 2026, consistent with prior expectations. Interest rates affecting PTIF investment returns peaked in fiscal year 2025 and have begun to decline following multiple Federal Reserve rate reductions, with additional easing anticipated as inflation moderates. While declining short-term rates may reduce PTIF yields, long-term and alternative investments have continued to benefit from favorable market performance. Rental income has remained unchanged and is predicted to continue as such.

Contacting UNTF Management

This financial report is designed to provide all interested parties with a general overview of the UNTF's finances and to demonstrate its financial accountability over its resources. If you have questions regarding this report or need further information regarding the UNTF, please contact Tony Dayish, Trust Administrator, at 151 East 500 North, Blanding, Utah 84511, or by email at tdayish@utah.gov.

(Construction of Aneth Chapter solid waste transfer station)

Utah Navajo Trust Fund
Statement of Fiduciary Net Position
June 30, 2025

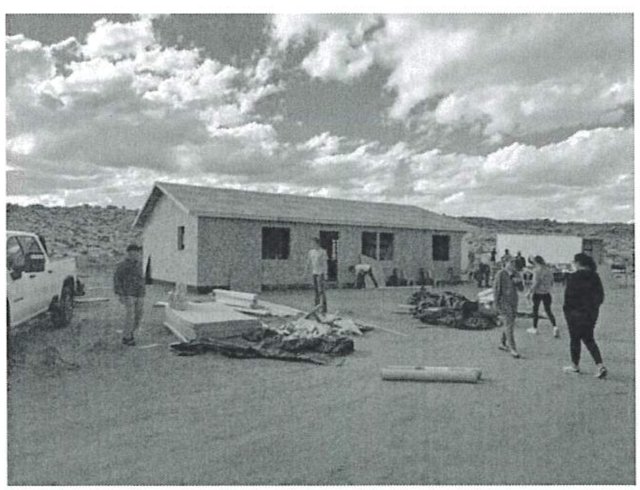
ASSETS		
Cash (Notes 1 and 2)	$	222,445
Pooled Cash and Investments (Note 1)		3,453,466
Investments: (Notes 1 and 2)		
Debt Securities		5,018,567
Equity Securities		7,547,643
Private Equity		8,446,140
Public Equity		34,712,846
Global Fixed Income		4,149,040
Other Directional Strategies		21,664,278
Relative Value Strategies		14,099,093
Portfolio Hedges		450,522
Total Investments		96,088,129
Restricted Cash		—
Accounts Receivable		37,241
Leases Receivable (Note 4)		192,039
Due from State Agencies (Note 1)		142,157
Net Other Postemployment Benefit Asset		32,257
Other Assets		8,538
Capital Assets: (Notes 1 and 3)		
Land		761,592
Buildings		13,306,359
Infrastructure		235,967
Equipment		78,043
Vehicles		890,287
Software		11,057
Less Accumulated Depreciation		(8,649,776)
Total Capital Assets		6,633,529
TOTAL ASSETS		106,809,801
DEFERRED OUTFLOW OF RESOURCES (Note 1)		243,315
LIABILITIES		
Accounts Payable		104,544
Accrued Payroll		83,657
Due to State Agencies (Note 1)		82,525
Mortgage Loans Payable (Note 6)		234,933
Compensated Absences (Note 1 and 7)		66,420
Net Pension Liability (Note 10)		300,753
TOTAL LIABILITIES		872,832
DEFERRED INFLOW OF RESOURCES (Note 1)		201,578
NET POSITION		
Restricted for Trust Beneficiaries	$	105,978,706

The accompanying notes are an integral part of these financial statements.

Utah Navajo Trust Fund
Statement of Changes In Fiduciary Net Position
For the Fiscal Year Ended June 30, 2025

ADDITIONS		
Investment Income (Notes 1 and 2)	$	10,395,276
Oil Royalties		3,124,169
Navajo Revitalization Fund Grants		590,847
Rental Income (Note 4)		572,763
Other Income		57,677
TOTAL ADDITIONS	$	14,740,732
DEDUCTIONS		
Chapter Projects		1,139,879
Educational Assistance		329,629
Navajo Revitalization Fund Projects		619,803
Depreciation Expense		440,468
Operating, Maintenance and Other Expenses		370,801
Administrative and General Expenses		1,375,792
TOTAL DEDUCTIONS	$	4,276,372
Change in Net Position	$	10,464,360
Net Position - Beginning		95,193,003
Adjustment to Beginning Net Position (Note 1)		321,343
Net Position - Beginning as Adjusted		95,514,346
Net Position - Ending	$	105,978,706

The accompanying notes are an integral part of these financial statements.



(Construction of a home in the monument valley area)

1. Organization and Summary of Significant Accounting Policies

Organization

The Utah Navajo Trust Fund (UNTF) is a private purpose trust fund of the State of Utah and is included in the State's *Annual Comprehensive Financial Report*. The original Navajo Trust Fund was created by the US Congress in 1933 to account for oil and gas royalties received from land transferred in behalf of the Utah Navajo Chapter, the majority of which represents the 37½ percent of the net oil royalties from the Aneth Extension of the Navajo Indian Reservation. The 2008 Utah Legislature repealed and replaced the original Trust Fund with the Utah Navajo Royalties Holding Fund created under *Utah Code* 51-9-504. In 2015, the Utah Legislature replaced the Holding Fund with the Navajo Trust Fund created in *Utah Code* 51-10-201. The net oil royalties are paid to the State in accordance with Federal Public Law No. 72-403, 47 Stat. 141, as amended, to be used for the health, education, and general welfare of the Utah Navajos residing in San Juan County, Utah.

