

***Navajo County  
Arizona  
Annual Comprehensive  
Financial Report***

***Fiscal Year Ended June 30, 2023***



**100 East Code Talkers Drive  
South Highway 77  
PO Box 668  
Holbrook, AZ 86025**



# Board of Supervisors



Fern Benally, District I



Alberto L. Peshlakai, District II



Jason E. Whiting, District III



Daryl Seymore, District IV



Dawnafe Whitesinger  
District V

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# Navajo County, Arizona

## Annual Comprehensive Financial Report

### Fiscal Year Ended June 30, 2023

Prepared by Navajo County Finance

#### County Manager

Bryan Layton

#### Finance Team

Jayson Vowell, Finance Director

Julye Barton-Todacheenie, Senior Accountant

Jackie Walker, Accountant

Rebecca Robertson, Finance Operations Supervisor

Tina Smith, Account Specialist

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# *Introductory Section*



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Year Ended June 30, 2023

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# NAVAJO COUNTY

## Administration

**Bryan Layton**  
County Manager

**Jayson Vowell**  
Finance Director

### *We are Navajo County*

December 29, 2023

To the Honorable Board of Supervisors and Citizens of Navajo County, Arizona:

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) for fiscal year 2023. The ACFR provides in-depth information regarding the County's financial position. Navajo County presents the ACFR prepared in compliance with generally accepted accounting principles (GAAP) and audited by the Arizona Auditor General using generally accepted auditing standards and *Government Auditing Standards*.

This report consists of management's representations concerning the finances of Navajo County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the County's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed the anticipated benefits, the objective of this framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Arizona Auditor General has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for fiscal year 2023 are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented at the beginning of the Financial Section of this report.

This report is prepared in accordance with generally accepted accounting principles, in conformity with standards of financial reporting established by the Governmental Accounting Standards Board (GASB), and using the guidelines established by the Government Finance Officers Association (GFOA) of the United States and Canada. GAAP requires that management provide an overview and analysis to accompany the basic financial statements called the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the Independent Auditors' Report in the Financial Section of this report.

## **NAVAJO COUNTY PROFILE**

Navajo County was formed on March 21, 1895 and encompasses 9,953 square miles. The county seat is Holbrook, in central Navajo County, and the 2023 population of the County was estimated to be 108,652. Navajo County's diversity is evident not only in its population, but also in its landscapes. Northern Navajo County is home to the Navajo and Hopi Tribes, and is known for its spectacular buttes, canyons, clean air, diversity of plants and wildlife, and areas of beauty and solitude. Central Navajo County is home to rural communities such as Winslow, Holbrook, Snowflake and Taylor where country charm and rich pioneer history contribute to the performing arts, schools, parks, and many community celebrations. Southern Navajo County is home to the White Mountain Apache Tribe and the communities of Show Low and Pinetop-Lakeside where forests of Ponderosa Pine offer a variety of outdoor recreational activities, including hiking, hunting, fishing, and snow skiing with casino gaming and fine dining amenities.

Navajo County's government consists of an elected Board of Supervisors. There are five districts with one supervisor representing each district. As required by statute, the Board of Supervisors is responsible for the overall management and approval of the departmental budgets and county tax rates. The Board appoints a County Manager and each department is managed by an elected official, appointed official, or a department director. Elected offices are statutorily mandated and include the assessor, clerk of the superior court, constables, county attorney, sheriff, recorder, superintendent of schools, treasurer, and the judiciary. Navajo County provides a full range of services, including law enforcement and public safety, judicial and detention services, health services, highway construction and maintenance, education, and library services.

The financial reporting entity includes all the funds of the primary government and its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations. Additional information on Navajo County's blended component units can be found in the notes to the financial statements Note 1.

The Board of Supervisors and the County Manager use the financial policies and budget management policies to guide the overall development of the budget. On an annual basis, beginning in January, the finance department, under the County Manager's direction, meets with each elected official and department director to outline the Board's adopted budget priorities. Each department must provide revenue and expenditure estimates for the remainder of the current fiscal year and planned revenues

and expenditures for the following year. The budget team uses these estimates to help update the 5-year financial plan. The Board of Supervisors must adopt the final budget on or before the third Monday in August. The tax rate and levy must also be set on or before the third Monday in August.

## **FACTORS AFFECTING NAVAJO COUNTY'S FINANCIAL CONDITION**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

**Local Economy** – The major economic activities within Navajo County include tourism, utilities, construction, timber production, and ranching. Some of the major employers in the County include Arizona Public Service (utilities), Burlington Northern/Santa Fe (railway), Summit Healthcare (medical facility), Northland Pioneer College (post-secondary education), and the Fort Apache Timber Company (timber processing).

The local and State economy are dependent on visitors to the State, which adds to the County's largest source of revenue, sales tax. Tourism is aided by Route 66, one of the original highways and most famous roads in the United States, which runs across most of the County as well as U.S. Interstate 40. Visitors frequent the many attractions within the County, including Monument Valley, the Petrified Forest National Park, the Painted Desert, Homolovi State Park, Sunrise Park Resort, and Fool Hollow Lake Recreation area along with many other outdoor activities. The local communities offer celebrations including Fourth of July and Pioneer Days which include parades, softball tournaments, celebration runs, rodeo events, and fireworks. Other events that draw visitors to the area include triathlons, bicycle races, harvest festivals, balloon festivals, western reenactments, and holiday light displays.

Although new residential permits increased by 2.5 percent from the previous year, the construction industry continues to be strong as the permits increased by 50.7 percent in fiscal year 2021 compared to those issued in fiscal year 2020. Partially due to the COVID-19 pandemic and the ability to work remotely, many people are looking to relocate to rural communities like those found within the County causing demand and prices for homes to increase. According to Redfin.com, in October 2023, Navajo County home prices increased 9.7 percent compared to last year, selling for a median price of \$432,000.

Ranching continues to be an important aspect of the local economy. Cattle comprise the major livestock population, followed by sheep and pigs. Horses and horse-related events are popular activities in the western-oriented lifestyle of County residents. Along with the many rodeos, the Navajo County Fair continues to offer livestock events along with many other entertainment and show exhibits.

The Navajo Generating Station and related Kayenta Mine located in the County were closed in December 2019 in settlement of an environmental lawsuit with the United States Environmental Protection Agency (EPA). These closures have not had an adverse impact on the County's total collections of sales and property taxes versus preclosing levels. In addition, the EPA settlement calls for the Cholla Power Plant, also located in the County, to completely close by 2025, or possibly sooner. While the closure of the Cholla Power Plant is not expected to have an impact on sales tax collections, the County estimates that such closure will cause an approximately \$750,000 reduction in property tax collections beginning in fiscal year 2026. The County determined that the resulting revenue losses from the closures, together with earlier reductions incurred during the most recent national recession, would require significant staff terminations and service reductions. In order to offset the effects of the revenue loss, the County proposed and secured voter approval in August 2019 for the formation of a Jail District in the County. The newly formed Jail District levies an additional separate excise tax in support of public safety expenses, which reduces the amount of General Fund monies budgeted towards those expenses. The County believes this will help the County balance its budget and maintain its services. Should the Jail District excise tax not offset the revenue losses from the closures, the County would need to either reduce expenditures and/or increase the primary property tax rate to maintain its revenues and balance its budget.

*Financial Outlook* - Over the past decade, Navajo County has redefined and restructured itself as an organization to meet the financial challenges of the Great Recession, closure of power plants, and increasing pension costs. Restructuring included many efficiencies and reductions in administrative overhead costs, cost savings in healthcare, debt refinancing, as well as new innovations such as leveraging drone technology.

Arizona's economy has been following suit with the national and most other state economies. Similar to the national and state economies, Navajo County follows the pattern of moderate growth. Increased demand in the residential home market and modest growth in retail sales across the state resulted in greater sales tax revenue, both County and State shared. Also, as the State economy has improved, the State Legislature has taken back many of the cost shifts that had been imposed on counties during the recession. Removal of these cost shifts has been important because other costs outside of the County's control have increased, such as unfunded mandates and retirement costs. The County will continue their efforts to educate state legislators regarding the impact of unfunded state mandates.

Due to the COVID-19 public health crisis and the corresponding potential impacts on local economies, the County has received economic relief from the U.S. Treasury to support the public health response and lay the foundation for a strong and equitable economic recovery. The American Rescue Plan Act was signed into law in March 2021 and established the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program (American Rescue Plan Act Fund). The County received over \$10.7 million in fiscal year 2021 and received another \$10.7 million at the end of fiscal year 2022. These funds may be used for lost public sector revenue, to respond to the public health and negative economic impacts of the pandemic, to provide premium pay for essential workers, and to invest in water, sewer, and broadband infrastructure.



County management has identified multiple projects that the relief funds may be used for that will benefit the region and the citizens of the County. The main project is to expand broadband capabilities as the absence of reliable broadband access is one of the key inhibitors of economic growth in the County. The County is developing an infrastructure plan for the region that will identify additional funding sources and improve the reliability and resiliency of the services. In addition to economic development, the County expects this project to improve public safety communication, healthcare telemedicine and medical workforce issues, education, and the ability for residents to work from home. This and other projects have started to be implemented in fiscal year 2022 and will continue into subsequent fiscal years.

Long-Term Financial Planning – The County’s responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Navajo County’s fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of fiscal year 2022-2023.

Relevant financial principles include the following:

- Fiscal Conservatism: Ensure the County is always in a solid financial condition; current revenues will be enough to support current operating expenditures.
- Flexibility: Ensure the County can respond to changes in the economy or new service challenges without undue amounts of financial stress.
- Adherence to the Highest Accounting and Management Practices: Comply with the Government Finance Officers Association (GFOA) standards for reporting, the Governmental Accounting Standards Board (GASB) and State of Arizona reporting requirements.
- Maintain Reserve: The County will maintain a contingency for cash liquidity purposes in the County General Fund equal to at least 10% of its annual operating budget.

Major Initiatives – During fiscal year 2022-2023 Navajo County continued to invest in basic government service programs and amenities. The planning parameters were Regional Leadership, Growth, Public Safety, Healthcare, Transportation, Jobs and Economic Development, and Accountability.

Initiatives to shape and maintain Navajo County as a sustainable community include:

- Focus on maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing. Standard & Poor’s rated the Navajo County Excise Tax Revenue Refunding Bonds, Series 2021 at AA with a stable outlook.
- Cost containment and improving efficiencies continue to be a top priority to help ensure the financial well-being of the County, while maintaining an adequate level of reserves.
- Seeking support at the state and federal level for necessary approval and funding for the following:
  - Expansion of broadband capabilities within the region to support economic growth, public safety communication, workforce and educational opportunities.

- For the Winslow Levee Project, to refurbish the levee system along the Little Colorado River, improving flood protection for families, businesses, and facilities located in Winslow.
- Efforts to plan and engineer ways to implement wildland fuel mitigation treatments, fire protection measures, and improve forest health for areas that are at risk from severe wildfire threats.

## **SIGNIFICANT FINANCIAL POLICIES**

Navajo County has developed a set of fiscal management policies that guide the budget process. These policies consist of an Operating Budget Policy, Capital Budget Policy, Revenue Policy, Reserve Policy, Debt Policy, and the Budget Management Policy.

## **AWARDS**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Navajo County, Arizona for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the thirteenth consecutive year that Navajo County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement Award is valid for one year. We believe our current annual comprehensive financial report will meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine our eligibility for another certificate.

## **ACKNOWLEDGMENTS**

Preparation of this report was accomplished through the coordinated efforts of the finance department, assistance from elected officials and department directors and their staff, and the services provided by the Arizona Auditor General. We express appreciation to all who have contributed to this report.

We wish to thank the Navajo County Board of Supervisors for their leadership and commitment to Navajo County and our citizens.

Respectfully submitted,



Bryan Layton  
County Manager



Jayson Vowell  
Finance Director

# NAVAJO COUNTY ORGANIZATIONAL CHART



## ELECTED



**LAW ENFORCEMENT & COURTS**

**CLERK OF THE COURT**  
Deanne Romo

**COUNTY ATTORNEY**  
Brad Carlyon

**CONSTABLES**

**SHERIFF**  
David Clouse

**SUPERIOR COURT**  
Presiding Judge, Dale Neilson

*Superior Court Judges,  
Justices of the Peace*  
*Probation & Juvenile Restoration,  
Court Administration*



**FISCAL, PROPERTY & PARCEL**

**ASSESSOR**  
Cammy Darris

**TREASURER**  
Kari Lopez



**RECORDED DOCUMENTS**

**RECORDER**  
Michael Sample



**EDUCATION**

**Superintendent of Schools**  
Jalyn Gerlich



**OPERATIONS OVERSIGHT**

**BOARD OF SUPERVISORS**

*District 1*  
Fern Benally

---

*District 2*  
Chairman  
Alberto Peshlakai

---

*District 3*  
Vice-Chairman  
Jason Whiting

---

*District 4*  
Daryl Seymore

---

*District 5*  
Dawnafe Whitesinger

## APPOINTED



**ADMINISTRATION**

**COUNTY MANAGER**  
Bryan Layton

**CLERK OF THE BOARD**  
Melissa Buckley

**ELECTIONS**  
Rayleen Richards

**ASST. COUNTY MANAGER**  
Vacant

**GOVERNMENT RELATIONS**  
Rochelle Lacapa

**EMERGENCY MANAGEMENT**  
Catrina Jenkins

**FINANCE**  
Jayson Vowell

**ECONOMIC DEVELOPMENT**  
Chris Pasterz

**PUBLIC WORKS**  
Madhav Mundle

**HUMAN RESOURCES & RISK**  
Eric Scott

**PUBLIC HEALTH**  
Janelle Linn

**PLANNING & DEVELOPMENT SVCS**  
Mischa Larisch

**INFORMATION TECHNOLOGY**  
Ken DeWitt

**ANIMAL CONTROL**

**FACILITIES**  
Bret Starns

**ENVIRONMENTAL HEALTH**

**LIBRARY DISTRICT**  
Jennifer Volkert

**MEDICAL EXAMINER**

**PUBLIC DEFENDER**  
Billy Little

**PUBLIC FIDUCIARY**  
Pamela Phillips

**WORKFORCE**  
Jeremy Flowers



[www.navajocountyaz.gov](http://www.navajocountyaz.gov)  
[@navajocounty](https://www.instagram.com/navajocounty)



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Navajo County**  
**Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



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LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of  
Navajo County, Arizona

### Report on the audit of the financial statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Navajo County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County'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 respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the County as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for opinions*

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County 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 opinions.

#### *Emphasis of matter*

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

## **Other matters**

### *Compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies*

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the County's Board of Supervisors and management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the County's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required supplementary information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 16, budgetary comparison schedules on pages 71 through 78, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on pages 79 through 81, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 82 through 87, and schedule of County pension contributions on pages 88 through 89, be presented to supplement the basic financial statements. Such information is management's responsibility 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 U.S. generally accepted auditing standards, 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.

### ***Supplementary information***

#### *Combining and individual nonmajor fund financial statements and schedules*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***Other information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

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 will issue our report on our consideration of the County'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 at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

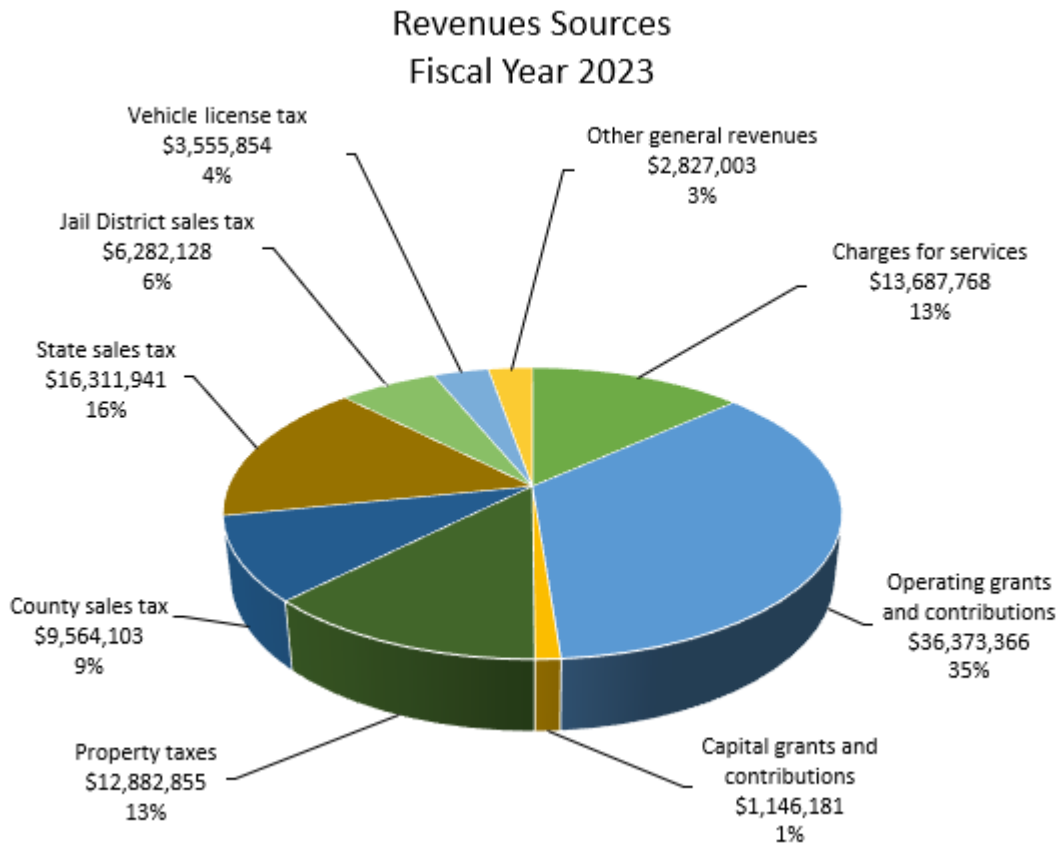
December 29, 2023

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

As management of Navajo County, we offer readers of Navajo County's financial statements this narrative overview and analysis of the financial activities of Navajo County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements.

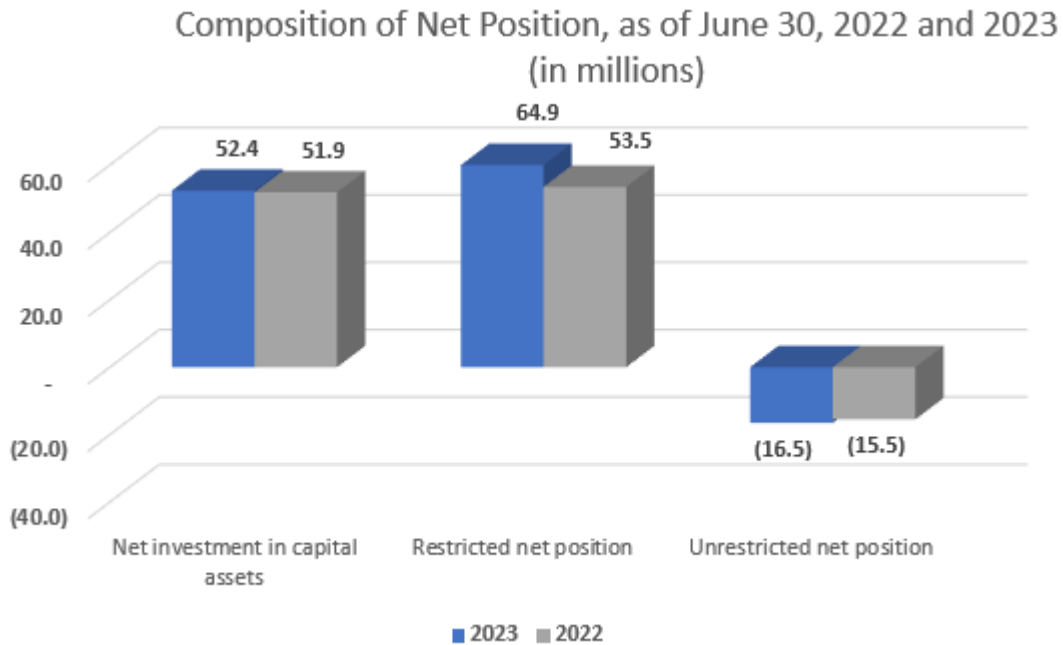
## FINANCIAL HIGHLIGHTS

- Due to the ongoing public health emergency related to the COVID-19 pandemic, the County received \$21.5 million in Coronavirus State and Local Fiscal Recovery Fund (SLFRF) funds as of June 2022 as part of the American Rescue Plan Act (ARPA). Of that amount, \$10.2 million was spent on eligible expenses by June 30, 2023, and the remainder must be spent by December 31, 2026.
- As part of the ARPA program, the County received an additional \$2.4 million from the Local Assistance and Tribal Consistency Fund in October 2022. The funds were to be used for any governmental purpose except for lobbying, and as of June 30, 2023 the funds were spent on eligible expenses.
- The County's primary sources of revenues are from operating grants and contributions, share of state sales taxes, property taxes, general county sales taxes, and charges for services.



## Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by \$100.8 million (net position). This was an increase of \$10.9 million, or 12.1 percent when compared to the prior year's total net position of \$89.9 million. Of this amount, \$52.4 million is the net investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, infrastructure and construction in progress less long-term debt); \$64.9 million is restricted for specific purposes (restricted net position); and \$(16.5) million is the unrestricted net position deficit balance that is primarily a result of recognizing long-term liabilities related to pensions. The composition of the County's total net position at June 30, 2022 and 2023 is illustrated in the chart below.

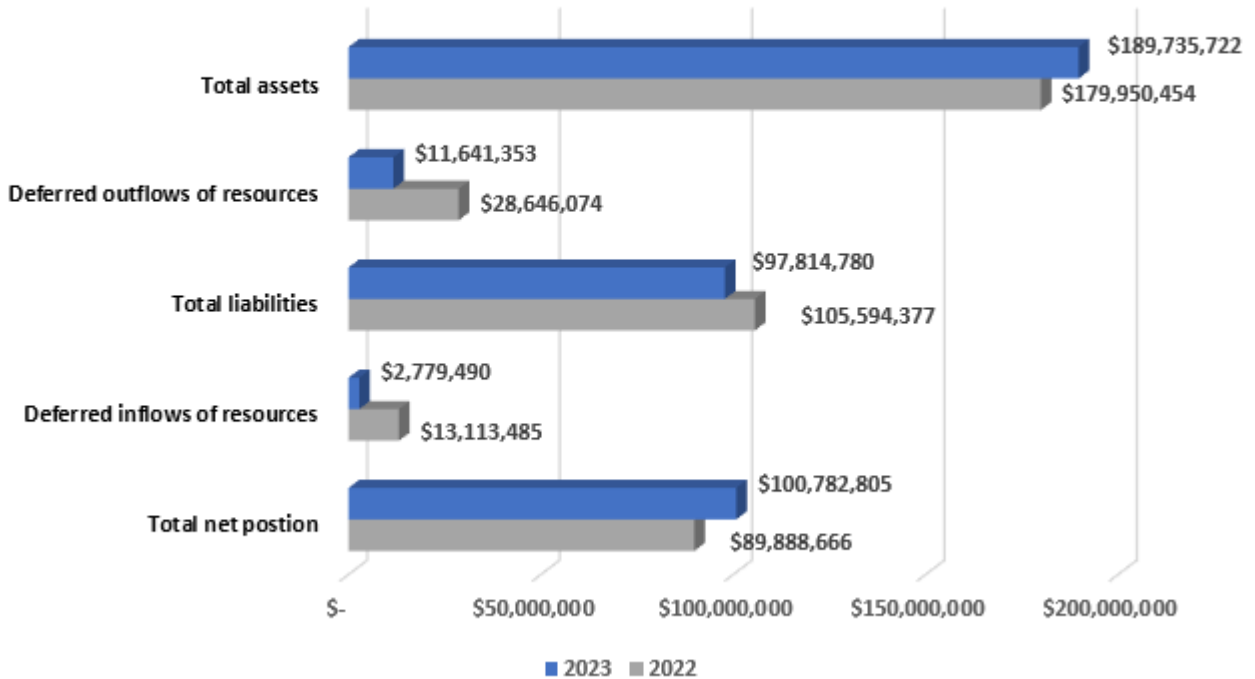


- At June 30, 2023, total assets were \$189.7 million, an increase of \$9.7 million or 5.4 percent in comparison with the prior fiscal year's balance of \$180.0 million. The majority of the increase is due to the increase in cash and investments due to additional county sales tax and accounts receivable for opioid settlements in the General Fund.
- At June 30, 2023, total liabilities were \$97.8 million, a decrease of \$7.8 million or 7.4 percent in comparison with the prior fiscal year's balance of \$105.6 million. The majority of the decrease is due to the reduction of net pension liabilities and pledged revenue obligations.

Navajo County  
 Management's Discussion and Analysis  
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The County's Statement of Net Position at June 30, 2022 and 2023 is illustrated in the chart below.

**Summary of Assets, Deferred Outflows of Resources, Liabilities,  
 Deferred Inflows of Resources and Total Net Postion**



- At June 30, 2023, the governmental funds reported combined fund balances of \$101.2 million, an increase of \$5.6 million or 5.8 percent in comparison with the prior year's combined fund balances of \$95.6 million.
- At June 30, 2023, \$55.3 million or 54.6 percent of governmental fund balances were restricted, \$30.0 million or 29.6 percent were unassigned, \$6.4 million or 6.3 percent were committed, \$8.9 million or 8.8 percent were assigned, and \$0.6 million or 0.6 percent were nonspendable. Restricted fund balances have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations; or by constitutional provisions or enabling legislation. The committed, assigned and unassigned fund balances are considered unrestricted. The unrestricted fund balances are available for spending at the County's discretion. The nonspendable fund balances include amounts that cannot be spent because they are not in spendable form, such as inventory.

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements.

### **Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private sector business.

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all nonfiduciary assets and liabilities using the accrual basis of accounting.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows and inflows of resources, and liabilities, with the difference between assets and deferred outflows and liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. In addition to this change, other nonfinancial factors will need to be considered.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation leave.

All of the County's basic services are considered to be governmental activities, including general government, public safety, highways and streets, health and welfare, culture and recreation, education and economic opportunity, and environmental and conservation. Sales taxes, property taxes, intergovernmental revenues, and user fees finance most of these activities. *The government-wide financial statements can be found on pages 19 and 20 of this report.*

### **Fund financial statements**

The fund financial statements provide detailed information about the most significant county funds—not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by federal or state law, contractual provisions, or by bond covenants. However, the Board of Supervisors established many other funds to help it control and manage money for particular purposes or to show that it

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

is meeting legal responsibilities for using certain taxes, grants, and other monies. All of the County's funds can be divided into two categories: *governmental and fiduciary*.

