

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

NAVAJO COUNTY



Board of Supervisors



Fern Benally, District I



Alberto L. Peshlakai, District II



Jason E. Whiting, District III



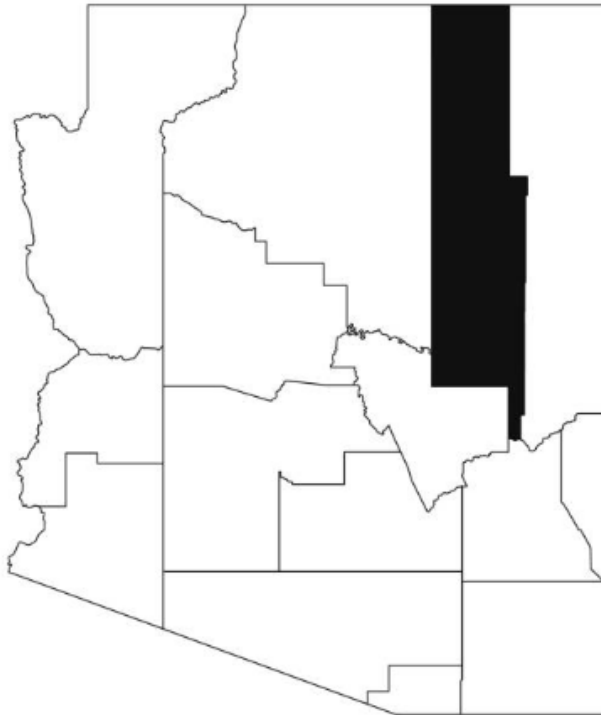
Daryl Seymore, District IV



Dawnafe Whitesinger
District V

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Navajo County, Arizona
Annual Comprehensive Financial
Report
Fiscal Year Ended June 30, 2024



Prepared by the Navajo County Finance Department

County Manager

Bryan Layton

Finance Team

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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Year Ended June 30, 2024

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NAVAJO COUNTY

Administration

Bryan Layton
County Manager

Jayson Vowell
Chief Financial Officer

We are Navajo County

February 28, 2025

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 2024. 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 2024 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 2024 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 2024 population of the County was estimated to be 109,175. Navajo County's diversity is evident not only in its population, but also in its landscapes. Northern Navajo County is home to the Navajo and Hopi Tribes, and is known for its spectacular buttes, canyons, clean air, diversity of plants and wildlife, and areas of beauty and solitude. Central Navajo County is home to rural communities such as Winslow, Holbrook, Snowflake and Taylor where country charm and rich pioneer history contribute to the performing arts, schools, parks, and many community celebrations. Southern Navajo County is home to the White Mountain Apache Tribe and the communities of Show Low and Pinetop-Lakeside where forests of Ponderosa Pine offer a variety of outdoor recreational activities, including hiking, hunting, fishing, and snow skiing with casino gaming and fine dining amenities.

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

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

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

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

FACTORS AFFECTING NAVAJO COUNTY'S FINANCIAL CONDITION

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

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

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

Although new residential permits decreased by 37.7 percent from the previous year, the construction industry continues to be stable as the permits increased substantially between the years of 2021 and 2023. This decrease is looked at as a return to a normal rate of permits issued. Partially due to the COVID-19 pandemic and the ability to work remotely, many people are looking to relocate to rural communities like those found within the County causing demand and prices for homes to increase. According to Redfin.com, in November 2024, Navajo County home prices increased 7.1 percent compared to last year, selling for a median price of \$494,000.

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

The Navajo Generating Station and related Kayenta Mine located in the County were closed in December 2019 in settlement of an environmental lawsuit with the United States Environmental Protection Agency (EPA). These closures have not had an adverse impact on the County's total collections of sales and property taxes versus preclosing levels. In addition, the EPA settlement calls for the Cholla Power Plant, also located in the County, to completely close by 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 2023-2024.

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 2023-2024 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, 2023. This was the fourteenth consecutive year that Navajo County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement Award is valid for one year. We believe our current annual comprehensive financial report will meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine our eligibility for another certificate.

ACKNOWLEDGMENTS

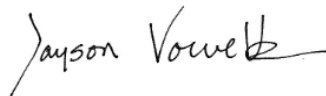
Preparation of this report was accomplished through the coordinated efforts of the finance department, assistance from elected officials and department directors and their staff, and the services provided by the Arizona Auditor General. We express appreciation to all who have contributed to this report.

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

Respectfully submitted,



Bryan Layton
County Manager



Jayson Vowell
Chief Financial Officer

NAVAJO COUNTY ORGANIZATIONAL CHART



ELECTED



LAW ENFORCEMENT & COURTS

CLERK OF THE COURT
Deanne Romo

COUNTY ATTORNEY
Brad Carlyon

CONSTABLES

SHERIFF
David Clouse

SUPERIOR COURT

Presiding Judge, 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
Vice-Chair
Fern Benally*

*District 2
Alberto Peshlakai*

*District 3
Chair
Jason Whiting*

*District 4
Daryl Seymore*

*District 5
Dawnafe Whitesinger*

CLERK OF THE BOARD
Melissa Buckley

APPOINTED



ADMINISTRATION & OPERATIONS OVERSIGHT

COUNTY MANAGER Bryan Layton

ASSISTANT TO THE COUNTY MANAGER
Chelle Ewald

GOVERNMENT RELATIONS
Rochelle Lacapa

CHIEF FINANCIAL OFFICER
Jayson Vowell

CAPITAL PROJECTS
Grant Evans

LIBRARY DISTRICT
Jennifer Volkert

BUDGET & AUDIT

ECONOMIC DEVELOPMENT
Chris Pasterz

PUBLIC HEALTH
Janelle Linn

GRANTS ADMINISTRATION
Ken Maruyama

PUBLIC FIDUCIARY
Pamela Phillips

ANIMAL CONTROL

WORKFORCE
Adam Garrard

ELECTIONS
Rayleen Richards

ENVIRONMENTAL HEALTH

MEDICAL EXAMINER

FACILITIES
Bret Starns

EMERGENCY MANAGEMENT
Catrina Jenkins

PLANNING & DEVELOPMENT SVCS
Mischa Larisch

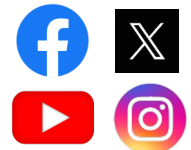
HUMAN RESOURCES & RISK
Eric Scott

INFORMATION TECHNOLOGY
Ken DeWitt

PUBLIC DEFENDER
Joseph Finch

PUBLIC WORKS
Madhav Mundle

@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, 2023

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, 2024, 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, 2024, 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 fund balances of its financial statements for the year ended June 30, 2024, due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. 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 17, 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 87 through 89, Schedule of Changes in the County's Net Pension Liability and Related Ratios – Agent Pension Plans on pages 90 through 95, and Schedule of County Pension Contributions on pages 96 through 97 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, based on our audit, the procedures performed as described above, 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 28, 2025

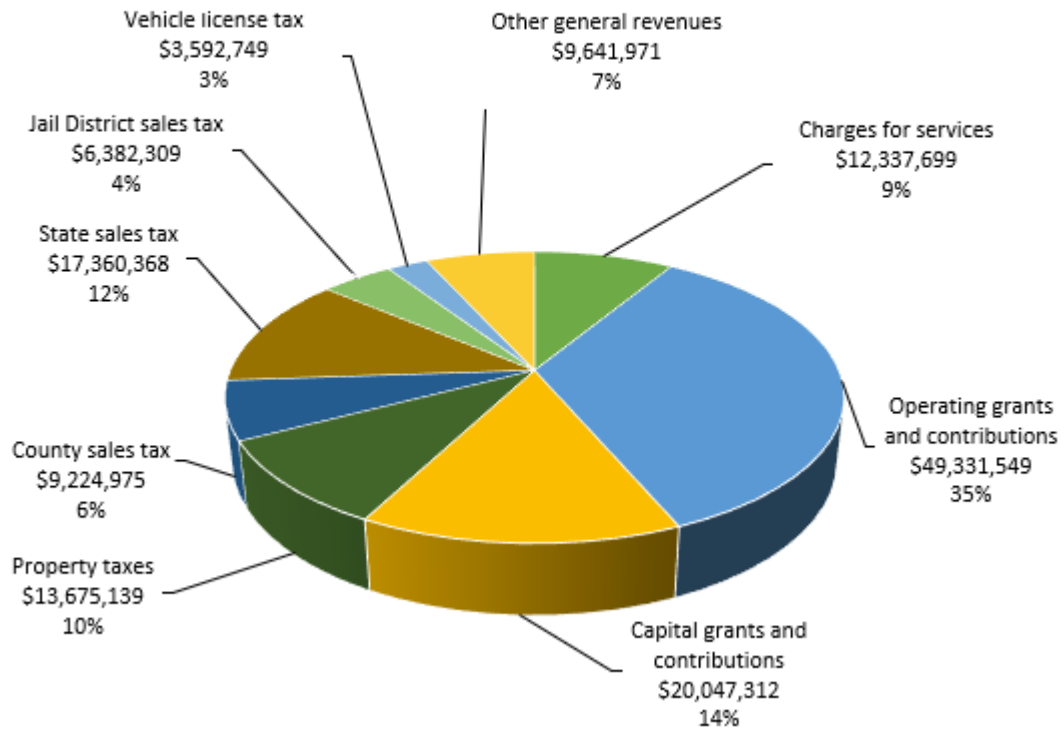
Navajo County Management's Discussion and Analysis Year Ended June 30, 2024

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, 2024. 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, \$13.0 million was spent on eligible expenses by June 30, 2024, 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 received \$20.0 million from the State general fund to reconstruct the Little Colorado River Levee. The revenue was recorded as capital grants and contributions in the fiscal year ending June 30, 2024. The Levee was decertified by the Federal Emergency Management Agency in 2008. Upon the State appropriation for the project, the County entered into an agreement with the United States Army Corp of Engineers to design and construct this critical flood mitigation project.
- The County's primary sources of revenues are from operating grants and contributions, share of state sales taxes, property taxes, general county sales taxes, and charges for services.

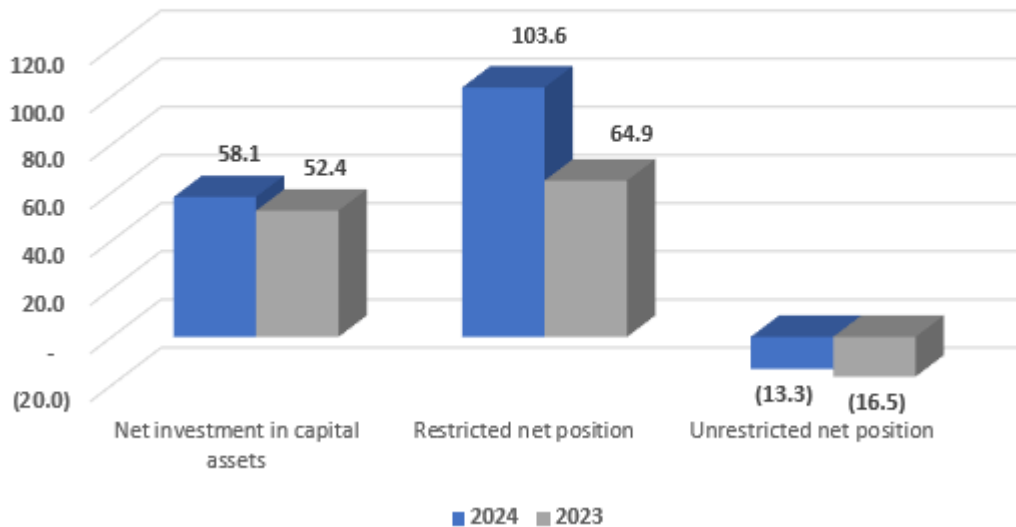
Revenues Sources Fiscal Year 2024



Navajo County Management's Discussion and Analysis Year Ended June 30, 2024

- 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 \$148.4 million (net position). This was an increase of \$47.6 million, or 47.2 percent when compared to the prior year's total net position of \$100.8 million. Of this amount, \$58.1 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); \$103.6 million is restricted for specific purposes (restricted net position); and \$(13.3) 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, 2023 and 2024 is illustrated in the chart below.

Composition of Net Position, as of June 30, 2023 and 2024
(in millions)

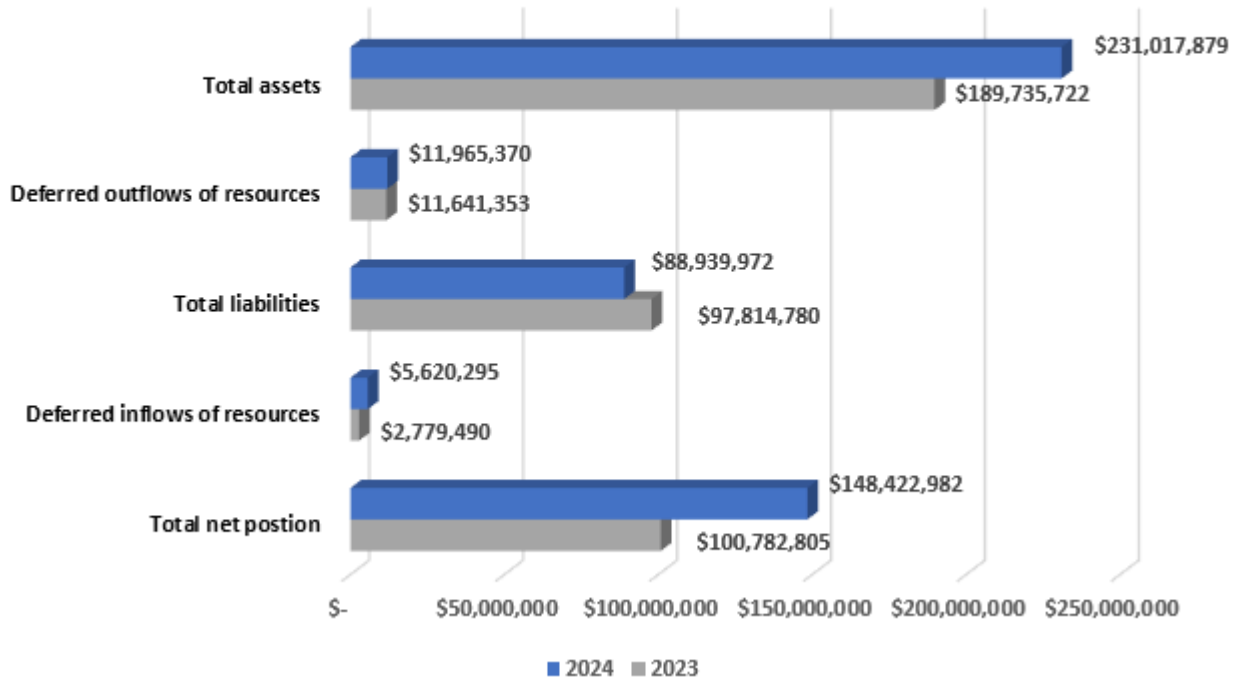


- At June 30, 2024, total assets were \$231.0 million, an increase of \$41.3 million or 21.8 percent in comparison with the prior fiscal year's balance of \$189.7 million. The majority of the increase is due to the increase in cash and investments due to the State Levee appropriation and investment earnings, and due from other governments in the Public Health Fund for COVID grant reimbursements not received by fiscal year end.
- At June 30, 2024, total liabilities were \$88.9 million, a decrease of \$8.9 million or 9.1 percent in comparison with the prior fiscal year's balance of \$97.8 million. The majority of the decrease is due to the reduction of net pension liabilities and pledged revenue obligations in addition to the decrease in unearned revenues in the American Rescue Plan Act.

Navajo County
 Management's Discussion and Analysis
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The County's Statement of Net Position at June 30, 2023 and 2024 is illustrated in the chart below.

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



- At June 30, 2024, the governmental funds reported combined fund balances of \$132.7 million, an increase of \$31.5 million or 31.1 percent in comparison with the prior year's combined fund balances of \$101.2 million.
- At June 30, 2024, \$87.3 million or 65.8 percent of governmental fund balances were restricted, \$26.1 million or 19.6 percent were unassigned, \$5.6 million or 4.2 percent were committed, \$12.5 million or 9.4 percent were assigned, and \$1.3 million or 1.0 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, 2024

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 21 and 23 of this report.*

Navajo County Management's Discussion and Analysis Year Ended June 30, 2024

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, Opioid Settlement Fund and Public Health 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 24 through 30 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 31 and 32 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 33 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 100 of this report.*

Navajo County
Management's Discussion and Analysis
Year Ended June 30, 2024

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, 2024, compared to the prior year.

	Governmental Activities	
	2024	2023
Current and other assets	\$ 161,875,950	\$ 126,254,289
Net pension/OPEB asset	2,668,144	2,938,005
Capital assets	66,473,785	60,543,428
Total assets	231,017,879	189,735,722
Deferred outflows of resources		
Total deferred outflows of resources	11,965,370	11,641,353
Current and other liabilities	15,014,992	16,432,252
Long-term liabilities	73,924,980	81,382,528
Total liabilities	88,939,972	97,814,780
Deferred inflows of resources		
Total deferred inflows of resources	5,620,295	2,779,490
Net Position:		
Net investment in capital assets	58,112,645	52,411,535
Restricted	103,619,434	64,937,552
Unrestricted (deficit)	(13,309,097)	(16,566,282)
Total net position	\$ 148,422,982	\$ 100,782,805

Overall, total assets and deferred outflows of resources increased by \$41.6 million or 20.7 percent and total liabilities and deferred inflows of resources decreased by \$6.0 million or 6.0 percent in the current fiscal year. The following summarizes the significant changes in assets, liabilities, and deferred outflows/inflows of resources compared to the prior year.

- Current and other assets increased by \$35.6 million or 28.2 percent in the current year largely due to increases in cash and investments of \$27.3 million and due from other governments of \$5.3 million. The cash and investments increase was due to additional cash of \$18.7 million and \$4.2 million of revenues in excess of expenditures in the Capital Projects Fund and Public Works / HURF Fund, respectively. The increase in due from other governments is due to a grant reimbursement not received at fiscal year-end in the Public Health Fund.
- Capital assets increased by \$5.9 million or 9.8 percent in the current year due to increases in construction in progress projects. Specifically, the increases are due to the following projects: the county-wide Broadband Infrastructure project and the Little Colorado Winslow Levee Project.

Navajo County
Management's Discussion and Analysis
Year Ended June 30, 2024

- The changes in deferred outflows of resources from \$11.6 million to \$12.0 million and deferred inflows of resources from \$2.8 million to \$5.6 million consist mainly of the contributions to the pension plans after the measurement date and the changes in estimates and assumptions used to calculate the net pension liabilities. Additional information can be found in Note 9 of the notes to the financial statements.
- Current and other liabilities decreased by \$1.4 million or 8.6 percent in the current year largely due to unearned revenue decreases in the American Rescue Plan Act Fund of \$2.8 million, offset by increases in accounts payable of \$703 thousand and accrued payroll of \$426 thousand. The decrease in unearned revenue was due to recognition of grant revenues being spent for specific grant purposes. The increase in accounts payable was due to the fiscal-year end cutoff for processing payments in which more invoices were recorded in the current fiscal year and paid in the succeeding fiscal year. The increase in accrued payroll was due to the increase in the number of days being accrued from the first payroll in succeeding fiscal year attributed to wages earned in the current fiscal year.
- Long-term liabilities decreased by \$7.5 million or 9.2 percent as a result of principal payments for pledged revenue obligations of \$2.1 million and the reduction of pension liabilities of \$4.8 million.
- A large portion of the County's net position, \$58.1 million, reflects its investment in capital assets net of accumulated depreciation/amortization and related debt. The County uses these assets to provide services to citizens and, therefore, they are not available for future spending. The County's restricted net position of \$103.6 million is subject to external restrictions on how they may be used. Finally, the County's unrestricted (deficit) in net position of \$(13.3) million decreased by \$3.3 million from the prior year primarily due to the overall increase in activity related to pensions and OPEB (deferred outflows, deferred inflows, and liabilities), offset with the decreases in pledged revenue pension obligations and incurred but not reported healthcare claims.

Changes in Net Position

The Statement of Activities presents information on how the County's net position changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2024 compared to the prior year.

Navajo County
Management's Discussion and Analysis
Year Ended June 30, 2024

	Governmental Activities	
	2024	2023
Program revenues:		
Charges for services	\$ 12,337,699	\$ 13,687,768
Operating grants and contributions	49,331,549	36,373,366
Capital grants and contributions	20,047,312	1,146,181
Total program revenues	<u>81,716,560</u>	<u>51,207,315</u>
General revenues:		
Property taxes	13,675,139	12,882,855
Sales taxes	15,607,284	15,846,231
State shared revenues	20,953,117	19,867,795
Payments in lieu of taxes	1,954,495	1,828,337
Investment earnings	5,706,319	(896,791)
Gain on disposal of capital assets	26,842	36,887
Miscellaneous	1,954,315	1,858,570
Total general revenues	<u>59,877,511</u>	<u>51,423,884</u>
Total revenues	<u>141,594,071</u>	<u>102,631,199</u>
Program expenses:		
General government	30,891,849	30,563,995
Public safety	29,570,089	28,134,944
Highways and streets	13,862,202	15,056,390
Health and welfare	9,894,256	9,416,303
Culture and recreation	1,294,427	1,146,242
Education and economic opportunity	5,931,654	5,450,107
Environmental and conservation	1,859,806	1,286,833
Urban redevelopment and housing	19,000	
Interest and fiscal charges	630,611	682,246
Total program expenses	<u>93,953,894</u>	<u>91,737,060</u>
Change in net position	47,640,177	10,894,139
Net position, beginning	100,782,805	89,888,666
Net position, ending	<u>\$ 148,422,982</u>	<u>\$ 100,782,805</u>

Overall total revenues increased by \$39.0 million or 38.0 percent and total program expenses increased by \$2.2 million or 2.4 percent from the prior year. The following summarizes the significant changes in revenues and expenses compared to the prior year.

- Program revenues increased by \$30.5 million or 60.0 percent due to an increase in operating grants of \$13.0 million and \$18.9 million in capital grants and contributions. The increase in operating grants was due to new general government grant revenues received from the Arizona Commerce Authority for the county-wide broadband project and from the Arizona Criminal Justice Commission for alternate prosecution and diversion program. Also in operating grants, there was a new public safety grant revenues received from the Arizona Department of Public Safety and the Arizona Department of Emergency and Military Affairs for border security and support in addition to additional revenue recognized in the American Rescue Plan Act Fund as there were more eligible expenses incurred. The increase in capital grants and contributions was due to \$20 million received from the State of Arizona for the Little Colorado Winslow Levee Project.

