

# ***Navajo County***

## ***Arizona***

### ***Annual Comprehensive Financial Report***

***Fiscal Year Ended June 30, 2022***



**100 East Code Talkers Drive  
South Highway 77  
PO Box 668  
Holbrook, AZ 86025  
[navajocountyaz.gov](http://navajocountyaz.gov)**



# Board of Supervisors



Fern Benally, District I



Alberto L. Peshlakai, District II



Jason Whiting, District III



Daryl Seymore, District IV



Dawnafe Whitesinger  
District V

Page left blank intentionally

---

# Navajo County, Arizona

## Annual Comprehensive Financial Report

### Fiscal Year Ended June 30, 2022

Prepared by Navajo County Finance

#### County Manager

Glenn Kephart

#### Assistant County Manager

Bryan Layton

#### Finance Team

Jayson Vowell, Finance Director

Julye Barton-Todacheenie, Senior Accountant

Jackie Walker, Accountant

Rebecca Robertson, Finance Operations Supervisor

Sonya Martin, Account Specialist

Page left blank intentionally

---

# *Introductory Section*



Page left blank intentionally

Navajo County  
Annual Comprehensive Financial Report  
Year Ended June 30, 2022

<u>Table of Contents</u>	<u>Page</u>
<b>Introductory Section</b>	
Table of Contents	i
Letter of Transmittal	v
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting	xii
<b>Financial Section</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Statements	
Governmental Funds	
Balance Sheet	21
Reconciliation of the Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Fiduciary Funds	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	
Note 1 – Summary of Significant Accounting Policies	27
Note 2 – Stewardship, Compliance, and Accountability	34
Note 3 – Deposits and Investments	34
Note 4 – Due From Other Governments	38
Note 5 – Capital Assets	39
Note 6– Long-Term Liabilities	40
Note 7 – Risk Management	43
Note 8 – Fund Balance Classifications of the Governmental Funds	44
Note 9 – Pensions and Other Postemployment Benefits	45
Note 10 – Interfund Balances and Activity	62
Note 11 – County Treasurer's Investment Pool	63

Navajo County  
Annual Comprehensive Financial Report  
Year Ended June 30, 2022

<u>Table of Contents</u>	<u>Page</u>
<b>Other Required Supplementary Information</b>	
Budgetary Comparison Schedules	
General Fund	67
Public Works/HURF Fund	69
Jail District Fund	70
American Rescue Plan Act Fund	71
Notes to Budgetary Comparison Schedules	72
Pension Plan Schedules	
Schedule of the County’s Proportionate Share of the Net Pension Liability—	
Cost-Sharing Pension Plans	74
Schedule of Changes in the County’s Net Pension Liability and Related	
Ratios—Agent Pension Plans	76
Schedule of County Pension Contributions	79
Notes to Pension Plan Schedules	81
 <b>Supplementary Information</b>	
List of Nonmajor Governmental Funds	85
 <b>Combining and Individual Fund Statements and Schedules</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	87
Combining Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Nonmajor Governmental Funds	92
Budgetary Comparison Schedules – Nonmajor Governmental Funds	
Special Revenue – Administration	97
Special Revenue – County Attorney	98
Special Revenue – Courts	99
Special Revenue – Environmental and Conservation	100
Special Revenue – Flood Control District	101
Special Revenue – Library District	102
Special Revenue – Probation	103
Special Revenue – Public Defense	104
Special Revenue – Public Health	105
Special Revenue – Recreation District	106
Special Revenue – Sheriff’s Office	107
Special Revenue – Special Districts	108
Special Revenue – Workforce Innovation and Opportunity Act (WIOA)	109
Debt Service – General Government	110
Debt Service – Special Districts	111
Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds	115
Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	116
Combining Statement of Fiduciary Net Position - Custodial Funds	117
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	118

Navajo County  
Annual Comprehensive Financial Report  
Year Ended June 30, 2022

<u>Table of Contents</u>	<u>Page</u>
<b>Statistical Section</b>	
Listing of Statistical Information	121
Financial Trends	
Net Position by Component	123
Changes in Net Position	124
Fund Balances of Governmental Funds	126
Changes in Fund Balances of Governmental Funds	128
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	130
Direct and Overlapping Property Tax Rates	131
Principal Property Taxpayers	132
Property Tax Levies and Collections	133
Debt Capacity	
Ratios of Outstanding Debt by Type	134
Computation of Direct and Overlapping Debt	135
Pledged Revenue Coverage	136
Legal Debt Margin Information	137
General Fund Historical and Estimated Excise Tax, State Shared and Vehicle License Tax Revenues	138
Demographic and Economic Information	
Demographic and Economic Statistics	139
Employment by Sector	140
Operating Information	
Full-Time Equivalent Employees by Function	141
Operating Indicators by Function	142
Capital Asset Statistics by Function	144

Page left blank intentionally



# NAVAJO COUNTY

## Administration

**Bryan Layton**  
Assistant County Manager

**Glenn Kephart**  
County Manager

**Jayson Vowell**  
Finance Director

## We are Navajo County

February 23, 2023

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

We are pleased to provide you with the Annual Comprehensive Financial Report (ACFR) for fiscal year 2022. The ACFR provides in-depth information regarding the County's financial position. Navajo County presents the ACFR prepared in compliance with generally accepted accounting principles (GAAP) and audited by the Arizona Auditor General using generally accepted auditing standards and *Government Auditing Standards*.

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

The Arizona Auditor General has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year 2022 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 2022 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 2022 population of the County was estimated to be 108,147. 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 10.4 percent from the previous year, the construction industry continues to be strong as the permits increased by 50.7 percent and 37.6 percent in fiscal years 2021 and 2022, respectively, compared to those issued in fiscal year 2020. According to Redfin.com, in October 2022, Navajo County home prices were constant with a 0.7 percent increase compared to last year, selling for a median price of \$430,000. 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 for homes to increase. Due to relocations and the demand for homes, the County's population has increased year over year seeing a modest increase with per capita income increasing by 8.2 percent between fiscal year 2021 and fiscal year 2022.

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

The Navajo Generating Station and related Kayenta Mine located in the County were closed in December 2019 in settlement of an environmental lawsuit with the United States Environmental

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

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

Arizona's economy has been following suit with the national and most other state economies. Similar to the national and state economies, Navajo County follows the pattern of moderate growth. Increased demand in the residential home market and modest growth in retail sales across the state resulted in greater sales tax revenue, both County and State shared. Also, as the State economy has improved, the State Legislature has taken back many of the cost shifts that had been imposed on counties during the recession. Removal of these cost shifts has been important because other costs outside of the County's control have increased, such as unfunded mandates and retirement costs. The County will continue their efforts to educate state legislators regarding the impact of unfunded state mandates. In fiscal year 2021, these financial improvements allowed the County to make a larger than typical investment in IT, maintain staffing levels, and address some of our capital needs.

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 2021-2022.

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 2021-2022 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, 2021. This was the eleventh 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,



Glenn Kephart  
County Manager

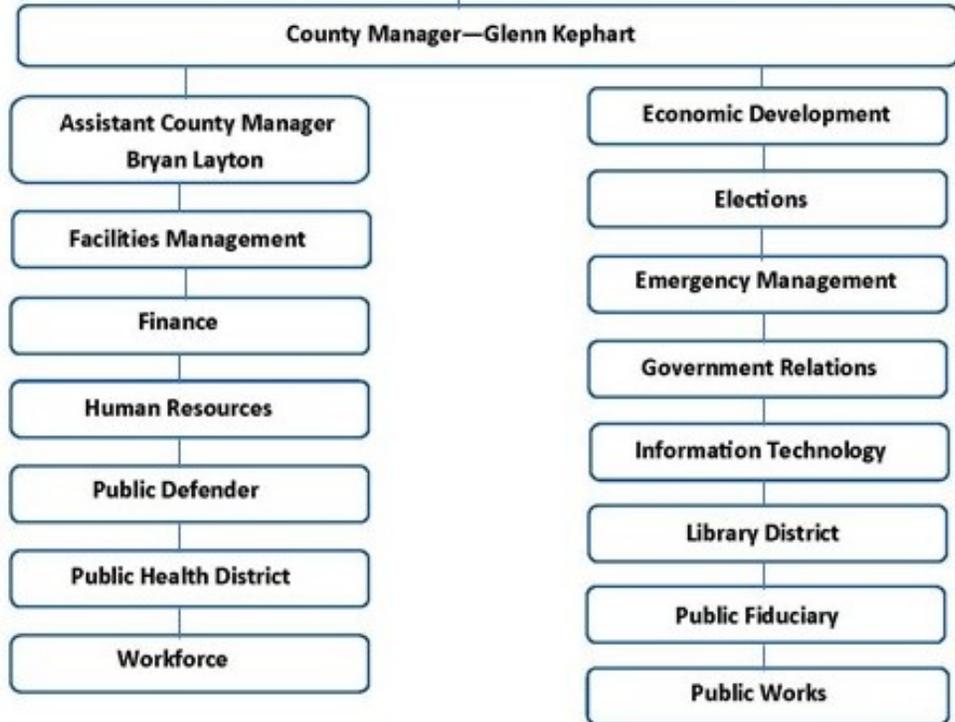
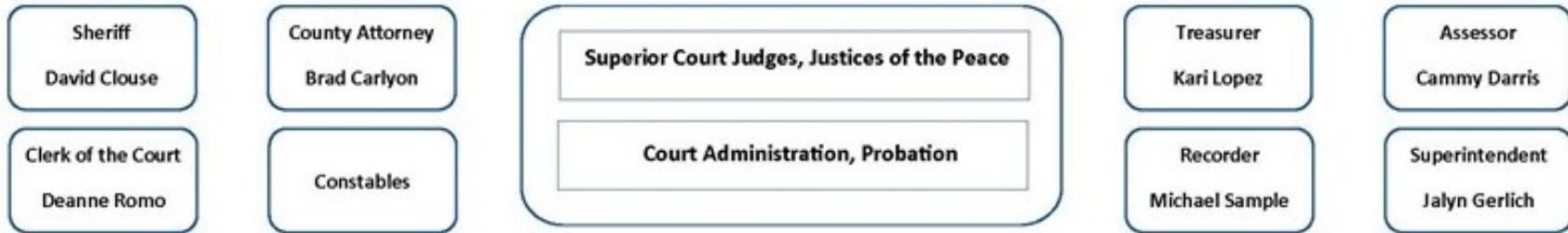


Bryan Layton  
Assistant County Manager



Jayson Vowell  
Finance Director

# Navajo County Voters





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, 2021

*Christopher P. Morill*

Executive Director/CEO

---

# Financial Section



Page left blank intentionally



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of  
Navajo County, Arizona

### Report on the audit of the financial statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Navajo County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for opinions*

We conducted our to audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of matter*

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. 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 to audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 15, budgetary comparison schedules on pages 67 through 73, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on pages 74 through 75, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 76 through 78, and schedule of County pension contributions on pages 79 through 80 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary information***

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

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

## ***Other information***

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

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

## **Other reporting required by *Government Auditing Standards***

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

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

February 23, 2023

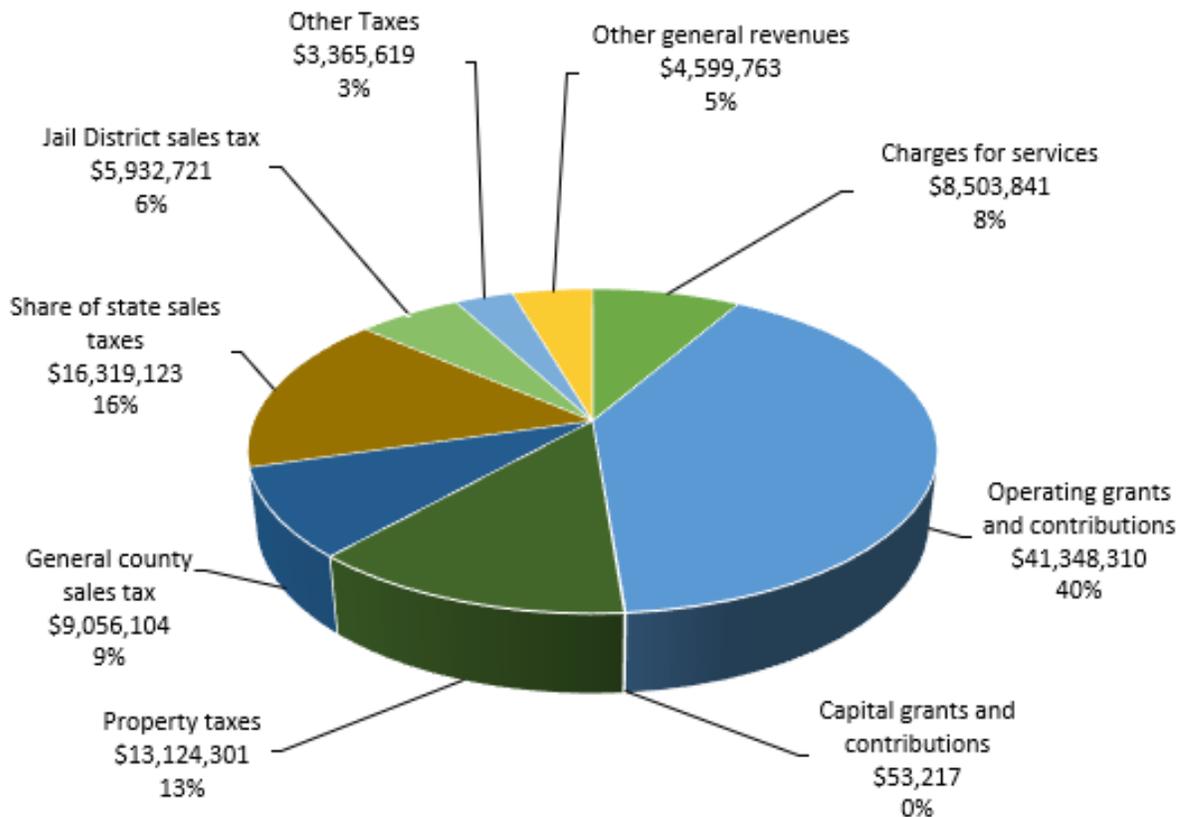
# Navajo County Management's Discussion and Analysis Year Ended June 30, 2022

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, 2022. 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 of 2022 as part of the American Rescue Plan Act (ARPA). Of that amount, \$10.0 million was spent on eligible expenses by June 30, 2022, and the remainder must be spent by December 31, 2026.
- 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.

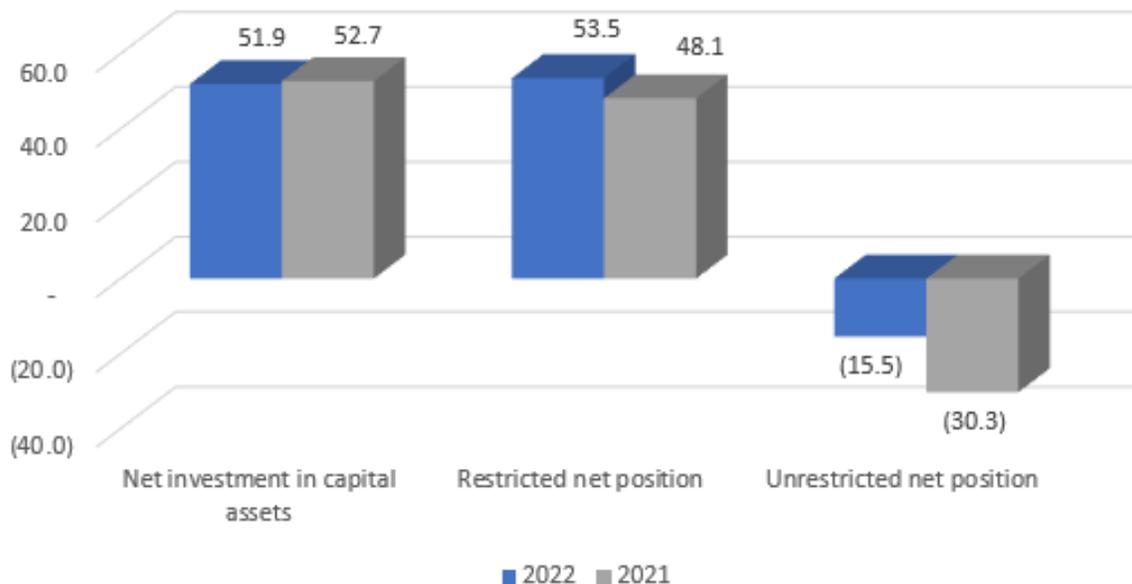
## Revenues Sources Fiscal Year 2022



## Navajo County Management's Discussion and Analysis Year Ended June 30, 2022

- 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 \$89.9 million (net position). This was an increase of \$19.4 million, or 27.5 percent when compared to the prior year's total net position of \$70.5 million. Of this amount, \$51.9 million is the net investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, infrastructure and construction in progress); \$53.5 million is restricted for specific purposes (restricted net position); and \$(15.5) million is the unrestricted net position deficit balance that is primarily a result of recognizing long-term liabilities related to pensions. The composition of the County's total net position at June 30, 2021 and 2022 is illustrated in the chart below.

