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# 2025

## *Annual Comprehensive Financial Report*



*Fiscal Year Ended June 30, 2025*

*Navajo County, Arizona*



# Board of Supervisors



Fern Benally, District I



Alberto L. Peshlakai, District II



Jason E. Whiting, District III



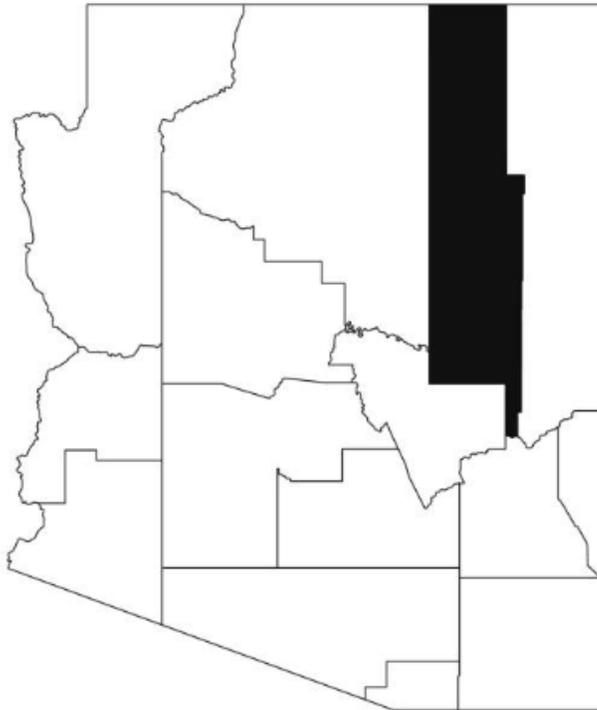
Daryl Seymore, District IV



Dawnafe Whitesinger  
District V

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**Navajo County, Arizona**  
Annual Comprehensive Financial  
Report  
Fiscal Year Ended June 30, 2025



**County Manager**  
Bryan Layton

**Prepared by the Navajo County Finance Department**

**Finance Department**

Jayson Vowell, Chief Financial Officer  
Julye Barton-Todacheenie, Accounting Manager  
Jackie Walker, Senior Accountant  
Taylor Hilton, Accountant  
Rebecca Robertson, Finance Operations Supervisor  
Tina Smith, Account Specialist

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# *Introductory Section*



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Navajo County  
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Year Ended June 30, 2025

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# NAVAJO COUNTY

## Administration

**Bryan Layton**  
County Manager

**Jayson Vowell**  
Chief Financial Officer

### *We are Navajo County*

February 26, 2026

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 2025. 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 audit firm Fester & Chapman, PLLC 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 2025 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 2025 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 2025 population of the County was estimated to be 110,846. 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.

Building permits increased by 4.4 percent from the previous year. While the County experienced unusually elevated permitting activity during the COVID-19 period (FY21 through FY23), permit volumes over the past two fiscal years have trended slightly below long-term norms by an average of 4.0 percent. Also, according to Redfin.com, in November of 2025, Navajo County median home sale price decreased by 14.0 percent, selling for a median price of \$425,000. The decrease is attributed to a normalizing of the market to pre COVID-19 prices, increased inventory, and homes being on the market longer indicating a cooling slowing demand which pushes prices down.

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 the end of 2025. 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 2027. 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 reduce expenditures, increase the primary property tax rate, or use cash reserves to maintain services 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 2024-2025.

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 2024-2025 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, 2024. This was the fifteenth 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 Fester & Chapman, PLLC. 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  
Chief Financial Officer

# NAVAJO COUNTY ORGANIZATIONAL CHART



## ELECTED



### LAW ENFORCEMENT & COURTS

**CLERK OF THE COURT**  
Michael Sample

**COUNTY ATTORNEY**  
Brad Carlyon

**CONSTABLES**

**SHERIFF**  
David Clouse

#### SUPERIOR COURT

*Presiding Judge, Michala Ruechel*

*Superior Court Judges,  
Justices of the Peace*

*Probation & Juvenile Restoration,  
Court Administration*



### FISCAL, PROPERTY & PARCEL

**ASSESSOR**  
Mike Montandon

**TREASURER**  
Danielle Earl



### RECORDED DOCUMENTS

**RECORDER**  
Timothy Jordan

### EDUCATION

**SUPERINTENDENT OF SCHOOLS**  
Rachael Lewis



### POLICY & STRATEGY

#### BOARD OF SUPERVISORS

*District 1*  
Fern Benally

*District 2*  
Alberto Peshlakai

*District 3  
Chair*  
Jason Whiting

*District 4*  
Daryl Seymore

*District 5  
Vice-Chair*  
Dawnafe Whitesinger

**CLERK OF THE BOARD**  
Leah Thomas

## APPOINTED



### ADMINISTRATION & OPERATIONS OVERSIGHT

#### COUNTY MANAGER Bryan Layton

**ASSISTANT TO THE COUNTY MANAGER**  
Chelle Ewald

**CHIEF FINANCIAL OFFICER**  
Jayson Vowell

**ASSISTANT COUNTY MANAGER**  
Rochelle Lacapa

**CAPITAL PROJECTS / FACILITIES**  
Grant Evans

**BUDGET & AUDIT**

**GOVERNMENT RELATIONS**

**ECONOMIC DEVELOPMENT**  
Chris Pasterz

**GRANTS ADMINISTRATION**  
Ken Maruyama

**LIBRARY DISTRICT**  
Jennifer Volkert

**PUBLIC FIDUCIARY**  
Eileen Rogers

**WORKFORCE**  
Adam Garrard

**PUBLIC HEALTH**  
Janelle Linn

**ELECTIONS**  
Rayleen Richards

**ANIMAL CONTROL**

**HUMAN RESOURCES & RISK**  
Eric Scott

**ENVIRONMENTAL HEALTH**

**PUBLIC WORKS**  
Madhav Mundle

**INFORMATION TECHNOLOGY**  
Ken DeWitt

**MEDICAL EXAMINER**

**PUBLIC DEFENDER**

**PLANNING & DEVELOPMENT SVCS**  
Mischa Larisch

**EMERGENCY MANAGEMENT**  
Catrina Jenkins

@navajocountyaz



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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, 2024

*Christopher P. Morill*

Executive Director/CEO

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# Financial Section



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## Independent Auditors' Report

The Arizona Auditor General

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, Arizona (the County) as of and for the year ended June 30, 2025, 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 the aggregate remaining fund information of Navajo County as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with the 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 statement section of our report. We are required to be independent of the County and to meet our 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 reasonable basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the County restated beginning net position of its financial statements for the year ended June 30, 2025, due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are 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 the Highway User Revenue Fund monies the County received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues the County 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 Auditor General of the State of Arizona, 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 Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. 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 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 U.S. 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 controls 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 77 through 84, Schedule of the County's Proportionate Share of the Net Pension Liability – Cost-Sharing Pension Plans on pages 85 through 87, Schedule of Changes in the County's Net Pension Liability and Related Ratios – Agent Pension Plans on pages 88 through 93, and Schedule of County Pension Contributions on pages 94 through 95 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***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.

*Fester & Chapman, PLLC*

February 26, 2026

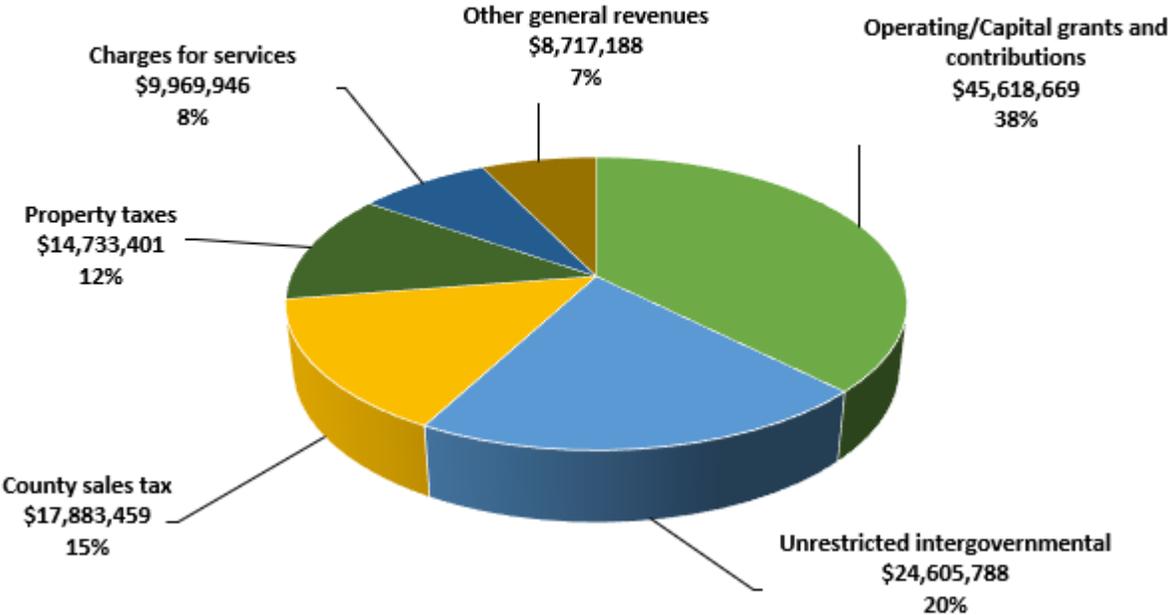
**Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2025**

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, 2025. 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, \$19.9 million was spent on eligible expenses by June 30, 2025, and the remainder must be spent by December 31, 2026. The majority of the remaining allocation has been allocated to the County's broadband project.
- The County's primary sources of revenues are from operating/capital grants and contributions, intergovernmental, county sales taxes, property taxes, and charges for services.

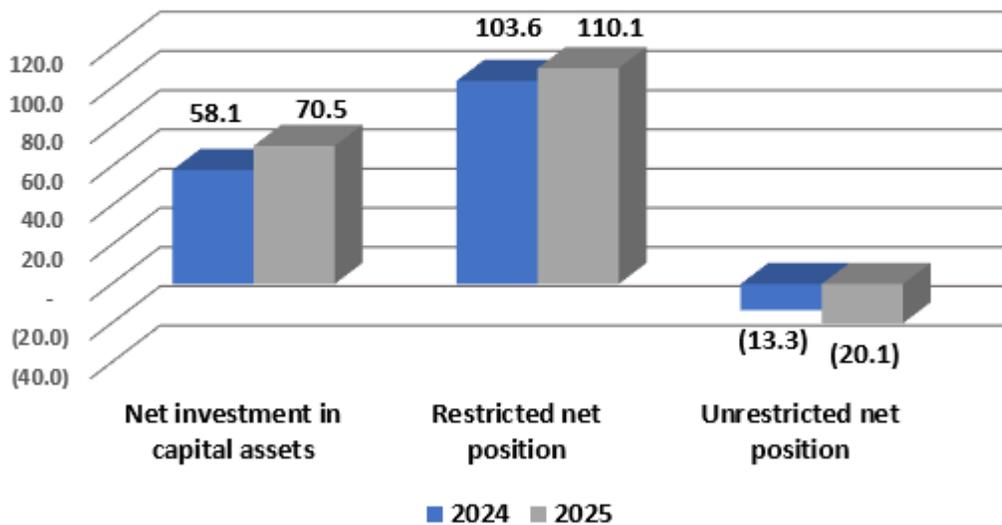
**Revenues Sources**



## Navajo County Management's Discussion and Analysis Year Ended June 30, 2025

- 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 \$160.5 million (net position). This was an increase of \$12.1 million, or 8.2 percent when compared to the prior year's total net position of \$148.4 million. Of this amount, \$70.5 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); \$110.1 million is restricted for specific purposes (restricted net position); and \$(20.1) 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, 2024 and 2025 is illustrated in the chart below.

**Composition of Net Position, as of June 30, 2024 and 2025  
(in millions)**



- At June 30, 2025, the governmental funds reported combined fund balances of \$139.4 million, an increase of \$6.7 million or 5.1 percent in comparison with the prior year's combined fund balances of \$132.7 million. Fund balances were classified as follows: \$95.5 million or 68.5 percent of governmental fund balances were restricted, \$35.2 million or 25.3 percent were unassigned, \$5.1 million or 3.6 percent were committed, \$2.8 million or 2.0 percent were assigned, and \$0.8 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, 2025

## 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, environmental and conservation, and urban redevelopment and housing. 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 21 of this report.*

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2025

**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 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, Capital Projects Fund, and Opioid Settlement Fund 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 22 through 28 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 29 and 30 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 31 through 74 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 77 through 97 of this report.*

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Management's Discussion and Analysis  
Year Ended June 30, 2025

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, 2025, compared to the prior year.

	Governmental Activities	
	2025	2024
Current and other assets	\$ 160,196,629	\$ 164,544,094
Capital assets	77,620,554	66,473,785
Total assets	237,817,183	231,017,879
 Deferred outflows of resources		
Total deferred outflows of resources	12,649,552	11,965,370
 Current and other liabilities	7,940,806	15,014,992
Long-term liabilities	78,229,867	73,924,980
Total liabilities	86,170,673	88,939,972
 Deferred inflows of resources		
Total deferred inflows of resources	3,748,369	5,620,295
 Net Position:		
Net investment in capital assets	70,491,492	58,112,645
Restricted	110,148,575	103,619,434
Unrestricted (deficit)	(20,092,374)	(13,309,097)
Total net position	\$ 160,547,693	\$ 148,422,982

Overall, total assets increased by \$6.8 million or 2.9 percent, total liabilities decreased by \$2.8 million or 3.1 percent, and net position increased by \$12.1 million or 8.2 percent in the current fiscal year. The following summarizes the significant changes in assets, liabilities, net position and deferred outflows/inflows of resources compared to the prior year.

- Current and other assets decreased by \$4.3 million or 2.6 percent in the current year due to decreases in cash and investments of \$1.2 million and due from other governments of \$3.4 million. The cash and investments decrease was due to spending of one-time grant funds in the American Rescue Plan Act Fund and one-time cash appropriations in the Capital Projects Funds. The decrease in due from other governments is due to a grant reimbursements received during the fiscal year in the Public Health Fund.

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- Capital assets increased by \$11.1 million or 16.8 percent in the current year largely due to increases in construction in progress projects of \$12.9 million, which was offset by the net depreciation/amortization of depreciated capital assets of \$1.7 million. The increase is due to the on-going construction of the county-wide Broadband Infrastructure project and the construction of the Taylor Facility which will house the medical examiner, environmental health, and a Sheriff's Office substation. Both projects are expected to be completed in fiscal year 25-26.
- The changes in deferred outflows of resources from \$12.0 million to \$12.6 million and deferred inflows of resources from \$5.6 million to \$3.7 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 \$7.1 million or 47.1 percent in the current year largely due to unearned revenue decreases in the American Rescue Plan Act Fund of \$6.9 million. The decrease in unearned revenue was due to recognition of grant revenues being spent for specific grant purposes.
- Long-term liabilities increased by \$4.3 million or 5.8 percent as a result of the increase in pension liabilities of \$6.2 million, which was offset by principal payments for pledged revenue obligations of \$1.6 million.
- A large portion of the County's net position, \$70.5 million, reflects its investment in capital assets net of accumulated depreciation/amortization and related debt. This was an increase of \$12.4 million from the prior year primarily due to construction in progress with the construction of the county-wide broadband project and a new facility that will house medical examiner and environmental health personnel. 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 \$110.1 million is subject to external restrictions on how they may be used. This was an increase of \$6.5 million due primarily to increases in law enforcement (local border support funding) and health insurance resources. Finally, the County's unrestricted (deficit) in net position of \$(20.1) million increased by \$6.8 million from the prior year primarily due to the overall increase in activity related to pensions and OPEB (deferred outflows, deferred inflows, and liabilities).

**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 2025 compared to the prior year.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2025

	Governmental Activities	
	2025	2024
Program revenues:		
Charges for services	\$ 9,969,946	\$ 12,337,699
Operating grants and contributions	45,601,362	49,331,549
Capital grants and contributions	17,307	20,047,312
Total program revenues	<u>55,588,615</u>	<u>81,716,560</u>
General revenues:		
Property taxes	14,733,401	13,675,139
County sales tax	10,796,719	9,224,975
Jail District sales tax	7,086,740	6,382,309
State sales tax	18,726,992	17,360,368
State vehicle license tax	3,870,253	3,592,749
Payments in lieu of taxes	2,008,543	1,954,495
Investment earnings	5,750,192	5,706,319
Other	2,966,996	1,981,157
Total general revenues	<u>65,939,836</u>	<u>59,877,511</u>
Total revenues	<u>121,528,451</u>	<u>141,594,071</u>
Program expenses:		
General government	37,589,424	30,891,849
Public safety	30,918,294	29,570,089
Highways and streets	19,124,169	13,862,202
Health and welfare	10,814,393	9,894,256
Culture and recreation	1,383,495	1,294,427
Education and economic opportunity	5,408,298	5,931,654
Environmental and conservation	2,282,214	1,859,806
Urban redevelopment and housing	181,372	19,000
Interest and fiscal charges	596,552	630,611
Total program expenses	<u>108,298,211</u>	<u>93,953,894</u>
Change in net position	13,230,240	47,640,177
Net position, beginning	<u>148,422,982</u>	<u>100,782,805</u>
Aggregate amount of adjustments to and restatements of beginning net position	(1,105,529)	
Net position - beginning, as restated	147,317,453	
Net position, ending	<u>\$ 160,547,693</u>	<u>\$ 148,422,982</u>

The prior period net position was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. Additional information on the implementation can be found on Note 2 to the basic financial statements on page 40.

Overall total revenues decreased by \$20.1 million or 14.2 percent and total program expenses increased by \$14.3 million or 15.3 percent from the prior year. The following summarizes the significant changes in revenues and expenses compared to the prior year.

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Management's Discussion and Analysis  
Year Ended June 30, 2025

- Program revenues decreased by \$26.1 million or 32.0 percent due to the decrease in capital grants and contributions as the County received a one-time capital contribution of \$20 million for the construction of the Little Colorado Winslow Levee project during the prior fiscal year.
- General revenues increased by \$6.1 million or 10.1 percent primarily due to the increase in County sales tax of \$1.6 million, State sales tax of \$1.6 million and property tax of \$1.1 million.
- Overall, expenses increased by \$14.3 million or 15.3 percent due to additional pension expense being recognized in the general government function. The increase in highways and streets was caused as additional road maintenance costs were incurred plus the purchase of new capital equipment.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

The County reported six major funds for this fiscal year: General Fund, Public Works/HURF Fund, Jail District Fund, American Rescue Plan Act Fund, Capital Projects Fund, and the Opioid Settlement Fund. At the end of the current fiscal year, the County's governmental funds reported combined fund balances - Total Governmental Funds of \$139.4 million, which is an increase of \$6.7 million or 5.1 percent in comparison with the prior year's combined fund balances of \$132.7 million. Of the total, \$43.1 million constitutes unrestricted (assigned, committed and unassigned) fund balances.

For governmental funds, overall revenues decreased \$8.8 million or 6.5 percent and expenditures increased \$15.1 million or 14.6 percent. Governmental fund revenues exceeded expenditures by \$6.8 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 \$61.9 million. Fund balances represent 126.1 percent of total General Fund expenditures. This ratio indicates a strong fund balance position in comparison to expenditures.

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 seen minimal increases 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 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<b>Revenues:</b>						
Employer contributions and employee premiums	\$ 7,826,839	\$ 9,133,561	\$ 10,393,356	\$ 12,040,490	\$ 10,784,432	\$ 9,261,781
Investment earnings	81,206	89,364	49,653	264,507	473,384	670,215
Miscellaneous refunds	564,708	585,606	269,415	168,841	377,467	388,705
Total revenues	<u>8,472,753</u>	<u>9,808,531</u>	<u>10,712,424</u>	<u>12,473,838</u>	<u>11,635,283</u>	<u>10,320,701</u>
<b>Expenditures:</b>						
General government healthcare costs	<u>5,288,706</u>	<u>7,452,553</u>	<u>8,009,490</u>	<u>9,206,504</u>	<u>7,940,139</u>	<u>9,340,923</u>
Excess (deficiency) of revenues over expenditures	3,184,047	2,355,978	2,702,934	3,267,334	3,695,144	979,778
<b>Beginning fund balances</b>	<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>	<u>19,032,925</u>
<b>Ending fund balances</b>	<u>\$ 7,011,535</u>	<u>\$ 9,367,513</u>	<u>\$ 12,070,447</u>	<u>\$ 15,337,781</u>	<u>\$ 19,032,925</u>	<u>\$ 20,012,703</u>

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2025

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

General Fund

- Cash and investments increased by \$2.5 million or 4.7 percent and due from other governments increased by \$1.2 million or 24.5 percent. The increase in cash and investments was a result of excess revenues over expenditures in the current year. The increase in due from other governments was from an increase of state shared sales tax to be received in the next fiscal year.
- Total liabilities remained flat, only increasing by \$12 thousand or 0.5 percent. While there were increases in accounts payable and accrued payroll, they were offset by decreases in due to other funds and due to other governments.
- Deferred inflows of resources increased by \$148.5 thousand or 38.0 percent as the County recorded an additional cell tower lease with Verizon Wireless to install communication equipment on County property.
- Total revenues increased by \$1.2 million or 2.1 percent in the current year primarily due to increases in County sales tax of \$1.6 million, charges for service of \$741 thousand, and property taxes of \$635 thousand. These increases were offset by a decrease in intergovernmental revenue of \$1.7 million.
- Total expenditure increased by \$4.2 million or 9.4 percent in the current year primarily due to the increase in general government and health and welfare expenditures.