Navajo County Management's Discussion and Analysis Year Ended June 30, 2024

- General revenues increased by \$8.5 million or 16.4 percent primarily due to the increase in investment earnings of \$6.6 million, additional state shared sales tax revenues received of \$1.0 million and additional property tax revenues of \$792 thousand.
- Overall, expenses increased by \$2.2 million or 2.4 percent due to additional salary and employer related expenses due to market adjustments across all functions, with the exception of highways and streets. The decrease in highways and streets was caused as less road maintenance costs were incurred. In addition, specifically in public safety expenditures, increased expenditures were due to new grant programs implemented during the fiscal year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported seven major funds for this fiscal year: General Fund, Public Works/HURF Fund, Jail District Fund, American Rescue Plan Act Fund, Capital Projects Fund, Opioid Settlement Fund, and the Public Health Fund. At the end of the current fiscal year, the County's governmental funds reported combined fund balances-General Government Fund of \$132.7 million, which is an increase of \$31.5 million or 31.1 percent in comparison with the prior year's combined fund balances of \$101.2 million. Of the total, \$44.2 million constitutes unrestricted (assigned, committed and unassigned) fund balances.

For governmental funds, overall revenues increased \$38.2 million or 39.9 percent and expenditures increased \$11.6 million or 12.7 percent. Governmental fund revenues exceeded expenditures by \$30.7 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 \$58.4 million. Fund balances represent 130.1 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 not seen an increase in their premiums since January 2017, and the County has only seen moderate increases. The activity to administer the self-insured trust fund for the last five years and the current fiscal year is presented below.

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Revenues:						
Employer contributions and employee premiums	\$ 7,845,063	\$ 7,826,839	\$ 9,133,561	\$ 10,393,356	\$ 12,040,490	\$ 10,784,432
Investment earnings	34,548	81,206	89,364	49,653	264,507	473,384
Miscellaneous refunds	470,385	564,708	585,606	269,415	168,841	377,467
Total revenues	<u>8,349,996</u>	<u>8,472,753</u>	<u>9,808,531</u>	<u>10,712,424</u>	<u>12,473,838</u>	<u>11,635,283</u>
Expenditures:						
General government healthcare costs	<u>6,490,746</u>	<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>
Excess (deficiency) of revenues over expenditures	1,859,250	3,184,047	2,355,978	2,702,934	3,267,334	3,695,144
Beginning fund balances	<u>1,968,238</u>	<u>3,827,488</u>	<u>7,011,535</u>	<u>9,367,513</u>	<u>12,070,447</u>	<u>15,337,781</u>
Ending fund balances	<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>

Navajo County
Management's Discussion and Analysis
Year Ended June 30, 2024

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

General Fund

- Cash and investments increased by \$3.6 million or 7.1 percent and due from other funds increased by \$784 thousand or 76.9 percent. The increase in cash and investments was a result of excess revenues over expenditures in the employee benefits activity while the increase in due from other funds was the result of cash being moved to cover the negative cash balance in the Workforce Innovation & Opportunity Act Fund.
- Total liabilities increased by \$338 thousand or 17.3 percent primarily due to the increase in accrued payroll as the increase in the number of days being accrued from the first payroll in succeeding fiscal year attributed to wages earned in the current fiscal year.
- Deferred inflows of resources decreased by \$4.2 million as the County moved this activity to the newly created Opioid Settlement Fund to more accurately account for the resources and related expenditures from the opioid litigation settlements. Also, in correspondance with this change, the accounts receivable for settlements was also reduced by \$4.2 million.
- Total revenues increased by \$2.4 million or 4.5 percent in the current year primarily due to an increase in investment earnings of \$3.5 million, which was offset by a decrease in charges for services of \$1.7 million.
- Total expenditures decreased by \$1.0 million or 2.2 percent in the current year primarily due to the decrease in capital outlay expenditures.

Public Works/HURF Fund

- Intergovernmental revenue increased by \$1.3 million or 8.6 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.

Jail District Fund

- At the end of the current fiscal year, the Fund recognized \$6.4 million of excise sales tax and received transfers of \$1.2 million of maintenance of effort funding from the General Fund and \$1.0 million from the Sheriff's Office Fund.
- Intergovernmental revenue increased by \$1.0 million, which was not previously recorded in the Jail District Fund. The Sheriff's Office charges other government's public safety departments to hold persons in the County Jail which was previously reported in the County's General Fund. A change was made to the reporting structure to move this activity into the Jail District. In addition, these funds are typically used to pay for capital outlay expenditures, and the capital outlay expenditures also increased by \$1.2 million in the current fiscal year.

Navajo County Management's Discussion and Analysis Year Ended June 30, 2024

- Total expenditures increased by \$2.5 million or 31.4 percent due to the increase in medical services that were outsourced to a third-party provider in order to provide 24-hour medical coverage in the jail facilities and the increase in capital outlay expenditures mentioned above.

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 \$2.8 million in intergovernmental revenue and \$4.4 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 received \$22.4 million from the State of Arizona as intergovernmental revenue and has spent \$3.9 million on these projects.

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 \$1.6 million and settlements receivable of \$7.1 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 \$6.8 million.

Public Health Fund

- Total revenues increased by \$525 thousand or 10.2 percent attributed to increase collections of property tax revenue of \$119 thousand and increase in intergovernmental revenue of \$267 thousand or 10.3 percent. The increase in intergovernmental revenue is attributed to grant reimbursements received for expenditures incurred.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the General Fund, actual revenues were less than the original and final budget amounts by \$2.5 million, while the actual expenditures were \$49.9 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, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets as of June 30, 2024, totaled \$66.5 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, machinery and equipment, and intangibles for right-to-use subscription-based information technology arrangements and leases. The following provides the major changes in capital assets during the current fiscal year:

- Total capital assets not being depreciated/amortized increased by \$7.7 million for construction in progress projects not completed at fiscal year-end. Total capital assets being depreciated/amortized increased by \$5.7 million (increases less decreases). The total accumulated depreciation/amortization also increased by \$7.4 million (increases less decreases)

Additional information on capital assets can be found in Note 5 on page 46 of this report.

Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$73.9 million consisting of the following liabilities that were over \$1 million:

- Net pension liability – \$46.0 million
- Pledged revenue obligations payable –\$21.2 million
- Compensated absences payable – \$2.6 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 47 through 50 of this report.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current fiscal year 2024-25 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).

The County projected modest increases in revenues for fiscal year 2024-25 as the local and state economies remain on a steady growth pattern; state shared sales tax revenues is projected to increase by \$700 thousand and county sales tax is projected to increase by \$200 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

Navajo County
Management's Discussion and Analysis
Year Ended June 30, 2024

which will be available for capital or one-time funding in future years.

The fiscal year 2024-25 Adopted Budget includes no changes to the County's regular primary property tax rate and secondary tax rates (the Navajo County Flood Control District, the Navajo County Public Health Services District, the Navajo County Library District, the Fire District Assistance and the Little Colorado River Flood Control Zone). The total property tax rate for Navajo County remained constant at \$1.6738 per \$100 of net taxable value.

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

REQUEST FOR INFORMATION

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

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Basic Financial Statements



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Navajo County
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and investments	\$ 135,720,891
Cash and investments held by trustee	1,865,303
Receivables (net of allowance for uncollectibles):	
Property taxes	431,937
Accounts receivable	96,970
Special assessments	23,995
Settlements	7,071,947
Leases	197,033
Due from other governments	15,182,483
Prepaid items	13,825
Inventories	1,271,566
Net other postemployment benefits asset	2,377,686
Net pension asset	290,458
Capital assets, not being depreciated/amortized	13,382,138
Capital assets, being depreciated/amortized, net	53,091,647
Total assets	231,017,879
Deferred Outflows of Resources	
Deferred outflows related to other postemployment benefits	230,650
Deferred outflows related to pensions	11,734,720
Total deferred outflows of resources	11,965,370
Liabilities	
Accounts payable	3,980,893
Accrued payroll and employee benefits	1,567,197
Due to other governments	622,192
Interest payable	315,303
Unearned revenue	8,529,407
Noncurrent liabilities	
Due within one year	5,084,500
Due in more than one year	68,840,480
Total liabilities	88,939,972
Deferred Inflows of Resources	
Deferred inflows related to other postemployment benefits	615,929
Deferred inflows related to pensions	4,804,783
Deferred inflows related to leases	199,583
Total deferred inflows of resources	5,620,295
Net Position	
Net investment in capital assets	58,112,645
Restricted for:	
Highways and streets	18,296,903
Public safety	569,409
Judicial activities	6,196,152
Education and economic opportunity	1,541,222
Law enforcement	6,743,867
Environment, library, and community services	1,805,635
Health and welfare	18,268,556
Flood control projects	3,456,941
Health insurance trust	16,327,150
Road and other capital projects	27,239,166
Special districts	127,553
Other postemployment benefits	2,377,686
Pensions	290,458
Other purposes	378,736
Unrestricted (Deficit)	(13,309,097)
Total net position	\$ 148,422,982

See accompanying notes to financial statements.

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Navajo County
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 30,891,849	\$ 6,854,456	\$ 11,052,207	\$ 11,886	\$ (12,973,300)
Public safety	29,570,089	1,083,204	9,750,577	35,426	(18,700,882)
Highways and streets	13,862,202	47,543	15,833,626		2,018,967
Health and welfare	9,894,256	4,168,434	6,741,303		1,015,481
Culture and recreation	1,294,427	175,312	171,175		(947,940)
Education and economic opportunity	5,931,654	8,750	5,696,969		(225,935)
Environmental and conservation	1,859,806		74,692	20,000,000	18,214,886
Urban redevelopment and housing	19,000		11,000		(8,000)
Interest and fiscal charges	630,611				(630,611)
Total governmental activities	\$ 93,953,894	\$ 12,337,699	\$ 49,331,549	\$ 20,047,312	\$ (12,237,334)
General revenues:					
Taxes:					
Property taxes, levied for general purpose					8,539,615
Property taxes, levied for flood control					2,079,871
Property taxes, levied for public health district					2,183,173
Property taxes, levied for library district					872,480
County sales tax					9,224,975
Jail District sales tax					6,382,309
Shared revenue - State sales tax					17,360,368
Shared revenues - State vehicle license tax					3,592,749
Payments in lieu of taxes					1,954,495
Investment earnings					5,706,319
Gain on sales of capital assets					26,842
Miscellaneous					1,954,315
Total general revenues					59,877,511
Change in net position					47,640,177
Net position, July 1, 2023					100,782,805
Net position, June 30, 2024					\$ 148,422,982

See accompanying notes to financial statements.

Navajo County
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Capital Projects Fund
Assets					
Cash and investments	\$ 53,934,748	\$ 16,496,466	\$ 3,437,484	\$ 14,441,740	\$ 28,692,420
Cash and investments held by trustee					
Receivables (net of allowance for uncollectibles):					
Property taxes	263,842				
Accounts Receivable	5,163				
Special assessments					
Settlements					
Leases	197,033				
Due from:					
Other funds	1,801,986	39,778			
Other governments	4,904,131	1,370,426	1,344,150		
Prepaid items	13,825				
Inventories		1,271,566			
Total assets	<u>\$ 61,120,728</u>	<u>\$ 19,178,236</u>	<u>\$ 4,781,634</u>	<u>\$ 14,441,740</u>	<u>\$ 28,692,420</u>
Liabilities					
Accounts payable	\$ 836,814	\$ 1,133,986	\$ 1,048,709	\$ 263,432	\$ 214,653
Accrued payroll and employee benefits	1,180,263	106,273	91,942	16,028	
Due to:					
Other funds	96,625	378,857	240,705		
Other governments	185,155	49,332	30,897	204	
Pledged revenue obligations payable					
Bond interest payable					
Unearned revenue				8,529,407	
Total liabilities	<u>2,298,857</u>	<u>1,668,448</u>	<u>1,412,253</u>	<u>8,809,071</u>	<u>214,653</u>
Deferred Inflows of Resources					
Unavailable revenue-property taxes	191,801				
Unavailable revenue-special assessments					
Unavailable revenue-intergovernmental					
Unavailable revenue-settlements					
Deferred inflows related to leases	199,583				
Total deferred inflows of resources	<u>391,384</u>				
Fund balances:					
Nonspendable		1,271,566			
Restricted	16,336,150	16,238,222	3,527,375		26,343,552
Committed				5,632,669	
Assigned	10,115,654				2,134,215
Unassigned (Deficit)	31,978,683		(157,994)		
Total fund balances	<u>58,430,487</u>	<u>17,509,788</u>	<u>3,369,381</u>	<u>5,632,669</u>	<u>28,477,767</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 61,120,728</u>	<u>\$ 19,178,236</u>	<u>\$ 4,781,634</u>	<u>\$ 14,441,740</u>	<u>\$ 28,692,420</u>

See accompanying notes to financial statements.

Opioid Settlement Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,616,862	\$ 2,028,816	\$ 15,072,355	\$ 135,720,891
		1,865,303	1,865,303
	73,687	94,408	431,937
	77,699	14,108	96,970
		23,995	23,995
7,071,947			7,071,947
			197,033
	521	69,009	1,911,294
	5,477,082	2,086,694	15,182,483
			13,825
			1,271,566
<u>\$ 8,688,809</u>	<u>\$ 7,657,805</u>	<u>\$ 19,225,872</u>	<u>\$ 163,787,244</u>
	\$ 63,323	\$ 419,976	\$ 3,980,893
	20,270	152,421	1,567,197
	135,517	1,059,590	1,911,294
	12,624	343,980	622,192
		1,550,000	1,550,000
		315,303	315,303
			8,529,407
	231,734	3,841,270	18,476,286
	53,642	64,973	310,416
		18,494	18,494
	5,064,832	210,290	5,275,122
\$ 6,810,773			6,810,773
			199,583
<u>6,810,773</u>	<u>5,118,474</u>	<u>293,757</u>	<u>12,614,388</u>
			1,271,566
1,878,036	4,401,264	18,532,538	87,257,137
			5,632,669
		218,503	12,468,372
	(2,093,667)	(3,660,196)	26,066,826
<u>1,878,036</u>	<u>2,307,597</u>	<u>15,090,845</u>	<u>132,696,570</u>
<u>\$ 8,688,809</u>	<u>\$ 7,657,805</u>	<u>\$ 19,225,872</u>	<u>\$ 163,787,244</u>

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Navajo County
 Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of
 Net Position
 June 30, 2024

Fund balances—total governmental funds	\$ 132,696,570
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.	66,473,785
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	12,414,805
Net pension and OPEB assets held in trust for future benefits are not available for County operations and, therefore, are not reported in the funds.	2,668,144
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.	(72,374,980)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, not reported in the funds.	<u>6,544,658</u>
Net position of governmental activities	<u><u>\$ 148,422,982</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, 2024

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund
Revenues:				
Property taxes	\$ 8,569,104			
County sales taxes	9,224,975		\$ 6,382,309	
Special assessments				
Licenses and permits	1,433,134			
Fines and forfeits	644,407			
Intergovernmental	27,986,022	\$ 15,833,626	1,036,200	\$ 2,846,960
Charges for services	3,824,588		370,822	
Investment earnings	2,983,239	787,345	94,522	689,674
Contributions				
Settlements				
Miscellaneous	693,952	47,078	24,249	
Total revenues	<u>55,359,421</u>	<u>16,668,049</u>	<u>7,908,102</u>	<u>3,536,634</u>
Expenditures:				
Current:				
General government	28,165,754			708,546
Public safety	11,327,626		9,275,925	495,694
Highways and streets		10,915,388		
Health and welfare	3,994,502			
Culture and recreation				
Education and economic opportunity	395,491			
Environmental and conservation				
Urban redevelopment and housing				
Debt service:				
Principal	350			
Interest and other charges	5			
Capital Outlay	1,019,270	1,535,628	1,291,851	3,169,279
Total expenditures	<u>44,902,998</u>	<u>12,451,016</u>	<u>10,567,776</u>	<u>4,373,519</u>
Excess (deficiency) of revenues over expenditures	<u>10,456,423</u>	<u>4,217,033</u>	<u>(2,659,674)</u>	<u>(836,885)</u>
Other financing sources (uses):				
Lease agreements	23,787			50,455
Sale of capital assets	28,424			
Transfers in	1,514,690		2,243,854	
Transfers out	(6,561,872)	(545,241)	(550,058)	(7,071)
Total other financing sources (uses)	<u>(4,994,971)</u>	<u>(545,241)</u>	<u>1,693,796</u>	<u>43,384</u>
Net change in fund balances	<u>5,461,452</u>	<u>3,671,792</u>	<u>(965,878)</u>	<u>(793,501)</u>
Fund balances, July 1, 2023, as previously reported	54,137,492	13,142,735	3,728,338	6,426,170
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)	<u>(1,168,457)</u>		<u>606,921</u>	
Fund balances, July 1, 2023, as restated	52,969,035	13,142,735	4,335,59	6,426,170
Changes in nonspendable resources:				
Increase in inventories		695,261		
Fund balances, June 30, 2024	<u>\$ 58,430,487</u>	<u>\$ 17,509,788</u>	<u>\$ 3,369,381</u>	<u>\$ 5,632,669</u>

See accompanying notes to financial statements.

Capital Projects Fund	Opioid Settlement Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
		\$ 2,191,508	\$ 2,961,485	\$ 13,722,097
				15,607,284
			221,075	221,075
		227,545		1,660,679
		175	182,034	826,616
\$ 22,385,769		2,857,864	14,499,701	87,446,142
		42,330	1,247,652	5,485,392
151,306	\$ 24,079	121,226	854,928	5,706,319
		87,900	4,250	92,150
	1,292,421			1,292,421
		165,899	1,023,137	1,954,315
<u>22,537,075</u>	<u>1,316,500</u>	<u>5,694,447</u>	<u>20,994,262</u>	<u>134,014,490</u>
132			3,216,524	32,090,956
			4,993,589	26,092,834
			30,095	10,945,483
		5,064,466	509,721	9,568,689
			1,269,942	1,269,942
			5,503,251	5,898,742
			1,860,956	1,860,956
			19,000	19,000
			1,550,122	1,550,472
			630,606	630,611
3,875,139		194,715	2,313,190	13,399,072
<u>3,875,271</u>		<u>5,259,181</u>	<u>21,896,996</u>	<u>103,326,757</u>
18,661,804	1,316,500	435,266	(902,734)	30,687,733
				74,242
				28,424
9,815,963		416,807	2,502,370	16,493,684
		(249,400)	(8,580,042)	(16,493,684)
<u>9,815,963</u>		<u>167,407</u>	<u>(6,077,672)</u>	<u>102,666</u>
<u>28,477,767</u>	<u>1,316,500</u>	<u>602,673</u>	<u>(6,980,406)</u>	<u>30,790,399</u>
			23,776,175	101,210,910
		1,704,924	(1,704,924)	
	561,536			
	<u>561,536</u>	<u>1,704,924</u>	<u>22,071,251</u>	<u>101,210,910</u>
				695,261
<u>\$ 28,477,767</u>	<u>\$ 1,878,036</u>	<u>\$ 2,307,597</u>	<u>\$ 15,090,845</u>	<u>\$ 132,696,570</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, 2024

Net change in fund balances—total governmental funds	\$	30,790,399
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	\$ 13,399,072	
Lease agreements	74,242	
Depreciation/amortization expense	<u>(7,588,687)</u>	5,884,627
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.		
		(1,582)
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	2,601,252	
Donation of capital assets	47,312	
Intergovernmental revenues	1,280,067	
State appropriation to EORP	3,520,802	
Property taxes	(46,958)	
Special assessments	<u>1,780</u>	7,404,255
County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
County pension and OPEB contributions	5,996,882	
Pension expense	(5,469,770)	
OPEB revenue	<u>220,621</u>	747,733
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.		
Leases incurred	(74,242)	
Debt service - principal payments	1,550,000	
Amortization of bond premium	220,651	
Leases - principal payments	73,636	
Subscription-based information technology arrangements - principal payments	440,236	
Financed purchases & other payables - principal payments	<u>472</u>	2,210,753
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	172,707	
Increase in compensated absences	(250,540)	
Increase in claims and judgments	(14,586)	
Decrease in landfill closure and post-closure care costs	<u>1,150</u>	(91,269)
Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the statement of activities, however, they are reported as expenses when consumed.		
Increase in inventories		<u>695,261</u>
Change in net position of governmental activities	\$	<u><u>47,640,177</u></u>

See accompanying notes to financial statements.

Navajo County
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2024

<u>Assets</u>	Private-purpose trust funds	Custodial funds	
		External investment pool	Other
Cash and investments	\$ 2,436,188	\$ 288,986,070	\$ 2,384,484
Property tax receivable for other governments			2,721,999
Interest receivable		1,110,526	
Total assets	\$ 2,436,188	\$ 290,096,596	\$ 5,106,483
<u>Liabilities</u>			
Property tax payable to other governments			\$ 127,267
Total liabilities			\$ 127,267
<u>Net Position</u>			
Restricted for:			
Pool participants		\$ 290,096,596	
Individuals, organizations, and other governments	\$ 2,436,188		\$ 4,979,216
Total net position	\$ 2,436,188	\$ 290,096,596	\$ 4,979,216

See accompanying notes to financial statements

Navajo County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	<u>Private-purpose trust funds</u>	<u>Custodial funds</u>	
		<u>External investment pool</u>	<u>Other</u>
<u>Additions</u>			
Contributions from pool participants		\$ 404,921,058	
Property tax collections for other governments			\$ 79,571,174
Fines and fees collections for other governments			1,794,409
Fines and fees collections for victims			1,947,073
Investment earnings	\$ 50,437	8,856,731	36,978
Inmate collections			1,292,632
Other	2,513,908		6,522,416
Total additions	<u>\$ 2,564,345</u>	<u>\$ 413,777,789</u>	<u>\$ 91,164,682</u>
<u>Deductions</u>			
Distributions to pool participants		\$ 376,396,385	
Property tax distributions to other governments			\$ 79,734,914
Fines and fees distributions to other governments			1,853,996
Restitution and reimbursement payments to victims			1,904,636
Payments to inmates			1,277,905
Other	\$ 2,038,607		6,199,874
Total deductions	<u>\$ 2,038,607</u>	<u>\$ 376,396,385</u>	<u>\$ 90,971,325</u>
Net Increase in Fiduciary Net Position	\$ 525,738	\$ 37,381,404	\$ 193,357
Net position July 1, 2023	<u>\$ 1,910,450</u>	<u>\$ 252,715,192</u>	<u>\$ 4,785,859</u>
Net position June 30, 2024	<u>\$ 2,436,188</u>	<u>\$ 290,096,596</u>	<u>\$ 4,979,216</u>

See accompanying notes to financial statements

Navajo County
Notes to Financial Statements
June 30, 2024

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, 2024, the County implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability.

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, 2024

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
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, 2024

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, 2024

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 *Public Health Fund* is used to account for all financial resources in order to promote and protect public health through educations, preventions and partnerships and is funded primarily by property tax and federal reimbursements

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, 2024

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.

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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:

	Capitalization Threshold	Depreciation/Amortization Method	Estimated Useful Life
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 payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

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

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

L. **Leases and Subscription-based Information Technology Arrangements**

Leases

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

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

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Subscription-based information technology arrangements

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

M. Miscellaneous Disclosures

Pursuant to A.R.S. §35-391(B), the County shall disclose in its annual financial report the amount of any reward, discount, incentive, or other financial consideration received by the governmental entity resulting from credit card payments. The County received \$48,528 in credit card rebates during fiscal year 2024.

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 \$1,292,421 during the fiscal year ended June 30, 2024, and anticipates receiving additional payments through 2038. At June 30, 2024, the estimated balance of the receivable, net of allowance for uncollectibles, is \$7,071,947.