Reporting Entity

The financial statements report the financial activity of UNTF including Blue Mountain Diné Associates, L.L.C. (Blue Mountain), a blended component unit. A component unit is an entity that is legally separate from UNTF, but is financially accountable to UNTF, or whose relationship with UNTF is such that exclusion would cause UNTF's financial statements to be misleading or incomplete. Blue Mountain is blended with UNTF for reporting purposes because UNTF is the sole corporate member. Blue Mountain is reported at its fiscal year ending December 31 and issues its own separate audited financial statements which can be obtained from the Utah Navajo Trust Fund, 151 East 500 North, Blanding, Utah 84511. (See Note 12)

Fund Accounting

The general activities of UNTF have been organized and reported as a private purpose trust fund in the financial statements. A private purpose trust fund is a separate accounting entity with a self-balancing set of accounts and is designed to demonstrate legal compliance with the trust requirements and is used to account for assets where both the principal and interest may be spent.

Basis of Accounting

The accounting and reporting policies of UNTF conform with accounting principles generally accepted in the United States of America and follow the accrual basis of accounting with the exception of oil royalties' revenue. Oil royalties' revenue is accounted for on a cash basis because royalty receivables are not reasonably estimable at fiscal year-end due to the nature of the transactions and the extended period of time over which the royalties are collected. Under the accrual basis of accounting, additions to the net position and related assets are recognized when earned. Deductions from the net position are recognized when the fund liabilities are incurred. All assets and liabilities of UNTF are included on the Statement of Fiduciary Net Position.

Implementation of New Accounting Standards

During fiscal year 2025, UNTF adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 101, *Compensated Absences.*** See additional discussion below.
- **GASB Statement No. 102, *Certain Risk Disclosures.*** This statement had no effect to UNTF's financial statements.

GASB Statement No. 101, *Compensated Absences*, establishes recognition and measurement guidance for all forms of compensated absences, including vacation, sick leave, and other leave, and requires governments to recognize a liability for leave when (a) the absence is attributable to services already rendered, (b) rights to the leave accumulate, and (c) it is more likely than not that the leave will be used or otherwise settled. As a result of implementing this standard, UNTF now records a liability for Program III sick leave benefits that historically were recognized only when used. The liability reflects sick leave earned that is more likely than not to be used. This implementation decreased the beginning net position of by $65,239.

Adjustments to Beginning Net Position

The beginning net position for UNTF was restated by $321,343. This restatement reflects the capitalization of $386,582 in construction costs previously expensed, partially offset by the impact of implementing GASB Statement No. 101, *Compensated Absences.*

Pooled Cash and Investments

All cash maintained by UNTF (excluding Blue Mountain) is deposited with the State Treasurer and presented as "Pooled Cash and Investments". All cash deposited with the State Treasurer by state entities, including UNTF, is pooled together in the Public Treasurer's Investment Fund (PTIF). Each contributing State fund's balance is treated as equity in the PTIF pool and functions as a demand deposit account from the perspective of UNTF. The State Treasurer invests the pooled cash in short-term securities and other investments that are readily convertible to cash without prior notice or penalty. UNTF considers Pooled Cash and Investments to be cash equivalents.

Cash and Investments

Blue Mountain's cash is maintained as bank deposits. Investments for UNTF are recorded at fair value and include investments in debt and equity securities, private and public equity, global fixed income investments, other directional strategies, portfolio hedges, and relative value strategies. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Restricted cash represents cash held by the bank as trustee for unsettled investment transactions occurring on June 30, 2025.

Capital Assets

Land, buildings, equipment (including vehicles), software, and infrastructure are reported as capital assets, with related accumulated depreciation as applicable, in the Statement of Fiduciary Net Position. Capital assets are defined by Utah State policy as assets that cost $5,000 or more when acquired and have an estimated useful life greater than one year. Purchased or constructed capital assets are recorded at cost or at estimated historical cost where historical cost is not available. Donated or otherwise acquired capital assets are valued at their estimated fair value at the date of acquisition. Buildings, equipment, and other depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Equipment/Software	3-15
Buildings	30-40
Infrastructure	15-80

Navajo Revitalization Fund Projects and Reimbursements

UNTF frequently processes transactions for the Navajo Revitalization Fund (NRF) (a State of Utah fund) related to various construction projects benefiting the Utah Navajos in San Juan County and then receives reimbursement from the NRF. UNTF also provides other administrative services related to NRF Projects such as reviewing budgets and project proposals, providing construction labor, making site visits, attending NRF related meetings and enforcing State of Utah procurement policies.

Due from/to State Agencies

Due from/to State agencies represents amounts receivable from or payable to State agencies. These amounts consist mainly of amounts receivable from the Navajo Revitalization Fund and amounts payable to the State Department of Government Operations for printing, telecommunications, motor pool services, and for various construction projects.

Deferred Outflows/Inflows of Resources

In accordance with generally accepted accounting principles (GAAP), UNTF reports deferred outflows and deferred inflows of resources in its financial statements. Deferred outflows of resources represent costs or losses that have been recorded but will be recognized as expenses in a future period. Deferred inflows of resources represent revenues or gains that have been recorded but will be recognized as income in a future period. These amounts are reported separately from assets and liabilities to provide a clearer picture of UNTF's financial position and timing of resource flows.

