

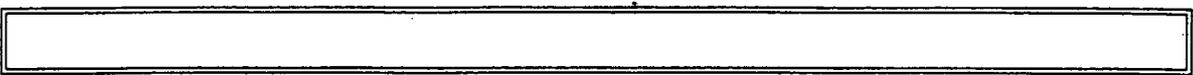
#-109

# INDIAN TRUST FUNDS

## ACTIVITY REPORT

FOR

### FISCAL YEAR 1990



U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

OFFICE OF TRUST FUNDS MANAGEMENT

DST ALBUQUERQUE - DST 98-09965 "STATISTICS"

*"To assure the highest level of accuracy,  
responsiveness and service in the collection,  
accounting, investment and disbursement of all  
judgement awards, Special Acts and income  
from trust resources."*

Mission Statement for the Office of Trust Funds Management

## OFFICE OF TRUST FUNDS MANAGEMENT

### REPORT OF INDIAN TRUST FUND ACTIVITY FOR FY 1990

The Secretary of the Interior is trustee not only for lands and resources belonging to Indian tribes and individuals, but also for all income collected from third parties for the surface use of the land and the extraction of resources. The Secretary is also trustee for funds paid in settlement of Indian claims against the U.S. Government, special appropriations, escrow funds and funds contributed for the benefit of Indians. The total of these funds now on deposit exceeds Two Billion Dollars.

Authority for the management of Indian trust funds is delegated to the Assistant Secretary-Indian Affairs who executes this responsibility through the Bureau of Indian Affairs. The Office of Trust Funds Management was created within the BIA during FY 1990 to consolidate all trust fund program and policy functions. This is the first published report of that office.

As you read this report you may notice slight differences in year-end balances. This is due to the highly publicized fact that several different systems have been in use for different aspects of trust funds management. All statistics and charts relating to investment activities are based on the MoneyMax system, while all information relating to the collection and disbursement will use unaudited balances from the BIA Finance System or the IRMS System. While there has been no attempt to reconcile or make the amounts balance for the purposes of this report, the Arthur Andersen & Co. accounting firm has reconciled the balances during their audit of trust funds for FY 1990. Audited balances will be reflected in the Arthur Andersen & Co. Financial Statement Report soon to be issued.

#### NEW ORGANIZATION

Secretarial Order Number 3137, dated October 26, 1989, initiated the creation of the new Office of Trust Funds Management to consolidate all activities relating to the collection, holding and disbursement of all trust income. The accounting and investment functions provide the core of the new organization with additional Divisions for Income Collection and Supervised Accounts being created, as well as a staff office for Policy Analysis and Evaluation. Twenty-three new positions were authorized to staff the Director's office and the new Divisions. Funding for the new office headquartered in Albuquerque is being provided through new appropriations. The Director and perhaps also the Deputy Director for the Office of Trust Funds Management will be members of the Senior Executive Service. Mr. George Gover, Assistant Area Director, Navajo Area Office was appointed Implementation Manager in January, 1990, to initiate all actions necessary to fully establish this office. Many initiatives are under way to improve the current operations in both the accounting and investment arenas, and to provide for the development of a comprehensive trust system within the BIA.

#### GENERAL OVERVIEW

As of September 30, 1990 the Finance System recorded 293 separate tribal accounts with a balance of \$1,473,343,691, and 288,033 Individual Indian Accounts with a total balance of \$484,977,473. Other Indian funds and irrigation and power funds which BIA also manages amounted to \$80,051,897. The total of all trust funds was \$2,038,373,061. This data is reflected in the charts and spreadsheet section of this report.

Tribal trust fund receipts during the fiscal year amounted to \$471,349,249 and disbursements of \$349,059,157 were made to tribes. Over three-fourths of the receipts came from investment earnings, royalties and the payment of claims. Substantial receipts were derived from the leasing and permitting of lands and from the sale of various resources such as timber. Disbursements of tribal funds were primarily for tribal government operations while a third of the total disbursements for FY 1990 were for per capita payments to individuals. Exhibits are included in this report.

The Finance System does not capture source of fund detail for individual Indian collections, but it is believed that the sources of income are similar to tribal funds. Receipts of \$262,260,540 were recorded to individuals in FY 1990, and disbursements of \$265,072,137 were made.

#### INVESTMENT AUTHORITIES AND LIMITATIONS

25 USC 162a authorizes the Secretary of the Interior to deposit tribal and individual funds in banks and to invest those funds in any public-debt obligations of the United States, and in any bonds, notes or other obligations which are unconditionally guaranteed as to both interest and principal by the United States. All deposits including accrued interest are required to be covered by appropriate insurance or collateralized.

PL 98-146 amended the above to authorize investing collections from power and irrigation projects. These basic authorities have been expanded through changes and additions to other laws so that we can now utilize Savings and Loan institutions, and invest in Agency issues which may or may not have the full faith and credit of the United States as a specific guarantee.

## INVESTMENT OVERVIEW AND OPERATION

Certificates of deposit have historically been at the center of the investment operation, and despite the fact that the dollar amounts in CD's have dropped significantly as we invest more of the trust funds into government securities, each week's activities are still based on the certificate of deposit auction process. An "auction" is held virtually each week (47 out of 52) wherein pre-qualified S & L's and banks submit (blind) bids for deposits of trust funds. All funds are offered in such a way that they approximate 30, 60, 90, 120, 270 and 360 day terms, slightly adjusted to mature on a chosen Thursday. Each week's CD activity will range from \$30 million to over \$100 million. Bids are taken on Tuesdays and funds are delivered to the winners on the following Thursday. 7409 CD's were purchased at auction in 1990.

By special arrangement, deposits of hard-to-place funds are also made by the BIA on a daily basis into savings and loan institutions under the supervision of the Federal Home Loan Bank, Dallas, Texas, at very competitive rates. The FHLB acts as agent for both the institutions and the BIA, making sure in the event of closure that the BIA deposits are returned with all accrued interest without delay. 3353 CD's were purchased through this program in 1990.

Funds scheduled for a term investment but not placed in CD's, or funds scheduled for longer term investments are directed towards government securities. More than half of the entire trust fund is now in governments. There is also a cash account which has been running at about \$200 million which is invested at Treasury on a daily basis.

The terms for investment of tribal funds are established by the tribes themselves, or by the Division of Trust Funds Investment based on tribal instructions as to anticipated withdrawals. At present, if investment instructions are not received from tribes or Area staff, then the funds will be kept in the Treasury "overnighter" until instructions are received. Coordination with tribes is handled by appointed investment coordinators in each area, and also in some cases by appointed agency coordinators. Tribes and BIA area and agency offices receive monthly investment reports called "MoneyMax" which has complete details of each tribe's holdings at the end of the month, information about transactions during the month, as well as projections of earnings for all invested funds. These reports contain only invested funds. For an overall view of funds held in trust, a tribe must refer to the BIA's Summary and Detail of Trust Funds report, also issued monthly. We appreciate notification of any suspected discrepancies in either report.

The Division of Trust Funds Investment has instituted a series of seminars in each area to provide information on the Bureau's investment programs to BIA and tribal officials. About half of the areas have been covered, with the rest to follow in FY 91. The main purpose for these sessions is to advise fund owners of the wide range of investment opportunities that exist in addition to the certificates of deposit. Many new products are now on the market giving us a much wider choice of mostly longer term securities. Many people are surprised to find that tribes can enjoy the benefits of a diversified portfolio, even within the limitations of 25 USC 162a, and still leave their funds in trust.

#### A DISCUSSION OF EACH FUND GROUP INVESTED

##### TRIBAL FUNDS CATEGORY

There are over 290 primary accounts within this grouping, and approximately 1800 subaccounts. The primary accounts are mostly single tribes, but there are also multi-tribal organizations and undistributed judgement awards, such as the Black Hills award. Income from trust resources are classified within the BIA as Proceeds of Labor funds. Funds paid as a result of a claim against the United States are classified simply as Award funds. The September 30, 1990 Finance System balances were:

Proceeds of Labor.....	\$ 423,674,696.
Award funds.....	\$1,031,436,529
Total Tribal funds.....	\$1,455,111,225

At present each individual tribe or organization is invested separately, as opposed to pooling which is done for most of the other funds. This is necessary if we are to remain in certificates of deposit as a major investment activity because of the insurance requirements. Each tribe, therefore, will have a "portfolio" of investments owned, which can include specific CD's and a specific share of government securities. Ownership is recorded to the lowest tribal account level in the MoneyMax system while the securities are registered in the name of the BIA as Custodian.

Tribes are required to provide instructions to the BIA as to either the general terms for investment or specific investments to be made on their behalf, in order for longer term placements to be made. In the absence of instructions, it is assumed a tribe may be planning to

~~withdraw funds, so funds are kept in the cash accounts~~ either until disbursed or instructions are received. With the establishment of the Division of Supervised Accounts in the new organization within the BIA, investment decisions relating to restricted tribal judgement award accounts which can not be withdrawn may be made in the future by the BIA with the tribes providing only information about the withdrawal of interest earnings.

TRIBAL FUNDS:

INVESTMENT STATISTICS: (see also charts after narrative)

	FY 1990	FY 1989
Balance at Sept 30	\$1,469,022,346	\$1,353,134,692
In Governments	613,901,250	459,802,288
Cash (overnighter)	166,705,000	147,141,000
In CD's	688,416,096	746,191,404
Average Daily Balance Govts.	527,125,171	441,232,193
Average Daily Balance Cash	182,152,000	69,891,680
Average Daily Balance CD's	746,481,533	815,447,568
Interest earned Govts	46,692,079	39,490,732
Interest earned Cash	15,077,792	6,279,081
Interest earned CD's	65,166,242	72,377,913
Yield in Govts	8.858%	8.950%
Yield in Cash	8.278%	8.98%
Yield in CD's	8.730%	8.876%
Overall yield	8.720%	8.902%

INDIVIDUAL INDIAN MONIES CATEGORY:

There were more than 288 thousand individual accounts with a balance of \$471,349,249 at Fiscal 1990 year end. Accounts are established not only for minors and adults needing ongoing financial supervision, but also for adults receiving income from a trust resource on a pass-through basis. An example of pass-through would be oil and gas royalties paid through the Minerals Management Service to the BIA which pass on to the adult recipients as soon as the distribution is made within the BIA. Current policy is to disburse unrestricted funds as soon as received, and no voluntary deposits are allowed. The only exception to this is at Palm Springs Agency for members of the Agua Caliente Tribe, where special legislation allows us to keep unrestricted deposits and to invest for individuals separately.

All other IIM funds are pooled for investment purposes. The BIA follows its own discretion as to how this fund is to be invested, needing only to make sure that sufficient funds are in cash on a daily basis to support disbursements.