**Composition of Net Position, as of June 30, 2021 and 2022  
(in millions)**



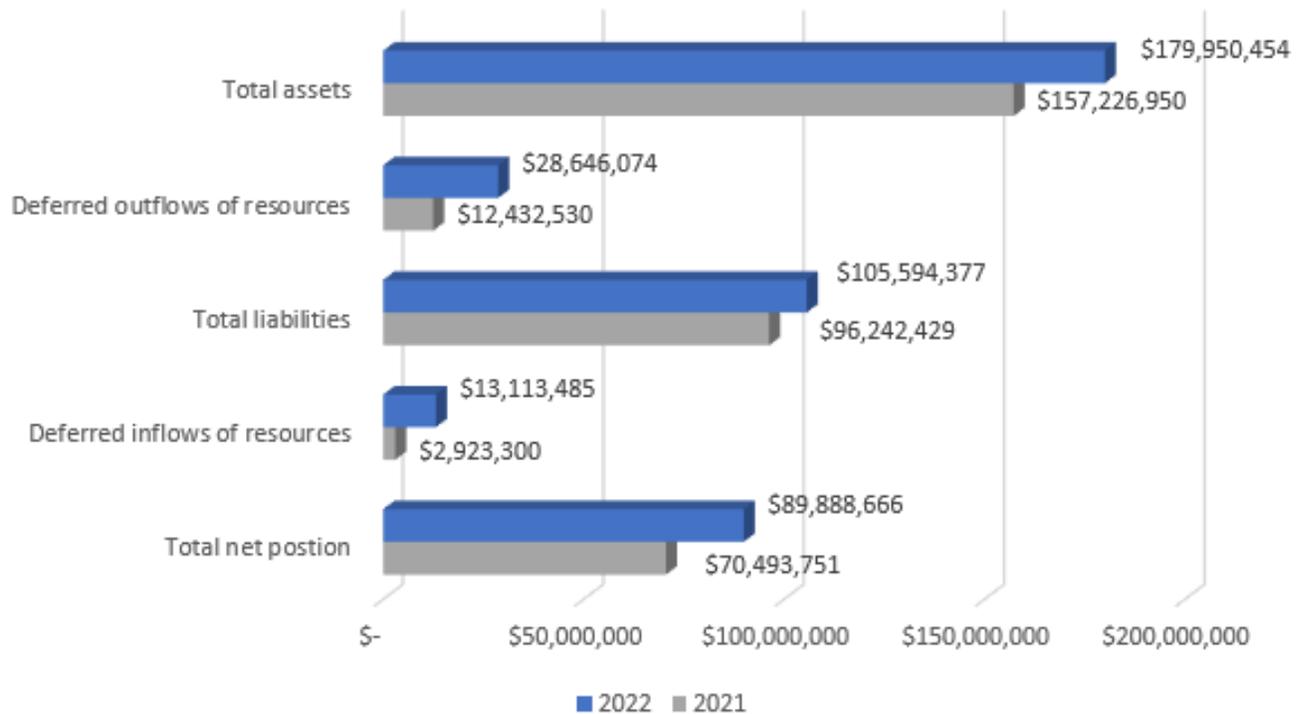
- At June 30, 2022, total assets were \$180.0 million, an increase of \$22.8 million or 14.5 percent in comparison with the prior fiscal year's balance of \$157.2 million. The majority of the increase is due to the increase in cash and investments due to economic relief from the U.S. Treasury in the American Rescue Plan Act Fund and additional state shared and county sales tax revenues in the General Fund.

At June 30, 2022, total liabilities were \$105.6 million, an increase of \$9.4 million or 9.7 percent in comparison with the prior fiscal year's balance of \$96.2 million. The majority of the increase is due to the issuance of additional pledged revenue obligations payable, offset by the decrease in pension liabilities.

## Navajo County Management's Discussion and Analysis Year Ended June 30, 2022

The County's Statement of Net Position at June 30, 2021 and 2022 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, 2022, the governmental funds reported combined fund balances of \$95.6 million, an increase of \$19.4 million or 25.6 percent in comparison with the prior year's combined fund balances of \$76.2 million.
- At June 30, 2022, \$49.7 million or 51.9 percent of governmental fund balances were restricted, \$31.6 million or 33.0 percent were unassigned, \$8.9 million or 9.3 percent were committed, \$5.0 million or 5.3 percent were assigned, and \$0.5 million or 0.5 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, 2022

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

### **Fund financial statements**

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

# Navajo County Management's Discussion and Analysis Year Ended June 30, 2022

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, and American Rescue Plan Act 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 21 through 24 of this report.*

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

*Notes to the financial statements*—The notes to the financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 27 through 64 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 67 through 82 of this report.*

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Net position may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Position of the County as of June 30, 2022, compared to the prior year.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2022

	Governmental Activities	
	2022	2021
Current and other assets	\$ 116,761,053	\$ 93,531,094
Net pension/OPEB asset	2,458,072	1,117,729
Capital assets	60,731,329	62,578,127
Total assets	<u>179,950,454</u>	<u>157,226,950</u>
Deferred outflows of resources		
Total deferred outflows of resources	<u>28,646,074</u>	<u>12,432,530</u>
Current and other liabilities	18,219,699	14,933,534
Long-term liabilities	87,374,678	81,308,895
Total liabilities	<u>105,594,377</u>	<u>96,242,429</u>
Deferred inflows of resources		
Total deferred inflows of resources	<u>13,113,485</u>	<u>2,923,300</u>
Net Position:		
Net investment in capital assets	51,907,432	52,683,191
Restricted	53,477,095	48,074,074
Unrestricted (deficit)	<u>(15,495,861)</u>	<u>(30,263,514)</u>
Total net position	<u>\$ 89,888,666</u>	<u>\$ 70,493,751</u>

Overall, total assets and deferred outflows of resources increased by \$38.9 million or 23.0 percent and total liabilities and deferred inflows of resources increased by \$19.5 million or 19.7 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 \$23.2 million or 24.8 percent in the current year largely due to increases in cash and investments of \$22.7 million. The cash and investments increase was due to the following: unspent grant funds of \$10.7 million received in June 2022 as part of the American Rescue Plan Act (ARPA); additional cash of \$2.7 million accumulated in the Insurance Trust Fund from conservative spending; and additional charges for services, operating grants, and county and state shared sales taxes revenues of \$8.9 million collected and unspent in the current year.
- The changes in deferred outflows of resources from \$12.4 million to \$28.6 million and deferred inflows of resources from \$2.9 million to \$13.1 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 increased by \$3.3 million or 22.0 percent in the current year largely due to accounts payable increases in the General Fund of \$764 thousand, the Public Works/HURF Fund of \$652 thousand, and the American Rescue Plan Act Fund of \$506 thousand. Specifically, the increases were due to the fiscal-year end cutoff for processing payments, in which invoices were recorded in the current fiscal year and paid in the succeeding fiscal year.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2022

- Long-term liabilities increased by \$6.1 million or 7.5 percent as a result of issuing additional pledged revenue pension obligations of \$16.6 million, which was offset by the reduction of net pension liabilities of \$10.0 million.
- A large portion of the County's net position, \$51.9 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 \$53.5 million is subject to external restrictions on how they may be used. Finally, the County's unrestricted (deficit) in net position of \$(15.5) million decreased by \$14.8 million from the prior year primarily due to increased charges for services, operating grants and contributions, and county and state shared sales taxes in excess of expenditures.

**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 2022 compared to the prior year.

	Governmental Activities	
	2022	2021
Program revenues:		
Charges for services	\$ 8,503,841	\$ 8,250,796
Operating grants and contributions	41,348,310	34,956,205
Capital grants and contributions	53,217	24,741
Total program revenues	<u>49,905,368</u>	<u>43,231,742</u>
General revenues:		
Property taxes	13,124,301	13,223,643
Sales taxes	14,988,825	13,708,352
State shared revenues	19,684,742	18,732,156
Payments in lieu of taxes	1,754,614	1,664,719
Investment earnings	460,644	714,866
Gain on disposal of capital assets	77,291	14,689
Miscellaneous	2,307,214	1,891,512
Total general revenues	<u>52,397,631</u>	<u>49,949,937</u>
Total revenues	<u>102,302,999</u>	<u>93,181,679</u>
Program expenses:		
General government	26,497,535	24,839,724
Public safety	21,839,924	19,619,517
Highways and streets	16,552,646	13,900,151
Health and welfare	9,689,676	9,408,467
Culture and recreation	907,761	821,881
Education and economic opportunity	5,604,230	6,069,282
Environmental and conservation	1,198,343	1,066,890
Urban redevelopment and housing	-	471,100
Interest and fiscal charges	617,969	357,988
Total program expenses	<u>82,908,084</u>	<u>76,555,000</u>
Change in net position	19,394,915	16,626,679
Net position, beginning	70,493,751	53,867,072
Net position, ending	<u>\$ 89,888,666</u>	<u>\$ 70,493,751</u>

## Navajo County Management's Discussion and Analysis Year Ended June 30, 2022

Overall total revenues increased by \$9.1 million or 9.8 percent and total program expenses increased by \$6.4 million or 8.3 percent from the prior year. The following summarizes the significant changes in revenues and expenses compared to the prior year.

- Program revenues increased by \$6.7 million or 15.4 percent due to an increase of \$6.4 million in operating grants and contributions. Specifically, in general government activities, the American Rescue Plan Act Fund recognized \$6.6 million in intergovernmental revenues associated with eligible expenses spent by June 30, 2022.
- General revenues increased by \$2.4 million or 4.9 percent primarily due to additional general county excise taxes, jail district sales tax and state shared revenues collected in the current fiscal year.
- Highways and streets expenses increased by \$2.7 million or 19.1 percent due to additional road projects and maintenance completed during the fiscal year in the Public Works/HURF Fund.
- Public Safety expenses increased by \$2.2 million or 11.3 percent due to the increase in medical services that were outsourced to a third-party provider in order to provide 24-hour medical coverage for prisoners which were paid out of the Jail District Fund.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported four major funds for this fiscal year: General Fund, Public Works/HURF Fund, Jail District Fund, and American Rescue Plan Act Fund. At the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$95.6 million, which is an increase of \$19.4 million or 25.6 percent in comparison with the prior year's combined fund balances of \$76.2 million. Of the total, \$36.7 million constitutes unrestricted (assigned, committed and unassigned) fund balances.

For governmental funds, overall revenues increased \$9.0 million or 9.7 percent and expenditures increased \$7.6 million or 10.0 percent. Governmental fund revenues exceeded expenditures by \$18.8 million in the current fiscal year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, fund balances of the General Fund totaled \$48.7 million. Fund balances represent 168.9 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.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2022

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
<b>Revenues:</b>						
Employer contributions and employee premiums	\$ 5,941,050	\$ 8,088,571	\$ 7,845,063	\$ 7,826,839	\$ 9,133,561	\$ 10,393,356
Investment earnings	10,319	6,665	34,548	81,206	89,364	49,653
Miscellaneous refunds	104,167	394,432	470,385	564,708	585,606	269,415
Total revenues	<u>6,055,536</u>	<u>8,489,668</u>	<u>8,349,996</u>	<u>8,472,753</u>	<u>9,808,531</u>	<u>10,712,424</u>
<b>Expenditures:</b>						
General government healthcare costs	<u>8,332,148</u>	<u>6,893,826</u>	<u>6,490,746</u>	<u>5,288,706</u>	<u>7,452,553</u>	<u>8,009,490</u>
Excess (deficiency) of revenues over expenditures	(2,276,612)	1,595,842	1,859,250	3,184,047	2,355,978	2,702,934
<b>Beginning fund balances</b>	<u>2,649,008</u>	<u>372,396</u>	<u>1,968,238</u>	<u>3,827,488</u>	<u>7,011,535</u>	<u>9,367,513</u>
<b>Ending fund balances</b>	<u>\$ 372,396</u>	<u>\$ 1,968,238</u>	<u>\$ 3,827,488</u>	<u>\$ 7,011,535</u>	<u>\$ 9,367,513</u>	<u>\$ 12,070,447</u>

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

General Fund

- Total assets increased by \$8.1 million or 18.7 percent primarily due to the increase in cash and investments, which was a result of total revenues collected over total expenditures and other financing uses.
- Total liabilities increased by \$696 thousand or 45.4 percent primarily due to the increase in accounts payable. The increase was due to the fiscal-year end cutoff for processing payments, in which invoices were recorded in the current fiscal year and paid in the succeeding fiscal year.
- Total revenues increased by \$626 thousand or 1.3 percent in the current year primarily due to an increase in county sales tax.
- Total expenditures decreased by \$3.2 million or 10.1 percent in the current year primarily due to general government and public safety expenditures funded by the American Rescue Plan Act Fund. These expenditures were allowable as part of the revenue replacement option to spend on government services. The county chose to allocate expenditures to both general government and public safety functions. The reduction was offset by an increase in health and welfare expenditures due to increased indigent health care costs (health insurance and health care programs for Arizona residents).

Public Works/HURF Fund

- Highways and streets expenditures increased by \$2.9 million or 27.3 percent due to the completion of additional road projects and road maintenance during the fiscal year.

Jail District Fund

- At the end of the current fiscal year, the Fund recognized \$5.9 million of excise sales tax and received \$1.2 million of maintenance of effort funding from the General Fund.

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2022

- Total expenditures increased by \$2.3 million or 50.3 percent largely due to the increase in medical services that were outsourced to a third-party provider in order to provide 24-hour medical coverage in the jail facilities.

#### American Rescue Plan Act Fund

The American Rescue Plan Act Fund was created to account for SLFRF funds allocated to the county to support the response to and recovery from the COVID-19 public health emergency. These resources will be used to support families and businesses struggling with public health and economic impacts; to maintain vital public services; and make investments that support long-term growth and opportunity. At the end of the current fiscal year, the Fund recognized \$10.0 million in intergovernmental revenue and \$11.2 million in expenditures.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

For the General Fund, actual revenues were less than the original and final budget amounts by \$3.9 million, while the actual expenditures were \$36.5 million less than the amount budgeted. The budget variance for revenues was largely due to the receipt of less revenues than anticipated in charges for services. The budget variance for expenditures was primarily due to conservative budgeting practices, minimal spending and contingency budget capacity held for emergency purposes only.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The County's investment in capital assets as of June 30, 2022, totaled \$60.7 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, and machinery and equipment. The following provides the major changes in capital assets during the current fiscal year:

- Total capital assets being depreciated/amortized decreased by a net \$3.4 million (\$2.2 million of purchases and deletions and \$5.6 million in depreciation/amortization expense).

*Additional information on capital assets can be found in Note 5 on page 39 of this report.*

##### Debt Administration

At the end of the current fiscal year, the County had total long-term liabilities outstanding of \$87.3 million consisting of the following liabilities that were over \$1 million:

- Net pension liability – \$56.0 million
- Pledged revenue obligations payable –\$24.8 million
- Unamortized premium - \$1.4 million

Navajo County  
Management's Discussion and Analysis  
Year Ended June 30, 2022

- Compensated absences payable – \$2.2 million
- Incurred but not reported healthcare claims payable –\$1.7 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 40 through 42 of this report.*

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The current fiscal year 2022-23 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 2022-23 as the local and state economies remain on a steady growth pattern; state shared sales tax revenues is projected to increase by \$996 thousand and county sales tax is projected to increase by \$770 thousand in the General Fund. The conservative revenue analysis gives the County the ability to withstand future impacts to expenditures in the short-term. However, in the current fiscal year, revenue performance continues to exceed expectations as consumer spending remains strong in the retail and contracting categories. If revenues continue to exceed expectations throughout the remainder of the fiscal year, the County expects a current year fiscal surplus which will be available for capital or one-time funding in future years.

The fiscal year 2022-23 Adopted Budget includes a \$0.0387 decrease in the County's regular primary property tax rate; a \$0.0096 decrease in the Navajo County Flood Control District secondary property tax rate; a \$0.0108 decrease in the Navajo County Public Health Services District secondary property tax rate; a \$0.0043 decrease in the Navajo County Library District secondary property tax rate; and no change in either the Fire District Assistance and the Little Colorado River Flood Control Zone secondary property tax rates. The total property tax rate for Navajo County decreased from \$1.7372 to \$1.6738 per \$100 of net taxable value, a net decrease of \$0.0634.

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.