Note 2 - Accounting Changes

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balances, as follows:

	<u>Reporting Units Affected by Adjustments to and Restatements of Beginning Balances</u>				
	<u>General Fund</u>	<u>Jail District Fund</u>	<u>Opioid Settlement Fund</u>	<u>Public Health Fund</u>	<u>Nonmajor Governmental</u>
Fund balances, July 1, 2023, as previously reported	\$ 54,137,492	\$ 3,728,338			23,776,175
Change from nonmajor to major fund				\$ 1,704,924	(1,704,924)
Change within reporting entity - movement of continuing operations	(1,168,457)	606,921	561,536		
Fund balances, July 1, 2023, as restated	<u>\$ 52,969,035</u>	<u>\$ 4,335,259</u>	<u>\$ 561,536</u>	<u>\$ 1,704,924</u>	<u>\$ 22,071,251</u>

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The adjustments to and restatements of beginning fund balances were necessary for the following reasons: 1) the County transitioned activities for housing individuals for other government entities and for providing commissary items within the Detention Center (Jail) from the General Fund to the Jail District Fund as these activities aligned with the resources and costs associated with the Jail District, which resulted in restatements of the beginning fund balances; and 2) the County originally recorded Opioid related operations in the General Fund and transitioned those operations to the Opioid Settlement Fund in order to provide transparency and improved reporting on the activities for the nationwide Opioid Settlement (See Note 13 for additional information), which resulted in restatements of the beginning fund balances.

In addition, the Debt Service - General Government 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 2024 to be presented as such. As the beginning fund balance was zero, the change from major to nonmajor fund is not being presented on the financial statements or here in this Note as it does not impact the total fund balance for the major funds and nonmajor governmental funds.

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.

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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 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.

Deposits—At June 30, 2024, the carrying amount of the County's deposits was \$12,684,535, and the bank balance was \$14,397,028. 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, \$1,615,303 of the County's bank balance was uninsured and uncollateralized.

Investments—The County had total investments of \$418,698,787 at June 30, 2024. The County's investments categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amount	<u>Fair value measurement using</u> Quoted prices in active markets for identical assets (Level 1)
Investments by fair value level		
U.S. Treasury securities	\$ 152,302,751	\$ 152,302,751
U.S. agency securities	104,371,253	104,371,253
Corporate notes	44,318,435	44,318,435
Government money market mutual funds	117,706,348	117,706,348
	<u>\$ 418,698,787</u>	<u>\$ 418,698,787</u>

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

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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, 2024, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody’s	\$ 104,371,253
Corporate notes	Aa1	Moody’s	10,000,000
Corporate notes	Aa2	Moody’s	19,650,730
Corporate notes	A1	Moody’s	4,874,755
Corporate notes	A2	Moody’s	9,792,950
Government money market mutual funds	Unrated	Not Applicable	117,706,348
Total			<u>\$ 266,396,036</u>

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the outside party’s possession. The County’s formal policy stipulates that securities that are held in a custody or safekeeping account must be held under the name of Navajo County or Navajo County Treasurer. At June 30, 2024, the County did not have investments exposed to custodial credit risk.

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, 2024, 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, 2024, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
U.S. agency securities	\$ 104,371,253	0.579
U.S. Treasury securities	152,302,751	0.976
Corporate notes	44,318,435	0.879
Government money market mutual funds	117,706,348	0.082
	<u>\$ 418,698,787</u>	

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At June 30, 2024, \$39,443,680 of investments were in corporate notes floating rate securities and considered to be highly sensitive to interest rate changes. \$39,443,680 is non-callable while the remaining \$0 is callable within 45 days after June 30, 2024. 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		12,684,535
Amount of investments		418,698,787
Total	\$	<u>431,392,936</u>

	Governmental Activities	Private-Purpose Trust Funds	Custodial funds		Total
			External Investment Pool	Other	
Statement of Net Position					
Cash and investments	\$ 135,720,891	\$ 2,436,188	\$ 288,986,070	\$ 2,384,484	\$ 429,527,633
Cash and investments held by trustee	1,865,303				1,865,303
Total	<u>\$ 137,586,194</u>	<u>\$ 2,436,188</u>	<u>\$ 288,986,070</u>	<u>\$ 2,384,484</u>	<u>\$ 431,392,936</u>

Note 4 - Due From Other Governments

Amounts due from other governments at June 30, 2024, are shown as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Fund	Other Governmental Funds	Total
State-shared sales tax	\$ 2,321,404					\$ 2,321,404
County sales tax	1,803,563		\$ 1,184,146			2,987,709
State-shared vehicle license tax	132,373	\$ 144,034				276,407
Highway user revenue		1,158,782				1,158,782
Grants and contributions from local, state and federal governments	62,416	66,104	122,065	\$ 5,473,597	\$ 1,884,847	7,609,029
Reimbursements for services provided for governmental units	584,375	1,506	37,939	3,485	201,847	829,152
	<u>\$ 4,904,131</u>	<u>\$ 1,370,426</u>	<u>\$ 1,344,150</u>	<u>\$ 5,477,082</u>	<u>\$ 2,086,694</u>	<u>\$ 15,182,483</u>

Navajo County
Notes to Financial Statements
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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 5,721,386			\$ 5,721,386
Construction in progress		\$ 7,660,752		7,660,752
Total capital assets not being depreciated/amortized	<u>5,721,386</u>	<u>7,660,752</u>		<u>13,382,138</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	51,566,914	43,364		51,610,278
Infrastructure	78,963,026			78,963,026
Machinery and equipment	43,672,860	5,742,268	\$ 145,006	49,270,122
Intangibles:				
Right-to-use subscription assets	1,287,473			1,287,473
Right-to-use lease assets:				
Buildings and improvements	1,600,175	74,242		1,674,417
Machinery and equipment	47,633			47,633
Total	<u>177,138,081</u>	<u>5,859,874</u>	<u>145,006</u>	<u>182,852,949</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	29,451,465	1,336,234		30,787,699
Infrastructure	57,289,728	2,099,571		59,389,299
Machinery and equipment	35,233,938	3,608,763	143,424	38,699,277
Intangibles:				
Right-to-use subscription assets	103,351	431,256		534,607
Right-to-use lease assets:				
Buildings and improvements	219,975	103,607		323,582
Machinery and equipment	17,582	9,256		26,838
Total	<u>122,316,039</u>	<u>7,588,687</u>	<u>143,424</u>	<u>129,761,302</u>
Total capital assets being depreciated/amortized, net	<u>54,822,042</u>	<u>(1,728,813)</u>	<u>1,582</u>	<u>53,091,647</u>
Governmental activities capital assets, net:	<u>\$ 60,543,428</u>	<u>\$ 5,931,939</u>	<u>\$ 1,582</u>	<u>\$ 66,473,785</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 1,430,674
Public safety	2,410,371
Highways and streets	3,417,427
Health and welfare	179,943
Culture and recreation	24,485
Education and economic opportunity	125,787
Total governmental activities depreciation/amortization expense	<u>\$ 7,588,687</u>

Navajo County
Notes to Financial Statements
June 30, 2024

Note 6 - Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2024:

Governmental activities	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due within 1 year
Pledged revenue obligations payable	\$ 23,260,000		\$ 2,065,000	\$ 21,195,000	\$ 1,550,000
Unamortized premium	1,108,148		220,651	887,497	194,427
Leases payable	757,715	\$ 74,242	73,636	758,321	57,428
Subscriptions liability	1,180,558		440,236	740,322	422,185
Other payables	472		472	-	
Net OPEB liabilities	50,820	8,696	1,252	58,264	
Net pension liabilities	50,877,599	2,431,814	7,262,322	46,047,091	
Landfill closure and post-closure care costs payable	238,751		1,150	237,601	1,150
Compensated absences payable Incurred but not reported	2,322,768	1,808,920	1,558,380	2,573,308	1,666,695
healthcare claims payable	1,156,338	3,289,748	3,462,455	983,631	975,351
Claims and judgments payable	429,359	224,712	210,126	443,945	217,264
Total	<u>\$ 81,382,528</u>	<u>\$ 7,838,132</u>	<u>\$ 15,295,680</u>	<u>\$ 73,924,980</u>	<u>\$ 5,084,500</u>

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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June 30, 2024

Pledged revenue obligations outstanding at June 30, 2024, 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%	\$ 5,975,000
Pledged Revenue Pension Obligations, Taxable, Series 2021	16,560,000	2023-2039	.357-3.041%	15,220,000
				<u>\$ 21,195,000</u>

The following schedule details debt service requirements to maturity for the County's pledged revenue obligations payable at June 30, 2024:

Year ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2025	1,550,000	613,579
2026	1,585,000	577,592
2027	1,610,000	534,675
2028	1,635,000	485,309
2029	1,685,000	432,552
2030-2034	7,465,000	1,324,834
2035-2038	5,665,000	434,130
Total	<u>\$ 21,195,000</u>	<u>\$ 4,402,671</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, 2024. At June 30, 2024, future pledged revenues through final maturity at July 1, 2038 totaled \$25,597,671, consisting of \$21,195,000 for principal and \$4,402,671 for interest. State shared revenues have averaged \$15.7 million per year over the last 5 years, whereas excise tax revenues have averaged \$8.7 million per year over the last 5 years. For the current year, state shared sales and excise tax revenues recognized by the County were \$17.3 million and \$9.2 million, respectively. In the current year, the principal and interest payments were \$2,065,000 and \$656,363, respectively.

Compensated absences—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2024, the County paid for compensated absences as follows: 59.0 percent from the General Fund, 10.2 percent from the Public Works/HURF Fund, 9.1 percent from the Jail District Fund, 0.9 percent from the American Rescue Plan Act Fund, 7.1 percent from the Public Health Fund, and 13.7 percent from the Other Governmental Funds.

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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 2023 actuarial report. Changes in incurred but not reported (IBNR) healthcare claims payable for the years ended June 30, 2023 and 2024 were as follows:

	<u>2023</u>	<u>2024</u>
IBNR healthcare claims payable, beginning of year	\$ 1,658,071	\$ 1,156,338
Current-year claims and changes in estimates	4,248,685	3,289,748
Claim payments	4,750,418	3,462,455
IBNR healthcare claims payable, end of year	<u>\$ 1,156,338</u>	<u>\$ 983,631</u>

Line of Credit—At June 30, 2024, 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	\$ 1,722,050
Less: accumulated amortization	(350,420)
Carrying value	<u>\$ 1,371,630</u>

The following schedule details minimum payments to maturity:

Year ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2025	\$ 57,428	\$ 8,915
2026	52,864	10,282
2027	45,228	9,889
2028	39,723	10,516
2029	39,148	11,561
2030-2034	187,396	78,510
2035-2039	188,069	118,869
2040-2044	135,398	110,985
2045-2046	13,067	10,222
Total	<u>\$ 758,321</u>	<u>\$ 369,749</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 (91.7%) 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 SBITAs	\$	1,287,473
Less: accumulated amortization		(534,607)
Carrying value	\$	<u>752,866</u>

The following schedule details minimum payments to maturity:

	Governmental Activities	
	Principal	Interest
Year ending June 30		
2025	\$ 422,185	\$ 20,580
2026	318,137	23,958
Total	<u>\$ 740,322</u>	<u>\$ 44,538</u>

Note 7 - Risk Management

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

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

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

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

Self-insured employee benefits program—On July 1, 2014, Navajo County implemented a self-insured health benefits program and currently offers two medical plan options. The uninsured risk of loss per individual is \$175,000 per plan year. Under the program, the County contracts directly with healthcare providers to deliver healthcare services to its eligible employees and their dependents. The County pays for the services using premiums it receives from employees and county contributions. Health benefits program expenditures are recorded in the General Fund and employee premiums and county contributions are recorded in the applicable governmental funds through payroll deductions and transferred to the General Fund. However, the county contributions are considered as internal activities, and therefore, are eliminated at the government-wide level of the financial statements. The liability for incurred but not reported healthcare claims payable at June 30, 2024, 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, 2024, were as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Capital Projects Fund
Fund balances					
Nonspendable:					
Inventories		\$ 1,271,566			
Total nonspendable		1,271,566			
Restricted for:					
Highways and streets		16,238,222			
Flood control projects					
Health					
Judicial activities	\$ 9,000				
Law enforcement			\$ 3,527,375		
Education					
Environmental and conservation					
Social services					
Library					
Public safety					
Recreation					
Special Districts					
Road projects					
Capital projects					\$ 26,343,552
Health insurance trust	16,327,150				
Other purposes					
Total restricted	16,336,150	16,238,222	3,527,375		26,343,552
Assigned to:					
Health insurance reserve	2,705,775				
Judicial activities					
Economic stabilization and development	53				
Law enforcement	2,159,756				
Education					
Other capital projects					2,134,215
Other purposes	5,250,070				
Total assigned	10,115,654				2,134,215
Committed to:					
Other purposes				\$ 5,632,669	
Total committed				5,632,669	
Unassigned (Deficit)					
	31,978,683		(157,994)		
Total fund balances	\$ 58,430,487	\$ 17,509,788	\$ 3,369,381	\$ 5,632,669	\$ 28,477,767

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Opioid Settlement Fund	Public Health Fund	Other Governmental Funds	Total Governmental Funds
			\$ 1,271,566
			<u>1,271,566</u>
		\$ 785,420	17,023,642
		3,413,115	3,413,115
\$ 1,878,036	\$ 4,401,264	19,379	6,298,679
		6,179,593	6,188,593
		3,216,492	6,743,867
		1,541,222	1,541,222
		939,453	939,453
		442,685	442,685
		161,395	161,395
		569,409	569,409
		240,955	240,955
		127,536	127,536
		396,184	396,184
		499,430	26,842,982
			16,327,150
		270	270
<u>1,878,036</u>	<u>4,401,264</u>	<u>18,532,538</u>	<u>87,257,137</u>
			2,705,775
			-
		107,573	107,626
			2,159,756
		110,930	110,930
			2,134,215
			<u>5,250,070</u>
		<u>218,503</u>	<u>12,468,372</u>
			5,632,669
			<u>5,632,669</u>
	(2,093,667)	(3,660,196)	26,066,826
<u>1,878,036</u>	<u>2,307,597</u>	<u>15,090,845</u>	<u>132,696,570</u>

Navajo County
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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, 2024, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net OPEB asset	\$ 2,377,686
Net OPEB liability	58,264
Net pension asset	290,458
Net pension liability	46,047,091
Deferred outflows of resources related to OPEB	230,650
Deferred outflows of resources related to pensions	11,734,720
Deferred inflows of resources related to OPEB	615,929
Deferred inflows of resources related to pensions	4,804,783
OPEB revenue	220,621
Pension expense	5,469,770

The County's accrued payroll and employee benefits includes \$159,343 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2024. Also, the County reported \$5,920,576 of pension contributions and \$76,306 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.

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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:

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
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, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.14 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.03 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.94 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, 2024, were \$3,124,639.

During fiscal year 2024, the County paid for ASRS pension contributions as follows: 60.76 percent from the General Fund, 14.47 percent from the Public Works/HURF Fund, 3.37 percent from the Jail District Fund, 1.29 percent from the American Rescue Plan Act Fund, 9.95 percent from the Public Health Fund, and 10.16 percent from Other Governmental Funds.

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Pension liability—At June 30, 2024, the County reported a net pension liability of \$29,670,297 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

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, 2023. The County’s proportion measured as of June 30, 2023, was 0.18336 percent, which was an increase of 0.00062 from its proportion measured as of June 30, 2022.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2024, the County recognized pension expense for ASRS of \$4,497,952. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 670,430	
Net difference between projected and actual earnings on pension plan investments		\$ 1,049,761
Changes in proportion and differences between county contributions and proportionate share of contributions	336,567	393,509
County contributions subsequent to the measurement date	3,124,639	
Total	<u>\$ 4,131,636</u>	<u>\$ 1,443,270</u>

The \$3,124,639 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, 2025. 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	
2025	\$(235,801)
2026	(1,201,355)
2027	1,131,332
2028	(130,449)

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

ASRS	
Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
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, 2022, 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:

ASRS	Target	Long-Term
Asset Class	Allocation	Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	100%	

Discount Rate—At June 30, 2023, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 44,441,748	\$ 29,670,297	\$ 17,353,520

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.

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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:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
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
Benefit percent		
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	
Survivor benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
Retirement and Disability			
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	
Benefit percent			
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		
Survivor benefit			
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, 2024, the following employees were covered by the agent pension plans’ benefit terms:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	33	1	11
Inactive employees entitled to but not yet receiving benefits	19		43
Active employees	23		16
Total	75	1	70

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, 2024, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member—pension	County—pension
PSPRS Sheriff	7.65 – 11.65%	49.38%
CORP Detention	8.41	12.93
CORP AOC	8.41 or 9.81	39.43 or 40.94

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, 2024, were:

PSPRS Sheriff	\$ 227,224
CORP Detention	50,525
CORP AOC	933,985

The County was required to contribute \$51,212 for the PSPRS Attorney Investigators pension plan based on the estimated actuarially required contribution for an inactive member.

During fiscal year 2024, the County paid for PSPRS and CORP pension contributions as follows: 48.99 percent from the General Fund, 9.18 percent from the Jail District Fund and 41.83 percent from the other governmental funds.

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Pension liability—At June 30, 2024, the County reported the following net pension liabilities:

	Net Pension (Asset) Liability
PSPRS Sheriff	\$ 1,042,807
PSPRS Attorney Investigators	460,796
CORP Detention	(222,362)
CORP AOC (County's proportionate share)	7,633,657

The net pension assets and liabilities were measured as of June 30, 2023, 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, 2023
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, 2023, 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%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	2%	0.69%
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, 2023	\$ 21,601,812	\$ 21,864,684	\$ (262,872)
Changes for the year:			
Service cost	284,896		284,896
Interest on the total pension liability	1,528,886		1,528,886
Differences between expected and actual experience in the measurement of the pension liability	1,594,887		1,594,887
Contributions—employer		276,991	(276,991)
Contributions—employee		202,728	(202,728)
Net investment income		1,639,976	(1,639,976)
Benefit payments, including refunds of employee contributions	(1,304,362)	(1,304,362)	
Administrative expense		(16,705)	16,705
Net changes	<u>2,104,307</u>	<u>798,628</u>	<u>1,305,679</u>
Balances at June 30, 2024	<u>\$ 23,706,119</u>	<u>\$ 22,663,312</u>	<u>\$ 1,042,807</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, 2023	\$ 614,950	\$ 139,431	\$ 475,519
Changes for the year:			
Interest on the total pension liability	42,840		42,840
Differences between expected and actual experience in the measurement of the pension liability	9,809		9,809
Contributions - employer		49,424	(49,424)
Net investment income		18,122	(18,122)
Benefit payments, including refunds of employee contributions	(39,887)	(39,887)	
Administrative expense		(174)	174
Net changes	12,762	27,485	(14,723)
Balances at June 30, 2024	<u>\$ 627,712</u>	<u>\$ 166,916</u>	<u>\$ 460,796</u>

CORP Detention

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position (Asset)Liability (a) – (b)
Balances at June 30, 2023	\$ 6,420,100	\$ 6,732,740	\$ (312,640)
Changes for the year:			
Service cost	109,162		109,162
Interest on the total pension liability	459,216		459,216
Differences between expected and actual experience in the measurement of the pension liability	128,455		128,455
Contributions—employer		48,659	(48,659)
Contributions—employee		77,652	(77,652)
Net investment income		514,204	(514,204)
Benefit payments, including refunds of employee contributions	(302,519)	(302,519)	
Administrative expense		(14,316)	14,316
Tiers 1 & 2 adjustment		(20,567)	20,567
Other		923	(923)
Net changes	394,314	304,036	90,278
Balances at June 30, 2024	<u>\$ 6,814,414</u>	<u>\$ 7,036,776</u>	<u>\$ (222,362)</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, 2023. The County's proportion measured as of June 30, 2023, was 1.68903 percent, which was an increase of 0.2897 from its proportion measured as of June 30, 2022.

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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	\$ 4,328,796	\$ 1,042,807	\$ 1,619,823
PSPRS Attorney Investigators			
Net pension liability	537,831	460,796	397,023
CORP Detention			
Net pension (asset)/liability	811,088	(222,362)	(1,047,896)
CORP AOC			
County's proportionate share of the net pension liability	10,229,667	7,633,657	5,518,621

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, 2024, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$ 1,062,437
PSPRS Attorney Investigators	43,047
CORP Detention	93,009
CORP AOC (County's proportionate share)	1,364,244

Pension deferred outflows/inflows of resources—At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,306,213	\$
Changes of assumptions or other inputs	244,636	
Net difference between projected and actual earnings on pension plan investments	573,504	
County contributions subsequent to the measurement date	227,224	
Total	<u>\$ 2,351,577</u>	<u>\$</u>

Navajo County
Notes to Financial Statements
June 30, 2024

PSPRS Attorney Investigators	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments		\$ 5,990
County contributions subsequent to the measurement date	\$ 51,212	
Total	<u>\$ 51,212</u>	<u>\$ 5,990</u>

CORP Detention	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,636	\$ 26,717
Changes of assumptions or other inputs	23,075	
Net difference between projected and actual earnings on pension plan investments	98,407	
County contributions subsequent to the measurement date	50,525	
Total	<u>\$ 257,643</u>	<u>\$ 26,717</u>

CORP AOC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 413,026	\$ 74,231
Changes of assumptions or other inputs	139,953	
Net difference between projected and actual earnings on pension plan investments	84,006	
Changes in proportion and differences between County contributions and proportionate share of contributions	1,509,498	
County contributions subsequent to the measurement date	933,985	
Total	<u>\$ 3,080,468</u>	<u>\$ 74,231</u>

Navajo County
Notes to Financial Statements
June 30, 2024

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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP AOC
Year ending June 30				
2025	\$ 1,035,838	\$ (2,125)	\$ 45,381	\$ 638,249
2026	753,295	(3,096)	15,029	425,781
2027	354,421	780	127,252	713,833
2028	(19,201)	(1,549)	(7,261)	294,389

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.

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
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%

Navajo County
Notes to Financial Statements
June 30, 2024

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
 Survivor Benefit		
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, 2024, 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 76.51 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 64.37 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, 2024, were \$1,361,010.

During fiscal year 2024, the County paid for EORP pension contributions as follows: 100 percent from the General Fund.