Deferred Outflows and Inflows of Resources as of June 30, 2025, consisted of the following:

Deferred Outflows:		
Relating to Pensions (see note 10)	$	241,161
Relating to Other Postemployment Benefits		2,154
Total Deferred Outflows		243,315
Deferred Inflows:		
Relating to Pensions (see note 10)		923
Relating to Other Postemployment Benefits		8,616
Relating to Leases (see note 4)		192,039
Total Deferred Inflows	$	201,578

Compensated Absences

Most employees earn sick leave at a rate of four hours for each two-week period, with no limit on accumulation. Sick leave is not automatically paid out at separation. Under GASB Statement No. 101, *Compensated Absences*, a liability is recognized only when *(a)* the sick leave accumulates and *(b)* it is more likely than not to be used for time off or settled in some form of payment. Accordingly, UNTF records a liability for sick leave balances expected to be used, based on historical usage patterns and applicable conversion provisions under State policy. Program III sick leave (sick leave earned on or before January 4, 2014) is available for use during employment but does not convert at retirement and is not paid out at separation; therefore, a liability is recorded only to the extent such leave is more likely than not to be used.

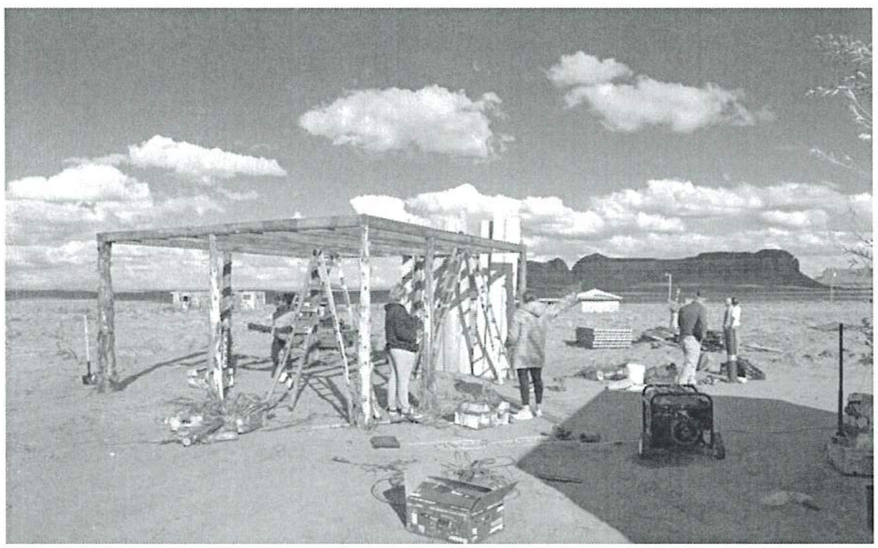
Pensions

UNTF is paying the salaries and benefits, including contributions to the State's pension systems (Systems), on behalf of eligible State of Utah employees responsible for managing the fund. As a result, UNTF may be liable for an apportioned amount of the System's net pension liability or entitled to a net pension asset related to these eligible employees. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

The UNTF participates in the State Employee OPEB Plan, a single-employer defined benefit healthcare plan, as set forth in Section 63A-17-507 of the *Utah Code*. Only state employees who are entitled to receive retirement benefits are eligible to receive postemployment health and life insurance benefits, and in some situations dental coverage, from the State Employee OPEB Plan. Upon retirement, employees receive up to 25 percent of the value of their unused accumulated sick leave, earned prior to January 1, 2006, as a mandatory employer contribution into a 401(k) account. Employees may exchange eight hours of their remaining unused accumulated sick leave for one month of paid health and life insurance coverage up to age 65. After age 65, employees may use the balance of unused accumulated sick leave, earned prior to January 1, 2006, to exchange for spouse health insurance to age 65, or Medicare supplemental insurance for employee or spouse. The State Employee OPEB Plan is closed to new entrants since it is only applicable to employees eligible for retirement who have sick leave earned prior to January 1, 2006.

Management has evaluated UNTF's OPEB financial activity and has determined that the amounts are not material to the financial statements taken as a whole. Therefore, the detailed disclosures required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* have not been presented. Additional information regarding the State Employee OPEB Plan can be found in the State's Annual Comprehensive Financial Report (ACFR) at www.finance.utah.gov.



(Volunteers building a shade hut on the reservation)

2. Cash and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, UNTF's deposit may not be returned to it. UNTF does not have formal deposit policy for custodial credit risk. As of June 30, 2025, none of UNTF's bank balances of $222,445 were uninsured or uncollateralized.

Investments

The Utah State Treasurer's Office is required to invest and manage the fund's assets in accordance with the prudent investor rule under the Uniform Prudent Investor Act, as incorporated in Utah Code Section 51-10-201(4), and make investment decisions to provide for the stability, income, and growth of the principal. Currently, the fund's assets are held in bank deposits, pooled cash and investments in the Public Treasurers' Investment Fund (PTIF), and a diversified portfolio of investments, including debt and equity securities, private and public equity, global fixed income investments, other directional strategies, portfolio hedges, and relative value strategies.

The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

Fair Value of Investments

UNTF measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2025, UNTF had the following recurring fair value measurements.

(Wood gathering for the Navajo Elders)

Investment Type	Fair Value	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
U.S. Treasuries	$ 199,077	199,077	—	—
Non-government Backed C.M.O.s	3,049,731	—	3,049,731	—
Money Market Mutual Funds	1,769,759	1,769,759	—	—
State of Utah Public Treasurers' Investment fund	3,453,466	—	3,453,466	—
Total Debt Securities	$ 8,472,033	$ 1,968,836	$ 6,503,197	$ —
Equity Securities				
Domestic Equity	5,345,623	5,345,623	—	—
International Equity	1,933,095	1,933,095	—	—
Mutual Fund Equities	268,925	268,925	—	—
Total Equity Securities	$ 7,547,643	$ 7,547,643	$ —	$ —
Total Investments by Fair Value Level	$ 16,019,676	$ 9,516,479	$ 6,503,197	$ —
Investments Measured at the Net Asset Value (NAV)				
Private Equity	8,446,140			
Public Equity	34,712,845			
Global Fixed Income	4,149,040			
Other Directional Strategies	21,664,278			
Relative Value Strategies	14,099,093			
Portfolio Hedges	450,522			
Total Investments Measured at the Net Asset Value (NAV)	$ 83,521,918			
Total Investments	$ 99,541,594			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. The Utah Public Treasurer's Investment Fund investments classified as Level 2 are valued by applying the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to UNTF's June 30 ending balance in the Fund.