Page left blank intentionally

---

# Basic Financial Statements



Page left blank intentionally

Navajo County  
Statement of Net Position  
June 30, 2022

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 103,851,751
Cash and investments held by trustee	2,013,014
Receivables (net of allowance for uncollectibles):	
Property taxes	437,578
Accounts receivable	76,790
Special assessments	23,008
Leases	215,665
Due from other governments	9,688,646
Prepaid items	5,684
Inventories	448,917
Net other postemployment benefits asset	2,364,073
Net pension asset	93,999
Capital assets, not being depreciated/amortized	6,026,602
Capital assets, being depreciated/amortized, net	54,704,727
Total assets	179,950,454
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to other postemployment benefits	185,398
Deferred outflows related to pensions	28,460,676
Total deferred outflows of resources	28,646,074
<b>Liabilities</b>	
Accounts payable	4,665,321
Accrued payroll and employee benefits	989,195
Due to other governments	626,656
Interest payable	428,014
Unearned revenue	11,510,513
Noncurrent liabilities	
Due within one year	5,386,969
Due in more than one year	25,923,448
Net other postemployment benefit liability	73,843
Net pension liability	55,990,418
Total liabilities	105,594,377
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to other postemployment benefits	1,225,484
Deferred inflows related to pensions	11,672,179
Deferred inflows related to leases	215,822
Total deferred inflows of resources	13,113,485
<b>Net Position</b>	
Net investment in capital assets	51,907,432
Restricted for:	
Highways and streets	12,430,342
Public safety	714,997
Judicial activities	5,359,897
Education and economic opportunity	1,450,404
Law enforcement	6,242,077
Environment, library, and community services	1,361,819
Health and welfare	4,220,536
Flood control projects	8,610,302
Health insurance trust	9,459,728
Road and other capital projects	846,615
Special districts	119,187
Other postemployment benefits	2,364,073
Other purposes	297,118
Unrestricted (Deficit)	(15,495,861)
Total net position	\$ 89,888,666

See accompanying notes to financial statements.

Navajo County  
Statement of Activities  
Year Ended June 30, 2022

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	\$ 26,497,535	\$ 6,528,177	\$ 8,800,566	\$ 11,634	\$ (11,157,158)
Public safety	21,839,924	1,472,456	8,775,763	41,583	(11,550,122)
Highways and streets	16,552,646	44,625	14,888,939		(1,619,082)
Health and welfare	9,689,676	280,752	2,627,282		(6,781,642)
Culture and recreation	907,761	175,081	78,432		(654,248)
Education and economic opportunity	5,604,230	2,750	5,701,539		100,059
Environmental and conservation	1,198,343		475,789		(722,554)
Interest and fiscal charges	617,969				(617,969)
Total governmental activities	<u>\$ 82,908,084</u>	<u>\$ 8,503,841</u>	<u>\$ 41,348,310</u>	<u>\$ 53,217</u>	<u>\$ (33,002,716)</u>
General revenues:					
Taxes:					
Property taxes, general purpose				\$ 8,206,553	
Property taxes, flood control				1,954,772	
Property taxes, public health district				2,121,195	
Property taxes, library district				841,781	
General county sales tax				9,056,104	
Jail District sales tax				5,932,721	
Shared revenue - state sales tax				16,319,123	
Shared revenues - state vehicle license tax				3,365,619	
Payments in lieu of taxes				1,754,614	
Investment earnings				460,644	
Gain on sales of capital assets				77,291	
Miscellaneous				2,307,214	
Total general revenues				<u>52,397,631</u>	
Change in net position				19,394,915	
Net position, July 1, 2021				70,493,751	
Net position, June 30, 2022				<u>\$ 89,888,666</u>	

See accompanying notes to financial statements.

Navajo County  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 44,370,461	\$ 12,827,636	\$ 4,447,845	\$ 20,871,770	\$ 21,334,039	\$ 103,851,751
Cash and investments held by trustee					2,013,014	2,013,014
Receivables (net of allowance for uncollectibles):						
Property taxes	268,602				168,976	437,578
Accounts Receivable	5,111				71,679	76,790
Special assessments					23,008	23,008
Leases	215,665					215,665
Due from:						
Other funds	1,291,676				84,175	1,375,851
Other governments	5,373,460	1,272,369	1,075,052		1,967,765	9,688,646
Prepaid items		3,410			2,274	5,684
Inventories		448,917				448,917
Total assets	<u>\$ 51,524,975</u>	<u>\$ 14,552,332</u>	<u>\$ 5,522,897</u>	<u>\$ 20,871,770</u>	<u>\$ 25,664,930</u>	<u>\$ 118,136,904</u>
<b>Liabilities</b>						
Accounts payable	\$ 1,171,356	\$ 2,163,355	\$ 430,115	\$ 506,100	\$ 394,395	\$ 4,665,321
Accrued payroll and employee benefits	783,416	72,210	48,744	1,891	82,934	989,195
Due to:						
Other funds	74,703	332,776	309,144		659,228	1,375,851
Other governments	199,583	299,692	27,706	50	99,625	626,656
Pledged revenue obligations payable					1,585,000	1,585,000
Interest payable					428,014	428,014
Unearned revenue				11,510,513		11,510,513
Total liabilities	<u>2,229,058</u>	<u>2,868,033</u>	<u>815,709</u>	<u>12,018,554</u>	<u>3,249,196</u>	<u>21,180,550</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-property taxes	213,657				131,324	344,981
Unavailable revenue-special assessments					19,673	19,673
Unavailable revenue-intergovernmental	186,725				548,393	735,118
Deferred inflows related to leases	215,822					215,822
Total deferred inflows of resources	<u>616,204</u>				<u>699,390</u>	<u>1,315,594</u>
<b>Fund balances:</b>						
Nonspendable		452,327			2,274	454,601
Restricted	9,468,728	11,231,972	4,707,188		24,270,419	49,678,307
Committed				8,853,216		8,853,216
Assigned	4,160,523				887,986	5,048,509
Unassigned (Deficit)	35,050,462				(3,444,335)	31,606,127
Total fund balances	<u>48,679,713</u>	<u>11,684,299</u>	<u>4,707,188</u>	<u>8,853,216</u>	<u>21,716,344</u>	<u>95,640,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,524,975</u>	<u>\$ 14,552,332</u>	<u>\$ 5,522,897</u>	<u>\$ 20,871,770</u>	<u>\$ 25,664,930</u>	<u>\$ 118,136,904</u>

See accompanying notes to financial statements.

Navajo County  
 Reconciliation of the Governmental Funds Balance Sheet to the  
 Government-Wide Statement of Net Position  
 June 30, 2022

Fund balances—total governmental funds	\$ 95,640,760
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	60,731,329
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,099,772
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.	2,458,072
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.	(85,789,678)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore not reported in the funds.	<u>15,748,411</u>
Net position of governmental activities	<u><u>\$ 89,888,666</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, 2022

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 8,104,637				\$ 4,877,711	\$ 12,982,348
County sales taxes	9,056,104		\$ 5,932,721			14,988,825
Special assessments					215,463	215,463
Licenses and permits	652,849				236,305	889,154
Fines and forfeits	566,310				966,941	1,533,251
Intergovernmental	23,439,597	\$ 14,888,939		\$ 10,000,000	13,735,343	62,063,879
Charges for services	4,458,120		94,091		1,311,420	5,863,631
Investment earnings	241,167	74,616	23,674	11,225	109,962	460,644
Contributions					619,625	619,625
Miscellaneous	1,193,232	92,598	52,013		969,371	2,307,214
Total revenues	<u>47,712,016</u>	<u>15,056,153</u>	<u>6,102,499</u>	<u>10,011,225</u>	<u>23,042,141</u>	<u>101,924,034</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	15,871,919			7,187,914	2,463,943	25,523,776
Public safety	7,226,832		6,889,772	3,463,052	4,081,205	21,660,861
Highways and streets		13,381,453			68,938	13,450,391
Health and welfare	4,126,830				5,556,865	9,683,695
Culture and recreation					892,403	892,403
Education and economic opportunity	339,751				5,129,114	5,468,865
Environmental and conservation					1,199,493	1,199,493
<b>Debt service:</b>						
Principal	1,141				1,614,134	1,615,275
Interest and other charges	106				617,863	617,969
Cost of issuance					677,335	677,335
Capital Outlay	1,251,552	162,305		506,100	402,657	2,322,614
Total expenditures	<u>28,818,131</u>	<u>13,543,758</u>	<u>6,889,772</u>	<u>11,157,066</u>	<u>22,703,950</u>	<u>83,112,677</u>
Excess (deficiency) of revenues over expenditures	<u>18,893,885</u>	<u>1,512,395</u>	<u>(787,273)</u>	<u>(1,145,841)</u>	<u>338,191</u>	<u>18,811,357</u>
<b>Other financing sources (uses):</b>						
Issuance of debt					16,560,000	16,560,000
Payment to bond refunding escrow agent					(16,184,920)	(16,184,920)
Lease agreements	75,335				46,642	121,977
Sale of capital assets	49,804	56,132			3,550	109,486
Transfers in	1,231,229		1,192,000	10,000,000	2,842,464	15,265,693
Transfers out	(13,275,273)	(874,833)	(477,051)	(943)	(637,593)	(15,265,693)
Total other financing sources (uses)	<u>(11,918,905)</u>	<u>(818,701)</u>	<u>714,949</u>	<u>9,999,057</u>	<u>2,630,143</u>	<u>606,543</u>
Net change in fund balances	<u>6,974,980</u>	<u>693,694</u>	<u>(72,324)</u>	<u>8,853,216</u>	<u>2,968,334</u>	<u>19,417,900</u>
Fund balances, July 1, 2021	41,704,733	10,941,342	4,779,512		18,748,010	76,173,597
Changes in nonspendable resources:						
Increase in reserve for inventories		49,263				49,263
Fund balances, June 30, 2022	<u>\$ 48,679,713</u>	<u>\$ 11,684,299</u>	<u>\$ 4,707,188</u>	<u>\$ 8,853,216</u>	<u>\$ 21,716,344</u>	<u>\$ 95,640,760</u>

See accompanying notes to financial statements.

# Navajo County

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities Year Ended June 30, 2022

Net change in fund balances—total governmental funds	\$	19,417,900
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	\$ 2,322,614	
Lease agreements	847,602	
Depreciation/amortization expense	<u>(5,737,332)</u>	(2,567,116)
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.		
		(32,195)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Capital contributions	53,217	
State appropriation to EORP	<u>324,549</u>	377,766
Collection of revenues in the governmental funds exceeded revenues reported in the statement of activities		
Property taxes	141,953	
Special assessments	4,243	
Intergovernmental revenues	<u>(220,387)</u>	(74,191)
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	21,623,589	
Pension and OPEB expense	(4,475,295)	
Pension and OPEB revenue	<u>254,275</u>	17,402,569
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.		
Face amount of long-term debt issued	(16,560,000)	
Lease agreements	(123,878)	
Debt service - principal payments	1,585,000	
Amortization of bond premium	214,056	
Leases - principal payments	66,967	
Financed purchases - principal payments	<u>28,190</u>	(14,789,665)
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.		
Increase in IBNR healthcare claim costs	(428,134)	
Increase in compensated absences	(53,966)	
Decrease in claims and judgments	91,534	
Decrease in landfill closure and post-closure care costs	<u>1,150</u>	(389,416)
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>49,263</u>
Change in net position of governmental activities	\$	<u><u>19,394,915</u></u>

See accompanying notes to financial statements.

Navajo County  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2022

<b><u>Assets</u></b>	<b>Private-purpose trust funds</b>	<b>Custodial funds</b>	
		<b>External investment pool</b>	<b>Other</b>
Cash and investments	\$ 1,365,404	\$ 252,663,185	\$ 2,110,401
Property tax receivable for other governments			2,823,685
Interest receivable		662,214	
Total assets	\$ 1,365,404	\$ 253,325,399	\$ 4,934,086
<b><u>Liabilities</u></b>			
Property tax payable to other governments			\$ 132,795
Total liabilities			\$ 132,795
<b><u>Net Position</u></b>			
Restricted for:			
Pool participants		\$ 253,325,399	
Individuals, organizations, and other governments	\$ 1,365,404		\$ 4,801,291
Total net position	\$ 1,365,404	\$ 253,325,399	\$ 4,801,291

See accompanying notes to financial statements

Navajo County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2022

	Private-purpose trust funds	Custodial funds	
		External investment pool	Other
<b>Additions</b>			
Contributions from pool participants		\$ 315,026,524	
Property tax collections for other governments			\$ 79,621,494
Fines and fees collections for other governments			1,896,908
Fines and fees collections for victims			1,994,168
Investment earnings	\$ 7,513	2,006,213	3,678
Inmate collections			1,460,358
Other	1,460,043		7,230,850
Total additions	\$ 1,467,556	\$ 317,032,737	\$ 92,207,456
<b>Deductions</b>			
Distributions to pool participants		\$ 276,477,007	
Property tax distributions to other governments			\$ 79,401,518
Fines and fees distributions to other governments			1,896,596
Restitution and reimbursement payments to victims			1,614,518
Payments to inmates			1,455,546
Other	\$ 1,513,721		6,973,838
Total deductions	\$ 1,513,721	\$ 276,477,007	\$ 91,342,016
Change in net position	\$ (46,165)	\$ 40,555,730	\$ 865,440
Net position July 1, 2021	\$ 1,411,569	\$ 212,769,669	\$ 3,935,851
Net position June 30, 2022	\$ 1,365,404	\$ 253,325,399	\$ 4,801,291

See accompanying notes to financial statements

Navajo County  
Notes to Financial Statements  
June 30, 2022

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, 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

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, 2022**

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

**B. Basis of Presentation**

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

**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. 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.

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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

The County also reports the following fund types:

The fiduciary funds consist of investment trust funds, which account for individual investment accounts that the County Treasurer holds in trust and invests on behalf of other governmental entities; 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.

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 are reported as other financing sources.

**D. Cash and Investments**

All investments are stated at fair value.

Navajo County  
Notes to Financial Statements  
June 30, 2022

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.

G. Capital Assets

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

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

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

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.

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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

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.

**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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

L. Leases

As lessee, the county recognizes lease liabilities with an initial 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.

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 \$49,936 in credit card rebates during fiscal year 2022.

Note 2 - Stewardship, Compliance, and Accountability

Deficit fund balance—At June 30, 2022, the following nonmajor fund reported a deficit in fund balance:

Governmental fund  
Special Revenue – Workforce Innovation & Opportunity Act, \$81,976.

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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**Credit risk**

Statutes have the following requirements for credit risk:

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

**Custodial credit risk**

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

**Concentration of credit risk**

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

**Interest rate risk**

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

**Foreign currency risk**

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

**Deposits**—At June 30, 2022, the carrying amount of the County's deposits was \$17,956,680, and the bank balance was \$20,564,931. The County's formal policy is to follow collateralization requirements set forth in A.R.S. §35-323 as described above. At June 30, 2021, \$1,763,014 of the County's bank balance was uninsured and uncollateralized.

**Investments**—The County had total investments of \$344,037,331 at June 30, 2022. The County's investments categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

Navajo County  
Notes to Financial Statements  
June 30, 2022

	Amount	<u>Fair value measurement using Quoted prices in active markets for identical assets (Level 1)</u>
<b>Investments by fair value level</b>		
U.S. Treasury securities	\$ 33,545,812	\$ 33,545,812
U.S. agency securities	120,623,201	120,623,201
Corporate notes	82,161,970	82,161,970
Government money market mutual funds	107,706,348	107,706,348
	<u>\$ 344,037,331</u>	<u>\$ 344,037,331</u>

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

**Credit risk**—The County’s formal policy is to limit its portfolio to investments with the top rating issued by nationally recognized statistical rating organizations. As of June 30, 2022, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody’s	\$ 120,623,201
Corporate notes	Aa1	Moody’s	10,000,000
Corporate notes	Aa2	Moody’s	29,951,290
Corporate notes	A1	Moody’s	10,000,000
Corporate notes	A2	Moody’s	28,182,077
Corporate notes	A3	Moody’s	4,028,603
Government money market mutual funds	Unrated	Not Applicable	107,706,348
Total			<u>\$ 310,491,519</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, 2022, 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, 2022, of 5 percent or more in Federal Home Loan Banks. These investments comprised 29.35 percent of the County’s total investments.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**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, 2022, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
U.S. agency securities	\$ 120,623,201	2.283
U.S. Treasury securities	33,545,812	1.158
Corporate notes	82,161,970	1.999
Government money market mutual funds	107,706,348	0.082
	<u>\$ 344,037,331</u>	

At June 30, 2022, \$43,979,893 of investments were in corporate notes floating rate securities and considered to be highly sensitive to interest rate changes. The total amount is non-callable. 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	\$ 9,744
Amount of deposits	17,956,680
Amount of investments	344,037,331
Total	<u>\$ 362,003,755</u>

	Governmental Activities	Private-Purpose Trust Funds	Custodial funds		Total
			External Investment Pool	Other	
Statement of Net Position					
Cash and investments	\$ 103,851,751	\$ 1,365,404	\$ 252,663,185	\$ 2,110,401	\$ 359,990,741
Cash and investments held by trustee	2,013,014				2,013,014
Total	<u>\$ 105,864,765</u>	<u>\$ 1,365,404</u>	<u>\$ 252,663,185</u>	<u>\$ 2,110,401</u>	<u>\$ 362,003,755</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

Note 4 - Due From Other Governments

Amounts due from other governments at June 30, 2022, are shown as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	Other Governmenta I Funds	Total
State-shared sales tax	\$ 2,608,119				\$ 2,608,119
County sales tax	1,629,264		\$ 1,067,758		2,697,022
State-shared vehicle license tax	123,048	\$ 136,573			259,621
Highway user revenue		1,068,124			1,068,124
Grants and contributions from local, state and federal governments	520,699	60,208		\$ 1,763,224	2,344,131
Reimbursements for services provided for governmental units	492,330	7,464	7,294	204,541	711,629
	<u>\$ 5,373,460</u>	<u>\$ 1,272,369</u>	<u>\$ 1,075,052</u>	<u>\$ 1,967,765</u>	<u>\$ 9,688,646</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021 (restated)*	Increases	Decreases	Balance June 30, 2022
<b>Governmental Activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 5,721,386			\$ 5,721,386
Construction in progress	176,439	\$ 128,777		305,216
Total capital assets not being depreciated/amortized	<u>5,897,825</u>	<u>128,777</u>		<u>6,026,602</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	50,801,296	533,241		51,334,537
Infrastructure	77,727,474			77,727,474
Machinery and equipment	39,581,077	1,713,813	865,261	40,429,629
Intangibles:				
Right-to-use lease assets:				
Buildings and improvements	689,471	809,794		1,499,265
Machinery and equipment	9,825	37,808		47,633
Total	<u>168,809,143</u>	<u>3,094,656</u>	<u>865,261</u>	<u>171,038,538</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	26,726,715	1,356,816		28,083,531
Infrastructure	53,138,388	2,072,505		55,210,893
Machinery and equipment	31,564,442	2,198,124	833,066	32,929,500
Intangibles:				
Right-to-use lease assets:				
Buildings and improvements		103,932		103,932
Machinery and equipment		5,955		5,955
Total	<u>111,429,545</u>	<u>5,737,332</u>	<u>833,066</u>	<u>116,333,811</u>
Total capital assets being depreciated/amortized, net	<u>57,379,598</u>	<u>(2,642,676)</u>	<u>32,195</u>	<u>54,704,727</u>
Capital assets not being depreciated/amortized:	<u>\$ 63,277,423</u>	<u>\$ (2,513,899)</u>	<u>\$ 32,195</u>	<u>\$ 60,731,329</u>

\* Due to the implementation of GASB Statement No. 87 for leases, the County's beginning leased asset balance was restated from fiscal year 2021. There was no impact to net position.