Pension liability—At June 30, 2024, 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	\$ 7,239,534
State's proportionate share of the EORP net pension liability associated with the County	8,094,171
Total	<u>\$ 15,333,705</u>

Navajo County
Notes to Financial Statements
June 30, 2024

The net pension liability was measured as of June 30, 2023, 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, 2023. The County's proportion measured as of June 30, 2023, was 1.15510 percent, which was a decrease of 0.9675 from its proportion measured as of June 30, 2022.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2024, the County recognized pension expense for EORP of \$(3,063,950) and revenue of \$1,280,067 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2024, 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	\$ 30,366	
Changes in proportion and differences between county contributions and proportionate share of contributions		\$ 3,236,394
County contributions subsequent to the measurement date	1,361,010	
Total	<u>\$ 1,391,376</u>	<u>\$ 3,236,394</u>

The \$1,361,010 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, 2025. 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	
2025	\$ (3,242,187)
2026	(39,662)
2027	82,290
2028	(6,469)

Navajo County
Notes to Financial Statements
June 30, 2024

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

EORP

Actuarial valuation data	June 30, 2023
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, 2023, 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:

EORP	Target	Long-Term Expected
Asset Class	Allocation	Geometric Real Rate
	of Return	
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	2%	0.69%
Total	<u>100%</u>	

Discount rate—At June 30 2023, 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, 2024

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	\$ 8,363,583	\$ 7,239,534	\$ 6,275,777

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, 2024, were as follows:

	Payable to				Total
	General Fund	Public Works/ HURF Fund	Public Health Fund	Other Governmental Funds	
Payable from					
General Fund		\$ 37,950		\$ 58,675	\$ 96,625
Public Works/HURF Fund	\$ 378,857				378,857
Jail District Fund	240,095	610			240,705
Public Health Fund	134,420	1,009		88	135,517
Other Governmental Funds	1,048,614	209	\$ 521	10,246	1,059,590
Total	<u>\$ 1,801,986</u>	<u>\$ 39,778</u>	<u>\$ 521</u>	<u>\$ 69,009</u>	<u>\$ 1,911,294</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, 2024

Interfund transfers—Interfund transfers for the year ended June 30, 2024, were as follows:

	Transfers to					Total
	General Fund	Jail District Fund	Capital Projects Fund	Public Health Fund	Other Governmental Funds	
Transfers from						
General Fund		\$ 1,200,000	\$ 2,739,510	\$ 350,000	\$ 2,272,362	\$ 6,561,872
Public Works/HURF Fund	\$ 545,241					545,241
Jail District Fund	414,464				135,594	550,058
American Rescue Plan Act Fund	7,071					7,071
Public Health Fund	249,400					249,400
Other Governmental Funds	298,514	1,043,854	7,076,453	66,807	94,414	8,580,042
Total	<u>\$ 1,514,690</u>	<u>\$ 2,243,854</u>	<u>\$ 9,815,963</u>	<u>\$ 416,807</u>	<u>\$ 2,502,370</u>	<u>\$ 16,493,684</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, 2024

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, \$1,276,524 in deposits and \$1,865,303 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	\$ 154,580,000	0.38% - 1.96%	08/24 – 06/26	\$ 152,302,751
U.S. agency securities	107,000,000	0.50% - 2.00%	07/24 – 09/25	104,371,253
Corporate notes	45,000,000	Variable	12/24 – 08/25	44,318,435
Government money market funds	117,706,348	N/A	N/A	117,706,348

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

Statement of fiduciary net position

Assets	\$ 428,241,495
Net position	<u>\$ 428,241,495</u>
Net position held for:	
Internal participants	\$ 139,255,431
External participants	<u>288,986,064</u>
Total net position	<u>\$ 428,241,495</u>

Statement of changes in fiduciary net position

Total additions	\$ 545,369,507
Total deductions	<u>480,172,282</u>
Net increase	65,197,225
Net position:	
July 1, 2023	<u>363,044,270</u>
June 30, 2024	<u>\$ 428,241,495</u>

Navajo County
Notes to Financial Statements
June 30, 2024

Note 12 – Construction Commitments

The following schedule details the County’s construction projects as of June 30, 2024. The following commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
County-wide Broadband	\$ 5,834,272	\$ 14,437,542
Little Colorado Winslow Levee	932,539	26,067,461
Sheriff Vehicle Up-fit	501,426	164,046
Holbrook Complex Remodel	303,082	184,584
Code Enforcement / Taylor Facility	89,433	5,557,200
	<u>\$ 7,660,752</u>	<u>\$ 46,410,833</u>

The remaining commitments are funded by Federal grants (\$17.9 million) State contributions (\$19.1 million) and County contributions (\$9.4 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 degree of harm suffered in the community because of the opioid epidemic. As of June 30, 2024, agreements have been finalized with eight defendants resulting in the County recording a receivable of \$7.1 million. Due to the on-going litigation and finalizing agreements with other defendants, additional settlements are expected to be measurable and available in subsequent reporting periods.

Required Supplementary Information



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Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,663,468	\$ 8,663,468	\$ 8,569,104	\$ (94,364)
County sales taxes	9,500,000	9,500,000	9,224,975	(275,025)
Licenses and permits	807,098	807,098	1,433,134	626,036
Fines and forfeits	546,600	546,600	644,407	97,807
Intergovernmental	26,566,508	26,566,508	27,986,022	1,419,514
Charges for services	10,745,184	10,745,184	3,824,588	(6,920,596)
Investment earnings	522,750	522,750	2,983,239	2,460,489
Miscellaneous	488,313	488,313	693,952	205,639
Total revenues	57,839,921	57,839,921	55,359,421	(2,480,500)
Expenditures:				
General government:				
Board of Supervisors/Administration	3,638,958	3,638,958	2,054,771	1,584,187
Facilities Management	2,392,515	2,392,515	2,389,275	3,240
Elections	759,462	759,462	779,849	(20,387)
Emergency Management	37,870	37,870	56,197	(18,327)
Contracts	1,240,250	1,240,250	1,693,744	(453,494)
State Cost Shifts	158,990	158,990	267,838	(108,848)
Planning and Zoning	1,576,872	1,576,872	1,292,181	284,691
Recorder	679,861	679,861	678,206	1,655
Assessor	1,875,993	1,875,993	1,820,517	55,476
Information Technology	1,557,838	1,557,838	1,515,655	42,183
Treasurer	759,852	759,852	682,696	77,156
Personnel Commission	11,100	11,100	4,446	6,654
Fleet Management	14,000	14,000	9,445	4,555
County-wide	32,826,357	32,826,357	5,534,637	27,291,720
Legal Defender	256,288	256,288	248,054	8,234
County Attorney	3,490,469	3,490,469	3,583,917	(93,448)
Superior Court	2,108,103	2,108,103	2,056,944	51,159
Public Defender	1,325,332	1,325,332	1,366,699	(41,367)
Clerk of Court	2,064,997	2,064,997	1,919,399	145,598
Holbrook Justice Court	479,584	479,584	498,006	(18,422)
Winslow Justice Court	492,065	492,065	484,503	7,562
Snowflake Justice Court	513,985	513,985	510,477	3,508
Show Low Justice Court	495,136	495,136	500,173	(5,037)
Pinetop Justice Court	476,147	476,147	478,284	(2,137)
Kayenta Justice Court	177,241	177,241	182,625	(5,384)
Total general government	59,409,265	59,409,265	30,608,538	28,800,727

(Continued)

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024
(Continued)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public safety				
Kayenta Constable	\$ 43,039	\$ 43,039	\$ 42,285	\$ 754
Pinetop Constable	108,664	108,664	102,200	6,464
Snowflake Constable	66,795	66,795	65,206	1,589
Holbrook Constable	69,421	69,421	66,732	2,689
Winslow Constable	79,207	79,207	77,190	2,017
Show Low Constable	103,634	103,634	105,985	(2,351)
Juvenile Detention	1,523,916	1,523,916	1,301,152	222,764
Probation	1,176,226	1,176,226	1,296,791	(120,565)
Jail Operations	225,296	225,296	219,965	5,331
Sheriff	8,931,443	8,931,443	8,050,120	881,323
Total public safety	<u>12,327,641</u>	<u>12,327,641</u>	<u>11,327,626</u>	<u>1,000,015</u>
Health and welfare				
Public Fiduciary	540,218	540,218	519,687	20,531
Indigent Health	3,595,200	3,595,200	3,474,815	120,385
Total health and welfare	<u>4,135,418</u>	<u>4,135,418</u>	<u>3,994,502</u>	<u>140,916</u>
Education				
School Superintendent	<u>429,648</u>	<u>429,648</u>	<u>395,491</u>	<u>34,157</u>
Capital outlay	3,242,545	3,242,545	1,019,270	2,223,275
Contingency	<u>17,748,525</u>	<u>17,748,525</u>	<u>17,748,525</u>	<u>17,748,525</u>
Total expenditures	<u>97,293,042</u>	<u>97,293,042</u>	<u>47,345,427</u>	<u>49,947,615</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (39,453,121)</u>	<u>\$ (39,453,121)</u>	<u>\$ 8,013,994</u>	<u>\$ 47,467,115</u>
Other financing sources (uses):				
Lease agreements			23,787	23,787
Sale of capital assets	7,000	7,000	28,424	21,424
Transfers in	2,442,429	2,442,429	3,957,119	1,514,690
Transfers out	(7,421,548)	(7,421,548)	(6,561,872)	859,676
Total other financing sources (uses)	<u>(4,972,119)</u>	<u>(4,972,119)</u>	<u>(2,552,542)</u>	<u>2,419,577</u>
Net change in fund balances	(44,425,240)	(44,425,240)	5,461,452	49,886,692
Fund balances, July 1, 2023, as previously reported	54,137,492	54,137,492	54,137,492	
Change within the financial reporting entity (movement of continuing operations)			(1,168,457)	(1,168,457)
Fund balances, July 1, 2023, as restated	<u>54,137,492</u>	<u>54,137,492</u>	<u>52,969,035</u>	<u>(1,168,457)</u>
Fund balances, June 30, 2024	<u>\$ 9,712,252</u>	<u>\$ 9,712,252</u>	<u>\$ 58,430,487</u>	<u>\$ 48,718,235</u>

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 14,488,552	\$ 14,488,552	\$ 15,833,626	\$ 1,345,074
Investment earnings	182,984	182,984	787,345	604,361
Miscellaneous	53,375	53,375	47,078	(6,297)
Total revenues	<u>14,724,911</u>	<u>14,724,911</u>	<u>16,668,049</u>	<u>1,943,138</u>
Expenditures:				
Highways and streets	17,543,217	17,543,217	9,553,710	7,989,507
Capital Outlay	8,698,230	8,698,230	1,535,628	7,162,602
Total expenditures	<u>26,241,447</u>	<u>26,241,447</u>	<u>11,089,338</u>	<u>15,152,109</u>
Excess (deficiency) of revenues over expenditures	<u>(11,516,536)</u>	<u>(11,516,536)</u>	<u>5,578,711</u>	<u>17,095,247</u>
Other financing sources (uses):				
Transfers out	(1,361,678)	(1,361,678)	(1,906,919)	(545,241)
Total other financing sources (uses)	<u>(1,361,678)</u>	<u>(1,361,678)</u>	<u>(1,906,919)</u>	<u>(545,241)</u>
Net change in fund balances	(12,878,214)	(12,878,214)	3,671,792	16,550,006
Fund balances, July 1, 2023, as previously reported	13,142,735	13,142,735	13,142,735	
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)				
Fund balances, July 1, 2023, as restated	<u>13,142,735</u>	<u>13,142,735</u>	<u>13,142,735</u>	
Changes in nonspendable resources:				
Increase in reserve for inventories			695,261	695,261
Fund balances, June 30, 2024	<u>\$ 264,521</u>	<u>\$ 264,521</u>	<u>\$ 17,509,788</u>	<u>\$ 17,245,267</u>

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
County sales taxes	\$ 6,300,000	\$ 6,300,000	\$ 6,382,309	\$ 82,309
Intergovernmental	1,410,000	1,410,000	1,036,200	(373,800)
Charges for services	302,991	302,991	370,822	67,831
Investment earnings	75,205	75,205	94,522	19,317
Miscellaneous	32,000	32,000	24,249	(7,751)
Total revenues	<u>8,120,196</u>	<u>8,120,196</u>	<u>7,908,102</u>	<u>(212,094)</u>
Expenditures:				
Public safety:				
Jail Operations	11,297,571	11,297,571	9,275,925	2,021,646
Total public safety	<u>11,297,571</u>	<u>11,297,571</u>	<u>9,275,925</u>	<u>2,021,646</u>
Capital Outlay	1,603,100	1,603,100	1,291,851	311,249
Total expenditures	<u>12,900,671</u>	<u>12,900,671</u>	<u>10,567,776</u>	<u>2,332,895</u>
Excess (deficiency) of revenues over expenditures	<u>(4,780,475)</u>	<u>(4,780,475)</u>	<u>(2,659,674)</u>	<u>2,120,801</u>
Other financing sources (uses):				
Transfers in	1,200,000	1,200,000	2,243,854	1,043,854
Transfers out	(157,625)	(157,625)	(550,058)	(392,433)
Total other financing sources (uses)	<u>1,042,375</u>	<u>1,042,375</u>	<u>1,693,796</u>	<u>651,421</u>
Net change in fund balances	(3,738,100)	(3,738,100)	(965,878)	2,772,222
Fund balances, July 1, 2023, as previously reported	3,728,338	3,728,338	3,728,338	
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)			606,921	606,921
Fund balances, July 1, 2023, as restated	3,728,338	3,728,338	4,335,259	606,921
Changes in nonspendable resources:				
Increase in reserve for inventories				
Fund balances, June 30, 2024	<u>\$ (9,762)</u>	<u>\$ (9,762)</u>	<u>\$ 3,369,381</u>	<u>\$ 3,379,143</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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$	\$	\$ 2,846,960	\$ 2,846,960
Investment earnings	50,000	50,000	689,674	639,674
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>3,536,634</u>	<u>3,486,634</u>
Expenditures:				
General government:				
Board of Supervisors/Administration	3,676,145	3,676,145	522,022	3,154,123
Facilities Management	200,000	200,000	117,176	82,824
Information Technology	100,000	100,000	69,348	30,652
Total general government	<u>3,976,145</u>	<u>3,976,145</u>	<u>708,546</u>	<u>3,267,599</u>
Public safety:				
Sheriff	700,000	700,000	495,694	204,306
Total public safety	<u>700,000</u>	<u>700,000</u>	<u>495,694</u>	<u>204,306</u>
Capital Outlay				
Total expenditures	<u>13,984,345</u>	<u>13,984,345</u>	<u>3,169,279</u>	<u>10,815,066</u>
	<u>18,660,490</u>	<u>18,660,490</u>	<u>4,373,519</u>	<u>14,286,971</u>
Excess (deficiency) of revenues over expenditures	<u>(18,610,490)</u>	<u>(18,610,490)</u>	<u>(836,885)</u>	<u>17,773,605</u>
Other financing sources (uses):				
Lease agreements			50,455	50,455
Transfers out			(7,071)	(7,071)
Total other financing sources (uses)			<u>43,384</u>	<u>43,384</u>
Net change in fund balances	(18,610,490)	(18,610,490)	(793,501)	17,816,989
Fund balances, July 1, 2023, as previously reported	6,426,170	6,426,170	6,426,170	
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)				
Fund balances, July 1, 2023, as restated	<u>6,426,170</u>	<u>6,426,170</u>	<u>6,426,170</u>	
Changes in nonspendable resources:				
Increase in reserve for inventories				
Fund balances, June 30, 2024	<u>\$ (12,184,320)</u>	<u>\$ (12,184,320)</u>	<u>\$ 5,632,669</u>	<u>\$ 17,816,989</u>

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
Capital Projects Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 29,750,000	\$ 29,750,000	\$ 22,385,769	\$ (7,364,231)
Investment earnings			151,306	151,306
Total revenues	<u>29,750,000</u>	<u>29,750,000</u>	<u>22,537,075</u>	<u>(7,212,925)</u>
Expenditures:				
General government:				
Board of Supervisors/Administration			132	(132)
Total general government			<u>132</u>	<u>(132)</u>
Capital Outlay	32,489,510	32,489,510	3,875,139	28,614,371
Total expenditures	<u>32,489,510</u>	<u>32,489,510</u>	<u>3,875,271</u>	<u>28,614,239</u>
Excess (deficiency) of revenues over expenditures	<u>(2,739,510)</u>	<u>(2,739,510)</u>	<u>18,661,804</u>	<u>21,401,314</u>
Other financing sources (uses):				
Transfers in	2,739,510	2,739,510	9,815,963	7,076,453
Total other financing sources (uses)	<u>2,739,510</u>	<u>2,739,510</u>	<u>9,815,963</u>	<u>7,076,453</u>
Net change in fund balances			28,477,767	28,477,767
Fund balances, July 1, 2023, as previously reported				
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)				
Fund balances, July 1, 2023, as restated				
Changes in nonspendable resources: Increase in reserve for inventories				
Fund balances, June 30, 2024	<u>\$</u>	<u>\$</u>	<u>\$ 28,477,767</u>	<u>\$ 28,477,767</u>

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
Opioid Settlement Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$ 4,000	\$ 4,000	\$ 24,079	\$ 20,079
Settlements			1,292,421	1,292,421
Miscellaneous	450,000	450,000		(450,000)
Total revenues	<u>454,000</u>	<u>454,000</u>	<u>1,316,500</u>	<u>862,500</u>
Expenditures:				
Health and Welfare	894,000	894,000		894,000
Total expenditures	<u>894,000</u>	<u>894,000</u>		<u>894,000</u>
Net change in fund balances	(440,000)	(440,000)	1,316,500	1,756,500
Fund balances, July 1, 2023, as previously reported	561,536	561,536		(561,536)
Change within the financial reporting entity (nonmajor to major)				
Change within the financial reporting entity (movement of continuing operations)			561,536	561,536
Fund balances, July 1, 2023, as restated	<u>561,536</u>	<u>561,536</u>	<u>561,536</u>	
Changes in nonspendable resources:				
Increase in reserve for inventories				
Fund balances, June 30, 2024	<u>\$ 121,536</u>	<u>\$ 121,536</u>	<u>\$ 1,878,036</u>	<u>\$ 1,756,500</u>

See accompanying note to budgetary comparison schedules.

Navajo County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Fund
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 2,187,965	\$ 2,187,965	\$ 2,191,508	\$ 3,543
Licenses and permits	120,100	120,100	227,545	107,445
Fines and forfeits			175	175
Intergovernmental	5,951,229	5,951,229	2,857,864	(3,093,365)
Charges for services	28,000	28,000	42,330	14,330
Investment earnings	44,940	44,940	121,226	76,286
Contributions	18,300	18,300	87,900	69,600
Miscellaneous	139,050	139,050	165,899	26,849
Total revenues	<u>8,489,584</u>	<u>8,489,584</u>	<u>5,694,447</u>	<u>(2,795,137)</u>
Expenditures:				
Health and Welfare	10,334,326	10,334,326	4,490,587	5,843,739
Capital Outlay	1,373,709	1,373,709	194,715	1,178,994
Total expenditures	<u>11,708,035</u>	<u>11,708,035</u>	<u>4,685,302</u>	<u>7,022,733</u>
Excess (deficiency) of revenues over expenditures	<u>(3,218,451)</u>	<u>(3,218,451)</u>	<u>1,009,145</u>	<u>4,227,596</u>
Other financing sources (uses):				
Transfers in	948,171	948,171	416,807	(531,364)
Transfers out	(1,142,647)	(1,142,647)	(823,279)	319,368
Total other financing sources (uses)	<u>(194,476)</u>	<u>(194,476)</u>	<u>(406,472)</u>	<u>(211,996)</u>
Net change in fund balances	(3,412,927)	(3,412,927)	602,673	4,015,600
Fund balances, July 1, 2023, as previously reported	1,704,924	1,704,924		(1,704,924)
Change within the financial reporting entity (nonmajor to major)			1,704,924	1,704,924
Change within the financial reporting entity (movement of continuing operations)				
Fund balances, July 1, 2023, as restated	<u>1,704,924</u>	<u>1,704,924</u>	<u>1,704,924</u>	
Changes in nonspendable resources:				
Increase in reserve for inventories				
Fund balances, June 30, 2024	<u>\$ (1,708,003)</u>	<u>\$ (1,708,003)</u>	<u>\$ 2,307,597</u>	<u>\$ 4,015,600</u>

See accompanying note to budgetary comparison schedules.

Navajo County
 Required Supplementary Information
 Notes to Budgetary Comparison Schedules
 June 30, 2024

Note 1 - Budgeting and Budgetary Control

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

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

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

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department. For the fiscal year ended June 30, 2024, 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:

	General Fund	Public Works/ HURF Fund	Public Health Fund
Excess/(deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 10,456,423	\$ 4,217,033	\$ 435,266
Indirect costs budgeted in transfers in/(out)	(2,442,429)	1,361,678	573,879
Excess of revenues over expenditures from the Budgetary comparison schedules	<u>\$ 8,013,994</u>	<u>\$ 5,578,711</u>	<u>\$ 1,009,145</u>

Navajo County
 Required Supplementary Information
 Notes to Budgetary Comparison Schedules
 June 30, 2024

Note 3 - Expenditures in Excess of Appropriations

For the year ended June 30, 2024, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Elections	\$ 20,387
Emergency Management	18,327
Contracts	453,494
State Cost Shifts	108,848
County Attorney	93,448
Public Defender	41,367
Holbrook Justice Court	18,422
Show Low Justice Court	5,037
Pinetop Justice Court	2,137
Kayenta Justice Court	5,384
Show Low Constable	2,351
Probation	120,565

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, State Cost Shifts Department, County Attorney's Office, Public Defender Department, and the Probation Department. In the Contracts Department, the need for court appointed attorneys and medical/psychological evaluations for defendants were greater than anticipated. In the State Cost Shifts Department, the Courts experienced higher than anticipated participants in the state mandated Restoration To Competency Program where defendants, who do not meet the court's competency requirements and are therefore unable to stand trial, receive behavioral health and education services. The County Attorney's Office experienced higher costs in salaries/benefits as budgeted account codes did not match financial account codes for recording payroll expenditures. The Public Defender, due to changes in staffing, needed to hire outside counsel to handle dependency related cases that were considered conflicts. The Probation Department experienced higher costs in salaries/benefits as these costs were budgeted in other funds; however the expenses were recorded in the General Fund.

Navajo County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2024

Arizona State Retirement System

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	0.18%	0.18%	0.19%	0.17%	0.17%
County's proportionate share of the net pension liability	\$ 29,670,297	\$ 29,827,226	\$ 24,335,772	\$ 29,702,865	\$ 25,433,978
County's covered payroll	\$ 23,906,608	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928
County's proportionate share of the net pension liability as a percentage of its covered payroll	124.11%	137.16%	125.22%	158.56%	138.35%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%

Arizona State Retirement System

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	0.19%	0.20%	0.21%	0.21%	0.21%
County's proportionate share of the net pension liability	\$ 26,385,347	\$ 31,575,151	\$ 33,707,260	\$ 32,861,924	\$ 30,957,928
County's covered payroll	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464	\$ 18,778,977
County's proportionate share of the net pension liability as a percentage of its covered payroll	144.44%	156.86%	173.49%	169.39%	164.85%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

See accompanying notes to pension plan schedules.