Investments Measured at the Net Asset Value (NAV)

The description of underlying holdings and valuation methodologies for investments measured at the NAV, detailed above, are described further as follows:

<u>Private Equity – Early/Late-Stage Venture Capital</u>: Consists of six (6) investments in venture capital limited partnerships, one (1) secondaries investment focused on venture, one (1) co-investment, and one (1) hybrid investment in a listed closed end fund that contains both venture capital and public equity investments. These strategies seek to invest in early-stage companies or

companies that are early in their growth phases; they are generally riskier but offer more upside than investments in public companies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Private Equity – Real Assets: Consists of three (3) investments in private equity limited partnerships, and one (1) co-investment. These strategies focus on industries with physical assets such as oil & gas, multi-family housing, and infrastructure, which offer diversification and opportunities for value-add. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Private Equity – Leveraged Buyout: Consists of private limited partnership that seek to control and improve private businesses, including three (3) leveraged buyout investments and two (2) secondaries investments. Secondaries are viewed as a buyout alternative and are being utilized as a preferred way to provide liquidity and obtain buyout exposure while the portfolio is early in its life. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Private Equity – Growth Equity: Consists of private limited partnership that seek to support and drive value creation in profitable, growing businesses, including three (3) growth equity investments. Growth Equity strategies target quickly growing private businesses that offer upside potential above public market alternatives. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Public Equity – US Equity: Consists of one (1) investment in which passive S&P 500 exposure is obtained through futures and one (1) investment with an active value-oriented strategy. The futures structure is used in place of traditional equity funds primarily for liquidity management purposes. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Public Equity – International Equity: Consists of four (4) equity fund investments that focus on developed markets outside of the U.S. These exposures are intended to diversify the total equity portfolio with non-U.S. securities, while remaining focused on lower risk, relatively mature markets. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Public Equity – Global Equity: Consists of six (6) investments, with five being in hedge funds and one being in a traditional Undertakings for Collective Investment in Transferable Securities (UCITS) structure. The equity exposures obtained through the hedge funds are obtained through total return swaps, while the UCITS strategy invests in individual public equity securities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Public Equity – Emerging Markets Equity: Consists of two (2) equity fund investments that focus on emerging markets outside of the U.S. These exposures are intended to diversify the total equity portfolio with non-U.S. securities and focus on inefficient markets with higher alpha potential. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Global Fixed Income – Regulated Debt: Consists of one (1) investment focused on residential mortgage-backed securities, in addition to one (1) fund investment and one (1) co-investment for an investment grade private debt strategy that invests in the credits of companies registered under the Investment Company Act as either closed end funds (CEFs) or business development companies (BDCs). The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Other Directional Strategies – Directional: Consists of three (3) equity long/short strategies, one (1) credit long/short strategy, two (2) directional credit strategies, and one (1) macro fund-of-fund investment. These investments, or their underlying investments, are all hedge funds, and they are intended to provide equity-like returns over the long-term with lower risk. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Other Directional Strategies – Trend-Following: Consists of one (1) investment in a hedge fund that combines a variety of trend-following strategies. The strategy is expected to perform well when prices move in a linear fashion, rather than exhibiting mean reversion. It is diversified across a large number of markets and investment horizons. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Other Directional Strategies – Reinsurance: Consists of one (1) investment in a hedge fund that focuses on reinsurance and related insurance strategies. These positions earn income and make ad hoc payments to primary insurers or other market participants, often when they face losses above predetermined thresholds due to natural disasters. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Relative Value Strategies – RV Macro/Multi-strategy: Consists of two (2) multi-strategy hedge funds as well as one (1) hedge fund strategy that trades European securities across capital structures with an event focus and credit bias. Each investment is typically expected to perform better when market volatility increases. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Relative Value Strategies – Arbitrage: Consists of one (1) fixed income relative value hedge fund strategy and one (1) volatility arbitrage hedge fund strategy. These investments are diversifying versus equity investments and typically exhibit low levels of volatility. The fixed income strategy primarily trades offsetting long and short positions in the most liquid sovereign debt markets, while the volatility strategy primarily trades offsetting positions in options tied to large U.S. firms' shares based on differences in implied volatilities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Relative Value Strategies – Equity Market: Consists of one (1) hedge fund investment in a quantitative strategy that focuses primarily on equities. It invests in a market neutral fashion, where short positions offset the systematic risk exposures of long positions. This is intended to result in a relatively consistent return profile. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

Portfolio Hedge: Consists of one (1) investment in a fund of one structure that serves as a tail hedge for the overall portfolio. This investment focuses on purchasing protection against significant, sharp equity market drawdowns primarily through put options and related derivatives. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the fund's investments held or ownership interest in partners' capital.