Public Works/HURF Fund

- Intergovernmental revenue increased by \$1.2 million or 7.9 percent due to increase vehicle license taxes and highway user revenues consisting of gasoline and use-fuel taxes, vehicle registration fees and motor-carrier taxes.
- Total expenditures increased by \$4.9 million was due to additional road maintenance costs being incurred plus the purchase of new capital equipment.

Jail District Fund

- At the end of the current fiscal year, the Fund recognized \$7.1 million of excise sales tax and received transfers of \$1.5 million of maintenance of effort funding from the General Fund and \$543 thousand from the Sheriff's Office Fund.
- Intergovernmental revenue decreased by \$247 thousand. The Sheriff's Office charges other government's public safety departments to hold persons in the County Jail. The County Jail saw a decrease in persons being held when the federal government paused federal grants and loans in January 2025. In addition, these funds are typically used to pay for capital outlay expenditures, and the capital outlay expenditures also decreased by \$345 thousand in the current fiscal year.

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2025

## 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 \$6.9 million in intergovernmental revenue and \$8.1 million in expenditures.

## Capital Projects Fund

- The Capital Projects Fund was created to accumulate resources for the Little Colorado Winslow Levee project, a state grant from the Arizona Commerce Authority in support of the county-wide Broadband Initiative project, and other miscellaneous projects such as the County's contribution to the new Medical Examiner / Code Enforcement building and the Sheriff's Regional Communication project. During the fiscal year, the County has spent \$7.3 million on these projects and has been reimbursed \$3.6 million from the State of Arizona as intergovernmental revenue.

## Opioid Settlement Fund

- The Opioid Settlement Fund was created to account for financial resources received as a participant of the One Arizona Distribution of Opioid Settlement Funds agreement. The fund has reported cash and investments from revenues received previously of \$1.5 million and settlements receivable of \$7.2 million. As the receivable is not expected to be collected within a reasonable time after the fiscal year-end, the County has also recorded unavailable revenue for settlements of \$6.9 million.

## GENERAL FUND BUDGETARY HIGHLIGHTS

For the General Fund, actual revenues were less than the original and final budget amounts by \$750 thousand, while the actual expenditures were \$48.1 million less than the amount budgeted. The budget variance for revenues was largely due to the charges for services where contributions to the County's self-insured trust fund are budgeted as charges for services, but for financial statement presentation are reclassified as transfers. 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, 2025

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets as of June 30, 2025, totaled \$77.6 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 not being depreciated/amortized increased by \$12.9 million for construction in progress projects not completed at fiscal year-end. Total capital assets being depreciated/amortized increased by \$5.3 million (increases less decreases). The total accumulated depreciation/amortization also increased by \$7.1 million (increases less decreases).

*Additional information on capital assets can be found in Note 5 on page 45 of this report.*

### Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$78.2 million consisting of the following liabilities that were over \$1 million:

- Net pension liability – \$52.3 million
- Pledged revenue obligations payable –\$19.6 million
- Compensated absences payable – \$3.3 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 46 through 49 of this report.*

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current fiscal year 2025-26 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  
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The County projected modest increases in revenues for fiscal year 2025-26 as the local and state economies remain on a steady growth pattern; state shared sales tax revenues is projected to increase by \$800 thousand and county sales tax is projected to increase by \$900 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 2025-26 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.

# Basic Financial Statements



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Navajo County  
Statement of Net Position  
June 30, 2025

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 134,542,221
Cash and investments held by trustee	1,883,276
Receivables (net of allowance for uncollectibles):	
Property taxes	555,884
Accounts receivable	38,810
Special assessments	17,198
Settlements	7,181,521
Leases	310,156
Due from other governments	11,778,111
Prepaid items	54,558
Inventories	767,871
Net other postemployment benefits asset	2,705,639
Net pension asset	361,384
Capital assets, not being depreciated/amortized	26,296,643
Capital assets, being depreciated/amortized, net	51,323,911
Total assets	237,817,183
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to other postemployment benefits	185,632
Deferred outflows related to pensions	12,463,920
Total deferred outflows of resources	12,649,552
<b>Liabilities</b>	
Accounts payable	3,832,349
Accrued payroll and employee benefits	1,849,373
Due to other governments	311,178
Interest payable	298,276
Unearned revenue	1,649,630
Noncurrent liabilities	
Due within one year	6,088,472
Due in more than one year	72,141,395
Total liabilities	86,170,673
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to other postemployment benefits	585,520
Deferred inflows related to pensions	2,848,401
Deferred inflows related to leases	314,448
Total deferred inflows of resources	3,748,369
<b>Net Position</b>	
Net investment in capital assets	70,491,492
Restricted for:	
Highways and streets	18,838,456
Public safety	1,000,391
Judicial activities	6,428,897
Education and economic opportunity	1,961,966
Law enforcement	9,797,631
Environment, library, and community services	1,725,035
Health and welfare	15,069,398
Flood control projects	4,507,581
Health insurance	20,012,704
Road and other capital projects	26,834,670
Other postemployment benefits	2,705,639
Pensions	361,384
Special districts	130,123
General government	714,714
Other purposes	59,986
Unrestricted (Deficit)	(20,092,374)
Total net position	\$ 160,547,693

See accompanying notes to financial statements.

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Navajo County  
Statement of Activities  
Year Ended June 30, 2025

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	\$ 37,589,424	\$ 7,859,584	\$ 7,489,277	\$	\$ (22,240,563)
Public safety	30,918,294	827,854	16,472,677	17,307	(13,600,456)
Highways and streets	19,124,169	52,624	17,079,293		(1,992,252)
Health and welfare	10,814,393	1,045,333	1,161,530		(8,607,530)
Culture and recreation	1,383,495	174,551	186,327		(1,022,617)
Education and economic opportunity	5,408,298	10,000	2,711,942		(2,686,356)
Environmental and conservation	2,282,214		200,436		(2,081,778)
Urban redevelopment and housing	181,372		299,880		118,508
Interest and fiscal charges	596,552				(596,552)
Total governmental activities	\$ 108,298,211	\$ 9,969,946	\$ 45,601,362	\$ 17,307	\$ (52,709,596)
General revenues:					
Taxes:					
Property taxes, levied for general purpose					9,313,219
Property taxes, levied for flood control					2,176,150
Property taxes, levied for public health district					2,319,101
Property taxes, levied for library district					924,931
County sales tax					10,796,719
Jail District sales tax					7,086,740
Shared revenue - State sales tax					18,726,992
Shared revenue - State vehicle license					3,870,253
Payments in lieu of taxes					2,008,543
Investment earnings					5,750,192
Miscellaneous					2,966,996
Total general revenues					65,939,836
Change in net position					13,230,240
Net position, July 1, 2024					148,422,982
Aggregate amount of adjustments to and restatements of beginning net position					(1,105,529)
Net position, July 1, 2024, as restated					147,317,453
Net position, June 30, 2025					\$ 160,547,693

See accompanying notes to financial statements.

Navajo County  
Balance Sheet  
Governmental Funds  
June 30, 2025

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Capital Projects Fund
<b>Assets</b>					
Cash and investments	\$ 56,475,594	\$ 16,470,069	\$ 2,852,769	\$ 7,893,532	\$ 26,239,593
Cash and investments held by trustee					
Receivables (net of allowance for uncollectibles):					
Property taxes	336,651				
Accounts receivable	5,103				
Special assessments					
Settlements					
Leases	310,156				
Due from:					
Other funds	1,557,613	14,982			
Other governments	6,105,795	1,364,610	1,503,826		338,525
Prepaid items					
Inventories		767,871			
Total assets	<u>\$ 64,790,912</u>	<u>\$ 18,617,532</u>	<u>\$ 4,356,595</u>	<u>\$ 7,893,532</u>	<u>\$ 26,578,118</u>
<b>Liabilities</b>					
Accounts payable	\$ 907,303	\$ 461,988	\$ 326,379	\$ 1,173,190	\$ 483,856
Accrued payroll and employee benefits	1,288,139	117,792	104,758	8,442	
Due to:					
Other funds	26,914	291,955	212,794		
Other governments	88,748	27,790	24,717	100	
Pledged revenue obligations payable					
Bond interest payable					
Unearned revenue				1,649,630	
Total liabilities	<u>2,311,104</u>	<u>899,525</u>	<u>668,648</u>	<u>2,831,362</u>	<u>483,856</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-property taxes	225,484				
Unavailable revenue-special assessments					
Unavailable revenue-intergovernmental					
Unavailable revenue-settlements					
Deferred inflows related to leases	314,448				
Total deferred inflows of resources	<u>539,932</u>				
<b>Fund balances:</b>					
Nonspendable		767,871			
Restricted	20,021,704	16,950,136	3,730,481		26,724,162
Committed				5,062,170	
Assigned	2,544,136				
Unassigned (Deficit)	39,374,036		(42,534)		(629,900)
Total fund balances	<u>61,939,876</u>	<u>17,718,007</u>	<u>3,687,947</u>	<u>5,062,170</u>	<u>26,094,262</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 64,790,912</u>	<u>\$ 18,617,532</u>	<u>\$ 4,356,595</u>	<u>\$ 7,893,532</u>	<u>\$ 26,578,118</u>

See accompanying notes to financial statements.

Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,547,071	\$ 23,063,593	\$ 134,542,221
	1,883,276	1,883,276
	219,233	555,884
	33,707	38,810
	17,198	17,198
7,181,521		7,181,521
		310,156
	23,759	1,596,354
	2,465,355	11,778,111
	54,558	54,558
		767,871
<u>\$ 8,728,592</u>	<u>\$ 27,760,679</u>	<u>\$ 158,725,960</u>
	\$ 479,633	\$ 3,832,349
	330,242	1,849,373
	1,064,691	1,596,354
	169,823	311,178
	1,585,000	1,585,000
	298,276	298,276
		1,649,630
	<u>3,927,665</u>	<u>11,122,160</u>
	75,479	300,963
	8,352	8,352
	666,532	666,532
\$ 6,878,480		6,878,480
		314,448
<u>6,878,480</u>	<u>750,363</u>	<u>8,168,775</u>
	54,558	822,429
1,850,112	26,257,189	95,533,784
		5,062,170
	237,912	2,782,048
	(3,467,008)	35,234,594
<u>1,850,112</u>	<u>23,082,651</u>	<u>139,435,025</u>
<u>\$ 8,728,592</u>	<u>\$ 27,760,679</u>	<u>\$ 158,725,960</u>

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Navajo County  
 Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of  
 Net Position  
 June 30, 2025

Fund balances—total governmental funds	\$ 139,435,025
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.	77,620,554
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	7,854,327
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.	3,067,023
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.	(76,644,867)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, not reported in the funds.	<u>9,215,631</u>
Net position of governmental activities	<u><u>\$ 160,547,693</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, 2025

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund
<b>Revenues:</b>				
Property taxes	\$ 9,204,057			
County sales taxes	10,796,719		\$ 7,086,740	
Special assessments				
Licenses and permits	1,384,022			
Fines and forfeits	660,481			
Intergovernmental	26,313,442	\$ 17,079,293	788,832	\$ 6,879,777
Charges for services	4,565,474	7,661	307,264	
Investment earnings	2,557,008	726,687	85,898	320,185
Contributions	2,500			
Settlements				
Miscellaneous	1,045,384	103,110	27,491	467,139
<b>Total revenues</b>	<b>56,529,087</b>	<b>17,916,751</b>	<b>8,296,225</b>	<b>7,667,101</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	30,636,941			802,923
Public safety	11,752,805		8,941,333	141,980
Highways and streets		15,169,681		
Health and welfare	5,117,526			
Culture and recreation				
Education and economic opportunity	379,644			
Environmental and conservation				
Urban redevelopment and housing				
<b>Debt service:</b>				
Principal				
Interest and other charges				
Capital Outlay	1,223,183	2,194,823	947,172	7,192,697
<b>Total expenditures</b>	<b>49,110,099</b>	<b>17,364,504</b>	<b>9,888,505</b>	<b>8,137,600</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>7,418,988</b>	<b>552,247</b>	<b>(1,592,280)</b>	<b>(470,499)</b>
<b>Other financing sources (uses):</b>				
Subscription-based information technology arrangements				
Sale of capital assets	30,356	229,830	32,483	
Transfers in	180,550		2,088,983	
Transfers out	(4,120,505)	(70,163)	(210,620)	(100,000)
<b>Total other financing sources (uses)</b>	<b>(3,909,599)</b>	<b>159,667</b>	<b>1,910,846</b>	<b>(100,000)</b>
<b>Net change in fund balances</b>	<b>3,509,389</b>	<b>711,914</b>	<b>318,566</b>	<b>(570,499)</b>
Fund balances, July 1, 2024	58,430,487	17,509,788	3,369,381	5,632,669
Aggregate amount of adjustments to and restatements of beginning fund balances				
Fund balances, July 1, 2024, as restated	58,430,487	17,509,788	3,369,381	5,632,669
Changes in nonspendable resources:				
Decrease in inventories		(503,695)		
Fund balances, June 30, 2025	<b>\$ 61,939,876</b>	<b>\$ 17,718,007</b>	<b>\$ 3,687,947</b>	<b>\$ 5,062,170</b>

See accompanying notes to financial statements.

Capital Projects Fund	Opioid Settlement Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
			\$ 5,538,797	\$ 14,742,854
				17,883,459
			229,656	229,656
			216,108	1,600,130
			88,733	749,214
\$ 3,614,269			19,709,239	74,384,852
			1,486,489	6,366,888
1,267,228	\$ 63,332		729,854	5,750,192
			75,819	78,319
	707,947			707,947
	1,848		1,113,451	2,758,423
<u>4,881,497</u>	<u>773,127</u>		<u>29,188,146</u>	<u>125,251,934</u>
			3,518,221	34,958,085
			6,255,307	27,091,425
			86,001	15,255,682
	123,551		5,459,822	10,700,899
			1,357,788	1,357,788
			4,827,215	5,206,859
24,000			2,259,364	2,283,364
			181,372	181,372
			1,585,000	1,585,000
			596,552	596,552
7,241,002			415,048	19,213,925
<u>7,265,002</u>	<u>123,551</u>		<u>26,541,690</u>	<u>118,430,951</u>
<u>(2,383,505)</u>	<u>649,576</u>		<u>2,646,456</u>	<u>6,820,983</u>
			126,773	126,773
			1,725	294,394
			3,677,555	5,947,088
	(677,500)		(768,300)	(5,947,088)
	<u>(677,500)</u>		<u>3,037,753</u>	<u>421,167</u>
<u>(2,383,505)</u>	<u>(27,924)</u>		<u>5,684,209</u>	<u>7,242,150</u>
28,477,767	1,878,036	\$ 2,307,597	15,090,845	132,696,570
		(2,307,597)	2,307,597	
<u>28,477,767</u>	<u>1,878,036</u>		<u>17,398,442</u>	<u>132,696,570</u>
				(503,695)
<u>\$ 26,094,262</u>	<u>\$ 1,850,112</u>	<u>\$ -</u>	<u>\$ 23,082,651</u>	<u>\$ 139,435,025</u>

**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, 2025**

Net change in fund balances—total governmental funds	\$	7,242,150
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	\$ 19,213,925	
SBITA agreements	126,773	
Depreciation/amortization expense	<u>(8,125,415)</u>	11,215,283
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.		
		(85,821)
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	67,707	
Donation of capital assets	17,307	
Intergovernmental revenues	357,569	
State appropriation to EORP	(4,608,590)	
Property taxes	(9,453)	
Special assessments	<u>(10,142)</u>	(4,185,602)
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	6,188,419	
Pension expense	(9,961,513)	
OPEB revenue	<u>286,854</u>	(3,486,240)
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.		
SBITA incurred	(126,773)	
Debt service - principal payments	1,585,000	
Amortization of bond premium	194,427	
Leases - principal payments	55,481	
Subscription-based information technology arrangements - principal payments	<u>448,943</u>	2,157,078
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	274,088	
Decrease in compensated absences	373,103	
Decrease in claims and judgments	228,746	
Decrease in landfill closure and post-closure care costs	<u>1,150</u>	877,087
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.		
Decrease in inventories		<u>(503,695)</u>
Change in net position of governmental activities	\$	<u><u>13,230,240</u></u>

See accompanying notes to financial statements.

Navajo County  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2025

<b><u>Assets</u></b>	<b>Private-purpose</b>	<b>Custodial funds</b>	
	<b>trust funds</b>	<b>External</b>	<b>Other</b>
	<b>investment pool</b>		
Cash and investments	\$ 1,933,253	\$ 270,488,414	\$ 3,117,063
Property tax receivable for other governments			3,403,725
Interest receivable		3,510,096	
Total assets	\$ 1,933,253	\$ 273,998,510	\$ 6,520,788
<b><u>Liabilities</u></b>			
Property tax payable to other governments			\$ 384,384
Total liabilities			\$ 384,384
<b><u>Net Position</u></b>			
Restricted for:			
Pool participants		\$ 273,998,510	
Individuals, organizations, and other governments	\$ 1,933,253		\$ 6,136,404
Total net position	\$ 1,933,253	\$ 273,998,510	\$ 6,136,404

See accompanying notes to financial statements

Navajo County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2025

	<u>Private-purpose trust funds</u>	<u>Custodial funds</u>	
		<u>External investment pool</u>	<u>Other</u>
<b><u>Additions</u></b>			
Contributions from pool participants		\$ 368,809,820	
Property tax collections for other governments			\$ 83,251,652
Fines and fees collections for other governments			1,881,025
Fines and fees collections for victims			2,240,096
Investment earnings	\$ 37,747	8,932,053	435,758
Inmate collections			1,076,041
Other	1,914,927		5,446,373
Total additions	<u>\$ 1,952,674</u>	<u>\$ 377,741,873</u>	<u>\$ 94,330,945</u>
<b><u>Deductions</u></b>			
Distributions to pool participants		\$ 393,839,959	
Property tax distributions to other governments			\$ 82,569,926
Fines and fees distributions to other governments			1,843,982
Restitution and reimbursement payments to victims			2,148,810
Payments to inmates			1,072,505
Other	\$ 2,455,609		5,538,534
Total deductions	<u>\$ 2,455,609</u>	<u>\$ 393,839,959</u>	<u>\$ 93,173,757</u>
Net Increase in Fiduciary Net Position	\$ (502,935)	\$ (16,098,086)	\$ 1,157,188
Net position July 1, 2024	<u>\$ 2,436,188</u>	<u>\$ 290,096,596</u>	<u>\$ 4,979,216</u>
Net position June 30, 2025	<u>\$ 1,933,253</u>	<u>\$ 273,998,510</u>	<u>\$ 6,136,404</u>

See accompanying notes to financial statements

Navajo County  
Notes to Financial Statements  
June 30, 2025

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, 2025, the County implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not paid in cash or settled through noncash means. Liabilities for compensated absences should be recognized for leave that has not been used if (a) the attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The standard also defines what type of salary-related payments should be included in the liability. As a result, the County's financial statements have been updated 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, 2025**

<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, 2025

**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, 2025

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 *Capital Projects Fund* is used to account for financial resources for the Winslow Levee construction project, the County's broadband infrastructure project, and other miscellaneous construction projects and is funded by state budget appropriations, state grant reimbursements, and transfers.

The *Opioid Settlement Fund* is used to account for lawsuit settlements received from the One Arizona Distribution of Opioid Settlement Funds agreement which are to be used to mitigate the effects of the opioid epidemic by providing treatment programs within communities and for individuals.

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, 2025

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, 2025

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.

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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 consist of vacation, sick, and personal leave. The liability for compensated absences consists only of vacation leave and a calculated amount of sick leave employees earned based on services already rendered. Personal leave is not accrued as part of the compensated absences payable at fiscal year-end. Personal leave is not attributable to services already rendered and is allocated to employees at the beginning of the fiscal year (typically 16 hours per employee) for all active employees and any unused personal leave time is forfeited at the end of the same fiscal year.

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 un-forfeited 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. The County has no policy which dictates which hours are used first. The County estimates how much sick leave is more than likely than not to be used as paid leave and recognizes, based on historical averages, the amount as a liability for compensated absences in the government-wide financial statements. Also, 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. This amount is also estimated at fiscal-year end and 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.

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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.

**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 \$48,528 in credit card rebates during fiscal year 2025.

**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 \$707,947 during the fiscal year ended June 30, 2025, and anticipates receiving additional payments through 2038. At June 30, 2025, the estimated balance of the receivable, net of allowance for uncollectibles, is \$7,181,521.

**O. Prepaid Items**

The County reports prepaid items as an asset in the period in which they are purchased and defers the recognition of the expenditure until the period in which the prepaid items are consumed. Prepaid items in the governmental funds primarily consist of prepaid rental expenditures and amounts at year-end are shown on the balance sheet as nonspendable fund balance to indicate that they do not constitute "available spendable resources."

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Note 2 - Accounting Changes

During fiscal year 2025, accounting changes resulted in adjustments to and restatements of beginning net position/fund balances, as follows:

	Net position/fund balance June 30, 2024, as previously reported	Change in accounting principle	Change to or within the financial reporting entity	Net position/fund balance, July 1, 2024 as restated
<b>Government-wide</b>				
Governmental activities	\$ 148,422,982	\$ (1,105,529)		\$ 147,317,453
<b>Total primary government</b>	<u>\$ 148,422,982</u>	<u>\$ (1,105,529)</u>		<u>\$ 147,317,453</u>
<b>Governmental funds</b>				
General Fund	\$ 58,430,487			\$ 58,430,487
Public Works/HURF Fund	17,509,788			17,509,788
Jail District Fund	3,369,381			3,369,381
American Rescue Plan Act Fund	5,632,669			5,632,669
Capital Projects Fund	28,477,767			28,477,767
Opioid Settlement Fund	1,878,036			1,878,036
Public Health Fund	2,307,597		\$ (2,307,597)	-
Other Governmental Funds	15,090,845		2,307,597	17,398,442
<b>Total Governmental funds</b>	<u>\$ 132,696,570</u>		<u>\$ -</u>	<u>\$ 132,696,570</u>

Change in Accounting Principle: Implementation of GASB 101

During fiscal year 2025, the County implemented provisions of GASB Statement No. 101, *Compensated Absences*, which establishes recognition and measurement guidance for certain types of leave. The County restated the beginning balance to recognize certain types of leave, such as sick time, to be recognized as a liability under the new standard. As a result of implementation it was determined that Governmental activities' net position was restated by \$(1,105,529).