IIM INVESTMENT STATISTICS:	FY 1990	FY 1989
Balance at Sept 30	\$482,094,154	\$472,713,648
In Governments	383,594,914	166,133,968
Cash (overnighter)	33,452,000	37,631,000
In CD's	65,047,240	269,218,680
Average Daily Balance Govts.	298,788,762	135,384,335
Average Daily Balance Cash	33,051,000	13,827,450
Average Daily Balance CD's	132,283,796	269,218,680
Interest earned Govts	26,621,878	11,686,483
Interest earned Cash	2,739,170	1,260,329
Interest earned CD's	11,056,702	27,176,421
Yield in Govts	8.910%	8.632%
Yield in Cash	8.288%	9.11%
Yield in CD's	8.358%	8.490%
Overall yield	8.708%	8.532%

POWER AND IRRIGATION CATEGORY:

Two pools represent the three power projects and 36 irrigation projects under the jurisdiction of the BIA. Income records to the projects, primarily O & M collections, are maintained in separate BIA accounts, but the funds themselves are pooled for investments.

INVESTMENT STATISTICS: (FY 1990)	POWER	IRRIGATION
Balance at Sept 30	\$42,457,861	\$19,503,517
In Governments	27,281,720	13,621,238
Cash (overnighter)	3,427,000	0
In CD's	11,749,141	5,882,279
Average Daily Balance Govts.	18,962,978	11,261,738
Average Daily Balance Cash	5,139,520	2,417,680
Average Daily Balance CD's	14,711,947	7,424,733
Interest earned Govts	1,850,833	1,093,508
Interest earned Cash	420,310	196,866
Interest earned CD's	1,279,391	637,362
Yield in Govts	9.760%	9.710%
Yield in Cash	8.178%	8.143%
Yield in CD's	8.696%	8.584%
Overall yield	9.147%	9.134%

PAPAGO COOPERATIVE FUND:

This fund is a special appropriation resulting from a water settlement agreement involving the United States, the Tohono O'Odham Tribe and the states of Arizona and California. Investments are limited to Treasury securities only by legislation. The earnings to this fund are to be used by the Secretary of the Interior to meet the obligations of the Department of the Interior under the settlement agreement. No disbursements are to be made until 1992.

INVESTMENT STATISTICS:

	FY 1990	FY 1989
Balance	\$18,987,507	\$16,692,113
In Governments	16,253,507	16,692,113
Cash (overnighter)	2,734,000	0
In CD's	0	0
Average Daily Balance Govts.	13,747,397	15,534,050
Average Daily Balance Cash	4,006,271	9,638,280
Average Daily Balance CD's	0	0
Interest earned Govts	1,588,641	1,449,689
Interest earned Cash	70,500	71,018
Interest earned CD's	0	0
Yield in Govts	11.556%	9.332%
Yield in Cash	8.029%	9.61%
Yield in CD's	0	0
Overall yield	9.345%	9.332%

ALASKA NATIVE ESCROW FUND:

This fund was established as an outcome of the Alaska Native Claims Settlement Act to receive funds related to land acquisition by Native Corporations. All invested funds are in CD's for liquidity. The decrease in balance signifies a payout during the year.

INVESTMENT STATISTICS:

	FY 1990	FY 1989
Balance	\$5,530,478	\$9,741,618
In Governments	0	0
Cash	0	0
In CD's	5,530,478	9,741,618
Average Daily Balance Govts.	0	0
Average Daily Balance CD's	8,355,060	7,553,649
Interest earned Govts	0	0
Interest earned CD's	725,709	643,567
Yield in Govts	0	0
Yield in CD's	8.686%	8.520%
Overall yield	8.686%	8.520%

CONTRIBUTED FUNDS CATEGORY:

These are three small funds which are contributions of cash to the United States for (1) Relief of Indigent Indians; (2) Advancement of the Indian Race; and (3) a special contribution which limits the expenditures to earnings only, and which can only be used for education purposes by terms of the gift. Virtually all these funds are kept in CD's at present. The small amount in governments noted below with the low earning is a bond purchased years ago which is due to mature soon.

INVESTMENT STATISTICS:

	FY 1990	FY 1989
Balance	\$420,057	\$482,531
In Governments	19,766	19,649
Cash	0	0
In CD's	400,291	462,882
Average Daily Balance Govts.	19,693	19,577
Average Daily Balance CD's	384,848	491,635
Interest earned Govts	967	967
Interest earned CD's	34,884	44,724
Yield in Govts	4.910%	4.939%
Yield in CD's	9.064%	9.097%
Overall yield	8.862%	8.938%

AUDITS AND FOLLOW UP

Two items remain outstanding from the Inspector General audit of FY 1989; namely the issue of losses to the fund and the issue of handling of the numerous Small Business Association guaranteed loans which were purchased for investments.

Regarding the losses, BIA has been working closely with the Office of the Solicitor to clarify the legal situation relating to each of the losses, and to determine if all administrative remedies for recovery have been exhausted. The effort is to continue during FY 1991. Many readers of this report will be aware that Assistant Secretary-Indian Affairs Eddie Brown stated that as a matter of policy the BIA would in fact pursue reimbursement of losses up to and including seeking additional appropriations. As a reminder, almost all the losses have been in the IIM fund, and do not affect tribes. If tribal losses are surfaced, then the affected tribes will be notified.

Concerning the SBA files, Arthur Andersen & Co. have completed their review of the files and have provided BIA with a list of complete versus incomplete files. BIA now needs to review the list and available records to determine if other files can be documented as complete and final. All files which cannot be completed are to be referred to the Inspector General. Ironically, one SBA office notified us that they suspect that they overpaid BIA on one of the loans. We have no active SBA loans in our investments at this time.

In regards to the previous Arthur Andersen & Co. annual audits, Fiscal Year 1989 year-end audit also revealed a continuing imbalance between the different systems in use, and reconciliation of the imbalance became an integral part of the audit. As reported earlier, the previous imbalance of \$17 million reported by the Inspector General was reconciled down to less than \$1300, and adjustments were to be made to the system balances. It is emphasized that the imbalances represented accumulated accounting errors, system design conflicts and timing differences. It is reemphasized that IIM and not tribal funds are involved here also.

Arthur Andersen & Co. will audit for Fiscal Year 1990 which will be the final year under the current contract. A financial audit is planned for each year now with advertisement and competition periodically as required. These are routine account audits and have no connection with the audits which have been directed by the Congress in the appropriation bills over the last several years.

These Congressionally-directed audits are for the purpose of reconciling each account, tribal and individual, to the earliest possible date. While these audits came out of the BIA's attempt to contract out some of the functions of trust funds management, they have now taken on a purpose of their own, so that even though the contract with the Security Pacific National Bank is no longer active, the audits will be carried out. This will be an enormous undertaking which will take 5-7 years at an estimated cost of over \$12 million. It is planned to begin with 37 tribes and the IIM accounts at the Fort Peck, Uintah and Ouray, and Olympic Peninsula agencies. Experience with these tribes and IIM accounts will allow us to accurately plan for the remainder. The 37 tribes' fund balances account for 90% of the entire tribal fund balance. All activity will be with the consultation of tribes, congress, GAO and OMB.

#### NEW INITIATIVES:

New initiatives are under way as a result of the establishment of the Office of Trust Funds Management, to address identified problems.

BIA contracted with the Comsis Corp. out of Denver to design and build a subsystem to be owned, resident in and operated by the BIA to automate the "auction" of trust funds into the CD market. What this

INVESTMENT OF INDIAN TRUST FUNDS

YEAR	AVERAGE DAILY BALANCE	EARNINGS	YIELD
FY 1984	\$1,620,300,000	\$171,129,543	10.562%
FY 1985	\$1,646,533,000	\$170,505,796	10.355%
FY 1986	\$1,666,492,000	\$141,026,451	8.462%
FY 1987	\$1,724,864,000	\$127,713,195	7.404%
FY 1988	\$1,731,962,595	\$133,352,753	7.700%
FY 1989	\$1,790,046,828	\$157,576,477	8.803%
FY 1990	\$2,006,314,127	\$175,252,834	8.735%

will accomplish is the subsequent automatic updating of the various systems now in use and will replace the manual process. This will eliminate the imbalance between systems which has been so problematical. This will also provide a core system which will be expanded in the future to ultimately replace all other systems. The automated auction was provided by Investornet International, Inc. previously, but this was not utilized to update other systems. It was felt that a complete subsystem should be developed internally rather than to continue with a service contract. Comsis began their activity during Fiscal Year 1990 with the idea that the system would be implemented during FY 1991.

Comsis is also assisting with an IIM interface and a project named the "1081" project to improve the overall transfer of funds activity from MMS to the Bureau.

The new organization created a Branch of Investments and a Branch of Investment Records in the Division of Trust Funds Investment. Work began during FY 1990 on the establishment of new positions to provide for more depth in the Government securities investments and for additional help in the accounting operations, specifically for custodial duties. New positions were created also to staff the new Divisions of Supervised Accounts, Policy and Evaluation and Income Collections. Most of these will be filled in FY 1991.

As noted earlier, investment seminars were developed for presentation around the country, and several were held during Fiscal Year 1990. These will be continued.

Arrangements were made with Wismer (MoneyMax) for direct tribal access to investment data on a fee basis. This would be useful only to those tribes wishing to beat the timing of the current distribution of the MoneyMax report by perhaps two weeks, or tribes who might wish data during a month prior to month-end reports being done. Only the Warm Springs Tribe has arranged for this hookup at this time.

During this year the Division of Trust Funds Accounting made arrangements for development of procedures for direct tribal access to tribal data residing in the BIA financial management system. Tribes will be notified about the Tribal Trust Inquiry System when all procedures are in place.