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the alternative investments measured at NAV:

(Table continues on the next page)

Investments Measured at the Net Asset Value (NAV)
At June 30, 2025

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Fixed Income				
Regulated Debt	$ 4,149,040	$ —	Semi-Annual to Illiquid	90 Days
Total Global Fixed Income	4,149,040	0		
Public Equity				
U.S. Equity	3,175,612	—	Daily	
International Equity	6,913,388	—	Daily to Quarterly	1 - 60 Days
Global Equity	23,020,548	—	Quarterly	6 - 65 Days
Emerging Markets	1,603,297		Daily	
Total Public Equity	34,712,845	0		
Other Directional Strategies				
Directional	14,718,517	—	Quarterly	21 - 120 Days
Trend-Following	2,177,589	—	Monthly	14 Days
Reinsurance	4,768,172	—	Semi-Annual	90 Days
Total Other Directional Strategies	21,664,278	0		
Relative Value Strategies				
RV Macro/Multi-Strategy	8,136,143	—	Monthly to Quarterly	45 - 90 Days
Arbitrage	3,370,728	—	Monthly	26 - 30 Days
Equity Market	2,592,222	—	Monthly	30 Days
Total Relative Value Strategies	14,099,093	0		
Private Equity				
Early/Late-Stage Venture Capital	2,994,718	2,486,876	Daily to Illiquid	
Private Real Assets	1,775,678	1,050,569	Illiquid	
Leveraged Buyout	3,314,008	4,353,494	Illiquid	
Growth Equity	—	1,062,017	Illiquid	
Private Investment Funds	361,736	—	None	N/A
Total Private Equity	8,446,140	8,952,956		
Portfolio Hedges				
Portfolio Hedge	450,522	—	Monthly	90 Days
Total Portfolio Hedges	450,522	0		
Total Investments Measured at NAV	$ 83,521,918	$ 8,952,956		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. UNTF manages the exposure to fair value loss arising from increasing interest rates through prudent deployment, management and oversight of investments with exposure to interest rate sensitivity. UNTF does not have a formal policy for interest rate risk.

At June 30, 2025, UNTF's investments had the following maturities:

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
U.S. Treasuries	$ 199,077	$ 192,656	$ 4,510	$ 1,911	$ —
Non-government Backed C.M.O.s	3,049,731	—	—	701,139	2,348,592
Money Market Mutual Funds	1,769,759	1,769,759	—	—	—
State of Utah Public Treasurers' Investment Fund	3,453,466	3,453,466	—	—	—
Total	$ 8,472,033	$ 5,415,881	$ 4,510	$ 703,050	$ 2,348,592

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. UNTF manages the exposure to fair value loss arising from credit risk through prudent deployment, management and oversight of investments. UNTF does not have a formal policy for credit risk.

At June 30, 2025, UNTF's investments had the following quality ratings:

		Quality Ratings					
Investment Type	**Fair Value**	**BBB**	**BB**	**CCC**	**CC**	**AAAm1**	**Unrated**
Non-government Backed C.M.O.s	$ 3,049,731	$30,532	$ 29,344	$792,739	$15,731	$ —	$2,181,385
Money Market Mutual Funds	1,769,759	—	—	—	—	1,754,406	15,353
State of Utah Public Treasurers' Investment Fund	3,453,466	—	—	—	—	—	3,453,466
Subtotal	$ 8,272,956	$30,532	$ 29,344	$792,739	$15,731	$1,754,406	$5,650,204
U.S. Treasuries	199,077						
Total Debt Instruments	$ 8,472,033						

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. UNTF manages the exposure to fair value loss arising from concentration of credit risk through prudent deployment, management and oversight of investments. UNTF does not have a formal policy for concentration of credit risk.

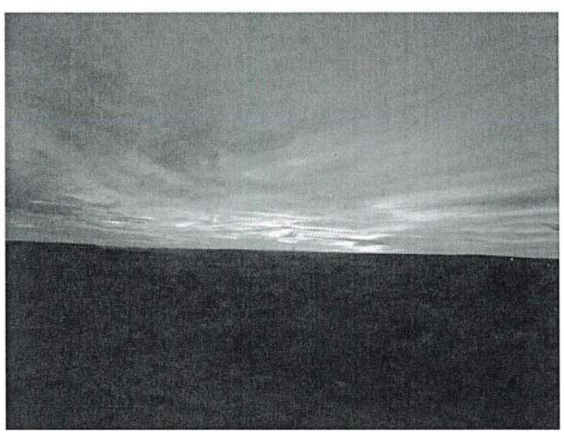
Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. UNTF does not have a formal policy to limit foreign currency risk. UNTF holds certain private-equity investments denominated in foreign currencies. As of June 30, 2025, UNTF maintained investments in three private-equity funds denominated in euros (EUR). These investments are exposed to foreign currency risk due to potential fluctuations in the EUR/USD exchange rate. UNTF's fair value portion of the euro-denominated private-equity investments was approximately $516,907 at June 30, 2025, translated into U.S. dollars using the prevailing spot exchange rate at fiscal yearend.