Change to or within the financial reporting entity: Major to Nonmajor Fund

The Public Health Fund was previously reported as a major fund but no longer met the quantitative requirement as prescribed in GASB Statement No. 34 in fiscal year 2025 to be presented as such. The change from major to nonmajor fund is being presented on the financial statements and the impact is shown here for the total fund balance for the nonmajor governmental funds.

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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, 2025, the carrying amount of the County’s deposits was \$46,344,817, and the bank balance was \$49,790,469. The County’s formal policy is to follow collateralization requirements set forth in A.R.S. §35-323 as described above. At June 30, 2024, \$1,633,276 of the County’s bank balance was uninsured and uncollateralized.

**Investments**—The County had total investments of \$365,609,796 at June 30, 2025. The County’s investments categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amount	Fair value measurement using Quoted prices in active markets for identical assets (Level 1)
<b>Investments by fair value level</b>		
U.S. Treasury securities	\$ 278,471,062	\$ 278,471,062
U.S. agency securities	37,886,705	37,886,705
Corporate notes	39,944,029	39,944,029
Government money market mutual funds	9,308,000	9,308,000
	\$ 365,609,796	\$ 365,609,796

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, 2025, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aa1	Moody’s	\$ 37,886,705
Corporate notes	Aa3	Moody’s	12,980,950
Corporate notes	A1	Moody’s	13,018,225
Corporate notes	A2	Moody’s	13,944,854
Government money market mutual funds	Unrated	Not Applicable	9,308,000
Total			\$ 87,138,734

**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, 2025, 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, 2025, of 5 percent or more in Federal Home Loan Banks. These investments comprised 24.93 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, 2025, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
U.S. agency securities	\$ 37,886,705	3.170
U.S. Treasury securities	278,471,062	1.723
Corporate notes	39,944,029	2.674
Government money market mutual funds	9,308,000	0.082
	<u>\$ 365,609,796</u>	

At June 30, 2025, \$39,944,029 of investments were in corporate notes floating rate securities and considered to be highly sensitive to interest rate changes. \$39,944,029 is non-callable while the remaining \$0 is callable within 45 days after June 30, 2025. 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	46,344,817
Amount of investments	365,609,796
Total	<u>\$ 411,964,227</u>

	Governmental Activities	Private-Purpose Trust Funds	Custodial funds		Total
			External Investment Pool	Other	
Statement of Net Position					
Cash and investments	\$ 134,542,221	\$ 1,933,253	\$ 270,488,414	\$ 3,117,063	\$ 410,080,951
Cash and investments held by trustee	1,883,276				1,883,276
Total	<u>\$ 136,425,497</u>	<u>\$ 1,933,253</u>	<u>\$ 270,488,414</u>	<u>\$ 3,117,063</u>	<u>\$ 411,964,227</u>

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Note 4 - Due From Other Governments

Amounts due from other governments at June 30, 2025, are shown as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	Capital Projects Fund	Other Governmental Funds	Total
State-shared sales tax	\$ 3,036,691					\$ 3,036,691
County sales tax	1,982,115		\$ 1,297,494			3,279,609
State-shared vehicle license tax	168,596	\$ 156,909				325,505
Highway user revenue		1,146,373				1,146,373
Grants and contributions from local, state and federal governments	65,904	61,328	157,712	\$ 338,525	\$ 2,342,990	2,966,459
Reimbursements for services provided for governmental units	852,489		48,620		122,365	1,023,474
	<u>\$ 6,105,795</u>	<u>\$ 1,364,610</u>	<u>\$ 1,503,826</u>	<u>\$ 338,525</u>	<u>\$ 2,465,355</u>	<u>\$ 11,778,111</u>

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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Balance July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 5,721,386	\$ 11,890		\$ 5,733,276
Construction in progress	7,660,752	13,707,123	\$ 804,508	20,563,367
Total capital assets not being depreciated/amortized	<u>13,382,138</u>	<u>13,719,013</u>	<u>804,508</u>	<u>26,296,643</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	51,610,278	689,902		52,300,180
Infrastructure	78,963,026			78,963,026
Machinery and equipment	49,270,122	5,626,825	\$ 984,099	53,912,848
Intangibles:				
Right-to-use subscription assets	1,287,473	126,773	107,016	1,307,230
Right-to-use lease assets:				
Buildings and improvements	1,674,417		46,642	1,627,775
Machinery and equipment	47,633		9,825	37,808
Total	<u>182,852,949</u>	<u>6,443,500</u>	<u>1,147,582</u>	<u>188,148,867</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	30,787,699	1,187,970		31,975,669
Infrastructure	59,389,299	2,099,571		61,488,870
Machinery and equipment	38,699,277	4,280,329	898,278	42,081,328
Intangibles:				
Right-to-use subscription assets	534,607	450,316	107,016	877,907
Right-to-use lease assets:				
Buildings and improvements	323,582	99,667	46,642	376,607
Machinery and equipment	26,838	7,562	9,825	24,575
Total	<u>129,761,302</u>	<u>8,125,415</u>	<u>1,061,761</u>	<u>136,824,956</u>
Total capital assets being depreciated/amortized, net	<u>53,091,647</u>	<u>(1,681,915)</u>	<u>85,821</u>	<u>51,323,911</u>
Governmental activities capital assets, net:	<u>\$ 66,473,785</u>	<u>\$ 12,037,098</u>	<u>\$ 890,329</u>	<u>\$ 77,620,554</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,390,104
Public safety	2,920,014
Highways and streets	3,473,257
Health and welfare	205,130
Culture and recreation	25,707
Education and economic opportunity	111,203
Total governmental activities depreciation/amortization expense	<u>\$ 8,125,415</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, 2025:

Governmental activities	Balance July 1, 2024 (as restated)*	Additions	Reductions	Balance June 30, 2025	Due within 1 year
Pledged revenue obligations payable	\$ 21,195,000		\$ 1,550,000	\$ 19,645,000	\$ 1,585,000
Unamortized premium	887,497		194,427	693,070	194,427
Leases payable	758,321		55,481	702,840	52,865
Subscriptions liability	740,322	\$ 126,773	448,943	418,152	344,176
Net OPEB liabilities	58,264		45,752	12,512	
Net pension liabilities	46,047,091	7,152,460	908,185	52,291,366	
Landfill closure and post-closure care costs payable	237,601		1,150	236,451	1,150
Compensated absences payable Incurred but not reported	3,678,837	2,823,465	3,196,568	3,305,734	3,030,743
healthcare claims payable	983,631	5,059,295	5,333,383	709,543	709,543
Claims and judgments payable	443,945	123,127	351,873	215,199	170,568
Total	<u>\$ 75,030,509</u>	<u>\$ 15,285,120</u>	<u>\$ 12,085,762</u>	<u>\$ 78,229,867</u>	<u>\$ 6,088,472</u>

\* Compensated absences payable beginning balance was restated due to the implementation of GASB 101 (see Note 2).

**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, 2025, 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%	\$ 5,315,000
Pledged Revenue Pension Obligations, Taxable, Series 2021	16,560,000	2023-2039	.357-3.041%	14,330,000
				<u>\$ 19,645,000</u>

The following schedule details debt service requirements to maturity for the County's pledged revenue obligations payable at June 30, 2025:

Year ending June 30	<b>Governmental Activities</b>	
	Principal	Interest
2026	\$ 1,585,000	\$ 577,592
2027	1,610,000	534,675
2028	1,635,000	485,309
2029	1,685,000	432,552
2030	1,740,000	375,690
2031-2035	6,795,000	1,100,198
2036-2038	4,595,000	283,076
Total	<u>\$ 19,645,000</u>	<u>\$ 3,789,092</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, 2025. At June 30, 2025, future pledged revenues through final maturity at July 1, 2038 totaled \$23,434,092, consisting of \$19,645,000 for principal and \$3,789,092 for interest. State shared revenues have averaged \$16.8 million per year over the last 5 years, whereas excise tax revenues have averaged \$9.4 million per year over the last 5 years. For the current year, state shared sales and excise tax revenues recognized by the County were \$18.7 million and \$10.8 million, respectively. In the current year, the principal and interest payments were \$1,550,000 and \$613,579, respectively.

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**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 2024 actuarial report. Changes in incurred but not reported (IBNR) healthcare claims payable for the years ended June 30, 2024 and 2025 were as follows:

	<u>2024</u>	<u>2025</u>
IBNR healthcare claims payable, beginning of year	\$ 1,156,338	\$ 983,631
Current-year claims and changes in estimates	3,289,748	5,059,295
Claim payments	3,462,455	5,333,383
IBNR healthcare claims payable, end of year	<u>\$ 983,631</u>	<u>\$ 709,543</u>

**Line of Credit**—At June 30, 2025, 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	\$ 1,665,583
Less: accumulated amortization	<u>(401,182)</u>
Carrying value	<u>\$ 1,264,401</u>

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2025:

Year ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2026	\$ 52,865	\$ 10,282
2027	40,931	9,770
2028	39,755	10,396
2029	39,180	11,439
2030	37,275	12,536
2031-2035	187,964	85,621
2036-2040	188,100	126,806
2041-2045	103,662	84,888
2046-2047	13,108	9,096
Total	<u>\$ 702,840</u>	<u>\$ 360,834</u>

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**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. The majority of the balance (90.3%) is comprised of a licensing agreement with Microsoft Corporation for use software and cloud storage services. The total amount of SBITA assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$	1,307,230
Less: accumulated amortization		(877,907)
Carrying value		<u>429,323</u>

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2025:

Year ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 344,176	\$ 25,421
2026	25,336	2,164
2027	24,653	2,847
2028	23,987	3,512
Total	<u>\$ 418,152</u>	<u>\$ 33,944</u>

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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.

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.

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**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, 2025, 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, 2025, were as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund
<b>Fund balances</b>				
<b>Nonspendable:</b>				
Inventories		\$ 767,871		
Prepaid items				
Total nonspendable		<u>767,871</u>		
<b>Restricted for:</b>				
Capital projects				
Debt service				
Education				
Environmental				
Flood control projects				
Health and welfare				
Health insurance	\$ 20,012,704			
Highways and streets		16,950,136		
Judicial activities	9,000			
Law enforcement			\$ 3,730,481	
Library				
Public safety				
Recreation				
Social services				
Total restricted	<u>20,021,704</u>	<u>16,950,136</u>	<u>3,730,481</u>	
<b>Committed to:</b>				
General government				\$ 5,062,170
Total committed				<u>5,062,170</u>
<b>Assigned to:</b>				
Debt service				
Economic development				
General government	354,565			
Law enforcement	2,189,571			
Total assigned	<u>2,544,136</u>			
<b>Unassigned (Deficit)</b>	39,374,036		(42,534)	
Total fund balances	<u>\$ 61,939,876</u>	<u>\$ 17,718,007</u>	<u>\$ 3,687,947</u>	<u>\$ 5,062,170</u>

Capital Projects Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
			\$ 767,871
		\$ 54,558	54,558
		54,558	822,429
\$ 26,724,162		110,508	26,834,670
		130,106	130,106
		1,726,290	1,726,290
		977,214	977,214
		4,453,925	4,453,925
	\$ 1,850,112	5,993,361	7,843,473
			20,012,704
		1,117,151	18,067,287
		6,419,897	6,428,897
		3,877,579	7,608,060
		128,359	128,359
		736,323	736,323
		244,716	244,716
		341,760	341,760
26,724,162	1,850,112	26,257,189	95,533,784
			5,062,170
			5,062,170
		2,236	2,236
		235,676	235,676
			354,565
			2,189,571
		237,912	2,782,048
(629,900)		(3,467,008)	35,234,594
\$ 26,094,262	\$ 1,850,112	\$ 23,082,651	\$ 139,435,025

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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, 2025, 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	\$ 2,705,639
Net OPEB liability	12,512
Net pension asset	361,384
Net pension liability	52,291,366
Deferred outflows of resources related to OPEB	185,632
Deferred outflows of resources related to pensions	12,463,920
Deferred inflows of resources related to OPEB	585,520
Deferred inflows of resources related to pensions	2,848,401
OPEB revenue	286,854
Pension expense	9,961,513

The County's accrued payroll and employee benefits includes \$176,397 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2025. Also, the County reported \$6,116,177 of pension contributions and \$72,242 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, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.12 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.05 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 10.14 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, 2025, were \$3,391,494.

During fiscal year 2025, the County paid for ASRS pension contributions as follows: 61.24 percent from the General Fund, 13.42 percent from the Public Works/HURF Fund, 2.83 percent from the Jail District Fund, 0.64 percent from the American Rescue Plan Act Fund, and 21.87 percent from Other Governmental Funds.

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**Pension liability**—At June 30, 2025, the County reported a net pension liability of \$30,734,091 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

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, 2024. The County's proportion measured as of June 30, 2024, was 0.19207 percent, which was an increase of 0.00871 from its proportion measured as of June 30, 2023.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2025, the County recognized pension expense for ASRS of \$3,039,571. At June 30, 2025, 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	\$ 1,715,549	
Net difference between projected and actual earnings on pension plan investments		\$ 1,962,708
Changes in proportion and differences between county contributions and proportionate share of contributions	1,084,463	124,715
County contributions subsequent to the measurement date	3,391,494	
Total	<u>\$ 6,191,506</u>	<u>\$ 2,087,423</u>

The \$3,391,494 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, 2026. 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	
2026	\$(375,378)
2027	1,944,973
2028	(496,826)
2029	(360,180)

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

<b>ASRS</b>	
Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
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, 2023, 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>Target</b>	<b>Long-Term</b>
<b>Asset Class</b>	<b>Allocation</b>	<b>Expected Geometric Real Rate of Return</b>
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	-0.45%
Total	100%	

**Discount Rate**—At June 30, 2024, 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	\$ 47,060,178	\$ 30,734,091	\$ 17,127,724

**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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<b>CORP</b>	<b>Initial membership date:</b>		
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2018</b>	<b>AOC probation and surveillance officers: On or after July 1, 2018</b>
<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, 2025, the following employees were covered by the agent pension plans’ benefit terms:

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>
Inactive employees or beneficiaries currently receiving benefits	31	1	12
Inactive employees entitled to but not yet receiving benefits	17		42
Active employees	21		15
<b>Total</b>	<u>69</u>	<u>1</u>	<u>69</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, 2025, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<b>Active member—pension</b>	<b>County—pension</b>
PSPRS Sheriff	7.65 – 11.65%	9.72%
CORP Detention	8.41	6.00
CORP AOC	8.41 or 8.38	39.15 or 40.67

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, 2025, were:

PSPRS Sheriff	\$ 238,087
CORP Detention	47,985
CORP AOC	999,725

The County was required to contribute \$49,662 for the PSPRS Attorney Investigators pension plan based on the estimated actuarially required contribution for an inactive member.

During fiscal year 2025, the County paid for PSPRS and CORP pension contributions as follows: 46.99 percent from the General Fund, 8.76 percent from the Jail District Fund and 44.25 percent from the other governmental funds.

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**Pension liability**—At June 30, 2025, the County reported the following net pension liabilities:

	<b>Net Pension (Asset) Liability</b>
PSPRS Sheriff	\$ 155,089
PSPRS Attorney Investigators	440,329
CORP Detention	(238,319)
CORP AOC (County's proportionate share)	8,172,772

The net pension assets and liabilities were measured as of June 30, 2024, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

**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, 2024
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, 2024, 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%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	<u>100%</u>	

**Pension discount rate**—At June 30, 2024, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent. 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, 2024	\$ 23,706,119	\$ 22,663,312	\$ 1,042,807
Changes for the year:			
Service cost	306,937		306,937
Interest on the total pension liability	1,678,026		1,678,026
Differences between expected and actual experience in the measurement of the pension liability	(244,317)		(244,317)
Contributions—employer		246,112	(246,112)
Contributions—employee		151,809	(151,809)
Net investment income		2,251,496	(2,251,496)
Benefit payments, including refunds of employee contributions	(1,414,274)	(1,414,274)	
Administrative expense		(21,053)	21,053
Net changes	<u>326,372</u>	<u>1,214,090</u>	<u>(887,718)</u>
Balances at June 30, 2025	<u>\$ 24,032,491</u>	<u>\$ 23,877,402</u>	<u>\$ 155,089</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, 2024	\$ 627,712	\$ 166,916
Changes for the year:			
Interest on the total pension liability	43,731		43,731
Differences between expected and actual experience in the measurement of the pension liability	1,589		1,589
Contributions - employer		48,926	(48,926)
Net investment income		17,072	(17,072)
Benefit payments, including refunds of employee contributions	(40,685)	(40,685)	
Administrative expense		(211)	211
Net changes	4,635	25,102	(20,467)
Balances at June 30, 2025	<u>\$ 632,347</u>	<u>\$ 192,018</u>	<u>\$ 440,329</u>

**CORP Detention**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position (Asset)Liability (a) – (b)
	Balances at June 30, 2024	\$ 6,814,414	\$ 7,036,776
Changes for the year:			
Service cost	102,475		102,475
Interest on the total pension liability	487,880		487,880
Differences between expected and actual experience in the measurement of the pension liability	209,232		209,232
Contributions—employer		52,372	(52,372)
Contributions—employee		66,775	(66,775)
Net investment income		712,159	(712,159)
Benefit payments, including refunds of employee contributions	(281,564)	(281,564)	
Administrative expense		(15,762)	15,762
Net changes	518,023	533,980	(15,957)
Balances at June 30, 2025	<u>\$ 7,332,437</u>	<u>\$ 7,570,756</u>	<u>\$ (238,319)</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, 2024. The County's proportion measured as of June 30, 2024, was 1.89406 percent, which was an increase of 0.2050 from its proportion measured as of June 30, 2023.

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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	\$ 3,496,251	\$ 155,089	\$ (2,557,098)
PSPRS Attorney Investigators			
Net pension liability	516,392	440,329	377,131
CORP Detention			
Net pension (asset)/liability	868,901	(238,319)	(1,123,871)
CORP AOC			
County's proportionate share of the net pension liability	11,216,864	8,172,772	5,690,175

**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, 2025, the County recognized the following pension expense:

	<b>Pension Expense</b>
PSPRS Sheriff	\$ 1,063,890
PSPRS Attorney Investigators	32,432
CORP Detention	110,001
CORP AOC (County's proportionate share)	1,389,203

**Pension deferred outflows/inflows of resources**—At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PSPRS Sheriff</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 578,064	\$ \$ 162,878
Changes of assumptions or other inputs	94,677	
Net difference between projected and actual earnings on pension plan investments		109,894
County contributions subsequent to the measurement date	238,087	
Total	<u>\$ 910,828</u>	<u>\$ \$ 272,772</u>

Navajo County  
Notes to Financial Statements  
June 30, 2025

<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		\$ 7,677
County contributions subsequent to the measurement date	\$ 49,662	
Total	<u>\$ 49,662</u>	<u>\$ 7,677</u>

<b>CORP Detention</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 182,306	
Net difference between projected and actual earnings on pension plan investments		\$ 77,338
County contributions subsequent to the measurement date	47,985	
Total	<u>\$ 230,291</u>	<u>\$ 77,338</u>

<b>CORP AOC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 536,670	\$ 41,620
Changes of assumptions or other inputs	105,017	
Net difference between projected and actual earnings on pension plan investments		173,806
Changes in proportion and differences between County contributions and proportionate share of contributions	1,729,888	
County contributions subsequent to the measurement date	999,725	
Total	<u>\$ 3,371,300</u>	<u>\$ 215,426</u>

Navajo County  
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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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP AOC
2026	\$ 540,439	\$ (4,049)	\$ 42,388	\$ 592,659
2027	141,565	(173)	154,611	924,641
2028	(150,618)	(2,502)	(49,646)	470,171
2029	(131,417)	(953)	(42,385)	168,678

### 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
<b>Benefit percent</b>		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%

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June 30, 2025

Benefit percent	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, 2025, 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 70.44 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 58.32 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, 2025, were \$1,182,374.

During fiscal year 2025, the County paid for EORP pension contributions as follows: 100 percent from the General Fund.