#### SUMMARY:

This has been another busy and exciting year. The fund is still growing. Some of the attention we've received has not been complimentary, but on the whole, BIA is getting much support to make the improvements needed to provide the best trust system possible. Some spreadsheets and charts follow. Unless otherwise noted, figures are from the MoneyMax investment reporting system provided by Wismer Associates, Inc. out of Canoga Park, California.

s  
l  
o  
e  
e  
.  
s  
r  
y  
e

a  
n

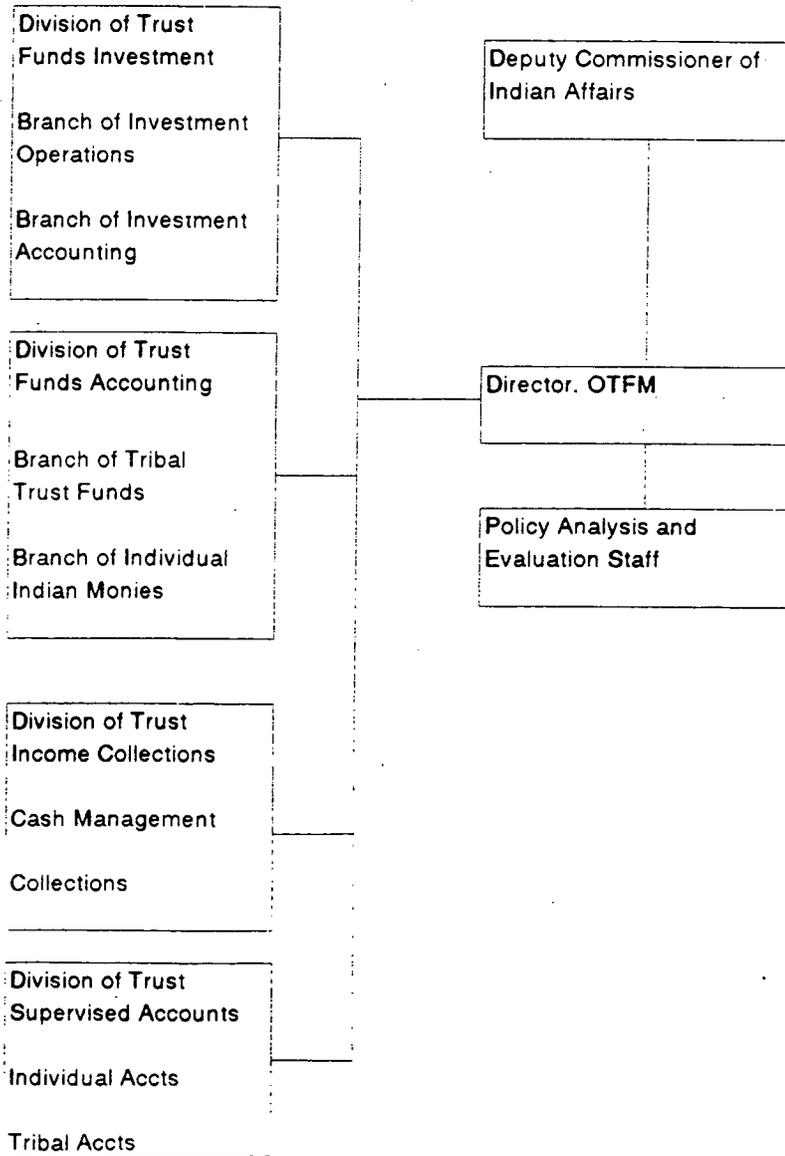
e  
s  
t  
a  
t  
e

# BUREAU OF INDIAN AFFAIRS

Office of Trust Funds Management

505 Marquette NW, Suite 700

Albuquerque, New Mexico. 87102



OFFICE OF TRUST FUNDS MANAGEMENT  
DISTRIBUTION OF ACCOUNTS AND BALANCES

AREA	TRIBAL TYPE ACCTS	IIM ACCTS	TRIBAL TRUST FUNDS	INDIVIDUAL INDIAN MONIES	AREA TOTALS
ABERDEEN	20	78,164	\$372,262,093	\$63,104,650	\$435,366,743
ANADARKO	28	28,297	\$32,986,659	\$48,451,401	\$81,438,060
BILLINGS	10	39,623	\$60,667,637	\$43,370,943	\$104,038,580
JUNEAU	4	525	\$5,540,821	\$6,640,960	\$12,181,782
MINNEAPOLIS	36	29,551	\$79,095,162	\$24,204,191	\$103,299,353
MUSKOGEE	27	14,258	\$97,973,544	\$43,900,022	\$141,873,566
PHOENIX	32	34,368	\$197,135,446	\$122,586,065	\$319,721,512
SACRAMENTO	53	4,532	\$126,119,582	\$15,393,679	\$141,513,261
ALBUQUERQUE	23	4,545	\$157,820,560	\$5,950,363	\$163,770,923
NAVAJO	3	13,334	\$149,505,684	\$10,531,007	\$160,036,690
PORTLAND	37	36,528	\$133,333,716	\$98,322,737	\$231,656,453
EASTERN	20	4,578	\$60,902,787	\$2,521,457	\$63,424,243
TOTALS	293	288,303	\$1,473,343,691	\$484,977,473	\$1,958,321,165

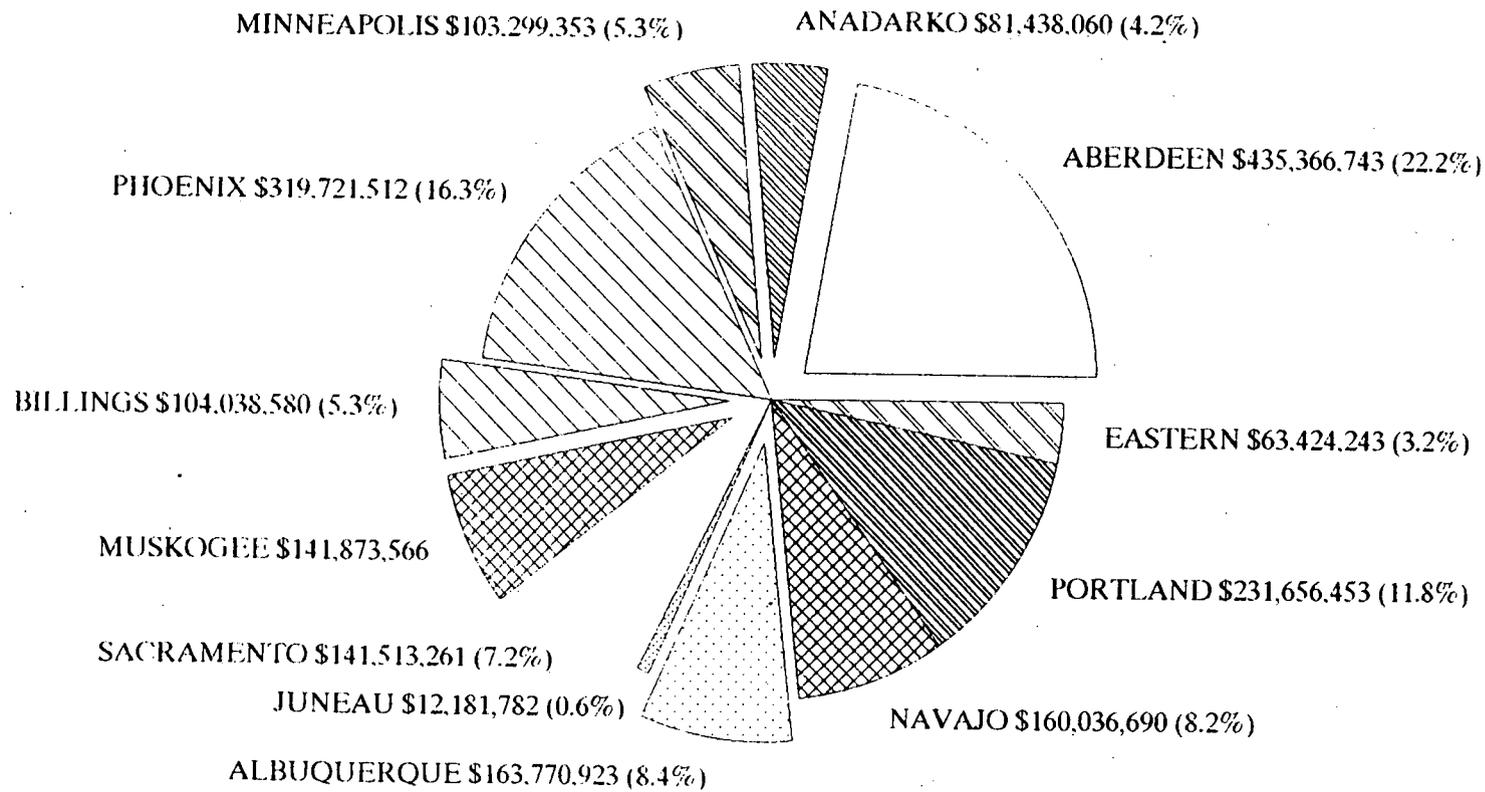
NOTES:

- (1) STATISTICS PROVIDED BY THE DIVISION OF TRUST FUNDS ACCOUNTING
- (2) IIM FIGURES DERIVED FROM THE IRMS SYSTEM
- (3) IIM FIGURES DO NOT INCLUDE 206.50 ACCOUNT BALANCES
- (4) IIM AND TOTAL SUMS ARE CORRECT. APPARENT INCORRECT SUMS CAUSED BY COMPUTER ROUNDING

TOTALS AND TOTAL SUMS ARE CORRECT. APPARENT INCORRECT SUMS CAUSED BY COMPUTER ROUNDING

## TOTAL TRIBAL AND IIM FUNDS BY AREA

TOTAL AMOUNT \$1,958,321,165

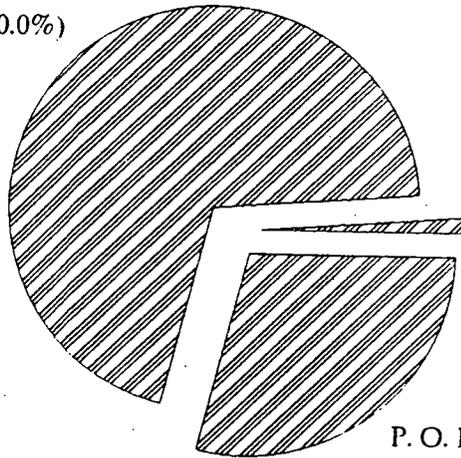


293 TRIBAL ACCOUNTS, BALANCE \$1,473,343,691  
288.303 IIM ACCOUNTS, IRMS BALANCE \$484,977,473

# TRIBAL TRUST FUNDS

SEPTEMBER 30, 1990 BALANCES

Awards \$1,031,436,529 (70.0%)



Papago \$18,232,466 (1.2%)