Derivative Financial Instruments - Futures

Futures represent a financial contract obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price. Futures contracts are valued at their last reported sales price as of measurement date. At June 30, 2025, UNTF's investments had the following derivative financial instruments:

Risk Type	Gross Notional Value	Assets Fair Value	Earning (Losses)
Index Futures	$ 2,394,191	$ 84,684	$ 206,200
Currency Futures	781,421	1,643	20,266
Total	$ 3,175,612	$ 86,327	$ 226,466



(San Juan County Sunset)

3. Capital Assets

The changes in capital assets owned by UNTF for the year ended June 30, 2025, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Depreciated:				
Construction in Progress	$ 386,582	$ 575,840	$ (962,422)	$ —
Land	761,592	—	—	761,592
Total Capital Assets Not Depreciated	1,148,174	575,840	(962,422)	761,592
Capital Assets Depreciated:				
Buildings	12,343,937	962,422	—	13,306,359
Infrastructure	235,967	—	—	235,967
Machinery and Equipment	78,043	—	—	78,043
Vehicles	531,143	359,144	—	890,287
Software	11,057	—	—	11,057
Total Capital Assets Depreciated	13,200,147	1,321,566	—	14,521,713
Less Accumulated Depreciation for:				
Buildings	(7,713,552)	(357,426)	—	(8,070,979)
Infrastructure	(45,200)	(7,855)	—	(53,055)
Machinery and Equipment	(53,062)	(5,829)	—	(58,891)
Vehicles	(386,437)	(69,357)	—	(455,794)
Software	(11,057)	—	—	(11,057)
Total Accumulated Depreciation	(8,209,308)	(440,467)	—	(8,649,776)
Total Capital Assets Depreciated, Net	4,990,839	881,099	—	5,871,937
Total Capital Assets, Net	$ 6,139,013	$ 1,456,939	$ (962,422)	$ 6,633,529

(UoU architectural students that built a home)

4. Leases Receivable and Deferred Inflows of Resources

The Utah Navajo Health System leases the Monument Valley Health and Dental Clinic Building from UNTF for $65,000 a year through July 2028.

5. Related Party Transactions

UNTF leases property to the Utah Department of Health and Human Services, the Department of Workforce Services, Courts, and the Department of Public Safety. During fiscal year 2025, these payments totaled $307,007.

6. Mortgage Loans Payable

Mortgage loans payable consists of the Blue Mountain Diné Associates conventional mortgage loans from the Olene Walker Housing Trust Fund. Both loans are amortized over 15 years at 0% interest. The deferred interest loan requires no regular payments and will be forgiven after 15 years, unless the project is sold or the loan is refinanced. The mortgage notes are collateralized by the buildings and land.

At December 31, 2024, mortgage loans payable consisted of the following:

Olene Walker Housing Trust Fund, bearing interest at 0%, payable in monthly principal installments of $1,647 through April 2032	$	144,944
Olene Walker Housing Trust Fund Deferred Forgivable Loan, bearing interest at 0%, no payments and fully forgivable unless project is sold or refinanced before through April 1, 2032		89,989
Total Mortgage Loans Payable	$	234,933

Maturities of the mortgage payable are as follows:

As of December 31		
2025		19,764
2026		19,764
2027		19,764
2028		19,764
2029		19,764
2030-2032		136,113
Total	$	234,933

7. Long-Term Liabilities

The following is a summary of the changes to UNTF's long-term liabilities during the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Mortgage Loan Payable	$ 254,698	$ —	$ (19,765)	$ 234,933	$ 19,764
Compensated Absences [1]	65,239	1,181	—	66,420	22,891
Net Pension Liability	254,420	46,333	—	300,753	—
Total	$ 574,357	$ 47,514	$ (19,765)	$ 602,106	$ 42,655

[1] The change in compensated absences is presented as a net change.

8. Commitments

As of June 30, 2025, UNTF had outstanding commitments to Utah Chapters for projects of approximately $2.915 million.

9. Scholarship Endowment Fund

In February 1993, UNTF contributed $500,000 to the College of Eastern Utah (now Utah State University Eastern) to be used as matching funds for a federal Endowment Challenge Grant Program. UNTF's contribution, together with federal program funds, was used to establish the San Juan Navajo Scholarship Endowment Fund, which is held and invested by Utah State University Eastern. The contributions to the Endowment Fund were invested in perpetuity to earn income to be used for scholarships for Utah Navajos residing in San Juan County, Utah. The UNTF Administrator is the chairperson of UNTF scholarship committee responsible for selecting and approving all awards of scholarships from the San Juan Navajo Scholarship Endowment Fund.

10. Pensions

As required by State law, eligible employees of UNTF are covered by defined benefit plans sponsored by the Utah Retirement Systems (URS). Participation in URS are comprised of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost sharing, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

	Noncontributory System	Tier 2 Public Employees System
Final Average Salary	Highest 3 Years	Highest 5 Years
Years of Service Required and/or Age Eligible for Benefit	30 years any age 25 years any age[1] 20 years age 60[1] 10 years age 62[1] 4 years age 65	35 years any age 20 years age 60[1] 10 years age 62[1] 4 years age 65
Benefit Percent per Year of Service [2]	2.00% per year all years	1.50% per year all years
COLA [3]	Up to 4.00% annually	Up to 2.50% annually

[1] With actuarial reductions.
[2] For members and retirees in the systems, prior to January 1, 1989, there may be a 3.00 percent benefit enhancement.
[3] All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	Employer Contribution Rates
Noncontributory System	21.69%
Tier 2 Public Employees System [1]	19.52%

[1] Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the period ended June 30, 2025, UNTF contributed $63,100 to the Noncontributory System and $91,544 to the Tier 2 Public Employees System. Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

At June 30, 2025, the UNTF reported a net pension liability of $300,753 as follows:

Net Pension Liability
Measurement Date: December 31, 2024

System	Net Pension Liability	Proportionate Share 2024	Proportionate Share 2023	Proportionate Share Change
Noncontributory System - State and School Division	$ 255,833	0.011309 %	0.010922 %	0.000387 %
Tier 2 Public Employees System	44,920	0.015062 %	0.015732 %	(0.000670)%
Total Net Pension Asset / Liability	$ 300,753			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year. For the year ended June 30, 2025, UNTF recognized a pension expense of $423,690. At June 30, 2025, UNTF reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows of Resources Related to Pensions
June 30, 2025