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 799,880
Public safety	1,342,152
Highways and streets	3,274,450
Health and welfare	175,820
Culture and recreation	15,358
Education and economic opportunity	129,672
Total governmental activities depreciation expense	<u>\$ 5,737,332</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

Note 6 - Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2022:

Governmental activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within 1 year
Pledged revenue obligations payable	\$ 9,535,000	\$ 16,560,000	\$ 1,250,000	\$ 24,845,000	\$ 1,585,000
Unamortized premium	1,575,867		214,056	1,361,811	253,663
Leases payable *	699,296	121,977	64,882	756,391	78,771
Financed purchases	31,196		28,190	3,006	3,006
Other payables	2,873	1,901	2,085	2,689	2,217
Net OPEB liabilities	206,356	7,070	139,583	73,843	
Net pension liabilities	66,005,499		10,015,081	55,990,418	
Landfill closure and post-closure care costs payable	241,051		1,150	239,901	1,150
Compensated absences payable	2,160,272	1,593,692	1,539,726	2,214,238	1,728,499
Incurred but not reported healthcare claims payable	1,229,937	6,637,187	6,209,053	1,658,071	1,630,649
Claims and judgments payable	320,844	54,000	145,534	229,310	104,014
Total	<u>\$ 82,008,191</u>	<u>\$ 24,975,827</u>	<u>\$ 19,609,340</u>	<u>\$ 87,374,678</u>	<u>\$ 5,386,969</u>

\* Due to the implementation of GASB Statement No. 87 for leases, the County's beginning liability balance was restated from fiscal year 2021. There was no impact to net position.

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

**Pledged Revenue 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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

Pledged revenue refunding obligations outstanding at June 30, 2022, were as follows:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal
Pledged Revenue Refunding Obligations, Non-taxable, Series 2021	\$ 9,535,000	2021-2032	3.0-5.0%	\$ 8,285,000
Pledged Revenue Pension Obligations, Taxable, Series 2021	\$ 16,560,000	2022-2039	.357-3.041%	\$ 16,560,000
				<u>\$ 24,845,000</u>

The following schedule details debt service requirements to maturity for the County's pledged revenue obligations payable at June 30, 2022:

Year ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 1,585,000	\$ 769,074
2024	2,065,000	656,363
2025	1,550,000	613,579
2026	1,585,000	577,592
2027	1,610,000	534,675
2028-2032	8,720,000	1,859,105
2033-2037	5,365,000	745,268
2038-2039	2,365,000	72,452
Total	<u>\$ 24,845,000</u>	<u>\$ 5,828,108</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, 2022. At June 30, 2022 future pledged revenues through final maturity at July 1, 2038 totaled \$30,673,108, consisting of \$24,845,000 for principal and \$5,828,108 for interest. State shared revenues have averaged \$14.0 million per year over the last 5 years, whereas excise tax revenues have averaged \$8.0 million per year over the last 5 years. For the current year, state shared sales and excise tax revenues recognized by the County were \$15.8 million and \$9.1 million, respectively. In the current year, the principal and interest payments were \$1,250,000 and \$299,570, respectively.

**Compensated absences**—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2022, the County paid for compensated absences as follows: 56.6 percent from the General Fund, 11.5 percent from the Public Works/HURF Fund, 9.0 percent from the Jail District Fund, 0.3 percent from the American Rescue Plan Act Fund, and 22.6 percent from the Other Governmental Funds.

**Incurred but not reported healthcare claims payable**—On July 1, 2014, Navajo County implemented a self-insured health benefits program as described in Note 7. The liability for medical, dental and pharmacy claims is based on the fiscal year 2021 actuarial report. Changes in incurred but not reported (IBNR) healthcare claims payable for the years ended June 30, 2021 and 2022 were as follows:

Navajo County  
Notes to Financial Statements  
June 30, 2022

	<b>2021</b>	<b>2022</b>
IBNR healthcare claims payable beginning of year	\$ 1,114,514	\$ 1,229,937
Current-year claims and changes in estimates	3,749,453	6,637,187
Claim payments	<u>3,634,030</u>	<u>6,209,053</u>
IBNR healthcare claims payable, end of year	<u><u>\$ 1,229,937</u></u>	<u><u>\$ 1,658,071</u></u>

**Line of Credit**—At June 30, 2022, the County had an unused line of credit in the amount of \$5,000,000.

**Leases**—The County entered into certain leases that convey the control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. These are generally for real property or equipment. The following schedule details minimum payments to maturity:

Year ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 78,771	\$ 6,876
2024	60,280	7,814
2025	50,538	8,759
2026	48,055	9,991
2027	36,253	9,348
2028-2032	154,925	60,617
2033-2037	157,824	94,487
2038-2042	157,237	131,689
2043	12,508	12,358
Total	<u><u>\$ 756,391</u></u>	<u><u>\$ 341,939</u></u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

Note 7 - Risk Management

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

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

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

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

**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, 2022, is actuarial valued and disclosed in Note 6.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**Note 8 - Fund Balance Classifications of the Governmental Funds**

The fund balance classifications of the governmental funds as of June 30, 2022, were as follows:

	General Fund	Public Works/ HURF Fund	Jail District Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total
<b>Fund balances</b>						
<b>Nonspendable:</b>						
Inventories		\$ 448,917				\$ 448,917
Prepaid items		3,410			\$ 2,274	5,684
Total nonspendable		<u>452,327</u>			<u>2,274</u>	<u>454,601</u>
<b>Restricted for:</b>						
Highways and streets		11,231,972			744,043	11,976,015
Flood control projects					8,562,404	8,562,404
Health					3,864,919	3,864,919
Judicial activities	\$ 9,000				5,288,002	5,297,002
Law enforcement			\$ 4,707,188		1,483,020	6,190,208
Education					1,450,404	1,450,404
Environmental and conservation					824,937	824,937
Social services					43,396	43,396
Library					234,784	234,784
Public safety					574,871	574,871
Recreation					217,460	217,460
Special Districts					119,170	119,170
Road projects					360,341	360,341
Capital projects					486,274	486,274
Health insurance trust	9,459,728					9,459,728
Other purposes					16,394	16,394
Total restricted	<u>9,468,728</u>	<u>11,231,972</u>	<u>4,707,188</u>		<u>24,270,419</u>	<u>49,678,307</u>
<b>Assigned to:</b>						
Health insurance reserve	2,610,719					2,610,719
Economic stabilization and development	10,721					10,721
Law enforcement	341,650					341,650
Education					298,638	298,638
Other capital projects	648,779				589,348	1,238,127
Other purposes	548,654					548,654
Total assigned	<u>4,160,523</u>			-	<u>887,986</u>	<u>5,048,509</u>
<b>Committed to:</b>						
Other purposes				8,853,216		8,853,216
Total committed				<u>8,853,216</u>		<u>8,853,216</u>
<b>Unassigned (Deficit)</b>						
	35,050,462				(3,444,335)	31,606,127
Total fund balances	<u>\$ 48,679,713</u>	<u>\$ 11,684,299</u>	<u>\$ 4,707,188</u>	<u>\$ 8,853,216</u>	<u>\$ 21,716,344</u>	<u>\$ 95,640,760</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

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, 2022, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>
Net OPEB asset	\$ 2,364,073
Net OPEB liability	73,843
Net pension asset	93,999
Net pension liability	55,990,418
Deferred outflows of resources related to OPEB	185,398
Deferred outflows of resources related to pensions	28,460,676
Deferred inflows of resources related to OPEB	1,225,484
Deferred inflows of resources related to pensions	11,672,179
OPEB revenue	254,275
Pension expense	4,475,295

The County's accrued payroll and employee benefits includes \$117,219 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. Also, the County reported \$21,527,169 of pension contributions and \$96,420 of OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes. The County's contributions were in excess of the actuarially determined contribution for pensions due to the financing of PSPRS Sheriff and CORP plans with pledged revenue debt (see Note 6).

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

**A. Arizona State Retirement System**

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

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

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

\*With actuarially reduced benefits.

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

**Contributions**—In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.01 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.13 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, 2022, were \$2,601,822.

During fiscal year 2022, the County paid for ASRS pension contributions as follows: 57 percent from the General Fund, 16 percent from the Public Works/HURF Fund, 3 percent from the Jail District Fund and 24 percent from other governmental funds.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**Pension liability**—At June 30, 2022, the County reported a net pension liability of \$24,335,772 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

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, 2021. The County's proportion measured as of June 30, 2021, was 0.18521 percent, which was an increase of 0.01378 from its proportion measured as of June 30, 2020.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2022, the County recognized pension expense for ASRS of \$1,963,856. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>ASRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 370,976	
Changes of assumptions or other inputs	3,167,495	
Net difference between projected and actual earnings on pension plan investments		\$ 7,710,428
Changes in proportion and differences between county contributions and proportionate share of contributions	1,402,299	164,561
County contributions subsequent to the measurement date	<u>2,601,822</u>	
Total	<u>\$ 7,542,592</u>	<u>\$ 7,874,989</u>

The \$2,601,822 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, 2023. 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	
2023	\$ 673,377
2024	749,230
2025	(1,699,754)
2026	(2,657,072)

Navajo County  
Notes to Financial Statements  
June 30, 2022

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

**ASRS**

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
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, 2020, 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 and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>ASRS</b>		<b>Long-Term</b>
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Geometric Real Rate of Return</b>
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	<u>100%</u>	

**Discount Rate**—At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. 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.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**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	\$ 38,278,130	\$ 24,335,772	\$ 12,711,702

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

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

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

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

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

**Navajo County**  
**Notes to Financial Statements**  
**June 30, 2022**

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

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

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

\*With actuarially reduced benefits.

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

**Employees covered by benefit terms**—At June 30, 2022, the following employees were covered by the agent pension plans' benefit terms:

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP</b>
Inactive employees or beneficiaries currently receiving benefits	34	1	12
Inactive employees entitled to but not yet receiving benefits	17		44
Active employees	26		21
Total	77	1	77

**Contributions**—State statutes establish the pension contribution requirements for active PSPRS and CORP 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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>Active member—pension</b>	<b>County—pension</b>
PSPRS Sheriff	7.65 – 11.65%	57.24%
CORP	8.41	15.19
CORP AOC	8.41 or 10.18	35.48 or 36.30

In addition, statute required the County to contribute at the actuarially determined rate of 46.38% of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS would typically fill.

The County was required to contribute \$73,408 for the PSPRS Attorney Investigators pension plan based on the estimated actuarially required contribution for an inactive member.

The County's contributions to the pension plans for the year ended June 30, 2022, were:

PSPRS Sheriff	\$ 877,285
CORP	177,357
CORP AOC	592,247

Navajo County  
Notes to Financial Statements  
June 30, 2022

During fiscal year 2022, the County paid for PSPRS and CORP pension contributions as follows: 64 percent from the General Fund, 10 percent from the Jail District Fund and 26 percent from the other governmental funds.

Additionally, the County issued pledged revenue obligations to help fund the unfunded portion of the PSPRS and CORP pension obligations as follows:

PSPRS Sheriff	\$	14,119,432
CORP		2,065,488

These amounts were also contributed to the plans during the fiscal year. See also Note 6 for more information.

**Pension liability**—At June 30, 2022, the County reported the following net pension liabilities:

	<b>Net Pension Liability</b>
PSPRS Sheriff	\$ 11,791,380
PSPRS Attorney Investigators	462,608
CORP	1,132,664
CORP AOC (County's proportionate share)	4,585,636

The net pension liabilities were measured as of June 30, 2021, and the total liability used to calculate the net 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, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.3 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:

Navajo County  
Notes to Financial Statements  
June 30, 2022

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	<u>100%</u>	

**Pension discount rate**—At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.3 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 Liability (a) – (b)
Balances at June 30, 2021	\$ 20,085,725	\$ 6,600,400	\$ 13,485,325
Changes for the year:			
Service cost	302,169		302,169
Interest on the total pension liability	1,437,966		1,437,966
Differences between expected and actual experience in the measurement of the pension liability	26,778		26,778
Changes of assumptions or other inputs			
Contributions—employer		1,454,668	(1,454,668)
Contributions—employee		155,529	(155,529)
Net investment income		1,859,271	(1,859,271)
Benefit payments, including refunds of employee contributions	(1,379,462)	(1,379,462)	
Administrative expense		(8,610)	8,610
Net changes	<u>387,451</u>	<u>2,081,396</u>	<u>(1,693,945)</u>
Balances at June 30, 2022	<u>\$ 20,473,176</u>	<u>\$ 8,681,796</u>	<u>\$ 11,791,380</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

**PSPRS Attorney Investigators**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2021	\$ 591,118	\$ 71,873	\$ 519,245
Changes for the year:			
Interest on the total pension liability	41,752		41,752
Differences between expected and actual experience in the measurement of the pension liability	794		794
Contributions - employer		73,408	(73,408)
Net investment income		25,904	(25,904)
Benefit payments, including refunds of employee contributions	(38,338)	(38,338)	
Administrative expense		(129)	129
Net changes	4,208	60,845	(56,637)
Balances at June 30, 2022	<u>\$ 595,326</u>	<u>\$ 132,718</u>	<u>\$ 462,608</u>

**CORP**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Position Liability (a) – (b)
Balances at June 30, 2021	\$ 5,864,876	\$ 3,900,918	\$ 1,963,958
Changes for the year:			
Service cost	141,175		141,175
Interest on the total pension liability	427,194		427,194
Differences between expected and actual experience in the measurement of the pension liability	(41,095)		(41,095)
Changes of assumptions or other inputs			
Contributions—employer		223,776	(223,776)
Contributions—employee		80,074	(80,074)
Net investment income		1,059,634	(1,059,634)
Benefit payments, including refunds of employee contributions	(308,165)	(308,165)	
Administrative expense		(4,916)	4,916
Net changes	219,109	1,050,403	(831,294)
Balances at June 30, 2022	<u>\$ 6,083,985</u>	<u>\$ 4,951,321</u>	<u>\$ 1,132,664</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, 2021. The County's proportion measured as of June 30, 2021, was 1.2353 percent, which was an increase of 0.0929 from its proportion measured as of June 30, 2020.