P. O. L. \$423,674,696 (28.8%)

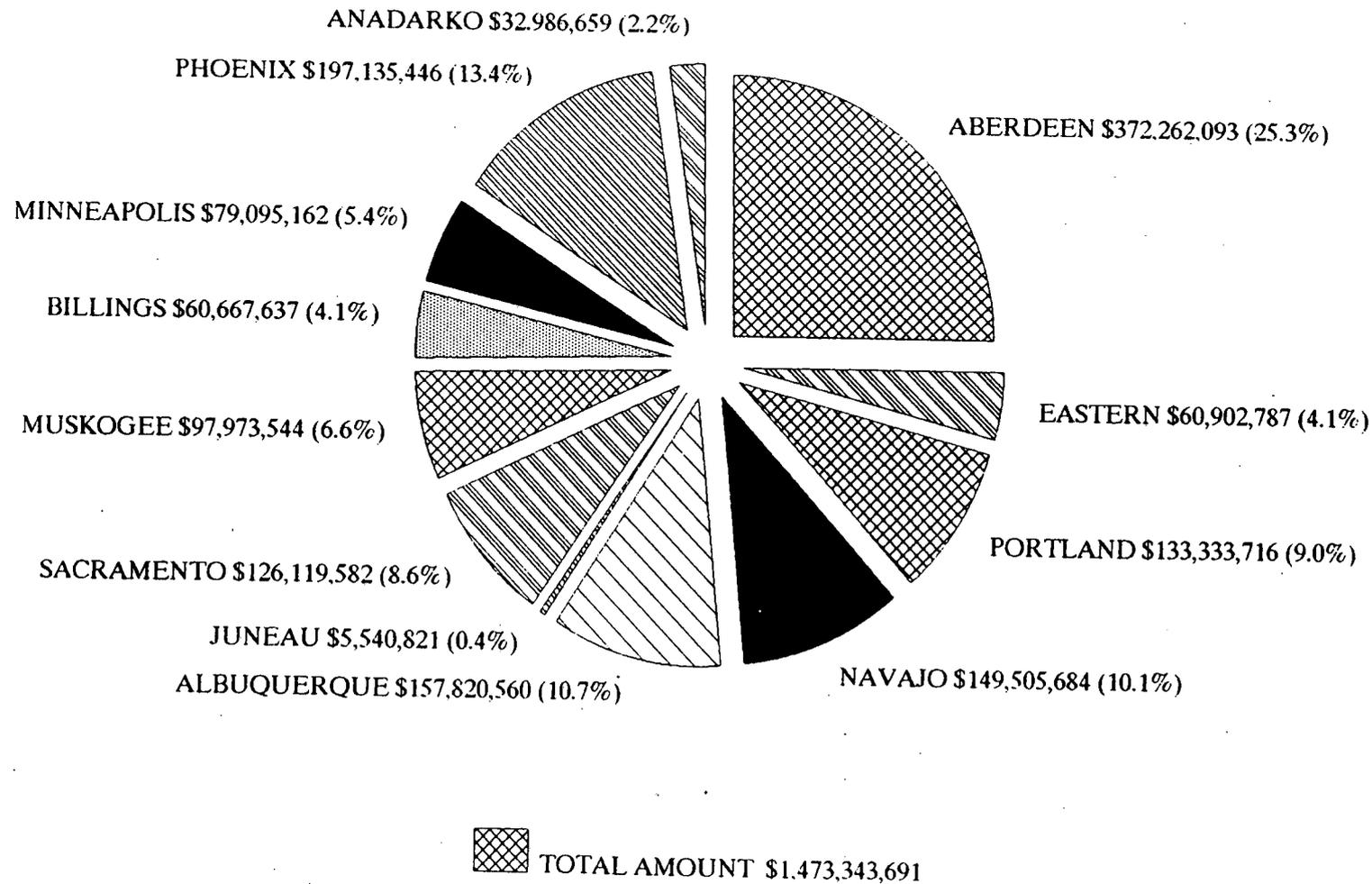


Total Tribal Trust Funds \$1,473,343,691

P.O.L = Proceeds of Labor

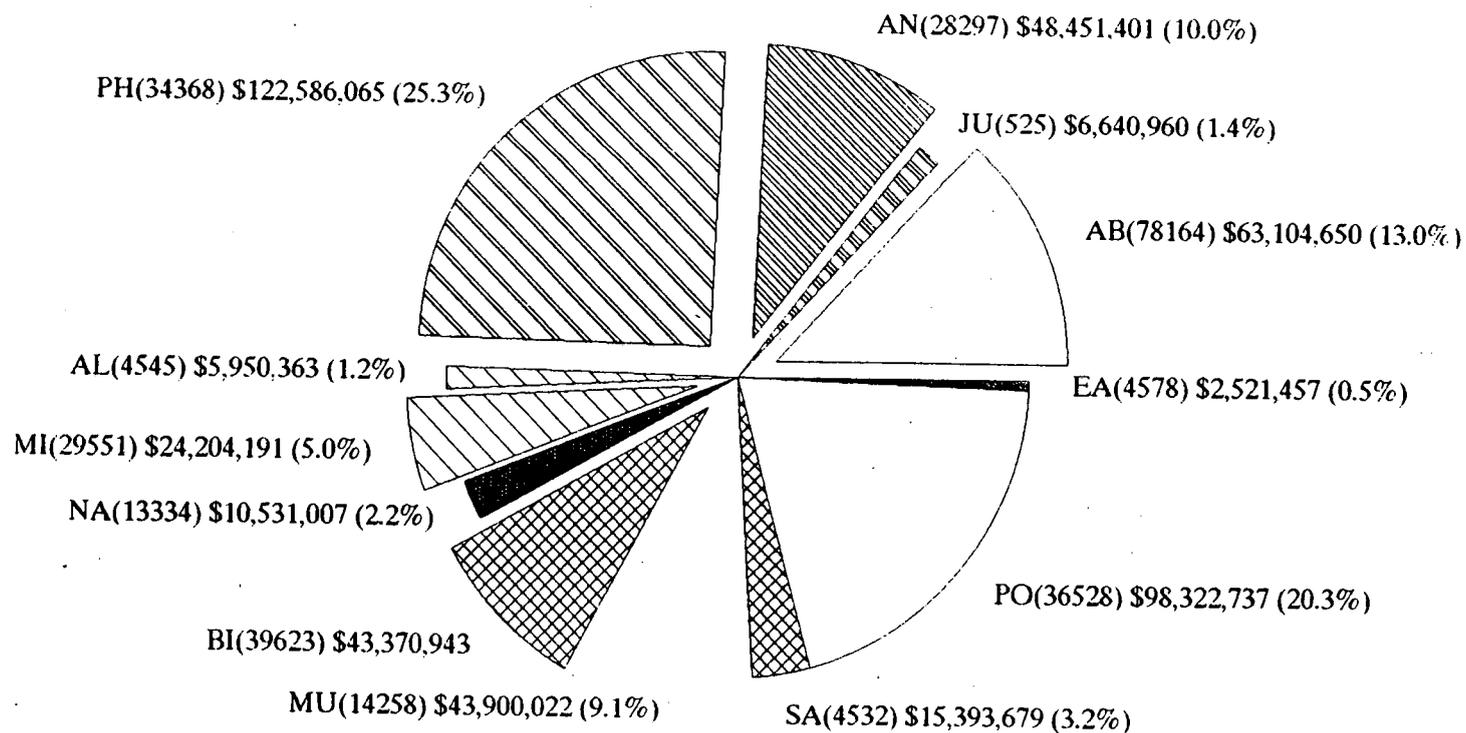
# TRIBAL TRUST FUNDS

DISTRIBUTION BY AREA



# DISTRIBUTION OF IIM FUNDS BY AREA

TOTAL AMOUNT \$484,977,473



IIMS System Balances

Number of accounts shown in parentheses

**Office of Trust Funds Management**  
**Indian Trust Funds Receipts and Disbursements-FY 1990**

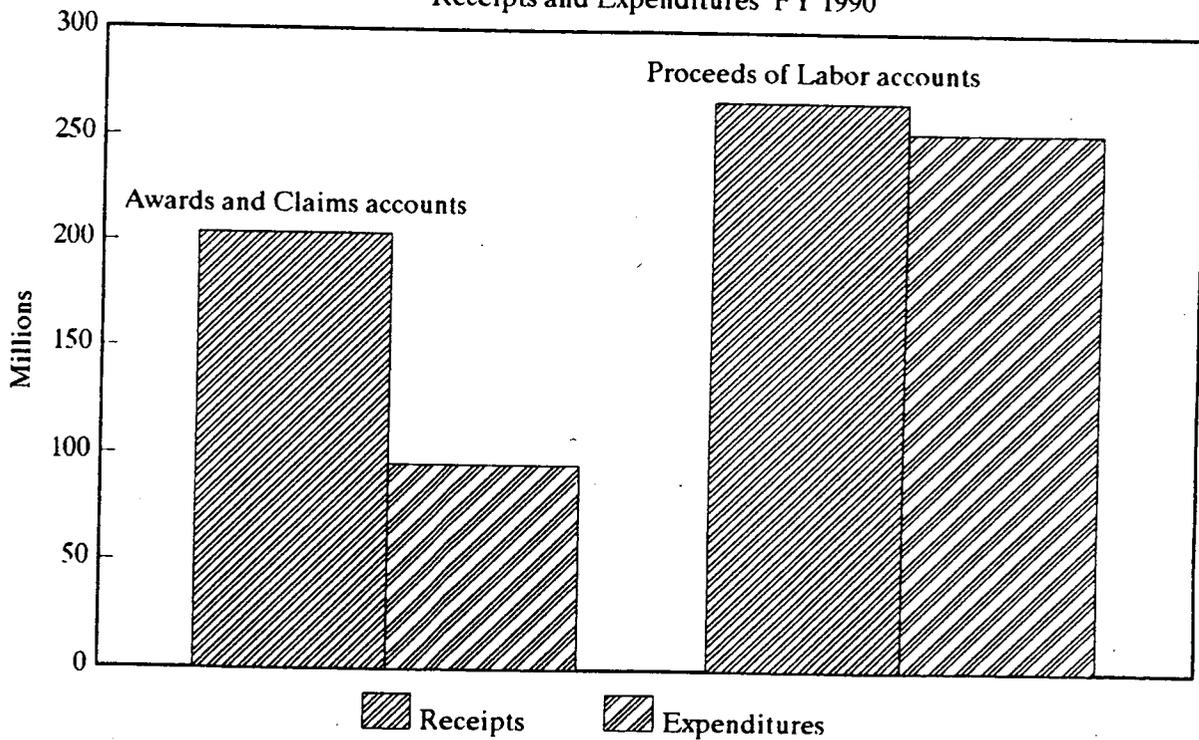
Tribal Funds	Receipts	Disbursements			Sept 30. 1990 Balances
		Percapita	To Tribes	Total	
Proceeds of Labor	\$267,693,492	\$48,448,785	\$205,250,270	\$253,699,054	\$423,674,696
Award accounts	\$203,321,615	\$8,460,403	\$86,899,700	\$95,360,103	\$1,031,436,529
Papago Cooperative	\$334,142	\$0	\$0	\$0	\$18,232,466
<b>Total Tribal</b>	<b>\$471,349,249</b>	<b>\$56,909,187</b>	<b>\$292,149,970</b>	<b>\$349,059,157</b>	<b>\$1,473,343,691</b>