**Pension liability**—At June 30, 2025, 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	\$ 12,789,085
State's proportionate share of the EORP net pension liability associated with the County	882,524
Total	<u>\$ 13,671,609</u>

Navajo County  
Notes to Financial Statements  
June 30, 2025

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2024. The County's proportion measured as of June 30, 2024, was 2.1409 percent, which was an increase of 0.9859 from its proportion measured as of June 30, 2023.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2025, the County recognized pension expense for EORP of \$4,196,943 and revenue of 357,569 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		\$ 134,841
County contributions subsequent to the measurement date	\$ 1,182,374	
Total	\$ 1,182,374	\$ 134,841

The \$1,182,374 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, 2026. 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		
2026	\$	(123,979)
2027		102,059
2028		(62,456)
2029		(50,465)

Navajo County  
Notes to Financial Statements  
June 30, 2025

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

**EORP**

Actuarial valuation data	June 30, 2024
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, 2024, 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%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	2%	0.89%
Total	100%	

**Discount rate**—At June 30 2024, the discount rate used to measure the EORP total pension liability was 7.2 percent. 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, 2025

**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	\$ 14,870,231	\$ 12,789,085	\$ 11,001,673

**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, 2025, were as follows:

	Payable to			Total
	General Fund	Public Works/ HURF Fund	Other Governmental Funds	
<b>Payable from</b>				
General Fund		\$ 14,982	\$ 11,932	\$ 26,914
Public Works/HURF Fund	\$ 291,955			291,955
Jail District Fund	212,794			212,794
Other Governmental Funds	1,052,864		11,827	1,064,691
Total	<u>\$ 1,557,613</u>	<u>\$ 14,982</u>	<u>\$ 23,759</u>	<u>\$ 1,596,354</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, 2025

**Interfund transfers**—Interfund transfers for the year ended June 30, 2025, were as follows:

	<b>Transfers to</b>			<b>Total</b>
	<b>General Fund</b>	<b>Jail District Fund</b>	<b>Other Governmental Funds</b>	
<b>Transfers from</b>				
General Fund		\$ 1,545,471	\$ 2,575,034	\$ 4,120,505
Public Works/HURF Fund	\$ 70,163			70,163
Jail District Fund	52,696		157,924	210,620
American Rescue Plan Act Fund			100,000	100,000
Opioid Settlement Fund			677,500	677,500
Other Governmental Funds	57,691	543,512	167,097	768,300
<b>Total</b>	<u>\$ 180,550</u>	<u>\$ 2,088,983</u>	<u>\$ 3,677,555</u>	<u>\$ 5,947,088</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, 2025

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, \$1,384,708 in deposits and \$1,883,276 in cash with trustee. 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	\$ 278,588,000	3.00% - 4.88%	07/25 – 01/27	\$ 278,471,062
U.S. Agency securities	38,000,000	0.75% - 4.70%	08/25 – 04/28	37,886,705
Corporate notes	40,000,000	Variable	08/25 – 06/28	39,944,029
Government money market funds	9,308,000	N/A	N/A	9,308,000

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

**Statement of fiduciary net position**

Assets	\$ 408,686,629
Net position	<u>\$ 408,686,629</u>
Net position held for:	
Internal participants	\$ 138,198,217
External participants	<u>270,488,412</u>
Total net position	<u>\$ 408,686,629</u>

**Statement of changes in fiduciary net position**

Total additions	\$ 487,550,602
Total deductions	<u>507,105,468</u>
Net decrease	(19,554,866)
Net position:	
July 1, 2024	<u>428,241,495</u>
June 30, 2025	<u>\$ 408,686,629</u>

Navajo County  
Notes to Financial Statements  
June 30, 2025

**Note 12 – Construction Commitments**

The following schedule details the County’s construction projects as of June 30, 2025. The following commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
County-wide Broadband	\$ 16,626,871	\$ 3,644,943
Little Colorado Winslow Levee	1,751,588	25,248,412
Sheriff Vehicle Up-fit	665,472	
Holbrook Complex Remodel	487,666	
Code Enforcement / Taylor Facility	1,510,490	4,046,710
	<u>\$ 21,042,087</u>	<u>\$ 32,940,065</u>

The remaining commitments are funded by Federal grants (\$5.6 million) State contributions (\$18.2 million) and County contributions (\$9.1 million).

**Note 13 – 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 degrees of harm suffered in the community because of the opioid epidemic. As of June 30, 2025, agreements have been finalized with eight defendants resulting in the County recording a receivable of \$7.2 million. Due to the on-going litigation and finalizing agreements with other defendants, additional settlements are expected. Two settlements have occurred since June 30, 2025, and the County will recognize revenues received of \$307,148 in revenues in fiscal year 2026.

**Note 14 – Stewardship, Compliance, and Accountability**

Deficit fund balance – At June 30, 2025, the following nonmajor fund reported deficit fund balance:

Governmental fund	
Special Revenue - Workforce Innovation & Opportunity Act	\$ 171,155

# Required Supplementary Information



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Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 8,998,608	\$ 8,998,608	\$ 9,204,057	\$ 205,449
County sales taxes	9,700,000	9,700,000	10,796,719	1,096,719
Licenses and permits	1,170,600	1,170,600	1,384,022	213,422
Fines and forfeits	595,800	595,800	660,481	64,681
Intergovernmental	24,702,100	24,702,100	26,313,442	1,611,342
Charges for services	10,546,700	10,546,700	4,565,474	(5,981,226)
Investment earnings	963,600	963,600	2,557,008	1,593,408
Contributions			2,500	2,500
Miscellaneous	601,625	601,625	1,045,384	443,759
<b>Total revenues</b>	<b>57,279,033</b>	<b>57,279,033</b>	<b>56,529,087</b>	<b>(749,946)</b>
<b>Expenditures:</b>				
<b>General government:</b>				
Board of Supervisors/Administration	3,556,430	3,556,430	1,483,097	2,073,333
Facilities Management	2,413,127	2,413,127	2,283,790	129,337
Elections	868,096	1,088,096	854,013	234,083
Emergency Management	32,339	32,339	10	32,329
Contracts	1,291,400	1,291,400	1,425,458	(134,058)
State Cost Shifts	180,140	180,140	124,005	56,135
Planning and Zoning	1,332,832	1,332,832	1,184,681	148,151
Recorder	690,689	690,689	712,088	(21,399)
Assessor	1,929,469	1,862,469	1,728,636	133,833
Information Technology	1,566,537	1,633,537	1,616,281	17,256
Treasurer	768,013	768,013	673,117	94,896
Personnel Commission	8,650	8,650	50	8,600
Fleet Management	14,000	14,000	6,700	7,300
County-wide	33,177,397	33,177,397	8,798,057	24,379,340
Legal Defender	281,199	281,199	193,329	87,870
County Attorney	3,622,794	3,622,794	3,746,775	(123,981)
Superior Court	2,157,350	2,157,350	2,088,185	69,165
Public Defender	1,377,530	1,377,530	1,373,728	3,802
Clerk of Court	2,044,166	2,044,166	1,927,579	116,587
Holbrook Justice Court	485,057	485,057	467,663	17,394
Winslow Justice Court	496,738	496,738	475,134	21,604
Snowflake Justice Court	515,710	515,710	497,114	18,596
Show Low Justice Court	497,837	497,837	496,370	1,467
Pinetop Justice Court	484,836	484,836	487,117	(2,281)
Kayenta Justice Court	179,871	179,871	183,290	(3,419)
<b>Total general government</b>	<b>59,972,207</b>	<b>60,192,207</b>	<b>32,826,267</b>	<b>27,365,940</b>

(Continued)

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2025  
(Continued)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public safety				
Kayenta Constable	\$ 39,223	\$ 39,223	\$ 35,793	\$ 3,430
Pinetop Constable	103,172	103,172	94,857	8,315
Snowflake Constable	64,257	64,257	63,002	1,255
Holbrook Constable	64,981	64,981	62,017	2,964
Winslow Constable	73,999	73,999	66,484	7,515
Show Low Constable	97,742	97,742	89,009	8,733
Juvenile Detention	1,503,948	1,503,948	1,316,843	187,105
Probation	1,193,102	1,193,102	1,150,547	42,555
Jail Operations	206,619	206,619	150,653	55,966
Sheriff	8,893,682	8,893,682	8,723,600	170,082
Total public safety	<u>12,240,725</u>	<u>12,240,725</u>	<u>11,752,805</u>	<u>487,920</u>
Health and welfare				
Public Fiduciary	535,955	535,955	540,171	(4,216)
Indigent Health	4,575,800	4,575,800	4,577,355	(1,555)
Total health and welfare	<u>5,111,755</u>	<u>5,111,755</u>	<u>5,117,526</u>	<u>(5,771)</u>
Education				
School Superintendent	<u>416,854</u>	<u>416,854</u>	<u>379,644</u>	<u>37,210</u>
Capital outlay	3,859,320	3,859,320	1,223,183	2,636,137
Contingency	<u>17,823,425</u>	<u>17,603,425</u>		<u>17,603,425</u>
Total expenditures	<u>99,424,286</u>	<u>99,424,286</u>	<u>51,299,425</u>	<u>48,124,861</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (42,145,253)</u>	<u>\$ (42,145,253)</u>	<u>\$ 5,229,662</u>	<u>\$ 47,374,915</u>
Other financing sources (uses):				
Sale of capital assets	(21,500)	(21,500)	30,356	51,856
Transfers in	2,389,326	2,389,326	2,369,876	(19,450)
Transfers out	<u>(3,612,116)</u>	<u>(3,612,116)</u>	<u>(4,120,505)</u>	<u>(508,389)</u>
Total other financing sources (uses)	<u>(1,244,290)</u>	<u>(1,244,290)</u>	<u>(1,720,273)</u>	<u>(475,983)</u>
Net change in fund balances	(43,389,543)	(43,389,543)	3,509,389	46,898,932
Fund balances, July 1, 2024	58,430,487	54,137,492	58,430,487	4,292,995
Fund balances, June 30, 2025	<u>\$ 15,040,944</u>	<u>\$ 10,747,949</u>	<u>\$ 61,939,876</u>	<u>\$ 51,191,927</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Public Works/HURF Fund  
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 16,304,090	\$ 16,304,090	\$ 17,079,293	\$ 775,203
Charges for services			7,661	7,661
Investment earnings	283,290	283,290	726,687	443,397
Miscellaneous	5,965	5,965	103,110	97,145
Total revenues	<u>16,593,345</u>	<u>16,593,345</u>	<u>17,916,751</u>	<u>1,323,406</u>
<b>Expenditures:</b>				
Highways and streets	28,282,888	28,282,888	13,878,911	14,403,977
Capital Outlay			2,194,823	(2,194,823)
Total expenditures	<u>28,282,888</u>	<u>28,282,888</u>	<u>16,073,734</u>	<u>12,209,154</u>
Excess (deficiency) of revenues over expenditures	<u>(11,689,543)</u>	<u>(11,689,543)</u>	1,843,017	13,532,560
<b>Other financing sources (uses):</b>				
Sale of capital assets			229,830	229,830
Transfers out	(1,290,770)	(1,290,770)	(1,360,933)	(70,163)
Total other financing sources (uses)	<u>(1,290,770)</u>	<u>(1,290,770)</u>	<u>(1,131,103)</u>	<u>159,667</u>
Net change in fund balances	(12,980,313)	(12,980,313)	711,914	13,692,227
Fund balances, July 1, 2024	17,509,788	13,142,735	17,509,788	4,367,053
Fund balances, June 30, 2025	<u>\$ 4,529,475</u>	<u>\$ 162,422</u>	<u>\$ 18,221,702</u>	<u>\$ 18,059,280</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Jail District Fund  
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
County sales taxes	\$ 6,400,000	\$ 6,400,000	\$ 7,086,740	\$ 686,740
Intergovernmental	1,100,000	1,100,000	788,832	(311,168)
Charges for services	305,500	305,500	307,264	1,764
Investment earnings	98,300	98,300	85,898	(12,402)
Miscellaneous	18,000	18,000	27,491	9,491
Total revenues	<u>7,921,800</u>	<u>7,921,800</u>	<u>8,296,225</u>	<u>374,425</u>
<b>Expenditures:</b>				
Public safety:				
Jail Operations	10,970,875	10,970,875	8,941,333	2,029,542
Total public safety	<u>10,970,875</u>	<u>10,970,875</u>	<u>8,941,333</u>	<u>2,029,542</u>
Capital Outlay	1,250,000	1,250,000	947,172	302,828
Total expenditures	<u>12,220,875</u>	<u>12,220,875</u>	<u>9,888,505</u>	<u>2,332,370</u>
Excess (deficiency) of revenues over expenditures	<u>(4,299,075)</u>	<u>(4,299,075)</u>	<u>(1,592,280)</u>	<u>2,706,795</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			32,483	32,483
Transfers in	1,388,000	1,388,000	2,088,983	700,983
Transfers out	(157,925)	(157,925)	(210,620)	(52,695)
Total other financing sources (uses)	<u>1,230,075</u>	<u>1,230,075</u>	<u>1,910,846</u>	<u>680,771</u>
Net change in fund balances	(3,069,000)	(3,069,000)	318,566	3,387,566
Fund balances, July 1, 2024	3,369,381	3,728,338	3,369,381	(358,957)
Fund balances, June 30, 2025	<u>\$ 300,381</u>	<u>\$ 659,338</u>	<u>\$ 3,687,947</u>	<u>\$ 3,028,609</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, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$	\$	\$ 6,879,777	\$ 6,879,777
Investment earnings	147,500	147,500	320,185	172,685
Miscellaneous			467,139	467,139
Total revenues	<u>147,500</u>	<u>147,500</u>	<u>7,667,101</u>	<u>7,519,601</u>
<b>Expenditures:</b>				
General government:				
Board of Supervisors/Administration	14,306,499	14,306,499	720,099	13,586,400
Facilities Management	171,505	171,505	82,824	88,681
Information Technology	20,330	20,330		20,330
Total general government	<u>14,498,334</u>	<u>14,498,334</u>	<u>802,923</u>	<u>13,695,411</u>
Public safety:				
Sheriff	443,590	443,590	141,980	301,610
Total public safety	<u>443,590</u>	<u>443,590</u>	<u>141,980</u>	<u>301,610</u>
Capital Outlay				
Total expenditures	<u>14,941,924</u>	<u>14,941,924</u>	<u>7,192,697</u>	<u>(7,192,697)</u>
			<u>8,137,600</u>	<u>6,804,324</u>
Excess (deficiency) of revenues over expenditures				
	<u>(14,794,424)</u>	<u>(14,794,424)</u>	<u>(470,499)</u>	<u>14,323,925</u>
Other financing sources (uses):				
Transfers out	(100,000)	(100,000)	(100,000)	
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	
Net change in fund balances				
	(14,894,424)	(14,894,424)	(570,499)	14,323,925
Fund balances, July 1, 2024	5,632,669	6,426,170	5,632,669	(793,501)
Fund balances, June 30, 2025	<u>\$ (9,261,755)</u>	<u>\$ (8,468,254)</u>	<u>\$ 5,062,170</u>	<u>\$ 13,530,424</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Opioid Settlement Fund  
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Investment earnings	\$ 12,000	\$ 12,000	\$ 63,332	\$ 51,332
Settlements			707,947	707,947
Miscellaneous	225,000	225,000	1,848	(223,152)
Total revenues	<u>237,000</u>	<u>237,000</u>	<u>773,127</u>	<u>536,127</u>
<b>Expenditures:</b>				
Board of Supervisors/Administration	935,500	935,500		935,500
Health and Welfare			123,551	(123,551)
Total expenditures	<u>935,500</u>	<u>935,500</u>	<u>123,551</u>	<u>811,949</u>
Excess (deficiency) of revenues over expenditures	<u>(698,500)</u>	<u>(698,500)</u>	<u>649,576</u>	<u>1,348,076</u>
<b>Other financing sources (uses):</b>				
Transfers out			(677,500)	(677,500)
Total other financing sources (uses)			<u>(677,500)</u>	<u>(677,500)</u>
Net change in fund balances	(698,500)	(698,500)	(27,924)	670,576
Fund balances, July 1, 2024	1,878,036	484,916	1,878,036	1,393,120
Fund balances, June 30, 2025	<u>\$ 1,179,536</u>	<u>\$ (213,584)</u>	<u>\$ 1,850,112</u>	<u>\$ 2,063,696</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2025

**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, 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, 2025, the Board of Supervisors elected not to appropriate transfers between departments to correct negative budget variances.

**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	\$ 7,418,988	\$ 552,247
Indirect costs budgeted in transfers in/(out)	(2,189,326)	1,290,770
Excess of revenues over expenditures from the Budgetary comparison schedules	<u>\$ 5,229,662</u>	<u>\$ 1,843,017</u>

Navajo County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2025

Note 3 - Expenditures in Excess of Appropriations

For the year ended June 30, 2025, 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		
Contracts	\$	134,058
Recorder		21,399
County Attorney		123,981
Pinetop Justice Court		2,281
Kayenta Justice Court		3,419
Public Fiduciary		4,216
Indigent Health		1,555

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 Contracts Department, Recorder's Office, and the County Attorney's Office. In the Contracts Department, the need for court appointed attorneys and medical/psychological evaluations for defendants were greater than anticipated. The Recorder's Office excess was driven by increased overtime costs resulting from higher workload demands and the need to maintain service levels associated with new voter registration requirements and reviews. The County Attorney's Office experienced higher than expected legal service contract costs due to unplanned legal matters and extended case durations, along with increased travel expenses resulting from additional business trips and higher travel rates.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
June 30, 2025

**Arizona State Retirement System**

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
County's proportion of the net pension liability	0.19%	0.18%	0.18%	0.19%	0.17%
County's proportionate share of the net pension liability	\$ 30,734,091	\$ 29,670,297	\$ 29,827,226	\$ 24,335,772	\$ 29,702,865
County's covered payroll	\$ 26,100,037	\$ 23,906,608	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704
County's proportionate share of the net pension liability as a percentage of its covered payroll	117.75%	124.11%	137.16%	125.22%	158.56%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%

**Arizona State Retirement System**

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
County's proportion of the net pension liability	0.17%	0.19%	0.20%	0.21%	0.21%
County's proportionate share of the net pension liability	\$ 25,433,978	\$ 26,385,347	\$ 31,575,151	\$ 33,707,260	\$ 32,861,924
County's covered payroll	\$ 18,383,928	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464
County's proportionate share of the net pension liability as a percentage of its covered payroll	138.35%	144.44%	156.86%	173.49%	169.39%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
June 30, 2025

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

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
County's proportion of the net pension liability	1.89%	1.69%	1.40%	1.24%	1.14%
County's proportionate share of the net pension liability	\$ 8,172,772	\$ 7,633,657	\$ 6,244,650	\$ 4,585,636	\$ 5,456,853
County's covered payroll	\$ 2,493,659	\$ 2,160,887	\$ 1,630,693	\$ 1,453,650	\$ 1,371,917
County's proportionate share of the net pension liability as a percentage of its covered payroll	327.74%	353.26%	382.94%	315.46%	397.75%
Plan fiduciary net position as a percentage of the total pension liability	63.12%	59.28%	57.52%	62.53%	50.07%

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

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
County's proportion of the net pension liability	1.11%	1.17%	1.62%	1.74%	1.69%
County's proportionate share of the net pension liability	\$ 4,673,477	\$ 4,207,648	\$ 6,507,694	\$ 4,896,487	\$ 4,108,278
County's covered payroll	\$ 1,335,653	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207	\$ 1,879,552
County's proportionate share of the net pension liability as a percentage of its covered payroll	349.90%	305.21%	335.20%	258.91%	218.58%
Plan fiduciary net position as a percentage of the total pension liability	51.99%	53.72%	49.21%	54.81%	57.89%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
June 30, 2025

**Elected Officials Retirement Plan**

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
County's proportion of the net pension liability	2.14%	1.16%	2.12%	2.25%	2.20%
County's proportionate share of the net pension liability	\$ 12,789,085	\$ 7,239,534	\$ 14,330,204	\$ 13,682,358	\$ 14,873,919
State's proportionate share of the net pension liability associated with the County	<u>882,524</u>	<u>8,094,171</u>	<u>1,395,296</u>	<u>1,375,299</u>	<u>1,413,648</u>
Total	<u>\$ 13,671,609</u>	<u>\$ 15,333,705</u>	<u>\$ 15,725,500</u>	<u>\$ 15,057,657</u>	<u>\$ 16,287,567</u>
County's covered payroll	\$ 1,890,197	\$ 1,785,101	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008
County's proportionate share of the net pension liability as a percentage of its covered payroll	676.60%	405.55%	840.25%	823.30%	848.00%
Plan fiduciary net position as a percentage of the total pension liability	42.22%	38.63%	32.01%	36.28%	29.80%

**Elected Officials Retirement Plan**

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
County's proportion of the net pension liability	2.19%	2.01%	1.87%	1.87%	1.82%
County's proportionate share of the net pension liability	\$ 14,526,649	\$ 12,680,743	\$ 22,771,521	\$ 17,665,320	\$ 14,226,251
State's proportionate share of the net pension liability associated with the County	<u>1,365,355</u>	<u>2,172,763</u>	<u>4,726,116</u>	<u>3,647,430</u>	<u>4,435,153</u>
Total	<u>\$ 15,892,004</u>	<u>\$ 14,853,506</u>	<u>\$ 27,497,637</u>	<u>\$ 21,312,750</u>	<u>\$ 18,661,404</u>
County's covered payroll	\$ 1,757,585	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376
County's proportionate share of the net pension liability as a percentage of its covered payroll	826.51%	688.98%	1365.08%	1152.95%	917.01%
Plan fiduciary net position as a percentage of the total pension liability	30.14%	30.36%	19.66%	23.42%	28.32%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**PSPRS Sheriff**

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total pension liability					
Service cost	\$ 306,937	\$ 284,896	\$ 326,886	\$ 302,169	\$ 374,653
Interest on the total pension liability	1,678,026	1,528,886	1,473,291	1,437,966	1,426,339
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	(244,317)	1,594,887	185,741	26,778	(234,756)
Changes of assumptions or other inputs			378,709		
Benefit payments, including refunds of employee contributions	(1,414,274)	(1,304,362)	(1,235,991)	(1,379,462)	(1,289,493)
Net change in total pension liability	326,372	2,104,307	1,128,636	387,451	276,743
Total pension liability—beginning	23,706,119	21,601,812	20,473,176	20,085,725	19,808,982
Total pension liability—ending (a)	<u>\$ 24,032,491</u>	<u>\$ 23,706,119</u>	<u>\$ 21,601,812</u>	<u>\$ 20,473,176</u>	<u>\$ 20,085,725</u>
Plan fiduciary net position					
Contributions—employer	\$ 246,112	\$ 276,991	\$ 14,996,717	\$ 1,454,668	\$ 1,347,673
Contributions—employee	151,809	202,728	161,812	155,529	153,158
Net investment income	2,251,496	1,639,976	(726,640)	1,859,271	82,461
Benefit payments, including refunds of employee contributions	(1,414,274)	(1,304,362)	(1,235,991)	(1,379,462)	(1,289,493)
Administrative expense	(21,053)	(16,705)	(13,010)	(8,610)	(6,722)
Other changes					
Net change in plan fiduciary net position	1,214,090	798,628	13,182,888	2,081,396	287,077
Plan fiduciary net position—beginning	22,663,312	21,864,684	8,681,796	6,600,400	6,313,323
Plan fiduciary net position—ending (b)	<u>\$ 23,877,402</u>	<u>\$ 22,663,312</u>	<u>\$ 21,864,684</u>	<u>\$ 8,681,796</u>	<u>\$ 6,600,400</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ 155,089</u>	<u>\$ 1,042,807</u>	<u>\$ (262,872)</u>	<u>\$ 11,791,380</u>	<u>\$ 13,485,325</u>
Plan fiduciary net position as a percentage of the total pension liability	99.35%	95.60%	101.22%	42.41%	32.86%
Covered payroll	\$ 2,594,833	\$ 2,458,605	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258
County's net pension liability as a percentage of covered payroll	5.98%	42.41%	(9.81)%	414.01%	525.69%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**PSPRS Sheriff**