*Governmental funds*—Most of the County's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. Reconciliations between governmental activities, as reported in the Statement of Net Position and the Statement of Activities, and the governmental funds, as reported in the fund financial statements, are provided to facilitate this comparison.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works/HURF Fund, Jail District Fund, American Rescue Plan Act Fund, and Debt Service Fund - General Government which are considered major funds. Data from the other governmental funds is combined into a single aggregated presentation. *The governmental fund financial statements can be found on pages 21 through 24 of this report.*

*Fiduciary funds*—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. *The fiduciary funds financial statements can be found on pages 25 and 26 of this report.*

*Notes to the financial statements*—The notes to the financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 27 through 67 of this report.*

*Required supplementary information*—In addition to the basic financial statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's progress in funding its obligation to provide pension benefits to its employees. *Required supplementary information can be found on pages 71 through 92 of this report.*

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Net position may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Position of the County as of June 30, 2023, compared to the prior year.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2023

	Governmental Activities	
	2023	2022
Current and other assets	\$ 126,254,289	\$ 116,761,053
Net pension/OPEB asset	2,938,005	2,458,072
Capital assets	60,543,428	60,731,329
Total assets	<u>189,735,722</u>	<u>179,950,454</u>
Deferred outflows of resources		
Total deferred outflows of resources	<u>11,641,353</u>	<u>28,646,074</u>
Current and other liabilities	16,432,252	18,219,699
Long-term liabilities	81,382,528	87,374,678
Total liabilities	<u>97,814,780</u>	<u>105,594,377</u>
Deferred inflows of resources		
Total deferred inflows of resources	<u>2,779,490</u>	<u>13,113,485</u>
Net Position:		
Net investment in capital assets	52,411,535	51,907,432
Restricted	64,937,552	53,477,095
Unrestricted (deficit)	<u>(16,566,282)</u>	<u>(15,495,861)</u>
Total net position	<u>\$ 100,782,805</u>	<u>\$ 89,888,666</u>

Overall, total assets and deferred outflows of resources decreased by \$7.2 million or 3.5 percent and total liabilities and deferred inflows of resources decreased by \$18.1 million or 15.3 percent in the current fiscal year. The following summarizes the significant changes in assets, liabilities, and deferred outflows/inflows of resources compared to the prior year.

- Current and other assets increased by \$9.5 million or 8.1 percent in the current year largely due to increases in cash and investments of \$4.6 million and accounts receivable from an opioid settlement of \$4.2 million. The cash and investments increase was due to additional cash of \$3.1 million of revenues in excess of expenditures for employee benefits, and \$2.4 million of additional grant funds received from the Local Assistance and Tribal Consistency Fund.
- The changes in deferred outflows of resources from \$28.6 million to \$11.6 million and deferred inflows of resources from \$13.1 million to \$2.8 million consist mainly of the contributions to the pension plans after the measurement date and the changes in estimates and assumptions used to calculate the net pension liabilities. Additional information can be found in Note 9 of the notes to the financial statements.
- Current and other liabilities decreased by \$1.8 million or 9.8 percent in the current year largely due to accounts payable decreases in the General Fund of \$359 thousand, the Public Works/HURF Fund of \$754 thousand, and the American Rescue Plan Act Fund of \$291 thousand. Specifically, the decreases were due to the fiscal-year end cutoff for processing payments, in which less invoices were recorded in the current fiscal year and paid in the succeeding fiscal year.
- Long-term liabilities decreased by \$6.0 million or 6.9 percent as a result of principal payments for pledged revenue obligations of \$1.6 million and the reduction of pension liabilities of \$5.1 million.



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- A large portion of the County's net position, \$52.4 million, reflects its investment in capital assets net of accumulated depreciation/amortization and related debt. The County uses these assets to provide services to citizens and, therefore, they are not available for future spending. The County's restricted net position of \$64.9 million is subject to external restrictions on how they may be used. Finally, the County's unrestricted (deficit) in net position of \$(16.5) million increased by \$1.1 million from the prior year primarily due to the overall increase in activity related to pensions and OPEB (deferred outflows, deferred inflows, and liabilities), offset with the decreases in pledged revenue pension obligations and incurred but not reported healthcare claims.

**Changes in Net Position**

The Statement of Activities presents information on how the County's net position changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2023 compared to the prior year.

	Governmental Activities	
	2023	2022
Program revenues:		
Charges for services	\$ 13,687,768	\$ 8,503,841
Operating grants and contributions	36,373,366	41,348,310
Capital grants and contributions	1,146,181	53,217
Total program revenues	<u>51,207,315</u>	<u>49,905,368</u>
General revenues:		
Property taxes	12,882,855	13,124,301
Sales taxes	15,846,231	14,988,825
State shared revenues	19,867,795	19,684,742
Payments in lieu of taxes	1,828,337	1,754,614
Investment earnings	(896,791)	460,644
Gain on disposal of capital assets	36,887	77,291
Miscellaneous	1,858,570	2,307,214
Total general revenues	<u>51,423,884</u>	<u>52,397,631</u>
Total revenues	<u>102,631,199</u>	<u>102,302,999</u>
Program expenses:		
General government	30,563,995	26,497,535
Public safety	28,134,944	21,839,924
Highways and streets	15,056,390	16,552,646
Health and welfare	9,416,303	9,689,676
Culture and recreation	1,146,242	907,761
Education and economic opportunity	5,450,107	5,604,230
Environmental and conservation	1,286,833	1,198,343
Interest and fiscal charges	682,246	617,969
Total program expenses	<u>91,737,060</u>	<u>82,908,084</u>
Change in net position	10,894,139	19,394,915
Net position, beginning	89,888,666	70,493,751
Net position, ending	<u>\$ 100,782,805</u>	<u>\$ 89,888,666</u>

## Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

Overall total revenues increased by \$328 thousand or 0.3 percent and total program expenses increased by \$8.8 million or 10.7 percent from the prior year. The following summarizes the significant changes in revenues and expenses compared to the prior year.

- Program revenues increased by \$1.3 million or 2.6 percent due to an increase in charges for services of \$5.2 million and \$1.1 million in capital grants and contributions, which was offset by a \$5.0 million decrease in operating grants and contributions. The increase in charges for services was due to \$4.2 million in additional funding from opioid settlements. The increase in capital grants and contributions was due to additional donated assets from the state as a bridge infrastructure project was completed. The decrease in operating grants and contributions was due to less revenue from public safety and general government functions where less revenue was recognized in the current fiscal year in the ARPA fund as there were less eligible expenses incurred. Also, in education and economic opportunity activity, the Superintendent of Schools and Workforce, Innovation and Opportunity Act received less funding than the prior year. These decreases were offset by additional grant revenues received in the health and welfare activities.
- General revenues decreased by \$974 thousand or 1.9 percent primarily due to the decrease in investment earnings and the recognition of the fair market value adjustment causing the amount to be negative, offset by additional county sales and jail district taxes collected in the current fiscal year.
- General government expenses increased by \$4.1 million or 15.4 percent due to additional medical expenditures incurred in the self-insured trust fund and additional salary and employer related expenses due to market adjustments.
- Public Safety expenses increased by \$6.3 million or 28.8 percent due to the increase in medical services that were outsourced to a third-party provider in order to provide 24-hour medical coverage for prisoners which were paid out of the Jail District Fund, additional costs for regional public safety communications services, and additional salary and employer related expenses due to market adjustments.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported five major funds for this fiscal year: General Fund, Public Works/HURF Fund, Jail District Fund, American Rescue Plan Act Fund, and the Debt Service Fund. At the end of the current fiscal year, the County's governmental funds reported combined fund balances-General Government Fund of \$101.2 million, which is an increase of \$5.6 million or 5.8 percent in comparison with the prior year's combined fund balances of \$95.6 million. Of the total, \$45.3 million constitutes unrestricted (assigned, committed and unassigned) fund balances.

For governmental funds, overall revenues decreased \$6.1 million or 6.0 percent and expenditures increased \$8.6 million or 10.4 percent. Governmental fund revenues exceeded expenditures by \$4.1 million in the current fiscal year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, fund balances of the General Fund totaled \$54.1 million. Fund balances represent 113.9 percent of total General Fund expenditures. This ratio indicates a strong fund balance position in comparison to expenditures.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2023

The General Fund includes the operation of the County's self-insured trust fund. The County has been self-insured since fiscal year 2015. Through implementing and refining our wellness program, claims analysis, provider partnerships and employee education and resources, employees have not seen an increase in their premiums since January 2017, and the County has only seen moderate increases. The activity to administer the self-insured trust fund for the last five years and the current fiscal year is presented below.

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
<b>Revenues:</b>						
Employer contributions and employee premiums	\$ 8,088,571	\$ 7,845,063	\$ 7,826,839	\$ 9,133,561	\$ 10,393,356	\$ 12,040,490
Investment earnings	6,665	34,548	81,206	89,364	49,653	264,507
Miscellaneous refunds	394,432	470,385	564,708	585,606	269,415	168,841
<b>Total revenues</b>	<u>8,489,668</u>	<u>8,349,996</u>	<u>8,472,753</u>	<u>9,808,531</u>	<u>10,712,424</u>	<u>12,473,838</u>
<b>Expenditures:</b>						
General government healthcare costs	6,893,826	6,490,746	5,288,706	7,452,553	8,009,490	9,206,504
Excess (deficiency) of revenues over expenditures	1,595,842	1,859,250	3,184,047	2,355,978	2,702,934	3,267,334
<b>Beginning fund balances</b>	<u>372,396</u>	<u>1,968,238</u>	<u>3,827,488</u>	<u>7,011,535</u>	<u>9,367,513</u>	<u>12,070,447</u>
<b>Ending fund balances</b>	<u>\$ 1,968,238</u>	<u>\$ 3,827,488</u>	<u>\$ 7,011,535</u>	<u>\$ 9,367,513</u>	<u>\$ 12,070,447</u>	<u>\$ 15,337,781</u>

The following provides an explanation of major fund's activities that changed significantly over the prior year:

General Fund

- Total assets increased by \$9.2 million or 17.9 percent primarily due to the increase in cash and investments and accounts receivable. The increase in cash and investments was a result of excess revenues over expenditures in the employee benefits activity and additional grant funds received from the Local Assistance and Tribal Consistency Fund. In addition, a \$4.2 million opioid settlement was recorded.
- Total liabilities decreased by \$269 thousand or 12.1 percent primarily due to the decrease in accounts payable. The decrease was due to the fiscal-year end cutoff for processing payments, in which less invoices were recorded in the current fiscal year and paid in the succeeding fiscal year.
- Deferred inflows of resources increased by \$4.2 million as the County recorded unavailable revenue related to the \$4.2 million awarded from an opioid settlement.
- Total revenues increased by \$5.3 million or 11.1 percent in the current year primarily due to an increase in intergovernmental revenues (federal and state grants), charges for services (opioid settlements), and county sales tax.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2023

- Total expenditures increased by \$17.1 million or 59.3 percent in the current year primarily due to increases in general government and public safety expenditures. Specifically, \$10.0 million in general government and public safety expenditures were recorded in the American Rescue Plan Act Fund in fiscal year 2022 as an eligible grant expenditures. In the current fiscal year, these expenditures were recorded in the General Fund where they would normally occur. In addition, \$1.2 million in expenditures for employee benefits, and additional salary and employer related expenses due to market adjustments were incurred during the fiscal year.

Public Works/HURF Fund

- Highways and streets expenditures decreased by \$1.3 million or 9.3 percent due to not completing as many road projects and road maintenance during the fiscal year compared to the prior fiscal year.

Jail District Fund

- At the end of the current fiscal year, the Fund recognized \$6.3 million of excise sales tax and received \$1.1 million of maintenance of effort funding from the General Fund.
- Total expenditures increased by \$1.2 million or 16.7 percent largely due to the increase in medical services that were outsourced to a third-party provider in order to provide 24-hour medical coverage in the jail facilities.

American Rescue Plan Act Fund

The American Rescue Plan Act Fund was created to account for SLFRF funds allocated to the county to support the response to and recovery from the COVID-19 public health emergency. These resources will be used to support families and businesses struggling with public health and economic impacts; to maintain vital public services; and make investments that support long-term growth and opportunity. The County also contributed \$10.0 million in fiscal year 2022 to support the initiatives identified by the Board of Supervisors to assist in these activities. At the end of the current fiscal year, the Fund recognized \$134 thousand in intergovernmental revenue and \$2.8 million in expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the General Fund, actual revenues were more than the original and final budget amounts by \$950 thousand, while the actual expenditures were \$36.7 million less than the amount budgeted. The budget variance for revenues was largely due to the receipt of additional intergovernmental revenues (federal and state grants), investment earnings, and county sales tax. The budget variance for expenditures was primarily due to conservative budgeting practices, minimal spending and contingency budget capacity held for emergency purposes only.

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2023

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets as of June 30, 2023, totaled \$60.5 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and intangibles for right-to-use subscription-based information technology arrangements and leases. The following provides the major changes in capital assets during the current fiscal year:

- Total capital assets being depreciated/amortized increased by \$6 million (increases less decreases). This includes \$1.3 million in additions for intangibles for right-to-use subscription and lease assets. The total accumulated depreciation/amortization also increased by \$6.0 million (increases less decreases)

*Additional information on capital assets can be found in Note 5 on page 40 of this report.*

### Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$81.4 million consisting of the following liabilities that were over \$1 million:

- Net pension liability – \$50.9 million
- Pledged revenue obligations payable –\$23.3 million
- Unamortized premium - \$1.1 million
- Compensated absences payable – \$2.3 million
- Incurred but not reported healthcare claims payable –\$1.2 million
- Subscription-based information technology arrangements –\$1.2 million

There were no significant changes to the County's credit ratings or debt limitations during the current fiscal year. *Additional information on long-term debt can be found in Note 6 on pages 41 through 44 of this report.*

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current fiscal year 2023-24 budget is based on the County's response to challenges from a variety of outside sources. As the State economy has improved, the Arizona Legislature has taken back many of the cost shifts that had been imposed on counties during the recession. Removal of these cost shifts has been important because other costs outside of the County's control have increased, such as unfunded mandates and retirement costs. Like other counties in Arizona, Navajo County has struggled to pay for required increases to the Public Safety Personnel Retirement System (PSPRS), Elected Officials Retirement Plan (EORP), and Corrections Officer Retirement Plan (CORP).

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2023

The County projected modest increases in revenues for fiscal year 2023-24 as the local and state economies remain on a steady growth pattern; state shared sales tax revenues is projected to increase by \$990 thousand and county sales tax is projected to increase by \$790 thousand in the General Fund. The conservative revenue analysis gives the County the ability to withstand future impacts to expenditures in the short-term. However, in the current fiscal year, revenue performance continues to exceed expectations as consumer spending remains strong in the retail and contracting categories. If revenues continue to exceed expectations throughout the remainder of the fiscal year, the County expects a current year fiscal surplus which will be available for capital or one-time funding in future years.

The fiscal year 2023-24 Adopted Budget includes no changes to the County's regular primary property tax rate and secondary tax rates (the Navajo County Flood Control District, the Navajo County Public Health Services District, the Navajo County Library District, the Fire District Assistance and the Little Colorado River Flood Control Zone). The total property tax rate for Navajo County remained constant at \$1.6738 per \$100 of net taxable value.

Overall, the County continues to monitor the local, state and national economy in order to identify opportunities and threats to budgeted revenues. The County continues to place great emphasis on control over expenditures.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Navajo County Finance Department, P.O. Box 668, 100 East Code Talker Drive, Holbrook, AZ 86025.

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# Basic Financial Statements



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Navajo County  
Statement of Net Position  
June 30, 2023

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 108,440,283
Cash and investments held by trustee	2,406,059
Receivables (net of allowance for uncollectibles):	
Property taxes	458,942
Accounts receivable	94,985
Special assessments	26,933
Settlements	4,209,521
Leases	206,771
Due from other governments	9,834,490
Inventories	576,305
Net other postemployment benefits asset	2,314,628
Net pension asset	623,377
Capital assets, not being depreciated/amortized	5,721,386
Capital assets, being depreciated/amortized, net	<u>54,822,042</u>
Total assets	<u>189,735,722</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to other postemployment benefits	206,572
Deferred outflows related to pensions	<u>11,434,781</u>
Total deferred outflows of resources	<u>11,641,353</u>
<b>Liabilities</b>	
Accounts payable	3,277,731
Accrued payroll and employee benefits	1,141,291
Due to other governments	295,804
Interest payable	341,059
Unearned revenue	11,376,367
Noncurrent liabilities	
Due within one year	5,740,137
Due in more than one year	24,713,972
Net pension liability	50,877,599
Net other postemployment benefit liability	<u>50,820</u>
Total liabilities	<u>97,814,780</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to other postemployment benefits	833,164
Deferred inflows related to pensions	1,738,128
Deferred inflows related to leases	<u>208,198</u>
Total deferred inflows of resources	<u>2,779,490</u>
<b>Net Position</b>	
Net investment in capital assets	52,411,535
Restricted for:	
Highways and streets	13,903,250
Public safety	713,447
Judicial activities	5,654,072
Education and economic opportunity	1,299,031
Law enforcement	5,899,415
Environment, library, and community services	1,452,377
Health and welfare	9,790,765
Flood control projects	9,485,160
Health insurance trust	12,714,056
Road and other capital projects	946,692
Special districts	121,747
Other postemployment benefits	2,314,628
Pensions	623,377
Other purposes	19,535
Unrestricted (Deficit)	<u>(16,566,282)</u>
Total net position	<u>\$ 100,782,805</u>

See accompanying notes to financial statements.

Navajo County  
Statement of Activities  
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 30,563,995	\$ 7,568,664	\$ 6,782,450	\$ 25,886	\$ (16,186,995)
Public safety	28,134,944	886,758	6,296,661	18,414	(20,933,111)
Highways and streets	15,056,390	89,767	14,581,083	1,101,881	716,341
Health and welfare	9,416,303	4,961,756	4,390,519		(64,028)
Culture and recreation	1,146,242	175,323	117,682		(853,237)
Education and economic opportunity	5,450,107	5,500	3,877,212		(1,567,395)
Environmental and conservation	1,286,833		327,759		(959,074)
Interest and fiscal charges	682,246				(682,246)
Total governmental activities	<u>\$ 91,737,060</u>	<u>\$ 13,687,768</u>	<u>\$ 36,373,366</u>	<u>\$ 1,146,181</u>	<u>\$ (40,529,745)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purpose					8,189,236
Property taxes, levied for flood control					1,899,411
Property taxes, levied for public health district					1,996,148
Property taxes, levied for library district					798,060
County sales tax					9,564,103
Jail District sales tax					6,282,128
Shared revenue - State sales tax					16,311,941
Shared revenues - State vehicle license tax					3,555,854
Payments in lieu of taxes					1,828,337
Investment earnings					(896,791)
Gain on sales of capital assets					36,887
Miscellaneous					1,858,570
Total general revenues					<u>51,423,884</u>
Change in net position					10,894,139
Net position, July 1, 2022					<u>89,888,666</u>
Net position, June 30, 2023					<u>\$ 100,782,805</u>

See accompanying notes to financial statements.

Navajo County  
Balance Sheet  
Governmental Funds  
June 30, 2023

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Debt Service - General Government Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 50,357,285	\$ 13,145,769	\$ 3,286,958	\$ 18,024,498		\$ 23,625,773	\$ 108,440,283
Cash and investments held by trustee					\$ 2,406,059		2,406,059
Receivables (net of allowance for uncollectibles):							
Property taxes	281,434					177,508	458,942
Accounts Receivable	5,195					89,790	94,985
Special assessments						26,933	26,933
Settlements	4,209,521						4,209,521
Leases	206,771						206,771
Due from:							
Other funds	1,018,492					133,010	1,151,502
Other governments	4,658,213	1,317,311	1,115,071			2,743,895	9,834,490
Inventories		576,305					576,305
Total assets	<u>\$ 60,736,911</u>	<u>\$ 15,039,385</u>	<u>\$ 4,402,029</u>	<u>\$ 18,024,498</u>	<u>\$ 2,406,059</u>	<u>\$ 26,796,909</u>	<u>\$ 127,405,791</u>
<b>Liabilities</b>							
Accounts payable	\$ 812,109	\$ 1,409,569	\$ 271,809	\$ 214,693		\$ 569,551	\$ 3,277,731
Accrued payroll and employee benefits	917,682	84,499	49,958	7,127		82,025	1,141,291
Due to:							
Other funds	114,740	366,631	324,235			345,896	1,151,502
Other governments	115,879	35,951	27,689	141		116,144	295,804
Pledged revenue obligations payable					\$ 2,065,000		2,065,000
Bond interest payable					341,059		341,059
Unearned revenue				11,376,367			11,376,367
Total liabilities	<u>1,960,410</u>	<u>1,896,650</u>	<u>673,691</u>	<u>11,598,328</u>	<u>2,406,059</u>	<u>1,113,616</u>	<u>19,648,754</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue-property taxes	221,290					136,084	357,374
Unavailable revenue-special assessments						16,714	16,714
Unavailable revenue-intergovernmental						1,754,320	1,754,320
Unavailable revenue-settlements	4,209,521						4,209,521
Deferred inflows related to leases	208,198						208,198
Total deferred inflows of resources	<u>4,639,009</u>					<u>1,907,118</u>	<u>6,546,127</u>
<b>Fund balances:</b>							
Nonspendable		576,305					576,305
Restricted	13,284,592	12,566,430	3,728,338			25,727,243	55,306,603
Committed				6,426,170			6,426,170
Assigned	8,475,487					457,961	8,933,448
Unassigned (Deficit)	32,377,413					(2,409,029)	29,968,384
Total fund balances	<u>54,137,492</u>	<u>13,142,735</u>	<u>3,728,338</u>	<u>6,426,170</u>		<u>23,776,175</u>	<u>101,210,910</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,736,911</u>	<u>\$ 15,039,385</u>	<u>\$ 4,402,029</u>	<u>\$ 18,024,498</u>	<u>\$ 2,406,059</u>	<u>\$ 26,796,909</u>	<u>\$ 127,405,791</u>

See accompanying notes to financial statements.

Navajo County  
 Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of  
 Net Position  
 June 30, 2023

Fund balances—total governmental funds	\$ 101,210,910
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,543,428
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	6,337,929
Net pension and OPEB assets held in trust for future benefits are not available for County operations and, therefore, are not reported in the funds.	2,938,005
Long-term liabilities, such as net pension/OPEB liabilities and pledged revenue obligations payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(79,317,528)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, not reported in the funds.	<u>9,070,061</u>
Net position of governmental activities	<u><u>\$ 100,782,805</u></u>

See accompanying notes to financial statements.

Navajo County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2023

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Debt Service - General Government Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property taxes	\$ 8,004,095					\$ 4,866,367	\$ 12,870,462
County sales taxes	9,564,103		\$ 6,282,128				15,846,231
Special assessments						222,181	222,181
Licenses and permits	750,345					162,330	912,675
Fines and forfeits	639,159					212,706	851,865
Intergovernmental	27,898,119	\$ 14,581,083		\$ 134,145		13,942,967	56,556,314
Charges for services	5,532,700	45,868	76,835			1,283,332	6,938,735
Investment earnings	(545,932)	(157,047)	80,949	(423,999)		149,238	(896,791)
Contributions						86,065	86,065
Settlements	555,750						555,750
Miscellaneous	586,056	90,500	118,941			1,063,073	1,858,570
Total revenues	<u>52,984,395</u>	<u>14,560,404</u>	<u>6,558,853</u>	<u>(289,854)</u>		<u>21,988,259</u>	<u>95,802,057</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	27,837,963			409,997		2,546,795	30,794,755
Public safety	11,551,223		7,983,020	1,132,579		5,168,111	25,834,933
Highways and streets		11,771,237				40,678	11,811,915
Health and welfare	3,964,286					5,195,907	9,160,193
Culture and recreation				44		1,124,438	1,124,482
Education and economic opportunity	381,175					4,928,954	5,310,129
Environmental and conservation						1,287,983	1,287,983
<b>Debt service:</b>							
Principal	801				\$ 2,065,000	4,422	2,070,223
Interest and other charges	52				682,118	76	682,246
Capital Outlay	2,168,592	507,363	60,283	691,565		211,282	3,639,085
Total expenditures	<u>45,904,092</u>	<u>12,278,600</u>	<u>8,043,303</u>	<u>2,234,185</u>	<u>2,747,118</u>	<u>20,508,646</u>	<u>91,715,944</u>
Excess (deficiency) of revenues over expenditures	<u>7,080,303</u>	<u>2,281,804</u>	<u>(1,484,450)</u>	<u>(2,524,039)</u>	<u>(2,747,118)</u>	<u>1,479,613</u>	<u>4,086,113</u>
<b>Other financing sources (uses):</b>							
Lease agreements				100,910			100,910
Subscription-based information technology arrangements	1,180,457						1,180,457
Sale of capital assets	67,212					8,071	75,283
Transfers in	1,380,296		1,100,000		2,157,770	1,741,982	6,380,048
Transfers out	(4,250,489)	(950,755)	(594,400)	(3,917)		(580,487)	(6,380,048)
Total other financing sources (uses)	<u>(1,622,524)</u>	<u>(950,755)</u>	<u>505,600</u>	<u>96,993</u>	<u>2,157,770</u>	<u>1,169,566</u>	<u>1,356,650</u>
Net change in fund balances	<u>5,457,779</u>	<u>1,331,049</u>	<u>(978,850)</u>	<u>(2,427,046)</u>	<u>(589,348)</u>	<u>2,649,179</u>	<u>5,442,763</u>
Fund balances, July 1, 2022	48,679,713	11,684,299	4,707,188	8,853,216	589,348	21,126,996	95,640,760
Changes in nonspendable resources:							
Increase in inventories		127,387					127,387
Fund balances, June 30, 2023	<u>\$ 54,137,492</u>	<u>\$ 13,142,735</u>	<u>\$ 3,728,338</u>	<u>\$ 6,426,170</u>	<u>\$ -</u>	<u>\$ 23,776,175</u>	<u>\$ 101,210,910</u>

See accompanying notes to financial statements.