Navajo County  
Notes to Financial Statements  
June 30, 2022

**Sensitivity of the County's net pension liability to changes in the discount rate**—The following table presents the County's net pension liabilities calculated using the discount rate of 7.3 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 (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

	1% Decrease (6.3)%	Current Discount Rate (7.3)%	1% Increase (8.3)%
PSPRS Sheriff			
Net pension liability	\$ 14,454,984	\$ 11,791,380	\$ 9,622,373
PSPRS Attorney Investigators			
Net pension liability	536,838	462,608	401,420
CORP			
Net pension liability	1,999,145	1,132,664	434,227
CORP AOC			
County's proportionate share of the net pension liability	6,205,282	4,585,636	3,258,825

**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, 2022, the County recognized the following pension expense:

	Pension Expense/(Income)
PSPRS Sheriff	\$ 1,063,526
PSPRS Attorney Investigators	(40,772)
CORP	144,019
CORP AOC (County's proportionate share)	175,642

**Pension deferred outflows/inflows of resources**—At June 30, 2022, 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	\$ 450,255	\$ 192,431
Changes of assumptions or other inputs	220,687	
Net difference between projected and actual earnings on pension plan investments		807,291
County contributions subsequent to the measurement date	14,996,717	
Total	<u>\$ 15,667,659</u>	<u>\$ 999,722</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

<b>PSPRS Attorney Investigators</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments		11,821
Total	\$ -	\$ 11,821

<b>CORP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 48,166	\$ 81,342
Changes of assumptions or other inputs	39,585	
Net difference between projected and actual earnings on pension plan investments		485,696
County contributions subsequent to the measurement date	2,242,845	
Total	\$ 2,330,596	\$ 567,038

<b>CORP AOC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 437,660	\$ 134,458
Changes of assumptions or other inputs	94,047	
Net difference between projected and actual earnings on pension plan investments		740,304
Changes in proportion and differences between County contributions and proportionate share of contributions	372,384	395,093
County contributions subsequent to the measurement date	592,247	
Total	\$ 1,496,338	\$ 1,269,855

Navajo County  
Notes to Financial Statements  
June 30, 2022

The amounts reported as deferred outflows of resources related to 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS	PSPRS	CORP	CORP
	Sheriff	Attorney Investigators		AOC
2023	\$ (37,235)	\$ (2,571)	\$ (82,992)	\$ (236,267)
2024	(26,354)	(2,469)	(120,207)	89,877
2025	8,676	(2,905)	(121,047)	(28,546)
2026	(273,867)	(3,876)	(155,041)	(190,828)

### C. Elected Officials Retirement Plan

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

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

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

Navajo County  
Notes to Financial Statements  
June 30, 2022

Retirement and Disability	Initial membership date: Before January 1, 2012	On or after January 1, 2012
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service

**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, 2022, 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 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.21 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, 2022, were \$973,678.

During fiscal year 2022, the County paid for EORP pension contributions as follows: 100 percent from the General Fund.

**Pension liability**—At June 30, 2022, 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	\$ 13,682,358
State's proportionate share of the EORP net pension liability associated with the County	1,375,299
Total	<u>\$ 15,057,657</u>

Navajo County  
Notes to Financial Statements  
June 30, 2022

The net pension liability was measured as of June 30, 2021, 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 plan relative to the total of all participating employers' required contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, was 2.24831 percent, which was an increase of 0.04464 from its proportion measured as of June 30, 2020.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2022, the County recognized pension expense for EORP of \$1,203,285 and revenue of \$324,549 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>EORP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ 182,083
Net difference between projected and actual earnings on pension plan investments		697,096
Changes in proportion and differences between county contributions and proportionate share of contributions	\$ 147,871	
County contributions subsequent to the measurement date	973,678	
Total	<u>\$ 1,121,549</u>	<u>\$ 879,179</u>

The \$973,678 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, 2023. 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	
2023	\$(177,331)
2024	(145,160)
2025	(171,446)
2026	(237,371)

Navajo County  
Notes to Financial Statements  
June 30, 2022

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

**EORP**

Actuarial valuation data	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>EORP</b>	<b>Target</b>	<b>Long-Term Expected</b>
<b>Asset Class</b>	<b>Allocation</b>	<b>Geometric Real Rate</b>
	<b>of Return</b>	
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	100%	

**Discount rate**—At June 30 2021, the discount rate used to measure the EORP total pension liability was 7.3 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, 2022

**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 7.3 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 (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

EORP	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
County’s proportionate share of the net pension liability	\$ 15,722,096	\$ 13,682,358	\$ 11,931,787

**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, 2022, were as follows:

	Payable to		Total
	General Fund	Other Governmental Funds	
<b>Payable from</b>			
General Fund		\$ 74,703	\$ 74,703
Public Works/HURF Fund	\$ 332,776		332,776
Jail District Fund	309,144		309,144
Other Governmental Funds	649,756	9,472	659,228
Total	<u>\$ 1,291,676</u>	<u>\$ 84,175</u>	<u>\$ 1,375,851</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, 2022

**Interfund transfers**—Interfund transfers for the year ended June 30, 2022, were as follows:

	Transfers to				Total
	General Fund	Jail District Fund	American Rescue Plan Act Fund	Other Governmental Funds	
<b>Transfers from</b>					
General Fund		\$ 1,192,000	\$ 10,000,000	\$ 2,083,273	\$ 13,275,273
Public Works/HURF Fund	\$ 422,606			452,227	874,833
Jail District Fund	389,114			87,937	477,051
American Rescue Plan Act Fund	943				943
Other Governmental Funds	418,566			219,027	637,593
<b>Total</b>	<u>\$ 1,231,229</u>	<u>\$ 1,192,000</u>	<u>\$ 10,000,000</u>	<u>\$ 2,842,464</u>	<u>\$ 15,265,693</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. During the current fiscal year there was a significant, non-routine transfer from the General Fund to the American Rescue Plan Act Fund in the amount of \$10 million for the purpose of funding county-wide improvements and community partnerships in support of COVID-19 response efforts.

## 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.

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 \$9,744 in cash on hand, \$2,013,014 in cash with trustee, and \$1,417,660 in deposits. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 3 for disclosure of the County's deposit and investment risks.

Navajo County  
Notes to Financial Statements  
June 30, 2022

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
U.S. Treasury securities	\$ 34,200,000	0.13% - 2.50%	07/23 – 05/24	\$ 33,545,812
U.S. agency securities	127,000,000	0.32% - 2.00%	07/22 – 09/25	120,623,201
Corporate notes	84,100,000	Variable	06/23 – 06/25	82,161,970
Government money market funds	107,706,348	N/A	N/A	107,706,348

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

**Statement of fiduciary net position**

Assets	\$ 358,563,337
Net position	<u>\$ 358,563,337</u>

Net position held for:

Internal participants	\$ 105,900,152
External participants	252,663,185
Total net position	<u>\$ 358,563,337</u>

**Statement of changes in fiduciary net position**

Total additions	\$ 418,166,148
Total deductions	355,338,712
Net increase	<u>62,827,436</u>
Net position:	
July 1, 2021	295,735,901
June 30, 2022	<u>\$ 358,563,337</u>

---

# Required Supplementary Information



Page left blank intentionally

Navajo County  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 8,498,025	\$ 8,498,025	\$ 8,104,637	\$ (393,388)
County sales taxes	7,940,000	7,940,000	9,056,104	1,116,104
Licenses and permits	689,300	689,300	652,849	(36,451)
Fines and forfeits	508,500	508,500	566,310	57,810
Intergovernmental	22,278,385	22,278,385	23,439,597	1,161,212
Charges for services	11,014,873	11,014,873	4,458,120	(6,556,753)
Investment earnings	235,095	235,095	241,167	6,072
Miscellaneous	448,150	448,150	1,193,232	745,082
<b>Total revenues</b>	<b>51,612,328</b>	<b>51,612,328</b>	<b>47,712,016</b>	<b>(3,900,312)</b>
<b>Expenditures:</b>				
<b>General government:</b>				
Board of Supervisors/Administration	3,117,900	3,117,900	994,647	2,123,253
Facilities Management	2,057,336	2,057,336	1,307,412	749,924
Elections	735,947	735,947	288,127	447,820
Contracts	1,345,500	1,345,500	799,320	546,180
State Cost Shifts	168,000	168,000	95,100	72,900
Planning and Zoning	850,616	850,616	547,954	302,662
Recorder	359,633	359,633	218,168	141,465
Voter Registration	198,820	198,820	134,901	63,919
Assessor	1,668,516	1,668,516	1,033,890	634,626
Information Technology	1,266,274	1,266,274	789,881	476,393
Treasurer	634,454	634,454	378,492	255,962
Personnel Commission	11,100	11,100	4,882	6,218
Fleet Management	50,000	50,000	5,542	44,458
County-wide	18,735,764	13,735,764	4,852,713	8,883,051
County Attorney	3,046,150	3,046,150	2,036,633	1,009,517
Superior Court	1,858,135	1,858,135	1,188,846	669,289
Public Defender	1,003,597	1,003,597	654,234	349,363
Clerk of Court	1,595,133	1,595,133	1,004,038	591,095
Holbrook Justice Court	426,484	426,484	272,898	153,586
Winslow Justice Court	439,218	439,218	275,141	164,077
Snowflake Justice Court	435,141	435,141	281,273	153,868
Show Low Justice Court	428,294	428,294	279,608	148,686
Pinetop Justice Court	427,896	427,896	268,509	159,387
Kayenta Justice Court	157,627	157,627	154,642	2,985
<b>Total general government</b>	<b>41,017,535</b>	<b>36,017,535</b>	<b>17,866,851</b>	<b>18,150,684</b>

(Continued)

See accompanying note to budgetary comparison schedules.



Navajo County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Public Works/HURF Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 13,335,754	\$ 13,335,754	\$ 14,888,939	\$ 1,553,185
Investment earnings	150,931	150,931	74,616	(76,315)
Miscellaneous	69,162	69,162	92,598	23,436
Total revenues	<u>13,555,847</u>	<u>13,555,847</u>	<u>15,056,153</u>	<u>1,500,306</u>
<b>Expenditures:</b>				
Highways and streets	14,707,051	14,707,051	12,113,816	2,593,235
Capital Outlay	8,239,017	8,239,017	162,305	8,076,712
Total expenditures	<u>22,946,068</u>	<u>22,946,068</u>	<u>12,276,121</u>	<u>10,669,947</u>
Excess (deficiency) of revenues over expenditures	<u>(9,390,221)</u>	<u>(9,390,221)</u>	<u>2,780,032</u>	<u>12,170,253</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			56,132	56,132
Transfers out	<u>(1,757,710)</u>	<u>(1,757,710)</u>	<u>(2,142,470)</u>	<u>(384,760)</u>
Total other financing sources (uses)	<u>(1,757,710)</u>	<u>(1,757,710)</u>	<u>(2,086,338)</u>	<u>(328,628)</u>
Net change in fund balances	(11,147,931)	(11,147,931)	693,694	11,841,625
Fund balances, July 1, 2021	10,941,342	10,941,342	10,941,342	
Decrease in reserve for inventories			49,263	49,263
Fund balances, June 30, 2022	<u>\$ (206,589)</u>	<u>\$ (206,589)</u>	<u>\$ 11,684,299</u>	<u>\$ 11,890,888</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Jail District Fund  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
County sales taxes	\$ 5,300,000	\$ 5,300,000	\$ 5,932,721	\$ 632,721
Intergovernmental	10,000	10,000		(10,000)
Charges for services	60,000	60,000	94,091	34,091
Investment earnings	35,000	35,000	23,674	(11,326)
Miscellaneous	25,000	25,000	52,013	27,013
Total revenues	<u>5,430,000</u>	<u>5,430,000</u>	<u>6,102,499</u>	<u>672,499</u>
<b>Expenditures:</b>				
Jail Operations	10,687,084	10,687,084	6,889,772	3,797,312
Capital Outlay	1,000	1,000		1,000
Total expenditures	<u>10,688,084</u>	<u>10,688,084</u>	<u>6,889,772</u>	<u>3,798,312</u>
Excess (deficiency) of revenues over expenditures	<u>(5,258,084)</u>	<u>(5,258,084)</u>	<u>(787,273)</u>	<u>4,470,811</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,192,000	1,192,000	1,192,000	
Transfers out			(477,051)	(477,051)
Total other financing sources (uses)	<u>1,192,000</u>	<u>1,192,000</u>	<u>714,949</u>	<u>(477,051)</u>
Net change in fund balances	(4,066,084)	(4,066,084)	(72,324)	3,993,760
Fund balances, July 1, 2021	4,779,512	4,779,512	4,779,512	
Decrease in reserve for inventories				
Fund balances, June 30, 2022	<u>\$ 713,428</u>	<u>\$ 713,428</u>	<u>\$ 4,707,188</u>	<u>\$ 3,993,760</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, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 10,750,000	\$ 10,750,000	\$ 10,000,000	\$ (750,000)
Investment earnings			11,225	11,225
Total revenues	<u>10,750,000</u>	<u>10,750,000</u>	<u>10,011,225</u>	<u>(738,775)</u>
<b>Expenditures:</b>				
General government:				
Board of Supervisors/Administration		1,428,631	1,428,631	
Facilities Management		640,322	640,322	
Elections		141,114	141,114	
Contracts		391,477	391,477	
Planning and Zoning		268,368	268,368	
Recorder		106,851	106,851	
Voter Registration		66,070	66,070	
Assessor		506,361	506,361	
Information Technology		386,854	386,854	
Treasurer		185,372	185,372	
County-wide	21,125,000			
County Attorney		997,467	997,467	
Superior Court		582,252	582,252	
Public Defender		320,420	320,420	
Clerk of Court		491,741	491,741	
Holbrook Justice Court		133,655	133,655	
Winslow Justice Court		134,754	134,754	
Snowflake Justice Court		137,757	137,757	
Show Low Justice Court		136,942	136,942	
Pinetop Justice Court		131,506	131,506	
Total general government	<u>21,125,000</u>	<u>7,187,914</u>	<u>7,187,914</u>	
Public safety:				
Juvenile Detention		311,477	311,477	
Probation		336,496	336,496	
Jail Operations		182,709	182,709	
Sheriff		2,632,370	2,632,370	
Total public safety		<u>3,463,052</u>	<u>3,463,052</u>	
Capital Outlay		474,034	506,100	(32,066)
Total expenditures	<u>21,125,000</u>	<u>11,125,000</u>	<u>11,157,066</u>	<u>(32,066)</u>
Excess (deficiency) of revenues over expenditures				
	<u>(10,375,000)</u>	<u>(375,000)</u>	<u>(1,145,841)</u>	<u>(770,841)</u>
Other financing sources (uses):				
Transfers in			10,000,000	10,000,000
Transfers out	(375,000)	(375,000)	(943)	374,057
Total other financing sources (uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>9,999,057</u>	<u>10,374,057</u>
Net change in fund balances	(10,750,000)	(750,000)	8,853,216	9,603,216
Fund balances, July 1, 2021				
Decrease in reserve for inventories				
Fund balances, June 30, 2022	<u>\$ (10,750,000)</u>	<u>\$ (750,000)</u>	<u>\$ 8,853,216</u>	<u>\$ 9,603,216</u>

See accompanying note to budgetary comparison schedules.

Navajo County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2022

**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, 2022, the Board of Supervisors elected to appropriate transfers from the contingency account and between departments.

**Note 2 - Budgetary Basis of Accounting**

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

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

	<b>General Fund</b>	<b>Public Works/ HURF Fund</b>
Excess/(deficiency) of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 18,893,885	\$ 1,512,395
Indirect costs budgeted in transfers in/(out)	<u>(1,993,685)</u>	<u>1,267,637</u>
Excess of revenues over expenditures from the Budgetary comparison schedules	<u>\$ 16,900,200</u>	<u>\$ 2,780,032</u>

Navajo County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2022

Note 3 - Expenditures in Excess of Appropriations

For the year ended June 30, 2022, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<b>Fund/Department</b>	<b>Excess</b>
General Fund	
Show Low Constable	\$ 47
Indigent Health	414,561

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 Show Low Constable Office and Indigent Health Department. The Show Low Constable Office provides the public with a service of process issued through the Justice Courts. During the fiscal year, the constable experienced higher than projected fuel charges. The Indigent Health Department accounts for the County's portion of costs associated with both the Arizona Long-Term Care System (ALTCS) and the Arizona Health Care Cost Containment System (AHCCCS). During the fiscal year, the County experienced higher than projected costs associated with these systems.