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability					
Service cost	\$ 426,220	\$ 383,988	\$ 499,570	\$ 468,580	\$ 397,350
Interest on the total pension liability	1,331,926	1,289,848	1,260,137	1,327,262	1,309,258
Change of benefit terms			304,021	(615,741)	
Differences between expected and actual experience in the measurement of the pension liability	860,339	(19,932)	(794,648)	(777,000)	(377,151)
Changes of assumptions or other inputs	331,691		607,986	641,504	
Benefit payments, including refunds of employee contributions	(1,427,957)	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)
Net change in total pension liability	1,522,219	442,862	706,656	(117,122)	219,746
Total pension liability - beginning	18,286,763	17,843,901	17,137,245	17,254,367	17,034,621
Total pension liability - ending (a)	<u>\$ 19,808,982</u>	<u>\$ 18,286,763</u>	<u>\$ 17,843,901</u>	<u>\$ 17,137,245</u>	<u>\$ 17,254,367</u>
Plan fiduciary net position					
Contributions-employer	\$ 1,203,208	\$ 785,359	\$ 1,047,332	\$ 1,205,254	\$ 790,385
Contributions-employee	198,531	215,008	262,773	295,080	261,993
Net investment income	326,870	381,885	633,913	31,020	191,904
Benefit payments, including refunds of employee contributions	(1,427,957)	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)
Administrative expense	(6,666)	(6,512)	(6,009)	(4,864)	(5,044)
Other changes	(12,693)	(64,550)	(324,969)	(215,557)	(114,224)
Net change in plan fiduciary net position	281,293	100,148	442,630	149,206	15,303
Plan fiduciary net position - beginning	6,032,210	5,932,062	5,489,432	5,340,226	5,324,923
Plan fiduciary net position - ending (b)	<u>\$ 6,313,503</u>	<u>\$ 6,032,210</u>	<u>\$ 5,932,062</u>	<u>\$ 5,489,432</u>	<u>\$ 5,340,226</u>
County's net pension (asset)/liability - ending (a)-(b)	<u>\$ 13,495,479</u>	<u>\$ 12,254,553</u>	<u>\$ 11,911,839</u>	<u>\$ 11,647,813</u>	<u>\$ 11,914,141</u>
Plan fiduciary net position as a percentage of the total pension liability	31.87%	32.99%	33.24%	32.03%	30.95%
Covered payroll	\$ 2,542,322	\$ 2,042,346	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037
County's net position liability as a percentage of covered payroll	530.84%	600.02%	481.18%	472.53%	503.76%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**PSPRS Attorney Investigators**

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total pension liability					
Interest on the total pension liability	\$ 43,731	\$ 42,840	\$ 42,031	\$ 41,752	\$ 41,397
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	1,589	9,809	2,272	794	1,435
Changes of assumptions or other inputs			14,426		
Benefit payments, including refunds of employee contributions	(40,685)	(39,887)	(39,105)	(38,338)	(37,587)
Net change in total pension liability	4,635	12,762	19,624	4,208	5,245
Total pension liability—beginning	627,712	614,950	595,326	591,118	585,873
Total pension liability—ending (a)	<u>\$ 632,347</u>	<u>\$ 627,712</u>	<u>\$ 614,950</u>	<u>\$ 595,326</u>	<u>\$ 591,118</u>
Plan fiduciary net position					
Contributions—employer	\$ 48,926	\$ 49,424	\$ 47,500	\$ 73,408	\$ -
Contributions—employee					
Net investment income	17,072	18,122	(1,651)	25,904	1,650
Benefit payments, including refunds of employee contributions	(40,685)	(39,887)	(39,105)	(38,338)	(37,587)
Administrative expense	(211)	(174)	(31)	(129)	(135)
Other changes				-	-
Net change in plan fiduciary net position	25,102	27,485	6,713	60,845	(36,072)
Plan fiduciary net position—beginning	166,916	139,431	132,718	71,873	107,945
Plan fiduciary net position—ending (b)	<u>\$ 192,018</u>	<u>\$ 166,916</u>	<u>\$ 139,431</u>	<u>\$ 132,718</u>	<u>\$ 71,873</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ 440,329</u>	<u>\$ 460,796</u>	<u>\$ 475,519</u>	<u>\$ 462,608</u>	<u>\$ 519,245</u>
Plan fiduciary net position as a percentage of the total pension liability	30.37%	26.59%	22.67%	22.29%	12.16%
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.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**PSPRS Attorney Investigators**

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension cost					
Interest on the total pension liability	\$ 40,883	\$ 40,340	\$ 38,673	\$ 44,961	\$ 40,906
Changes of benefit terms			10,560	(78,488)	
Difference between expected and actual experience in the measurement of the pension liability	928		325	(13,833)	6,616
Changes of assumptions or other inputs	10,018	4,599	16,836	25,702	(392,840)
Benefit payments, including refunds of employee contributions	(36,849)	(38,355)	(35,451)	(35,451)	(35,451)
Net change in total pension liability	14,980	6,584	30,943	(57,109)	(380,769)
Total pension liability - beginning	570,893	564,309	533,366	590,475	971,244
Total pension liability - ending (a)	<u>\$ 585,873</u>	<u>\$ 570,893</u>	<u>\$ 564,309</u>	<u>\$ 533,366</u>	<u>\$ 590,475</u>
Plan fiduciary net position					
Contributions - employer	\$ 75,959	\$ 72,028	\$ 38,721	\$ 65,456	\$ 20,181
Contributions - employee					
Net investment income	6,765	6,364	8,673	390	744
Benefit payments, including refunds of employee contributions	(36,849)	(38,355)	(35,451)	(35,451)	(35,451)
Administrative expense	(1,118)	(797)	(477)	(456)	(308)
Other changes		1	1	(1)	(37)
Net change in plan fiduciary net position	44,757	39,241	11,467	29,938	(14,871)
Plan fiduciary net position - beginning	101,909	62,668	51,201	21,263	36,134
Plan fiduciary net position - ending (b)	<u>\$ 146,666</u>	<u>\$ 101,909</u>	<u>\$ 62,668</u>	<u>\$ 51,201</u>	<u>\$ 21,263</u>
County's net pension (asset)/liability - ending (a) - (b)	<u>\$ 439,207</u>	<u>\$ 468,984</u>	<u>\$ 501,641</u>	<u>\$ 482,165</u>	<u>\$ 569,212</u>
Plan fiduciary net position as a percentage of the total pension liability	25.03%	17.85%	11.11%	9.60%	3.60%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
County's net position liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**CORP Detention**

	Reporting fiscal year (measurement date)				
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total pension liability					
Service cost	\$ 102,475	\$ 109,162	\$ 132,842	\$ 141,175	\$ 196,443
Interest on the total pension liability	487,880	459,216	445,390	427,194	400,261
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	209,232	128,455	(80,150)	(41,095)	144,499
Changes of assumptions or other inputs			69,224		
Benefit payments, including refunds of employee contributions	(281,564)	(302,519)	(231,191)	(308,165)	(325,831)
Net change in total pension liability	518,023	394,314	336,115	219,109	415,372
Total pension liability—beginning	6,814,414	6,420,100	6,083,985	5,864,876	5,449,504
Total pension liability—ending (a)	<u>\$ 7,332,437</u>	<u>\$ 6,814,414</u>	<u>\$ 6,420,100</u>	<u>\$ 6,083,985</u>	<u>\$ 5,864,876</u>
Plan fiduciary net position					
Contributions—employer	\$ 52,372	\$ 48,659	\$ 2,192,207	\$ 223,776	\$ 134,522
Contributions—employee	66,775	77,652	71,575	80,074	84,963
Net investment income	712,159	514,204	(237,085)	1,059,634	111,991
Benefit payments, including refunds of employee contributions	(281,564)	(302,519)	(231,191)	(308,165)	(325,831)
Administrative expense	(15,762)	(14,316)	(4,333)	(4,916)	(4,334)
Tiers 1 & 2 Adjustment		(20,567)			
Other changes		923	(9,754)		(18,201)
Net change in plan fiduciary net position	533,980	304,036	1,781,419	1,050,403	(16,890)
Plan fiduciary net position—beginning	7,036,776	6,732,740	4,951,321	3,900,918	3,917,808
Plan fiduciary net position—ending (b)	<u>\$ 7,570,756</u>	<u>\$ 7,036,776</u>	<u>\$ 6,732,740</u>	<u>\$ 4,951,321</u>	<u>\$ 3,900,918</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ (238,319)</u>	<u>\$ (222,362)</u>	<u>\$ (312,640)</u>	<u>\$ 1,132,664</u>	<u>\$ 1,963,958</u>
Plan fiduciary net position as a percentage of the total pension liability	103.25%	103.26%	104.87%	81.38%	66.51%
Covered payroll	\$ 799,745	\$ 923,323	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236
County's net pension liability as a percentage of covered payroll	(29.80)%	(24.08)%	(22.04)%	69.56%	133.67%

See accompanying notes to pension plan schedules.

Navajo County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2025

**CORP Detention**

	Reporting fiscal year (measurement date)				
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension cost					
Service cost	\$ 250,314	\$ 288,583	\$ 243,603	\$ 226,516	\$ 229,853
Interest on the total pension liability	380,744	388,051	321,690	307,215	301,883
Changes of benefit terms		(221,437)	693,192	9,571	
Difference between expected and actual experience in the measurement of the pension liability	(18,530)	(259,089)	(89,958)	(31,895)	(93,870)
Changes of assumptions or other inputs	158,339		107,452	160,139	
Benefit payments, including refunds of employee contributions	(432,464)	(369,299)	(318,158)	(290,765)	(445,789)
Net change in total pension liability	338,403	(173,191)	957,821	380,781	(7,923)
Total pension liability - beginning	5,111,101	5,284,292	4,326,471	3,945,690	3,953,613
Total pension liability - ending (a)	<u>\$ 5,449,504</u>	<u>\$ 5,111,101</u>	<u>\$ 5,284,292</u>	<u>\$ 4,326,471</u>	<u>\$ 3,945,690</u>
Plan fiduciary net position					
Contributions - employer	\$ 174,388	\$ 147,102	\$ 139,477	\$ 137,367	\$ 123,062
Contributions - employee	112,339	134,290	139,124	130,513	137,233
Net investment income	208,336	253,700	392,801	19,994	120,952
Benefit payments, including refunds of employee contributions	(432,464)	(369,299)	(318,158)	(290,765)	(445,789)
Administrative expense	(4,418)	(4,538)	(3,836)	(3,227)	(3,354)
Other changes	(13,107)	12,725	62,915	(10,869)	9,359
Net change in plan fiduciary net position	45,074	173,980	412,323	(16,987)	(58,537)
Plan fiduciary net position - beginning	3,872,734	3,698,754	3,286,431	3,303,418	3,361,955
Plan fiduciary net position - ending (b)	<u>\$ 3,917,808</u>	<u>\$ 3,872,734</u>	<u>\$ 3,698,754</u>	<u>\$ 3,286,431</u>	<u>\$ 3,303,418</u>
County's net pension (asset)/liability - ending (a) - (b)	<u>\$ 1,531,696</u>	<u>\$ 1,238,367</u>	<u>\$ 1,585,538</u>	<u>\$ 1,040,040</u>	<u>\$ 642,272</u>
Plan fiduciary net position as a percentage of the total pension liability	71.89%	75.77%	70.00%	75.96%	83.72%
Covered payroll	1,532,926	1,508,678	1,668,947	1,572,955	1,632,100
County's net position liability as a percentage of covered payroll	99.92%	82.08%	95.00%	66.12%	39.35%

See accompanying notes to pension plan schedules.

**Navajo County**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2025**

**Arizona State Retirement System**

	Reporting fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,391,494	\$ 3,124,639	\$ 2,859,272	\$ 2,601,822	\$ 2,264,136	\$ 2,136,505	\$ 2,052,532	\$ 2,028,064	\$ 2,171,922	\$ 2,128,972
County's contributions in relation to the statutorily required contribution	<u>3,391,494</u>	<u>3,124,639</u>	<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>
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	\$ 28,263,513	\$ 26,100,037	\$ 23,906,608	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032
County's contributions as a percentage of covered payroll	12.00%	11.97%	11.96%	11.96%	11.65%	11.41%	11.16%	10.87%	10.79%	10.96%

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

	Reporting fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 999,725	\$ 933,985	\$ 744,971	\$ 592,247	\$ 488,203	\$ 414,800	\$ 417,492	\$ 294,854	\$ 379,356	\$ 367,198
County's contributions in relation to the statutorily required contribution	<u>999,725</u>	<u>933,985</u>	<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>
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	\$ 2,660,695	\$ 2,493,659	\$ 2,160,887	\$ 1,630,693	\$ 1,453,850	\$ 1,371,917	\$ 1,335,653	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207
County's contributions as a percentage of covered payroll	37.57%	37.45%	34.48%	36.32%	33.58%	30.24%	31.26%	21.39%	19.54%	19.42%

**Elected Officials Retirement Plan**

	Reporting fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,182,374	\$ 1,361,010	\$ 1,179,390	\$ 973,678	\$ 1,020,900	\$ 1,005,663	\$ 1,012,544	\$ 370,491	\$ 363,340	\$ 355,627
County's contributions in relation to the statutorily required contribution	<u>1,182,374</u>	<u>1,361,010</u>	<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>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,642</u>	<u>\$ 336,166</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,061,315	\$ 1,890,197	\$ 1,785,101	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182
County's contributions as a percentage of covered payroll	57.36%	72.00%	66.07%	57.09%	61.43%	57.34%	52.11%	1.86%	21.78%	23.21%

See accompanying notes to pension plan schedules.

**Navajo County**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2025**

**PSPRS Sheriff**

	Reporting fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 238,087	\$ 227,224	\$ 254,832	\$ 877,285	\$ 1,517,162	\$ 1,369,168	\$ 1,187,010	\$ 1,039,891	\$ 1,091,146	\$ 1,214,475
County's contributions in relation to the actuarially determined contribution	238,087	227,224	254,832	14,996,717	1,517,162	1,369,168	1,187,010	780,780	1,091,146	1,214,475
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,119,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,111</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,572,582	\$ 2,594,833	\$ 2,458,605	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322	\$ 2,402,346	\$ 2,475,549	\$ 2,464,986
County's contributions as a percentage of covered payroll	9.25%	8.76%	10.36%	559.39%	53.27%	53.37%	46.69%	32.50%	44.08%	49.27%

**PSPRS Attorney Investigators**

	Reporting fiscal year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 49,662	\$ 51,212	\$ 51,714	\$ 36,122	\$ 37,286	\$ 37,382	\$ 37,238	\$ 33,307	\$ 38,721	\$ 35,878
County's contributions in relation to the actuarially determined contribution	49,662	51,212	51,714	36,122	37,286	37,382	37,238	33,307	38,721	35,878
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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 47,985	\$ 50,525	\$ 48,659	\$ 177,357	\$ 270,796	\$ 134,564	\$ 182,970	\$ 151,162	\$ 144,735	\$ 138,748
County's contributions in relation to the actuarially determined contribution	47,985	50,525	48,659	2,242,845	270,796	134,564	182,970	151,162	144,735	138,748
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,065,488)</u>	<u>\$ -</u>					
County's covered payroll	\$ 799,745	\$ 823,237	\$ 923,323	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926	\$ 1,508,678	\$ 1,668,947	\$ 1,572,955
County's contributions as a percentage of covered payroll	6.00%	6.14%	5.27%	158.09%	16.63%	9.16%	11.94%	10.02%	8.67%	8.82%

See accompanying notes to pension plan schedules.

Navajo County  
 Required Supplementary Information  
 Notes to Pension Plan Schedules  
 June 30, 2025

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 2023 actuarial valuation	13 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. 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 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0-6.25% for PSPRS and CORP. 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.

Navajo County  
Required Supplementary Information  
Notes to Pension Plan Schedules  
June 30, 2025

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).

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  
List of Nonmajor Governmental Funds  
June 30, 2025

**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 the 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**  
**List of Nonmajor Governmental Funds**  
**June 30, 2025**

**Sheriff's Office**

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.

**Special Districts**

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.

**Superintendent of Schools**

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.

**Workforce Innovation and Opportunity Act (WIOA)**

Accounts for administration of the federal Workforce Innovation and Opportunity Act (WIOA) program. Funding is from federal grants.

**Debt Service Funds**

**General Government**

Accounts for the accumulation of resources for payment of principal and interest on the 2021 Series, Non-taxable Pledged Revenue Refunding Obligations and the 2021 Series, Taxable Pledged Revenue Pension Obligations.

**Special Districts**

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.

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

Special Revenue

	Administration	County Attorney	Courts	Environmental and Conservation
<b>Assets</b>				
Cash and investments	\$ 1,172,511	\$ 2,616,936	\$ 2,942,907	\$ 984,493
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable		1,244		
Special assessments				
Due from:				
Other funds		770	4,609	
Other governments	289,951	239,963	48,550	24,047
Prepaid items		37,196		
Total assets	<u>\$ 1,462,462</u>	<u>\$ 2,896,109</u>	<u>\$ 2,996,066</u>	<u>\$ 1,008,540</u>
<b>Liabilities</b>				
Accounts payable	\$ 22,455	\$ 26,737	\$ 7,951	
Accrued payroll and employee benefits	6,358	27,964	20,059	\$ 6,270
Due to:				
Other funds			11,867	
Other governments	456	502	1,061	25,056
Pledged revenue obligations payable				
Bond interest payable				
Total liabilities	<u>29,269</u>	<u>55,203</u>	<u>40,938</u>	<u>31,326</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental	66,255			
Total deferred inflows of resources	<u>66,255</u>			
<b>Fund balances</b>				
Nonspendable		37,196		
Restricted	1,131,262	3,304,874	3,044,449	977,214
Assigned	235,676			
Unassigned (Deficit)		(501,164)	(89,321)	
Total fund balances	<u>1,366,938</u>	<u>2,840,906</u>	<u>2,955,128</u>	<u>977,214</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,462,462</u>	<u>\$ 2,896,109</u>	<u>\$ 2,996,066</u>	<u>\$ 1,008,540</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

Special Revenue

	Flood Control District	Library District	Probation	Public Defense
<b>Assets</b>				
Cash and investments	\$ 4,046,396	\$ 108,772	\$ 766,997	\$ 57,513
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes	88,167	37,143		
Accounts receivable				
Special assessments				
Due from:				
Other funds	1,193			11,827
Other governments		32,330		
Prepaid items				
Total assets	<u>\$ 4,135,756</u>	<u>\$ 178,245</u>	<u>\$ 766,997</u>	<u>\$ 69,340</u>
<b>Liabilities</b>				
Accounts payable	\$ 203,895	\$ 21,692	\$ 4,507	\$ 6,279
Accrued payroll and employee benefits	6,610	13,805	56,418	6,610
Due to:				
Other funds		7,595	3	2
Other governments	893	110	41,922	2,479
Pledged revenue obligations payable				
Bond interest payable				
Total liabilities	<u>211,398</u>	<u>43,202</u>	<u>102,850</u>	<u>15,370</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	53,656	7,506		
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental				
Total deferred inflows of resources	<u>53,656</u>	<u>7,506</u>		
<b>Fund balances</b>				
Nonspendable				
Restricted	3,870,702	128,359	682,462	70,574
Assigned				
Unassigned (Deficit)		(822)	(18,315)	(16,604)
Total fund balances	<u>3,870,702</u>	<u>127,537</u>	<u>664,147</u>	<u>53,970</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,135,756</u>	<u>\$ 178,245</u>	<u>\$ 766,997</u>	<u>\$ 69,340</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

Special Revenue

	Public Health	Recreation District	Sheriff's Office	Special Districts
<b>Assets</b>				
Cash and investments	\$ 5,658,065	\$ 233,165	\$ 3,201,862	\$ 740,349
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes	93,923			
Accounts receivable	19,110	3,375	1	
Special assessments		13,213		3,968
Due from:				
Other funds			5,360	
Other governments	535,934		422,001	
Prepaid items	17,362			
<b>Total assets</b>	<u>\$ 6,324,394</u>	<u>\$ 249,753</u>	<u>\$ 3,629,224</u>	<u>\$ 744,317</u>
<b>Liabilities</b>				
Accounts payable	\$ 58,371		\$ 75,289	
Accrued payroll and employee benefits	16,838		55,221	
Due to:				
Other funds	87,224			
Other governments	27,871		64,644	
Pledged revenue obligations payable				
Bond interest payable				
<b>Total liabilities</b>	<u>190,304</u>	<u></u>	<u>195,154</u>	<u></u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	14,317			
Unavailable revenue-special assessments		\$ 5,037		\$ 3,298
Unavailable revenue-intergovernmental	315,766		264,068	
<b>Total deferred inflows of resources</b>	<u>330,083</u>	<u>5,037</u>	<u>264,068</u>	<u>3,298</u>
<b>Fund balances</b>				
Nonspendable	17,362			
Restricted	5,971,091	244,716	3,877,579	755,751
Assigned				
Unassigned (Deficit)	(184,446)		(707,577)	(14,732)
<b>Total fund balances</b>	<u>5,804,007</u>	<u>244,716</u>	<u>3,170,002</u>	<u>741,019</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 6,324,394</u>	<u>\$ 249,753</u>	<u>\$ 3,629,224</u>	<u>\$ 744,317</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