**Navajo County**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**Year Ended June 30, 2023**

Net change in fund balances—total governmental funds	\$	5,442,763
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Capital outlay	\$ 3,639,085	
Lease agreements	100,910	
Subscription-based information technology arrangements	1,180,457	
Depreciation/amortization expense	<u>(6,323,154)</u>	(1,402,702)
In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.		
		(38,396)
Some revenues reported in the Statement of Activities do not represent the collection of current financial resources and therefore are not reported as revenues in the governmental funds. Also, the collection of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		
Opioid settlements	4,209,521	
Donation of capital assets	1,146,181	
Intergovernmental revenues	1,019,202	
State appropriation to EORP	407,917	
Property taxes	12,393	
Special assessments	<u>(2,959)</u>	6,792,255
County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
County pension and OPEB contributions	5,364,125	
Pension expense	(7,153,296)	
OPEB revenue	<u>318,679</u>	(1,470,492)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.		
Leases incurred	(100,910)	
Subscription-based information technology arrangements incurred	(1,180,457)	
Debt service - principal payments	2,065,000	
Amortization of bond premium	253,663	
Leases - principal payments	99,586	
Subscription-based information technology arrangements - principal payments	106,915	
Financed purchases & other payables - principal payments	<u>5,223</u>	1,249,020
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.		
Decrease in IBNR healthcare claim costs	501,733	
Increase in compensated absences	(108,530)	
Increase in claims and judgments	(200,049)	
Decrease in landfill closure and post-closure care costs	<u>1,150</u>	194,304
Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the statement of activities, however, they are reported as expenses when consumed.		
Increase in inventories		<u>127,387</u>
Change in net position of governmental activities	\$	<u><u>10,894,139</u></u>

See accompanying notes to financial statements.

Navajo County  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2023

<b><u>Assets</u></b>	<b>Private-purpose trust funds</b>	<b>Custodial funds</b>	
		<b>External investment pool</b>	<b>Other</b>
Cash and investments	\$ 1,910,450	\$ 251,871,293	\$ 2,020,310
Property tax receivable for other governments			2,885,739
Interest receivable		843,899	
Total assets	\$ 1,910,450	\$ 252,715,192	\$ 4,906,049
<b><u>Liabilities</u></b>			
Property tax payable to other governments			\$ 120,190
Total liabilities			\$ 120,190
<b><u>Net Position</u></b>			
Restricted for:			
Pool participants		\$ 252,715,192	
Individuals, organizations, and other governments	\$ 1,910,450		\$ 4,785,859
Total net position	\$ 1,910,450	\$ 252,715,192	\$ 4,785,859

See accompanying notes to financial statements

Navajo County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	<b>Private-purpose trust funds</b>	<b>Custodial funds</b>	
		<b>External investment pool</b>	<b>Other</b>
<b><u>Additions</u></b>			
Contributions from pool participants		\$ 322,780,947	
Property tax collections for other governments			\$ 74,852,965
Fines and fees collections for other governments			1,799,201
Fines and fees collections for victims			1,853,131
Investment earnings	\$ 26,068	5,423,180	18,021
Inmate collections			1,072,979
Other	2,001,202		4,731,304
Total additions	<u>\$ 2,027,270</u>	<u>\$ 328,204,127</u>	<u>\$ 84,327,601</u>
<b><u>Deductions</u></b>			
Distributions to pool participants		\$ 328,814,334	
Property tax distributions to other governments			\$ 74,790,911
Fines and fees distributions to other governments			1,794,067
Restitution and reimbursement payments to victims			2,077,493
Payments to inmates			1,090,461
Other	\$ 1,482,224		4,590,101
Total deductions	<u>\$ 1,482,224</u>	<u>\$ 328,814,334</u>	<u>\$ 84,343,033</u>
Net Increase/(Decrease) in Fiduciary Net Position	\$ 545,046	\$ (610,207)	\$ (15,432)
Net position July 1, 2022	<u>\$ 1,365,404</u>	<u>\$ 253,325,399</u>	<u>\$ 4,801,291</u>
Net position June 30, 2023	<u>\$ 1,910,450</u>	<u>\$ 252,715,192</u>	<u>\$ 4,785,859</u>

See accompanying notes to financial statements



Navajo County  
Notes to Financial Statements  
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Navajo County's accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2023, the County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the County's financial statements have been modified to reflect the implementation of this new standard.

A. Reporting Entity

The County is a general purpose local government that a separately elected board of supervisors governs. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end and the County has no discretely presented component units.

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Navajo County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as the board of directors and County management has operational responsibility for the component unit.	Blended	Not available

**Navajo County**  
**Notes to Financial Statements**  
**June 30, 2023**

<b>Component Unit</b>	<b>Description; Criteria for Inclusion</b>	<b>Reporting Method</b>	<b>For Separate Financial Statements</b>
Navajo County Jail District	A tax-levying district that provides and maintains the County jail operations; the County's Board of Supervisors serves as the board of directors and County management has operational responsibility for the component unit.	Blended	Not available
Navajo County Library District	A tax-levying district that provides and maintains library services for the County's residents; the County's Board of Supervisors serves as the board of directors and County management has operational responsibility for the component unit.	Blended	Not available
Navajo County Public Health District	A tax-levying district that provides and maintains health services for the County's residents; the County's Board of Supervisors serves as the board of directors and County management has operational responsibility for the component unit.	Blended	Not available
White Mountain Lake Recreation District	A tax-levying district that provides and improves recreational services for the White Mountain Lake Community; the County's Board of Supervisors serves as the board of directors and County management has operational responsibility for the component unit.	Blended	Not available
Navajo County Special Assessment Districts	Legally separate entities that provide improvements to various properties within the County; the County's Board of Supervisors serves as the board of directors and there is either a financial benefit or burden relationship between the County and the component unit.	Blended	Not available

**B. Basis of Presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Navajo County  
Notes to Financial Statements  
June 30, 2023

**Government-wide statements**—Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided;
- operating grants and contributions; and
- capital grants and contributions.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies or imposes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

**Fund financial statements**—Provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Public Works/HURF Fund* is used to account for road construction and maintenance of major and nonmajor regional roads, and is funded by highway user revenues and vehicle license taxes.

The *Jail District Fund* is used to account for all financial resources of the Jail District and is funded by excise taxes, maintenance of effort payments from the County's General Fund, and federal reimbursements.

Navajo County  
Notes to Financial Statements  
June 30, 2023

The *American Rescue Plan Act Fund* is used to account for monies allocated to the County for the support of urgent COVID-19 response efforts, to replace lost revenue and support for vital public services, and to address public health and economic challenges caused by the pandemic. It is funded by the U.S. Department of the Treasury's Coronavirus State and Local Fiscal Recovery Funds.

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues are primarily from debt proceeds and transfers in.

The County also reports the following fund types:

The fiduciary funds consist of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

### C. Basis of Accounting

The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The County applies grant resources to such programs before using general revenues.

Navajo County  
Notes to Financial Statements  
June 30, 2023

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

**D. Cash and Investments**

All investments are stated at fair value.

**E. Inventories**

Inventories in the government-wide financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out method.

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

**F. Property Tax Calendar**

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

Navajo County  
Notes to Financial Statements  
June 30, 2023

G. Capital Assets

Capital assets are reported at actual cost *or estimated historical cost if historical records are not available*. Donated assets are valued at their acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation/Amortization Method</b>	<b>Estimated Useful Life</b>
Land	\$ 10,000	N/A	N/A
Buildings and improvements	10,000	Straight-line	15-40 years
Machinery and equipment	5,000	Straight-line	3-15 years
Infrastructure	10,000	Straight-line	35 years
Intangible:			
Right-to-use subscription assets	100,000	Straight-line	Varies
Right-to-use lease assets	10,000	Straight-line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the County is reasonably certain of being exercised - then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

H. Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

I. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Navajo County  
Notes to Financial Statements  
June 30, 2023

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. Only the Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County's manager to assign resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the County will use restricted fund balance first. The County will use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

**J. Investment Earnings**

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

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K. **Compensated Absences**

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 280 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at calendar year-end. Upon terminating employment, the County pays all unused and unforfeited vacation benefits up to a maximum of 280 hours. Upon retirement, the County pays up to a maximum of 280 hours plus 75 percent of vacation hours earned in the employee's final year of employment. Accordingly, vacation benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. However, upon retirement or death, employees who have accumulated at least 500 hours of sick leave and at least 5 continuous service years receive some benefit payments. Benefit payments vary based on the number of continuous service years but cannot exceed \$5,000. Accordingly, sick leave benefits do vest and, therefore, are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee retirements and deaths by fiscal year-end.

L. **Leases and subscription-based information technology arrangements**

**Leases**

As lessee, the county recognizes lease liabilities with an initial, individual value of \$10,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the all-in true interest cost associated with the County's most recent pledged revenue obligation issuance.

As lessor, the County recognizes lease receivables with an initial, individual value of \$10,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.



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**Subscription-based information technology arrangements**

The County recognizes subscription liabilities with an initial, individual value of \$100,000 or more. The County uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The County's estimated incremental borrowing rate is calculated as described above.

**M. Miscellaneous Disclosures**

Pursuant to A.R.S. §35-391(B), the County shall disclose in its annual financial report the amount of any reward, discount, incentive, or other financial consideration received by the governmental entity resulting from credit card payments. The County received \$42,761 in credit card rebates during fiscal year 2023.

**N. Settlements**

The County is a participant in the One Arizona Distribution of Opioid Settlement Funds agreement which is part of the nationwide Opioid Settlement. The County received \$555,750 through June 30, 2023, and anticipates receiving additional payments through 2038. At June 30, 2023, the estimated balance of the receivable, net of allowance for uncollectibles, is \$4,209,521 (see Note 12 for additional information).

**Note 2 - Stewardship, Compliance, and Accountability**

Deficit fund balance—At June 30, 2023, the following nonmajor fund reported a deficit in fund balance:

Governmental fund  
Special Revenue – Workforce Innovation & Opportunity Act, \$9,112.

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Note 3 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

**Credit risk**

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the these services rates the security, it must carry the highest rating of that service.

**Custodial credit risk**

Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

**Concentration of credit risk**

Statutes do not include any requirements for concentration of credit risk.

**Interest rate risk**

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

**Foreign currency risk**

Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

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**Deposits**—At June 30, 2023, the carrying amount of the County’s deposits was \$10,561,095, and the bank balance was \$12,699,218. The County’s formal policy is to follow collateralization requirements set forth in A.R.S. §35-323 as described above. At June 30, 2023, \$2,156,059 of the County’s bank balance was uninsured and uncollateralized.

**Investments**—The County had total investments of \$356,077,686 at June 30, 2023. The County’s investments categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amount	<u>Fair value measurement using Quoted prices in active markets for identical assets (Level 1)</u>
<b>Investments by fair value level</b>		
U.S. Treasury securities	\$ 73,094,361	\$ 73,094,361
U.S. agency securities	114,429,039	114,429,039
Corporate notes	83,847,938	83,847,938
Government money market mutual funds	84,706,348	84,706,348
	<u>\$ 356,077,686</u>	<u>\$ 356,077,686</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

**Credit risk**—The County’s formal policy is to limit its portfolio to investments with the top rating issued by nationally recognized statistical rating organizations. As of June 30, 2023, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody’s	\$ 114,429,039
Corporate notes	Aa1	Moody’s	11,992,206
Corporate notes	Aa2	Moody’s	19,485,670
Corporate notes	A1	Moody’s	38,882,213
Corporate notes	A2	Moody’s	13,487,849
Government money market mutual funds	Unrated	Not Applicable	84,706,348
Total			<u>\$ 282,983,325</u>

**Custodial credit risk**—For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the outside party’s possession. The County’s formal policy stipulates that securities that are held in a custody or safekeeping account must be held under the name of Navajo County or Navajo County Treasurer. At June 30, 2023, the County did not have investments exposed to custodial credit risk.

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**Concentration of credit risk**—The County's formal policy stipulates that the County will diversify the investment portfolio by limiting investments to avoid over-concentration in securities from a specific issuer, excluding obligations issued or guaranteed by the United States or any of the senior debt of its agencies or sponsored agencies. The County had investments at June 30, 2023, of 5 percent or more in Federal Home Loan Banks. These investments comprised 29.38 percent of the County's total investments.

**Interest rate risk**—The County's formal policy is to purchase a combination of short-, medium-, and long-term investments such that maturities occur evenly over time as necessary to provide the cash flow needed for operations. At June 30, 2023, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
U.S. agency securities	\$ 114,429,039	1.456
U.S. Treasury securities	73,094,361	0.349
Corporate notes	83,847,938	1.227
Government money market mutual funds	84,706,348	0.082
	<u>\$ 356,077,686</u>	

At June 30, 2023, \$44,965,726 of investments were in corporate notes floating rate securities and considered to be highly sensitive to interest rate changes. \$39,027,930 is non-callable while the remaining \$5,937,796 is callable within 45 days after June 30, 2023. The coupon rate is tied to the Intercontinental Exchange plus a fixed basis point amount which resets quarterly. The issuer can call the security on a specified date, or if the security is not called, the interest rate is reset at a specified amount. Prevailing interest rates may increase faster than the increase in the coupon interest rate.

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position follows:

Cash, deposits, and investments:

Cash, deposits, and investments	
Cash on hand	\$ 9,614
Amount of deposits	10,561,095
Amount of investments	356,077,686
Total	<u>\$ 366,648,395</u>

	Governmental Activities	Private-Purpose Trust Funds	Custodial funds		Total
			External Investment Pool	Other	
Statement of Net Position					
Cash and investments	\$ 108,440,283	\$ 1,910,450	\$ 251,871,293	\$ 2,020,310	\$ 364,242,336
Cash and investments held by trustee	2,406,059				2,406,059
Total	<u>\$ 110,846,342</u>	<u>\$ 1,910,450</u>	<u>\$ 251,871,293</u>	<u>\$ 2,020,310</u>	<u>\$ 366,648,395</u>

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Note 4 - Due From Other Governments

Amounts due from other governments at June 30, 2023, are shown as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	Other Governmental Funds	Total
State-shared sales tax	\$ 1,988,815				\$ 1,988,815
County sales tax	1,688,215		\$ 1,107,668		2,795,883
State-shared vehicle license tax	151,626	\$ 152,852			304,478
Highway user revenue		1,092,097			1,092,097
Grants and contributions from local, state and federal governments	135,286	63,933		\$ 2,672,150	2,871,369
Reimbursements for services provided for governmental units	694,271	8,429	7,403	71,745	781,848
	<u>\$ 4,658,213</u>	<u>\$ 1,317,311</u>	<u>\$ 1,115,071</u>	<u>\$ 2,743,895</u>	<u>\$ 9,834,490</u>

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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022 (restated) *	Increases	Decreases	Balance June 30, 2023
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 5,721,386			\$ 5,721,386
Construction in progress	305,216		\$ 305,216	-
Total capital assets not being depreciated/amortized	<u>6,026,602</u>	-	<u>305,216</u>	<u>5,721,386</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	51,334,537	232,377		51,566,914
Infrastructure	77,727,474	1,235,552		78,963,026
Machinery and equipment	40,429,629	3,622,553	379,322	43,672,860
Intangibles:				
Right-to-use subscription assets	107,016	1,180,457		1,287,473
Right-to-use lease assets:				
Buildings and improvements	1,499,265	100,910		1,600,175
Machinery and equipment	47,633			47,633
Total	<u>171,145,554</u>	<u>6,371,849</u>	<u>379,322</u>	<u>177,138,081</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	28,083,531	1,367,934		29,451,465
Infrastructure	55,210,893	2,078,835		57,289,728
Machinery and equipment	32,929,500	2,645,364	340,926	35,233,938
Intangibles:				
Right-to-use subscription assets		103,351		103,351
Right-to-use lease assets:				
Buildings and improvements	103,932	116,043		219,975
Machinery and equipment	5,955	11,627		17,582
Total	<u>116,333,811</u>	<u>6,323,154</u>	<u>340,926</u>	<u>122,316,039</u>
Total capital assets being depreciated/amortized, net	<u>54,811,743</u>	<u>48,695</u>	<u>38,396</u>	<u>54,822,042</u>
Governmental activities capital assets, net:	<u>\$ 60,838,345</u>	<u>\$ 48,695</u>	<u>\$ 343,612</u>	<u>\$ 60,543,428</u>

\* Due to the implementation of GASB Statement No. 96 for Subscription-based information technology arrangements, the County's beginning capital asset balance was restated from fiscal year 2022. There was no impact to net position.

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,013,724
Public safety	1,727,132
Highways and streets	3,249,584
Health and welfare	181,282
Culture and recreation	21,760
Education and economic opportunity	129,672
Total governmental activities depreciation/amortization expense	<u>\$ 6,323,154</u>

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Note 6 - Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2023:

Governmental activities	Balance July 1, 2022 (restated) *	Additions	Reductions	Balance June 30, 2023	Due within 1 year
Pledged revenue obligations payable	\$ 24,845,000		\$ 1,585,000	\$ 23,260,000	\$ 2,065,000
Unamortized premium	1,361,811		253,663	1,108,148	220,651
Leases payable	756,391	\$ 100,910	99,586	757,715	60,280
Subscriptions liability	107,016	1,180,457	106,915	1,180,558	440,236
Other payables	2,689		2,217	472	472
Financed purchases	3,006		3,006	-	
Net OPEB liabilities	73,843	5,525	28,548	50,820	
Net pension liabilities	55,990,418	7,811,225	12,924,044	50,877,599	
Landfill closure and post-closure care costs payable	239,901		1,150	238,751	1,150
Compensated absences payable Incurred but not reported	2,214,238	1,676,555	1,568,025	2,322,768	1,604,722
healthcare claims payable	1,658,071	4,248,685	4,750,418	1,156,338	1,130,546
Claims and judgments payable	229,310	315,987	115,938	429,359	217,080
<b>Total</b>	<u>\$ 87,481,694</u>	<u>\$ 15,339,344</u>	<u>\$ 21,438,510</u>	<u>\$ 81,382,528</u>	<u>\$ 5,740,137</u>

\* Due to the implementation of GASB Statement No. 96 for subscription-based information technology arrangements, the County's beginning liability balance was restated from fiscal year 2022. There was no impact to net position.

**Pledged Revenue Refunding Obligations, Non-taxable, Series 2021—** On March 25, 2021, the County issued \$9,535,000 in pledged revenue refunding obligations, Series 2021, with a premium of \$1,575,867. The net proceeds of \$10,880,265 (after payment of underwriting fees and other issuance costs) were deposited as follows: \$7,445,092 for principal and interest to the Series 2012 Trustee for deposit to the Payment Fund established pursuant to the 2012 Trust Agreement for defeasance of the Series 2012 A&B obligations (remaining \$7,560,000 paid off on April 9, 2021); and \$3,435,173 for principal and interest to the Series 2013 Trustee for deposit to the Payment Fund established pursuant to the 2013 Trust Agreement for defeasance of the Series 2013 obligations (remaining \$3,415,000 paid off on April 9, 2021). The Series 2021 obligations, which are not subject to prepayment prior to their stated payment dates, have interest rates ranging from 3% to 5%, payable semiannually on January 1 and July 1 of each year through 2032. The issuance of the refunding bonds resulted in a \$769,435 reduction in future debt service payments with an economic gain of \$726,208 based upon the present value savings.

**Pledged Revenue Pension Obligations, Taxable, Series 2021—** On October 26, 2021, the County issued \$16,560,000 in pledged revenue pension obligations, taxable series 2021 with interest rates ranging from 0.357% to 3.041% and maturing from July 1, 2022 to July 1, 2038. The proceeds were used to help fund the County's unfunded pension liabilities associated with Tier 1 and Tier 2 participants in the PSPRS Sheriff and CORP-Detention plans (as described in Note 9) and to pay any related issuance costs incurred.

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Pledged revenue obligations outstanding at June 30, 2023, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
Pledged Revenue Refunding Obligations, Non-taxable, Series 2021	\$ 9,535,000	2023-2032	3.0-5.0%	\$ 7,150,000
Pledged Revenue Pension Obligations, Taxable, Series 2021	16,560,000	2023-2039	.357-3.041%	16,110,000
				<u>\$ 23,260,000</u>

The following schedule details debt service requirements to maturity for the County's pledged revenue obligations payable at June 30, 2023:

Year ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,065,000	\$ 656,363
2025	1,550,000	613,579
2026	1,585,000	577,592
2027	1,610,000	534,675
2028	1,635,000	485,309
2029-2033	8,105,000	1,578,609
2034-2038	5,510,000	594,662
2039	1,200,000	18,246
Total	<u>\$ 23,260,000</u>	<u>\$ 5,059,035</u>

The County has pledged a portion of its general county and state sales tax revenues toward the payment of debt related to revenue obligations outstanding at June 30, 2023. At June 30, 2023, future pledged revenues through final maturity at July 1, 2038 totaled \$28,319,035, consisting of \$23,260,000 for principal and \$5,059,035 for interest. State shared revenues have averaged \$14.9 million per year over the last 5 years, whereas excise tax revenues have averaged \$8.5 million per year over the last 5 years. For the current year, state shared sales and excise tax revenues recognized by the County were \$16.3 million and \$9.6 million, respectively. In the current year, the principal and interest payments were \$1,585,000 and \$769,074, respectively.

**Compensated absences**—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2023, the County paid for compensated absences as follows: 59.1 percent from the General Fund, 10.8 percent from the Public Works/HURF Fund, 9.4 percent from the Jail District Fund, 0.6 percent from the American Rescue Plan Act Fund, and 20.1 percent from the Other Governmental Funds.

**Incurred but not reported healthcare claims payable**—On July 1, 2014, Navajo County implemented a self-insured health benefits program as described in Note 7. The liability for medical, dental and pharmacy claims is based on the fiscal year 2022 actuarial report. Changes in incurred but not reported (IBNR) healthcare claims payable for the years ended June 30, 2022 and 2023 were as follows:



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	<b>2022</b>	<b>2023</b>
IBNR healthcare claims payable, beginning of year	\$ 1,229,937	\$ 1,658,071
Current-year claims and changes in estimates	6,637,187	4,248,685
Claim payments	6,209,053	4,750,418
IBNR healthcare claims payable, end of year	\$ 1,658,071	\$ 1,156,338

**Line of Credit**—At June 30, 2023, the County had an unused line of credit in the amount of \$2,500,000.

**Leases**—The County has obtained the right to use real property, machinery and equipment under the provisions of various lease agreements. The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$ 1,647,808
Less: accumulated amortization	(237,557)
Carrying value	\$ 1,410,251

The following schedule details minimum payments to maturity:

	Governmental Activities	
	Principal	Interest
Year ending June 30		
2024	\$ 60,280	\$ 7,814
2025	50,538	8,759
2026	48,055	9,991
2027	40,551	9,467
2028	35,173	9,966
2029-2033	176,408	70,067
2034-2038	178,001	107,981
2039-2043	157,449	130,562
2044-2046	11,260	7,665
Total	\$ 757,715	\$ 362,272

**Subscription-based information technology arrangements (SBITAs)**—The County has entered into certain subscription-based information technology arrangements that convey the control of the right to use another entity's IT software, alone or in combination with tangible capital assets, for a period of time in an exchange or exchange-like transaction. These are generally for software applications. The total amount of SBITA assets and the related accumulated amortization are as follows:

Total SBITAs	\$ 1,287,473
Less: accumulated amortization	(103,351)
Carrying value	\$ 1,184,122

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The following schedule details minimum payments to maturity:

Year ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 440,236	\$ 9,595
2025	422,184	21,093
2026	318,138	23,958
Total	\$ 1,180,558	\$ 54,646

## Note 7 - Risk Management

**Public entity risk pools**—The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by two public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers’ Compensation Pool, which are described below.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; cyber security; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants and a deductible of \$10,000 per occurrence for property claims and \$50,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

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The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties with workers' compensation coverage, as law requires, and risk management services. The County is responsible for paying a premium based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

**Self-insured employee benefits program**—On July 1, 2014, Navajo County implemented a self-insured health benefits program and currently offers two medical plan options. The uninsured risk of loss per individual is \$175,000 per plan year. Under the program, the County contracts directly with healthcare providers to deliver healthcare services to its eligible employees and their dependents. The County pays for the services using premiums it receives from employees and county contributions. Health benefits program expenditures are recorded in the General Fund and employee premiums and county contributions are recorded in the applicable governmental funds through payroll deductions and transferred to the General Fund. However, the county contributions are considered as internal activities, and therefore, are eliminated at the government-wide level of the financial statements. The liability for incurred but not reported healthcare claims payable at June 30, 2023, is actuarial valued and disclosed in Note 6.

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Note 8 - Fund Balance Classifications of the Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2023, were as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total
<b>Fund balances</b>						
<b>Nonspendable:</b>						
Inventories		\$ 576,305				\$ 576,305
Total nonspendable		576,305				576,305
<b>Restricted for:</b>						
Highways and streets		12,566,430			759,363	13,325,793
Flood control projects					9,435,495	9,435,495
Health	\$ 561,536				3,290,712	3,852,248
Judicial activities	9,000				5,645,072	5,654,072
Law enforcement			\$ 3,728,338		2,171,077	5,899,415
Education					1,299,031	1,299,031
Environmental and conservation					899,936	899,936
Social services					72,912	72,912
Library					204,200	204,200
Public safety					628,952	628,952
Recreation					235,342	235,342
Special Districts					121,730	121,730
Road projects					387,980	387,980
Capital projects					558,712	558,712
Health insurance trust	12,714,056					12,714,056
Other purposes					16,729	16,729
Total restricted	13,284,592	12,566,430	3,728,338		25,727,243	55,306,603
<b>Assigned to:</b>						
Health insurance reserve	2,623,724					2,623,724
Judicial activities					53,935	53,935
Economic stabilization and development	19				404,026	404,045
Law enforcement	2,366,899					2,366,899
Other capital projects	385,034					385,034
Other purposes	3,099,811					3,099,811
Total assigned	8,475,487			-	457,961	8,933,448
<b>Committed to:</b>						
Other purposes				6,426,170		6,426,170
Total committed				6,426,170		6,426,170
<b>Unassigned (Deficit)</b>						
	32,377,413				(2,409,029)	29,968,384
Total fund balances	\$ 54,137,492	\$ 13,142,735	\$ 3,728,338	\$ 6,426,170	\$ 23,776,175	\$ 101,210,910

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Note 9 - Pensions and Other Postemployment Benefits

The County contributes to the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS) consisting of Navajo County Sheriffs and Navajo County Attorney Investigators, the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP), the Corrections Officer Retirement Plan (CORP), the Corrections Officer Retirement Plan - Administrative Office of the Courts (CORP AOC), the Elected Officials Retirement Plan (EORP), and the Elected Officials Defined Contribution Retirement System (EODCRS), all component units of the State of Arizona.