Navajo County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2024

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

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	1.69%	1.40%	1.24%	1.14%	1.11%
County's proportionate share of the net pension liability	\$ 7,633,657	\$ 6,244,650	\$ 4,585,636	\$ 5,456,853	\$ 4,673,477
County's covered payroll	\$ 2,160,887	\$ 1,630,693	\$ 1,453,650	\$ 1,371,917	\$ 1,335,653
County's proportionate share of the net pension liability as a percentage of its covered payroll	353.26%	382.94%	315.46%	397.75%	349.90%
Plan fiduciary net position as a percentage of the total pension liability	59.28%	57.52%	62.53%	50.07%	51.99%

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

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	1.17%	1.62%	1.74%	1.69%	1.74%
County's proportionate share of the net pension liability	\$ 4,207,648	\$ 6,507,694	\$ 4,896,487	\$ 4,108,278	\$ 3,902,859
County's covered payroll	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207	\$ 1,879,552	\$ 1,854,011
County's proportionate share of the net pension liability as a percentage of its covered payroll	305.21%	335.20%	258.91%	218.58%	210.51%
Plan fiduciary net position as a percentage of the total pension liability	53.72%	49.21%	54.81%	57.89%	58.59%

See accompanying notes to pension plan schedules.

Navajo County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2024

Elected Officials Retirement Plan

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	1.16%	2.12%	2.25%	2.20%	2.19%
County's proportionate share of the net pension liability	\$ 7,239,534	\$ 14,330,204	\$ 13,682,358	\$ 14,873,919	\$ 14,526,649
State's proportionate share of the net pension liability associated with the County	8,094,171	1,395,296	1,375,299	1,413,648	1,365,355
Total	<u>\$ 15,333,705</u>	<u>\$ 15,725,500</u>	<u>\$ 15,057,657</u>	<u>\$ 16,287,567</u>	<u>\$ 15,892,004</u>
County's covered payroll	\$ 1,785,101	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585
County's proportionate share of the net pension liability as a percentage of its covered payroll	405.55%	840.25%	823.30%	848.00%	826.51%
Plan fiduciary net position as a percentage of the total pension liability	38.63%	32.01%	36.28%	29.80%	30.14%

Elected Officials Retirement Plan

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	2.01%	1.87%	1.87%	1.82%	1.84%
County's proportionate share of the net pension liability	\$ 12,680,743	\$ 22,771,521	\$ 17,665,320	\$ 14,226,251	\$ 12,307,206
State's proportionate share of the net pension liability associated with the County	2,172,763	4,726,116	3,647,430	4,435,153	3,773,504
Total	<u>\$ 14,853,506</u>	<u>\$ 27,497,637</u>	<u>\$ 21,312,750</u>	<u>\$ 18,661,404</u>	<u>\$ 16,080,710</u>
County's covered payroll	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376	\$ 1,704,339
County's proportionate share of the net pension liability as a percentage of its covered payroll	688.98%	1365.08%	1152.95%	917.01%	722.11%
Plan fiduciary net position as a percentage of the total pension liability	30.36%	19.66%	23.42%	28.32%	31.91%

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, 2024

PSPRS Sheriff

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
Total pension liability					
Service cost	\$ 284,896	\$ 326,886	\$ 302,169	\$ 374,653	\$ 426,220
Interest on the total pension liability	1,528,886	1,473,291	1,437,966	1,426,339	1,331,926
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	1,594,887	185,741	26,778	(234,756)	860,339
Changes of assumptions or other inputs		378,709			331,691
Benefit payments, including refunds of employee contributions	(1,304,362)	(1,235,991)	(1,379,462)	(1,289,493)	(1,427,957)
Net change in total pension liability	2,104,307	1,128,636	387,451	276,743	1,522,219
Total pension liability—beginning	21,601,812	20,473,176	20,085,725	19,808,982	18,286,763
Total pension liability—ending (a)	<u>\$ 23,706,119</u>	<u>\$ 21,601,812</u>	<u>\$ 20,473,176</u>	<u>\$ 20,085,725</u>	<u>\$ 19,808,982</u>
Plan fiduciary net position					
Contributions—employer	\$ 276,991	\$ 14,996,717	\$ 1,454,668	\$ 1,347,673	\$ 1,203,208
Contributions—employee	202,728	161,812	155,529	153,158	198,531
Net investment income	1,639,976	(726,640)	1,859,271	82,461	326,870
Benefit payments, including refunds of employee contributions	(1,304,362)	(1,235,991)	(1,379,462)	(1,289,493)	(1,427,957)
Administrative expense	(16,705)	(13,010)	(8,610)	(6,722)	(6,666)
Other changes					(12,693)
Net change in plan fiduciary net position	798,628	13,182,888	2,081,396	287,077	281,293
Plan fiduciary net position—beginning	21,864,684	8,681,796	6,600,400	6,313,323	6,032,030
Plan fiduciary net position—ending (b)	<u>\$ 22,663,312</u>	<u>\$ 21,864,684</u>	<u>\$ 8,681,796</u>	<u>\$ 6,600,400</u>	<u>\$ 6,313,323</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ 1,042,807</u>	<u>\$ (262,872)</u>	<u>\$ 11,791,380</u>	<u>\$ 13,485,325</u>	<u>\$ 13,495,659</u>
Plan fiduciary net position as a percentage of the total pension liability	95.60%	101.22%	42.41%	32.86%	31.87%
Covered payroll	\$ 2,458,605	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322
County's net pension liability as a percentage of covered payroll	42.41%	(9.81)%	414.01%	525.69%	530.84%

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, 2024

PSPRS Sheriff

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability					
Service cost	\$ 383,988	\$ 499,570	\$ 468,580	\$ 397,350	\$ 426,843
Interest on the total pension liability	1,289,848	1,260,137	1,327,262	1,309,258	1,092,844
Change of benefit terms		304,021	(615,741)		586,447
Differences between expected and actual experience in the measurement of the pension liability	(19,932)	(794,648)	(777,000)	(377,151)	(668,752)
Changes of assumptions or other inputs		607,986	641,504		2,472,745
Benefit payments, including refunds of employee contributions	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)
Net change in total pension liability	442,862	706,656	(117,122)	219,746	2,742,791
Total pension liability - beginning	17,843,901	17,137,245	17,254,367	17,034,621	14,291,830
Total pension liability - ending (a)	<u>\$ 18,286,763</u>	<u>\$ 17,843,901</u>	<u>\$ 17,137,245</u>	<u>\$ 17,254,367</u>	<u>\$ 17,034,621</u>
Plan fiduciary net position					
Contributions-employer	\$ 785,359	\$ 1,047,332	\$ 1,205,254	\$ 790,385	\$ 691,037
Contributions-employee	215,008	262,773	295,080	261,993	233,105
Net investment income	381,885	633,913	31,020	191,904	675,189
Benefit payments, including refunds of employee contributions	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)
Administrative expense	(6,512)	(6,009)	(4,864)	(5,044)	(5,438)
Other changes	(64,550)	(324,969)	(215,557)	(114,224)	(8,622)
Net change in plan fiduciary net position	100,148	442,630	149,206	15,303	417,935
Plan fiduciary net position - beginning	5,932,062	5,489,432	5,340,226	5,324,923	4,906,988
Plan fiduciary net position - ending (b)	<u>\$ 6,032,210</u>	<u>\$ 5,932,062</u>	<u>\$ 5,489,432</u>	<u>\$ 5,340,226</u>	<u>\$ 5,324,923</u>
County's net pension (asset)/liability - ending (a)-(b)	<u>\$ 12,254,553</u>	<u>\$ 11,911,839</u>	<u>\$ 11,647,813</u>	<u>\$ 11,914,141</u>	<u>\$ 11,709,698</u>
Plan fiduciary net position as a percentage of the total pension liability	32.99%	33.24%	32.03%	30.95%	31.26%
Covered payroll	\$ 2,042,346	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037	\$ 2,242,753
County's net position liability as a percentage of covered payroll	600.02%	481.18%	472.53%	503.76%	522.11%

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, 2024

PSPRS Attorney Investigators

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
Total pension liability					
Interest on the total pension liability	\$ 42,840	\$ 42,031	\$ 41,752	\$ 41,397	\$ 40,883
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	9,809	2,272	794	1,435	928
Changes of assumptions or other inputs		14,426			10,018
Benefit payments, including refunds of employee contributions	(39,887)	(39,105)	(38,338)	(37,587)	(36,849)
Net change in total pension liability	12,762	19,624	4,208	5,245	14,980
Total pension liability—beginning	614,950	595,326	591,118	585,873	570,893
Total pension liability—ending (a)	<u>\$ 627,712</u>	<u>\$ 614,950</u>	<u>\$ 595,326</u>	<u>\$ 591,118</u>	<u>\$ 585,873</u>
Plan fiduciary net position					
Contributions—employer	\$ 49,424	\$ 47,500	\$ 73,408	\$ -	\$ 75,959
Contributions—employee					
Net investment income	18,122	(1,651)	25,904	1,650	6,765
Benefit payments, including refunds of employee contributions	(39,887)	(39,105)	(38,338)	(37,587)	(36,849)
Administrative expense	(174)	(31)	(129)	(135)	(1,118)
Other changes			-	-	
Net change in plan fiduciary net position	27,485	6,713	60,845	(36,072)	44,757
Plan fiduciary net position—beginning	139,431	132,718	71,873	107,945	101,909
Plan fiduciary net position—ending (b)	<u>\$ 166,916</u>	<u>\$ 139,431</u>	<u>\$ 132,718</u>	<u>\$ 71,873</u>	<u>\$ 146,666</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ 460,796</u>	<u>\$ 475,519</u>	<u>\$ 462,608</u>	<u>\$ 519,245</u>	<u>\$ 439,207</u>
Plan fiduciary net position as a percentage of the total pension liability	26.59%	22.67%	22.29%	12.16%	25.03%
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, 2024

PSPRS Attorney Investigators

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension cost					
Interest on the total pension liability	\$ 40,340	\$ 38,673	\$ 44,961	\$ 40,906	\$ 30,804
Changes of benefit terms		10,560	(78,488)		28,416
Difference between expected and actual experience in the measurement of the pension liability		325	(13,833)	6,616	1,839
Changes of assumptions or other inputs	4,599	16,836	25,702	(392,840)	535,143
Benefit payments, including refunds of employee contributions	(38,355)	(35,451)	(35,451)	(35,451)	(34,741)
Net change in total pension liability	6,584	30,943	(57,109)	(380,769)	561,461
Total pension liability - beginning	564,309	533,366	590,475	971,244	409,783
Total pension liability - ending (a)	<u>\$ 570,893</u>	<u>\$ 564,309</u>	<u>\$ 533,366</u>	<u>\$ 590,475</u>	<u>\$ 971,244</u>
Plan fiduciary net position					
Contributions - employer	\$ 72,028	\$ 38,721	\$ 65,456	\$ 20,181	\$ -
Contributions - employee					
Net investment income	6,364	8,673	390	744	6,765
Benefit payments, including refunds of employee contributions	(38,355)	(35,451)	(35,451)	(35,451)	(34,741)
Administrative expense	(797)	(477)	(456)	(308)	(54)
Other changes	1	1	(1)	(37)	
Net change in plan fiduciary net position	39,241	11,467	29,938	(14,871)	(28,030)
Plan fiduciary net position - beginning	62,668	51,201	21,263	36,134	64,164
Plan fiduciary net position - ending (b)	<u>\$ 101,909</u>	<u>\$ 62,668</u>	<u>\$ 51,201</u>	<u>\$ 21,263</u>	<u>\$ 36,134</u>
County's net pension (asset)/liability - ending (a) - (b)	<u>\$ 468,984</u>	<u>\$ 501,641</u>	<u>\$ 482,165</u>	<u>\$ 569,212</u>	<u>\$ 935,110</u>
Plan fiduciary net position as a percentage of the total pension liability	17.85%	11.11%	9.60%	3.60%	3.72%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
County's net position liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	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, 2024

CORP Detention

	Reporting fiscal year (measurement date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
Total pension liability					
Service cost	\$ 109,162	\$ 132,842	\$ 141,175	\$ 196,443	\$ 250,314
Interest on the total pension liability	459,216	445,390	427,194	400,261	380,744
Changes of benefit terms					
Differences between expected and actual experience in the measurement of the pension liability	128,455	(80,150)	(41,095)	144,499	(18,530)
Changes of assumptions or other inputs		69,224			158,339
Benefit payments, including refunds of employee contributions	(302,519)	(231,191)	(308,165)	(325,831)	(432,464)
Net change in total pension liability	394,314	336,115	219,109	415,372	338,403
Total pension liability—beginning	6,420,100	6,083,985	5,864,876	5,449,504	5,111,101
Total pension liability—ending (a)	<u>\$ 6,814,414</u>	<u>\$ 6,420,100</u>	<u>\$ 6,083,985</u>	<u>\$ 5,864,876</u>	<u>\$ 5,449,504</u>
Plan fiduciary net position					
Contributions—employer	\$ 48,659	\$ 2,192,207	\$ 223,776	\$ 134,522	\$ 174,388
Contributions—employee	77,652	71,575	80,074	84,963	112,339
Net investment income	514,204	(237,085)	1,059,634	111,991	208,336
Benefit payments, including refunds of employee contributions	(302,519)	(231,191)	(308,165)	(325,831)	(432,464)
Administrative expense	(14,316)	(4,333)	(4,916)	(4,334)	(4,418)
Tiers 1 & 2 Adjustment	(20,567)				
Other changes	923	(9,754)	-	(18,201)	(13,107)
Net change in plan fiduciary net position	304,036	1,781,419	1,050,403	(16,890)	45,074
Plan fiduciary net position—beginning	6,732,740	4,951,321	3,900,918	3,917,808	3,872,734
Plan fiduciary net position—ending (b)	<u>\$ 7,036,776</u>	<u>\$ 6,732,740</u>	<u>\$ 4,951,321</u>	<u>\$ 3,900,918</u>	<u>\$ 3,917,808</u>
County's net pension (asset)/liability—ending (a)-(b)	<u>\$ (222,362)</u>	<u>\$ (312,640)</u>	<u>\$ 1,132,664</u>	<u>\$ 1,963,958</u>	<u>\$ 1,531,696</u>
Plan fiduciary net position as a percentage of the total pension liability	104.87%	104.87%	81.38%	66.51%	71.89%
Covered payroll	\$ 923,323	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926
County's net pension liability as a percentage of covered payroll	(24.08)%	(22.04)%	69.56%	133.67%	99.92%

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, 2024

CORP Detention

	Reporting fiscal year (measurement date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension cost					
Service cost	\$ 288,583	\$ 243,603	\$ 226,516	\$ 229,853	\$ 262,381
Interest on the total pension liability	388,051	321,690	307,215	301,883	298,329
Changes of benefit terms	(221,437)	693,192	9,571		35,245
Difference between expected and actual experience in the measurement of the pension liability	(259,089)	(89,958)	(31,895)	(93,870)	(414,141)
Changes of assumptions or other inputs		107,452	160,139		240,204
Benefit payments, including refunds of employee contributions	(369,299)	(318,158)	(290,765)	(445,789)	(275,163)
Net change in total pension liability	(173,191)	957,821	380,781	(7,923)	146,855
Total pension liability - beginning	5,284,292	4,326,471	3,945,690	3,953,613	3,806,758
Total pension liability - ending (a)	<u>\$ 5,111,101</u>	<u>\$ 5,284,292</u>	<u>\$ 4,326,471</u>	<u>\$ 3,945,690</u>	<u>\$ 3,953,613</u>
Plan fiduciary net position					
Contributions - employer	\$ 147,102	\$ 139,477	\$ 137,367	\$ 123,062	\$ 142,344
Contributions - employee	134,290	139,124	130,513	137,233	141,818
Net investment income	253,700	392,801	19,994	120,952	417,329
Benefit payments, including refunds of employee contributions	(369,299)	(318,158)	(290,765)	(445,789)	(275,163)
Administrative expense	(4,538)	(3,836)	(3,227)	(3,354)	(3,281)
Other changes	12,725	62,915	(10,869)	9,359	(82,179)
Net change in plan fiduciary net position	173,980	412,323	(16,987)	(58,537)	340,868
Plan fiduciary net position - beginning	3,698,754	3,286,431	3,303,418	3,361,955	3,021,087
Plan fiduciary net position - ending (b)	<u>\$ 3,872,734</u>	<u>\$ 3,698,754</u>	<u>\$ 3,286,431</u>	<u>\$ 3,303,418</u>	<u>\$ 3,361,955</u>
County's net pension (asset)/liability - ending (a) - (b)	<u>\$ 1,238,367</u>	<u>\$ 1,585,538</u>	<u>\$ 1,040,040</u>	<u>\$ 642,272</u>	<u>\$ 591,658</u>
Plan fiduciary net position as a percentage of the total pension liability	75.77%	70.00%	75.96%	83.72%	85.04%
Covered payroll	1,508,678	1,668,947	1,572,955	1,632,100	1,726,328
County's net position liability as a percentage of covered payroll	82.08%	95.00%	66.12%	39.35%	34.27%

See accompanying notes to pension plan schedules.

Navajo County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2024

Arizona State Retirement System

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 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	\$ 2,098,505
County's contributions in relation to the statutorily required contribution	<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>	<u>2,098,505</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	\$ 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	\$ 19,400,464
County's contributions as a percentage of covered payroll	11.97%	11.96%	11.96%	11.65%	11.41%	11.16%	10.87%	10.79%	10.96%	10.82%

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

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 933,985	\$ 744,971	\$ 592,247	\$ 488,203	\$ 414,800	\$ 417,492	\$ 294,854	\$ 379,356	\$ 367,198	\$ 279,677
County's contributions in relation to the statutorily required contribution	<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>	<u>279,677</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	\$ 2,493,659	\$ 2,160,887	\$ 1,630,693	\$ 1,453,850	\$ 1,371,917	\$ 1,335,653	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207	\$ 1,879,552
County's contributions as a percentage of covered payroll	37.45%	34.48%	36.32%	33.58%	30.24%	31.26%	21.39%	19.54%	19.42%	14.88%

Elected Officials Retirement Plan

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 1,361,010	\$ 1,179,390	\$ 973,678	\$ 1,020,900	\$ 1,005,663	\$ 1,012,544	\$ 370,491	\$ 363,340	\$ 355,627	\$ 364,573
County's contributions in relation to the statutorily required contribution	<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>	<u>364,573</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,642</u>	<u>\$ 336,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 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	\$ 1,551,376
County's contributions as a percentage of covered payroll	72.00%	66.07%	57.09%	61.43%	57.34%	52.11%	1.86%	21.78%	23.21%	23.50%

See accompanying notes to pension plan schedules.

Navajo County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2024

PSPRS Sheriff

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 227,224	\$ 254,832	\$ 877,285	\$ 1,517,162	\$ 1,369,168	\$ 1,187,010	\$ 1,039,891	\$ 1,091,146	\$ 1,214,475	\$ 784,719
County's contributions in relation to the actuarially determined contribution	227,224	254,832	14,996,717	1,517,162	1,369,168	1,187,010	780,780	1,091,146	1,214,475	784,719
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,119,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 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	\$ 2,365,037
County's contributions as a percentage of covered payroll	8.76%	10.36%	559.39%	53.27%	53.37%	46.69%	32.50%	44.08%	49.27%	33.18%

PSPRS Attorney Investigators

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 51,212	\$ 51,714	\$ 36,122	\$ 37,286	\$ 37,382	\$ 37,238	\$ 33,307	\$ 38,721	\$ 35,878	\$ 49,759
County's contributions in relation to the actuarially determined contribution	51,212	51,714	36,122	37,286	37,382	37,238	33,307	38,721	35,878	49,759
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CORP Detention

	Reporting fiscal year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 50,525	\$ 48,659	\$ 177,357	\$ 270,796	\$ 134,564	\$ 182,970	\$ 151,162	\$ 144,735	\$ 138,748	\$ 123,060
County's contributions in relation to the actuarially determined contribution	50,525	48,659	2,242,845	270,796	134,564	182,970	151,162	144,735	138,748	123,060
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,065,488)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 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	\$ 1,632,100
County's contributions as a percentage of covered payroll	6.14%	5.27%	158.09%	16.63%	9.16%	11.94%	10.02%	8.67%	8.82%	7.54%

See accompanying notes to pension plan schedules.

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Navajo County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 June 30, 2024

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 2022 actuarial valuation	14 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, 2024

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.