	Special Revenue		Debt Service	
	Superintendent of Schools	Workforce Innovation & Opportunity Act	General Government	Special Districts
<b>Assets</b>				
Cash and investments	\$ 401,285		\$ 2,236	\$ 130,106
Cash and investments held by trustee			1,883,276	
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable	9,977			
Special assessments				17
Due from:				
Other funds				
Other governments		\$ 872,579		
Prepaid items				
Total assets	<u>\$ 411,262</u>	<u>\$ 872,579</u>	<u>\$ 1,885,512</u>	<u>\$ 130,123</u>
<b>Liabilities</b>				
Accounts payable		\$ 52,457		
Accrued payroll and employee benefits	\$ 106,084	8,005		
Due to:				
Other funds		958,000		
Other governments		4,829		
Pledged revenue obligations payable			\$ 1,585,000	
Bond interest payable			298,276	
Total liabilities	<u>106,084</u>	<u>1,023,291</u>	<u>1,883,276</u>	
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments				\$ 17
Unavailable revenue-intergovernmental		20,443		
Total deferred inflows of resources		<u>20,443</u>		<u>17</u>
<b>Fund balances</b>				
Nonspendable				
Restricted	1,726,290	341,760		130,106
Assigned			2,236	
Unassigned (Deficit)	<u>(1,421,112)</u>	<u>(512,915)</u>		
Total fund balances	<u>305,178</u>	<u>(171,155)</u>	<u>2,236</u>	<u>130,106</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 411,262</u>	<u>\$ 872,579</u>	<u>\$ 1,885,512</u>	<u>\$ 130,123</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

	Total Nonmajor Governmental Funds
<b>Assets</b>	
Cash and investments	\$ 23,063,593
Cash and investments held by trustee	1,883,276
Receivables (net of allowance for uncollectibles):	
Property taxes	219,233
Accounts receivable	33,707
Special assessments	17,198
Due from:	
Other funds	23,759
Other governments	2,465,355
Prepaid items	54,558
Total assets	\$ 27,760,679
<b>Liabilities</b>	
Accounts payable	\$ 479,633
Accrued payroll and employee benefits	330,242
Due to:	
Other funds	1,064,691
Other governments	169,823
Pledged revenue obligations payable	1,585,000
Bond interest payable	298,276
Total liabilities	3,927,665
<b>Deferred Inflows of Resources</b>	
Unavailable revenue-property taxes	75,479
Unavailable revenue-special assessments	8,352
Unavailable revenue-intergovernmental	666,532
Total deferred inflows of resources	750,363
<b>Fund balances</b>	
Nonspendable	54,558
Restricted	26,257,189
Assigned	237,912
Unassigned (Deficit)	(3,467,008)
Total fund balances	23,082,651
Total liabilities, deferred inflows of resources and fund balances	\$ 27,760,679

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025

	Special Revenue			
	Administration	County Attorney	Courts	Environmental and Conservation
Revenues:				
Property taxes				
Special assessments				
Licenses and permits				
Fines and forfeits		\$ 17,350	\$ 41,033	
Intergovernmental	\$ 1,032,193	1,235,965	611,042	\$ 280,047
Charges for services	112,497	242,301	645,117	
Investment earnings	59,090	77,572	83,981	30,198
Contributions				
Miscellaneous	207,484	76,768	117,044	
Total revenues	<u>1,411,264</u>	<u>1,649,956</u>	<u>1,498,217</u>	<u>310,245</u>
Expenditures:				
Current:				
General government	307,716	1,630,611	1,364,108	
Public Safety	141,135			
Highways and streets				
Health and welfare	382,341			
Culture and recreation				
Education and economic opportunity	239,012			
Environmental and conservation	121,358			272,484
Urban redevelopment and housing	181,372			
Debt Service:				
Principal				
Interest and other charges				
Capital Outlay				
Total expenditures	<u>1,372,934</u>	<u>1,630,611</u>	<u>1,364,108</u>	<u>272,484</u>
Excess (deficiency) of revenues over expenditures	<u>38,330</u>	<u>19,345</u>	<u>134,109</u>	<u>37,761</u>
Other financing sources (uses):				
Subscription-based information technology arrangements	126,773			
Sale of capital assets				
Transfers in	245,000	120,369	266,770	
Transfers out	(66,001)		(137,192)	
Total other financing sources (uses)	<u>305,772</u>	<u>120,369</u>	<u>129,578</u>	
Net change in fund balances	344,102	139,714	263,687	37,761
Fund balances, July 1, 2024	1,022,836	2,701,192	2,691,441	939,453
Change within the financial reporting entity (major to nonmajor)				
Fund balances, June 30, 2025	<u>\$ 1,366,938</u>	<u>\$ 2,840,906</u>	<u>\$ 2,955,128</u>	<u>\$ 977,214</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025

	Special Revenue			
	Flood Control District	Library District	Probation	Public Defense
Revenues:				
Property taxes	\$ 2,219,976	\$ 946,078		
Special assessments				
Licenses and permits				
Fines and forfeits				
Intergovernmental	401	186,934	\$ 2,666,688	\$ 26,922
Charges for services			399,714	
Investment earnings	114,247	8,542	20,119	5,508
Contributions				
Miscellaneous	375	16,537	16,333	
Total revenues	<u>2,334,999</u>	<u>1,158,091</u>	<u>3,102,854</u>	<u>32,430</u>
Expenditures:				
Current:				
General government				211,160
Public Safety			2,926,576	
Highways and streets				
Health and welfare				
Culture and recreation		1,187,106		
Education and economic opportunity				
Environmental and conservation	1,865,522			
Urban redevelopment and housing				
Debt Service:				
Principal				
Interest and other charges				
Capital Outlay	11,890			
Total expenditures	<u>1,877,412</u>	<u>1,187,106</u>	<u>2,926,576</u>	<u>211,160</u>
Excess (deficiency) of revenues over expenditures	<u>457,587</u>	<u>(29,015)</u>	<u>176,278</u>	<u>(178,730)</u>
Other financing sources (uses):				
Subscription-based information technology arrangements				
Sale of capital assets				
Transfers in			2,953	58,227
Transfers out				
Total other financing sources (uses)			<u>2,953</u>	<u>58,227</u>
Net change in fund balances	457,587	(29,015)	179,231	(120,503)
Fund balances, July 1, 2024	3,413,115	156,552	484,916	174,473
Change within the financial reporting entity (major to nonmajor)				
Fund balances, June 30, 2025	<u>\$ 3,870,702</u>	<u>\$ 127,537</u>	<u>\$ 664,147</u>	<u>\$ 53,970</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025

	Special Revenue		
	Public Health	Recreation District	Sheriff's Office
Revenues:			
Property taxes	\$ 2,372,743		
Special assessments		\$ 186,296	
Licenses and permits	216,108		
Fines and forfeits	2,500		\$ 27,850
Intergovernmental	5,271,668		5,554,506
Charges for services	47,357		39,503
Investment earnings	164,866	8,508	103,189
Contributions	75,819		
Miscellaneous	178,424	6,826	230,097
Total revenues	<u>8,329,485</u>	<u>201,630</u>	<u>5,955,145</u>
Expenditures:			
Current:			
General government			4,626
Public Safety			3,187,596
Highways and streets			
Health and welfare	5,077,481		
Culture and recreation		170,682	
Education and economic opportunity			
Environmental and conservation			
Urban redevelopment and housing			
Debt Service:			
Principal			
Interest and other charges			
Capital Outlay	101,725	27,187	184,446
Total expenditures	<u>5,179,206</u>	<u>197,869</u>	<u>3,376,668</u>
Excess (deficiency) of revenues over expenditures	<u>3,150,279</u>	<u>3,761</u>	<u>2,578,477</u>
Other financing sources (uses):			
Subscription-based information technology arrangements			
Sale of capital assets	1,725		
Transfers in	366,001		436,683
Transfers out	(21,595)		(543,512)
Total other financing sources (uses)	<u>346,131</u>		<u>(106,829)</u>
Net change in fund balances	3,496,410	3,761	2,471,648
Fund balances, July 1, 2024		240,955	698,354
Change within the financial reporting entity (major to nonmajor)	2,307,597		
Fund balances, June 30, 2025	<u>\$ 5,804,007</u>	<u>\$ 244,716</u>	<u>\$ 3,170,002</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025

	Special Revenue		
	Special Districts	Superintendent of Schools	Workforce Innovation & Opportunity Act
Revenues:			
Property taxes			
Special assessments	\$ 43,360		
Licenses and permits			
Fines and forfeits			
Intergovernmental		\$ 1,432,872	\$ 1,410,001
Charges for services			
Investment earnings	6,941	42,287	
Contributions			
Miscellaneous		263,563	
Total revenues	<u>50,301</u>	<u>1,738,722</u>	<u>1,410,001</u>
Expenditures:			
Current:			
General government			
Public Safety			
Highways and streets	86,001		
Health and welfare			
Culture and recreation			
Education and economic opportunity		3,085,696	1,502,507
Environmental and conservation			
Urban redevelopment and housing			
Debt Service:			
Principal			
Interest and other charges			
Capital Outlay			89,800
Total expenditures	<u>86,001</u>	<u>3,085,696</u>	<u>1,592,307</u>
Excess (deficiency) of revenues over expenditures	<u>(35,700)</u>	<u>(1,346,974)</u>	<u>(182,306)</u>
Other financing sources (uses):			
Subscription-based information technology arrangements			
Sale of capital assets			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	(35,700)	(1,346,974)	(182,306)
Fund balances, July 1, 2024	776,719	1,652,152	11,151
Change within the financial reporting entity (major to nonmajor)			
Fund balances, June 30, 2025	<u>\$ 741,019</u>	<u>\$ 305,178</u>	<u>\$ (171,155)</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2025

	Debt Service		Total Nonmajor Governmental Funds
	General Government	Special Districts	
<b>Revenues:</b>			
Property taxes			\$ 5,538,797
Special assessments			229,656
Licenses and permits			216,108
Fines and forfeits			88,733
Intergovernmental			19,709,239
Charges for services			1,486,489
Investment earnings	\$ 464	\$ 4,342	729,854
Contributions			75,819
Miscellaneous			1,113,451
Total revenues	464	4,342	29,188,146
<b>Expenditures:</b>			
<b>Current:</b>			
General government			3,518,221
Public Safety			6,255,307
Highways and streets			86,001
Health and welfare			5,459,822
Culture and recreation			1,357,788
Education and economic opportunity			4,827,215
Environmental and conservation			2,259,364
Urban redevelopment and housing			181,372
<b>Debt Service:</b>			
Principal	1,585,000		1,585,000
Interest and other charges	596,552		596,552
Capital Outlay			415,048
Total expenditures	2,181,552		26,541,690
Excess (deficiency) of revenues over expenditures	(2,181,088)	4,342	2,646,456
<b>Other financing sources (uses):</b>			
Subscription-based information technology arrangements			126,773
Sale of capital assets			1,725
Transfers in	2,181,552		3,677,555
Transfers out			(768,300)
Total other financing sources (uses)	2,181,552		3,037,753
Net change in fund balances	464	4,342	5,684,209
Fund balances, July 1, 2024	1,772	125,764	15,090,845
Change within the financial reporting entity (major to nonmajor)			2,307,597
Fund balances, June 30, 2025	\$ 2,236	\$ 130,106	\$ 23,082,651

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Administration  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 3,090,471	\$ 3,090,471	\$ 1,032,193	\$ (2,058,278)
Charges for services	158,500	158,500	112,497	(46,003)
Investment earnings	11,200	11,200	59,090	47,890
Miscellaneous	1,000,000	1,000,000	207,484	(792,516)
Total revenues	<u>4,260,171</u>	<u>4,260,171</u>	<u>1,411,264</u>	<u>(2,848,907)</u>
<b>Expenditures:</b>				
General government	980,100	980,100	307,716	672,384
Public safety	1,658,470	1,658,470	141,135	1,517,335
Health and welfare	505,009	505,009	382,341	122,668
Education and economic opportunity	958,300	958,300	239,012	719,288
Environmental and conservation	1,391,500	1,391,500	121,358	1,270,142
Urban redevelopment and housing	500,000	500,000	181,372	318,628
Total expenditures	<u>5,993,379</u>	<u>5,993,379</u>	<u>1,372,934</u>	<u>4,620,445</u>
Excess (deficiency) of revenues over expenditures	<u>(1,733,208)</u>	<u>(1,733,208)</u>	<u>38,330</u>	<u>1,771,538</u>
<b>Other financing sources (uses):</b>				
Subscription-based information technology arrangements			126,773	126,773
Transfers in	185,000	185,000	245,000	60,000
Transfers out	<u>(14,422)</u>	<u>(14,422)</u>	<u>(66,001)</u>	<u>(51,579)</u>
Total other financing sources (uses)	<u>170,578</u>	<u>170,578</u>	<u>305,772</u>	<u>135,194</u>
Net change in fund balances	(1,562,630)	(1,562,630)	344,102	1,906,732
Fund balances, July 1, 2024	1,022,836	1,022,836	1,022,836	
Fund balances, June 30, 2025	<u>\$ (539,794)</u>	<u>\$ (539,794)</u>	<u>\$ 1,366,938</u>	<u>\$ 1,906,732</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - County Attorney  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 50,000	\$ 50,000	\$ 17,350	\$ (32,650)
Intergovernmental	2,158,994	2,158,994	1,235,965	(923,029)
Charges for services	115,470	115,470	242,301	126,831
Investment earnings	40,450	40,450	77,572	37,122
Miscellaneous	10,050	10,050	76,768	66,718
Total revenues	<u>2,374,964</u>	<u>2,374,964</u>	<u>1,649,956</u>	<u>(725,008)</u>
<b>Expenditures:</b>				
General government	5,434,924	5,434,924	1,630,611	3,804,313
Public safety	219,640	219,640		219,640
Total expenditures	<u>5,654,564</u>	<u>5,654,564</u>	<u>1,630,611</u>	<u>4,023,953</u>
Excess (deficiency) of revenues over expenditures	<u>(3,279,600)</u>	<u>(3,279,600)</u>	<u>19,345</u>	<u>3,298,945</u>
<b>Other financing sources (uses):</b>				
Transfers in	88,488	88,488	120,369	31,881
Total other financing sources (uses)	<u>88,488</u>	<u>88,488</u>	<u>120,369</u>	<u>31,881</u>
Net change in fund balances	(3,191,112)	(3,191,112)	139,714	3,330,826
Fund balances, July 1, 2024	2,701,192	2,701,192	2,701,192	
Fund balances, June 30, 2025	<u>\$ (489,920)</u>	<u>\$ (489,920)</u>	<u>\$ 2,840,906</u>	<u>\$ 3,330,826</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Courts  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 33,900	\$ 33,900	\$ 41,033	\$ 7,133
Intergovernmental	663,254	663,254	611,042	(52,212)
Charges for services	711,200	711,200	645,117	(66,083)
Investment earnings	12,069	12,069	83,981	71,912
Miscellaneous	54,000	54,000	117,044	63,044
Total revenues	<u>1,474,423</u>	<u>1,474,423</u>	<u>1,498,217</u>	<u>23,794</u>
<b>Expenditures:</b>				
General government	3,579,056	3,579,056	1,364,108	2,214,948
Public safety	289,324	289,324		289,324
Total expenditures	<u>3,868,380</u>	<u>3,868,380</u>	<u>1,364,108</u>	<u>2,504,272</u>
Excess (deficiency) of revenues over expenditures	<u>(2,393,957)</u>	<u>(2,393,957)</u>	<u>134,109</u>	<u>2,528,066</u>
<b>Other financing sources (uses):</b>				
Transfers in	471,689	471,689	266,770	(204,919)
Transfers out	(341,189)	(341,189)	(137,192)	203,997
Total other financing sources (uses)	<u>130,500</u>	<u>130,500</u>	<u>129,578</u>	<u>(922)</u>
Net change in fund balances	(2,263,457)	(2,263,457)	263,687	2,527,144
Fund balances, July 1, 2024	2,691,441	2,691,441	2,691,441	
Fund balances, June 30, 2025	<u>\$ 427,984</u>	<u>\$ 427,984</u>	<u>\$ 2,955,128</u>	<u>\$ 2,527,144</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Environmental and Conservation  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 286,000	\$ 286,000	\$ 280,047	\$ (5,953)
Investment earnings	12,000	12,000	30,198	18,198
Total revenues	<u>298,000</u>	<u>298,000</u>	<u>310,245</u>	<u>12,245</u>
Expenditures:				
Environmental and conservation	1,298,034	1,298,034	272,484	1,025,550
Total expenditures	<u>1,298,034</u>	<u>1,298,034</u>	<u>272,484</u>	<u>1,025,550</u>
Net change in fund balances	(1,000,034)	(1,000,034)	37,761	1,037,795
Fund balances, July 1, 2024	939,453	939,453	939,453	
Fund balances, June 30, 2025	<u>\$ (60,581)</u>	<u>\$ (60,581)</u>	<u>\$ 977,214</u>	<u>\$ 1,037,795</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Flood Control District  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 2,231,448	\$ 2,231,448	\$ 2,219,976	\$ (11,472)
Intergovernmental	950	950	401	(549)
Investment earnings	138,375	138,375	114,247	(24,128)
Miscellaneous			375	375
Total revenues	<u>2,370,773</u>	<u>2,370,773</u>	<u>2,334,999</u>	<u>(35,774)</u>
Expenditures:				
Environmental and conservation	5,474,388	5,474,388	1,824,230	3,650,158
Capital Outlay			11,890	(11,890)
Total expenditures	<u>5,474,388</u>	<u>5,474,388</u>	<u>1,836,120</u>	<u>3,638,268</u>
Excess (deficiency) of revenues over expenditures	<u>(3,103,615)</u>	<u>(3,103,615)</u>	<u>498,879</u>	<u>3,602,494</u>
Other financing sources (uses):				
Transfers out	(41,292)	(41,292)	(41,292)	
Total other financing sources (uses)	<u>(41,292)</u>	<u>(41,292)</u>	<u>(41,292)</u>	
Net change in fund balances	(3,144,907)	(3,144,907)	457,587	3,602,494
Fund balances, July 1, 2024	3,413,115	3,413,115	3,413,115	
Fund balances, June 30, 2025	<u>\$ 268,208</u>	<u>\$ 268,208</u>	<u>\$ 3,870,702</u>	<u>\$ 3,602,494</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Library District  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 934,283	\$ 934,283	\$ 946,078	\$ 11,795
Intergovernmental	173,500	173,500	186,934	13,434
Investment earnings	3,750	3,750	8,542	4,792
Miscellaneous	17,250	17,250	16,537	(713)
Total revenues	<u>1,128,783</u>	<u>1,128,783</u>	<u>1,158,091</u>	<u>29,308</u>
Expenditures:				
Culture and recreation	<u>1,005,706</u>	<u>1,005,706</u>	<u>801,074</u>	<u>204,632</u>
Total expenditures	<u>1,005,706</u>	<u>1,005,706</u>	<u>801,074</u>	<u>204,632</u>
Excess (deficiency) of revenues over expenditures	<u>123,077</u>	<u>123,077</u>	<u>357,017</u>	<u>233,940</u>
Other financing sources (uses):				
Transfers out	<u>(386,032)</u>	<u>(386,032)</u>	<u>(386,032)</u>	
Total other financing sources (uses)	<u>(386,032)</u>	<u>(386,032)</u>	<u>(386,032)</u>	
Net change in fund balances	(262,955)	(262,955)	(29,015)	233,940
Fund balances, July 1, 2024	156,552	156,552	156,552	
Fund balances, June 30, 2025	<u>\$ (106,403)</u>	<u>\$ (106,403)</u>	<u>\$ 127,537</u>	<u>\$ 233,940</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Probation  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 2,680,612	\$ 2,680,612	\$ 2,666,688	\$ (13,924)
Charges for services	333,318	333,318	399,714	66,396
Investment earnings	16,882	16,882	20,119	3,237
Miscellaneous	<u>16,882</u>	<u>16,882</u>	<u>16,333</u>	<u>16,333</u>
Total revenues	<u>3,030,812</u>	<u>3,030,812</u>	<u>3,102,854</u>	<u>72,042</u>
<b>Expenditures:</b>				
Public safety	<u>3,611,416</u>	<u>3,611,416</u>	<u>2,926,576</u>	<u>684,840</u>
Total expenditures	<u>3,611,416</u>	<u>3,611,416</u>	<u>2,926,576</u>	<u>684,840</u>
Excess (deficiency) of revenues over expenditures	<u>(580,604)</u>	<u>(580,604)</u>	<u>176,278</u>	<u>756,882</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>                    </u>	<u>                    </u>	<u>2,953</u>	<u>2,953</u>
Total other financing sources (uses)	<u>                    </u>	<u>                    </u>	<u>2,953</u>	<u>2,953</u>
Net change in fund balances	(580,604)	(580,604)	179,231	759,835
Fund balances, July 1, 2024	484,916	484,916	484,916	
Fund balances, June 30, 2025	<u>\$ (95,688)</u>	<u>\$ (95,688)</u>	<u>\$ 664,147</u>	<u>\$ 759,835</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Defense  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 31,000	\$ 31,000	\$ 26,922	\$ (4,078)
Investment earnings	23,600	23,600	5,508	(18,092)
Total revenues	<u>54,600</u>	<u>54,600</u>	<u>32,430</u>	<u>(22,170)</u>
Expenditures:				
General government	304,600	304,600	211,160	93,440
Total expenditures	<u>304,600</u>	<u>304,600</u>	<u>211,160</u>	<u>93,440</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>(250,000)</u>	<u>(178,730)</u>	<u>71,270</u>
Other financing sources (uses):				
Transfers in	34,500	34,500	58,227	23,727
Total other financing sources (uses)	<u>34,500</u>	<u>34,500</u>	<u>58,227</u>	<u>23,727</u>
Net change in fund balances	(215,500)	(215,500)	(120,503)	94,997
Fund balances, July 1, 2024	174,473	174,473	174,473	
Fund balances, June 30, 2025	<u>\$ (41,027)</u>	<u>\$ (41,027)</u>	<u>\$ 53,970</u>	<u>\$ 94,997</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Health  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 2,337,780	\$ 2,337,780	\$ 2,372,743	\$ 34,963
Licenses and permits	250,300	250,300	216,108	(34,192)
Fines and forfeits	300	300	2,500	2,200
Intergovernmental	4,112,383	4,112,383	5,271,668	1,159,285
Charges for services	40,000	40,000	47,357	7,357
Investment earnings	84,300	84,300	164,866	80,566
Contributions	81,300	81,300	75,819	(5,481)
Miscellaneous	164,000	164,000	178,424	14,424
Total revenues	<u>7,070,363</u>	<u>7,070,363</u>	<u>8,329,485</u>	<u>1,259,122</u>
<b>Expenditures:</b>				
Health and welfare	10,767,458	10,767,458	4,606,249	6,161,209
Capital Outlay			101,725	(101,725)
Total expenditures	<u>10,767,458</u>	<u>10,767,458</u>	<u>4,707,974</u>	<u>6,059,484</u>
Excess (deficiency) of revenues over expenditures	<u>(3,697,095)</u>	<u>(3,697,095)</u>	<u>3,621,511</u>	<u>7,318,606</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			1,725	1,725
Transfers in	589,498	589,498	366,001	(223,497)
Transfers out	<u>(896,308)</u>	<u>(896,308)</u>	<u>(492,827)</u>	<u>403,481</u>
Total other financing sources (uses)	<u>(306,810)</u>	<u>(306,810)</u>	<u>(125,101)</u>	<u>181,709</u>
Net change in fund balances	(4,003,905)	(4,003,905)	3,496,410	7,500,315
Fund balances, July 1, 2024	2,307,597	2,307,597		(2,307,597)
Fund balances, June 30, 2025	<u>\$ (1,696,308)</u>	<u>\$ (1,696,308)</u>	<u>\$ 3,496,410</u>	<u>\$ 5,192,718</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Recreation District  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$	\$	\$ 186,296	\$ 186,296
Investment earnings	1,500	1,500	8,508	7,008
Miscellaneous	6,600	6,600	6,826	226
Total revenues	<u>8,100</u>	<u>8,100</u>	<u>201,630</u>	<u>193,530</u>
Expenditures:				
Culture and recreation	413,432	413,432	170,682	242,750
Capital Outlay	<u>        </u>	<u>        </u>	27,187	(27,187)
Total expenditures	<u>413,432</u>	<u>413,432</u>	<u>197,869</u>	<u>215,563</u>
Net change in fund balances	(405,332)	(405,332)	3,761	409,093
Fund balances, July 1, 2024	240,955	240,955	240,955	
Fund balances, June 30, 2025	<u>\$ (164,377)</u>	<u>\$ (164,377)</u>	<u>\$ 244,716</u>	<u>\$ 409,093</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Sheriff's Office  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 250,000	\$ 250,000	\$ 27,850	\$ (222,150)
Intergovernmental	3,119,835	3,119,835	5,554,506	2,434,671
Charges for services	29,939	29,939	39,503	9,564
Investment earnings	20,845	20,845	103,189	82,344
Miscellaneous	54,000	54,000	230,097	176,097
Total revenues	<u>3,474,619</u>	<u>3,474,619</u>	<u>5,955,145</u>	<u>2,480,526</u>
<b>Expenditures:</b>				
General government	127,957	127,957	4,626	123,331
Public safety	4,546,236	4,546,236	3,187,596	1,358,640
Capital Outlay			<u>184,446</u>	<u>(184,446)</u>
Total expenditures	<u>4,674,193</u>	<u>4,674,193</u>	<u>3,376,668</u>	<u>1,297,525</u>
Excess (deficiency) of revenues over expenditures	<u>(1,199,574)</u>	<u>(1,199,574)</u>	<u>2,578,477</u>	<u>3,778,051</u>
<b>Other financing sources (uses):</b>				
Transfers in	61,683	61,683	436,683	375,000
Transfers out	<u>(549,683)</u>	<u>(549,683)</u>	<u>(543,512)</u>	<u>6,171</u>
Total other financing sources (uses)	<u>(488,000)</u>	<u>(488,000)</u>	<u>(106,829)</u>	<u>381,171</u>
Net change in fund balances	(1,687,574)	(1,687,574)	2,471,648	4,159,222
Fund balances, July 1, 2024	698,354	698,354	698,354	
Fund balances, June 30, 2025	<u>\$ (989,220)</u>	<u>\$ (989,220)</u>	<u>\$ 3,170,002</u>	<u>\$ 4,159,222</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Special Districts  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$	\$	\$ 43,360	\$ 43,360
Investment earnings	2,000	2,000	6,941	4,941
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>50,301</u>	<u>48,301</u>
Expenditures:				
Highways and streets	821,656	821,656	86,001	735,655
Total expenditures	<u>821,656</u>	<u>821,656</u>	<u>86,001</u>	<u>735,655</u>
Net change in fund balances	(819,656)	(819,656)	(35,700)	783,956
Fund balances, July 1, 2024	776,719	716,719	776,719	60,000
Fund balances, June 30, 2025	<u><u>\$ (42,937)</u></u>	<u><u>\$ (102,937)</u></u>	<u><u>\$ 741,019</u></u>	<u><u>\$ 843,956</u></u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Workforce Innovation and Opportunity Act (WIOA)  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 900,956	\$ 900,956	\$ 1,410,001	\$ 509,045
Total revenues	<u>900,956</u>	<u>900,956</u>	<u>1,410,001</u>	<u>509,045</u>
Expenditures:				
Education and economic opportunity	2,504,569	2,504,569	1,502,507	1,002,062
Capital Outlay			89,800	(89,800)
Total expenditures	<u>2,504,569</u>	<u>2,504,569</u>	<u>1,592,307</u>	<u>912,262</u>
Net change in fund balances	(1,603,613)	(1,603,613)	(182,306)	1,421,307
Fund balances, July 1, 2024	11,151	11,151	11,151	
Fund balances, June 30, 2025	<u>\$ (1,592,462)</u>	<u>\$ (1,592,462)</u>	<u>\$ (171,155)</u>	<u>\$ 1,421,307</u>