At June 30, 2023, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>
Net OPEB asset	\$ 2,314,628
Net OPEB liability	50,820
Net pension asset	623,377
Net pension liability	50,877,599
Deferred outflows of resources related to OPEB	206,572
Deferred outflows of resources related to pensions	11,434,781
Deferred inflows of resources related to OPEB	833,164
Deferred inflows of resources related to pensions	1,738,128
OPEB revenue	318,679
Pension expense	7,153,296

The County's accrued payroll and employee benefits includes \$127,184 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2023. Also, the County reported \$5,295,732 of pension contributions and \$68,393 of OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

The ASRS, PSPRS Sheriff, PSPRS Attorney Investigators, CORP, CORP AOC and EORP pension plans are described below. The PSPDCRP and EODCRS pension plans, and all OPEB plans are not described due to their relative insignificance to the County's financial statements.

**A. Arizona State Retirement System**

**Plan description**—County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

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**Benefits provided**—The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

<b>ASRS</b>	<b>Retirement Initial membership date:</b>	
	<b>Before July 1, 2011</b>	<b>On or after July 1, 2011</b>
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

**Contributions**—In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.03 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.92 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.62 percent for retirement of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2023, were \$2,859,272.

During fiscal year 2023, the County paid for ASRS pension contributions as follows: 61 percent from the General Fund, 15 percent from the Public Works/HURF Fund, 3 percent from the Jail District Fund, 1 percent from the American Rescue Plan Act Fund, and 20 percent from Other Governmental Funds.

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**Pension liability**—At June 30, 2023, the County reported a net pension liability of \$29,827,226 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The County's proportion measured as of June 30, 2022, was 0.18274 percent, which was a decrease of 0.00247 from its proportion measured as of June 30, 2021.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2023, the County recognized pension expense for ASRS of \$3,799,721. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>ASRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 254,145	
Changes of assumptions or other inputs	1,480,383	
Net difference between projected and actual earnings on pension plan investments		\$ 785,678
Changes in proportion and differences between county contributions and proportionate share of contributions	677,343	266,857
County contributions subsequent to the measurement date	2,859,272	
Total	<u>\$ 5,271,143</u>	<u>\$ 1,052,535</u>

The \$2,859,272 reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2024	\$ 1,942,386
2025	(476,444)
2026	(1,364,121)
2027	1,257,515

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**Actuarial Assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

**ASRS**

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>ASRS</b>		<b>Long-Term</b>
<b>Asset Class</b>	<b>Target</b>	<b>Expected Geometric</b>
	<b>Allocation</b>	<b>Real Rate of Return</b>
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	(0.20)%
Real estate	20%	6.00%
Total	<u>100%</u>	

**Discount Rate**—At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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**Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate**—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 44,009,186	\$ 29,827,226	\$ 18,001,688

**Pension plan fiduciary net position**—Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan**

**Plan descriptions**—County sheriff employees and county attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost sharing multiple-employer defined benefit pension plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plan, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plan (Tier 3 Risk Pool) which is not further disclosed because of its relative insignificance to the County’s financial statements.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple- employer defined benefit pension plan for county detention officers (agent plan), which was closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost-sharing plan). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS and CORP plans. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

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**Benefits provided**—The PSPRS and CORP provide retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

<b>PSPRS</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2017</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credit service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
<b>Benefit percent</b>		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<b>Survivor benefit</b>		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
<b>Retirement and Disability</b>			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
<b>Benefit percent</b>			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary disability retirement	2.5% per year of credited service		
<b>Survivor benefit</b>			
Retired members	80% of retired member's pension benefit		
Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

\*With actuarially reduced benefits.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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**Employees covered by benefit terms**—At June 30, 2023, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	33	1	10
Inactive employees entitled to but not yet receiving benefits	19		44
Active employees	25		19
Total	<u>77</u>	<u>1</u>	<u>73</u>

**Contributions**—State statutes establish the pension contribution requirements for active PSPRS and CORP Detention employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member—pension	County—pension
PSPRS Sheriff	7.65 – 11.65%	49.38%
CORP Detention	8.41	12.93
CORP AOC	8.41 or 10.18	36.70 or 37.74

In addition, statute required the County to contribute at the actuarially determined rate of 8.0% of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS Sheriff would typically fill.

The County's contributions to the pension plans for the year ended June 30, 2023, were:

PSPRS Sheriff	\$ 254,832
CORP Detention	48,659
CORP AOC	744,971

The County was required to contribute \$47,500 for the PSPRS Attorney Investigators pension plan based on the estimated actuarially required contribution for an inactive member.

During fiscal year 2023, the County paid for PSPRS and CORP pension contributions as follows: 53.6 percent from the General Fund, 8.8 percent from the Jail District Fund and 37.6 percent from the other governmental funds.

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**Pension liability**—At June 30, 2023, the County reported the following net pension liabilities:

	<b>Net Pension (Asset) Liability</b>
PSPRS Sheriff	\$ (262,872)
PSPRS Attorney Investigators	475,519
CORP Detention	(312,640)
CORP AOC (County's proportionate share)	6,244,650

The net pension assets and liabilities were measured as of June 30, 2022, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0-6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

**Pension actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

**PSPRS and CORP—Pension**

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0-6.25%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	<u>100%</u>	

**Pension discount rate**—At June 30, 2022, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

**PSPRS Sheriff**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) – (b)
Balances at June 30, 2022	\$ 20,473,176	\$ 8,681,796	\$ 11,791,380
Changes for the year:			
Service cost	326,886		326,886
Interest on the total pension liability	1,473,291		1,473,291
Differences between expected and actual experience in the measurement of the pension liability	185,741		185,741
Changes of assumptions or other inputs	378,709		378,709
Contributions—employer		14,996,717	(14,996,717)
Contributions—employee		161,812	(161,812)
Net investment income		(726,640)	726,640
Benefit payments, including refunds of employee contributions	(1,235,991)	(1,235,991)	
Administrative expense		(13,010)	13,010
Net changes	<u>1,128,636</u>	<u>13,182,888</u>	<u>(12,054,252)</u>
Balances at June 30, 2023	<u>\$ 21,601,812</u>	<u>\$ 21,864,684</u>	<u>\$ (262,872)</u>

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**PSPRS Attorney Investigators**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) – (b)
Balances at June 30, 2022	\$ 595,326	\$ 132,718	\$ 462,608
Changes for the year:			
Interest on the total pension liability	42,031		42,031
Differences between expected and actual experience in the measurement of the pension liability	2,272		2,272
Changes of assumptions	14,426		14,426
Contributions - employer		47,500	(47,500)
Net investment income		(1,651)	1,651
Benefit payments, including refunds of employee contributions	(39,105)	(39,105)	
Administrative expense		(31)	31
Net changes	19,624	6,713	12,911
Balances at June 30, 2023	<u>\$ 614,950</u>	<u>\$ 139,431</u>	<u>\$ 475,519</u>

**CORP Detention**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position (Asset)Liability (a) – (b)
Balances at June 30, 2022	\$ 6,083,985	\$ 4,951,321	\$ 1,132,664
Changes for the year:			
Service cost	132,842		132,842
Interest on the total pension liability	445,390		445,390
Differences between expected and actual experience in the measurement of the pension liability	(80,150)		(80,150)
Changes of assumptions or other inputs	69,224		69,224
Contributions—employer		2,192,207	(2,192,207)
Contributions—employee		71,575	(71,575)
Net investment income		(237,085)	237,085
Benefit payments, including refunds of employee contributions	(231,191)	(231,191)	
Administrative expense		(4,333)	4,333
Other		(9,754)	9,754
Net changes	336,115	1,781,419	(1,445,304)
Balances at June 30, 2023	<u>\$ 6,420,100</u>	<u>\$ 6,732,740</u>	<u>\$ (312,640)</u>

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2022. The County's proportion measured as of June 30, 2022, was 1.3993 percent, which was an increase of 0.1640 from its proportion measured as of June 30, 2021.

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**Sensitivity of the County's net pension liability to changes in the discount rate**—The following table presents the County's net pension (assets)/liabilities calculated using the discount rate of 7.2 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2)%	Current Discount Rate (7.2)%	1% Increase (8.2)%
PSPRS Sheriff			
Net pension (asset)/liability	\$ 2,591,249	\$ (262,872)	\$ (2,587,788)
PSPRS Attorney Investigators			
Net pension liability	552,011	457,519	412,352
CORP Detention			
Net pension (asset)/liability	622,591	(312,640)	(1,065,293)
CORP AOC			
County's proportionate share of the net pension liability	8,201,143	6,244,650	4,644,061

**Pension plan fiduciary net position**—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

**Pension expense**—For the year ended June 30, 2023, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$ 987,406
PSPRS Attorney Investigators	1,024
CORP Detention	183,781
CORP AOC (County's proportionate share)	582,979

**Pension deferred outflows/inflows of resources**—At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 439,475	\$ 58,689
Changes of assumptions or other inputs	394,595	
Net difference between projected and actual earnings on pension plan investments	850,898	
County contributions subsequent to the measurement date	254,832	
Total	<u>\$ 1,939,800</u>	<u>\$ 58,689</u>



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<b>PSPRS Attorney Investigators</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 66	
County contributions subsequent to the measurement date	51,714	
Total	<u>\$ 51,780</u>	<u>\$ -</u>

<b>CORP Detention</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ 67,132
Changes of assumptions or other inputs	\$ 46,150	
Net difference between projected and actual earnings on pension plan investments	155,455	
County contributions subsequent to the measurement date	48,659	
Total	<u>\$ 250,264</u>	<u>\$ 67,132</u>

<b>CORP AOC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 331,847	\$ 92,248
Changes of assumptions or other inputs	203,262	
Net difference between projected and actual earnings on pension plan investments	105,679	
Changes in proportion and differences between County contributions and proportionate share of contributions	796,464	42,486
County contributions subsequent to the measurement date	744,971	
Total	<u>\$ 2,182,223</u>	<u>\$ 134,734</u>

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The amounts reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP AOC
Year ending June 30				
2024	\$ 488,380	\$ (140)	\$ 10,664	\$ 464,191
2025	523,410	(576)	9,824	324,401
2026	240,867	(1,547)	(20,528)	143,976
2027	373,622	2,329	134,513	369,950

### C. Elected Officials Retirement Plan

**Plan description**—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP) or ASRS. EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS’s website at [www.psprs.com](http://www.psprs.com).

**Benefits provided**—The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%

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Retirement and Disability	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<b>Survivor Benefit</b>		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

\* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

**Contributions**—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2023, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 70.42 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 58.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members in addition to the County's required contributions to ASRS. The County's contributions to the pension plan for the year ended June 30, 2023, were \$1,179,390.

During fiscal year 2023, the County paid for EORP pension contributions as follows: 100 percent from the General Fund.

**Pension liability**—At June 30, 2023, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$ 14,330,204
State's proportionate share of the EORP net pension liability associated with the County	1,395,296
Total	<u>\$ 15,725,500</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial

Navajo County  
Notes to Financial Statements  
June 30, 2023

assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, decreasing the wage inflation from 3.75 percent to 3.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

The County's proportion of the net pension liability was based on the County's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2022. The County's proportion measured as of June 30, 2022, was 2.1226 percent, which was a decrease of 0.1257 from its proportion measured as of June 30, 2021.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2023, the County recognized pension expense for EORP of \$1,575,888 and revenue of \$407,917 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>EORP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 129,408	
Changes in proportion and differences between county contributions and proportionate share of contributions		\$ 407,163
County contributions subsequent to the measurement date	1,179,390	
Total	<u>\$ 1,308,798</u>	<u>\$ 407,163</u>

The \$1,179,390 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2024	\$ (381,104)
2025	1,243
2026	(60,995)
2027	163,101

Navajo County  
Notes to Financial Statements  
June 30, 2023

**Actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

**EORP**

Actuarial valuation data	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>EORP</b>	<b>Target</b>	<b>Long-Term Expected</b>
<b>Asset Class</b>	<b>Allocation</b>	<b>Geometric Real Rate</b>
	<b>of Return</b>	
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	<u>100%</u>	

**Discount rate**—At June 30 2022, the discount rate used to measure the EORP total pension liability was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Navajo County  
Notes to Financial Statements  
June 30, 2023

**Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate**—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

EORP	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
County’s proportionate share of the net pension liability	\$ 16,359,941	\$ 14,330,204	\$ 12,591,593

**Pension Plan Fiduciary Net Position**—Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.

Note 10 - Interfund Balances and Activity

**Interfund receivables and payables**—Interfund balances at June 30, 2023, were as follows:

	Payable to		Total
	General Fund	Other Governmental Funds	
<b>Payable from</b>			
General Fund		\$ 114,740	\$ 114,740
Public Works/HURF Fund	\$ 366,631		366,631
Jail District Fund	324,235		324,235
Other Governmental Funds	327,626	18,270	345,896
Total	<u>\$ 1,018,492</u>	<u>\$ 133,010</u>	<u>\$ 1,151,502</u>

The interfund balances resulted from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be paid in one year.

Navajo County  
Notes to Financial Statements  
June 30, 2023

**Interfund transfers**—Interfund transfers for the year ended June 30, 2023, were as follows:

	Transfers to				Total
	General Fund	Jail District Fund	Debt Service Fund	Other Governmental Funds	
<b>Transfers from</b>					
General Fund		\$ 1,100,000	\$ 1,579,637	\$ 1,570,852	\$ 4,250,489
Public Works/HURF Fund	\$ 508,504		442,251		950,755
Jail District Fund	458,518		135,882		594,400
American Rescue Plan Act Fund	3,917				3,917
Other Governmental Funds	409,357			171,130	580,487
<b>Total</b>	<u>\$ 1,380,296</u>	<u>\$ 1,100,000</u>	<u>\$ 2,157,770</u>	<u>\$ 1,741,982</u>	<u>\$ 6,380,048</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments are due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## Note 11 - County Treasurer's Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

Navajo County  
Notes to Financial Statements  
June 30, 2023

The Treasurer allocates interest earnings to each of the pool's participants.

The deposits and investments the County holds are included in the County Treasurer's investment pool, except for \$9,614 in cash on hand, \$2,406,059 in cash with trustee, and \$1,188,452 in deposits. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 3 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
U.S. Treasury securities	\$ 74,200,000	0.13% - 2.50%	07/23 – 05/24	\$ 73,094,361
U.S. agency securities	122,000,000	0.32% - 3.13%	11/23 – 09/25	114,429,039
Corporate notes	86,100,000	Variable	11/23 – 08/25	83,847,938
Government money market funds	84,706,348	N/A	N/A	84,706,348

A condensed statement of the investment pool's net position and changes in net position follows:

**Statement of fiduciary net position**

Assets	\$ 363,044,270
Net position	<u>\$ 363,044,270</u>
Net position held for:	
Internal participants	\$ 111,172,977
External participants	<u>251,871,293</u>
Total net position	<u>\$ 363,044,270</u>

**Statement of changes in fiduciary net position**

Total additions	\$ 422,019,519
Total deductions	<u>417,538,586</u>
Net increase	4,480,933
Net position:	
July 1, 2022	<u>358,563,337</u>
June 30, 2023	<u>\$ 363,044,270</u>



Navajo County  
Notes to Financial Statements  
June 30, 2023

Note 12 - Subsequent Event

The County is a participant in the One Arizona Distribution of Opioid Settlement Funds Agreement, which is part of the nationwide Opioid Settlement. The nationwide settlements were reached to resolve opioid litigation brought by states and local political subdivisions against pharmaceutical distributors and manufacturers. The pharmaceutical industry will pay more than \$1.1 billion to Arizona over the next 18 years for opioid treatment, prevention, and education. The agreement specifies the framework to distribute the settlement funds across the state and into communities, sending 56 percent of the opioid settlement funds to the counties, cities, and towns, and 44 percent to the State. Allocation to counties, cities and towns is based on population and relative degree of harm suffered in the community because of the opioid epidemic. As of June 30, 2023, agreements have been finalized with three defendants resulting in the County recording a receivable of \$4.2 million. Due to the on-going litigation and finalizing agreements with other defendants, additional settlements are expected to be measurable and available in subsequent reporting periods.

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# Required Supplementary Information



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Navajo County  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 8,057,016	\$ 8,057,016	\$ 8,004,095	\$ (52,921)
County sales taxes	8,710,000	8,710,000	9,564,103	854,103
Licenses and permits	717,447	717,447	750,345	32,898
Fines and forfeits	490,800	490,800	639,159	148,359
Intergovernmental	24,480,600	24,480,600	27,898,119	3,417,519
Charges for services	10,337,439	10,337,439	5,532,700	(4,804,739)
Investment earnings	213,305	213,305	(545,932)	(759,237)
Settlements			555,750	555,750
Miscellaneous	675,183	675,183	586,056	(89,127)
<b>Total revenues</b>	<u>53,681,790</u>	<u>53,681,790</u>	<u>52,984,395</u>	<u>(697,395)</u>
<b>Expenditures:</b>				
<b>General government:</b>				
<b>Board of</b>				
Supervisors/Administration	3,214,375	3,274,944	2,203,096	1,071,848
Facilities Management	2,150,322	2,211,846	2,072,054	139,792
Elections	636,737	657,903	684,265	(26,362)
Emergency Management	31,066	31,066		31,066
Contracts	1,345,500	1,345,500	1,069,906	275,594
State Cost Shifts	128,000	128,000	137,467	(9,467)
Planning and Zoning	1,359,450	1,435,696	1,113,082	322,614
Recorder	618,042	632,261	622,054	10,207
Assessor	1,753,870	1,753,870	1,607,264	146,606
Information Technology	1,342,336	1,394,334	1,351,281	43,053
Treasurer	672,514	708,581	632,044	76,537
Personnel Commission	7,800	7,800	5,553	2,247
Fleet Management	10,000	10,000	13,673	(3,673)
County-wide	24,734,677	22,874,775	7,918,105	14,956,670
County Attorney	3,118,237	3,320,368	3,565,084	(244,716)
Superior Court	1,930,727	2,063,522	1,923,187	140,335
Public Defender	1,143,972	1,268,671	1,085,560	183,111
Clerk of Court	2,024,835	2,024,835	1,859,396	165,439
Holbrook Justice Court	429,623	457,777	443,588	14,189
Winslow Justice Court	449,923	473,904	450,421	23,483
Snowflake Justice Court	453,746	482,810	461,489	21,321
Show Low Justice Court	439,738	467,467	467,870	(403)
Pinetop Justice Court	416,222	437,790	420,356	17,434
Kayenta Justice Court	161,190	172,821	174,450	(1,629)
<b>Total general government</b>	<u>48,572,902</u>	<u>47,636,541</u>	<u>30,281,245</u>	<u>17,355,296</u>

(Continued)

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2023  
(Continued)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public safety				
Kayenta Constable	\$ 41,625	\$ 41,625	\$ 41,146	\$ 479
Pinetop Constable	83,493	94,350	92,289	2,061
Snowflake Constable	71,330	80,519	60,694	19,825
Holbrook Constable	67,131	67,131	64,181	2,950
Winslow Constable	71,729	74,081	71,298	2,783
Show Low Constable	84,222	92,364	95,854	(3,490)
Juvenile Detention	1,268,020	1,368,758	1,320,360	48,398
Probation	1,171,182	1,171,182	1,084,930	86,252
Jail Operations	787,169	822,874	353,703	469,171
Sheriff	7,519,797	8,362,880	8,366,768	(3,888)
Total public safety	<u>11,165,698</u>	<u>12,175,764</u>	<u>11,551,223</u>	<u>624,541</u>
Health and welfare				
Public Fiduciary	482,260	494,921	483,157	11,764
Indigent Health	3,801,900	3,801,900	3,481,129	320,771
Total health and welfare	<u>4,284,160</u>	<u>4,296,821</u>	<u>3,964,286</u>	<u>332,535</u>
Education				
School Superintendent	<u>376,942</u>	<u>395,433</u>	<u>381,175</u>	<u>14,258</u>
Capital outlay	4,766,688	4,766,688	2,168,592	2,598,096
Contingency	<u>17,415,942</u>	<u>17,415,942</u>	<u>17,415,942</u>	<u>17,415,942</u>
Total expenditures	<u>86,582,332</u>	<u>86,687,189</u>	<u>48,346,521</u>	<u>38,340,668</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (32,900,542)</u>	<u>\$ (33,005,399)</u>	<u>\$ 4,637,874</u>	<u>\$ 37,643,273</u>
Other financing sources (uses):				
Subscription-based information technology arrangements			1,180,457	1,180,457
Sale of capital assets			67,212	67,212
Transfers in	4,553,506	4,553,506	3,822,725	(730,781)
Transfers out	<u>(5,995,444)</u>	<u>(5,995,444)</u>	<u>(4,250,489)</u>	<u>1,744,955</u>
Total other financing sources (uses)	<u>(1,441,938)</u>	<u>(1,441,938)</u>	<u>819,905</u>	<u>2,261,843</u>
Net change in fund balances	(34,342,480)	(34,447,337)	5,457,779	39,905,116
Fund balances, July 1, 2022	<u>48,679,713</u>	<u>48,679,713</u>	<u>48,679,713</u>	<u>48,679,713</u>
Fund balances, June 30, 2023	<u>\$ 14,337,233</u>	<u>\$ 14,232,376</u>	<u>\$ 54,137,492</u>	<u>\$ 39,905,116</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Public Works/HURF Fund  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 15,454,082	\$ 15,454,082	\$ 14,581,083	\$ (872,999)
Charges for services			45,868	45,868
Investment earnings	68,450	68,450	(157,047)	(225,497)
Miscellaneous	75,366	75,366	90,500	15,134
Total revenues	<u>15,597,898</u>	<u>15,597,898</u>	<u>14,560,404</u>	<u>(1,037,494)</u>
<b>Expenditures:</b>				
Highways and streets	16,491,672	16,891,829	10,409,559	6,482,270
Capital Outlay	11,595,008	11,595,008	507,363	11,087,645
Total expenditures	<u>28,086,680</u>	<u>28,486,837</u>	<u>10,916,922</u>	<u>17,569,915</u>
Excess (deficiency) of revenues over expenditures	<u>(12,488,782)</u>	<u>(12,888,939)</u>	<u>3,643,482</u>	<u>16,532,421</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,812,601)</u>	<u>(1,812,601)</u>	<u>(2,312,433)</u>	<u>(499,832)</u>
Total other financing sources (uses)	<u>(1,812,601)</u>	<u>(1,812,601)</u>	<u>(2,312,433)</u>	<u>(499,832)</u>
Net change in fund balances	(14,301,383)	(14,701,540)	1,331,049	16,032,589
Fund balances, July 1, 2022	11,684,299	11,684,299	11,684,299	
Increase in reserve for inventories			127,387	127,387
Fund balances, June 30, 2023	<u>\$ (2,617,084)</u>	<u>\$ (3,017,241)</u>	<u>\$ 13,142,735</u>	<u>\$ 16,159,976</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Jail District Fund  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
County sales taxes	\$ 5,585,000	\$ 5,585,000	\$ 6,282,128	\$ 697,128
Intergovernmental	10,000	10,000		(10,000)
Charges for services	60,000	60,000	76,835	16,835
Investment earnings	35,000	35,000	80,949	45,949
Miscellaneous	25,000	25,000	118,941	93,941
Total revenues	<u>5,715,000</u>	<u>5,715,000</u>	<u>6,558,853</u>	<u>843,853</u>
<b>Expenditures:</b>				
Jail Operations	11,145,800	11,425,680	7,983,020	3,442,660
Capital Outlay	1,000	1,000	60,283	(59,283)
Total expenditures	<u>11,146,800</u>	<u>11,426,680</u>	<u>8,043,303</u>	<u>3,383,377</u>
Excess (deficiency) of revenues over expenditures	<u>(5,431,800)</u>	<u>(5,711,680)</u>	<u>(1,484,450)</u>	<u>4,227,230</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,425,000	1,425,000	1,100,000	(325,000)
Transfers out	(158,201)	(158,201)	(594,400)	(436,199)
Total other financing sources (uses)	<u>1,266,799</u>	<u>1,266,799</u>	<u>505,600</u>	<u>(761,199)</u>
Net change in fund balances	(4,165,001)	(4,444,881)	(978,850)	3,466,031
Fund balances, July 1, 2022	4,707,188	4,707,188	4,707,188	
Increase in reserve for inventories				
Fund balances, June 30, 2023	<u>\$ 542,187</u>	<u>\$ 262,307</u>	<u>\$ 3,728,338</u>	<u>\$ 3,466,031</u>

See accompanying note to budgetary comparison schedules.



Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
American Rescue Plan Act Fund  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$	\$	\$ 134,145	\$ 134,145
Investment earnings	2,000	2,000	(423,999)	(425,999)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>(289,854)</u>	<u>(291,854)</u>
<b>Expenditures:</b>				
General government:				
Board of Supervisors/Administration	9,350,000	9,352,851	268,497	9,084,354
County-wide	11,510,490	11,510,490	141,500	11,368,990
Total general government	<u>20,860,490</u>	<u>20,863,341</u>	<u>409,997</u>	<u>20,453,344</u>
Public safety:				
Sheriff			1,132,579	(1,132,579)
Total public safety			<u>1,132,579</u>	<u>(1,132,579)</u>
Culture and recreation:				
Library District			44	(44)
Total culture and recreation			<u>44</u>	<u>(44)</u>
Capital Outlay	250,000	250,000	691,565	(441,565)
Total expenditures	<u>21,110,490</u>	<u>21,113,341</u>	<u>2,234,185</u>	<u>18,879,156</u>
Excess (deficiency) of revenues over expenditures	<u>(21,108,490)</u>	<u>(21,111,341)</u>	<u>(2,524,039)</u>	<u>18,587,302</u>
<b>Other financing sources (uses):</b>				
Lease agreements			100,910	100,910
Transfers out			(3,917)	(3,917)
Total other financing sources (uses)			<u>96,993</u>	<u>96,993</u>
Net change in fund balances	(21,108,490)	(21,111,341)	(2,427,046)	18,684,295
Fund balances, July 1, 2022	8,853,216	8,853,216	8,853,216	
Increase in reserve for inventories				
Fund balances, June 30, 2023	<u>\$ (12,255,274)</u>	<u>\$ (12,258,125)</u>	<u>\$ 6,426,170</u>	<u>\$ 18,684,295</u>

See accompanying note to budgetary comparison schedules.