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds



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Navajo County
List of Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

Administration	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.
County Attorney	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.
Courts	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.
Environmental and Conservation	Accounts for forest health and energy conservation programs. Funding is provided by federal grants.
Flood Control District	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.
Library District	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.
Probation	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.
Public Defense	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.
Recreation District	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, 2024

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, 2024

Special Revenue

	Administration	County Attorney	Courts	Environmental and Conservation
Assets				
Cash and investments	\$ 836,255	\$ 2,596,990	\$ 2,818,246	\$ 964,423
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable		1,245		
Special assessments				
Due from:				
Other funds	46,271			6,000
Other governments	221,871	150,860	52,394	
Total assets	<u>\$ 1,104,397</u>	<u>\$ 2,749,095</u>	<u>\$ 2,870,640</u>	<u>\$ 970,423</u>
Liabilities				
Accounts payable	\$ 35,291	\$ 14,492	\$ 536	
Accrued payroll and employee benefits	4,992	32,861	16,258	\$ 5,902
Due to:				
Other funds	521		145,416	
Other governments	127	550	9,430	25,068
Pledged revenue obligations payable				
Bond interest payable				
Total liabilities	<u>40,931</u>	<u>47,903</u>	<u>171,640</u>	<u>30,970</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental	40,630		7,559	
Total deferred inflows of resources	<u>40,630</u>		<u>7,559</u>	
Fund balances				
Restricted	915,263	3,226,872	2,778,248	939,453
Assigned	107,573			
Unassigned (Deficit)		(525,680)	(86,807)	
Total fund balances	<u>1,022,836</u>	<u>2,701,192</u>	<u>2,691,441</u>	<u>939,453</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,104,397</u>	<u>\$ 2,749,095</u>	<u>\$ 2,870,640</u>	<u>\$ 970,423</u>

(continued)

Navajo County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue

	Flood Control District	Library District	Probation	Public Defense
Assets				
Cash and investments	\$ 3,588,521	\$ 124,110	\$ 692,159	\$ 205,227
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes	65,251	29,157		
Accounts receivable				
Special assessments				
Due from:				
Other funds				10,246
Other governments		69,702		
Total assets	<u>\$ 3,653,772</u>	<u>\$ 222,969</u>	<u>\$ 692,159</u>	<u>\$ 215,473</u>
Liabilities				
Accounts payable	\$ 45,738	\$ 20,576	\$ 4,162	\$ 27,230
Accrued payroll and employee benefits	5,109	15,630	48,311	2,692
Due to:				
Other funds	5,006	8,934	11,025	11,073
Other governments	140,978	130	143,745	5
Pledged revenue obligations payable				
Bond interest payable				
Total liabilities	<u>196,831</u>	<u>45,270</u>	<u>207,243</u>	<u>41,000</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	43,826	21,147		
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental				
Total deferred inflows of resources	<u>43,826</u>	<u>21,147</u>		
Fund balances				
Restricted	3,413,115	161,395	569,409	174,473
Assigned				
Unassigned (Deficit)		(4,843)	(84,493)	
Total fund balances	<u>3,413,115</u>	<u>156,552</u>	<u>484,916</u>	<u>174,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,653,772</u>	<u>\$ 222,969</u>	<u>\$ 692,159</u>	<u>\$ 215,473</u>

(continued)

Navajo County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue

	Recreation District	Sheriff's Office	Special Districts	Superintendent of Schools
Assets				
Cash and investments	\$ 232,933	\$ 466,480	\$ 776,354	\$ 1,643,121
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable	2,886			9,977
Special assessments	21,918		2,060	
Due from:				
Other funds		6,492		
Other governments		366,137		
Total assets	<u>\$ 257,737</u>	<u>\$ 839,109</u>	<u>\$ 778,414</u>	<u>\$ 1,653,098</u>
Liabilities				
Accounts payable		\$ 101,550		
Accrued payroll and employee benefits		15,568		\$ 946
Due to:				
Other funds				
Other governments		23,637		
Pledged revenue obligations payable				
Bond interest payable				
Total liabilities		<u>140,755</u>		<u>946</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments	\$ 16,782		\$ 1,695	
Unavailable revenue-intergovernmental				
Total deferred inflows of resources	<u>16,782</u>		<u>1,695</u>	
Fund balances				
Restricted	240,955	3,216,492	785,420	1,541,222
Assigned				110,930
Unassigned (Deficit)		(2,518,138)	(8,701)	
Total fund balances	<u>240,955</u>	<u>698,354</u>	<u>776,719</u>	<u>1,652,152</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 257,737</u>	<u>\$ 839,109</u>	<u>\$ 778,414</u>	<u>\$ 1,653,098</u>

(continued)

Navajo County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue	Debt Service		Total Nonmajor Governmental Funds
	Workforce Innovation & Opportunity Act	General Government	Special Districts	
Assets				
Cash and investments		\$ 1,772	\$ 125,764	\$ 15,072,355
Cash and investments held by trustee		1,865,303		1,865,303
Receivables (net of allowance for uncollectibles):				
Property taxes				94,408
Accounts receivable				14,108
Special assessments			17	23,995
Due from:				
Other funds				69,009
Other governments	\$ 1,225,730			2,086,694
Total assets	<u>\$ 1,225,730</u>	<u>\$ 1,867,075</u>	<u>\$ 125,781</u>	<u>\$ 19,225,872</u>
Liabilities				
Accounts payable	\$ 170,401			\$ 419,976
Accrued payroll and employee benefits	4,152			152,421
Due to:				
Other funds	877,615			1,059,590
Other governments	310			343,980
Pledged revenue obligations payable		\$ 1,550,000		1,550,000
Bond interest payable		315,303		315,303
Total liabilities	<u>1,052,478</u>	<u>1,865,303</u>		<u>3,841,270</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes				64,973
Unavailable revenue-special assessments			\$ 17	18,494
Unavailable revenue-intergovernmental	162,101			210,290
Total deferred inflows of resources	<u>162,101</u>		<u>17</u>	<u>293,757</u>
Fund balances				
Restricted	442,685	1,772	125,764	18,532,538
Assigned				218,503
Unassigned (Deficit)	(431,534)			(3,660,196)
Total fund balances	<u>11,151</u>	<u>1,772</u>	<u>125,764</u>	<u>15,090,845</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,225,730</u>	<u>\$ 1,867,075</u>	<u>\$ 125,781</u>	<u>\$ 19,225,872</u>

Navajo County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue			
	Administration	County Attorney	Courts	Environmental and Conservation
Revenues:				
Property taxes				
Special assessments				
Fines and forfeits		\$ 6,875	\$ 40,624	
Intergovernmental	\$ 550,901	1,763,952	590,953	\$ 280,057
Charges for services	114,968	183,053	566,212	
Investment earnings	52,373	69,397	71,508	27,044
Contributions	4,250			
Miscellaneous	132,393	11,937	76,873	
Total revenues	<u>854,885</u>	<u>2,035,214</u>	<u>1,346,170</u>	<u>307,101</u>
Expenditures:				
Current:				
General government	171,380	1,767,392	1,124,961	
Public Safety	214,442	22,429	90,826	
Highways and streets				
Health and welfare	509,721			
Culture and recreation				
Education and economic opportunity	78,239			
Environmental and conservation	78,984			265,026
Urban redevelopment and housing	19,000			
Debt Service:				
Principal				
Interest and other charges				
Capital Outlay	72,209			
Total expenditures	<u>1,143,975</u>	<u>1,789,821</u>	<u>1,215,787</u>	<u>265,026</u>
Excess (deficiency) of revenues over expenditures	<u>(289,090)</u>	<u>245,393</u>	<u>130,383</u>	<u>42,075</u>
Other financing sources (uses):				
Transfers in	5,190	44,671	157,496	
Transfers out	<u>(80,890)</u>	<u>(31,142)</u>	<u>(211,813)</u>	<u>(2,558)</u>
Total other financing sources (uses)	<u>(75,700)</u>	<u>13,529</u>	<u>(54,317)</u>	<u>(2,558)</u>
Net change in fund balances	(364,790)	258,922	76,066	39,517
Fund balances, July 1, 2023, as previously reported	1,387,626	2,442,270	2,615,375	899,936
Change within the financial reporting entity (nonmajor to major)				
Fund balances, July 1, 2023, as restated	<u>1,387,626</u>	<u>2,442,270</u>	<u>2,615,375</u>	<u>899,936</u>
Fund balances, June 30, 2024	<u>\$ 1,022,836</u>	<u>\$ 2,701,192</u>	<u>\$ 2,691,441</u>	<u>\$ 939,453</u>

(continued)

Navajo County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue			
	Flood Control District	Library District	Probation	Public Defense
Revenues:				
Property taxes	\$ 2,085,710	\$ 875,775		
Special assessments				
Fines and forfeits				
Intergovernmental	999	172,688	\$ 2,580,360	\$ 23,800
Charges for services			357,100	
Investment earnings	479,315	12,095	19,257	7,936
Contributions				
Miscellaneous	14,665	10,665	9,293	
Total revenues	<u>2,580,689</u>	<u>1,071,223</u>	<u>2,966,010</u>	<u>31,736</u>
Expenditures:				
Current:				
General government				152,791
Public Safety			2,966,019	
Highways and streets				
Health and welfare				
Culture and recreation		1,094,075		
Education and economic opportunity				
Environmental and conservation	1,516,946			
Urban redevelopment and housing				
Debt Service:				
Principal				122
Interest and other charges				
Capital Outlay				
Total expenditures	<u>1,516,946</u>	<u>1,094,075</u>	<u>2,966,019</u>	<u>152,913</u>
Excess (deficiency) of revenues over expenditures	<u>1,063,743</u>	<u>(22,852)</u>	<u>(9)</u>	<u>(121,177)</u>
Other financing sources (uses):				
Transfers in			2,981	49,743
Transfers out	<u>(7,086,123)</u>	<u>(24,065)</u>	<u>(79,136)</u>	<u>(602)</u>
Total other financing sources (uses)	<u>(7,086,123)</u>	<u>(24,065)</u>	<u>(76,155)</u>	<u>49,141</u>
Net change in fund balances	(6,022,380)	(46,917)	(76,164)	(72,036)
Fund balances, July 1, 2023, as previously reported	9,435,495	203,469	561,080	246,509
Change within the financial reporting entity (nonmajor to major)				
Fund balances, July 1, 2023, as restated	<u>9,435,495</u>	<u>203,469</u>	<u>561,080</u>	<u>246,509</u>
Fund balances, June 30, 2024	<u>\$ 3,413,115</u>	<u>\$ 156,552</u>	<u>\$ 484,916</u>	<u>\$ 174,473</u>

(continued)

Navajo County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue		
	Formerly Nonmajor Fund Public Health	Recreation District	Sheriff's Office
Revenues:			
Property taxes			
Special assessments		\$ 174,075	
Fines and forfeits			\$ 134,535
Intergovernmental			3,043,775
Charges for services			26,319
Investment earnings		7,405	45,946
Contributions			
Miscellaneous			239,088
Total revenues		181,480	3,489,663
Expenditures:			
Current:			
General government			
Public Safety			1,699,873
Highways and streets			
Health and welfare			
Culture and recreation		175,867	
Education and economic opportunity			
Environmental and conservation			
Urban redevelopment and housing			
Debt Service:			
Principal			
Interest and other charges			
Capital Outlay			2,240,981
Total expenditures		175,867	3,940,854
Excess (deficiency) of revenues over expenditures		5,613	(451,191)
Other financing sources (uses):			
Transfers in			61,683
Transfers out			(1,055,588)
Total other financing sources (uses)			(993,905)
Net change in fund balances		5,613	(1,445,096)
Fund balances, July 1, 2023, as previously reported	\$ 1,704,924	235,342	2,143,450
Change within the financial reporting entity (nonmajor to major)	(1,704,924)		
Fund balances, July 1, 2023, as restated		235,342	2,143,450
Fund balances, June 30, 2024	\$ -	\$ 240,955	\$ 698,354

(continued)

Navajo County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Special Revenue		
	Special Districts	Superintendent of Schools	Workforce Innovation & Opportunity Act
Revenues:			
Property taxes			
Special assessments	\$ 47,000		
Fines and forfeits			
Intergovernmental		\$ 3,806,949	\$ 1,685,267
Charges for services			
Investment earnings	7,388	49,458	
Contributions			
Miscellaneous		528,223	
Total revenues	<u>54,388</u>	<u>4,384,630</u>	<u>1,685,267</u>
Expenditures:			
Current:			
General government			
Public Safety			
Highways and streets	30,095		
Health and welfare			
Culture and recreation			
Education and economic opportunity		3,768,133	1,656,879
Environmental and conservation			
Urban redevelopment and housing			
Debt Service:			
Principal			
Interest and other charges			
Capital Outlay			
Total expenditures	<u>30,095</u>	<u>3,768,133</u>	<u>1,656,879</u>
Excess (deficiency) of revenues over expenditures	<u>24,293</u>	<u>616,497</u>	<u>28,388</u>
Other financing sources (uses):			
Transfers in			
Transfers out			(8,125)
Total other financing sources (uses)			<u>(8,125)</u>
Net change in fund balances	24,293	616,497	20,263
Fund balances, July 1, 2023, as previously reported	752,426	1,035,655	(9,112)
Change within the financial reporting entity (nonmajor to major)			
Fund balances, July 1, 2023, as restated	<u>752,426</u>	<u>1,035,655</u>	<u>(9,112)</u>
Fund balances, June 30, 2024	<u>\$ 776,719</u>	<u>\$ 1,652,152</u>	<u>\$ 11,151</u>

(continued)

Navajo County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	Debt Service		Total Nonmajor Governmental Funds
	General Government	Special Districts	
Revenues:			
Property taxes			\$ 2,961,485
Special assessments			221,075
Fines and forfeits			182,034
Intergovernmental			14,499,701
Charges for services			1,247,652
Investment earnings	\$ 1,772	\$ 4,034	854,928
Contributions			4,250
Miscellaneous			1,023,137
Total revenues	1,772	4,034	20,994,262
Expenditures:			
Current:			
General government			3,216,524
Public Safety			4,993,589
Highways and streets			30,095
Health and welfare			509,721
Culture and recreation			1,269,942
Education and economic opportunity			5,503,251
Environmental and conservation			1,860,956
Urban redevelopment and housing			19,000
Debt Service:			
Principal	1,550,000		1,550,122
Interest and other charges	630,606		630,606
Capital Outlay			2,313,190
Total expenditures	2,180,606		21,896,996
Excess (deficiency) of revenues over expenditures	(2,178,834)	4,034	(902,734)
Other financing sources (uses):			
Transfers in	2,180,606		2,502,370
Transfers out			(8,580,042)
Total other financing sources (uses)	2,180,606		(6,077,672)
Net change in fund balances	1,772	4,034	(6,980,406)
Fund balances, July 1, 2023, as previously reported		121,730	23,776,175
Change within the financial reporting entity (nonmajor to major)			(1,704,924)
Fund balances, July 1, 2023, as restated		121,730	22,071,251
Fund balances, June 30, 2024	\$ 1,772	\$ 125,764	\$ 15,090,845

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Administration
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,730,932	\$ 2,730,932	\$ 550,901	\$ (2,180,031)
Charges for services	183,500	183,500	114,968	(68,532)
Investment earnings	8,200	8,200	52,373	44,173
Contributions			4,250	4,250
Miscellaneous	1,000,000	1,000,000	132,393	(867,607)
Total revenues	<u>3,922,632</u>	<u>3,922,632</u>	<u>854,885</u>	<u>(3,067,747)</u>
Expenditures:				
General government	890,369	890,369	171,380	718,989
Public safety	1,774,609	1,774,609	214,442	1,560,167
Health and welfare	441,204	441,204	509,721	(68,517)
Education and economic opportunity	813,300	813,300	78,239	735,061
Environmental and conservation	1,374,694	1,374,694	78,984	1,295,710
Urban redevelopment and housing			19,000	(19,000)
Capital Outlay	245,321	245,321	72,209	173,112
Total expenditures	<u>5,539,497</u>	<u>5,539,497</u>	<u>1,143,975</u>	<u>4,395,522</u>
Excess (deficiency) of revenues over expenditures	<u>(1,616,865)</u>	<u>(1,616,865)</u>	<u>(289,090)</u>	<u>1,327,775</u>
Other financing sources (uses):				
Transfers in	815,000	815,000	5,190	(809,810)
Transfers out	(29,403)	(29,403)	(80,890)	(51,487)
Total other financing sources (uses)	<u>785,597</u>	<u>785,597</u>	<u>(75,700)</u>	<u>(861,297)</u>
Net change in fund balances	(831,268)	(831,268)	(364,790)	466,478
Fund balances, July 1, 2023	1,387,626	1,387,626	1,387,626	
Fund balances, June 30, 2024	<u>\$ 556,358</u>	<u>\$ 556,358</u>	<u>\$ 1,022,836</u>	<u>\$ 466,478</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - County Attorney
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines and forfeits	\$ 232,025	\$ 232,025	\$ 6,875	\$ (225,150)
Intergovernmental	1,212,732	1,212,732	1,763,952	551,220
Charges for services	55,670	55,670	183,053	127,383
Investment earnings	8,700	8,700	69,397	60,697
Miscellaneous	188,050	188,050	11,937	(176,113)
Total revenues	<u>1,697,177</u>	<u>1,697,177</u>	<u>2,035,214</u>	<u>338,037</u>
Expenditures:				
General government	4,685,730	4,685,730	1,767,392	2,918,338
Public safety	218,162	218,162	22,429	195,733
Capital Outlay	252,820	252,820		252,820
Total expenditures	<u>5,156,712</u>	<u>5,156,712</u>	<u>1,789,821</u>	<u>3,366,891</u>
Excess (deficiency) of revenues over expenditures	<u>(3,459,535)</u>	<u>(3,459,535)</u>	<u>245,393</u>	<u>3,704,928</u>
Other financing sources (uses):				
Transfers in	152,025	152,025	44,671	(107,354)
Transfers out	(95,525)	(95,525)	(31,142)	64,383
Total other financing sources (uses)	<u>56,500</u>	<u>56,500</u>	<u>13,529</u>	<u>(42,971)</u>
Net change in fund balances	(3,403,035)	(3,403,035)	258,922	3,661,957
Fund balances, July 1, 2023	2,442,270	2,442,270	2,442,270	
Fund balances, June 30, 2024	<u>\$ (960,765)</u>	<u>\$ (960,765)</u>	<u>\$ 2,701,192</u>	<u>\$ 3,661,957</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Courts
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines and forfeits	\$ 29,900	\$ 29,900	\$ 40,624	\$ 10,724
Intergovernmental	681,759	681,759	590,953	(90,806)
Charges for services	429,400	429,400	566,212	136,812
Investment earnings	1,610	1,610	71,508	69,898
Miscellaneous	54,000	54,000	76,873	22,873
Total revenues	<u>1,196,669</u>	<u>1,196,669</u>	<u>1,346,170</u>	<u>149,501</u>
Expenditures:				
General government	3,171,321	3,171,321	1,124,961	2,046,360
Public safety	311,030	311,030	90,826	220,204
Capital Outlay	253,658	253,658		253,658
Total expenditures	<u>3,736,009</u>	<u>3,736,009</u>	<u>1,215,787</u>	<u>2,520,222</u>
Excess (deficiency) of revenues over expenditures	<u>(2,539,340)</u>	<u>(2,539,340)</u>	<u>130,383</u>	<u>2,669,723</u>
Other financing sources (uses):				
Transfers in	564,504	564,504	157,496	(407,008)
Transfers out	(339,948)	(339,948)	(211,813)	128,135
Total other financing sources (uses)	<u>224,556</u>	<u>224,556</u>	<u>(54,317)</u>	<u>(278,873)</u>
Net change in fund balances	(2,314,784)	(2,314,784)	76,066	2,390,850
Fund balances, July 1, 2023	2,615,375	2,615,375	2,615,375	
Fund balances, June 30, 2024	<u>\$ 300,591</u>	<u>\$ 300,591</u>	<u>\$ 2,691,441</u>	<u>\$ 2,390,850</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Environmental and Conservation
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 286,000	\$ 286,000	\$ 280,057	\$ (5,943)
Investment earnings	5,400	5,400	27,044	21,644
Total revenues	<u>291,400</u>	<u>291,400</u>	<u>307,101</u>	<u>15,701</u>
Expenditures:				
Environmental and conservation	1,159,933	1,159,933	265,026	894,907
Capital Outlay	3,500	3,500		3,500
Total expenditures	<u>1,163,433</u>	<u>1,163,433</u>	<u>265,026</u>	<u>898,407</u>
Excess (deficiency) of revenues over expenditures	<u>(872,033)</u>	<u>(872,033)</u>	<u>42,075</u>	<u>914,108</u>
Other financing sources (uses):				
Transfers out			(2,558)	(2,558)
Total other financing sources (uses)			<u>(2,558)</u>	<u>(2,558)</u>
Net change in fund balances	(872,033)	(872,033)	39,517	911,550
Fund balances, July 1, 2023	899,936	899,936	899,936	
Fund balances, June 30, 2024	<u>\$ 27,903</u>	<u>\$ 27,903</u>	<u>\$ 939,453</u>	<u>\$ 911,550</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Flood Control District
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 2,089,438	\$ 2,089,438	\$ 2,085,710	\$ (3,728)
Intergovernmental	950	950	999	49
Investment earnings	98,500	98,500	479,315	380,815
Miscellaneous			14,665	14,665
Total revenues	<u>2,188,888</u>	<u>2,188,888</u>	<u>2,580,689</u>	<u>391,801</u>
Expenditures:				
Environmental and conservation	1,668,398	1,668,398	1,289,364	379,034
Capital Outlay	9,988,272	9,988,272		9,988,272
Total expenditures	<u>11,656,670</u>	<u>11,656,670</u>	<u>1,289,364</u>	<u>10,367,306</u>
Excess (deficiency) of revenues over expenditures	<u>(9,467,782)</u>	<u>(9,467,782)</u>	<u>1,291,325</u>	<u>10,759,107</u>
Other financing sources (uses):				
Transfers out	<u>(227,582)</u>	<u>(227,582)</u>	<u>(7,313,705)</u>	<u>(7,086,123)</u>
Total other financing sources (uses)	<u>(227,582)</u>	<u>(227,582)</u>	<u>(7,313,705)</u>	<u>(7,086,123)</u>
Net change in fund balances	(9,695,364)	(9,695,364)	(6,022,380)	3,672,984
Fund balances, July 1, 2023	9,435,495	9,435,495	9,435,495	
Fund balances, June 30, 2024	<u>\$ (259,869)</u>	<u>\$ (259,869)</u>	<u>\$ 3,413,115</u>	<u>\$ 3,672,984</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Library District
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 874,411	\$ 874,411	\$ 875,775	\$ 1,364
Intergovernmental	76,500	76,500	172,688	96,188
Investment earnings	3,650	3,650	12,095	8,445
Miscellaneous	11,250	11,250	10,665	(585)
Total revenues	<u>965,811</u>	<u>965,811</u>	<u>1,071,223</u>	<u>105,412</u>
Expenditures:				
Culture and recreation	850,619	850,619	814,785	35,834
Capital Outlay	82,535	82,535		82,535
Total expenditures	<u>933,154</u>	<u>933,154</u>	<u>814,785</u>	<u>118,369</u>
Excess (deficiency) of revenues over expenditures	<u>32,657</u>	<u>32,657</u>	<u>256,438</u>	<u>223,781</u>
Other financing sources (uses):				
Transfers out	<u>(279,290)</u>	<u>(279,290)</u>	<u>(303,355)</u>	<u>(24,065)</u>
Total other financing sources (uses)	<u>(279,290)</u>	<u>(279,290)</u>	<u>(303,355)</u>	<u>(24,065)</u>
Net change in fund balances	(246,633)	(246,633)	(46,917)	199,716
Fund balances, July 1, 2023	203,469	203,469	203,469	
Fund balances, June 30, 2024	<u>\$ (43,164)</u>	<u>\$ (43,164)</u>	<u>\$ 156,552</u>	<u>\$ 199,716</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Probation
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,707,086	\$ 2,707,086	\$ 2,580,360	\$ (126,726)
Charges for services	371,979	371,979	357,100	(14,879)
Investment earnings	9,795	9,795	19,257	9,462
Miscellaneous			9,293	9,293
Total revenues	<u>3,088,860</u>	<u>3,088,860</u>	<u>2,966,010</u>	<u>(122,850)</u>
Expenditures:				
Public safety	<u>3,724,185</u>	<u>3,724,185</u>	<u>2,966,019</u>	<u>758,166</u>
Total expenditures	<u>3,724,185</u>	<u>3,724,185</u>	<u>2,966,019</u>	<u>758,166</u>
Excess (deficiency) of revenues over expenditures	<u>(635,325)</u>	<u>(635,325)</u>	<u>(9)</u>	<u>635,316</u>
Other financing sources (uses):				
Transfers in			2,981	2,981
Transfers out			<u>(79,136)</u>	<u>(79,136)</u>
Total other financing sources (uses)			<u>(76,155)</u>	<u>(76,155)</u>
Net change in fund balances	(635,325)	(635,325)	(76,164)	559,161
Fund balances, July 1, 2023	561,080	561,080	561,080	
Fund balances, June 30, 2024	<u>\$ (74,245)</u>	<u>\$ (74,245)</u>	<u>\$ 484,916</u>	<u>\$ 559,161</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Public Defense
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 23,800	\$ 7,800
Investment earnings	2,100	2,100	7,936	5,836
Total revenues	<u>18,100</u>	<u>18,100</u>	<u>31,736</u>	<u>13,636</u>
Expenditures:				
General government	296,600	296,600	152,913	143,687
Capital Outlay	6,000	6,000		6,000
Total expenditures	<u>302,600</u>	<u>302,600</u>	<u>152,913</u>	<u>149,687</u>
Excess (deficiency) of revenues over expenditures	<u>(284,500)</u>	<u>(284,500)</u>	<u>(121,177)</u>	<u>163,323</u>
Other financing sources (uses):				
Transfers in	13,000	13,000	49,743	36,743
Transfers out			<u>(602)</u>	<u>(602)</u>
Total other financing sources (uses)	<u>13,000</u>	<u>13,000</u>	<u>49,141</u>	<u>36,141</u>
Net change in fund balances	(271,500)	(271,500)	(72,036)	199,464
Fund balances, July 1, 2023	246,509	246,509	246,509	
Fund balances, June 30, 2024	<u>\$ (24,991)</u>	<u>\$ (24,991)</u>	<u>\$ 174,473</u>	<u>\$ 199,464</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Recreation District
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$	\$	\$ 174,075	\$ 174,075
Investment earnings	1,000	1,000	7,405	6,405
Miscellaneous	6,600	6,600		(6,600)
Total revenues	<u>7,600</u>	<u>7,600</u>	<u>181,480</u>	<u>173,880</u>
Expenditures:				
Culture and recreation	311,000	311,000	175,867	135,133
Capital Outlay	23,000	23,000		23,000
Total expenditures	<u>334,000</u>	<u>334,000</u>	<u>175,867</u>	<u>158,133</u>
Net change in fund balances	(326,400)	(326,400)	5,613	332,013
Fund balances, July 1, 2023	235,342	235,342	235,342	
Fund balances, June 30, 2024	<u>\$ (91,058)</u>	<u>\$ (91,058)</u>	<u>\$ 240,955</u>	<u>\$ 332,013</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Sheriff's Office
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Fines and forfeits	\$ 250,000	\$ 250,000	\$ 134,535	\$ (115,465)
Intergovernmental	1,290,975	1,290,975	3,043,775	1,752,800
Charges for services	32,350	32,350	26,319	(6,031)
Investment earnings	18,535	18,535	45,946	27,411
Miscellaneous	100,100	100,100	239,088	138,988
Total revenues	<u>1,691,960</u>	<u>1,691,960</u>	<u>3,489,663</u>	<u>1,797,703</u>
Expenditures:				
Public safety	2,667,279	2,667,279	1,699,873	967,406
Capital Outlay	1,123,830	1,123,830	2,240,981	(1,117,151)
Total expenditures	<u>3,791,109</u>	<u>3,791,109</u>	<u>3,940,854</u>	<u>(149,745)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,099,149)</u>	<u>(2,099,149)</u>	<u>(451,191)</u>	<u>1,647,958</u>
Other financing sources (uses):				
Transfers in	61,683	61,683	61,683	
Transfers out	(61,683)	(61,683)	(1,055,588)	(993,905)
Total other financing sources (uses)	<u> </u>	<u> </u>	<u>(993,905)</u>	<u>(993,905)</u>
Net change in fund balances	(2,099,149)	(2,099,149)	(1,445,096)	654,053
Fund balances, July 1, 2023	2,143,450	2,143,450	2,143,450	
Fund balances, June 30, 2024	<u>\$ 44,301</u>	<u>\$ 44,301</u>	<u>\$ 698,354</u>	<u>\$ 654,053</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Special Districts
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Special assessments	\$	\$	\$ 47,000	\$ 47,000
Investment earnings	2,300	2,300	7,388	5,088
Miscellaneous	23,000	23,000		(23,000)
Total revenues	<u>25,300</u>	<u>25,300</u>	<u>54,388</u>	<u>29,088</u>
Expenditures:				
Highways and streets	824,533	824,533	30,095	794,438
Total expenditures	<u>824,533</u>	<u>824,533</u>	<u>30,095</u>	<u>794,438</u>
Net change in fund balances	(799,233)	(799,233)	24,293	823,526
Fund balances, July 1, 2023	752,426	752,426	752,426	
Fund balances, June 30, 2024	<u>\$ (46,807)</u>	<u>\$ (46,807)</u>	<u>\$ 776,719</u>	<u>\$ 823,526</u>