Navajo County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
June 30, 2022

**Arizona State Retirement System**

	Reporting fiscal year (measurement date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	0.19%	0.17%	0.17%	0.19%	0.20%	0.21%	0.21%	0.21%	Information not available
County's proportionate share of the net pension liability	\$ 24,335,772	\$ 29,702,865	\$ 25,433,978	\$ 26,385,347	\$ 31,575,151	\$ 33,707,260	\$ 32,861,924	\$ 30,957,928	Information not available
County's covered payroll	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464	\$ 18,778,977	
County's proportionate share of the net pension liability as a percentage of its covered payroll	125.22%	158.56%	138.35%	141.44%	156.86%	173.49%	169.39%	164.85%	
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

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

	Reporting fiscal year (measurement date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	1.24%	1.14%	1.11%	1.17%	1.62%	1.74%	1.69%	1.74%	Information not available
County's proportionate share of the net pension liability	\$ 4,585,636	\$ 5,456,853	\$ 4,673,477	\$ 4,207,648	\$ 6,507,694	\$ 4,896,487	\$ 4,108,278	\$ 3,902,859	Information not available
County's covered payroll	\$ 1,453,650	\$ 1,371,917	\$ 1,335,653	\$ 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	315.46%	397.75%	349.90%	305.21%	335.20%	258.91%	218.58%	210.51%	
Plan fiduciary net position as a percentage of the total pension liability	62.53%	50.07%	51.99%	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, 2022

**Elected Officials Retirement Plan**

	Reporting fiscal year (measurement date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	2.25%	2.20%	2.19%	2.01%	1.87%	1.87%	1.82%	1.84%	Information not available
County's proportionate share of the net pension liability	\$ 13,682,358	\$ 14,873,919	\$ 14,526,649	\$ 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	1,375,299	1,413,648	1,365,355	2,172,763	4,726,116	3,647,430	4,435,153	3,773,504	
Total	<u>\$ 15,057,657</u>	<u>\$ 16,287,567</u>	<u>\$ 15,892,004</u>	<u>\$ 14,853,506</u>	<u>\$ 27,497,637</u>	<u>\$ 21,312,750</u>	<u>\$ 18,661,404</u>	<u>\$ 16,080,710</u>	
County's covered payroll	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376	\$ 1,704,339	
County's proportionate share of the net pension liability as a percentage of its covered payroll	823.30%	848.00%	826.51%	688.98%	1365.08%	1152.95%	917.01%	722.11%	
Plan fiduciary net position as a percentage of the total pension liability	36.28%	29.80%	30.14%	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, 2022

**PSPRS Sheriff**

	Reporting fiscal year (measurement date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
Total pension liability									
Service cost	\$ 302,169	\$ 374,653	\$ 426,220	\$ 383,988	\$ 499,570	\$ 468,580	\$ 397,350	\$ 426,843	Information not available
Interest on the total pension liability	1,437,966	1,426,339	1,331,926	1,289,848	1,260,137	1,327,262	1,309,258	1,092,844	
Changes of benefit terms					304,021	(615,741)		586,447	
Differences between expected and actual experience in the measurement of the pension liability	26,778	(234,756)	860,339	(19,932)	(794,648)	(777,000)	(377,151)	(668,752)	
Changes of assumptions or other inputs			331,691		607,986	641,504		2,472,745	
Benefit payments, including refunds of employee contributions	(1,379,462)	(1,289,493)	(1,427,957)	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)	
Net change in total pension liability	387,451	276,743	1,522,219	442,862	706,656	(117,122)	219,746	2,742,791	
Total pension liability—beginning	20,085,725	19,808,982	18,286,763	17,843,901	17,137,245	17,254,367	17,034,621	14,291,830	
Total pension liability—ending (a)	<u>\$ 20,473,176</u>	<u>\$ 20,085,725</u>	<u>\$ 19,808,982</u>	<u>\$ 18,286,763</u>	<u>\$ 17,843,901</u>	<u>\$ 17,137,245</u>	<u>\$ 17,254,367</u>	<u>\$ 17,034,621</u>	
Plan fiduciary net position									
Contributions—employer	\$ 1,454,668	\$ 1,347,673	\$ 1,203,208	\$ 785,359	\$ 1,047,332	\$ 1,205,254	\$ 790,385	\$ 691,037	
Contributions—employee	155,529	153,158	198,531	215,008	262,773	295,080	261,993	233,105	
Net investment income	1,859,271	82,461	326,870	381,885	633,913	31,020	191,904	675,189	
Benefit payments, including refunds of employee contributions	(1,379,462)	(1,289,493)	(1,427,957)	(1,211,042)	(1,170,410)	(1,161,727)	(1,109,711)	(1,167,336)	
Administrative expense	(8,610)	(6,722)	(6,666)	(6,512)	(6,009)	(4,864)	(5,044)	(5,438)	
Other changes	-	-	(12,693)	(64,550)	(324,969)	(215,557)	(114,224)	(8,622)	
Net change in plan fiduciary net position	2,081,396	287,077	281,293	100,148	442,630	149,206	15,303	417,935	
Plan fiduciary net position—beginning	6,600,400	6,313,323	6,032,030	5,932,062	5,489,432	5,340,226	5,324,923	4,906,988	
Plan fiduciary net position—ending (b)	<u>\$ 8,681,796</u>	<u>\$ 6,600,400</u>	<u>\$ 6,313,323</u>	<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 liability—ending (a)-(b)	<u>\$ 11,791,380</u>	<u>\$ 13,485,325</u>	<u>\$ 13,495,659</u>	<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	42.41%	32.86%	31.87%	32.99%	33.24%	32.03%	30.95%	31.26%	
Covered payroll	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322	\$ 2,402,346	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037	\$ 2,242,753	
County's net pension liability as a percentage of covered payroll	414.01%	525.69%	530.84%	510.11%	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, 2022

**PSPRS Attorney Investigators**

	Reporting fiscal year (measurement date)									
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)		2014 through 2013
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	Information not available
Interest on the total pension liability	41,752	41,397	40,883	40,340	38,673	44,961	40,906	30,804		
Changes of benefit terms					10,560	(78,488)		28,416		
Differences between expected and actual experience in the measurement of the pension liability	794	1,435	928	4,599	325	(13,833)	6,616	1,839		
Changes of assumptions or other inputs			10,018		16,836	25,702	(392,840)	535,143		
Benefit payments, including refunds of employee contributions	(38,338)	(37,587)	(36,849)	(38,355)	(35,451)	(35,451)	(35,451)	(34,741)		
Net change in total pension liability	4,208	5,245	14,980	6,584	30,943	(57,109)	(380,769)	561,461		
Total pension liability—beginning	591,118	585,873	570,893	564,309	533,366	590,475	971,244	409,783		
Total pension liability—ending (a)	<u>\$ 595,326</u>	<u>\$ 591,118</u>	<u>\$ 585,873</u>	<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	\$ 73,408	\$ -	\$ 75,959	\$ 72,028	\$ 38,721	\$ 65,456	\$ 20,181	\$ -		
Contributions—employee										
Net investment income	25,904	1,650	6,765	6,364	8,673	390	744	6,765		
Benefit payments, including refunds of employee contributions	(38,338)	(37,587)	(36,849)	(38,355)	(35,451)	(35,451)	(35,451)	(34,741)		
Administrative expense	(129)	(135)	(1,118)	(797)	(477)	(456)	(308)	(54)		
Other changes	-	-	-	1	1	(1)	(37)			
Net change in plan fiduciary net position	60,845	(36,072)	44,757	39,241	11,467	29,938	(14,871)	(28,030)		
Plan fiduciary net position—beginning	71,873	107,945	101,909	62,668	51,201	21,263	36,134	64,164		
Plan fiduciary net position—ending (b)	<u>\$ 132,718</u>	<u>\$ 71,873</u>	<u>\$ 146,666</u>	<u>\$ 101,909</u>	<u>\$ 62,668</u>	<u>\$ 51,201</u>	<u>\$ 21,263</u>	<u>\$ 36,134</u>		
County's net pension liability—ending (a)-(b)	\$ 462,608	\$ 519,245	\$ 439,207	\$ 468,984	\$ 501,641	\$ 482,165	\$ 569,212	\$ 935,110		
Plan fiduciary net position as a percentage of the total pension liability	22.29%	12.16%	25.03%	17.85%	11.11%	9.60%	3.60%	3.72%		
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
County's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	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, 2022

**CORP**

	Reporting fiscal year (measurement date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Service cost	\$ 141,175	\$ 196,443	\$ 250,314	\$ 288,583	\$ 243,603	\$ 226,516	\$ 229,853	\$ 262,381	Information not available
Interest on the total pension liability	427,194	400,261	380,744	388,051	321,690	307,215	301,883	298,329	
Changes of benefit terms				(221,437)	693,192	9,571		35,245	
Differences between expected and actual experience in the measurement of the pension liability	(41,095)	144,499	(18,530)	(259,089)	(89,958)	(31,895)	(93,870)	(414,141)	
Changes of assumptions or other inputs			158,339		107,452	160,139		240,204	
Benefit payments, including refunds of employee contributions	(308,165)	(325,831)	(432,464)	(369,299)	(318,158)	(290,765)	(445,789)	(275,163)	
Net change in total pension liability	219,109	415,372	338,403	(173,191)	957,821	380,781	(7,923)	146,855	
Total pension liability—beginning	5,864,876	5,449,504	5,111,101	5,284,292	4,326,471	3,945,690	3,953,613	3,806,758	
Total pension liability—ending (a)	\$ 6,083,985	\$ 5,864,876	\$ 5,449,504	\$ 5,111,101	\$ 5,284,292	\$ 4,326,471	\$ 3,945,690	\$ 3,953,613	
Plan fiduciary net position									
Contributions—employer	\$ 223,776	\$ 134,522	\$ 174,388	\$ 147,102	\$ 139,477	\$ 137,367	\$ 123,062	\$ 142,344	
Contributions—employee	80,074	84,963	112,339	134,290	139,124	130,513	137,233	141,818	
Net investment income	1,059,634	111,991	208,336	253,700	392,801	19,994	120,952	417,329	
Benefit payments, including refunds of employee contributions	(308,165)	(325,831)	(432,464)	(369,299)	(318,158)	(290,765)	(445,789)	(275,163)	
Administrative expense	(4,916)	(4,334)	(4,418)	(4,538)	(3,836)	(3,227)	(3,354)	(3,281)	
Other changes	-	(18,201)	(13,107)	12,725	62,915	(10,869)	9,359	(82,179)	
Net change in plan fiduciary net position	1,050,403	(16,890)	45,074	173,980	412,323	(16,987)	(58,537)	340,868	
Plan fiduciary net position—beginning	3,900,918	3,917,808	3,872,734	3,698,754	3,286,431	3,303,418	3,361,955	3,021,087	
Plan fiduciary net position—ending (b)	\$ 4,951,321	\$ 3,900,918	\$ 3,917,808	\$ 3,872,734	\$ 3,698,754	\$ 3,286,431	\$ 3,303,418	\$ 3,361,955	
County's net pension liability—ending (a)-(b)	\$ 1,132,664	\$ 1,963,958	\$ 1,531,696	\$ 1,238,367	\$ 1,585,538	\$ 1,040,040	\$ 642,272	\$ 591,658	
Plan fiduciary net position as a percentage of the total pension liability	81.38%	66.51%	71.89%	75.77%	70.00%	75.96%	83.72%	85.04%	
Covered payroll	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926	\$ 1,508,678	\$ 1,668,947	\$ 1,572,955	\$ 1,632,100	\$ 1,726,328	
County's net pension liability as a percentage of covered payroll	69.56%	133.67%	99.92%	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, 2022**

**Arizona State Retirement System**

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 2,601,822	\$ 2,264,136	\$ 2,136,505	\$ 2,052,532	\$ 2,028,064	\$ 2,171,922	\$ 2,128,972	\$ 2,098,505	\$ 2,009,012	Information not available
County's contributions in relation to the statutorily required contribution	2,601,822	2,264,136	2,136,505	2,052,532	2,028,064	2,171,922	2,128,972	2,098,505	2,009,012	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 21,745,722	\$ 19,434,644	\$ 18,732,704	\$ 18,383,928	\$ 18,654,163	\$ 20,130,088	\$ 19,429,032	\$ 19,400,464	\$ 18,778,977	
County's contributions as a percentage of covered payroll	11.96%	11.65%	11.41%	11.16%	10.87%	10.79%	10.96%	10.82%	10.70%	

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

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 592,247	\$ 488,203	\$ 414,800	\$ 417,492	\$ 294,854	\$ 379,356	\$ 367,198	\$ 279,677	\$ 267,905	Information not available
County's contributions in relation to the statutorily required contribution	592,247	488,203	414,800	417,492	294,854	379,356	367,198	279,677	267,905	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 1,630,693	\$ 1,453,850	\$ 1,371,917	\$ 1,335,653	\$ 1,378,621	\$ 1,941,447	\$ 1,891,207	\$ 1,879,552	\$ 1,854,011	
County's contributions as a percentage of covered payroll	36.32%	33.58%	30.24%	31.26%	21.39%	19.54%	19.42%	14.88%	14.45%	

**Elected Officials Retirement Plan**

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 973,678	\$ 1,020,900	\$ 1,005,663	\$ 1,012,544	\$ 370,491	\$ 363,340	\$ 355,627	\$ 364,573	\$ 394,725	Information not available
County's contributions in relation to the statutorily required contribution	973,678	1,020,900	1,005,663	915,902	34,325	363,340	355,627	364,573	394,725	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 96,642	\$ 336,166	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 1,705,463	\$ 1,661,892	\$ 1,754,008	\$ 1,757,585	\$ 1,840,513	\$ 1,668,147	\$ 1,532,182	\$ 1,551,376	\$ 1,704,339	
County's contributions as a percentage of covered payroll	57.09%	61.43%	57.34%	52.11%	1.86%	21.78%	23.21%	23.50%	23.16%	

See accompanying notes to pension plan schedules.

**Navajo County**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2022**

**PSPRS Sheriff**

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 877,285	\$ 1,517,162	\$ 1,369,168	\$ 1,187,010	\$ 1,039,891	\$ 1,091,146	\$ 1,214,475	\$ 784,719	\$ 692,113	Information not available
County's contributions in relation to the actuarially determined contribution	14,996,717	1,517,162	1,369,168	1,187,010	780,780	1,091,146	1,214,475	784,719	692,113	
County's contribution deficiency (excess)	<u>\$ (14,119,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 2,680,883	\$ 2,848,062	\$ 2,565,258	\$ 2,542,322	\$ 2,402,346	\$ 2,475,549	\$ 2,464,986	\$ 2,365,037	\$ 2,242,753	
County's contributions as a percentage of covered payroll	559.39%	53.27%	53.37%	46.69%	32.50%	44.08%	49.27%	33.18%	30.86%	

**PSPRS Attorney Investigators**

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 36,122	\$ 37,286	\$ 37,382	\$ 37,238	\$ 33,307	\$ 38,721	\$ 35,878	\$ 49,759	\$ -	Information not available
County's contributions in relation to the actuarially determined contribution	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>	
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%	

**CORP**

	Reporting fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 177,357	\$ 270,796	\$ 134,564	\$ 182,970	\$ 151,162	\$ 144,735	\$ 138,748	\$ 123,060	\$ 146,738	Information not available
County's contributions in relation to the actuarially determined contribution	2,242,845	270,796	134,564	182,970	151,162	144,735	138,748	123,060	146,738	
County's contribution deficiency (excess)	<u>\$ (2,065,488)</u>	<u>\$ -</u>								
County's covered payroll	\$ 1,418,696	\$ 1,628,357	\$ 1,469,236	\$ 1,532,926	\$ 1,508,678	\$ 1,668,947	\$ 1,572,955	\$ 1,632,100	\$ 1,726,328	
County's contributions as a percentage of covered payroll	158.09%	16.63%	9.16%	11.94%	10.02%	8.67%	8.82%	7.54%	8.50%	

See accompanying notes to pension plan schedules.

Navajo County  
 Required Supplementary Information  
 Notes to Pension Plan Schedules  
 June 30, 2022

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 2020 actuarial valuation	17 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

Navajo County  
Required Supplementary Information  
Notes to Pension Plan  
Schedules June 30, 2022

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



Page left blank intentionally

Navajo County  
Nonmajor Governmental Funds  
June 30, 2022

**Special Revenue Funds**

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

**Navajo County**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

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

**Debt Service Funds**

<b>General Government</b>	Accounts for the accumulation of resources for payment of principal and interest on the 2021 Series, Nont-taxable Pledged Revenue Refunding Obligations and the 2021 Series, Taxable Pledged Revenue Pension Obligations.
<b>Special Districts</b>	Accounts for the accumulation of resources for the payment of principal and interest on bonds and other debt instruments of the Sutter Drive, Scott's Pine Tract A, Shumway Road and Bucking Horse Improvement Districts. Funding sources are secondary property taxes assessed the benefiting property owners within the district boundaries.