<b>IIM Funds</b>	<b>\$262,260,540</b>	<b>\$265,072,137</b>	<b>\$0</b>	<b>\$265,072,137</b>	<b>\$484,977,473</b>
------------------	----------------------	----------------------	------------	----------------------	----------------------

<b>Total Receipts</b>	<b>\$733,609,789</b>	<b>Total Disbursements</b>	<b>\$614,131,294</b>
-----------------------	----------------------	----------------------------	----------------------

# TRIBAL TRUST FUNDS

Receipts and Expenditures FY 1990



Total receipts including investment income = \$471,349,249  
Total expenditures = \$349,059,157

## Office of Trust Funds Management

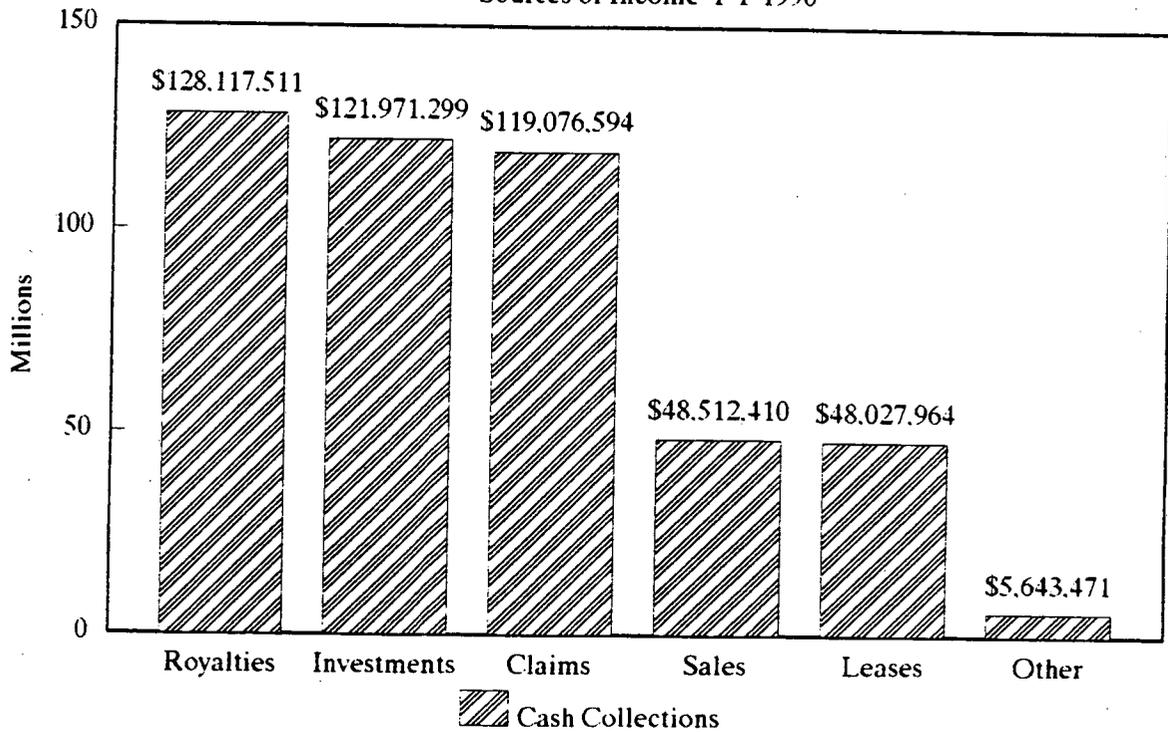
Report of Trust Funds Activity--Fiscal Year 1990

Source of Funds Statement--Cash Collections

Tribal Trust Funds	Proceeds of Labor	Claims & Awards	Papago Cooperative	Total
Investment Earnings	\$36,469,176.94	\$85,167,980.23	\$334,141.97	\$121,971,299.14
Leases, Permits, Rentals and Licenses	\$46,086,040.59			\$46,086,040.59
Royalties and Bonuses	\$128,117,511.44			\$128,117,511.44
Sales	\$48,512,410.47			\$48,512,410.47
Fees and Fines	\$3,184,157.89			\$3,184,157.89
Rights of Way & Easements	\$1,941,922.53			\$1,941,922.53
Claims and Settlements	\$922,958.55	\$118,153,634.97		\$119,076,593.52
Repayments to Tribes--Revolving Loans	\$291,385.22			\$291,385.22
Repayment of Irrigation Construction	\$547.51			\$547.51
Other Receipts	\$2,167,381.07			\$2,167,381.07
Tribal Totals	\$267,693,492.21	\$203,321,615.20	\$334,141.97	\$471,349,249.38
Individual Indian Monies Income (all sources combined)				\$262,260,540.00
Total Trust Income Collections				\$733,609,789.38

# TRIBAL TRUST FUNDS

Sources of Income FY 1990



Income from resources = \$267,693,492    Income to Awards accounts = \$203,321,615  
Other (Papago) \$334,141.    Total = \$471,349,249

IRRIGATION AND POWER FUNDS

IRRIGATION	9-30-89	9-30-90
BLACKFEET	387,764	325,172
CROW	197,948	228,632
FORT BELKNAP	123,981	176,474
FORT PECK	191,953	221,503
WIND RIVER	544,169	293,441
COLORADO RIVER	1,025,779	1,117,524
FORT APACHE	8,293	8,666
CHUICHU	80,804	84,575
SAN XAVIER	108,350	100,881
SALT RIVER	318,141	109,275
SAN CARLOS I. W.	1,961,306	1,681,824
SAN CARLOS RES.	117,394	124,779
SAN CARLOS IRR.	3,699,889	3,899,744
PYRAMID LAKE	8,786	11,945
WALKER RIVER	155,344	149,224
CARSON MISC.	620	511
UINTAH & OURAY	711,682	621,527
FORT YUMA	421,055	174,706
DUCK VALLEY	44,612	33,257
PINE RIVER	124,749	119,734
MODEE	34	34
SAND CREEK	488	488
COLVILLE MONSE	12,923	13,505
COLVILLE NESPELEM	29,128	30,440
HALL CR. TWIN LAKE	1,469	1,535
FORT HALL-MICHAND	2,376,082	2,398,502
FORT HALL	3,200,557	3,058,660
FORT HALL-M. U.	321,198	326,186
WAPATO SATUS	2,661,127	2,017,417
WAPATO SATUS-MISC.	1,003,934	1,049,155
AHTO MARLOS I. W.	138,332	150,576
TOPPENISH SIMCOE	141,153	156,166
WAPATO ADD. WRKS.	435	454
WARM SPRINGS	97,714	105,107
LUMMI DIKING	151	151
FLATHEAD IRR.	616,360	883,392
<b>TOTAL IRRIGATION</b>	<b>\$20,833,704</b>	<b>\$19,675,162</b>

POWER PROJECTS	9-30-89	9-30-90
SAN CARLOS	13,999,597	14,676,188
COLORADO RIVER	12,573,469	13,325,937
FLATHEAD	2,600,262	3,183,548
<b>TOTAL POWER</b>	<b>\$29,173,328</b>	<b>\$31,185,673</b>

NOTE: STATISTICS PROVIDED BY SYSTEMS ACCOUNTANT POWER AND

INVESTMENT OF INDIAN TRUST FUNDS

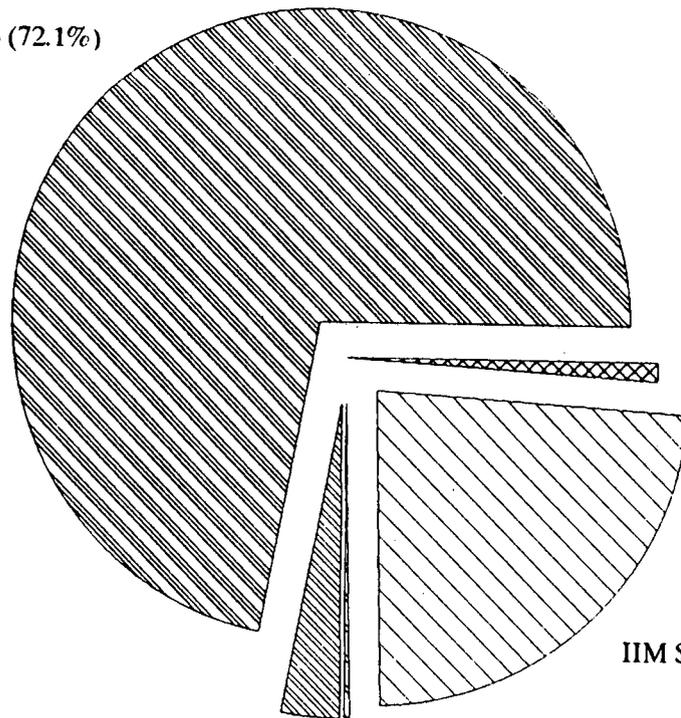
PORTFOLIO SUMMARY

FUND	BALANCE AT SEPT 30, 1990	AVG DAILY BALANCE	TOTAL INTEREST EARNED	COMBINED YIELD
TRIBAL	\$1,469,022,346	\$1,455,758,704	\$126,936,113	8.720%
TRIM	\$482,094,154	\$464,123,558	\$40,417,750	8.708%
POWER	\$42,457,861	\$38,814,445	\$3,550,534	9.147%
IRRIGATION	\$19,503,517	\$21,104,151	\$1,927,736	9.134%
PAPAGO COOP	\$18,987,508	\$17,753,668	\$1,659,141	9.345%
ALASKA ESCROW	\$5,530,478	\$8,355,060	\$725,709	8.686%
CONTRIBUTED	\$420,057	\$404,541	\$35,851	8.862%
TOTALS	\$2,038,015,921	\$2,006,314,127	\$175,252,834	8.735%

# DISTRIBUTION OF INVESTED INDIAN TRUST FUNDS

TOTAL AMOUNT \$2,038,015,920

TRIBAL \$1,469,022,346 (72.1%)



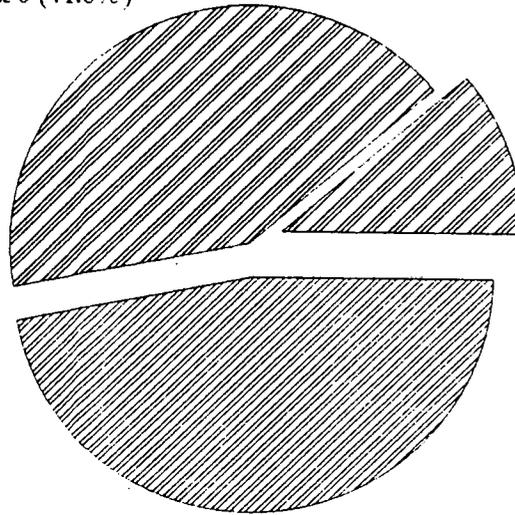
COOP \$18,987,507 (0.9%)