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 81,948	$ 309
Changes in Assumptions	23,861	5
Net Differences between Projected and Actual Earnings on Pension Plan Investments	41,492	—
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	8,748	609
Contributions Subsequent to the Measurement Date	85,112	—
Total	$ 241,161	$ 923

The amount of $85,112 was reported as deferred outflows of resources related to pensions resulting from contributions UNTF made prior to fiscal year end but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31	Year Ended Recognition of Remaining Deferred Outflows and (Inflows) of Resources
2025	$62,334
2026	$80,697
2027	$(11,781)
2028	$1,466
2029	$10,006
Thereafter	$12,404

(UoU architectural students designed home)

Actuarial Assumptions: The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.5 - 9.5 percent, average, including inflation
Investment rate of Return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively. The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Target Allocations: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates 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 Systems target asset allocation as of December 31, 2024, are summarized in the table below:

Target Allocations
Expected Return Arithmetic Basis

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return [1]
Equity Securities	35.00 %	7.01 %	2.45 %
Debt Securities	20.00 %	2.54 %	0.51 %
Real Assets	18.00 %	5.45 %	0.98 %
Private Equity	12.00 %	10.05 %	1.21 %
Absolute Return	15.00 %	4.36 %	0.65 %
Cash and Cash Equivalents	0.00 %	0.49 %	0.00 %
Total Asset Classes	100.00 %		5.80 %
Inflation			2.50 %
Expected Arithmetic Nominal Return			8.30 %

[1] The total URS Defined Benefit long-term expected rate of return is 6.85 percent. It is comprised of a 2.50 percent inflation rate, a real long-term expected rate of return of 4.35 percent that is net of investment expense.

Discount Rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 discount rate does not use the municipal bond rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the State's (primary government) net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.85 percent) or 1 percentage-point higher (7.85 percent) than the current rate:

Changes in Discount Rate
Net Pension Liability / (Asset)

System	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 656,027	$ 255,833	$ (79,988)
Tier 2 Public Employees System	134,165	44,920	(24,504)
Total Net Pension Liability / (Asset)	$ 790,192	$ 300,753	$ (104,492)

Changes in Assumptions: There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

11. Risk Management

UNTF maintains insurance coverage for property and liability through the Utah State Risk Management Fund. UNTF pays an annual premium to Risk Management which provides coverage on individual property and casualty claims up to $1 million and up to $3.5 million in aggregate claims and beyond the excess insurance policy limit of $1 billion per occurrence.

12. Blended Component Unit

UNTF is the sole investor and managing member of the Blue Mountain Diné Associates, LLC, which owns and operates a low-income housing apartment complex in Blanding, Utah. The LLC does not engage in any other business or activity. Being the managing member, UNTF oversees the day-to-day operations of the housing complex and guarantees previous contingency commitment amounts.

On January 22, 1998, UNTF agreed to guarantee any operating deficits of the Blue Mountain Diné Associates, LLC, up to $65,000. In previous years, Blue Mountain Diné Associates, LLC had drawn down $36,000 against the contingency commitment. In January 2005, this contingency commitment expired. Based on the terms of the commitment, the unpaid portion of the amount drawn down is considered a receivable to UNTF. There is still $36,000 remaining against the contingency commitment as of June 30, 2025.

The following schedules present a condensed balance sheet, statement of operations and cash flow statement for Blue Mountain Diné:

(Recapture Pocket in San Juan County)

(Table continues on the next page)

Blue Mountain Diné Associates, LLC
Condensed Balance Sheet
For Year Ended December 31, 2024

Assets	**Total**	**Eliminations**	**Blended Total**
Current Assets	$ 230,983	$ (36,000)	$ 194,983
Capital Assets	146,388	—	146,388
Total Assets	$ 377,371	$ (36,000)	$ 341,371
Liabilities			
Current Liabilities	29,666	—	29,666
Long-term Liabilities	251,169	(36,000)	215,169
Total Liabilities	$ 280,835	$ (36,000)	$ 244,835
Members' Equity	$ 96,536	$ —	$ 96,536

Condensed Statement of Operations
For Year Ended December 31, 2024

Revenues	$ 127,072
Expenses	
Operating, Maintenance & Other	73,868
Depreciation	52,644
Total Expenses	$ 126,512
Net Income	$ 560
Members' Equity Beginning	95,976
Members' Equity Ending	$ 96,536

Condensed Statement of Cash Flows
For Year Ended December 31, 2024

Cash Flows from Operations	$ 47,830
Cash Flows Provided (Used) by Investing	—
Net Cash Provided (Used) by Financing Activities	(19,765)
Net Increase (Decrease) in Cash	$ 28,065
Cash Beginning of Period	194,380
Cash End of Period	$ 222,445

Schedule of Utah Navajo Trust Fund's Proportionate Share of the Net Pension Liability Measurement Date of December 31 Last 10 Fiscal Years[1]

	Calendar Year		
Noncontributory System	**2022**	**2023**	**2024**
Proportion of the Net Pension Liability (Asset)	0.009100 %	0.010922 %	0.011309 %
Proportionate Share of the Net Pension Liability (Asset)	$196,494	$223,799	$255,833
Covered Payroll	$214,138	$263,405	$281,203
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	91.76%	84.96%	90.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.60%	92.49%	92.13%
Tier 2 Public Employees System			
Proportion of the Net Pension Liability (Asset)	0.010191 %	0.015732 %	0.015062 %
Proportionate Share of the Net Pension Liability (Asset)	$11,097	$30,621	$44,920
Covered Payroll	$222,385	$406,820	$446,328
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	4.99%	7.53%	10.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.30%	89.58%	87.44%