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue			
	Administration	County Attorney	Courts	Environmental and Conservation
<b>Assets</b>				
Cash and investments	\$ 495,864	\$ 2,629,322	\$ 1,941,456	\$ 821,670
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable		1,246		
Special assessments				
Due from:				
Other funds	10,770	27,125	43,794	
Other governments	201,636	96,129	25,985	6,000
Prepaid items				
Total assets	<u>\$ 708,270</u>	<u>\$ 2,753,822</u>	<u>\$ 2,011,235</u>	<u>\$ 827,670</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,097	\$ 16,743	\$ 104	
Accrued payroll and employee benefits	3,031	9,895	5,823	\$ 2,668
Due to:				
Other funds		1,945	551	
Other governments	655	5,008	1,328	65
Pledged revenue obligations payable				
Interest payable				
Total liabilities	<u>5,783</u>	<u>33,591</u>	<u>7,806</u>	<u>2,733</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments				
Unavailable revenue-intergovernmental	140,126	41,895	21,000	
Total deferred inflows of resources	<u>140,126</u>	<u>41,895</u>	<u>21,000</u>	
<b>Fund balances</b>				
Nonspendable				
Restricted	881,582	2,992,377	2,016,895	824,937
Assigned				
Unassigned (Deficit)	<u>(319,221)</u>	<u>(314,041)</u>	<u>(34,466)</u>	
Total fund balances	<u>562,361</u>	<u>2,678,336</u>	<u>1,982,429</u>	<u>824,937</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 708,270</u>	<u>\$ 2,753,822</u>	<u>\$ 2,011,235</u>	<u>\$ 827,670</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue		
	Flood Control District	Library District	Probation
<b>Assets</b>			
Cash and investments	\$ 8,606,483	\$ 263,139	\$ 654,752
Cash and investments held by trustee			
Receivables (net of allowance for uncollectibles):			
Property taxes	64,126	29,696	
Accounts receivable			
Special assessments			
Due from:			
Other funds			541
Other governments		526	15,191
Prepaid items	24		
Total assets	<u>\$ 8,670,633</u>	<u>\$ 293,361</u>	<u>\$ 670,484</u>
<b>Liabilities</b>			
Accounts payable	\$ 54,059	\$ 17,438	\$ 130,414
Accrued payroll and employee benefits	4,151	3,878	20,012
Due to:			
Other funds	1,015	15,044	142
Other governments	1,106	103	7,556
Pledged revenue obligations payable			
Interest payable			
Total liabilities	<u>60,331</u>	<u>36,463</u>	<u>158,124</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue-property taxes	47,874	23,586	
Unavailable revenue-special assessments			
Unavailable revenue-intergovernmental			
Total deferred inflows of resources	<u>47,874</u>	<u>23,586</u>	
<b>Fund balances</b>			
Nonspendable	24		
Restricted	8,562,404	234,784	572,464
Assigned			
Unassigned (Deficit)		(1,472)	(60,104)
Total fund balances	<u>8,562,428</u>	<u>233,312</u>	<u>512,360</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,670,633</u>	<u>\$ 293,361</u>	<u>\$ 670,484</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue			
	Public Defense	Public Health	Recreation District	Sheriff's Office
<b>Assets</b>				
Cash and investments	\$ 276,371	\$ 1,089,138	\$ 214,631	\$ 1,145,229
Cash and investments held by trustee				
Receivables (net of allowance for uncollectibles):				
Property taxes		75,154		
Accounts receivable		60,342		
Special assessments			20,485	
Due from:				
Other funds				1,945
Other governments	2,715	821,299		399,619
Prepaid items		2,250		
Total assets	<u>\$ 279,086</u>	<u>\$ 2,048,183</u>	<u>\$ 235,116</u>	<u>\$ 1,546,793</u>
<b>Liabilities</b>				
Accounts payable	\$ 356	\$ 107,047		\$ 28,790
Accrued payroll and employee benefits		18,186		9,414
Due to:				
Other funds		252,007		
Other governments		6,200		23,732
Pledged revenue obligations payable				
Interest payable				
Total liabilities	<u>356</u>	<u>383,440</u>		<u>61,936</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes		59,864		
Unavailable revenue-special assessments			\$ 17,656	
Unavailable revenue-intergovernmental		293,503		51,869
Total deferred inflows of resources		<u>353,367</u>	<u>17,656</u>	<u>51,869</u>
<b>Fund balances</b>				
Nonspendable		2,250		
Restricted	278,730	3,848,753	217,460	1,483,020
Assigned				
Unassigned (Deficit)		(2,539,627)		(50,032)
Total fund balances	<u>278,730</u>	<u>1,311,376</u>	<u>217,460</u>	<u>1,432,988</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 279,086</u>	<u>\$ 2,048,183</u>	<u>\$ 235,116</u>	<u>\$ 1,546,793</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue			Debt Service
	Special Districts	Superintendent of Schools	Workforce Innovation & Opportunity Act	General Government
<b>Assets</b>				
Cash and investments	\$ 744,954	\$ 1,740,011	\$ 2,501	\$ 589,348
Cash and investments held by trustee				2,013,014
Receivables (net of allowance for uncollectibles):				
Property taxes				
Accounts receivable		10,091		
Special assessments	2,506			
Due from:				
Other funds				
Other governments			398,665	
Prepaid items				
Total assets	<u>\$ 747,460</u>	<u>\$ 1,750,102</u>	<u>\$ 401,166</u>	<u>\$ 2,602,362</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,417		\$ 35,930	
Accrued payroll and employee benefits		\$ 1,060	4,816	
Due to:				
Other funds			388,524	
Other governments			53,872	
Pledged revenue obligations payable				\$ 1,585,000
Interest payable				428,014
Total liabilities	<u>1,417</u>	<u>1,060</u>	<u>483,142</u>	<u>2,013,014</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes				
Unavailable revenue-special assessments	2,000			
Unavailable revenue-intergovernmental				
Total deferred inflows of resources	<u>2,000</u>			
<b>Fund balances</b>				
Nonspendable				
Restricted	744,043	1,450,404	43,396	
Assigned		298,638		589,348
Unassigned (Deficit)			(125,372)	
Total fund balances	<u>744,043</u>	<u>1,749,042</u>	<u>(81,976)</u>	<u>589,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 747,460</u>	<u>\$ 1,750,102</u>	<u>\$ 401,166</u>	<u>\$ 2,602,362</u>

(continued)

Navajo County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Debt Service	
	Special Districts	Total Nonmajor Governmental Funds
<b>Assets</b>		
Cash and investments	\$ 119,170	\$ 21,334,039
Cash and investments held by trustee		2,013,014
Receivables (net of allowance for uncollectibles):		
Property taxes		168,976
Accounts receivable		71,679
Special assessments	17	23,008
Due from:		
Other funds		84,175
Other governments		1,967,765
Prepaid items		2,274
Total assets	\$ 119,187	\$ 25,664,930
<b>Liabilities</b>		
Accounts payable		\$ 394,395
Accrued payroll and employee benefits		82,934
Due to:		
Other funds		659,228
Other governments		99,625
Pledged revenue obligations payable		1,585,000
Interest payable		428,014
Total liabilities		3,249,196
<b>Deferred Inflows of Resources</b>		
Unavailable revenue-property taxes		131,324
Unavailable revenue-special assessments	\$ 17	19,673
Unavailable revenue-intergovernmental		548,393
Total deferred inflows of resources	17	699,390
<b>Fund balances</b>		
Nonspendable		2,274
Restricted	119,170	24,270,419
Assigned		887,986
Unassigned (Deficit)		(3,444,335)
Total fund balances	119,170	21,716,344
Total liabilities, deferred inflows of resources and fund balances	\$ 119,187	\$ 25,664,930

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue			
	Administration	County Attorney	Courts	Environmental and Conservation
Revenues:				
Property taxes				
Special assessments				
Licenses and permits				
Fines and forfeits		\$ 346,374	\$ 37,083	
Intergovernmental	\$ 480,449	786,691	585,174	\$ 292,000
Charges for services	168,989	134,535	571,138	
Investment earnings	6,106	11,826	9,593	4,127
Contributions	600,000	3,209		
Miscellaneous	48,148	122,272	70,852	
Total revenues	1,303,692	1,404,907	1,273,840	296,127
Expenditures:				
Current:				
General government	111,961	1,391,041	889,976	
Public Safety	187,332	53,184	270,009	
Highways and streets				
Health and welfare	252,483			
Culture and recreation				
Education and economic opportunity	23,320			
Environmental and conservation	92,069			236,347
Debt Service:				
Principal				
Interest and other charges				
Cost of issuance				
Capital Outlay	29,250	41,370	14,108	
Total expenditures	696,415	1,485,595	1,174,093	236,347
Excess (deficiency) of revenues over expenditures	607,277	(80,688)	99,747	59,780
Other financing sources (uses):				
Issuance of debt				
Payment to bond refunding escrow agent				
Lease agreements				
Sale of capital assets				
Transfers in		231,556	232,795	
Transfers out	(113,663)	(14,793)	(128,136)	(1,523)
Total other financing sources (uses)	(113,663)	216,763	104,659	(1,523)
Net change in fund balances	493,614	136,075	204,406	58,257
Fund balances, July 1, 2021	68,747	2,542,261	1,778,023	766,680
Fund balances, June 30, 2022	\$ 562,361	\$ 2,678,336	\$ 1,982,429	\$ 824,937

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue		
	Flood Control District	Library District	Probation
Revenues:			
Property taxes	\$ 1,955,383	\$ 830,148	
Special assessments			
Licenses and permits			
Fines and forfeits			
Intergovernmental	88,884	80,001	\$ 1,915,673
Charges for services			358,968
Investment earnings	45,139	1,427	3,529
Contributions			
Miscellaneous		682	
Total revenues	<u>2,089,406</u>	<u>912,258</u>	<u>2,278,170</u>
Expenditures:			
Current:			
General government			
Public Safety			2,306,762
Highways and streets			
Health and welfare			
Culture and recreation		739,092	
Education and economic opportunity			
Environmental and conservation	871,077		
Debt Service:			
Principal			
Interest and other charges			
Cost of issuance			
Capital Outlay			
Total expenditures	<u>871,077</u>	<u>739,092</u>	<u>2,306,762</u>
Excess (deficiency) of revenues over expenditures	<u>1,218,329</u>	<u>173,166</u>	<u>(28,592)</u>
Other financing sources (uses):			
Issuance of debt			
Payment to bond refunding escrow agent			
Lease agreements			
Sale of capital assets			
Transfers in			3,669
Transfers out	(3,118)	(20,047)	(35,453)
Total other financing sources (uses)	<u>(3,118)</u>	<u>(20,047)</u>	<u>(31,784)</u>
Net change in fund balances	1,215,211	153,119	(60,376)
Fund balances, July 1, 2021	<u>7,347,217</u>	<u>80,193</u>	<u>572,736</u>
Fund balances, June 30, 2022	<u>\$ 8,562,428</u>	<u>\$ 233,312</u>	<u>\$ 512,360</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue			
	Public Defense	Public Health	Recreation District	Sheriff's Office
Revenues:				
Property taxes		\$ 2,092,180		
Special assessments			\$ 169,152	
Licenses and permits		236,305		
Fines and forfeits		65		\$ 583,419
Intergovernmental	\$ 26,372	2,562,510		1,637,262
Charges for services		42,667		35,123
Investment earnings	1,476	14,225	1,136	5,046
Contributions		16,416		
Miscellaneous		181,726	1,050	37,251
Total revenues	<u>27,848</u>	<u>5,146,094</u>	<u>171,338</u>	<u>2,298,101</u>
Expenditures:				
Current:				
General government	70,965			
Public Safety				1,263,918
Highways and streets				
Health and welfare		5,304,382		
Culture and recreation			153,311	
Education and economic opportunity				
Environmental and conservation				
Debt Service:				
Principal	1,335	11,694		16,105
Interest and other charges	134	421		444
Cost of issuance				
Capital Outlay		9,294		308,635
Total expenditures	<u>72,434</u>	<u>5,325,791</u>	<u>153,311</u>	<u>1,589,102</u>
Excess (deficiency) of revenues over expenditures	<u>(44,586)</u>	<u>(179,697)</u>	<u>18,027</u>	<u>708,999</u>
Other financing sources (uses):				
Issuance of debt				
Payment to bond refunding escrow agent				
Lease agreements		46,642		
Sale of capital assets				3,550
Transfers in	62,978	109,820		
Transfers out		(303,601)		(5,223)
Total other financing sources (uses)	<u>62,978</u>	<u>(147,139)</u>		<u>(1,673)</u>
Net change in fund balances	18,392	(326,836)	18,027	707,326
Fund balances, July 1, 2021	<u>260,338</u>	<u>1,638,212</u>	<u>199,433</u>	<u>725,662</u>
Fund balances, June 30, 2022	<u>\$ 278,730</u>	<u>\$ 1,311,376</u>	<u>\$ 217,460</u>	<u>\$ 1,432,988</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue			Debt Service
	Special Districts	Superintendent of Schools	Workforce Innovation & Opportunity Act	General Government
Revenues:				
Property taxes				
Special assessments	\$ 46,311			
Licenses and permits				
Fines and forfeits				
Intergovernmental		\$ 3,648,773	\$ 1,631,554	
Charges for services				
Investment earnings	1,178	4,156		\$ 308
Contributions				
Miscellaneous	25,357	482,033		
Total revenues	<u>72,846</u>	<u>4,134,962</u>	<u>1,631,554</u>	<u>308</u>
Expenditures:				
Current:				
General government				
Public Safety				
Highways and streets	68,938			
Health and welfare				
Culture and recreation				
Education and economic opportunity		3,658,894	1,446,900	
Environmental and conservation				
Debt Service:				
Principal				1,585,000
Interest and other charges				616,864
Cost of issuance				677,335
Capital Outlay				
Total expenditures	<u>68,938</u>	<u>3,658,894</u>	<u>1,446,900</u>	<u>2,879,199</u>
Excess (deficiency) of revenues over expenditures	<u>3,908</u>	<u>476,068</u>	<u>184,654</u>	<u>(2,878,891)</u>
Other financing sources (uses):				
Issuance of debt				16,560,000
Payment to bond refunding escrow agent				(16,184,920)
Lease agreements				
Sale of capital assets				
Transfers in				2,201,646
Transfers out			(12,036)	
Total other financing sources (uses)			<u>(12,036)</u>	<u>2,576,726</u>
Net change in fund balances	3,908	476,068	172,618	(302,165)
Fund balances, July 1, 2021	<u>740,135</u>	<u>1,272,974</u>	<u>(254,594)</u>	<u>891,513</u>
Fund balances, June 30, 2022	<u>\$ 744,043</u>	<u>\$ 1,749,042</u>	<u>\$ (81,976)</u>	<u>\$ 589,348</u>

(continued)