IIM \$482,094,154 (23.7%)

POW & IRR \$61,961,378 (3.0%) CONT & ANEF \$5,950,535 (0.3%)

# INVESTMENT MIX – TRIBAL \$1,469,022,346

GOVTS \$613,901,250 (41.8%)

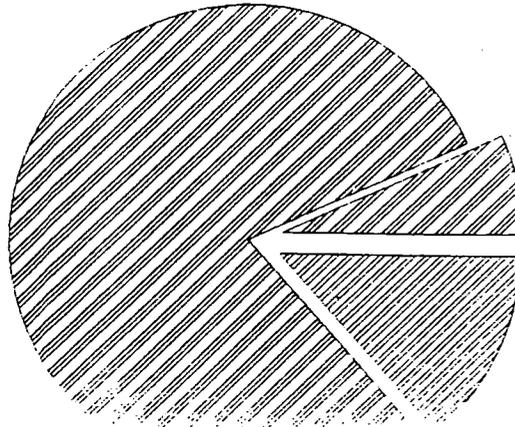


CASHS \$166,705,000

CD'S \$688,416,096 (46.9%)

# Investment Mix – IIM Funds \$ 482,094,154

GOVT \$383,594,914 (80%)



CASH \$33,452,000 (7%)

CD'S \$65,047,240 (13%)

INVESTMENT OF INDIAN TRUST FUNDS

FISCAL YEAR 1990 PORTFOLIO DISTRIBUTION

DISTRIBUTION	TRIBAL	IIM	POWER	IRRIGATION	PAPAGO COOPERATIVE	ALASKA ESCROW	CONTRIBUTED	TOTALS
<b>CASH ACCOUNT</b>								
9-30-90 BALANCE	\$166,705,000	\$33,452,000	\$3,427,000	\$0	\$2,734,000	0	0	\$206,318,000
AVERAGE DAILY BALANCE	\$182,152,000	\$33,051,000	\$5,139,520	\$2,417,680	\$4,006,271	0	0	\$226,766,471
INTEREST EARNED	\$15,077,792	\$2,739,170	\$420,310	\$196,866	\$70,500	0	0	\$18,504,638
YIELD	8.278%	8.288%	8.178%	8.143%	8.029%	0.000%	0.000%	8.160%
<b>GOVERNMENT SECURITIES</b>								
9-30-90 BALANCE	\$613,901,250	\$383,594,914	\$27,281,720	\$13,621,238	\$16,253,507	\$0	\$19,766	\$1,054,672,395
AVERAGE DAILY BALANCE	\$527,125,171	\$298,788,762	\$18,962,978	\$11,261,738	\$13,747,397	\$0	\$19,693	\$869,905,739
INTEREST EARNED	\$46,692,079	\$26,621,878	\$1,850,833	\$1,093,508	\$1,588,641	\$0	\$967	\$77,847,906
YIELD	8.858%	8.910%	9.760%	9.710%	11.556%	0.000%	4.910%	8.949%
<b>CERTIFICATES OF DEPOSIT</b>								
9-30-90 BALANCE	\$688,416,096	\$65,047,240	\$11,749,141	\$5,882,279	\$0	\$5,530,478	\$400,291	\$777,025,525
AVERAGE DAILY BALANCE	\$746,481,533	\$132,283,796	\$14,711,947	\$7,424,733	\$0	\$8,355,060	\$384,848	\$909,641,917
INTEREST EARNED	\$65,166,242	\$11,056,702	\$1,279,391	\$637,362	\$0	\$725,709	\$34,884	\$78,900,290
YIELD	8.730%	8.358%	8.696%	8.584%	0.000%	8.686%	9.064%	8.674%
<b>GRAND TOTALS</b>								
9-30-90 BALANCE	\$1,469,022,346	\$482,094,154	\$42,457,861	\$19,503,517	\$18,987,507	\$5,530,478	\$420,057	\$2,038,015,920
AVERAGE DAILY BALANCE	\$1,455,758,704	\$464,123,558	\$38,814,445	\$21,104,151	\$17,753,668	\$8,355,060	\$404,541	\$2,006,314,127
INTEREST EARNED	\$126,936,113	\$40,417,750	\$3,550,534	\$1,927,736	\$1,659,141	\$725,709	\$35,851	\$175,252,834
YIELD	8.720%	8.708%	9.147%	9.134%	9.345%	8.686%	8.862%	8.735%

## INVESTMENT OF INDIAN TRUST FUNDS

### GOVERNMENT SECURITIES ACTIVITY--FISCAL YEAR 1990

Purchases	Transactions	Face Amount
	95 long term	\$690,000,000
	142 short term	\$955,000,000
Total	237	\$1,645,000,000
Cost of purchases		\$1,401,603,792
Range of stated yields at time of purchase		low 7.68% high 10.89%

Redemptions	Transactions	Face Amount
	29 total	\$371,525,000
Amount redeemed		\$395,000,000

Note: Redemptions do not include ordinary maturities and receipts.

### Investments with the U. S. Treasury

Notes, Bonds, Bills and overnighter

### Investments on the open market

Discount notes issued by FNMA, FHLMC, FFCB, FHLB, SLMA, etc.

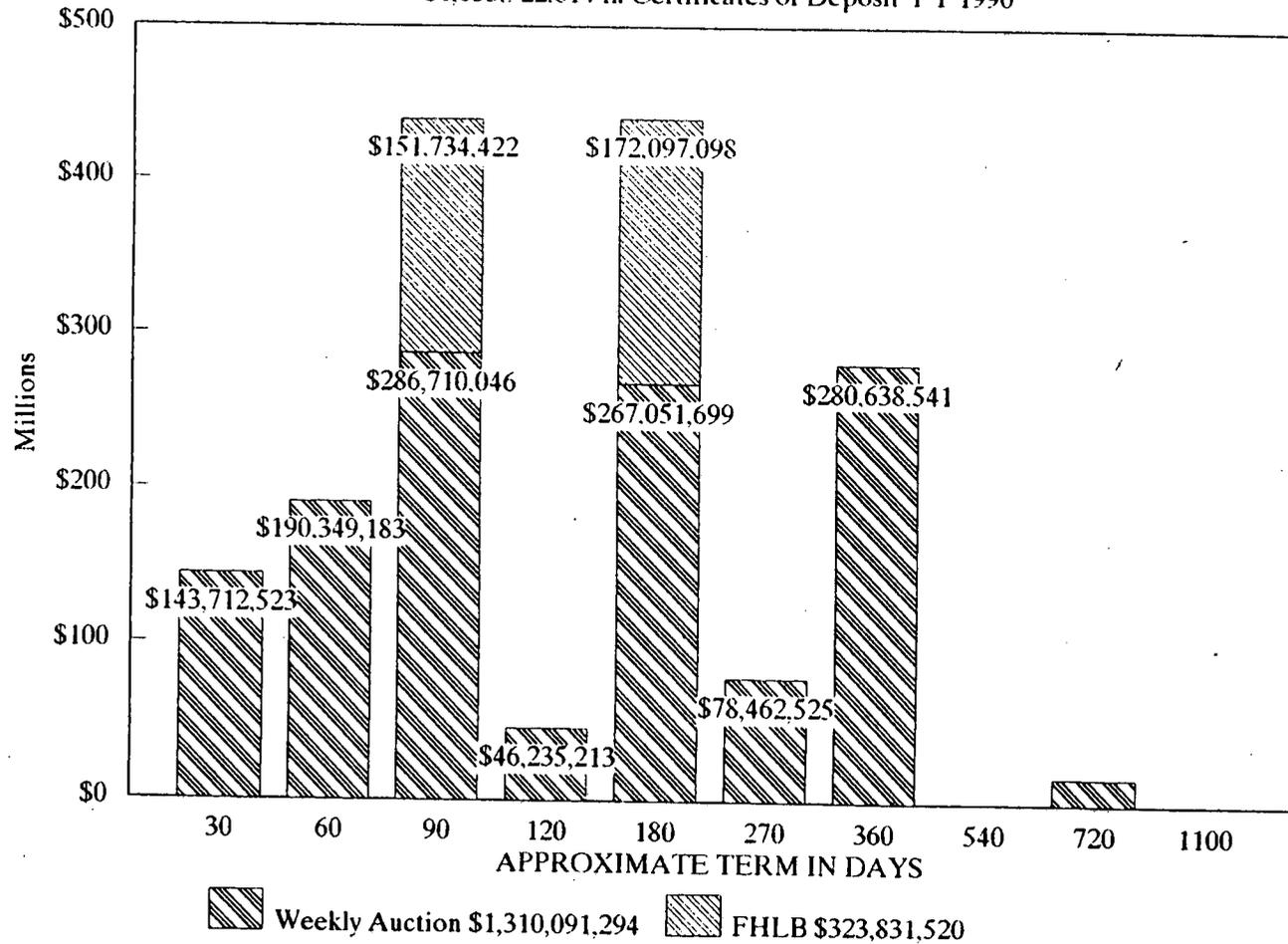
Zero coupon issues such as REFCORP Strips, DOD Strips, U.S. Treasury Receipts, Government Trust Certificates, FICO Strips, U. S. Treasury Strips, FHLMC Zeroes, Federal Judiciary Office Building Zeroes, SLMA Zeroes, FNMA Zeroes, etc.

Semi-annual coupon issues by FNMA, SLMA, FHLB, FHLMC, FFCB, TVA, etc.

Mortgage-backed securities including pass-thru pools and collateralized mortgage obligations (CMO's) originated by GNMA, FNMA and FHLMC.