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Navajo County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2023

**Note 1 - Budgeting and Budgetary Control**

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

The County prepares its budget on the same modified accrual basis of accounting used to record actual revenues and expenditures. In addition, the County budgets its expenditures by function.

The County has adopted budgets in accordance with A.R.S. requirements for the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds, with the exception of the County School Superintendent's (CSS) Special Revenue Fund. In accordance with A.R.S. §15-301(C), the CSS is designated as a local education agency (LEA). Expenditures for the LEA for an accommodation school, juvenile detention education, special education services, and unorganized territory transportation are not included in the adopted budget of the County's Board of Supervisors.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department. For the fiscal year ended June 30, 2023, the Board of Supervisors elected to appropriate transfers between departments.

**Note 2 - Budgetary Basis of Accounting**

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the indirect costs were budgeted in transfers in and out.

The following schedule reconciles the excess/(deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances to the budgetary comparison schedules:

	<b>General Fund</b>	<b>Public Works/ HURF Fund</b>
Excess/(deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 7,080,303	\$ 2,281,804
Indirect costs budgeted in transfers in/(out)	<u>(2,442,429)</u>	<u>1,361,678</u>
Excess of revenues over expenditures from the Budgetary comparison schedules	<u>\$ 4,637,874</u>	<u>\$ 3,643,482</u>

Navajo County  
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 Notes to Budgetary Comparison Schedules  
 June 30, 2023

Note 3 - Expenditures in Excess of Appropriations

For the year ended June 30, 2023, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<b>Fund/Department</b>	<b>Excess</b>
General Fund	
Elections	\$ 26,362
State Cost Shifts	9,467
Fleet Management	3,673
County Attorney	244,716
Show Low Justice Court	403
Kayenta Justice Court	1,629
Show Low Constable	3,490
Sheriff	3,888

The excesses were primarily the result of unexpected expenditures or expenditures made as a result of unanticipated revenues, or both. When departments exceed their annual budget, the County closely monitors departmental spending and discusses the overage with the departments in subsequent budget meetings with the County Manager and Finance.

Specifically, the County experienced higher than anticipated costs in the Elections Department, State Cost Shifts Department and the County Attorney's Office. The Elections Department experienced additional costs related to mandatory recounts of election results due to close margins between candidates and/or proposals. In the State Cost Shifts Department, the Courts experienced higher than anticipated participants in the state mandated Restoration To Competency Program where defendants, who do not meet the court's competency requirements and are therefore unable to stand trial, receive behavioral health and education services. The County Attorney's Office experienced additional costs related to trials that caused increases to professional services for contracted attorneys and specialists, medical evaluations, and related travel.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
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June 30, 2023

**Arizona State Retirement System**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
County's proportion of the net pension liability	0.18%	0.19%	0.17%	0.17%	0.19%
County's proportionate share of the net pension liability	\$ 29,827,226	\$ 24,335,772	\$ 29,702,865	\$ 25,433,978	\$ 26,385,347
County's covered payroll	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928	\$ 18,654,163
County's proportionate share of the net pension liability as a percentage of its covered payroll	137.16%	125.22%	158.56%	138.35%	141.44%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%

**Arizona State Retirement System**

	Reporting fiscal year (measurement date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
County's proportion of the net pension liability	0.20%	0.21%	0.21%	0.21%	Information not available
County's proportionate share of the net pension liability	\$ 31,575,151	\$ 33,707,260	\$ 32,861,924	\$ 30,957,928	
County's covered payroll	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464	\$ 18,778,977	
County's proportionate share of the net pension liability as a percentage of its covered payroll	156.86%	173.49%	169.39%	164.85%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
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June 30, 2023

**Corrections Officer Retirement Plan - Administrative  
Office of the Courts**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
County's proportion of the net pension liability	1.40%	1.24%	1.14%	1.11%	1.17%
County's proportionate share of the net pension liability	\$ 6,244,650	\$ 4,585,636	\$ 5,456,853	\$ 4,673,477	\$ 4,207,648
County's covered payroll	\$ 1,630,693	\$ 1,453,650	\$ 1,371,917	\$ 1,335,653	\$ 1,378,621
County's proportionate share of the net pension liability as a percentage of its covered payroll	382.94%	315.46%	397.75%	349.90%	305.21%
Plan fiduciary net position as a percentage of the total pension liability	57.52%	62.53%	50.07%	51.99%	53.72%

**Corrections Officer Retirement Plan - Administrative  
Office of the Courts**

	Reporting fiscal year (measurement date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
County's proportion of the net pension liability	1.62%	1.74%	1.69%	1.74%	Information not available
County's proportionate share of the net pension liability	\$ 6,507,694.00	\$ 4,896,487.00	\$ 4,108,278.00	\$ 3,902,859.00	
County's covered payroll	\$ 1,941,447.00	\$ 1,891,207.00	\$ 1,879,552.00	\$ 1,854,011.00	
County's proportionate share of the net pension liability as a percentage of its covered payroll	335.20%	258.91%	218.58%	210.51%	
Plan fiduciary net position as a percentage of the total pension liability	49.21%	54.81%	57.89%	58.59%	

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
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**Elected Officials Retirement Plan**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
County's proportion of the net pension liability	2.12%	2.25%	2.20%	2.19%	2.01%
County's proportionate share of the net pension liability	\$ 14,330,204	\$ 13,682,358	\$ 14,873,919	\$ 14,526,649	\$ 12,680,743
State's proportionate share of the net pension liability associated with the County	<u>1,395,296</u>	<u>1,375,299</u>	<u>1,413,648</u>	<u>1,365,355</u>	<u>2,172,763</u>
Total	<u>\$ 15,725,500</u>	<u>\$ 15,057,657</u>	<u>\$ 16,287,567</u>	<u>\$ 15,892,004</u>	<u>\$ 14,853,506</u>
County's covered payroll	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585	\$ 1,840,513
County's proportionate share of the net pension liability as a percentage of its covered payroll	840.25%	823.30%	848.00%	826.51%	688.98%
Plan fiduciary net position as a percentage of the total pension liability	32.01%	36.28%	29.80%	30.14%	30.36%

**Elected Officials Retirement Plan**

	Reporting fiscal year (measurement date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
County's proportion of the net pension liability	1.87%	1.87%	1.82%	1.84%	Information not available
County's proportionate share of the net pension liability	\$ 22,771,521	\$ 17,665,320	\$ 14,226,251	\$ 12,307,206	Information not available
State's proportionate share of the net pension liability associated with the County	<u>4,726,116</u>	<u>3,647,430</u>	<u>4,435,153</u>	<u>3,773,504</u>	
Total	<u>\$ 27,497,637</u>	<u>\$ 21,312,750</u>	<u>\$ 18,661,404</u>	<u>\$ 16,080,710</u>	
County's covered payroll	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376	\$ 1,704,339	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1365.08%	1152.95%	917.01%	722.11%	
Plan fiduciary net position as a percentage of the total pension liability	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

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Schedule of Changes in the County's  
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**PSPRS Sheriff**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
Total pension liability					
Service cost	\$ 326,886	\$ 302,169	\$ 374,653	\$ 426,220	\$ 383,988
Interest on the total pension liability	1,473,291	1,437,966	1,426,339	1,331,926	1,289,848
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	185,741	26,778	(234,756)	860,339	(19,932)
Changes of assumptions or other inputs	378,709			331,691	
Benefit payments, including refunds of employee contributions	(1,235,991)	(1,379,462)	(1,289,493)	(1,427,957)	(1,211,042)
Net change in total pension liability	1,128,636	387,451	276,743	1,522,219	442,862
Total pension liability—beginning	20,473,176	20,085,725	19,808,982	18,286,763	17,843,901
Total pension liability—ending (a)	<u>\$ 21,601,812</u>	<u>\$ 20,473,176</u>	<u>\$ 20,085,725</u>	<u>\$ 19,808,982</u>	<u>\$ 18,286,763</u>
Plan fiduciary net position					
Contributions—employer	\$ 14,996,717	\$ 1,454,668	\$ 1,347,673	\$ 1,203,208	\$ 785,359
Contributions—employee	161,812	155,529	153,158	198,531	215,008
Net investment income	(726,640)	1,859,271	82,461	326,870	381,885
Benefit payments, including refunds of employee contributions	(1,235,991)	(1,379,462)	(1,289,493)	(1,427,957)	(1,211,042)
Administrative expense	(13,010)	(8,610)	(6,722)	(6,666)	(6,512)
Other changes				(12,693)	(64,550)
Net change in plan fiduciary net position	13,182,888	2,081,396	287,077	281,293	100,148
Plan fiduciary net position—beginning	8,681,796	6,600,400	6,313,323	6,032,030	5,932,062
Plan fiduciary net position—ending (b)	<u>\$ 21,864,684</u>	<u>\$ 8,681,796</u>	<u>\$ 6,600,400</u>	<u>\$ 6,313,323</u>	<u>\$ 6,032,210</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ (262,872)</u>	<u>\$ 11,791,380</u>	<u>\$ 13,485,325</u>	<u>\$ 13,495,659</u>	<u>\$ 12,254,553</u>
Plan fiduciary net position as a percentage of the total pension liability	101.22%	42.41%	32.86%	31.87%	32.99%
Covered payroll	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322	\$ 2,402,346
County's net pension liability as a percentage of covered payroll	(9.81)%	414.01%	525.69%	530.84%	510.11%

See accompanying notes to pension plan schedules.



Navajo County  
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June 30, 2023

**PSPRS Sheriff**

	Reporting fiscal year (measurement date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					
Service cost	\$ 499,570	\$ 468,580	\$ 397,350	\$ 426,843	Information not available
Interest on the total pension liability	1,260,137	1,327,262	1,309,258	1,092,844	
Change of benefit terms	304,021	(615,741)		586,447	
Differences between expected and actual experience in the measurement of the pension liability	(794,648)	(777,000)	(377,151)	(668,752)	
Changes of assumptions or other inputs	607,986	641,504		2,472,745	
Benefit payments, including refunds of employee contributions	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)	
Net change in total pension liability	706,656	(117,122)	219,746	2,742,791	
Total pension liability - beginning	17,137,245	17,254,367	17,034,621	14,291,830	
Total pension liability - ending (a)	<u>17,843,901</u>	<u>17,137,245</u>	<u>17,254,367</u>	<u>17,034,621</u>	
Plan fiduciary net position					
Contributions-employer	\$ 1,047,332	\$ 1,205,254	\$ 790,385	\$ 691,037	
Contributions-employee	262,773	295,080	261,993	233,105	
Net investment income	633,913	31,020	191,904	675,189	
Benefit payments, including refunds of employee contributions	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)	
Administrative expense	(6,009)	(4,864)	(5,044)	(5,438)	
Other changes	(324,969)	(215,557)	(114,224)	(8,622)	
Net change in plan fiduciary net position	442,630	149,206	15,303	417,935	
Plan fiduciary net position - beginning	5,489,432	5,340,226	5,324,923	4,906,988	
Plan fiduciary net position - ending (b)	<u>5,932,062</u>	<u>5,489,432</u>	<u>5,340,226</u>	<u>5,324,923</u>	
County's net pension (asset)/liability - ending (a)-(b)	<u>11,911,839</u>	<u>11,647,813</u>	<u>11,914,141</u>	<u>11,709,698</u>	
Plan fiduciary net position as a percentage of the total pension liability	33.24%	32.03%	30.95%	31.26%	
Covered payroll	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037	\$ 2,242,753	
County's net position liability as a percentage of covered payroll	481.18%	472.53%	503.76%	522.11%	

See accompanying notes to pension plan schedules.

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**PSPRS Attorney Investigators**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
Total pension liability					
Service cost					
Interest on the total pension liability	\$ 42,031	\$ 41,752	\$ 41,397	\$ 40,883	\$ 40,340
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	2,272	794	1,435	928	4,599
Changes of assumptions or other inputs	14,426			10,018	
Benefit payments, including refunds of employee contributions	(39,105)	(38,338)	(37,587)	(36,849)	(38,355)
Net change in total pension liability	19,624	4,208	5,245	14,980	6,584
Total pension liability—beginning	595,326	591,118	585,873	570,893	564,309
Total pension liability—ending (a)	<u>\$ 614,950</u>	<u>\$ 595,326</u>	<u>\$ 591,118</u>	<u>\$ 585,873</u>	<u>\$ 570,893</u>
Plan fiduciary net position					
Contributions—employer	\$ 47,500	\$ 73,408	\$ -	\$ 75,959	\$ 72,028
Contributions—employee					
Net investment income	(1,651)	25,904	1,650	6,765	6,364
Benefit payments, including refunds of employee contributions	(39,105)	(38,338)	(37,587)	(36,849)	(38,355)
Administrative expense	(31)	(129)	(135)	(1,118)	(797)
Other changes		-	-		1
Net change in plan fiduciary net position	6,713	60,845	(36,072)	44,757	39,241
Plan fiduciary net position—beginning	132,718	71,873	107,945	101,909	62,668
Plan fiduciary net position—ending (b)	<u>\$ 139,431</u>	<u>\$ 132,718</u>	<u>\$ 71,873</u>	<u>\$ 146,666</u>	<u>\$ 101,909</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ 475,519</u>	<u>\$ 462,608</u>	<u>\$ 519,245</u>	<u>\$ 439,207</u>	<u>\$ 468,984</u>
Plan fiduciary net position as a percentage of the total pension liability	22.67%	22.29%	12.16%	25.03%	17.85%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
County's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to pension plan schedules.

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**PSPRS Attorney Investigators**

	Reporting fiscal year (measurement date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension cost					
Service Cost	\$ -	\$ -	\$ -	\$ -	Information not available
Interest on the total pension liability	38,673	44,961	40,906	30,804	
Changes of benefit terms	10,560	(78,488)		28,416	
Difference between expected and actual experience in the measurement of the pension liability	325	(13,833)	6,616	1,839	
Changes of assumptions or other inputs	16,836	25,702	(392,840)	535,143	
Benefit payments, including refunds of employee contributions	<u>(35,451)</u>	<u>(35,451)</u>	<u>(35,451)</u>	<u>(34,741)</u>	
Net change in total pension liability	30,943	(57,109)	(380,769)	561,461	
Total pension liability - beginning	<u>533,366</u>	<u>590,475</u>	<u>971,244</u>	<u>409,783</u>	
Total pension liability - ending (a)	<u><u>564,309</u></u>	<u><u>533,366</u></u>	<u><u>590,475</u></u>	<u><u>971,244</u></u>	
Plan fiduciary net position					
Contributions - employer	\$ 38,721	\$ 65,456	\$ 20,181	\$ -	
Contributions - employee					
Net investment income	8,673	390	744	6,765	
Benefit payments, including refunds of employee contributions	(35,451)	(35,451)	(35,451)	(34,741)	
Administrative expense	(477)	(456)	(308)	(54)	
Other changes	<u>1</u>	<u>(1)</u>	<u>(37)</u>		
Net change in plan fiduciary net position	11,467	29,938	(14,871)	(28,030)	
Plan fiduciary net position - beginning	<u>51,201</u>	<u>21,263</u>	<u>36,134</u>	<u>64,164</u>	
Plan fiduciary net position - ending (b)	<u><u>62,668</u></u>	<u><u>51,201</u></u>	<u><u>21,263</u></u>	<u><u>36,134</u></u>	
County's net pension (asset)/liability - ending (a) - (b)	<u><u>501,641</u></u>	<u><u>482,165</u></u>	<u><u>569,212</u></u>	<u><u>935,110</u></u>	
Plan fiduciary net position as a percentage of the total pension liability	11.11%	9.60%	3.60%	3.72%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	
County's net position liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	

See accompanying notes to pension plan schedules.

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**CORP Detention**

	Reporting fiscal year (measurement date)				
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)
Total pension liability					
Service cost	\$ 132,842	\$ 141,175	\$ 196,443	\$ 250,314	\$ 288,583
Interest on the total pension liability	445,390	427,194	400,261	380,744	388,051
Changes of benefit terms					(221,437)
Differences between expected and actual experience in the measurement of the pension liability	(80,150)	(41,095)	144,499	(18,530)	(259,089)
Changes of assumptions or other inputs	69,224			158,339	
Benefit payments, including refunds of employee contributions	(231,191)	(308,165)	(325,831)	(432,464)	(369,299)
Net change in total pension liability	336,115	219,109	415,372	338,403	(173,191)
Total pension liability—beginning	6,083,985	5,864,876	5,449,504	5,111,101	5,284,292
Total pension liability—ending (a)	<u>\$ 6,420,100</u>	<u>\$ 6,083,985</u>	<u>\$ 5,864,876</u>	<u>\$ 5,449,504</u>	<u>\$ 5,111,101</u>
Plan fiduciary net position					
Contributions—employer	\$ 2,192,207	\$ 223,776	\$ 134,522	\$ 174,388	\$ 147,102
Contributions—employee	71,575	80,074	84,963	112,339	134,290
Net investment income	(237,085)	1,059,634	111,991	208,336	253,700
Benefit payments, including refunds of employee contributions	(231,191)	(308,165)	(325,831)	(432,464)	(369,299)
Administrative expense	(4,333)	(4,916)	(4,334)	(4,418)	(4,538)
Other changes	(9,754)	-	(18,201)	(13,107)	12,725
Net change in plan fiduciary net position	1,781,419	1,050,403	(16,890)	45,074	173,980
Plan fiduciary net position—beginning	4,951,321	3,900,918	3,917,808	3,872,734	3,698,754
Plan fiduciary net position—ending (b)	<u>\$ 6,732,740</u>	<u>\$ 4,951,321</u>	<u>\$ 3,900,918</u>	<u>\$ 3,917,808</u>	<u>\$ 3,872,734</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ (312,640)</u>	<u>\$ 1,132,664</u>	<u>\$ 1,963,958</u>	<u>\$ 1,531,696</u>	<u>\$ 1,238,367</u>
Plan fiduciary net position as a percentage of the total pension liability	104.87%	81.38%	66.51%	71.89%	75.77%
Covered payroll	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926	\$ 1,508,678
County's net pension liability as a percentage of covered payroll	(22.04)%	69.56%	133.67%	99.92%	82.08%

See accompanying notes to pension plan schedules.

Navajo County  
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**CORP Detention**

	Reporting fiscal year				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension cost					
Service cost	\$ 243,603	\$ 226,516	\$ 229,853	\$ 262,381	Information not available
Interest on the total pension liability	321,690	307,215	301,883	298,329	
Changes of benefit terms	693,192	9,571		35,245	
Difference between expected and actual experience in the measurement of the pension liability	(89,958)	(31,895)	(93,870)	(414,141)	
Changes of assumptions or other inputs	107,452	160,139		240,204	
Benefit payments, including refunds of employee contributions	<u>(318,158)</u>	<u>(290,765)</u>	<u>(445,789)</u>	<u>(275,163)</u>	
Net change in total pension liability	957,821	380,781	(7,923)	146,855	
Total pension liability - beginning	<u>4,326,471</u>	<u>3,945,690</u>	<u>3,953,613</u>	<u>3,806,758</u>	
Total pension liability - ending (a)	<u><u>5,284,292</u></u>	<u><u>4,326,471</u></u>	<u><u>3,945,690</u></u>	<u><u>3,953,613</u></u>	
Plan fiduciary net position					
Contributions - employer	\$ 139,477	\$ 137,367	\$ 123,062	\$ 142,344	
Contributions - employee	139,124	130,513	137,233	141,818	
Net investment income	392,801	19,994	120,952	417,329	
Benefit payments, including refunds of employee contributions	(318,158)	(290,765)	(445,789)	(275,163)	
Administrative expense	(3,836)	(3,227)	(3,354)	(3,281)	
Other changes	<u>62,915</u>	<u>(10,869)</u>	<u>9,359</u>	<u>(82,179)</u>	
Net change in plan fiduciary net position	412,323	(16,987)	(58,537)	340,868	
Plan fiduciary net position - beginning	3,286,431	3,303,418	3,361,955	3,021,087	
Plan fiduciary net position - ending (b)	<u><u>3,698,754</u></u>	<u><u>3,286,431</u></u>	<u><u>3,303,418</u></u>	<u><u>3,361,955</u></u>	
County's net pension (asset)/liability - ending (a) - (b)	<u><u>1,585,538</u></u>	<u><u>1,040,040</u></u>	<u><u>642,272</u></u>	<u><u>591,658</u></u>	
Plan fiduciary net position as a percentage of the total pension liability	70.00%	75.96%	83.72%	85.04%	
Covered payroll	1,668,947	1,572,955	1,632,100	1,726,328	
County's net position liability as a percentage of covered payroll	95.00%	66.12%	39.35%	34.27%	

See accompanying notes to pension plan schedules.

**Navajo County**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2023**

**Arizona State Retirement System**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 2,859,272	\$ 2,601,822	\$ 2,264,136	\$ 2,136,505	\$ 2,052,532	\$ 2,028,064	\$ 2,171,922	\$ 2,128,972	\$ 2,098,505	\$ 2,009,012
County's contributions in relation to the statutorily required contribution	<u>2,859,272</u>	<u>2,601,822</u>	<u>2,264,136</u>	<u>2,136,505</u>	<u>2,052,532</u>	<u>2,028,064</u>	<u>2,171,922</u>	<u>2,128,972</u>	<u>2,098,505</u>	<u>2,009,012</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 23,906,608	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464	\$ 18,778,977
County's contributions as a percentage of covered payroll	11.96%	11.96%	11.65%	11.41%	11.16%	10.87%	10.79%	10.96%	10.82%	10.70%

**Corrections Officer Retirement  
Plan—Administrative Office of the  
Courts**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 744,971	\$ 592,247	\$ 488,203	\$ 414,800	\$ 417,492	\$ 294,854	\$ 379,356	\$ 367,198	\$ 279,677	\$ 267,905
County's contributions in relation to the statutorily required contribution	<u>744,971</u>	<u>592,247</u>	<u>488,203</u>	<u>414,800</u>	<u>417,492</u>	<u>294,854</u>	<u>379,356</u>	<u>367,198</u>	<u>279,677</u>	<u>267,905</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,160,887	\$ 1,630,693	\$ 1,453,850	\$ 1,371,917	\$ 1,335,653	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207	\$ 1,879,552	\$ 1,854,011
County's contributions as a percentage of covered payroll	34.48%	36.32%	33.58%	30.24%	31.26%	21.39%	19.54%	19.42%	14.88%	14.45%

**Elected Officials Retirement Plan**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,179,390	\$ 973,678	\$ 1,020,900	\$ 1,005,663	\$ 1,012,544	\$ 370,491	\$ 363,340	\$ 355,627	\$ 364,573	\$ 394,725
County's contributions in relation to the statutorily required contribution	<u>1,179,390</u>	<u>973,678</u>	<u>1,020,900</u>	<u>1,005,663</u>	<u>915,902</u>	<u>34,325</u>	<u>363,340</u>	<u>355,627</u>	<u>364,573</u>	<u>394,725</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,642</u>	<u>\$ 336,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,785,101	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376	\$ 1,704,339
County's contributions as a percentage of covered payroll	66.07%	57.09%	61.43%	57.34%	52.11%	1.86%	21.78%	23.21%	23.50%	23.16%

See accompanying notes to pension plan schedules.

**Navajo County**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2023**

**PSPRS Sheriff**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 254,832	\$ 877,285	\$ 1,517,162	\$ 1,369,168	\$ 1,187,010	\$ 1,039,891	\$ 1,091,146	\$ 1,214,475	\$ 784,719	\$ 692,113
County's contributions in relation to the actuarially determined contribution	254,832	14,996,717	1,517,162	1,369,168	1,187,010	780,780	1,091,146	1,214,475	784,719	692,113
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (14,119,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,458,605	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322	\$ 2,402,346	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037	\$ 2,242,753
County's contributions as a percentage of covered payroll	10.36%	559.39%	53.27%	53.37%	46.69%	32.50%	44.08%	49.27%	33.18%	30.86%

**PSPRS Attorney Investigators**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 51,714	\$ 36,122	\$ 37,286	\$ 37,382	\$ 37,238	\$ 33,307	\$ 38,721	\$ 35,878	\$ 49,759	\$ -
County's contributions in relation to the actuarially determined contribution	51,714	36,122	37,286	37,382	37,238	33,307	38,721	35,878	49,759	-
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**CORP Detention**

	Reporting fiscal year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 48,659	\$ 177,357	\$ 270,796	\$ 134,564	\$ 182,970	\$ 151,162	\$ 144,735	\$ 138,748	\$ 123,060	\$ 146,738
County's contributions in relation to the actuarially determined contribution	48,659	2,242,845	270,796	134,564	182,970	151,162	144,735	138,748	123,060	146,738
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2,065,488)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 923,323	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926	\$ 1,508,678	\$ 1,668,947	\$ 1,572,955	\$ 1,632,100	\$ 1,726,328
County's contributions as a percentage of covered payroll	5.27%	158.09%	16.63%	9.16%	11.94%	10.02%	8.67%	8.82%	7.54%	8.50%

See accompanying notes to pension plan schedules.

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Navajo County  
 Required Supplementary Information  
 Notes to Pension Plan Schedules  
 June 30, 2023

Note 1 - Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 2 years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2021 actuarial valuation	15 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

Navajo County  
Required Supplementary Information  
Notes to Pension Plan  
Schedules June 30, 2023

Note 2 - Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, CORP-AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-, CORP-, and CORP-AOC-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-, CORP-, and CORP-AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 for both PSPRS and EORP and 2019 for only EORP.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

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# Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds



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Navajo County  
Nonmajor Governmental Funds  
June 30, 2023

**Special Revenue Funds**

<b>Administration</b>	Accounts for administration of a variety of programs including the Assessor, Recorder and Treasurer surcharges, election services and certain emergency service functions. Funding sources include service related surcharges, federal and state grant funds, fees and local government contributions.
<b>County Attorney</b>	Accounts for various programs administered by the County Attorney including Victim's Rights, Assistance and Restitution, Child Support Enforcement, Anti-Racketeering, High-Intensity Drug Trafficking Area and Bad Check Enforcement. Funding sources include statutory fees and other surcharges related to criminal prosecution, federal and state grants and other user fees.
<b>Courts</b>	Accounts for the processing of criminal cases as well as court enhancement and record retention improvement funds. Funding sources include statutory fees and other surcharges related to the courts.
<b>Environmental and Conservation</b>	Accounts for forest health and energy conservation programs. Funding is provided by federal grants.
<b>Flood Control District</b>	Accounts for flood control facilities and regulates floodplains and drainage to prevent flooding of property in Navajo County. Funding is provided by secondary property taxes.
<b>Library District</b>	Accounts for support services and materials provided to the County's community libraries. Funding sources include federal and state grants and a secondary property tax levy.
<b>Probation</b>	Accounts for Adult and Juvenile Probation programs and services provided in coordination with the State's Superior Court System. Funding sources include state grants and fees paid by probationers.
<b>Public Defense</b>	Accounts for the public defense of criminal cases including public defense enhancement funds. Funding sources include statutory fees and other surcharges related to public defense.
<b>Public Health</b>	Accounts for a variety of health service and education programs including Bio-Terrorism, Women, Infants and Children (WIC), Nutrition, Tobacco, Dental and infectious and contagious diseases. Funding sources include a secondary property tax levy, federal and state grants, appropriations, fees and private party contributions.
<b>Recreation District</b>	Accounts for operating costs of the White Mountain Lake Recreation District. Funding sources are fees and secondary property taxes assessed the benefiting property owners within the district boundaries.