Navajo County  
 Budgetary Comparison Schedule  
 Debt Service - General Government  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	464	\$ 464
Total revenues			464	464
Expenditures:				
Principal	1,585,000	1,585,000	1,585,000	
Interest and other charges	596,553	596,553	596,552	1
Total expenditures	2,181,553	2,181,553	2,181,552	1
Excess (deficiency) of revenues over expenditures	(2,181,553)	(2,181,553)	(2,181,088)	465
Other financing sources (uses):				
Transfers in	2,181,553	2,181,553	2,181,552	(1)
Total other financing sources (uses)	2,181,553	2,181,553	2,181,552	(1)
Net change in fund balances			464	464
Fund balances, July 1, 2024	1,772	1,772	1,772	
Fund balances, June 30, 2025	\$ 1,772	\$ 1,772	\$ 2,236	\$ 464

Navajo County  
 Budgetary Comparison Schedule  
 Debt Service - Special Districts  
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	4,342	\$ 4,342
Total revenues			4,342	4,342
Net change in fund balances			4,342	4,342
Fund balances, July 1, 2024	125,764	121,764	125,764	4,000
Fund balances, June 30, 2025	\$ 125,764	\$ 121,764	\$ 130,106	\$ 8,342

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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, 2025

<b><u>Assets</u></b>	<b><u>Irrevocable Burial Trust</u></b>	<b><u>Public Fiduciary Trust Fund</u></b>	<b><u>Total Private Purpose Trust Funds</u></b>
Cash and investments	\$ 139,568	\$ 1,793,685	\$ 1,933,253
Total assets	<u>\$ 139,568</u>	<u>\$ 1,793,685</u>	<u>\$ 1,933,253</u>
<b><u>Net Position</u></b>			
Restricted for:			
Individuals, organizations, and other governments	\$ 139,568	\$ 1,793,685	\$ 1,933,253
Total Net Position	<u>\$ 139,568</u>	<u>\$ 1,793,685</u>	<u>\$ 1,933,253</u>

Navajo County, Arizona  
Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
For the Year Ended June 30, 2025

	<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	\$ 2,725	\$ 35,022	\$ 37,747
Other	29,194	1,885,733	1,914,927
Total additions	<u>\$ 31,919</u>	<u>\$ 1,920,755</u>	<u>\$ 1,952,674</u>
<b><u>Deductions</u></b>			
Other	<u>\$ 8,348</u>	<u>\$ 2,447,261</u>	<u>\$ 2,455,609</u>
Total deductions	<u>\$ 8,348</u>	<u>\$ 2,447,261</u>	<u>\$ 2,455,609</u>
Change in net position	\$ 23,571	\$ (526,506)	\$ (502,935)
Net position, July 1, 2024	<u>\$ 115,997</u>	<u>\$ 2,320,191</u>	<u>\$ 2,436,188</u>
Net position, June 30, 2025	<u><u>\$ 139,568</u></u>	<u><u>\$ 1,793,685</u></u>	<u><u>\$ 1,933,253</u></u>

Navajo County  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2025

	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	\$ 230,205,416	\$ 13,310,109	\$ 13,628,949	\$ 13,343,940	\$ 270,488,414	\$ 384,384	\$ 1,401,231	\$ 1,331,448	\$ 3,117,063
Property tax receivable for other governments						3,403,725			3,403,725
Interest receivable	2,984,603	173,631	177,790	174,072	3,510,096				
Total assets	<u>\$ 233,190,019</u>	<u>\$ 13,483,740</u>	<u>\$ 13,806,739</u>	<u>\$ 13,518,012</u>	<u>\$ 273,998,510</u>	<u>\$ 3,788,109</u>	<u>\$ 1,401,231</u>	<u>\$ 1,331,448</u>	<u>\$ 6,520,788</u>
<b>Liabilities</b>									
Property tax payable to other governments						\$ 384,384			\$ 384,384
Total liabilities						<u>\$ 384,384</u>			<u>\$ 384,384</u>
<b>Net Position</b>									
Restricted for:									
Pool Participants	233,190,019	13,483,740	13,806,739	13,518,012	273,998,510				
Individuals, organizations and other governments						\$ 3,403,725	\$ 1,401,231	\$ 1,331,448	\$ 6,136,404
Total net position	<u>\$ 233,190,019</u>	<u>\$ 13,483,740</u>	<u>\$ 13,806,739</u>	<u>\$ 13,518,012</u>	<u>\$ 273,998,510</u>	<u>\$ 3,403,725</u>	<u>\$ 1,401,231</u>	<u>\$ 1,331,448</u>	<u>\$ 6,136,404</u>

Navajo County  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2025

	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	\$ 324,411,098	\$ 18,166,932	\$ 23,980,326	\$ 2,251,464	\$ 368,809,820				
Property tax collections for other governments						\$ 83,251,652			\$ 83,251,652
Fines and fees collections for other governments							\$ 1,881,025		1,881,025
Fines and fees collections for victims								\$ 2,240,096	2,240,096
Investment earnings	7,306,062	1,032,579	403,333	190,079	8,932,053		435,758		435,758
Inmate collections								1,076,041	1,076,041
Other							1,536,708	3,909,665	5,446,373
<b>Total additions</b>	<u>\$ 331,717,160</u>	<u>\$ 19,199,511</u>	<u>\$ 24,383,659</u>	<u>\$ 2,441,543</u>	<u>\$ 377,741,873</u>	<u>\$ 83,251,652</u>	<u>\$ 3,853,491</u>	<u>\$ 7,225,802</u>	<u>\$ 94,330,945</u>
<b>Deductions:</b>									
Distributions to pool participants	\$ 322,633,111	\$ 48,000,000	\$ 22,087,934	\$ 1,118,914	\$ 393,839,959				
Property tax distributions to other governments						\$ 82,569,926			\$ 82,569,926
Fines and fees distributions to other governments							\$ 1,843,982		1,843,982
Restitution and reimbursement payments to victims								\$ 2,148,810	2,148,810
Payments to inmates								1,072,505	1,072,505
Other							1,642,977	3,895,557	5,538,534
<b>Total deductions</b>	<u>\$ 322,633,111</u>	<u>\$ 48,000,000</u>	<u>\$ 22,087,934</u>	<u>\$ 1,118,914</u>	<u>\$ 393,839,959</u>	<u>\$ 82,569,926</u>	<u>\$ 3,486,959</u>	<u>\$ 7,116,872</u>	<u>\$ 93,173,757</u>
 Change in net position	\$ 9,084,049	\$ (28,800,489)	\$ 2,295,725	\$ 1,322,629	\$ (16,098,086)	\$ 681,726	\$ 366,532	\$ 108,930	\$ 1,157,188
Net position, July 1, 2024	\$ 224,105,970	\$ 42,284,229	\$ 11,511,014	\$ 12,195,383	\$ 290,096,596	\$ 2,721,999	\$ 1,034,699	\$ 1,222,518	\$ 4,979,216
Net position, June 30, 2025	<u>\$ 233,190,019</u>	<u>\$ 13,483,740</u>	<u>\$ 13,806,739</u>	<u>\$ 13,518,012</u>	<u>\$ 273,998,510</u>	<u>\$ 3,403,725</u>	<u>\$ 1,401,231</u>	<u>\$ 1,331,448</u>	<u>\$ 6,136,404</u>

# Statistical Section



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Navajo County  
Listing of Statistical Information  
June 30, 2025

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 139 through 145

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 146 through 149

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

**Debt Capacity** - Schedules on pages 150 through 154

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 155 through 156

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 157 through 160

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				
	2016	2017	2018	2019 *	2020
Governmental activities:					
Net investment in capital assets	\$ 59,210,246	\$ 56,729,385	\$ 55,036,226	\$ 53,427,360	\$ 53,427,360
Restricted	24,226,548	27,519,091	29,179,272	31,085,279	38,510,287
Unrestricted	(53,540,230)	(57,988,587)	(62,383,097)	(47,979,330)	(38,070,575)
Total governmental activities net position	<u>\$ 29,896,564</u>	<u>\$ 26,259,889</u>	<u>\$ 21,832,401</u>	<u>\$ 36,533,309</u>	<u>\$ 53,867,072</u>

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	\$ 52,683,191	\$ 51,907,432	\$ 52,411,535	\$ 58,112,645	\$ 70,491,492
Restricted	48,074,074	53,477,095	64,937,552	103,619,434	110,148,575
Unrestricted (deficit)	(30,263,514)	(15,495,861)	(16,566,282)	(13,309,097)	(20,092,374)
Total governmental activities net position	<u>\$ 70,493,751</u>	<u>\$ 89,888,666</u>	<u>\$ 100,782,805</u>	<u>\$ 148,422,982</u>	<u>\$ 160,547,693</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			
	2016	2017	2018	2019
<b>Expenses:</b>				
General government	\$ 29,716,664	\$ 32,717,374	\$ 33,836,072	\$ 19,039,794
Public safety (Note 2)	17,562,220	18,067,230	19,657,838	15,006,970
Highways and streets	12,008,267	10,710,700	11,773,357	13,019,136
Health and welfare	8,350,410	8,362,293	8,079,274	6,998,047
Culture and recreation	798,683	790,379	781,287	834,993
Education and economic opportunity	5,479,786	4,297,521	5,042,013	3,896,117
Environmental and conservation	247,622	303,270	417,465	330,778
Urban redevelopment and housing	16,887	165,114		
Interest on long-term debt	503,684	461,083	426,770	388,013
Total governmental activities expenses	<u>74,684,223</u>	<u>75,874,964</u>	<u>80,014,076</u>	<u>59,513,848</u>
<b>Program Revenues:</b>				
Charges for services:				
General government	5,400,182	4,780,321	4,848,807	4,842,304
Public Safety	1,549,821	1,285,569	1,261,016	1,422,243
Highway and streets	432,421	330,585	206,020	107,296
Health and welfare	333,306	319,505	224,395	190,212
Culture and recreation	166,881	151,137	156,091	158,428
Education and economic opportunity				
Operating grants and contributions:				
General government	3,945,966	3,794,242	4,230,956	2,782,852
Public Safety	4,911,950	4,571,216	5,433,481	4,269,967
Highway and streets			11,947,902	13,648,124
Health and welfare	2,770,719	2,901,048	2,857,321	1,717,238
Culture and recreation	61,754	68,388	22,532	73,000
Education and economic opportunity	5,034,340	3,450,856	4,262,294	3,488,160
Environmental and conservation	364,692	317,752	430,922	416,520
Urban redevelopment and housing	10,000	458,825		
Capital grants and contributions:				
General government			5,000	10,000
Public Safety		67,306	34,303	154,479
Highway and streets	11,571,167	12,173,466		32,890
Environmental and conservation				
Total governmental activities program revenues	<u>36,553,199</u>	<u>34,670,216</u>	<u>35,921,040</u>	<u>33,313,713</u>
Net (Expense) Revenue	\$ (38,131,024)	\$ (41,204,748)	\$ (44,093,036)	\$ (26,200,135)
<b>General Revenues:</b>				
Property taxes	\$ 12,531,782	\$ 12,131,695	\$ 13,004,998	\$ 13,061,068
Special assessments (see Note 1)				
General county sales tax	6,365,510	6,534,686	7,381,671	7,792,310
Jail District sales tax				
State shared revenues	13,125,229	13,730,314	15,105,931	16,037,990
Payment in lieu of taxes	1,547,382	1,532,361	1,644,973	1,653,023
Investment earnings	165,384	164,425	264,616	598,634
Capital contributions	6,980			
Gain on disposal of capital assets	2,995	9,600	127,321	81,300
Miscellaneous	1,341,167	1,666,058	1,668,273	1,572,144
Transfers				
Total general revenues and transfers	<u>35,086,429</u>	<u>35,769,139</u>	<u>39,197,783</u>	<u>40,796,469</u>
Change in net position - governmental activities	<u>\$ (3,044,595)</u>	<u>\$ (5,435,609)</u>	<u>\$ (4,895,253)</u>	<u>\$ 14,596,334</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									
		2020	2021	2022	2023	2024	2025				
\$	19,717,997	\$	24,839,724	\$	26,497,535	\$	30,563,995	\$	30,891,849	\$	37,589,424
	17,389,682		19,619,517		21,839,924		28,134,944		29,570,089		30,918,294
	13,428,606		13,900,151		16,552,646		15,056,390		13,862,202		19,124,169
	7,867,404		9,408,467		9,689,676		9,416,303		9,894,256		10,814,393
	906,722		821,881		907,761		1,146,242		1,294,427		1,383,495
	4,702,040		6,069,282		5,604,230		5,450,107		5,931,654		5,408,298
	261,874		1,066,890		1,198,343		1,286,833		1,859,806		2,282,214
	27,500		471,100						19,000		181,372
	349,744		357,988		617,969		682,246		630,611		596,552
	<u>64,651,569</u>		<u>76,555,000</u>		<u>82,908,084</u>		<u>91,737,060</u>		<u>93,953,894</u>		<u>108,298,211</u>
	5,788,697		7,474,687		6,528,177		7,568,664		6,854,456		7,859,584
	1,055,010		293,119		1,472,456		886,758		1,083,204		827,854
	70,358		80,575		44,625		89,767		47,543		52,624
	190,946		288,338		280,752		4,961,756		4,168,434		1,045,333
	156,658		174,077		175,081		175,323		175,312		174,551
	36,000		-		2,750		5,500		8,750		10,000
	3,155,642		3,928,599		8,800,566		6,782,450		11,052,207		7,489,277
	4,642,893		8,072,282		8,775,763		6,296,661		9,750,577		16,472,677
	12,669,984		14,525,824		14,888,939		14,581,083		15,833,626		17,079,293
	6,543,708		2,649,620		2,627,282		4,390,519		6,741,303		1,161,530
	64,161		41,656		78,432		117,682		171,175		186,327
	4,207,895		4,929,666		5,701,539		3,877,212		5,696,969		2,711,942
	398,455		337,458		475,789		327,759		74,692		200,436
	48,639		471,100						11,000		299,880
	26,831						25,886		11,886		-
	67,749		24,741		41,583		18,414		35,426		17,307
	30,900						1,101,881		-		-
	<u>39,154,526</u>		<u>43,291,742</u>		<u>49,893,734</u>		<u>51,207,315</u>		<u>81,716,560</u>		<u>55,588,615</u>
\$	(25,497,043)	\$	(33,263,258)	\$	(33,014,350)	\$	(40,529,745)	\$	(12,237,334)	\$	(52,709,596)
\$	13,179,014	\$	13,223,643	\$	13,124,301	\$	12,882,855	\$	13,675,139	\$	14,733,401
	7,597,916		8,292,941		9,056,104		9,564,103		9,224,975		10,796,719
	2,228,059		5,415,411		5,932,721		6,282,128		6,382,309		7,086,740
	15,984,931		18,732,156		19,684,742		19,867,795		20,953,117		18,726,992
	1,680,097		1,664,719		1,754,614		1,828,337		1,954,495		2,008,543
	839,212		714,866		460,644		(896,791)		5,706,319		5,750,192
	81,469		14,689		77,291		36,887		26,842		-
	1,344,682		1,891,512		2,307,214		1,858,570		1,954,315		2,966,996
	<u>42,935,380</u>		<u>49,949,937</u>		<u>52,397,631</u>		<u>51,423,884</u>		<u>59,877,511</u>		<u>62,069,583</u>
\$	<u>17,438,337</u>	\$	<u>16,686,679</u>	\$	<u>19,383,281</u>	\$	<u>10,894,139</u>	\$	<u>47,640,177</u>	\$	<u>9,359,987</u>