Navajo County
 Budgetary Comparison Schedule
 Special Revenue - Workforce Innovation and Opportunity Act (WIOA)
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,787,075	\$ 1,787,075	\$ 1,685,267	\$ (101,808)
Total revenues	<u>1,787,075</u>	<u>1,787,075</u>	<u>1,685,267</u>	<u>(101,808)</u>
Expenditures:				
Education and economic opportunity	1,787,075	1,787,075	1,656,879	130,196
Total expenditures	<u>1,787,075</u>	<u>1,787,075</u>	<u>1,656,879</u>	<u>130,196</u>
Excess (deficiency) of revenues over expenditures			<u>28,388</u>	<u>28,388</u>
Other financing sources (uses):				
Transfers out			<u>(8,125)</u>	<u>(8,125)</u>
Total other financing sources (uses)			<u>(8,125)</u>	<u>(8,125)</u>
Net change in fund balances			20,263	20,263
Fund balances, July 1, 2023	(9,112)	(9,112)	(9,112)	
Fund balances, June 30, 2024	<u>\$ (9,112)</u>	<u>\$ (9,112)</u>	<u>\$ 11,151</u>	<u>\$ 20,263</u>

Navajo County
 Budgetary Comparison Schedule
 Debt Service - General Government
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	1,772	\$ 1,772
Total revenues			1,772	1,772
Expenditures:				
Principal	1,550,000	1,550,000	1,550,000	
Interest and other charges	630,607	630,607	630,606	1
Total expenditures	2,180,607	2,180,607	2,180,606	1
Excess (deficiency) of revenues over expenditures	(2,180,607)	(2,180,607)	(2,178,834)	1,773
Other financing sources (uses):				
Transfers in	2,180,607	2,180,607	2,180,606	(1)
Total other financing sources (uses)	2,180,607	2,180,607	2,180,606	(1)
Net change in fund balances			1,772	1,772
Fund balances, July 1, 2023				
Fund balances, June 30, 2024	\$	\$	\$ 1,772	\$ 1,772

Navajo County
 Budgetary Comparison Schedule
 Debt Service - Special Districts
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	4,034	\$ 4,033
Total revenues			4,034	4,033
Expenditures:				
Interest and other charges				
Total expenditures				
Net change in fund balances			4,034	4,034
Fund balances, July 1, 2023	121,730	121,730	121,730	
Fund balances, June 30, 2024	\$ 121,730	\$ 121,730	\$ 125,764	\$ 4,034

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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, 2024

<u>Assets</u>	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
Cash and investments	\$ 115,997	\$ 2,320,191	\$ 2,436,188
Total assets	<u>\$ 115,997</u>	<u>\$ 2,320,191</u>	<u>\$ 2,436,188</u>
<u>Net Position</u>			
Restricted for:			
Individuals, organizations, and other governments	\$ 115,997	\$ 2,320,191	\$ 2,436,188
Total Net Position	<u>\$ 115,997</u>	<u>\$ 2,320,191</u>	<u>\$ 2,436,188</u>

Navajo County, Arizona
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2024

	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
<u>Additions</u>			
Investment earnings	\$ 2,401	\$ 48,036	\$ 50,437
Other	12,291	2,501,617	2,513,908
Total additions	<u>\$ 14,692</u>	<u>\$ 2,549,653</u>	<u>\$ 2,564,345</u>
<u>Deductions</u>			
Other	<u>\$ 3,434</u>	<u>\$ 2,035,173</u>	<u>\$ 2,038,607</u>
Total deductions	<u>\$ 3,434</u>	<u>\$ 2,035,173</u>	<u>\$ 2,038,607</u>
Change in net position	\$ 11,258	\$ 514,480	\$ 525,738
Net position, July 1, 2023	<u>\$ 104,739</u>	<u>\$ 1,805,711</u>	<u>\$ 1,910,450</u>
Net position, June 30, 2024	<u><u>\$ 115,997</u></u>	<u><u>\$ 2,320,191</u></u>	<u><u>\$ 2,436,188</u></u>

Navajo County
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

	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
Assets									
Cash and investments	\$ 223,247,332	\$ 42,122,829	\$ 11,467,076	\$ 12,148,833	\$ 288,986,070	\$ 127,267	\$ 1,034,699	\$ 1,222,518	\$ 2,384,484
Property tax receivable for other governments						2,721,999			2,721,999
Interest receivable	858,638	161,400	43,938	46,550	1,110,526				
Total assets	<u>\$ 224,105,970</u>	<u>\$ 42,284,229</u>	<u>\$ 11,511,014</u>	<u>\$ 12,195,383</u>	<u>\$ 290,096,596</u>	<u>\$ 2,849,266</u>	<u>\$ 1,034,699</u>	<u>\$ 1,222,518</u>	<u>\$ 5,106,483</u>
Liabilities									
Property tax payable to other governments						\$ 127,267			\$ 127,267
Total liabilities						<u>\$ 127,267</u>			<u>\$ 127,267</u>
Net Position									
Restricted for:									
Pool Participants	\$ 224,105,970	\$ 42,284,229	\$ 11,511,014	\$ 12,195,383	\$ 290,096,596				
Individuals, organizations and other governments						\$ 2,721,999	\$ 1,034,699	\$ 1,222,518	\$ 4,979,216
Total net position	<u>\$ 224,105,970</u>	<u>\$ 42,284,229</u>	<u>\$ 11,511,014</u>	<u>\$ 12,195,383</u>	<u>\$ 290,096,596</u>	<u>\$ 2,721,999</u>	<u>\$ 1,034,699</u>	<u>\$ 1,222,518</u>	<u>\$ 4,979,216</u>

Navajo County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	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
Additions:									
Contributions from pool participants	\$ 365,045,979	\$ 16,961,760	\$ 21,310,968	\$ 1,602,351	\$ 404,921,058				
Property tax collections for other governments						\$ 79,571,174			\$ 79,571,174
Fines and fees collections for other governments							\$ 1,794,409		1,794,409
Fines and fees collections for victims								\$ 1,947,073	1,947,073
Investment earnings	6,004,776	2,005,925	410,803	435,227	8,856,731		36,978		36,978
Inmate collections								1,292,632	1,292,632
Other							2,685,194	3,837,222	6,522,416
Total additions	<u>\$ 371,050,755</u>	<u>\$ 18,967,685</u>	<u>\$ 21,721,771</u>	<u>\$ 2,037,578</u>	<u>\$ 413,777,789</u>	<u>\$ 79,571,174</u>	<u>\$ 4,516,581</u>	<u>\$ 7,076,927</u>	<u>\$ 91,164,682</u>
Deductions:									
Distributions to pool participants	\$ 308,414,685	\$ 46,000,000	\$ 19,157,063	\$ 2,824,637	\$ 376,396,385				
Property tax distributions to other governments						\$ 79,734,914			\$ 79,734,914
Fines and fees distributions to other governments							\$ 1,853,996		1,853,996
Restitution and reimbursement payments to victims								\$ 1,904,636	1,904,636
Payments to inmates								1,277,905	1,277,905
Other							2,389,019	3,810,855	6,199,874
Total deductions	<u>\$ 308,414,685</u>	<u>\$ 46,000,000</u>	<u>\$ 19,157,063</u>	<u>\$ 2,824,637</u>	<u>\$ 376,396,385</u>	<u>\$ 79,734,914</u>	<u>\$ 4,243,015</u>	<u>\$ 6,993,396</u>	<u>\$ 90,971,325</u>
Change in net position	\$ 62,636,070	\$ (27,032,315)	\$ 2,564,708	\$ (787,059)	\$ 37,381,404	\$ (163,740)	\$ 273,566	\$ 83,531	\$ 193,357
Net position, July 1, 2023	\$ 161,469,900	\$ 69,316,544	\$ 8,946,306	\$ 12,982,442	\$ 252,715,192	\$ 2,885,739	\$ 761,133	\$ 1,138,987	\$ 4,785,859
Net position, June 30, 2024	<u>\$ 224,105,970</u>	<u>\$ 42,284,229</u>	<u>\$ 11,511,014</u>	<u>\$ 12,195,383</u>	<u>\$ 290,096,596</u>	<u>\$ 2,721,999</u>	<u>\$ 1,034,699</u>	<u>\$ 1,222,518</u>	<u>\$ 4,979,216</u>

Statistical Section



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Navajo County
Listing of Statistical Information
June 30, 2024

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 135 through 141

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 142 through 145

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

Debt Capacity - Schedules on pages 146 through 150

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 151 through 152

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 153 through 156

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				
	2015	2016	2017	2018	2019 *
Governmental activities:					
Net investment in capital assets	\$ 60,649,846	\$ 59,210,246	\$ 56,729,385	\$ 55,036,226	\$ 53,427,360
Restricted	23,521,625	24,226,548	27,519,091	29,179,272	31,085,279
Unrestricted	(51,230,312)	(53,540,230)	(57,988,587)	(62,383,097)	(47,979,330)
Total governmental activities net position	<u>\$ 32,941,159</u>	<u>\$ 29,896,564</u>	<u>\$ 26,259,889</u>	<u>\$ 21,832,401</u>	<u>\$ 36,533,309</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 53,427,360	\$ 52,683,191	\$ 51,907,432	\$ 52,411,535	\$ 58,112,645
Restricted	38,510,287	48,074,074	53,477,095	64,937,552	103,619,434
Unrestricted (deficit)	(38,070,575)	(30,263,514)	(15,495,861)	(16,566,282)	(13,309,097)
Total governmental activities net position	<u>\$ 53,867,072</u>	<u>\$ 70,493,751</u>	<u>\$ 89,888,666</u>	<u>\$ 100,782,805</u>	<u>\$ 148,422,982</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			
	2015	2016	2017	2018
Expenses:				
General government	\$ 31,968,411	\$ 29,716,664	\$ 32,717,374	\$ 33,836,072
Public safety (Note 2)	17,313,998	17,562,220	18,067,230	19,657,838
Highways and streets	11,190,411	12,008,267	10,710,700	11,773,357
Health and welfare	7,956,284	8,350,410	8,362,293	8,079,274
Culture and recreation	665,292	798,683	790,379	781,287
Education and economic opportunity	5,669,487	5,479,786	4,297,521	5,042,013
Environmental and conservation	211,478	247,622	303,270	417,465
Urban redevelopment and housing	73,852	16,887	165,114	
Interest on long-term debt	802,936	503,684	461,083	426,770
Total governmental activities expenses	<u>75,852,149</u>	<u>74,684,223</u>	<u>75,874,964</u>	<u>80,014,076</u>
Program Revenues:				
Charges for services:				
General government	5,079,224	5,400,182	4,780,321	4,848,807
Public Safety	1,390,048	1,549,821	1,285,569	1,261,016
Highway and streets	100,758	432,421	330,585	206,020
Health and welfare	274,262	333,306	319,505	224,395
Culture and recreation		166,881	151,137	156,091
Education and economic opportunity				
Operating grants and contributions:				
General government	3,613,033	3,945,966	3,794,242	4,230,956
Public Safety	3,715,424	4,911,950	4,571,216	5,433,481
Highway and streets				11,947,902
Health and welfare	2,898,998	2,770,719	2,901,048	2,857,321
Culture and recreation	128,945	61,754	68,388	22,532
Education and economic opportunity	4,488,394	5,034,340	3,450,856	4,262,294
Environmental and conservation	411,987	364,692	317,752	430,922
Urban redevelopment and housing	62,860	10,000	458,825	
Capital grants and contributions:				
General government				5,000
Public Safety			67,306	34,303
Highway and streets	11,431,446	11,571,167	12,173,466	
Environmental and conservation				
Total governmental activities program revenues	<u>33,595,379</u>	<u>36,553,199</u>	<u>34,670,216</u>	<u>35,921,040</u>
Net (Expense) Revenue	<u>\$ (42,256,770)</u>	<u>\$ (38,131,024)</u>	<u>\$ (41,204,748)</u>	<u>\$ (44,093,036)</u>
General Revenues:				
Property taxes	\$ 12,536,351	\$ 12,531,782	\$ 12,131,695	\$ 13,004,998
Special assessments (see Note 1)	507,456			
General county sales tax	6,674,867	6,365,510	6,534,686	7,381,671
Jail District sales tax				
State shared revenues	12,964,950	13,125,229	13,730,314	15,105,931
Payment in lieu of taxes	1,406,936	1,547,382	1,532,361	1,644,973
Investment earnings	195,437	165,384	164,425	264,616
Capital contributions		6,980		
Gain on disposal of capital assets	35,974	2,995	9,600	127,321
Miscellaneous	1,072,052	1,341,167	1,666,058	1,668,273
Transfers				
Total general revenues and transfers	<u>35,394,023</u>	<u>35,086,429</u>	<u>35,769,139</u>	<u>39,197,783</u>
Change in net position - governmental activities	<u>\$ (6,862,747)</u>	<u>\$ (3,044,595)</u>	<u>\$ (5,435,609)</u>	<u>\$ (4,895,253)</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									
		2019	2020	2021	2022	2023	2024				
\$	19,039,794	\$	19,717,997	\$	24,839,724	\$	26,497,535	\$	30,563,995	\$	30,891,849
	15,006,970		17,389,682		19,619,517		21,839,924		28,134,944		29,570,089
	13,019,136		13,428,606		13,900,151		16,552,646		15,056,390		13,862,202
	6,998,047		7,867,404		9,408,467		9,689,676		9,416,303		9,894,256
	834,993		906,722		821,881		907,761		1,146,242		1,294,427
	3,896,117		4,702,040		6,069,282		5,604,230		5,450,107		5,931,654
	330,778		261,874		1,066,890		1,198,343		1,286,833		1,859,806
			27,500		471,100						19,000
	388,013		349,744		357,988		617,969		682,246		630,611
	<u>59,513,848</u>		<u>64,651,569</u>		<u>76,555,000</u>		<u>82,908,084</u>		<u>91,737,060</u>		<u>93,953,894</u>
	4,842,304		5,788,697		7,474,687		6,528,177		7,568,664		6,854,456
	1,422,243		1,055,010		293,119		1,472,456		886,758		1,083,204
	107,296		70,358		80,575		44,625		89,767		47,543
	190,212		190,946		288,338		280,752		4,961,756		4,168,434
	158,428		156,658		174,077		175,081		175,323		175,312
			36,000		-		2,750		5,500		8,750
	2,782,852		3,155,642		3,928,599		8,800,566		6,782,450		11,052,207
	4,269,967		4,642,893		8,072,282		8,775,763		6,296,661		9,750,577
	13,648,124		12,669,984		14,525,824		14,888,939		14,581,083		15,833,626
	1,717,238		6,543,708		2,649,620		2,627,282		4,390,519		6,741,303
	73,000		64,161		41,656		78,432		117,682		171,175
	3,488,160		4,207,895		4,929,666		5,701,539		3,877,212		5,696,969
	416,520		398,455		337,458		475,789		327,759		74,692
			48,639		471,100						11,000
	10,000		26,831						25,886		11,886
	154,479		67,749		24,741		41,583		18,414		35,426
	32,890		30,900						1,101,881		
											<u>20,000,000</u>
	<u>33,313,713</u>		<u>39,154,526</u>		<u>43,291,742</u>		<u>49,893,734</u>		<u>51,207,315</u>		<u>81,716,560</u>
\$	(26,200,135)	\$	(25,497,043)	\$	(33,263,258)	\$	(33,014,350)	\$	(40,529,745)	\$	(12,237,334)
\$	13,061,068	\$	13,179,014	\$	13,223,643	\$	13,124,301	\$	12,882,855	\$	13,675,139
	7,792,310		7,597,916		8,292,941		9,056,104		9,564,103		9,224,975
			2,228,059		5,415,411		5,932,721		6,282,128		6,382,309
	16,037,990		15,984,931		18,732,156		19,684,742		19,867,795		20,953,117
	1,653,023		1,680,097		1,664,719		1,754,614		1,828,337		1,954,495
	598,634		839,212		714,866		460,644		(896,791)		5,706,319
	81,300		81,469		14,689		77,291		36,887		26,842
	1,572,144		1,344,682		1,891,512		2,307,214		1,858,570		1,954,315
	<u>40,796,469</u>		<u>42,935,380</u>		<u>49,949,937</u>		<u>52,397,631</u>		<u>51,423,884</u>		<u>59,877,511</u>
\$	<u>14,596,334</u>	\$	<u>17,438,337</u>	\$	<u>16,686,679</u>	\$	<u>19,383,281</u>	\$	<u>10,894,139</u>	\$	<u>47,640,177</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable			\$ 900,000	\$ 896,025
Restricted	\$ 1,273,833	\$ 1,612,513		926,206
Assigned	2,836,408	2,535,860	2,734,436	3,057,549
Unassigned	3,544,712	3,523,261	4,884,457	8,355,219
Total general fund	<u>\$ 7,654,953</u>	<u>\$ 7,671,634</u>	<u>\$ 8,518,893</u>	<u>\$ 13,234,999</u>
All other governmental funds				
Nonspendable	\$ 991,663	\$ 619,596	\$ 919,164	\$ 817,171
Restricted	22,055,581	23,119,737	24,928,694	26,123,297
Committed				
Assigned	2,552,485	966,610	2,182,636	898,747
Unassigned	(1,686,672)	(210,456)	(2,394,741)	(960,780)
Total all other governmental funds	<u>\$ 23,913,057</u>	<u>\$ 24,495,487</u>	<u>\$ 25,635,753</u>	<u>\$ 26,878,435</u>

(Continued)

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 851,503	\$ 750,532	\$ 725,625			
2,767,749	5,930,737	8,272,190	\$ 9,468,728	\$ 13,284,592	\$ 16,336,150
2,910,684	2,486,750	2,987,378	4,160,523	8,475,487	10,115,654
14,052,651	18,886,344	29,719,540	35,050,462	32,377,413	31,978,683
<u>\$ 20,582,587</u>	<u>\$ 28,054,363</u>	<u>\$ 41,704,733</u>	<u>\$ 48,679,713</u>	<u>\$ 54,137,492</u>	<u>\$ 58,430,487</u>
\$ 1,189,516	\$ 672,643	\$ 444,347	\$ 454,601	\$ 576,305	\$ 1,271,566
25,966,488	30,036,815	36,584,946	40,209,579	42,022,011	70,920,987
			8,853,216	6,426,170	5,632,669
1,120,057	632,097	118,675	887,986	457,961	2,352,718
(1,454,759)	(690,472)	(2,679,104)	(3,444,335)	(2,409,029)	(5,911,857)
<u>\$ 26,821,302</u>	<u>\$ 30,651,083</u>	<u>\$ 34,468,864</u>	<u>\$ 46,961,047</u>	<u>\$ 47,073,418</u>	<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			
	2015	2016	2017	2018
Revenues:				
Property taxes	\$ 12,565,289	\$ 12,542,649	\$ 12,133,955	\$ 12,959,490
County sales taxes	6,674,867	6,365,510	6,534,686	7,381,671
Licenses and permits	522,919	604,525	567,951	379,350
Fines and forfeits	1,789,993	1,492,927	1,339,324	653,066
Intergovernmental	40,045,748	42,328,108	41,900,493	910,721
Charges for services	9,698,659	10,369,286	9,280,867	44,123,924
Investment earnings	195,437	165,384	164,425	12,076,377
Special assessments	491,734	485,708	488,962	264,616
Contributions	43,061	39,962	38,784	50,624
Settlements				
Miscellaneous	1,072,052	1,341,167	1,666,057	1,668,273
Total revenues	<u>73,099,759</u>	<u>75,735,226</u>	<u>74,115,504</u>	<u>80,468,112</u>
Expenditures:				
General government	27,228,792	27,475,209	29,089,321	28,518,557
Public safety	16,762,711	18,013,055	17,667,900	16,889,504
Highways and streets	10,245,789	9,949,660	9,187,604	10,160,928
Health and welfare	8,323,596	8,698,408	8,676,682	8,788,365
Culture and recreation	702,563	812,461	803,616	839,205
Education and economic opportunity	5,491,323	5,408,227	4,241,865	5,058,368
Environmental and conservation	223,528	266,428	322,770	441,264
Urban redevelopment and housing	73,852	16,887	165,114	
Debt service:				
Principal	2,737,814	1,529,333	1,571,917	1,314,262
Interest and other charges	802,936	503,684	461,083	426,770
Bond Issuance Costs				
Capital outlay	5,207,816	2,093,691	1,608,272	2,651,159
Total expenditures	<u>77,800,720</u>	<u>74,767,043</u>	<u>73,796,144</u>	<u>75,088,382</u>
Excess(deficiency) of revenues over expenditures	(4,700,961)	968,183	319,360	5,379,730
Other financing sources (uses):				
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	64,945	2,995	14,218	127,321
Transfers in	5,625,009	4,218,192	4,699,294	5,882,351
Transfers out	(5,625,009)	(4,218,192)	(4,699,294)	(5,882,351)
Total other financing sources and uses	<u>64,945</u>	<u>2,995</u>	<u>115,559</u>	<u>188,036</u>
Net change in fund balances	<u>\$ (4,636,016)</u>	<u>\$ 971,178</u>	<u>\$ 434,919</u>	<u>\$ 5,567,766</u>
Ratio of total debt service expenditures to non-capital expenditures	4.88%	2.80%	2.82%	2.40%