**Navajo County**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

<b>Sheriff's Office</b>	Accounts for various jail and law enforcement programs including Jail Enhancement, Drug Enforcement, Anti-Racketeering, High-Intensity Drug Trafficking Area and Boating Safety. Funding sources include federal and state grants.
<b>Special Districts</b>	Accounts for operating costs for the Silver Creek, Bucking Horse, Victory Heights, Hilltop Drive, Mountain View and North Whistle Stop Loop County Road Improvement Districts. Funding sources are secondary property taxes assessed the benefiting property owners within the district boundaries.
<b>Superintendent of Schools</b>	Accounts for educational services and programs including the Navajo County Accommodation District, juvenile detention Hope School, Special Services Consortium and unorganized school district territory. Funding sources include federal and state grants and charges for services from local school districts.
<b>Workforce Innovation and Opportunity Act (WIOA)</b>	Accounts for administration of the federal Workforce Innovation and Opportunity Act (WIOA) program. Funding is from federal grants.

**Debt Service Funds**

<b>Special Districts</b>	Accounts for the accumulation of resources for the payment of principal and interest on bonds and other debt instruments of the Sutter Drive, Scott's Pine Tract A, Shumway Road and Bucking Horse Improvement Districts. Funding sources are secondary property taxes assessed the benefiting property owners within the district boundaries.
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Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

Special Revenue

	Administration	County Attorney	Courts	Environmental and Conservation
<b>Assets</b>				
Cash and investments	\$ 1,354,523	\$ 2,425,219	\$ 2,483,193	\$ 931,094
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable	871	1,244		
Special assessments				
Due from:				
Other funds		32,907	84,507	
Other governments	141,330	97,234	63,663	
Total assets	<u>\$ 1,496,724</u>	<u>\$ 2,556,604</u>	<u>\$ 2,631,363</u>	<u>\$ 931,094</u>
<b>Liabilities</b>				
Accounts payable	\$ 19,129	\$ 92,972	\$ 917	\$ 3,000
Accrued payroll and employee benefits	3,129	14,286	3,964	3,102
Due to:				
Other funds	1,474	3,641	9,696	
Other governments	871	629	1,411	25,056
Total liabilities	<u>24,603</u>	<u>111,528</u>	<u>15,988</u>	<u>31,158</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental	84,495	2,806		
Total deferred inflows of resources	<u>84,495</u>	<u>2,806</u>		
<b>Fund balances</b>				
Restricted	983,600	2,837,123	2,561,440	899,936
Assigned	404,026		53,935	
Unassigned (Deficit)		(394,853)		
Total fund balances	<u>1,387,626</u>	<u>2,442,270</u>	<u>2,615,375</u>	<u>899,936</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,496,724</u>	<u>\$ 2,556,604</u>	<u>\$ 2,631,363</u>	<u>\$ 931,094</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

Special Revenue

	Flood Control District	Library District	Probation	Public Defense
<b>Assets</b>				
Cash and investments	\$ 9,502,794	\$ 259,871	\$ 641,283	\$ 243,268
Receivables (net of allowance for uncollectibles):				
Property taxes	67,666	31,129		
Accounts receivable				
Special assessments				
Due from:				
Other funds				9,696
Other governments		229		2,892
Total assets	<u>\$ 9,570,460</u>	<u>\$ 291,229</u>	<u>\$ 641,283</u>	<u>\$ 255,856</u>
<b>Liabilities</b>				
Accounts payable	\$ 32,476	\$ 36,506	\$ 29,653	\$ 9,339
Accrued payroll and employee benefits	4,592	11,279	28,592	
Due to:				
Other funds	2,568	15,412	9,854	
Other governments	45,664	121	12,104	8
Total liabilities	<u>85,300</u>	<u>63,318</u>	<u>80,203</u>	<u>9,347</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	49,665	24,442		
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental				
Total deferred inflows of resources	<u>49,665</u>	<u>24,442</u>		
<b>Fund balances</b>				
Restricted	9,435,495	204,200	628,152	246,509
Assigned				
Unassigned (Deficit)		(731)	(67,072)	
Total fund balances	<u>9,435,495</u>	<u>203,469</u>	<u>561,080</u>	<u>246,509</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,570,460</u>	<u>\$ 291,229</u>	<u>\$ 641,283</u>	<u>\$ 255,856</u>

(continued)



Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue			
	Public Health	Recreation District	Sheriff's Office	Special Districts
<b>Assets</b>				
Cash and investments	\$ 1,523,415	\$ 234,016	\$ 2,114,837	\$ 761,066
Receivables (net of allowance for uncollectibles):				
Property taxes	78,713			
Accounts receivable	77,698			
Special assessments		25,292		1,624
Due from:				
Other funds	1,474		4,426	
Other governments	1,995,994		127,678	
Total assets	<u>\$ 3,677,294</u>	<u>\$ 259,308</u>	<u>\$ 2,246,941</u>	<u>\$ 762,690</u>
<b>Liabilities</b>				
Accounts payable	\$ 127,969	\$ 8,421	\$ 71,534	\$ 9,112
Accrued payroll and employee benefits	1,409		10,387	
Due to:				
Other funds	106,515			
Other governments	7,481		21,570	
Total liabilities	<u>243,374</u>	<u>8,421</u>	<u>103,491</u>	<u>9,112</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	61,977			
Unavailable revenue-special assessments		15,545		1,152
Unavailable revenue-intergovernmental	1,667,019			
Total deferred inflows of resources	<u>1,728,996</u>	<u>15,545</u>		<u>1,152</u>
<b>Fund balances</b>				
Restricted	3,271,333	235,342	2,171,077	759,363
Assigned				
Unassigned (Deficit)	<u>(1,566,409)</u>	<u>235,342</u>	<u>(27,627)</u>	<u>(6,937)</u>
Total fund balances	<u>1,704,924</u>	<u>235,342</u>	<u>2,143,450</u>	<u>752,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,677,294</u>	<u>\$ 259,308</u>	<u>\$ 2,246,941</u>	<u>\$ 762,690</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Superintendent of Schools	Workforce Innovation & Opportunity Act	Special Districts	
<b>Assets</b>				
Cash and investments	\$ 1,026,963	\$ 2,501	\$ 121,730	\$ 23,625,773
Receivables (net of allowance for uncollectibles):				
Property taxes				177,508
Accounts receivable	9,977			89,790
Special assessments			17	26,933
Due from:				
Other funds				133,010
Other governments		314,875		2,743,895
Total assets	\$ 1,036,940	\$ 317,376	\$ 121,747	\$ 26,796,909
<b>Liabilities</b>				
Accounts payable		\$ 128,523		\$ 569,551
Accrued payroll and employee benefits	\$ 1,285			82,025
Due to:				
Other funds		196,736		345,896
Other governments		1,229		116,144
Total liabilities	1,285	326,488		1,113,616
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				136,084
Unavailable revenue-special assessments			\$ 17	16,714
Unavailable revenue-intergovernmental				1,754,320
Total deferred inflows of resources			17	1,907,118
<b>Fund balances</b>				
Restricted	1,299,031	72,912	121,730	25,727,243
Assigned				457,961
Unassigned (Deficit)	(263,376)	(82,024)		(2,409,029)
Total fund balances	1,035,655	(9,112)	121,730	23,776,175
Total liabilities, deferred inflows of resources and fund balances	\$ 1,036,940	\$ 317,376	\$ 121,747	\$ 26,796,909

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

Special Revenue

	Administration	County Attorney	Courts	Environmental and Conservation
Revenues:				
Property taxes				
Special assessments				
Licenses and permits				
Fines and forfeits		\$ 121,052	\$ 40,521	
Intergovernmental	\$ 540,369	873,008	891,053	\$ 286,000
Charges for services	120,344	106,215	602,691	
Investment earnings	34,533	51,513	40,501	15,752
Contributions	1,000			
Miscellaneous	139,942	12,822	84,137	
Total revenues	<u>836,188</u>	<u>1,164,610</u>	<u>1,658,903</u>	<u>301,752</u>
Expenditures:				
Current:				
General government	112,552	1,422,273	888,285	
Public Safety	196,628	46,785	325,001	
Highways and streets				
Health and welfare	234,995			
Culture and recreation				
Education and economic opportunity	36,479			
Environmental and conservation	85,419			224,550
Debt Service:				
Principal				
Interest and other charges				
Capital Outlay	65,591		5,301	
Total expenditures	<u>731,664</u>	<u>1,469,058</u>	<u>1,218,587</u>	<u>224,550</u>
Excess (deficiency) of revenues over expenditures	<u>104,524</u>	<u>(304,448)</u>	<u>440,316</u>	<u>77,202</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	823,067	95,853	325,143	
Transfers out	(102,326)	(27,471)	(132,513)	(2,203)
Total other financing sources (uses)	<u>720,741</u>	<u>68,382</u>	<u>192,630</u>	<u>(2,203)</u>
Net change in fund balances	825,265	(236,066)	632,946	74,999
Fund balances, July 1, 2022	<u>562,361</u>	<u>2,678,336</u>	<u>1,982,429</u>	<u>824,937</u>
Fund balances, June 30, 2023	<u>\$ 1,387,626</u>	<u>\$ 2,442,270</u>	<u>\$ 2,615,375</u>	<u>\$ 899,936</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue			
	Flood Control District	Library District	Probation	Public Defense
Revenues:				
Property taxes	\$ 1,965,286	\$ 828,333		
Special assessments				
Licenses and permits				
Fines and forfeits				
Intergovernmental	963	119,140	\$ 2,204,122	\$ 29,730
Charges for services			393,644	
Investment earnings	(113,093)	7,995	12,071	5,716
Contributions				
Miscellaneous	2,874	36,166		
Total revenues	<u>1,856,030</u>	<u>991,634</u>	<u>2,609,837</u>	<u>35,446</u>
Expenditures:				
Current:				
General government				123,685
Public Safety			2,485,240	
Highways and streets				
Health and welfare				
Culture and recreation		952,330		
Education and economic opportunity				
Environmental and conservation	978,014			
Debt Service:				
Principal				1,416
Interest and other charges				53
Capital Outlay		45,635	16,149	
Total expenditures	<u>978,014</u>	<u>997,965</u>	<u>2,501,389</u>	<u>125,154</u>
Excess (deficiency) of revenues over expenditures	<u>878,016</u>	<u>(6,331)</u>	<u>108,448</u>	<u>(89,708)</u>
Other financing sources (uses):				
Sale of capital assets	2,026	2,550		
Transfers in			3,101	57,854
Transfers out	(6,975)	(26,062)	(62,829)	(367)
Total other financing sources (uses)	<u>(4,949)</u>	<u>(23,512)</u>	<u>(59,728)</u>	<u>57,487</u>
Net change in fund balances	873,067	(29,843)	48,720	(32,221)
Fund balances, July 1, 2022	<u>8,562,428</u>	<u>233,312</u>	<u>512,360</u>	<u>278,730</u>
Fund balances, June 30, 2023	<u>\$ 9,435,495</u>	<u>\$ 203,469</u>	<u>\$ 561,080</u>	<u>\$ 246,509</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue			
	Public Health	Recreation District	Sheriff's Office	Special Districts
Revenues:				
Property taxes	\$ 2,072,748			
Special assessments		\$ 177,434		\$ 44,747
Licenses and permits	162,330			
Fines and forfeits	300		\$ 50,833	
Intergovernmental	2,590,525		2,544,083	
Charges for services	27,955		32,483	
Investment earnings	73,248	4,739	28,465	4,314
Contributions	85,065			
Miscellaneous	157,369	7,817	210,486	
Total revenues	<u>5,169,540</u>	<u>189,990</u>	<u>2,866,350</u>	<u>49,061</u>
Expenditures:				
Current:				
General government				
Public Safety			2,114,457	
Highways and streets				40,678
Health and welfare	4,960,912			
Culture and recreation		172,108		
Education and economic opportunity				
Environmental and conservation				
Debt Service:				
Principal	3,006			
Interest and other charges	23			
Capital Outlay	46,355		32,251	
Total expenditures	<u>5,010,296</u>	<u>172,108</u>	<u>2,146,708</u>	<u>40,678</u>
Excess (deficiency) of revenues over expenditures	<u>159,244</u>	<u>17,882</u>	<u>719,642</u>	<u>8,383</u>
Other financing sources (uses):				
Sale of capital assets	3,495			
Transfers in	436,964			
Transfers out	<u>(206,155)</u>		<u>(9,180)</u>	
Total other financing sources (uses)	<u>234,304</u>		<u>(9,180)</u>	
Net change in fund balances	393,548	17,882	710,462	8,383
Fund balances, July 1, 2022	<u>1,311,376</u>	<u>217,460</u>	<u>1,432,988</u>	<u>744,043</u>
Fund balances, June 30, 2023	<u>\$ 1,704,924</u>	<u>\$ 235,342</u>	<u>\$ 2,143,450</u>	<u>\$ 752,426</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue		Debt Service	Total Nonmajor Governmental Funds
	Superintendent of Schools	Workforce Innovation & Opportunity Act	Special Districts	
Revenues:				
Property taxes				\$ 4,866,367
Special assessments				222,181
Licenses and permits				162,330
Fines and forfeits				212,706
Intergovernmental	\$ 2,707,840	\$ 1,156,134		13,942,967
Charges for services				1,283,332
Investment earnings	(19,076)		\$ 2,560	149,238
Contributions				86,065
Miscellaneous	411,460			1,063,073
Total revenues	3,100,224	1,156,134	2,560	21,988,259
Expenditures:				
Current:				
General government				2,546,795
Public Safety				5,168,111
Highways and streets				40,678
Health and welfare				5,195,907
Culture and recreation				1,124,438
Education and economic opportunity	3,813,611	1,078,864		4,928,954
Environmental and conservation				1,287,983
Debt Service:				
Principal				4,422
Interest and other charges				76
Capital Outlay				211,282
Total expenditures	3,813,611	1,078,864		20,508,646
Excess (deficiency) of revenues over expenditures	(713,387)	77,270	2,560	1,479,613
Other financing sources (uses):				
Sale of capital assets				8,071
Transfers in				1,741,982
Transfers out		(4,406)		(580,487)
Total other financing sources (uses)		(4,406)		1,169,566
Net change in fund balances	(713,387)	72,864	2,560	2,649,179
Fund balances, July 1, 2022	1,749,042	(81,976)	119,170	21,126,996
Fund balances, June 30, 2023	\$ 1,035,655	\$ (9,112)	\$ 121,730	\$ 23,776,175

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Administration  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 2,721,470	\$ 2,721,470	\$ 540,369	\$ (2,181,101)
Charges for services	165,500	165,500	120,344	(45,156)
Investment earnings	4,500	4,500	34,533	30,033
Contributions			1,000	1,000
Miscellaneous	1,000,000	1,000,000	139,942	(860,058)
Total revenues	<u>3,891,470</u>	<u>3,891,470</u>	<u>836,188</u>	<u>(3,055,282)</u>
<b>Expenditures:</b>				
General government	4,923,209	4,944,104	112,552	4,831,552
Public safety	20,000	20,000	196,628	(176,628)
Health and welfare			234,995	(234,995)
Education and economic opportunity			36,479	(36,479)
Environmental and conservation			85,419	(85,419)
Capital Outlay	314,071	314,071	65,591	248,480
Total expenditures	<u>5,257,280</u>	<u>5,278,175</u>	<u>731,664</u>	<u>4,546,511</u>
Excess (deficiency) of revenues over expenditures	<u>(1,365,810)</u>	<u>(1,386,705)</u>	<u>104,524</u>	<u>1,491,229</u>
<b>Other financing sources (uses):</b>				
Transfers in			823,067	823,067
Transfers out	(23,150)	(23,150)	(102,326)	(79,176)
Total other financing sources (uses)	<u>(23,150)</u>	<u>(23,150)</u>	<u>720,741</u>	<u>743,891</u>
Net change in fund balances	(1,388,960)	(1,409,855)	825,265	2,235,120
Fund balances, July 1, 2022	562,361	562,361	562,361	
Fund balances, June 30, 2023	<u>\$ (826,599)</u>	<u>\$ (847,494)</u>	<u>\$ 1,387,626</u>	<u>\$ 2,235,120</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - County Attorney  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 232,025	\$ 232,025	\$ 121,052	\$ (110,973)
Intergovernmental	1,183,632	1,183,632	873,008	(310,624)
Charges for services	3,270	3,270	106,215	102,945
Investment earnings	5,400	5,400	51,513	46,113
Miscellaneous	270,050	270,050	12,822	(257,228)
Total revenues	<u>1,694,377</u>	<u>1,694,377</u>	<u>1,164,610</u>	<u>(529,767)</u>
<b>Expenditures:</b>				
General government	4,441,406	4,523,359	1,422,273	3,101,086
Public safety	60,541	60,541	46,785	13,756
Capital Outlay	262,550	262,550		262,550
Total expenditures	<u>4,764,497</u>	<u>4,846,450</u>	<u>1,469,058</u>	<u>3,377,392</u>
Excess (deficiency) of revenues over expenditures	<u>(3,070,120)</u>	<u>(3,152,073)</u>	<u>(304,448)</u>	<u>2,847,625</u>
<b>Other financing sources (uses):</b>				
Transfers in	84,457	84,457	95,853	11,396
Transfers out	(12,600)	(12,600)	(27,471)	(14,871)
Total other financing sources (uses)	<u>71,857</u>	<u>71,857</u>	<u>68,382</u>	<u>(3,475)</u>
Net change in fund balances	(2,998,263)	(3,080,216)	(236,066)	2,844,150
Fund balances, July 1, 2022	2,678,336	2,678,336	2,678,336	
Fund balances, June 30, 2023	<u>\$ (319,927)</u>	<u>\$ (401,880)</u>	<u>\$ 2,442,270</u>	<u>\$ 2,844,150</u>



Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Courts  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines and forfeits	\$ 32,466	\$ 32,466	\$ 40,521	\$ 8,055
Intergovernmental	497,914	497,914	891,053	393,139
Charges for services	588,900	588,900	602,691	13,791
Investment earnings	1,700	1,700	40,501	38,801
Miscellaneous	54,000	54,000	84,137	30,137
Total revenues	<u>1,174,980</u>	<u>1,174,980</u>	<u>1,658,903</u>	<u>483,923</u>
Expenditures:				
General government	2,873,051	2,960,430	888,285	2,072,145
Public safety	147,283	270,616	325,001	(54,385)
Capital Outlay	192,547	192,547	5,301	187,246
Total expenditures	<u>3,212,881</u>	<u>3,423,593</u>	<u>1,218,587</u>	<u>2,205,006</u>
Excess (deficiency) of revenues over expenditures	<u>(2,037,901)</u>	<u>(2,248,613)</u>	<u>440,316</u>	<u>2,688,929</u>
Other financing sources (uses):				
Transfers in	512,341	512,341	325,143	(187,198)
Transfers out	(342,206)	(342,206)	(132,513)	209,693
Total other financing sources (uses)	<u>170,135</u>	<u>170,135</u>	<u>192,630</u>	<u>22,495</u>
Net change in fund balances	(1,867,766)	(2,078,478)	632,946	2,711,424
Fund balances, July 1, 2022	1,982,429	1,982,429	1,982,429	
Fund balances, June 30, 2023	<u>\$ 114,663</u>	<u>\$ (96,049)</u>	<u>\$ 2,615,375</u>	<u>\$ 2,711,424</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Environmental and Conservation  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 286,000	\$ 286,000	\$ 286,000	\$
Investment earnings	3,000	3,000	15,752	12,752
Total revenues	<u>289,000</u>	<u>289,000</u>	<u>301,752</u>	<u>12,752</u>
Expenditures:				
General government	1,149,035	1,149,035		1,149,035
Environmental and conservation			224,550	(224,550)
Capital Outlay	5,000	5,000		5,000
Total expenditures	<u>1,154,035</u>	<u>1,154,035</u>	<u>224,550</u>	<u>929,485</u>
Excess (deficiency) of revenues over expenditures	<u>(865,035)</u>	<u>(865,035)</u>	<u>77,202</u>	<u>942,237</u>
Other financing sources (uses):				
Transfers out			(2,203)	(2,203)
Total other financing sources (uses)			<u>(2,203)</u>	<u>(2,203)</u>
Net change in fund balances	(865,035)	(865,035)	74,999	940,034
Fund balances, July 1, 2022	824,937	824,937	824,937	
Fund balances, June 30, 2023	<u>\$ (40,098)</u>	<u>\$ (40,098)</u>	<u>\$ 899,936</u>	<u>\$ 940,034</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Flood Control District  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 1,968,954	\$ 1,968,954	\$ 1,965,286	\$ (3,668)
Intergovernmental			963	963
Investment earnings	82,909	82,909	(113,093)	(196,002)
Miscellaneous			2,874	2,874
Total revenues	<u>2,051,863</u>	<u>2,051,863</u>	<u>1,856,030</u>	<u>(195,833)</u>
Expenditures:				
Environmental and conservation	1,396,218	1,396,218	750,432	645,786
Capital Outlay	8,639,915	8,639,915		8,639,915
Total expenditures	<u>10,036,133</u>	<u>10,036,133</u>	<u>750,432</u>	<u>9,285,701</u>
Excess (deficiency) of revenues over expenditures	<u>(7,984,270)</u>	<u>(7,984,270)</u>	<u>1,105,598</u>	<u>9,089,868</u>
Other financing sources (uses):				
Sale of capital assets			2,026	2,026
Transfers out	(227,582)	(227,582)	(234,557)	(6,975)
Total other financing sources (uses)	<u>(227,582)</u>	<u>(227,582)</u>	<u>(232,531)</u>	<u>(4,949)</u>
Net change in fund balances	(8,211,852)	(8,211,852)	873,067	9,084,919
Fund balances, July 1, 2022	8,562,428	8,562,428	8,562,428	
Fund balances, June 30, 2023	<u>\$ 350,576</u>	<u>\$ 350,576</u>	<u>\$ 9,435,495</u>	<u>\$ 9,084,919</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Library District  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 828,799	\$ 828,799	\$ 828,333	\$ (466)
Intergovernmental	48,500	48,500	119,140	70,640
Investment earnings	700	700	7,995	7,295
Miscellaneous	10,301	10,301	36,166	25,865
Total revenues	<u>888,300</u>	<u>888,300</u>	<u>991,634</u>	<u>103,334</u>
<b>Expenditures:</b>				
Culture and recreation	577,155	608,432	673,040	(64,608)
Capital Outlay	112,370	112,370	45,635	66,735
Total expenditures	<u>689,525</u>	<u>720,802</u>	<u>718,675</u>	<u>2,127</u>
Excess (deficiency) of revenues over expenditures	<u>198,775</u>	<u>167,498</u>	<u>272,959</u>	<u>105,461</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			2,550	2,550
Transfers out	<u>(279,290)</u>	<u>(279,290)</u>	<u>(305,352)</u>	<u>(26,062)</u>
Total other financing sources (uses)	<u>(279,290)</u>	<u>(279,290)</u>	<u>(302,802)</u>	<u>(23,512)</u>
Net change in fund balances	(80,515)	(111,792)	(29,843)	81,949
Fund balances, July 1, 2022	233,312	233,312	233,312	
Fund balances, June 30, 2023	<u>\$ 152,797</u>	<u>\$ 121,520</u>	<u>\$ 203,469</u>	<u>\$ 81,949</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Probation  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,279,749	\$ 2,279,749	\$ 2,204,122	\$ (75,627)
Charges for services	321,600	321,600	393,644	72,044
Investment earnings	1,815	1,815	12,071	10,256
Total revenues	<u>2,603,164</u>	<u>2,603,164</u>	<u>2,609,837</u>	<u>6,673</u>
Expenditures:				
Public safety	3,099,763	3,261,406	2,485,240	776,166
Capital Outlay			16,149	(16,149)
Total expenditures	<u>3,099,763</u>	<u>3,261,406</u>	<u>2,501,389</u>	<u>760,017</u>
Excess (deficiency) of revenues over expenditures	<u>(496,599)</u>	<u>(658,242)</u>	<u>108,448</u>	<u>766,690</u>
Other financing sources (uses):				
Transfers in			3,101	3,101
Transfers out			(62,829)	(62,829)
Total other financing sources (uses)			<u>(59,728)</u>	<u>(59,728)</u>
Net change in fund balances	(496,599)	(658,242)	48,720	706,962
Fund balances, July 1, 2022	512,360	512,360	512,360	
Fund balances, June 30, 2023	<u>\$ 15,761</u>	<u>\$ (145,882)</u>	<u>\$ 561,080</u>	<u>\$ 706,962</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Defense  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 29,730	\$ 13,730
Investment earnings	800	800	5,716	4,916
Total revenues	<u>16,800</u>	<u>16,800</u>	<u>35,446</u>	<u>18,646</u>
Expenditures:				
General government	276,706	289,353	123,685	165,668
Principal			1,416	(1,416)
Interest and other charges			53	(53)
Capital Outlay	<u>6,000</u>	<u>6,000</u>		<u>6,000</u>
Total expenditures	<u>282,706</u>	<u>295,353</u>	<u>125,154</u>	<u>170,199</u>
Excess (deficiency) of revenues over expenditures	<u>(265,906)</u>	<u>(278,553)</u>	<u>(89,708)</u>	<u>188,845</u>
Other financing sources (uses):				
Transfers in	35,500	35,500	57,854	22,354
Transfers out			<u>(367)</u>	<u>(367)</u>
Total other financing sources (uses)	<u>35,500</u>	<u>35,500</u>	<u>57,487</u>	<u>21,987</u>
Net change in fund balances	(230,406)	(243,053)	(32,221)	210,832
Fund balances, July 1, 2022	278,730	278,730	278,730	
Fund balances, June 30, 2023	<u>\$ 48,324</u>	<u>\$ 35,677</u>	<u>\$ 246,509</u>	<u>\$ 210,832</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Health  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 2,073,835	\$ 2,073,835	\$ 2,072,748	\$ (1,087)
Licenses and permits	115,000	115,000	162,330	47,330
Fines and forfeits			300	300
Intergovernmental	7,291,387	7,291,387	2,590,525	(4,700,862)
Charges for services	43,000	43,000	27,955	(15,045)
Investment earnings	11,109	11,109	73,248	62,139
Contributions	10,405	10,405	85,065	74,660
Miscellaneous	136,500	136,500	157,369	20,869
<b>Total revenues</b>	<u>9,681,236</u>	<u>9,681,236</u>	<u>5,169,540</u>	<u>(4,511,696)</u>
<b>Expenditures:</b>				
Health and welfare	12,021,300	12,200,544	4,387,033	7,813,511
Principal			3,006	(3,006)
Interest and other charges			23	(23)
Capital Outlay	676,007	676,007	46,355	629,652
<b>Total expenditures</b>	<u>12,697,307</u>	<u>12,876,551</u>	<u>4,436,417</u>	<u>8,440,134</u>
<b>Excess (deficiency) of     revenues     over expenditures</b>	<u>(3,016,071)</u>	<u>(3,195,315)</u>	<u>733,123</u>	<u>3,928,438</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			3,495	3,495
Transfers in	989,859	989,859	436,964	(552,895)
Transfers out	(1,496,709)	(1,496,709)	(780,034)	716,675
<b>Total other financing sources     (uses)</b>	<u>(506,850)</u>	<u>(506,850)</u>	<u>(339,575)</u>	<u>167,275</u>
<b>Net change in fund balances</b>	<u>(3,522,921)</u>	<u>(3,702,165)</u>	<u>393,548</u>	<u>4,095,713</u>
Fund balances, July 1, 2022	1,311,376	1,311,376	1,311,376	
Fund balances, June 30, 2023	<u>\$ (2,211,545)</u>	<u>\$ (2,390,789)</u>	<u>\$ 1,704,924</u>	<u>\$ 4,095,713</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Recreation District  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 175,420	\$ 175,420	\$	\$ (175,420)
Special assessments			177,434	177,434
Investment earnings	1,600	1,600	4,739	3,139
Miscellaneous	3,500	3,500	7,817	4,317
Total revenues	<u>180,520</u>	<u>180,520</u>	<u>189,990</u>	<u>9,470</u>
Expenditures:				
General government	331,520	331,520		331,520
Culture and recreation			172,108	(172,108)
Capital Outlay	3,000	3,000		3,000
Total expenditures	<u>334,520</u>	<u>334,520</u>	<u>172,108</u>	<u>162,412</u>
Net change in fund balances	(154,000)	(154,000)	17,882	171,882
Fund balances, July 1, 2022	217,460	217,460	217,460	
Fund balances, June 30, 2023	<u>\$ 63,460</u>	<u>\$ 63,460</u>	<u>\$ 235,342</u>	<u>\$ 171,882</u>



Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Sheriff's Office  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 500,000	\$ 500,000	\$ 50,833	\$ (449,167)
Intergovernmental	1,153,589	1,165,200	2,544,083	1,378,883
Charges for services	42,350	42,350	32,483	(9,867)
Investment earnings	3,315	3,315	28,465	25,150
Miscellaneous	11,080	11,080	210,486	199,406
Total revenues	<u>1,710,334</u>	<u>1,721,945</u>	<u>2,866,350</u>	<u>1,144,405</u>
<b>Expenditures:</b>				
Public safety	2,517,714	2,567,016	2,114,457	452,559
Capital Outlay	506,320	506,320	32,251	474,069
Total expenditures	<u>3,024,034</u>	<u>3,073,336</u>	<u>2,146,708</u>	<u>926,628</u>
Excess (deficiency) of revenues over expenditures	<u>(1,313,700)</u>	<u>(1,351,391)</u>	<u>719,642</u>	<u>2,071,033</u>
<b>Other financing sources (uses):</b>				
Transfers in	59,708	59,708		(59,708)
Transfers out	(59,708)	(59,708)	(9,180)	50,528
Total other financing sources (uses)	<u></u>	<u></u>	<u>(9,180)</u>	<u>(9,180)</u>
Net change in fund balances	(1,313,700)	(1,351,391)	710,462	2,061,853
Fund balances, July 1, 2022	1,432,988	1,432,988	1,432,988	
Fund balances, June 30, 2023	<u>\$ 119,288</u>	<u>\$ 81,597</u>	<u>\$ 2,143,450</u>	<u>\$ 2,061,853</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Special Districts  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$	\$	\$ 44,747	\$ 44,747
Investment earnings	225	225	4,314	4,089
Miscellaneous	25,000	25,000		(25,000)
Total revenues	<u>25,225</u>	<u>25,225</u>	<u>49,061</u>	<u>23,836</u>
Expenditures:				
General government	656,475	656,475		656,475
Highways and streets	144,400	144,400	40,678	103,722
Total expenditures	<u>800,875</u>	<u>800,875</u>	<u>40,678</u>	<u>760,197</u>
Net change in fund balances	(775,650)	(775,650)	8,383	784,033
Fund balances, July 1, 2022	744,043	744,043	744,043	
Fund balances, June 30, 2023	<u>\$ (31,607)</u>	<u>\$ (31,607)</u>	<u>\$ 752,426</u>	<u>\$ 784,033</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Workforce Innovation and Opportunity Act (WIOA)  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,737,575	\$ 2,737,575	\$ 1,156,134	\$ (1,581,441)
Total revenues	<u>2,737,575</u>	<u>2,737,575</u>	<u>1,156,134</u>	<u>(1,581,441)</u>
Expenditures:				
Education and economic opportunity	2,737,575	2,737,575	1,078,864	1,658,711
Total expenditures	<u>2,737,575</u>	<u>2,737,575</u>	<u>1,078,864</u>	<u>1,658,711</u>
Excess (deficiency) of revenues over expenditures			<u>77,270</u>	<u>77,270</u>
Other financing sources (uses):				
Transfers out			(4,406)	(4,406)
Total other financing sources (uses)			<u>(4,406)</u>	<u>(4,406)</u>
Net change in fund balances			72,864	72,864
Fund balances, July 1, 2022	(81,976)	(81,976)	(81,976)	
Fund balances, June 30, 2023	<u>\$ (81,976)</u>	<u>\$ (81,976)</u>	<u>\$ (9,112)</u>	<u>\$ 72,864</u>

Navajo County  
 Budgetary Comparison Schedule  
 Debt Service - Special Districts  
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	2,560	\$ 2,560
Total revenues			2,560	2,560
Expenditures:				
Interest and other charges	109,801	109,801		109,801
Total expenditures	109,801	109,801		109,801
Net change in fund balances	(109,801)	(109,801)	2,560	112,361
Fund balances, July 1, 2022	119,170	119,170	119,170	
Fund balances, June 30, 2023	\$ 9,369	\$ 9,369	\$ 121,730	\$ 112,361

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# Combining and Individual Fund Statements

Fiduciary Funds



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Navajo County, Arizona  
Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
June 30, 2023

<u>Assets</u>	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
Cash and investments	\$ 104,739	\$ 1,805,711	\$ 1,910,450
Total assets	<u>\$ 104,739</u>	<u>\$ 1,805,711</u>	<u>\$ 1,910,450</u>
<b><u>Net Position</u></b>			
Restricted for:			
Individuals, organizations, and other governments	\$ 104,739	\$ 1,805,711	\$ 1,910,450
Total Net Position	<u>\$ 104,739</u>	<u>\$ 1,805,711</u>	<u>\$ 1,910,450</u>

Navajo County, Arizona  
Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
For the Year Ended June 30, 2023

	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b><u>Additions</u></b>			
Investment earnings	\$ 1,440	\$ 24,628	\$ 26,068
Other	13,122	1,988,080	2,001,202
Total additions	<u>\$ 14,562</u>	<u>\$ 2,012,708</u>	<u>\$ 2,027,270</u>
<b><u>Deductions</u></b>			
Other	<u>\$ 9,364</u>	<u>\$ 1,472,860</u>	<u>\$ 1,482,224</u>
Total deductions	<u>\$ 9,364</u>	<u>\$ 1,472,860</u>	<u>\$ 1,482,224</u>
Change in net position	\$ 5,198	\$ 539,848	\$ 545,046
Net position as restated, July 1, 2022	<u>\$ 99,541</u>	<u>\$ 1,265,863</u>	<u>\$ 1,365,404</u>
Net position, June 30, 2023	<u><u>\$ 104,739</u></u>	<u><u>\$ 1,805,711</u></u>	<u><u>\$ 1,910,450</u></u>



Navajo County  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2023

	External Investment Pool					Other			
	School Districts	Community College District	Fire Districts	Other Governmental Entities	Total External Investment Pool	Property Tax Collection	Special Purpose	Non-County External Bank Accounts	Total Other
<b>Assets</b>									
Cash and investments	\$ 160,926,072	\$ 69,088,588	\$ 8,916,885	\$ 12,939,748	\$ 251,871,293	\$ 120,190	\$ 761,133	\$ 1,138,987	\$ 2,020,310
Property tax receivable for other governments						2,885,739			\$ 2,885,739
Interest receivable	543,828	227,956	29,421	42,694	843,899				\$ -
Total assets	<u>\$ 161,469,900</u>	<u>\$ 69,316,544</u>	<u>\$ 8,946,306</u>	<u>\$ 12,982,442</u>	<u>\$ 252,715,192</u>	<u>\$ 3,005,929</u>	<u>\$ 761,133</u>	<u>\$ 1,138,987</u>	<u>\$ 4,906,049</u>
<b>Liabilities</b>									
Property tax payable to other governments						120,190			\$ 120,190
Total liabilities						<u>\$ 120,190</u>			<u>\$ 120,190</u>
<b>Net Position</b>									
Restricted for:									
Pool Participants	\$ 161,469,900	\$ 69,316,544	\$ 8,946,306	\$ 12,982,442	\$ 252,715,192				
Individuals, organizations and other governments						\$ 2,885,739	\$ 761,133	\$ 1,138,987	\$ 4,785,859
Total net position	<u>\$ 161,469,900</u>	<u>\$ 69,316,544</u>	<u>\$ 8,946,306</u>	<u>\$ 12,982,442</u>	<u>\$ 252,715,192</u>	<u>\$ 2,885,739</u>	<u>\$ 761,133</u>	<u>\$ 1,138,987</u>	<u>\$ 4,785,859</u>

Navajo County  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

	External Investment Pool					Other			
	School Districts	Community College District	Fire Districts	Other Governmental Entities	Total External Investment Pool	Property Tax Collection	Special Purpose	Non-County External Bank Accounts	Total Other
<b>Additions:</b>									
Contributions from pool participants	\$ 284,841,414	\$ 16,113,014	\$ 20,135,954	\$ 1,690,565	\$ 322,780,947				
Property tax collections for other governments						\$ 74,852,965			\$ 74,852,965
Fines and fees collections for other governments							\$ 1,799,201		1,799,201
Fines and fees collections for victims								\$ 1,853,131	1,853,131
Investment earnings	3,358,359	1,529,655	218,333	316,833	5,423,180		18,021		18,021
Inmate collections								1,072,979	1,072,979
Other							1,193,844	3,537,460	4,731,304
<b>Total additions</b>	<u>\$ 288,199,773</u>	<u>\$ 17,642,669</u>	<u>\$ 20,354,287</u>	<u>\$ 2,007,398</u>	<u>\$ 328,204,127</u>	<u>\$ 74,852,965</u>	<u>\$ 3,011,066</u>	<u>\$ 6,463,570</u>	<u>\$ 84,327,601</u>
<b>Deductions:</b>									
Distributions to pool participants	\$ 282,793,252	\$ 24,000,000	\$ 20,536,267	\$ 1,484,815	\$ 328,814,334				
Property tax distributions to other governments						\$ 74,790,911			\$ 74,790,911
Fines and fees distributions to other governments							\$ 1,794,067		1,794,067
Restitution and reimbursement payments to victims								\$ 2,077,493	2,077,493
Payments to inmates								1,090,461	1,090,461
Other							1,088,523	3,501,578	4,590,101
<b>Total deductions</b>	<u>\$ 282,793,252</u>	<u>\$ 24,000,000</u>	<u>\$ 20,536,267</u>	<u>\$ 1,484,815</u>	<u>\$ 328,814,334</u>	<u>\$ 74,790,911</u>	<u>\$ 2,882,590</u>	<u>\$ 6,669,532</u>	<u>\$ 84,343,033</u>
 Change in net position	\$ 5,406,521	\$ (6,357,331)	\$ (181,980)	\$ 522,583	\$ (610,207)	\$ 62,054	\$ 128,476	\$ (205,962)	\$ (15,432)
Net position, July 1, 2022	\$ 156,063,379	\$ 75,673,875	\$ 9,128,286	\$ 12,459,859	\$ 253,325,399	\$ 2,823,685	\$ 632,657	\$ 1,344,949	\$ 4,801,291
Net position, June 30, 2023	<u>\$ 161,469,900</u>	<u>\$ 69,316,544</u>	<u>\$ 8,946,306</u>	<u>\$ 12,982,442</u>	<u>\$ 252,715,192</u>	<u>\$ 2,885,739</u>	<u>\$ 761,133</u>	<u>\$ 1,138,987</u>	<u>\$ 4,785,859</u>

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# Statistical Section



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## Navajo County Listing of Statistical Information

This part of the Navajo County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

**Financial Trends** - Schedules on pages 129 through 135

Financial trend schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity** - Schedules on pages 136 through 139

Revenue capacity schedules present information to help the reader assess the County's most significant revenue sources.

**Debt Capacity** - Schedules on pages 140 through 144

Debt Capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.

**Demographic and Economic Information** - Schedules on pages 145 through 147

Demographic and Economic information schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

**Operating Information** - Schedules on pages 148 through 150

Operating information schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

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Navajo County  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 62,616,821	\$ 60,649,846	\$ 59,210,246	\$ 56,729,385	\$ 55,036,226
Restricted	24,056,612	23,521,625	24,226,548	27,519,091	29,179,272
Unrestricted	4,454,331	(51,230,312)	(53,540,230)	(57,988,587)	(62,383,097)
Total governmental activities net position	<u>\$ 91,127,764</u>	<u>\$ 32,941,159</u>	<u>\$ 29,896,564</u>	<u>\$ 26,259,889</u>	<u>\$ 21,832,401</u>

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental activities:					
Net investment in capital assets	\$ 53,427,360	\$ 53,427,360	\$ 52,683,191	\$ 51,907,432	\$ 52,411,535
Restricted	31,085,279	38,510,287	48,074,074	53,477,095	64,937,552
Unrestricted (deficit)	(47,979,330)	(38,070,575)	(30,263,514)	(15,495,861)	(16,566,282)
Total governmental activities net position	<u>\$ 36,533,309</u>	<u>\$ 53,867,072</u>	<u>\$ 70,493,751</u>	<u>\$ 89,888,666</u>	<u>\$ 100,782,805</u>

\* Capital assets were restated for reclassification of capitalized feasibility study costs on Winslow Levee to non-capitalized expenses in fiscal year 2019.

**Navajo County**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses:</b>				
General government	\$ 22,213,348	\$ 31,968,411	\$ 29,716,664	\$ 32,717,374
Public safety (Note 2)	17,393,343	17,313,998	17,562,220	18,067,230
Highways and streets	9,534,493	11,190,411	12,008,267	10,710,700
Health and welfare	8,039,343	7,956,284	8,350,410	8,362,293
Culture and recreation	694,108	665,292	798,683	790,379
Education and economic opportunity	6,190,399	5,669,487	5,479,786	4,297,521
Environmental and conservation	329,829	211,478	247,622	303,270
Urban redevelopment and housing	365,994	73,852	16,887	165,114
Interest on long-term debt	487,808	802,936	503,684	461,083
Total governmental activities expenses	<u>65,248,665</u>	<u>75,852,149</u>	<u>74,684,223</u>	<u>75,874,964</u>
<b>Program Revenues:</b>				
Charges for services:				
General government	3,537,721	5,079,224	5,400,182	4,780,321
Public Safety	919,746	1,390,048	1,549,821	1,285,569
Highway and streets	252,982	100,758	432,421	330,585
Health and welfare	329,602	274,262	333,306	319,505
Culture and recreation			166,881	151,137
Education and economic opportunity				
Operating grants and contributions:				
General government	2,700,852	3,613,033	3,945,966	3,794,242
Public Safety	3,976,671	3,715,424	4,911,950	4,571,216
Highway and streets				
Health and welfare	2,820,717	2,898,998	2,770,719	2,901,048
Culture and recreation	149,666	128,945	61,754	68,388
Education and economic opportunity	5,266,695	4,488,394	5,034,340	3,450,856
Environmental and conservation	534,722	411,987	364,692	317,752
Urban redevelopment and housing	376,628	62,860	10,000	458,825
Capital grants and contributions:				
General government				67,306
Public Safety				
Highway and streets	9,565,055	11,431,446	11,571,167	12,173,466
Total governmental activities program revenues	<u>30,431,057</u>	<u>33,595,379</u>	<u>36,553,199</u>	<u>34,670,216</u>
Net (Expense) Revenue	\$ (34,817,608)	\$ (42,256,770)	\$ (38,131,024)	\$ (41,204,748)
<b>General Revenues:</b>				
Property taxes	\$ 11,704,948	\$ 12,536,351	\$ 12,531,782	\$ 12,131,695
Special assessments (see Note 1)	542,526	507,456		
General county sales tax	6,667,433	6,674,867	6,365,510	6,534,686
Jail District sales tax				
State shared revenues	12,773,729	12,964,950	13,125,229	13,730,314
Payment in lieu of taxes	1,538,954	1,406,936	1,547,382	1,532,361
Grants and contributions not restricted to specific programs				
Investment earnings	453,017	195,437	165,384	164,425
Capital contributions			6,980	
Gain on disposal of capital assets	96,640	35,974	2,995	9,600
Miscellaneous	1,455,607	1,072,052	1,341,167	1,666,058
Transfers				
Total general revenues and transfers	<u>35,232,854</u>	<u>35,394,023</u>	<u>35,086,429</u>	<u>35,769,139</u>
Change in net position - governmental activities	<u>\$ 415,246</u>	<u>\$ (6,862,747)</u>	<u>\$ (3,044,595)</u>	<u>\$ (5,435,609)</u>

Note 1: The County reclassified special assessments revenue from general revenue to program revenue beginning in FY 2016.

Note 2: The County reclassified capitalized feasibility study costs on Winslow Levee to non-capitalized expenses in FY 2019.



Navajo County  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	33,836,072	\$	19,039,794	\$	19,717,997	\$	24,839,724	\$	26,497,535	\$	30,563,995
	19,657,838		15,006,970		17,389,682		19,619,517		21,839,924		28,134,944
	11,773,357		13,019,136		13,428,606		13,900,151		16,552,646		15,056,390
	8,079,274		6,998,047		7,867,404		9,408,467		9,689,676		9,416,303
	781,287		834,993		906,722		821,881		907,761		1,146,242
	5,042,013		3,896,117		4,702,040		6,069,282		5,604,230		5,450,107
	417,465		330,778		261,874		1,066,890		1,198,343		1,286,833
	-		-		27,500		471,100		-		-
	426,770		388,013		349,744		357,988		617,969		682,246
	<u>80,014,076</u>		<u>59,513,848</u>		<u>64,651,569</u>		<u>76,555,000</u>		<u>82,908,084</u>		<u>91,737,060</u>
	4,848,807		4,842,304		5,788,697		7,474,687		6,528,177		7,568,664
	1,261,016		1,422,243		1,055,010		293,119		1,472,456		886,758
	206,020		107,296		70,358		80,575		44,625		89,767
	224,395		190,212		190,946		288,338		280,752		4,961,756
	156,091		158,428		156,658		174,077		175,081		175,323
					36,000		-		2,750		5,500
	4,230,956		2,782,852		3,155,642		3,928,599		8,800,566		6,782,450
	5,433,481		4,269,967		4,642,893		8,072,282		8,775,763		6,296,661
	11,947,902		13,648,124		12,669,984		14,525,824		14,888,939		14,581,083
	2,857,321		1,717,238		6,543,708		2,649,620		2,627,282		4,390,519
	22,532		73,000		64,161		41,656		78,432		117,682
	4,262,294		3,488,160		4,207,895		4,929,666		5,701,539		3,877,212
	430,922		416,520		398,455		337,458		475,789		327,759
					48,639		471,100		-		-
	5,000		10,000		26,831		-		-		25,886
	34,303		154,479		67,749		24,741		41,583		18,414
			32,890		30,900		-		-		1,101,881
	<u>35,921,040</u>		<u>33,313,713</u>		<u>39,154,526</u>		<u>43,291,742</u>		<u>49,893,734</u>		<u>51,207,315</u>
\$	(44,093,036)	\$	(26,200,135)	\$	(25,497,043)	\$	(33,263,258)	\$	(33,014,350)	\$	(40,529,745)
\$	13,004,998	\$	13,061,068	\$	13,179,014	\$	13,223,643	\$	13,124,301	\$	12,882,855
	7,381,671		7,792,310		7,597,916		8,292,941		9,056,104		9,564,103
					2,228,059		5,415,411		5,932,721		6,282,128
	15,105,931		16,037,990		15,984,931		18,732,156		19,684,742		19,867,795
	1,644,973		1,653,023		1,680,097		1,664,719		1,754,614		1,828,337
	264,616		598,634		839,212		714,866		460,644		(896,791)
	127,321		81,300		81,469		14,689		77,291		36,887
	1,668,273		1,572,144		1,344,682		1,891,512		2,307,214		1,858,570
	<u>39,197,783</u>		<u>40,796,469</u>		<u>42,935,380</u>		<u>49,949,937</u>		<u>52,397,631</u>		<u>51,423,884</u>
\$	<u>(4,895,253)</u>	\$	<u>14,596,334</u>	\$	<u>17,438,337</u>	\$	<u>16,686,679</u>	\$	<u>19,383,281</u>	\$	<u>10,894,139</u>

Navajo County  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General fund				
Nonspendable				\$ 900,000
Restricted	\$ 437,220	\$ 1,273,833	\$ 1,612,513	
Assigned	2,331,597	2,836,408	2,535,860	2,734,436
Unassigned	3,482,808	3,544,712	3,523,261	4,884,457
Total general fund	<u>\$ 6,251,625</u>	<u>\$ 7,654,953</u>	<u>\$ 7,671,634</u>	<u>\$ 8,518,893</u>
All other governmental funds				
Nonspendable	\$ 1,114,772	\$ 991,663	\$ 619,596	\$ 919,164
Restricted	26,720,572	22,055,581	23,119,737	24,928,694
Committed				
Assigned	3,288,638	2,552,485	966,610	2,182,636
Unassigned	(1,048,472)	(1,686,672)	(210,456)	(2,394,741)
Total all other governmental funds	<u>\$ 30,075,510</u>	<u>\$ 23,913,057</u>	<u>\$ 24,495,487</u>	<u>\$ 25,635,753</u>

(Continued)

Navajo County  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 896,025	\$ 851,503	\$ 750,532	\$ 725,625	\$ -	
926,206	2,767,749	5,930,737	8,272,190	9,468,728	\$ 13,284,592
3,057,549	2,910,684	2,486,750	2,987,378	4,160,523	8,475,487
8,355,219	14,052,651	18,886,344	29,719,540	35,050,462	32,377,413
<u>\$ 13,234,999</u>	<u>\$ 20,582,587</u>	<u>\$ 28,054,363</u>	<u>\$ 41,704,733</u>	<u>\$ 48,679,713</u>	<u>\$ 54,137,492</u>
\$ 817,171	\$ 1,189,516	\$ 672,643	\$ 444,347	\$ 454,601	\$ 576,305
26,123,297	25,966,488	30,036,815	36,584,946	40,209,579	42,022,011
898,747	1,120,057	632,097	118,675	8,853,216	6,426,170
(960,780)	(1,454,759)	(690,472)	(2,679,104)	887,986	457,961
<u>\$ 26,878,435</u>	<u>\$ 26,821,302</u>	<u>\$ 30,651,083</u>	<u>\$ 34,468,864</u>	<u>\$ 46,961,047</u>	<u>\$ 47,073,418</u>

Navajo County  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues:</b>				
Property taxes	\$ 11,699,519	\$ 12,565,289	\$ 12,542,649	\$ 12,133,955
County sales taxes	6,667,433	6,674,867	6,365,510	6,534,686
Licenses and permits	606,269	522,919	604,525	567,951
Fines and forfeits	1,247,497	1,789,993	1,492,927	1,339,324
Intergovernmental	39,645,165	40,045,748	42,328,108	41,900,493
Charges for services	3,241,520	9,698,659	10,369,286	9,280,867
Investment earnings	453,017	195,437	165,384	164,425
Special assessments	518,762	491,734	485,708	488,962
Contributions	42,650	43,061	39,962	38,784
Settlements				
Miscellaneous	<u>1,455,607</u>	<u>1,072,052</u>	<u>1,341,167</u>	<u>1,666,057</u>
Total revenues	<u>65,577,439</u>	<u>73,099,759</u>	<u>75,735,226</u>	<u>74,115,504</u>
<b>Expenditures:</b>				
General government	21,296,099	27,228,792	27,475,209	29,089,321
Public safety	17,165,782	16,762,711	18,013,055	17,667,900
Highways and streets	8,446,932	10,245,789	9,949,660	9,187,604
Health and welfare	7,909,342	8,323,596	8,698,408	8,676,682
Culture and recreation	691,882	702,563	812,461	803,616
Education and economic opportunity	6,146,055	5,491,323	5,408,227	4,241,865
Environmental and conservation	347,079	223,528	266,428	322,770
Urban redevelopment and housing	365,994	73,852	16,887	165,114
Debt service:				
Principal	821,698	2,737,814	1,529,333	1,571,917
Interest and other charges	461,413	802,936	503,684	461,083
Bond Issuance Costs	75,464			
Capital outlay	<u>7,613,324</u>	<u>5,207,816</u>	<u>2,093,691</u>	<u>1,608,272</u>
Total expenditures	<u>71,341,064</u>	<u>77,800,720</u>	<u>74,767,043</u>	<u>73,796,144</u>
Excess(deficiency) of revenues over expenditures	(5,763,625)	(4,700,961)	968,183	319,360
<b>Other financing sources (uses):</b>				
Revenue bonds issued	10,625,000			
Premium on refunding bonds				
Payment to bond refunding escrow agent	(4,806,395)			
Capital lease/installment purchase agreements	488,368			101,341
Lease agreements				
Subscription-based information technology arrangements				
Special assessment bonds issued				
Sale of capital assets	98,822	64,945	2,995	14,218
Transfers in	7,753,432	5,625,009	4,218,192	4,699,294
Transfers out	<u>(7,753,432)</u>	<u>(5,625,009)</u>	<u>(4,218,192)</u>	<u>(4,699,294)</u>
Total other financing sources and uses	<u>6,405,795</u>	<u>64,945</u>	<u>2,995</u>	<u>115,559</u>
Net change in fund balances	<u>\$ 642,170</u>	<u>\$ (4,636,016)</u>	<u>\$ 971,178</u>	<u>\$ 434,919</u>