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

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable		\$ 900,000	\$ 896,025	\$ 851,503
Restricted	\$ 1,612,513		926,206	2,767,749
Assigned	2,535,860	2,734,436	3,057,549	2,910,684
Unassigned	3,523,261	4,884,457	8,355,219	14,052,651
Total general fund	<u>\$ 7,671,634</u>	<u>\$ 8,518,893</u>	<u>\$ 13,234,999</u>	<u>\$ 20,582,587</u>
All other governmental funds				
Nonspendable	\$ 619,596	\$ 919,164	\$ 817,171	\$ 1,189,516
Restricted	23,119,737	24,928,694	26,123,297	25,966,488
Committed				
Assigned	966,610	2,182,636	898,747	1,120,057
Unassigned	(210,456)	(2,394,741)	(960,780)	(1,454,759)
Total all other governmental funds	<u>\$ 24,495,487</u>	<u>\$ 25,635,753</u>	<u>\$ 26,878,435</u>	<u>\$ 26,821,302</u>

(Continued)

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

		Fiscal Year					
		2020	2021	2022	2023	2024	2025
\$	750,532	\$	725,625				
	5,930,737		8,272,190	\$	9,468,728	\$	13,284,592
	2,486,750		2,987,378		4,160,523		8,475,487
	18,886,344		29,719,540		35,050,462		32,377,413
	<u>\$ 28,054,363</u>		<u>\$ 41,704,733</u>		<u>\$ 48,679,713</u>		<u>\$ 54,137,492</u>
						\$	16,336,150
							\$ 20,021,704
							2,544,136
							39,374,036
							<u>\$ 61,939,876</u>
\$	672,643	\$	444,347	\$	454,601	\$	576,305
	30,036,815		36,584,946		40,209,579		42,022,011
					8,853,216		6,426,170
	632,097		118,675		887,986		457,961
	(690,472)		(2,679,104)		(3,444,335)		(2,409,029)
	<u>\$ 30,651,083</u>		<u>\$ 34,468,864</u>		<u>\$ 46,961,047</u>		<u>\$ 47,073,418</u>
							\$ 1,271,566
							\$ 822,429
							75,512,080
							5,062,170
							237,912
							<u>\$ 77,495,149</u>
							<u>\$ 74,266,083</u>

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

	Fiscal Year			
	2016	2017	2018	2019
<b>Revenues:</b>				
Property taxes	\$ 12,542,649	\$ 12,133,955	\$ 12,959,490	\$ 13,055,634
County sales taxes	6,365,510	6,534,686	7,381,671	7,792,310
Licenses and permits	604,525	567,951	379,350	649,663
Fines and forfeits	1,492,927	1,339,324	653,066	1,243,574
Intergovernmental	42,328,108	41,900,493	910,721	44,787,023
Charges for services	10,369,286	9,280,867	44,123,924	11,407,186
Investment earnings	165,384	164,425	12,076,377	598,635
Special assessments	485,708	488,962	264,616	341,186
Contributions	39,962	38,784	50,624	35,718
Settlements				
Miscellaneous	1,341,167	1,666,057	1,668,273	1,431,541
Total revenues	<u>75,735,226</u>	<u>74,115,504</u>	<u>80,468,112</u>	<u>81,342,470</u>
<b>Expenditures:</b>				
General government	27,475,209	29,089,321	28,518,557	28,044,516
Public safety	18,013,055	17,667,900	16,889,504	17,768,169
Highways and streets	9,949,660	9,187,604	10,160,928	11,952,348
Health and welfare	8,698,408	8,676,682	8,788,365	7,771,247
Culture and recreation	812,461	803,616	839,205	900,142
Education and economic opportunity	5,408,227	4,241,865	5,058,368	4,345,728
Environmental and conservation	266,428	322,770	441,264	361,453
Urban redevelopment and housing	16,887	165,114		
Debt service:				
Principal	1,529,333	1,571,917	1,314,262	1,328,794
Interest and other charges	503,684	461,083	426,770	388,013
Bond Issuance Costs				
Capital outlay	2,093,691	1,608,272	2,651,159	1,613,870
Total expenditures	<u>74,767,043</u>	<u>73,796,144</u>	<u>75,088,382</u>	<u>74,474,280</u>
Excess(deficiency) of revenues over expenditures	968,183	319,360	5,379,730	6,868,190
<b>Other financing sources (uses):</b>				
Revenue bonds issued				
Premium on refunding bonds				
Payment to bond refunding escrow agent				
Capital lease/installment purchase agreements		101,341	60,715	
Lease agreements				
Subscription-based information technology arrangements				
Special assessment bonds issued				
Sale of capital assets	2,995	14,218	127,321	87,848
Transfers in	4,218,192	4,699,294	5,882,351	3,013,881
Transfers out	(4,218,192)	(4,699,294)	(5,882,351)	(3,013,881)
Total other financing sources and uses	<u>2,995</u>	<u>115,559</u>	<u>188,036</u>	<u>87,848</u>
Net change in fund balances	<u>\$ 971,178</u>	<u>\$ 434,919</u>	<u>\$ 5,567,766</u>	<u>\$ 6,956,038</u>
Ratio of total debt service expenditures to non-capital expenditures	2.80%	2.82%	2.40%	2.36%

(Continued)

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

		Fiscal Year									
		2020	2021	2022	2023	2024	2025				
\$	13,204,479	\$	13,375,972	\$	12,982,348	\$	12,870,462	\$	13,722,097	\$	14,742,854
	9,825,975		13,708,352		14,988,825		15,846,231		15,607,284		17,883,459
	666,049		1,009,632		889,154		912,675		1,660,679		1,600,130
	972,816		1,365,181		1,533,251		851,865		826,616		749,214
	48,668,351		54,361,876		62,063,879		56,556,314		87,446,142		74,384,852
	12,017,625		5,627,547		5,863,631		6,938,735		5,485,392		6,366,888
	839,212		714,866		460,644		(896,791)		5,706,319		5,750,192
	228,599		266,409		215,463		222,181		221,075		229,656
	19,013		629,400		619,625		86,065		92,150		78,319
							555,750		1,292,421		707,947
	1,344,682		1,891,512		1,891,512		1,858,570		1,954,315		2,758,423
	<u>87,786,801</u>		<u>92,950,747</u>		<u>101,508,332</u>		<u>95,802,057</u>		<u>134,014,490</u>		<u>125,251,934</u>
	26,282,745		23,232,898		25,523,776		30,794,755		32,090,956		34,958,085
	18,845,097		18,369,271		216,608,641		25,834,933		26,092,834		27,091,425
	11,106,769		10,598,751		13,450,391		11,811,915		10,945,483		15,255,682
	8,507,369		9,392,882		9,683,695		9,160,193		9,568,689		10,700,899
	933,995		807,140		892,403		1,124,482		1,269,942		1,357,788
	4,932,764		5,942,803		5,468,865		5,310,129		5,898,742		5,206,859
	284,339		1,068,040		1,199,493		1,287,983		1,860,956		2,283,364
	27,500		471,100						19,000		181,372
	1,298,229		1,285,182		1,615,275		2,070,223		1,550,472		1,585,000
	349,744		357,988		617,969		682,246		630,611		596,552
			230,601		677,335						
	3,521,344		3,785,024		2,322,614		3,639,085		13,399,072		19,213,925
	<u>76,089,895</u>		<u>75,541,680</u>		<u>278,060,457</u>		<u>91,715,944</u>		<u>103,326,757</u>		<u>118,430,951</u>
	11,696,906		17,409,067		(176,552,125)		4,086,113		30,687,733		6,820,983
			9,535,000		16,560,000						-
			1,575,866								-
			(10,795,000)		(16,184,920)						-
					121,977		100,910		74,242		-
							1,180,457		-		-
	85,113		14,689		109,486		75,283		28,424		294,394
	9,144,407		7,355,356		15,265,693		6,380,048		16,493,684		5,947,088
	(9,144,407)		(7,355,356)		(15,265,693)		(6,380,048)		(16,493,684)		(5,947,088)
	<u>85,113</u>		<u>330,555</u>		<u>606,543</u>		<u>1,356,650</u>		<u>102,666</u>		<u>294,394</u>
\$	<u>11,782,019</u>	\$	<u>17,739,622</u>	\$	<u>(175,945,582)</u>	\$	<u>5,442,763</u>	\$	<u>30,790,399</u>	\$	<u>7,115,377</u>
	2.27%		2.29%		0.81%		3.17%		2.43%		2.20%

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
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%
2024	674,571,428	276,481,143	20,511,105	971,563,676	1.4738	9,076,099,748	10.70%
2025	725,616,862	289,212,138	20,959,893	1,035,790,918	1.4738	9,738,016,393	10.64%

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				
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
2024	0.8114	0.1000	0.0902	0.2465	0.2257	1.4738
2025	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
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
2024	0.0000	3.6620-7.3012	0.4784-1.3245	0.1114-3.5000	1.7536
2025	0.0000	3.4807-7.3012	0.4686-1.2963	0.1041-3.7500	1.7707

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	2025			2016		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 117,489,317	1	11.34%	\$ 131,274,320	1	15.76%
Transwestern Pipeline Co	8,963,574	2	0.87%	10,415,034	4	1.25%
Navopache Electric Co-Op Inc.	8,412,858	3	0.81%	5,686,242	7	0.68%
Unisource Energy Corporation	7,719,217	4	0.75%	4,916,132	9	0.59%
El Paso Natural Gas Company	6,755,135	5	0.65%			
Burlington Northern/Santa Fe Railway	6,002,366	6	0.58%	7,257,125	5	0.87%
Arizona Public Service Company (CWIP)	5,080,365	7	0.49%			
Smith Bagley Inc.	4,931,497	8	0.48%	4,341,405	10	0.52%
Wal-Mart Stores Inc	4,570,739	9	0.44%	-		
Citizens Telecom of Wite Mountains	2,740,426	10	0.26%	4,983,329	8	0.60%
PacificCorp Electric Operations				52,277,671	2	6.28%
Peabody Western Coal Co				17,334,500	3	2.08%
Kinder Morgan				6,029,921	6	0.72%
	<u>\$ 172,665,494</u>		<u>16.67%</u>	<u>\$ 244,515,679</u>		<u>29.35%</u>
Total Navajo County Assessed Value	\$ 1,035,790,919			\$ 832,801,440		

Source: Navajo County Assessor's Office for 2025 and the Navajo County, June 30, 2016 Annual Financial Report.

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year (1)</u>	<u>Collected within Fiscal Year</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2016	\$ 6,986,971	\$ 6,748,980	96.59%	\$ 155,923	\$ 6,904,903	98.83%
2017	\$ 6,793,141	\$ 6,579,938	96.86%	\$ (18,606)	\$ 6,561,332	96.59%
2018	\$ 7,310,322	\$ 7,073,899	96.77%	\$ 150,920	\$ 7,224,819	98.83%
2019	\$ 7,419,020	\$ 7,198,951	97.03%	\$ 152,035	\$ 7,350,986	99.08%
2020	\$ 7,520,287	\$ 7,282,019	96.83%	\$ 211,717	\$ 7,493,736	99.65%
2021	\$ 7,636,843	\$ 7,545,805	98.81%	\$ (46,800)	\$ 7,499,005	98.20%
2022	\$ 7,748,475	\$ 7,253,446	93.61%	\$ 187,828	\$ 7,441,274	96.04%
2023	\$ 7,455,516	\$ 7,266,035	97.46%	\$ 189,481	\$ 7,455,516	100.00%
2024	\$ 7,865,818	\$ 7,657,691	97.35%	\$ 199,918	\$ 7,857,609	99.90%
2025	\$ 8,404,408	\$ 8,029,669	95.54%	\$ -	\$ 8,029,669	95.54%

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**

Fiscal Year	Revenue Bonds	Governmental Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
		Unamortized Premium	Special Assessment Bonds	Financed Purchases	Leases Payable	Subscriptions Liability			
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	699,296	-	26,911,802	0.60	248.84
2023	23,260,000	1,108,148	-	472	756,391	107,016	25,232,027	0.55	232.23
2024	21,195,000	887,497	-	-	758,321	740,322	23,581,140	0.48	215.99
2025	19,645,000	693,070	-	-	702,800	418,152	21,459,022	0.43	193.59

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, 2025

	Net Debt Outstanding	Percent Applicable to Navajo County	Amount Applicable to Navajo County
<b>Governmental Activities</b>			
Pledged revenue obligations	\$ 19,645,000	100	\$ 19,645,000
Unamortized premium	693,070	100	693,070
Leases payable	702,840	100	702,840
Subscriptions liability	418,152	100	418,152
Total debt	\$ 21,459,062		\$ 21,459,062

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	
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
2024	9,224,975	17,360,368	3,451,047	23,134,296	1,550,000	613,579	10.69
2025	10,796,719	18,726,992	4,551,455	24,972,256	1,585,000	619,663	11.33

### Special Assessment Debt

Fiscal Year	Debt Service			Coverage Ratio
	Revenues	Principal	Interest	
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
2024	N/A	N/A	N/A	N/A
2025	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 2025

Assessed value	\$ 1,035,790,919
Debt limit (15% of assessed value)	155,368,638
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	\$ 155,368,638

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 124,920,216	\$ 120,459,372	\$ 123,166,163	\$ 124,327,220	\$ 127,896,037
Total net debt applicable to limit					
Legal debt margin	124,920,216	120,459,372	123,166,163	124,327,220	127,896,037
 Total net debt applicable to the limit as a percentage of the debt	 0%	 0%	 0%	 0%	 0%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 132,323,717	\$ 136,721,713	\$ 137,826,891	\$ 145,411,965	\$ 155,368,638
Total net debt applicable to limit					
Legal debt margin	132,323,717	136,721,713	137,826,891	145,411,965	155,368,638
 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	Budgeted (a)						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
County General Excise Tax Revenues	\$ 7,597,916	\$ 8,292,941	\$ 9,056,104	\$ 9,564,103	\$ 9,224,975	\$ 10,796,719	\$ 10,600,000
Gross State Shared Revenues	13,222,608	15,272,529	16,319,123	16,311,941	17,360,368	18,726,992	18,100,000
Less ALTCS contribution (b)	(2,981,000)	(2,881,800)	(3,337,667)	(2,967,833)	(2,867,700)	(4,037,000)	(4,209,800)
Less AHCCCS contribution (c)	(233,078)	(249,068)	(283,245)	(510,463)	(584,046)	(514,455)	(548,000)
Net State Shared Revenues	10,008,530	12,141,661	12,698,211	12,833,645	13,908,622	14,175,537	13,342,200
Vehicle License Tax Revenue	2,762,323	\$ 3,459,627	\$ 3,365,619	\$ 3,541,124	\$ 3,579,170	\$ 3,870,253	\$ 3,750,000
PILT Revenues	1,680,097	\$ 1,664,719	\$ 1,754,614	\$ 1,828,337	\$ 1,934,591	\$ 2,008,543	\$ 1,934,500
Total Pledged Revenues	<u>\$ 22,048,866</u>	<u>\$ 25,558,948</u>	<u>\$ 26,874,548</u>	<u>\$ 27,767,209</u>	<u>\$ 28,647,358</u>	<u>\$ 30,851,052</u>	<u>\$ 29,626,700</u>

Source: Annual Comprehensive Financial Reports of the County for the years indicated and the FY26 Adopted Budget.

- (a) These are "forward looking" obtained from the FY26 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
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
2024	109,175	\$ 4,876,520	\$ 44,667	4.9
2025	110,846	\$ 4,951,158	\$ 44,667	5.8

<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)), [census.gov](http://census.gov) quick facts.

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

Navajo County  
Employment by Sector  
Current Year and Ten Years Ago

Employment Sector (1)	2025			2016		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Government	9,764	1	33.31%	8,925	1	32.16%
Trade, Transportation, Utilities	5,338	2	18.20%	5,475	2	19.73%
Education & Health Services	4,891	3	16.68%	4,125	3	14.87%
Leisure & Hospitality	4,350	4	14.84%	3,450	4	12.43%
Mining & Construction	1,801	5	6.14%	1,525	5	5.50%
Professional & Business Services	1,359	6	4.63%	1,325	6	4.78%
Other Services	663	8	2.26%	975	8	3.51%
Financial Activities	627	7	2.14%	650	9	2.34%
Manufacturing	311	9	1.06%	250	10	0.90%
Information	218	10	0.74%	1,050	7	3.78%
<b>Total for Employment Sector</b>	<b>29,322</b>		<b>100.00%</b>	<b>27,750</b>		<b>100.00%</b>

2025 Source: Economic & Business Research Center UofA, AZ Commerce /resources, U.S. Department of Labor, Bureau of Labor Statistics.

2016 Source: FY15-16 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				
	2016	2017	2018	2019	2020
General government	288	266	174	180	161
Public safety	235	229	197	188	192
Highways and streets	96	72	80	82	88
Health and welfare	81	80	54	59	61
Culture and recreation	4	4	-	-	-
Other				106	104
<b>Total</b>	<b>704</b>	<b>651</b>	<b>505</b>	<b>509</b>	<b>606</b>

Function	2021	2022	2023	2024	2025
General government	203	217	224	242	262
Public safety	169	189	187	177	169
Highways and streets	86	86	86	87	87
Health and welfare	87	71	74	83	64
Culture and recreation	-	-	0	0	0
Other	86	106	126	90	105
<b>Total</b>	<b>631</b>	<b>669</b>	<b>697</b>	<b>679</b>	<b>687</b>

Source: Navajo County Budget 2024-2025

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2016	2017
<b>General Government</b>		
Assessor		
Number of parcels assessed	88,527	88,363
Elections		
Elections	3	3
Number voting	32,969	57,699
Planning & Zoning		
Building permits issued	1,009	1,061
Public Fiduciary		
Guardianships/conservatorships	131	116
<b>Public Safety</b>		
Adult Probation		
Community service hours	30,408	32,460
Pre-sentence reports written for courts	572	453
Probationers actively supervised	1,086	1,098
Juvenile Probation		
Average length of detention (days)	10	14
Juveniles in detention	353	276
Probationers	151	210
Community restitution hours	5,061	4,715
Sheriff		
Inmate population	301	268
<b>Highways &amp; Streets</b>		
Public Works		
Crack sealing (miles)	444	264
Street resurfacing (miles)	14	20
Waste Tire Program		
Waste tires collected	56,331	51,038
<b>Health &amp; Welfare</b>		
Public Health District		
Certified copies of birth or death certificates	5,595	6,525
Childhood immunization visits	1,068	4,076
Restaurant inspections and re-inspections	696	632
<b>Culture &amp; Recreation</b>		
Library District		
Number of items circulated	361,865	370,800
Number of library cards issued (by member libraries)	33,223	33,883
Number of prints, media and electronic items	346,632	330,600
Number of items owned by Library District	33,577	41,422
<b>Education</b>		
School Superintendent		
Charter schools	9	4
Charter students	789	664
District students	17,803	16,360
School districts	14	14

Source: Navajo County departments monthly and annual performance reports

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

2018	2019	2020	2021	2022	2023	2024	2025
85,853	88,313	86,189	92,053	89,050	88,919	89,326	92,338
2	3	3	1	3	3	3	2
6,783	58,821	74,849	1,153	24,878	24,806	25,798	74,024
1,137	1,157	1,178	1,776	1,592	1,632	1,017	1,062
73	83	81	91	95	102	108	106
33,018	25,765	23,295	35,705	31,118	1,633	24,382	42,795
329	386	484	465	669	617	670	495
1,014	1,040	1,005	1,101	1,205	1,244	1,332	1,274
49	27	23	13	27	27	26	25
28	67	47	37	44	53	65	59
154	191	201	157	147	146	158	119
-	3,083	2,119	1,500	1,311	1,259	1,429	1,625
305	276	276	278	274	238	225	225
193	97	131	96.25	72.84	15.36	0	0
32	60	47	1	10.45	51	0	3
67,067	60,282	61,359	75,104	68,643	65,042	54,268	67,085
7,137	6,131	5,932	7,892	9,965	8,140	8,412	9,412
3,918	2,505	1,869	2,847	2,874	1,068	522	1,909
648	668	596	703	1,061	1,245	1,716	1,525
376,295	359,996	242,235	203,931	235,693	245,891	224,117	225,891
11,687	9,658	8,175	6,752	8,038	8,851	3,943	4,087
437,610	437,744	462,266	370,225	343,661	346,916	369,189	308,207
44,877	49,642	35,261	50,658	27,051	50,678	374,393	385,276
4	4	4	4	4	4	4	3
624	563	529	475	519	510	387	389
18,014	17,745	17,234	16,273	16,695	16,685	19,102	17,117
14	14	14	14	14	14	14	14

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

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Government</b>										
Elections										
Voting Machines	60	60	60	60	71	96	96	113	98	96
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	438	438	438	438	438	438	438	438	438	438
Jail Facilities	2	2	2	2	2	2	2	2	2	2
Improvement Districts										
Flood Warning Sites	31	43	43	43	41	45	47	47	47	47
Flood Control District Properties	14	13	13	12	14	14	15	15	15	15
<b>Highways and Streets</b>										
Public Works										
Miles of maintained roads	734.32	731.67	731.67	725.3	725.7	725.7	725.7	726.4	726.3	726.3
Bridges	15	15	15	15	15	15	15	15	15	15
<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	0	0	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										
Facilities operated	1	1	1	1	1	1	1	1	1	1
<b>Education</b>										
Schools	1	1	1	1	1	1	1	1	1	1

Source: Navajo County capital asset reports.