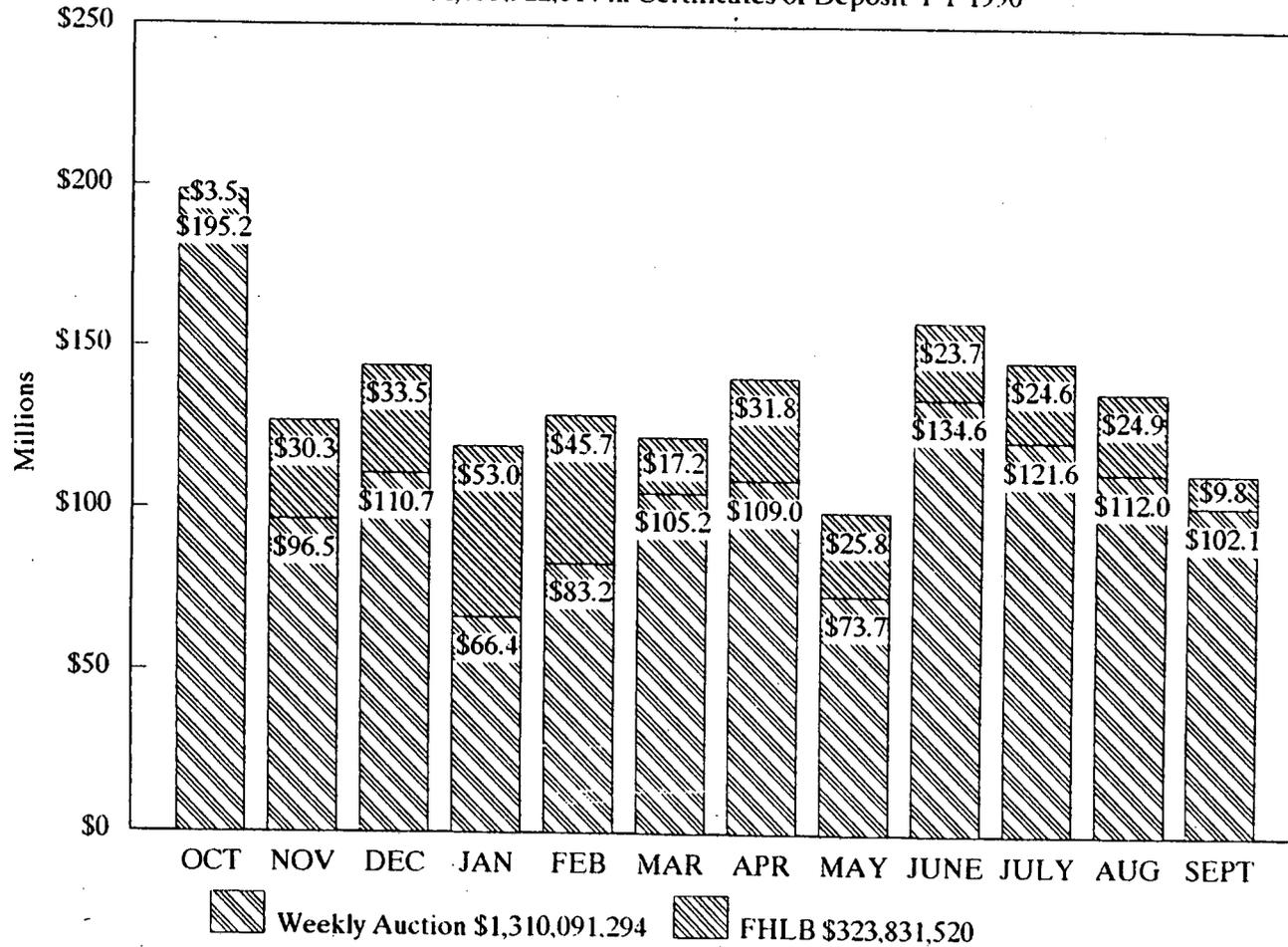
# INVESTMENT OF INDIAN TRUST FUNDS

\$1,633,922,814 in Certificates of Deposit FY 1990



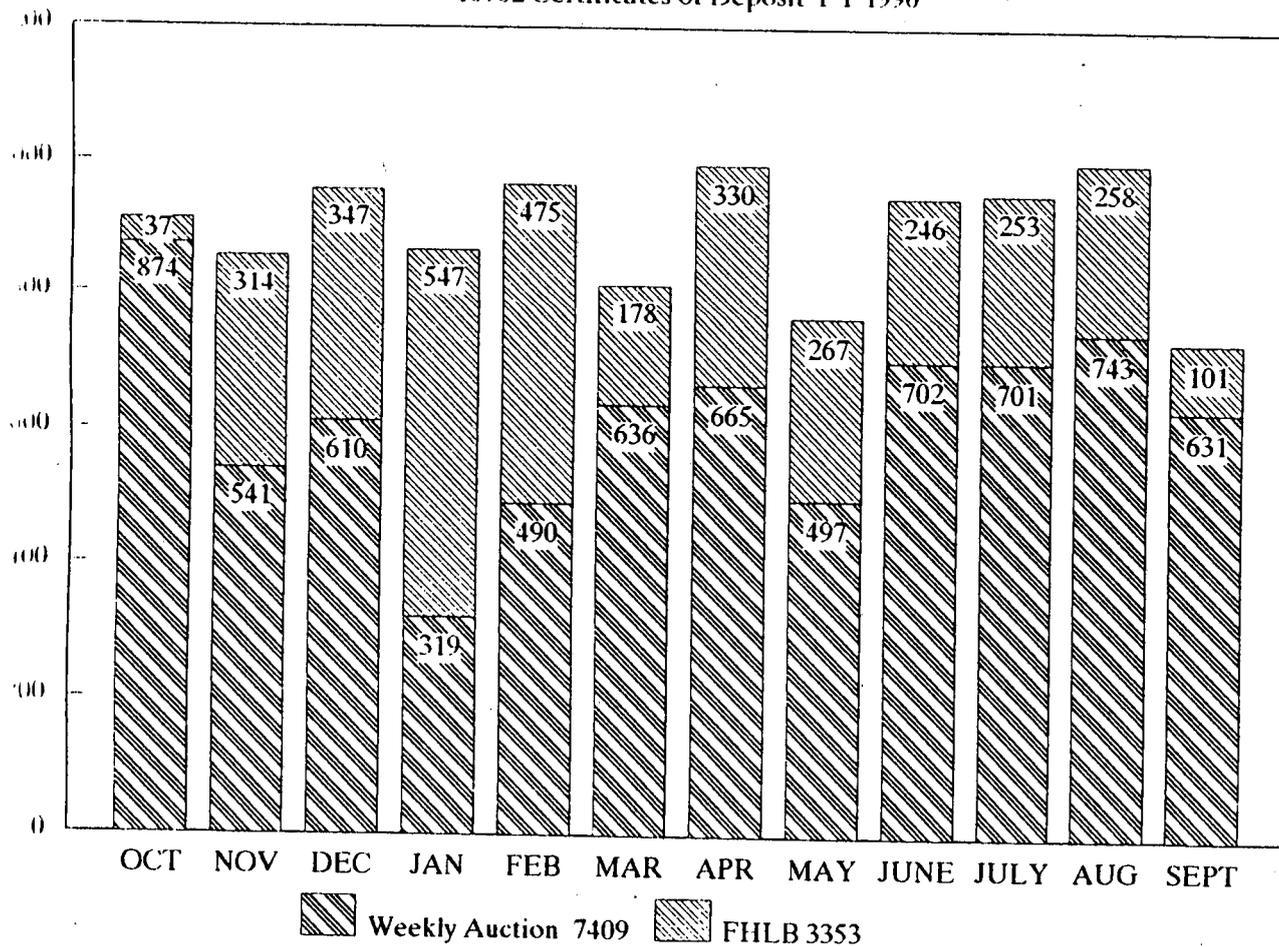
# INVESTMENT OF INDIAN TRUST FUNDS

\$1,633,922,814 in Certificates of Deposit FY 1990



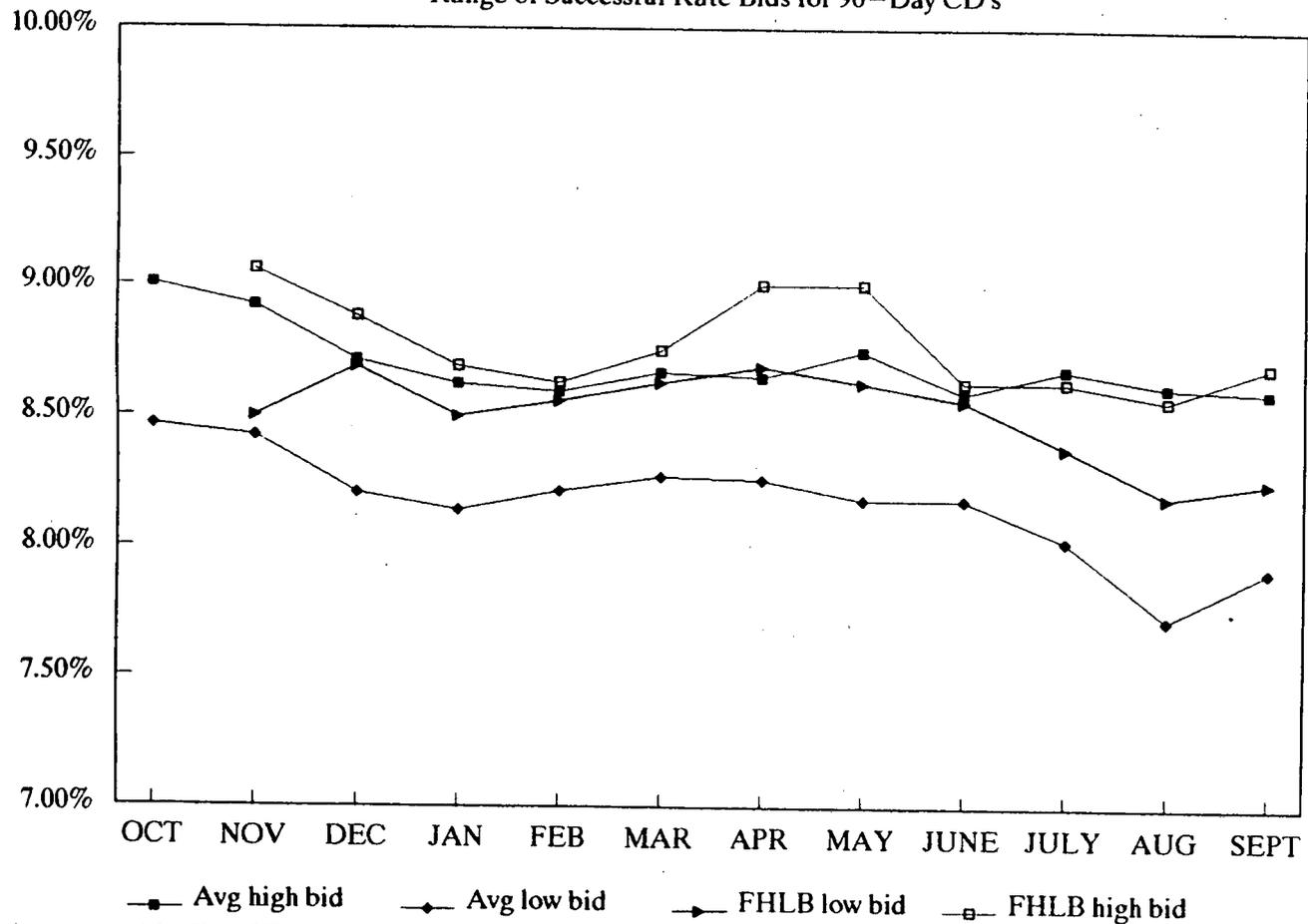
# INVESTMENT OF INDIAN TRUST FUNDS

10762 Certificates of Deposit FY 1990



# INVESTMENT OF INDIAN TRUST FUNDS

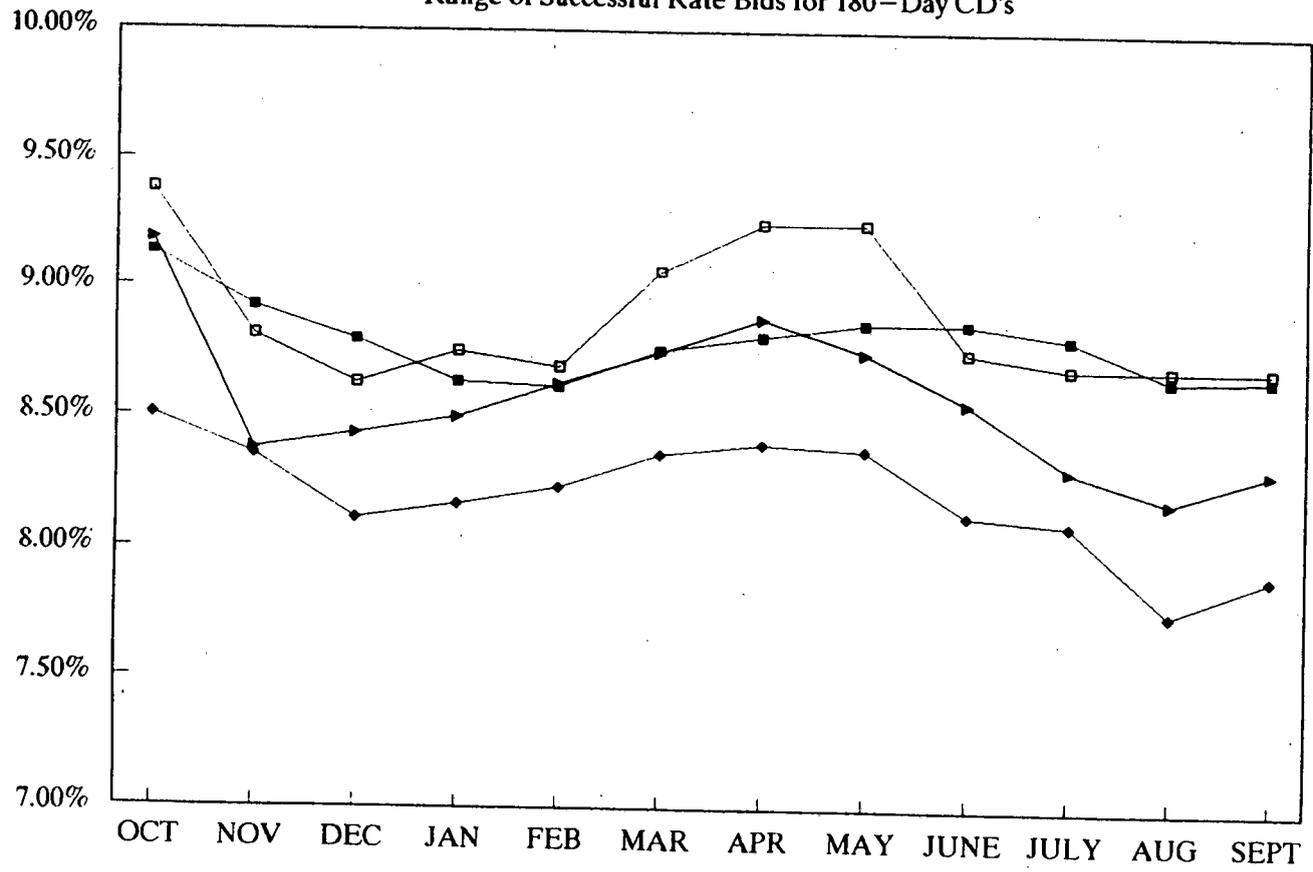
Range of Successful Rate Bids for 90-Day CD's



Amount in 90-Day CD's \$438,444,468

# INVESTMENT OF INDIAN TRUST FUNDS

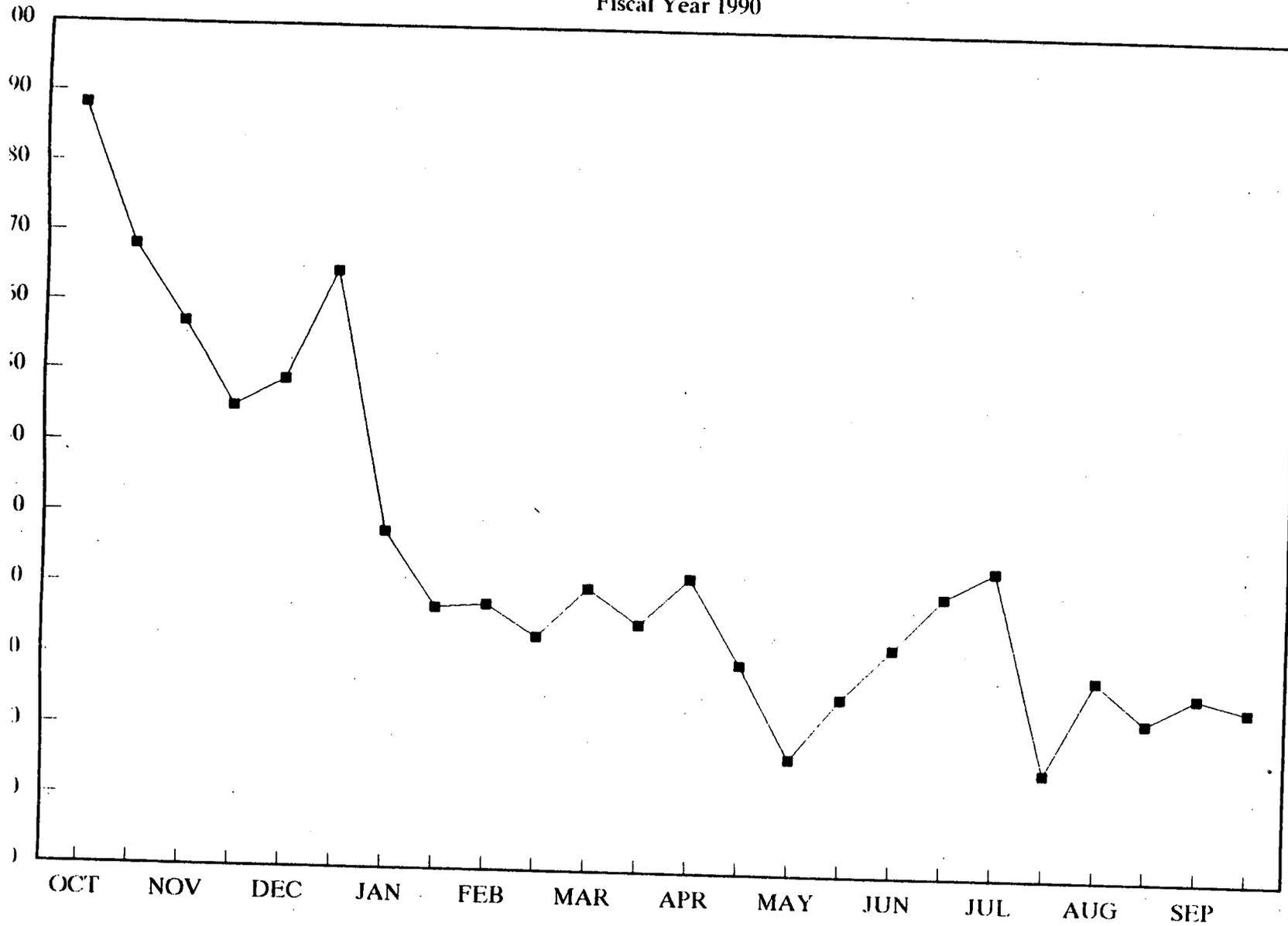
Range of Successful Rate Bids for 180-Day CD's



—■— Avg high bid      —◆— Avg low bid      —▲— FHLB low avg      -□- FHLB high avg  
 Amount in 180-Day CD's \$439,148,797

# U. S. Treasury Overnight Rates

Fiscal Year 1990



—■— week averages

INVESTMENT OF INDIAN TRUST FUNDS

INTEREST RATE TRENDS

SIX-MONTH CD SECONDARY MKT			SIX-MONTH COMMERCIAL PAPER			US TREASURY BILL ONE-YEAR			US TREASURY NOTE TEN-YEAR		
HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG
10.20	8.40	9.13	9.60	8.20	8.83	9.60	8.00	8.60	11.80	10.45	10.83
12.10	9.30	10.63	11.30	9.00	10.15	10.90	8.90	9.89	13.50	11.50	12.38
10.60	7.50	8.61	10.10	7.50	8.41	9.90	7.20	8.24	12.10	10.10	11.13
7.90	5.80	7.00	7.80	5.60	6.92	7.40	5.40	6.51	10.30	7.10	8.26
7.60	5.80	6.54	7.60	5.60	6.43	7.10	5.50	6.01	9.40	7.00	7.89
9.44	6.68	8.06	9.02	6.49	7.76	8.25	6.57	7.25	9.40	8.11	8.76
10.48	8.46	9.25	10.44	8.22	9.28	9.59	7.64	8.67	9.30	7.80	8.71
8.78	7.82	8.23	8.82	7.83	8.24	8.54	7.66	7.98	9.02	7.83	8.44

1990 UPDATE PROVIDED BY SHEARSON LEHMAN-DALLAS, TEXAS

INVESTMENT OF INDIAN TRUST FUNDS

Yield Comparisons to IBC/Donoghue's MONEY FUND AVERAGE<sup>Stm</sup>

YEAR	BIA YIELD	INSTITUTIONS	DONOGHUE'S GOVERNMENT	ALL TAXABLE
FY 1986	8.462%	7.16%	6.57%	6.77%
FY 1987	7.740%	6.15%	5.58%	5.79%
FY 1988	7.700%	7.11%	6.45%	6.76%
FY 1989	8.803%	9.19%	8.58%	8.85%
FY 1990	8.735%	8.31%	7.81%	8.01%

Source: IBC/Donoghue's MONEY FUND REPORT of Holliston, MA 01746  
 Figures provided to correspond to Fiscal Years