Ratio of total debt service expenditures to non-capital expenditures	2.01%	4.88%	2.80%	2.82%
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(Continued)

Navajo County  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	12,959,490	\$	13,055,634	\$	13,204,479	\$	13,375,972	\$	12,982,348	\$	12,870,462
	7,381,671		7,792,310		9,825,975		13,708,352		14,988,825		15,846,231
	379,350		649,663		666,049		1,009,632		889,154		912,675
	653,066		1,243,574		972,816		1,365,181		1,533,251		851,865
	910,721		44,787,023		48,668,351		54,361,876		62,063,879		56,556,314
	44,123,924		11,407,186		12,017,625		5,627,547		5,863,631		6,938,735
	12,076,377		598,635		839,212		714,866		460,644		(896,791)
	264,616		341,186		228,599		266,409		215,463		222,181
	50,624		35,718		19,013		629,400		619,625		86,065
											555,750
	<u>1,668,273</u>		<u>1,431,541</u>		<u>1,344,682</u>		<u>1,891,512</u>		<u>2,307,214</u>		<u>1,858,570</u>
	<u>80,468,112</u>		<u>81,342,470</u>		<u>87,786,801</u>		<u>92,950,747</u>		<u>101,924,034</u>		<u>95,802,057</u>
	28,518,557		28,044,516		26,282,745		23,232,898		25,523,776		30,794,755
	16,889,504		17,768,169		18,845,097		18,369,271		21,660,861		25,834,933
	10,160,928		11,952,348		11,106,769		10,598,751		13,450,391		11,811,915
	8,788,365		7,771,247		8,507,369		9,392,882		9,683,695		9,160,193
	839,205		900,142		933,995		807,140		892,403		1,124,482
	5,058,368		4,345,728		4,932,764		5,942,803		5,468,865		5,310,129
	441,264		361,453		284,339		1,068,040		1,199,493		1,287,983
					27,500		471,100		-		-
	1,314,262		1,328,794		1,298,229		1,285,182		1,615,275		2,070,223
	426,770		388,013		349,744		357,988		617,969		682,246
							230,601		677,335		-
	<u>2,651,159</u>		<u>1,613,870</u>		<u>3,521,344</u>		<u>3,785,024</u>		<u>2,322,614</u>		<u>3,639,085</u>
	<u>75,088,382</u>		<u>74,474,280</u>		<u>76,089,895</u>		<u>75,541,680</u>		<u>83,112,677</u>		<u>91,715,944</u>
	5,379,730		6,868,190		11,696,906		17,409,067		18,811,357		4,086,113
							9,535,000		16,560,000		-
							1,575,866		-		-
							(10,795,000)		(16,184,920)		-
	60,715								121,977		100,910
											1,180,457
	127,321		87,848		85,113		14,689		109,486		75,283
	5,882,351		3,013,881		9,144,407		7,355,356		15,265,693		6,380,048
	(5,882,351)		(3,013,881)		(9,144,407)		(7,355,356)		(15,265,693)		(6,380,048)
	<u>188,036</u>		<u>87,848</u>		<u>85,113</u>		<u>330,555</u>		<u>606,543</u>		<u>1,356,650</u>
\$	<u>5,567,766</u>	\$	<u>6,956,038</u>	\$	<u>11,782,019</u>	\$	<u>17,739,622</u>	\$	<u>19,417,900</u>	\$	<u>5,442,763</u>
	2.40%		2.36%		2.27%		2.29%		2.76%		3.02%

Navajo County  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

**PRIMARY ASSESSED VALUE**

Fiscal Year	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Assessed Value	*Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2014	513,683,811	371,638,224	18,023,142	903,345,177	1.3850	8,029,406,641	11.25%
2015	468,337,874	359,094,468	17,584,375	845,016,717	1.5615	7,573,933,720	11.16%
2016	473,702,904	344,422,319	14,676,214	832,801,437	1.5917	7,594,032,171	10.97%
2017	483,652,421	305,141,610	14,268,450	803,062,481	1.5849	7,599,284,336	10.57%
2018	503,253,916	303,982,228	13,871,612	821,107,756	1.6203	7,246,001,436	11.33%
2019	518,753,473	296,391,993	13,702,667	828,848,133	1.6223	7,391,612,457	11.21%
2020	539,795,594	297,179,363	15,665,288	852,640,245	1.5977	7,660,041,799	11.13%
2021	569,482,606	297,624,438	15,051,072	882,158,116	1.5667	8,000,295,495	11.03%
2022	595,366,397	300,496,802	15,614,890	911,478,089	1.5372	8,278,095,822	11.01%
2023	631,577,025	270,643,259	16,625,656	918,845,940	1.4738	8,539,919,964	10.76%

Source: Navajo County Assessor's office

\* Total Direct Tax Rate contains both primary and secondary tax rates.

**Navajo County  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**County Direct Rates**

Fiscal Year	Fire District Assistance		Library District	Flood Control District	Public Health District	Total Direct
	Primary	Tax				
2014	0.6995	0.1000	0.0704	0.3000	0.2151	1.3850
2015	0.8185	0.1000	0.1000	0.3000	0.2430	1.5615
2016	0.8417	0.1000	0.1000	0.3000	0.2500	1.5917
2017	0.8471	0.1000	0.1000	0.2878	0.2500	1.5849
2018	0.8903	0.1000	0.0990	0.2834	0.2476	1.6203
2019	0.8951	0.1000	0.0995	0.2788	0.2489	1.6223
2020	0.8820	0.1000	0.0980	0.2724	0.2453	1.5977
2021	0.8657	0.1000	0.0962	0.2640	0.2408	1.5667
2022	0.8501	0.1000	0.0945	0.2561	0.2365	1.5372
2023	0.8114	0.1000	0.0902	0.2465	0.2257	1.4738

**Overlapping rates**

Fiscal Year	School Equalization	School Districts	Cities	Other Special Districts	Community
					College District
2014	0.5123	2.8322-8.0000	0.2789-1.1934	0.1131-3.5500	1.4769
2015	0.5089	2.6662-8.0000	1.2831-1.2831	0.1291-3.5500	1.6610
2016	0.5054	2.8027-7.3012	1.3646-1.3646	0.1401-3.5500	1.7423
2017	0.5010	3.5669-7.3012	1.4021-1.4021	0.1401-3.5500	1.7884
2018	0.4875	3.6681-8.0000	1.4231-1.4231	0.1401-3.5500	1.8067
2019	0.4741	3.6764-7.3012	1.4123-1.4123	0.1401-3.2500	1.8164
2020	0.4566	3.7749-8.0000	0.5115-1.3916	0.1396-3.2500	1.8164
2021	0.4466	4.1276-7.3012	0.5022-1.3871	0.0500-3.2500	1.7827
2022	0.4263	4.1127-7.3012	0.4866-1.3625	0.0500-3.1874	1.7505
2023	0.0000	4.1515-7.3012	0.4854-1.3542	0.0500-3.3751	1.7505

Source: Navajo County Assessor's Office and Navajo County Finance Department.

- 1) All tax rates are per \$100 assessed valuation.
- 2) Includes both primary and secondary tax rates.

Navajo County  
Principal Property Taxpayers  
Current and Nine Years Ago

Taxpayer	2023			2014		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 105,405,238	1	11.47%	\$ 96,593,064	1	15.49%
Transwestern Pipeline Co	10,087,418	2	1.10%	12,839,040	4	1.42%
El Paso Natural Gas Company	8,507,800	3	0.93%	7,160,409	6	0.79%
Burlington Northern/Santa Fe Railway	8,506,754	4	0.93%	7,633,285	5	0.84%
Navopache Electric Co-Op Inc.	7,407,279	5	0.81%	6,417,901	7	0.71%
Unisource Energy Corporation	7,117,302	6	0.77%	3,958,786	10	0.44%
Wal-Mart Stores, Inc.	5,068,965	7	0.55%	N/A	N/A	N/A
Smith Bagley Inc.	3,506,109	8	0.38%	4,994,177	9	0.55%
Citizens Telecomm of White Mtns	3,347,658	9	0.36%	5,433,659	8	0.60%
Copperstate Farms Properties LLC	1,973,799	10	0.21%	N/A	N/A	N/A
<b>Total Principal Property Taxpayers</b>	<b>\$ 160,928,322</b>		<b>17.51%</b>	<b>\$ 145,030,321</b>		<b>20.84%</b>
<b>Total Navajo County Assessed Value</b>	<b>\$ 918,845,940</b>			<b>\$ 903,351,854</b>		

Source: Navajo County Assessor's Office for 2023 and the Navajo County, June 30, 2014 Annual Financial Report.



**Navajo County  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 6,265,198	\$ 6,070,355	96.89%	\$ 77,665	\$ 6,148,020	98.13%
2015	\$ 6,863,137	\$ 6,652,088	96.92%	\$ 91,242	\$ 6,743,330	98.25%
2016	\$ 6,986,971	\$ 6,748,980	96.59%	\$ 153,665	\$ 6,902,645	98.79%
2017	\$ 6,793,141	\$ 6,579,938	96.86%	\$ (20,864)	\$ 6,559,074	96.55%
2018	\$ 7,310,322	\$ 7,073,899	96.77%	\$ 145,284	\$ 7,219,183	98.75%
2019	\$ 7,419,020	\$ 7,198,951	97.03%	\$ 148,931	\$ 7,347,882	99.04%
2020	\$ 7,520,287	\$ 7,282,019	96.83%	\$ 208,457	\$ 7,490,476	99.60%
2021	\$ 7,636,843	\$ 7,545,805	98.81%	\$ (53,851)	\$ 7,491,954	98.10%
2022	\$ 7,748,475	\$ 7,253,446	93.61%	\$ 176,846	\$ 7,430,292	95.89%
2023	\$ 7,455,516	\$ 7,266,035	97.46%	\$ -	\$ 7,266,035	97.46%

Source: Taxes levied obtained by Navajo County Board of Supervisors Adopted Budget net of Assessor's corrections. Collections obtained from the Navajo County Treasurer.

Note: General Fund Levies and Collections Only.

(1) Changes to prior year Taxes Levied due to Board orders in the current fiscal year.

**Navajo County**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Governmental Activities

Fiscal Year	Revenue Bonds	Unamortized Premium	Special Assessment Bonds	Leases and Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2014	19,125,000	-	786,508	571,035	20,482,543	0.73	194.17
2015	16,845,000	-	573,542	326,188	17,744,730	0.61	168.13
2016	15,840,000	-	352,575	172,822	16,365,397	0.55	155.88
2017	14,660,000	-	130,000	109,821	14,899,821	0.47	141.46
2018	13,460,000	-	67,000	134,274	13,661,274	0.41	129.63
2019	12,230,000	-	-	102,480	12,332,480	0.35	116.15
2020	10,975,000	-	-	69,251	11,044,251	0.31	104.00
2021	9,535,000	1,575,867	-	34,069	11,144,936	0.27	104.35
2022	24,845,000	1,361,811	-	5,695	26,212,506	0.58	242.38
2023	23,260,000	1,108,148	-	472	24,368,620	0.53	224.28

Source: Details regarding the County's outstanding debt can be found in the notes to the financial statements

- (1) Personal income and population information can be found in the Demographic and Economic Statistics schedule.

Navajo County  
 Computation of Direct and Overlapping Debt  
 Governmental Activities - Debt Outstanding  
 June 30, 2023

	Net Debt Outstanding	Percent Applicable to Navajo County	Amount Applicable to Navajo County
<b>Governmental Activities</b>			
Pledged revenue obligations	\$ 23,260,000	100	\$ 23,260,000
Unamortized premium	1,108,148	100	1,108,148
Financed purchases and other payables	472	100	472
Total debt	\$ 24,368,620		\$ 24,368,620

NOTE: Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Navajo County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and therefore is responsible for the repayment of debt of each overlapping government.

SOURCE: Basic Financial Statements, Note 6

## Navajo County Pledged Revenue Coverage Last Ten Fiscal Years

### Pledged Revenue Obligations

Fiscal Year	County Excise Tax	State Shared Sales Tax	Less		Debt Service		Coverage Ratio
			AHCCCS/ALTCS Contributions	Net Available Revenue	Principal	Interest	
			2014	6,667,433	10,763,214	3,099,601	
2015	6,674,867	10,891,962	2,847,818	14,719,011	2,280,000	732,437	4.89
2016	6,365,510	10,874,837	2,859,803	14,380,544	1,155,000	453,330	8.94
2017	6,534,686	11,362,457	2,887,718	15,009,425	1,180,000	426,662	9.34
2018	7,381,671	12,547,093	3,010,181	16,918,583	1,200,000	401,800	10.56
2019	7,792,310	13,346,165	2,910,550	18,227,925	1,230,000	373,858	11.37
2020	7,597,916	13,222,608	3,214,078	17,606,446	1,265,000	345,154	10.93
2021	8,292,941	15,272,529	3,130,868	20,434,602	1,250,000	355,154	12.73
2022	9,056,104	16,319,123	3,620,912	21,754,315	1,585,000	428,014	10.53
2023	9,564,103	16,311,941	3,478,296	22,397,748	2,065,000	682,118	8.15

### Special Assessment Debt

Fiscal Year	Debt Service			Coverage Ratio
	Revenues	Principal	Interest	
2014	251,299	198,727	54,482	0.99
2015	231,966	212,967	43,352	0.90
2016	224,359	220,967	39,763	0.86
2017	226,853	222,575	19,690	0.94
2018	118,940	63,000	7,475	1.69
2019	82,238	67,000	3,853	1.16
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A

Source: Navajo County Finance Department

## Navajo County Legal Debt Margin Information Last Ten Fiscal Years

### Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$	918,845,940
Debt limit (15% of assessed value)		137,826,891
Debt applicable to limit:		
General obligation bonds		
Less: Amount set aside for repayment of general obligation debt		
Total net debt applicable to limit		
Legal debt margin	<u>\$</u>	<u>137,826,891</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 135,501,777	\$ 126,752,508	\$ 124,920,216	\$ 120,459,372	\$ 123,166,163
Total net debt applicable to limit					
Legal debt margin	<u>135,501,777</u>	<u>126,752,508</u>	<u>124,920,216</u>	<u>120,459,372</u>	<u>123,166,163</u>
 Total net debt applicable to the limit as a percentage of the debt	 0%	 0%	 0%	 0%	 0%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 124,327,220	\$ 127,896,037	\$ 132,323,717	\$ 136,721,713	\$ 137,826,891
Total net debt applicable to limit					
Legal debt margin	<u>124,327,220</u>	<u>127,896,037</u>	<u>132,323,717</u>	<u>136,721,713</u>	<u>137,826,891</u>
 Total net debt applicable to the limit as a percentage of the debt	 0%	 0%	 0%	 0%	 0%

Source: The legal debt limit of Navajo County is equal to 15% of the County's net secondary assessed valuation, per the Arizona Constitution, Article 9, Section 8. Assessed valuations are provided by the Navajo County Assessor.

**Navajo County**  
**General Fund Historical and Estimated Excise Tax, State Shared and Vehicle License Tax Revenues**  
**Current and Last Five Fiscal Years**

Source	Actual						Budgeted (a)
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
County General Excise Tax Revenues	\$ 7,381,671	\$ 7,792,310	\$ 7,597,916	\$ 8,292,941	\$ 9,056,104	\$ 9,564,103	\$ 9,500,000
Gross State Shared Revenues	12,547,093	13,346,165	13,222,608	15,272,529	16,319,123	16,311,941	16,600,000
Less ALTCS contribution (b)	(2,721,500)	(2,668,000)	(2,981,000)	(2,881,800)	(3,337,667)	(2,967,833)	(3,067,700)
Less AHCCCS contribution (c)	(288,681)	(242,550)	(233,078)	(249,068)	(283,245)	(510,463)	(310,800)
Net State Shared Revenues	9,536,912	10,435,615	10,008,530	12,141,661	12,698,211	12,833,645	13,221,500
Vehicle License Tax Revenue	2,547,080	2,678,078	2,762,323	\$ 3,459,627	\$ 3,365,619	\$ 3,541,124	\$ 3,500,000
PILT Revenues	1,644,973	1,653,023	1,680,097	\$ 1,664,719	\$ 1,754,614	\$ 1,828,337	\$ 1,873,600
Total Pledged Revenues	<u>\$ 21,110,636</u>	<u>\$ 22,559,026</u>	<u>\$ 22,048,866</u>	<u>\$ 25,558,948</u>	<u>\$ 26,874,548</u>	<u>\$ 27,767,209</u>	<u>\$ 28,095,100</u>

Source: Annual Comprehensive Financial Reports of the County for the years indicated and the FY24 Adopted Budget.

- (a) These are "forward looking" obtained from the FY24 Adopted Budget.
- (b) Pursuant to Section 11-292, Arizona Revised Statutes, The Treasurer of the State withholds an amount of the State Shared Revenue sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from an available State funding source.
- (c) Pursuant to Section 11-292, Arizona Revised Statutes, the County is also required to make annual appropriations for contributions to the Arizona Health Care Cost Containment System ("AHCCCS") fund. If the County does not make its contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Revenues.

Navajo County  
Demographic and Economic Statistics  
Last Ten Calendar Years

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>1</sup> (thousands of dollars)	Per Capita <sup>1</sup> Personal Income	Unemployment <sup>2</sup> Rate
2014	105,487	\$ 2,816,887	\$ 26,704	11.2
2015	105,543	\$ 2,895,102	\$ 27,431	9.6
2016	104,989	\$ 2,983,303	\$ 28,415	9.4
2017	105,331	\$ 3,137,542	\$ 29,787	7.6
2018	105,384	\$ 3,302,610	\$ 31,339	7.6
2019	106,174	\$ 3,489,921	\$ 32,870	7.9
2020	106,191	\$ 3,584,565	\$ 33,756	8.5
2021	106,802	\$ 4,114,493	\$ 38,524	9.9
2022	108,147	\$ 4,507,525	\$ 41,680	4.2
2023	108,652	\$ 4,573,815	\$ 42,096	5.5

<sup>1</sup> Population, personal income, and per capita personal income obtained from U.S. Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)).

<sup>2</sup> Unemployment data was obtained from- [www.azeconomy.org/data/navajo-county](http://www.azeconomy.org/data/navajo-county)

## Navajo County Employment by Sector Current Year and Ten Years Ago

Employment Sector (1)	2023			2014		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Government	9,645	1	34.98%	9,325	1	34.19%
Trade, Transportation, Utilities	4,923	2	17.85%	4,700	2	17.23%
Education & Health Services	4,563	3	16.54%	3,575	4	13.11%
Leisure & Hospitality	3,960	4	14.36%	3,700	3	13.57%
Mining & Construction	1,549	5	5.62%	1,625	5	5.96%
Professional & Business Services	1,364	6	4.94%	1,425	6	5.22%
Financial Activities	525	8	1.90%	700	9	2.57%
Other Services	562	7	2.04%	925	8	3.39%
Manufacturing	269	9	0.97%	150	10	0.55%
Information	224	10	0.81%	1,150	7	4.22%
<b>Total for Employment Sector</b>	<b>27,584</b>		<b>100.00%</b>	<b>27,275</b>		<b>100.00%</b>

2023 Source: Economic & Business Research Center UofA, AZ Commerce /resources, U.S. Department of Labor, Bureau of Labor Statistics.

2014 Source: FY13-14 Navajo County CAFR

(1) The number of employees for the ten (10) largest employers in the County is not available due to State of Arizona non-disclosure restrictions.



Navajo County  
Full-Time Equivalent Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year				
	2014	2015	2016	2017	2018
General government	277	278	288	266	174
Public safety	236	238	235	229	197
Highways and streets	83	91	96	72	80
Health and welfare	80	81	81	80	54
Culture and recreation	4	5	4	4	-
Total	<u>680</u>	<u>693</u>	<u>704</u>	<u>651</u>	<u>505</u>

Function	Fiscal Year				
	2019	2020	2021	2022	2023
General government	180	161	203	217	224
Public safety	188	192	169	189	187
Highways and streets	82	88	86	86	86
Health and welfare	59	61	87	71	74
Culture and recreation	-	-	0	0	0
Other	106	104	86	106	126
Total	<u>615</u>	<u>606</u>	<u>631</u>	<u>669</u>	<u>697</u>

Source: Navajo County Budget 2022-2023

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2014	2015
<b>General Government</b>		
Assessor		
Number of parcels assessed	85,752	88,306
Elections		
Elections	3	1
Number voting	8,569	685
Planning & Zoning		
Building permits issued	970	981
Public Fiduciary		
Guardianships/conservatorships	163	160
<b>Public Safety</b>		
Adult Probation		
Community service hours	36,388	33,793
Pre-sentence reports written for courts	571	828
Probationers actively supervised	1,181	1,101
Juvenile Probation		
Average length of detention (days)	10	9
Juveniles in detention	355	339
Probationers	307	297
Community restitution hours	5,252	5,093
Sheriff		
Inmate population	382	364
<b>Highways &amp; Streets</b>		
Public Works		
Crack sealing (miles)	88	102
Street resurfacing (miles)	12	30
Waste Tire Program		
Waste tires collected	52,623	47,184
<b>Health &amp; Welfare</b>		
Public Health District		
Certified copies of birth or death certificates	5,353	5,341
Childhood immunization visits	1,096	1,250
Restaurant inspections and re-inspections	483	503
<b>Culture &amp; Recreation</b>		
Library District		
Number of items circulated	378,584	368,114
Number of library cards issued (by member libraries)	14,303	13,957
Number of prints, media and electronic items	334,866	336,617
Number of items owned by Library District	34,214	32,149
<b>Education</b>		
School Superintendent		
Charter schools	6	6
Charter students	742	829
District students	17,090	17,575
School districts	11	13

Source: Navajo County departments monthly and annual performance reports

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

2016	2017	2018	2019	2020	2021	2022	2023
88,527	88,363	85,853	88,313	86,189	92,053	89,050	88,919
3	3	2	3	3	3	3	2
32,969	57,699	6,783	58,821	46,590	74,849	74,992	65,852
1,009	1,061	1,137	1,157	1,178	1,776	1,592	1,632
131	116	73	83	81	91	95	102
30,408	32,460	33,018	25,765	23,295	35,705	31,118	1,633
572	453	329	386	484	465	669	617
1,086	1,098	1,014	1,040	1,005	1,101	1,205	1,244
10	14	49	27	23	13	27	27
353	276	28	67	47	37	44	53
151	210	154	191	201	157	147	146
5,061	4,715	-	3,083	2,119	1,500	1,311	1,259
301	268	305	276	276	278	274	238
444	264	193	97	131	96.25	72.84	15.36
14	20	32	60	47	1	10.45	51
56,331	51,038	67,067	60,282	61,359	75,104	68,643	65,042
5,595	6,525	7,137	6,131	5,932	7,892	9,965	8,140
1,068	4,076	3,918	2,505	1,869	2,847	2,874	1,068
696	632	648	668	596	703	1,061	1,245
361,865	370,800	376,295	359,996	242,235	203,931	235,693	245,891
33,223	33,883	11,687	9,658	8,175	6,752	8,038	8,851
346,632	330,600	437,610	437,744	462,266	370,225	343,661	346,916
33,577	41,422	44,877	49,642	35,261	50,658	27,051	50,678
9	4	4	4	4	4	4	4
789	664	624	563	529	475	519	510
17,803	16,360	18,014	17,745	17,234	16,273	16,695	16,685
14	14	14	14	14	14	14	14

# Navajo County Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>General Government</b>											
Elections											
Voting Machines	173	173	60	60	60	60	71	96	96	113	
Superior Courts											
Divisions	4	4	4	4	4	4	4	4	4	4	
Division - Satellite	1	1	1	1	1	1	1	1	1	1	
Justice Courts	6	6	6	6	6	6	6	6	6	6	
<b>Public Safety</b>											
Sheriff											
Inmate beds available	441	438	438	438	438	438	438	438	438	438	
Jail Facilities	2	2	2	2	2	2	2	2	2	2	
Stations	0	0	0	0	0	0	0	0	0	0	
Improvement Districts											
Flood Warning Sites	31	26	31	43	43	43	41	45	47	47	
Flood Control District Properties	13	13	14	13	13	12	14	14	15	15	
Road Improvement Districts	0	0	0	0	0	0	0	0	0	0	
<b>Highways and Streets</b>											
Public Works											
Miles of maintained roads	733.95	734.66	734.32	731.67	731.67	725.3	725.7	725.7	725.7	726.4	
Bridges	15	15	15	15	15	15	15	15	15	15	
<b>Sanitation</b>											
Landfill/Environment											
Transfer Stations	0	0	0	0	0	0	0	0	0	0	
<b>Health</b>											
Health Care											
Public health facilities											
Heber - Owned	1	1	1	1	1	1	1	1	1	1	
Show Low - Owned	1	1	1	1	1	1	1	1	1	1	
Snowflake - Operated	1	1	1	1	1	1	1	1	1	1	
Holbrook - Owned	1	1	1	1	1	1	1	1	1	1	
Winslow - Owned	1	1	1	1	1	1	1	1	1	1	
Pinetop - Owned	1	1	1	0	0	0	0	0	0	0	
<b>Culture and Recreation</b>											
Parks & Recreation											
County Parks (Tall Timber, Heber)	1	1	1	1	1	1	1	1	1	1	
Library District											
Number of facilities owned	0	0	0	0	0	0	0	0	0	0	
Facilities operated	1	1	1	1	1	1	1	1	1	1	
Bookmobiles	0	0	0	0	0	0	0	0	0	0	
<b>Education</b>											
Schools	1	1	1	1	1	1	1	1	1	1	

Source: Navajo County capital asset reports.