(Continued)

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

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	13,055,634	\$	13,204,479	\$	13,375,972	\$	12,982,348	\$	12,870,462	\$	13,722,097
	7,792,310		9,825,975		13,708,352		14,988,825		15,846,231		15,607,284
	649,663		666,049		1,009,632		889,154		912,675		1,660,679
	1,243,574		972,816		1,365,181		1,533,251		851,865		826,616
	44,787,023		48,668,351		54,361,876		62,063,879		56,556,314		87,446,142
	11,407,186		12,017,625		5,627,547		5,863,631		6,938,735		5,485,392
	598,635		839,212		714,866		460,644		(896,791)		5,706,319
	341,186		228,599		266,409		215,463		222,181		221,075
	35,718		19,013		629,400		619,625		86,065		92,150
									555,750		1,292,421
	1,431,541		1,344,682		1,891,512		1,891,512		1,858,570		1,954,315
	<u>81,342,470</u>		<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>
	28,044,516		26,282,745		23,232,898		25,523,776		30,794,755		32,090,956
	17,768,169		18,845,097		18,369,271		216,608,641		25,834,933		26,092,834
	11,952,348		11,106,769		10,598,751		13,450,391		11,811,915		10,945,483
	7,771,247		8,507,369		9,392,882		9,683,695		9,160,193		9,568,689
	900,142		933,995		807,140		892,403		1,124,482		1,269,942
	4,345,728		4,932,764		5,942,803		5,468,865		5,310,129		5,898,742
	361,453		284,339		1,068,040		1,199,493		1,287,983		1,860,956
			27,500		471,100						19,000
	1,328,794		1,298,229		1,285,182		1,615,275		2,070,223		1,550,472
	388,013		349,744		357,988		617,969		682,246		630,611
					230,601		677,335				
	1,613,870		3,521,344		3,785,024		2,322,614		3,639,085		13,399,072
	<u>74,474,280</u>		<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>
	6,868,190		11,696,906		17,409,067		(176,552,125)		4,086,113		30,687,733
					9,535,000		16,560,000				-
					1,575,866						-
					(10,795,000)		(16,184,920)				-
							121,977		100,910		74,242
									1,180,457		-
	87,848		85,113		14,689		109,486		75,283		28,424
	3,013,881		9,144,407		7,355,356		15,265,693		6,380,048		16,493,684
	(3,013,881)		(9,144,407)		(7,355,356)		(15,265,693)		(6,380,048)		(16,493,684)
	<u>87,848</u>		<u>85,113</u>		<u>330,555</u>		<u>606,543</u>		<u>1,356,650</u>		<u>102,666</u>
\$	<u>6,956,038</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>
	2.36%		2.27%		2.29%		0.81%		3.17%		2.43%

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

PRIMARY ASSESSED VALUE

<u>Fiscal Year</u>	<u>Residential and Vacant Property</u>	<u>Commercial Property</u>	<u>Unattached Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>*Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2015	468,337,874	359,094,468	17,584,375	845,016,717	1.5615	7,573,933,720	11.16%
2016	473,702,904	344,422,319	14,676,214	832,801,437	1.5917	7,594,032,171	10.97%
2017	483,652,421	305,141,610	14,268,450	803,062,481	1.5849	7,599,284,336	10.57%
2018	503,253,916	303,982,228	13,871,612	821,107,756	1.6203	7,246,001,436	11.33%
2019	518,753,473	296,391,993	13,702,667	828,848,133	1.6223	7,391,612,457	11.21%
2020	539,795,594	297,179,363	15,665,288	852,640,245	1.5977	7,660,041,799	11.13%
2021	569,482,606	297,624,438	15,051,072	882,158,116	1.5667	8,000,295,495	11.03%
2022	595,366,397	300,496,802	15,614,890	911,478,089	1.5372	8,278,095,822	11.01%
2023	631,577,025	270,643,259	16,625,656	918,845,940	1.4738	8,539,919,964	10.76%
2024	674,571,428	276,481,143	20,511,105	971,563,676	1.4738	9,076,099,748	10.70%

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				
2015	0.8185	0.1000	0.1000	0.3000	0.2430	1.5615
2016	0.8417	0.1000	0.1000	0.3000	0.2500	1.5917
2017	0.8471	0.1000	0.1000	0.2878	0.2500	1.5849
2018	0.8903	0.1000	0.0990	0.2834	0.2476	1.6203
2019	0.8951	0.1000	0.0995	0.2788	0.2489	1.6223
2020	0.8820	0.1000	0.0980	0.2724	0.2453	1.5977
2021	0.8657	0.1000	0.0962	0.2640	0.2408	1.5667
2022	0.8501	0.1000	0.0945	0.2561	0.2365	1.5372
2023	0.8114	0.1000	0.0902	0.2465	0.2257	1.4738
2024	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
2015	0.5089	2.6662-8.0000	1.2831-1.2831	0.1291-3.5500	1.6610
2016	0.5054	2.8027-7.3012	1.3646-1.3646	0.1401-3.5500	1.7423
2017	0.5010	3.5669-7.3012	1.4021-1.4021	0.1401-3.5500	1.7884
2018	0.4875	3.6681-8.0000	1.4231-1.4231	0.1401-3.5500	1.8067
2019	0.4741	3.6764-7.3012	1.4123-1.4123	0.1401-3.2500	1.8164
2020	0.4566	3.7749-8.0000	0.5115-1.3916	0.1396-3.2500	1.8164
2021	0.4466	4.1276-7.3012	0.5022-1.3871	0.0500-3.2500	1.7827
2022	0.4263	4.1127-7.3012	0.4866-1.3625	0.0500-3.1874	1.7505
2023	0.0000	4.1515-7.3012	0.4854-1.3542	0.0500-3.3751	1.7505
2024	0.0000	3.6620-7.3012	0.4784-1.3245	0.1114-3.5000	1.7536

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	2024			2015		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 117,558,060	1	12.13%	\$ 131,274,320	1	15.54%
Transwestern Pipeline Co	9,301,381	2	0.96%	10,415,034	4	1.23%
Navopache Electric Co-Op Inc.	7,877,898	3	0.81%	5,686,243	7	0.67%
Unisource Energy Corporation	7,671,344	4	0.79%	4,916,132	9	0.58%
El Paso Natural Gas Company	6,986,901	5	0.72%	-	-	0.00%
Burlington Northern/Santa Fe Railway	6,968,506	6	0.72%	7,359,777	5	0.87%
Wal-Mart Stores, Inc.	5,164,272	7	0.53%	-	-	0.00%
Smith Bagley Inc.	3,860,627	8	0.40%	4,367,509	10	0.52%
Citizens Telecomm of White Mtns	3,093,148	9	0.32%	5,010,520	8	0.59%
Arizona Public Service Company (CWIP)	2,670,391	10	0.28%	-	-	0.00%
PacifiCorp ELeetric Operation				52,277,671	2	6.19%
Peabody Western Coal Co.				17,334,500	3	2.05%
Kinder Morgan				6,029,921	6	0.71%
	<u>\$ 171,152,528</u>		<u>17.66%</u>	<u>\$ 244,671,627</u>		<u>28.95%</u>
Total Navajo County Assessed Value	\$ 971,563,676			\$ 845,016,717		

Source: Navajo County Assessor's Office for 2024 and the Navajo County, June 30, 2015 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>
2015	\$ 6,863,137	\$ 6,652,088	96.92%	\$ 91,242	\$ 6,743,330	98.25%
2016	\$ 6,986,971	\$ 6,748,980	96.59%	\$ 153,665	\$ 6,902,645	98.79%
2017	\$ 6,793,141	\$ 6,579,938	96.86%	\$ (20,864)	\$ 6,559,074	96.55%
2018	\$ 7,310,322	\$ 7,073,899	96.77%	\$ 148,662	\$ 7,222,561	98.80%
2019	\$ 7,419,020	\$ 7,198,951	97.03%	\$ 149,777	\$ 7,348,728	99.05%
2020	\$ 7,520,287	\$ 7,282,019	96.83%	\$ 209,613	\$ 7,491,632	99.62%
2021	\$ 7,636,843	\$ 7,545,805	98.81%	\$ (48,436)	\$ 7,497,369	98.17%
2022	\$ 7,748,475	\$ 7,253,446	93.61%	\$ 186,202	\$ 7,439,648	96.01%
2023	\$ 7,455,516	\$ 7,266,035	97.46%	\$ 189,162	\$ 7,455,197	100.00%
2024	\$ 7,865,818	\$ 7,657,691	97.35%	\$ -	\$ 7,657,691	97.35%

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	Governmental Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Unamortized Premium	Special Assessment Bonds	Financed Purchases	Leases Payable	Subscriptions Liability			
2015	16,845,000	-	573,542	326,188	-	-	17,744,730	0.61	168.13
2016	15,840,000	-	352,575	172,822	-	-	16,365,397	0.55	155.88
2017	14,660,000	-	130,000	109,821	-	-	14,899,821	0.47	141.46
2018	13,460,000	-	67,000	134,274	-	-	13,661,274	0.41	129.63
2019	12,230,000	-	-	102,480	-	-	12,332,480	0.35	116.15
2020	10,975,000	-	-	69,251	-	-	11,044,251	0.31	104.00
2021	9,535,000	1,575,867	-	34,069	-	-	11,144,936	0.27	104.35
2022	24,845,000	1,361,811	-	5,695	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

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, 2024

	Net Debt Outstanding	Percent Applicable to Navajo County	Amount Applicable to Navajo County
Governmental Activities			
Pledged revenue obligations	\$ 21,195,000	100	\$ 21,195,000
Unamortized premium	887,497	100	887,497
Leases payable	758,321	100	758,321
Total debt	\$ 22,840,818		\$ 22,840,818

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	
2015	6,674,867	10,891,962	2,847,818	14,719,011	2,280,000	732,437	4.89
2016	6,365,510	10,874,837	2,859,803	14,380,544	1,155,000	453,330	8.94
2017	6,534,686	11,362,457	2,887,718	15,009,425	1,180,000	426,662	9.34
2018	7,381,671	12,547,093	3,010,181	16,918,583	1,200,000	401,800	10.56
2019	7,792,310	13,346,165	2,910,550	18,227,925	1,230,000	373,858	11.37
2020	7,597,916	13,222,608	3,214,078	17,606,446	1,265,000	345,154	10.93
2021	8,292,941	15,272,529	3,130,868	20,434,602	1,250,000	355,154	12.73
2022	9,056,104	16,319,123	3,620,912	21,754,315	1,585,000	428,014	10.53
2023	9,564,103	16,311,941	3,478,296	22,397,748	2,065,000	682,118	8.15
2024	9,224,975	17,360,368	3,451,047	23,134,296	1,550,000	613,579	10.69

Special Assessment Debt

Fiscal Year	Debt Service			Coverage Ratio
	Revenues	Principal	Interest	
2015	231,966	212,967	43,352	0.90
2016	224,359	220,967	39,763	0.86
2017	226,853	222,575	19,690	0.94
2018	118,940	63,000	7,475	1.69
2019	82,238	67,000	3,853	1.16
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A
2024	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 2024

Assessed value	\$	969,413,101
Debt limit (15% of assessed value)		145,411,965
Debt applicable to limit:		
General obligation bonds		
Less: Amount set aside for repayment of general obligation debt		
Total net debt applicable to limit		
Legal debt margin	<u>\$</u>	<u>145,411,965</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 126,752,508	\$ 124,920,216	\$ 120,459,372	\$ 123,166,163	\$ 124,327,220
Total net debt applicable to limit					
Legal debt margin	<u>126,752,508</u>	<u>124,920,216</u>	<u>120,459,372</u>	<u>123,166,163</u>	<u>124,327,220</u>
 Total net debt applicable to the limit as a percentage of the debt	 0%	 0%	 0%	 0%	 0%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 127,896,037	\$ 132,323,717	\$ 136,721,713	\$ 137,826,891	\$ 145,411,965
Total net debt applicable to limit					
Legal debt margin	<u>127,896,037</u>	<u>132,323,717</u>	<u>136,721,713</u>	<u>137,826,891</u>	<u>145,411,965</u>
 Total net debt applicable to the limit as a percentage of the debt	 0%	 0%	 0%	 0%	 0%

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

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

Source							Budgeted (a)	
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
County General Excise Tax Revenues	\$ 7,792,310	\$ 7,597,916	\$ 8,292,941	\$ 9,056,104	\$ 9,564,103	\$ 9,224,975	\$ 9,700,000	
Gross State Shared Revenues	13,346,165	13,222,608	15,272,529	16,319,123	16,311,941	17,360,368	17,300,000	
Less ALTCS contribution (b)	(2,668,000)	(2,981,000)	(2,881,800)	(3,337,667)	(2,967,833)	(2,867,700)	(4,037,000)	
Less AHCCCS contribution (c)	(242,550)	(233,078)	(249,068)	(283,245)	(510,463)	(584,046)	(538,800)	
Net State Shared Revenues	10,435,615	10,008,530	12,141,661	12,698,211	12,833,645	13,908,622	12,724,200	
Vehicle License Tax Revenue	2,678,078	2,762,323	\$ 3,459,627	\$ 3,365,619	\$ 3,541,124	\$ 3,579,170	\$ 3,600,000	
PILT Revenues	1,653,023	1,680,097	\$ 1,664,719	\$ 1,754,614	\$ 1,828,337	\$ 1,934,591	\$ 1,873,600	
Total Pledged Revenues	<u>\$ 22,559,026</u>	<u>\$ 22,048,866</u>	<u>\$ 25,558,948</u>	<u>\$ 26,874,548</u>	<u>\$ 27,767,209</u>	<u>\$ 28,647,358</u>	<u>\$ 27,897,800</u>	

Source: Annual Comprehensive Financial Reports of the County for the years indicated and the FY25 Adopted Budget.

- (a) These are "forward looking" obtained from the FY25 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 ¹	Personal Income ¹ (thousands of dollars)	Per Capita ¹ Personal Income	Unemployment ² Rate
2015	105,543	\$ 2,895,102	\$ 27,431	9.6
2016	104,989	\$ 2,983,303	\$ 28,415	9.4
2017	105,331	\$ 3,137,542	\$ 29,787	7.6
2018	105,384	\$ 3,302,610	\$ 31,339	7.6
2019	106,174	\$ 3,489,921	\$ 32,870	7.9
2020	106,191	\$ 3,584,565	\$ 33,756	8.5
2021	106,802	\$ 4,114,493	\$ 38,524	9.9
2022	108,147	\$ 4,507,525	\$ 41,680	4.2
2023	108,652	\$ 4,573,815	\$ 42,096	5.5
2024	109,175	\$ 4,876,520	\$ 44,667	4.9

¹ Population, personal income, and per capita personal income obtained from U.S. Bureau of Economic Analysis (www.bea.gov), census.gov quick facts.

² Unemployment data was obtained from- www.azecconomy.org/data/navajo-county

Navajo County Employment by Sector Current Year and Ten Years Ago

Employment Sector (1)	2024			2015		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Government	9,558	1	33.86%	9,775	1	35.45%
Trade, Transportation, Utilities	5,335	2	18.89%	4,875	2	17.68%
Education & Health Services	4,851	3	17.18%	3,900	3	14.14%
Leisure & Hospitality	4,001	4	14.17%	3,200	4	11.60%
Mining & Construction	1,643	5	5.82%	1,725	5	6.26%
Professional & Business Services	1,156	6	4.09%	1,150	7	4.17%
Other Services	606	8	2.15%	950	8	3.45%
Financial Activities	572	7	2.03%	625	9	2.27%
Manufacturing	273	9	0.97%	175	10	0.63%
Information	243	10	0.86%	1,200	6	4.35%
Total for Employment Sector	28,238		100.01%	27,575		100.00%

2024 Source: Economic & Business Research Center UofA, AZ Commerce /resources, U.S. Department of Labor, Bureau of Labor Statistics.

2015 Source: FY14-15 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				
	2015	2016	2017	2018	2019
General government	278	288	266	174	180
Public safety	238	235	229	197	188
Highways and streets	91	96	72	80	82
Health and welfare	81	81	80	54	59
Culture and recreation	5	4	4	-	-
Other					106
Total	<u>693</u>	<u>704</u>	<u>651</u>	<u>505</u>	<u>509</u>

Function	2020	2021	2022	2023	2024
General government	161	203	217	224	242
Public safety	192	169	189	187	177
Highways and streets	88	86	86	86	87
Health and welfare	61	87	71	74	83
Culture and recreation	-	-	0	0	0
Other	104	86	106	126	90
Total	<u>606</u>	<u>631</u>	<u>669</u>	<u>697</u>	<u>679</u>

Source: Navajo County Budget 2023-2024

Navajo County
Operating Indicators by Function
Last Ten Fiscal Years

Function	2015	2016
General Government		
Assessor		
Number of parcels assessed	88,306	88,527
Elections		
Elections	1	3
Number voting	685	32,969
Planning & Zoning		
Building permits issued	981	1,009
Public Fiduciary		
Guardianships/conservatorships	160	131
Public Safety		
Adult Probation		
Community service hours	33,793	30,408
Pre-sentence reports written for courts	828	572
Probationers actively supervised	1,101	1,086
Juvenile Probation		
Average length of detention (days)	9	10
Juveniles in detention	339	353
Probationers	297	151
Community restitution hours	5,093	5,061
Sheriff		
Inmate population	364	301
Highways & Streets		
Public Works		
Crack sealing (miles)	102	444
Street resurfacing (miles)	30	14
Waste Tire Program		
Waste tires collected	47,184	56,331
Health & Welfare		
Public Health District		
Certified copies of birth or death certificates	5,341	5,595
Childhood immunization visits	1,250	1,068
Restaurant inspections and re-inspections	503	696
Culture & Recreation		
Library District		
Number of items circulated	368,114	361,865
Number of library cards issued (by member libraries)	13,957	33,223
Number of prints, media and electronic items	336,617	346,632
Number of items owned by Library District	32,149	33,577
Education		
School Superintendent		
Charter schools	6	9
Charter students	829	789
District students	17,575	17,803
School districts	13	14

Source: Navajo County departments monthly and annual performance reports

Navajo County
Operating Indicators by Function
Last Ten Fiscal Years

2016	2017	2018	2019	2020	2021	2022	2023	2024
88,527	88,363	85,853	88,313	86,189	92,053	89,050	88,919	89,326
3	3	2	3	3	1	3	3	3
32,969	57,699	6,783	58,821	74,849	1,153	24,878	24,806	25,798
1,009	1,061	1,137	1,157	1,178	1,776	1,592	1,632	1,017
131	116	73	83	81	91	95	102	108
30,408	32,460	33,018	25,765	23,295	35,705	31,118	1,633	24,382
572	453	329	386	484	465	669	617	670
1,086	1,098	1,014	1,040	1,005	1,101	1,205	1,244	1,332
10	14	49	27	23	13	27	27	26
353	276	28	67	47	37	44	53	65
151	210	154	191	201	157	147	146	158
5,061	4,715	-	3,083	2,119	1,500	1,311	1,259	1,429
301	268	305	276	276	278	274	238	225
444	264	193	97	131	96.25	72.84	15.36	0
14	20	32	60	47	1	10.45	51	0
56,331	51,038	67,067	60,282	61,359	75,104	68,643	65,042	54,268
5,595	6,525	7,137	6,131	5,932	7,892	9,965	8,140	8,412
1,068	4,076	3,918	2,505	1,869	2,847	2,874	1,068	522
696	632	648	668	596	703	1,061	1,245	1,716
361,865	370,800	376,295	359,996	242,235	203,931	235,693	245,891	224,117
33,223	33,883	11,687	9,658	8,175	6,752	8,038	8,851	3,943
346,632	330,600	437,610	437,744	462,266	370,225	343,661	346,916	369,189
33,577	41,422	44,877	49,642	35,261	50,658	27,051	50,678	374,393
9	4	4	4	4	4	4	4	4
789	664	624	563	529	475	519	510	387
17,803	16,360	18,014	17,745	17,234	16,273	16,695	16,685	19,102
14	14	14	14	14	14	14	14	14

Navajo County Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
General Government											
Elections											
Voting Machines	173	60	60	60	60	71	96	96	113	98	
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	
Public Safety											
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	
Stations	0	0	0	0	0	0	0	0	0	0	
Improvement Districts											
Flood Warning Sites	26	31	43	43	43	41	45	47	47	47	
Flood Control District Properties	13	14	13	13	12	14	14	15	15	15	
Road Improvement Districts	0	0	0	0	0	0	0	0	0	0	
Highways and Streets											
Public Works											
Miles of maintained roads	734.66	734.32	731.67	731.67	725.3	725.7	725.7	725.7	726.4	726.3	
Bridges	15	15	15	15	15	15	15	15	15	15	
Sanitation											
Landfill/Environment											
Transfer Stations	0	0	0	0	0	0	0	0	0	0	
Health											
Health Care											
Public health facilities											
Heber - Owned	1	1	1	1	1	1	1	1	1	1	
Show Low - Owned	1	1	1	1	1	1	1	1	1	1	
Snowflake - Operated	1	1	1	1	1	1	1	1	1	1	
Holbrook - Owned	1	1	1	1	1	1	1	1	1	1	
Winslow - Owned	1	1	1	1	1	1	1	1	1	1	
Pinetop - Owned	1	1	0	0	0	0	0	0	0	0	
Culture and Recreation											
Parks & Recreation											
County Parks (Tall Timber, Heber)	1	1	1	1	1	1	1	1	1	1	
Library District											
Number of facilities owned	0	0	0	0	0	0	0	0	0	0	
Facilities operated	1	1	1	1	1	1	1	1	1	1	
Bookmobiles	0	0	0	0	0	0	0	0	0	0	
Education											
Schools	1	1	1	1	1	1	1	1	1	1	

Source: Navajo County capital asset reports.