Schedule of Utah Navajo Trust Fund's Defined Benefit Pension Contributions Last 10 Fiscal Years[1]

	Fiscal Year		
Noncontributory System	**2023**	**2024**	**2025**
Contractually Required Contribution	$48,652	$59,806	$63,100
Contributions in Relation to the Contractually Required Contribution	$48,652	$59,806	$63,100
Contribution Deficiency (Excess)	$—	$—	$—
Covered Payroll	$217,645	$275,874	$279,229
Contributions as Percentage of Covered Payroll	22.35%	21.68%	22.60%
Tier 2 Public Employees System			
Contractually Required Contribution	$45,374	$83,872	$91,544
Contributions in Relation to the Contractually Required Contribution	$45,374	$83,872	$91,544
Contribution Deficiency (Excess)	$—	$—	$—
Covered Payroll	$241,797	$458,552	$465,733
Contributions as Percentage of Covered Payroll	18.77%	18.29%	19.66%

[1]The UNTF's pension plan became significant in fiscal year 2023, initiating its financial reporting. This schedule will eventually present ten years of history.

STATE OF UTAH
OFFICE OF THE UTAH STATE AUDITOR

TINA M. CANNON
UTAH STATE AUDITOR

Independent Auditor's 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

To the Board of Trustees
and
Tony Dayish, Trust Administrator
Utah Navajo Trust Fund

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 Utah Navajo Trust Fund (UNTF), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise UNTF's basic financial statements, and have issued our report thereon dated April 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UNTF's internal control over financial reporting (internal control) to determine the 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 UNTF's internal control. Accordingly, we do not express an opinion on the effectiveness of UNTF'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 to 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 UNTF'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 determination of financial statement amounts. 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. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Office of the State Auditor

Office of the Utah State Auditor
Salt Lake City, Utah
April 20, 2026

State of Utah
Office of the Utah State Auditor

Tina M. Cannon
Utah State Auditor

TO: Marlo Oaks, Chair, Board of Trustees
Utah Navajo Trust Fund

FROM: Doug Seager, Engagement Manager, and Joanna Soh, Audit Senior
Office of the State Auditor

DATE: June 12, 2026

SUBJECT: **Required Communications - 2025 Audit of the Utah Navajo Trust Fund**

AREA	COMMENTS
Auditor's Responsibility under Generally Accepted Auditing Standards As stated in our engagement letter dated February 25, 2026, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.	We have issued an unmodified opinion on the Utah Navajo Trust Fund's (UNTF) financial statements for the year ended June 30, 2025.
Other Reporting Items The UNTF's financial report includes required supplementary information (RSI) that includes Management's Discussion and Analysis, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Defined Benefit Pension Contributions, and other information that includes the listing of the Board of Trustees, the Dine' Advisory Committee, and UNTF management.	We have not audited the RSI or other information and have not expressed an opinion or provided any assurance on them.

AREA	COMMENTS
<u>Disclosures</u> The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are noteworthy because of their significance to financial statement users.	The most sensitive disclosure affecting the financial statements was: • The recognition of royalty revenue on a cash basis.
<u>Qualitative Aspects of Accounting Practices</u> Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness of accounting policies and their application.	The application of existing policies was unchanged during the fiscal year ended June 30, 2025, except for implementation of GASB Statement No. 101, Compensated Absences. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the financial statements. The significant accounting policies used by the UNTF are described in the first note to the financial statements, including changes for GASB 101. We noted no transactions entered into by the UNTF during the year for which there is a lack of authoritative guidance or consensus.
<u>Accounting Estimates</u> Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.	We did not identify any accounting estimates that we consider to be overly sensitive.
<u>Significant Unusual Transactions</u> Management is responsible for developing sound policies and practices to properly account for and disclose significant unusual transactions. Significant unusual transactions are transactions outside the normal course of business or that appear to be unusual due to their timing, size, or nature.	We did not identify any significant unusual transactions entered into during the year audited.

AREA	COMMENTS
<u>Difficulties Encountered in Performing the Audit</u> Professional standards require us to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	We encountered no significant difficulties in dealing with management in performing and completing our audit.
<u>Disagreements with Management</u> Professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.	No such disagreements arose during the course of our audit.
<u>Consultations with Others</u> Professional standards require us to report matters that are difficult or contentious for which we consulted outside the audit team and that we consider significant and relevant to you in your responsibilities to oversee the financial reporting process.	There were no such consultations.
<u>Other Audit Findings or Issues</u> We are required to communicate other findings or issues arising from the audit that we feel are significant and relevant to you in your responsibilities to oversee the financial reporting process.	Our *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* (Yellow Book Report) was dated April 20, 2026.
<u>Corrected and Uncorrected Misstatements</u> Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate the following: • Uncorrected misstatements and the effect that they, individually or in the aggregate, have on the auditor's opinion; • The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole; • Uncorrected misstatements that could potentially cause future-period misstatements; and, • Material, corrected misstatements that were brought to the attention of management.	There were no audit adjustments proposed during the audit.

AREA	COMMENTS
<u>Management Consultations with Other Independent Accountants</u> In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.	To our knowledge, there were no such consultations with other accountants.
<u>Management Representations</u> Management is required to make certain representations to us when accepting responsibility for the financial statements.	These representations were included in the management representation letter dated April 20, 2026. A copy of the representation letter from management is attached.

This information is intended solely for the use of the Board/Audit Committee and management of the Utah Navajo Trust Fund and is not intended to be, and should not be, used by anyone other than these specified parties.