Navajo County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	<u>Debt Service</u>	
	Special Districts	Total Nonmajor Governmental Funds
Revenues:		
Property taxes		\$ 4,877,711
Special assessments		215,463
Licenses and permits		236,305
Fines and forfeits		966,941
Intergovernmental		13,735,343
Charges for services		1,311,420
Investment earnings	\$ 690	109,962
Contributions		619,625
Miscellaneous		969,371
Total revenues	<u>690</u>	<u>23,042,141</u>
Expenditures:		
Current:		
General government		2,463,943
Public Safety		4,081,205
Highways and streets		68,938
Health and welfare		5,556,865
Culture and recreation		892,403
Education and economic opportunity		5,129,114
Environmental and conservation		1,199,493
Debt Service:		
Principal		1,614,134
Interest and other charges		617,863
Cost of issuance		677,335
Capital Outlay		402,657
Total expenditures		<u>22,703,950</u>
Excess (deficiency) of revenues over expenditures	<u>690</u>	<u>338,191</u>
Other financing sources (uses):		
Issuance of debt		16,560,000
Payment to bond refunding escrow agent		(16,184,920)
Lease agreements		46,642
Sale of capital assets		3,550
Transfers in		2,842,464
Transfers out		(637,593)
Total other financing sources (uses)		<u>2,630,143</u>
Net change in fund balances	690	2,968,334
Fund balances, July 1, 2021	<u>118,480</u>	<u>18,748,010</u>
Fund balances, June 30, 2022	<u>\$ 119,170</u>	<u>\$ 21,716,344</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Administration  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 2,619,319	\$ 2,619,319	\$ 480,449	\$ (2,138,870)
Charges for services	157,000	157,000	168,989	11,989
Investment earnings	8,400	8,400	6,106	(2,294)
Contributions			600,000	600,000
Miscellaneous	1,000,000	1,000,000	48,148	(951,852)
Total revenues	<u>3,784,719</u>	<u>3,784,719</u>	<u>1,303,692</u>	<u>(2,481,027)</u>
<b>Expenditures:</b>				
General government	4,478,087	4,478,087	111,961	4,366,126
Public safety	20,000	20,000	187,332	(167,332)
Health and welfare			252,483	(252,483)
Education and economic opportunity			23,320	(23,320)
Environmental and conservation			92,069	(92,069)
Capital Outlay	335,071	335,071	29,250	305,821
Total expenditures	<u>4,833,158</u>	<u>4,833,158</u>	<u>696,415</u>	<u>4,136,743</u>
Excess (deficiency) of revenues over expenditures	<u>(1,048,439)</u>	<u>(1,048,439)</u>	<u>607,277</u>	<u>1,655,716</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(15,961)</u>	<u>(15,961)</u>	<u>(113,663)</u>	<u>(97,702)</u>
Total other financing sources (uses)	<u>(15,961)</u>	<u>(15,961)</u>	<u>(113,663)</u>	<u>(97,702)</u>
Net change in fund balances	(1,064,400)	(1,064,400)	493,614	1,558,014
Fund balances, July 1, 2021	68,747	68,747	68,747	
Fund balances, June 30, 2022	<u>\$ (995,653)</u>	<u>\$ (995,653)</u>	<u>\$ 562,361</u>	<u>\$ 1,558,014</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - County Attorney  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 232,024	\$ 232,024	\$ 346,374	\$ 114,350
Intergovernmental	1,140,780	1,140,780	786,691	(354,089)
Charges for services	63,270	63,270	134,535	71,265
Investment earnings	5,850	5,850	11,826	5,976
Contributions			3,209	3,209
Miscellaneous	210,040	210,040	122,272	(87,768)
Total revenues	<u>1,651,964</u>	<u>1,651,964</u>	<u>1,404,907</u>	<u>(247,057)</u>
<b>Expenditures:</b>				
General government	3,959,523	3,959,523	1,391,041	2,568,482
Public safety	73,136	73,136	53,184	19,952
Capital Outlay	250,065	250,065	41,370	208,695
Total expenditures	<u>4,282,724</u>	<u>4,282,724</u>	<u>1,485,595</u>	<u>2,797,129</u>
Excess (deficiency) of revenues over expenditures	<u>(2,630,760)</u>	<u>(2,630,760)</u>	<u>(80,688)</u>	<u>2,550,072</u>
<b>Other financing sources (uses):</b>				
Transfers in	251,024	251,024	231,556	(19,468)
Transfers out	(12,600)	(12,600)	(14,793)	(2,193)
Total other financing sources (uses)	<u>238,424</u>	<u>238,424</u>	<u>216,763</u>	<u>(21,661)</u>
Net change in fund balances	(2,392,336)	(2,392,336)	136,075	2,528,411
Fund balances, July 1, 2021	2,542,261	2,542,261	2,542,261	
Fund balances, June 30, 2022	<u>\$ 149,925</u>	<u>\$ 149,925</u>	<u>\$ 2,678,336</u>	<u>\$ 2,528,411</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Courts  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 46,456	\$ 46,456	\$ 37,083	\$ (9,373)
Intergovernmental	705,626	705,626	585,174	(120,452)
Charges for services	581,387	581,387	571,138	(10,249)
Investment earnings	3,350	3,350	9,593	6,243
Miscellaneous	9,000	9,000	70,852	61,852
Total revenues	<u>1,345,819</u>	<u>1,345,819</u>	<u>1,273,840</u>	<u>(71,979)</u>
<b>Expenditures:</b>				
General government	2,653,666	2,653,666	889,976	1,763,690
Public safety	184,206	184,206	270,009	(85,803)
Capital Outlay	129,016	129,016	14,108	114,908
Total expenditures	<u>2,966,888</u>	<u>2,966,888</u>	<u>1,174,093</u>	<u>1,792,795</u>
Excess (deficiency) of revenues over expenditures	<u>(1,621,069)</u>	<u>(1,621,069)</u>	<u>99,747</u>	<u>1,720,816</u>
<b>Other financing sources (uses):</b>				
Transfers in	467,801	467,801	232,795	(235,006)
Transfers out	(346,981)	(346,981)	(128,136)	218,845
Total other financing sources (uses)	<u>120,820</u>	<u>120,820</u>	<u>104,659</u>	<u>(16,161)</u>
Net change in fund balances	(1,500,249)	(1,500,249)	204,406	1,704,655
Fund balances, July 1, 2021	1,778,023	1,778,023	1,778,023	
Fund balances, June 30, 2022	<u>\$ 277,774</u>	<u>\$ 277,774</u>	<u>\$ 1,982,429</u>	<u>\$ 1,704,655</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Environmental and Conservation  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 286,000	\$ 286,000	\$ 292,000	\$ 6,000
Investment earnings	7,500	7,500	4,127	(3,373)
Total revenues	<u>293,500</u>	<u>293,500</u>	<u>296,127</u>	<u>2,627</u>
<b>Expenditures:</b>				
General government	1,078,533	1,078,533		1,078,533
Environmental and conservation			236,347	(236,347)
Capital Outlay	5,000	5,000		5,000
Total expenditures	<u>1,083,533</u>	<u>1,083,533</u>	<u>236,347</u>	<u>847,186</u>
Excess (deficiency) of revenues over expenditures	<u>(790,033)</u>	<u>(790,033)</u>	<u>59,780</u>	<u>849,813</u>
<b>Other financing sources (uses):</b>				
Transfers out			(1,523)	(1,523)
Total other financing sources (uses)			<u>(1,523)</u>	<u>(1,523)</u>
Net change in fund balances	(790,033)	(790,033)	58,257	848,290
Fund balances, July 1, 2021	766,680	766,680	766,680	
Fund balances, June 30, 2022	<u>\$ (23,353)</u>	<u>\$ (23,353)</u>	<u>\$ 824,937</u>	<u>\$ 848,290</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Flood Control District  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 1,951,740	\$ 1,951,740	\$ 1,955,383	\$ 3,643
Intergovernmental			88,884	88,884
Investment earnings	80,936	80,936	45,139	(35,797)
Total revenues	<u>2,032,676</u>	<u>2,032,676</u>	<u>2,089,406</u>	<u>56,730</u>
Expenditures:				
Environmental and conservation	1,359,605	1,359,605	666,634	692,971
Capital Outlay	7,271,179	7,271,179		7,271,179
Total expenditures	<u>8,630,784</u>	<u>8,630,784</u>	<u>666,634</u>	<u>7,964,150</u>
Excess (deficiency) of revenues over expenditures	<u>(6,598,108)</u>	<u>(6,598,108)</u>	<u>1,422,772</u>	<u>8,020,880</u>
Other financing sources (uses):				
Transfers out	<u>(404,443)</u>	<u>(404,443)</u>	<u>(207,561)</u>	<u>196,882</u>
Total other financing sources (uses)	<u>(404,443)</u>	<u>(404,443)</u>	<u>(207,561)</u>	<u>196,882</u>
Net change in fund balances	(7,002,551)	(7,002,551)	1,215,211	8,217,762
Fund balances, July 1, 2021	7,347,217	7,347,217	7,347,217	
Fund balances, June 30, 2022	<u>\$ 344,666</u>	<u>\$ 344,666</u>	<u>\$ 8,562,428</u>	<u>\$ 8,217,762</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Library District  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 861,347	\$ 861,347	\$ 830,148	\$ (31,199)
Intergovernmental	45,260	45,260	80,001	34,741
Investment earnings	1,200	1,200	1,427	227
Miscellaneous	19,920	19,920	682	(19,238)
Total revenues	<u>927,727</u>	<u>927,727</u>	<u>912,258</u>	<u>(15,469)</u>
<b>Expenditures:</b>				
Culture and recreation	528,492	528,492	538,487	(9,995)
Capital Outlay	128,100	128,100		128,100
Total expenditures	<u>656,592</u>	<u>656,592</u>	<u>538,487</u>	<u>118,105</u>
Excess (deficiency) of revenues over expenditures	<u>271,135</u>	<u>271,135</u>	<u>373,771</u>	<u>102,636</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(300,605)</u>	<u>(300,605)</u>	<u>(220,652)</u>	<u>79,953</u>
Total other financing sources (uses)	<u>(300,605)</u>	<u>(300,605)</u>	<u>(220,652)</u>	<u>79,953</u>
Net change in fund balances	(29,470)	(29,470)	153,119	182,589
Fund balances, July 1, 2021	80,193	80,193	80,193	
Fund balances, June 30, 2022	<u>\$ 50,723</u>	<u>\$ 50,723</u>	<u>\$ 233,312</u>	<u>\$ 182,589</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Probation  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 2,138,005	\$ 2,138,005	\$ 1,915,673	\$ (222,332)
Charges for services	310,500	310,500	358,968	48,468
Investment earnings	3,835	3,835	3,529	(306)
Total revenues	<u>2,452,340</u>	<u>2,452,340</u>	<u>2,278,170</u>	<u>(174,170)</u>
<b>Expenditures:</b>				
Public safety	<u>3,016,542</u>	<u>3,016,542</u>	<u>2,306,762</u>	<u>709,780</u>
Total expenditures	<u>3,016,542</u>	<u>3,016,542</u>	<u>2,306,762</u>	<u>709,780</u>
Excess (deficiency) of revenues over expenditures	<u>(564,202)</u>	<u>(564,202)</u>	<u>(28,592)</u>	<u>535,610</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,974	3,974	3,669	(305)
Transfers out	<u>          </u>	<u>          </u>	<u>(35,453)</u>	<u>(35,453)</u>
Total other financing sources (uses)	<u>3,974</u>	<u>3,974</u>	<u>(31,784)</u>	<u>(35,758)</u>
Net change in fund balances	(560,228)	(560,228)	(60,376)	499,852
Fund balances, July 1, 2021	572,736	572,736	572,736	
Fund balances, June 30, 2022	<u>\$ 12,508</u>	<u>\$ 12,508</u>	<u>\$ 512,360</u>	<u>\$ 499,852</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Defense  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 26,372	\$ 10,372
Investment earnings	2,200	2,200	1,476	(724)
Total revenues	<u>18,200</u>	<u>18,200</u>	<u>27,848</u>	<u>9,648</u>
Expenditures:				
General government	249,957	249,957	70,965	178,992
Principal			1,335	(1,335)
Interest and other charges			134	(134)
Capital Outlay	6,000	6,000		6,000
Total expenditures	<u>255,957</u>	<u>255,957</u>	<u>72,434</u>	<u>183,523</u>
Excess (deficiency) of revenues over expenditures	<u>(237,757)</u>	<u>(237,757)</u>	<u>(44,586)</u>	<u>193,171</u>
Other financing sources (uses):				
Transfers in	15,765	15,765	62,978	47,213
Total other financing sources (uses)	<u>15,765</u>	<u>15,765</u>	<u>62,978</u>	<u>47,213</u>
Net change in fund balances	(221,992)	(221,992)	18,392	240,384
Fund balances, July 1, 2021	260,338	260,338	260,338	
Fund balances, June 30, 2022	<u>\$ 38,346</u>	<u>\$ 38,346</u>	<u>\$ 278,730</u>	<u>\$ 240,384</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Public Health  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 2,155,646	\$ 2,155,646	\$ 2,092,180	\$ (63,466)
Licenses and permits	95,000	95,000	236,305	141,305
Fines and forfeits			65	65
Intergovernmental	3,077,008	3,077,008	2,562,510	(514,498)
Charges for services	32,000	32,000	42,667	10,667
Investment earnings	4,650	4,650	14,225	9,575
Contributions	12,850	12,850	16,416	3,566
Miscellaneous	138,780	138,780	181,726	42,946
Total revenues	<u>5,515,934</u>	<u>5,515,934</u>	<u>5,146,094</u>	<u>(369,840)</u>
<b>Expenditures:</b>				
Health and welfare	6,630,992	6,630,992	4,983,382	1,647,610
Principal			11,694	(11,694)
Interest and other charges			421	(421)
Capital Outlay	530,959	530,959	9,294	521,665
Total expenditures	<u>7,161,951</u>	<u>7,161,951</u>	<u>5,004,791</u>	<u>2,157,160</u>
Excess (deficiency) of revenues over expenditures	<u>(1,646,017)</u>	<u>(1,646,017)</u>	<u>141,303</u>	<u>1,787,320</u>
<b>Other financing sources (uses):</b>				
Lease agreements			46,642	46,642
Transfers in	838,838	838,838	109,820	(729,018)
Transfers out	(552,702)	(552,702)	(624,601)	(71,899)
Total other financing sources (uses)	<u>286,136</u>	<u>286,136</u>	<u>(468,139)</u>	<u>(754,275)</u>
Net change in fund balances	(1,359,881)	(1,359,881)	(326,836)	1,033,045
Fund balances, July 1, 2021	1,638,212	1,638,212	1,638,212	
Fund balances, June 30, 2022	<u>\$ 278,331</u>	<u>\$ 278,331</u>	<u>\$ 1,311,376</u>	<u>\$ 1,033,045</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Recreation District  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 175,420	\$ 175,420	\$	\$ (175,420)
Special assessments			169,152	169,152
Investment earnings	1,600	1,600	1,136	(464)
Miscellaneous	7,500	7,500	1,050	(6,450)
Total revenues	<u>184,520</u>	<u>184,520</u>	<u>171,338</u>	<u>(13,182)</u>
Expenditures:				
General government	331,520	331,520		331,520
Culture and recreation			153,311	(153,311)
Capital Outlay	3,000	3,000		3,000
Total expenditures	<u>334,520</u>	<u>334,520</u>	<u>153,311</u>	<u>181,209</u>
Net change in fund balances	(150,000)	(150,000)	18,027	168,027
Fund balances, July 1, 2021	199,433	199,433	199,433	
Fund balances, June 30, 2022	<u>\$ 49,433</u>	<u>\$ 49,433</u>	<u>\$ 217,460</u>	<u>\$ 168,027</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Sheriff's Office  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Fines and forfeits	\$ 500,000	\$ 500,000	\$ 583,419	\$ 83,419
Intergovernmental	1,181,963	1,181,963	1,637,262	455,299
Charges for services	42,336	42,336	35,123	(7,213)
Investment earnings	3,370	3,370	5,046	1,676
Miscellaneous	53,177	53,177	37,251	(15,926)
Total revenues	<u>1,780,846</u>	<u>1,780,846</u>	<u>2,298,101</u>	<u>517,255</u>
<b>Expenditures:</b>				
Public safety	1,841,840	1,841,840	1,263,918	577,922
Principal			16,105	(16,105)
Interest and other charges			444	(444)
Capital Outlay	460,433	460,433	308,635	151,798
Total expenditures	<u>2,302,273</u>	<u>2,302,273</u>	<u>1,589,102</u>	<u>713,171</u>
Excess (deficiency) of revenues over expenditures	<u>(521,427)</u>	<u>(521,427)</u>	<u>708,999</u>	<u>1,230,426</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets			3,550	3,550
Transfers in	59,708	59,708		(59,708)
Transfers out	(59,708)	(59,708)	(5,223)	54,485
Total other financing sources (uses)	<u></u>	<u></u>	<u>(1,673)</u>	<u>(1,673)</u>
Net change in fund balances	(521,427)	(521,427)	707,326	1,228,753
Fund balances, July 1, 2021	725,662	725,662	725,662	
Fund balances, June 30, 2022	<u>\$ 204,235</u>	<u>\$ 204,235</u>	<u>\$ 1,432,988</u>	<u>\$ 1,228,753</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Special Districts  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 36,361	\$ 36,361	\$	\$ (36,361)
Special assessments			46,311	46,311
Investment earnings	700	700	1,178	478
Miscellaneous	15,000	15,000	25,357	10,357
Total revenues	<u>52,061</u>	<u>52,061</u>	<u>72,846</u>	<u>20,785</u>
Expenditures:				
General government	631,561	631,561		631,561
Highways and streets	131,537	131,537	68,938	62,599
Principal	31,061	31,061		31,061
Total expenditures	<u>794,159</u>	<u>794,159</u>	<u>68,938</u>	<u>725,221</u>
Net change in fund balances	(742,098)	(742,098)	3,908	746,006
Fund balances, July 1, 2021	740,135	740,135	740,135	
Fund balances, June 30, 2022	<u>\$ (1,963)</u>	<u>\$ (1,963)</u>	<u>\$ 744,043</u>	<u>\$ 746,006</u>

Navajo County  
 Budgetary Comparison Schedule  
 Special Revenue - Workforce Innovation and Opportunity Act (WIOA)  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 2,683,269	\$ 2,683,269	\$ 1,631,554	\$ (1,051,715)
Total revenues	<u>2,683,269</u>	<u>2,683,269</u>	<u>1,631,554</u>	<u>(1,051,715)</u>
Expenditures:				
Education and economic opportunity	2,683,269	2,683,269	1,446,900	1,236,369
Total expenditures	<u>2,683,269</u>	<u>2,683,269</u>	<u>1,446,900</u>	<u>1,236,369</u>
Excess (deficiency) of revenues over expenditures			<u>184,654</u>	<u>184,654</u>
Other financing sources (uses):				
Transfers out			<u>(12,036)</u>	<u>(12,036)</u>
Total other financing sources (uses)			<u>(12,036)</u>	<u>(12,036)</u>
Net change in fund balances			172,618	172,618
Fund balances, July 1, 2021	(254,594)	(254,594)	(254,594)	
Fund balances, June 30, 2022	<u>\$ (254,594)</u>	<u>\$ (254,594)</u>	<u>\$ (81,976)</u>	<u>\$ 172,618</u>

Navajo County  
 Budgetary Comparison Schedule  
 Debt Service - General Government  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Investment earnings	\$	\$	\$ 308	\$ 308
Total revenues			308	308
<b>Expenditures:</b>				
Principal	1,267,035	1,267,035	1,585,000	(317,965)
Interest and other charges	110,720	110,720	616,864	(506,144)
Cost of issuance		800,000	677,335	122,665
Total expenditures	1,377,755	2,177,755	2,879,199	(701,444)
Excess (deficiency) of revenues over expenditures	(1,377,755)	(2,177,755)	(2,878,891)	(701,136)
<b>Other financing sources (uses):</b>				
Issuance of debt			16,560,000	16,560,000
Payment to bond refunding escrow agent		(16,200,000)	(16,184,920)	15,080
Transfers in	1,377,755	1,377,755	2,201,646	823,891
Total other financing sources (uses)	1,377,755	(14,822,245)	2,576,726	17,398,971
Net change in fund balances		(17,000,000)	(302,165)	16,697,835
Fund balances, July 1, 2021	891,513	891,513	891,513	
Fund balances, June 30, 2022	\$ 891,513	\$ (16,108,487)	\$ 589,348	\$ 16,697,835

Navajo County  
 Budgetary Comparison Schedule  
 Debt Service - Special Districts  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Investment earnings	\$	\$	690	\$ 690
Total revenues			690	690
Expenditures:				
Principal	109,163	109,163		109,163
Total expenditures	109,163	109,163		109,163
Net change in fund balances	(109,163)	(109,163)	690	109,853
Fund balances, July 1, 2021	118,480	118,480	118,480	
Fund balances, June 30, 2022	\$ 9,317	\$ 9,317	\$ 119,170	\$ 109,853

Page left blank intentionally

---

# Combining and Individual Fund Statements

Fiduciary Funds



Page left blank intentionally

Navajo County, Arizona  
Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
June 30, 2022

<u>Assets</u>	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
Cash and investments	\$ 99,541	\$ 1,265,863	\$ 1,365,404
Total assets	<u>\$ 99,541</u>	<u>\$ 1,265,863</u>	<u>\$ 1,365,404</u>
<b><u>Net Position</u></b>			
Restricted for:			
Individuals, organizations, and other governments	\$ 99,541	\$ 1,265,863	\$ 1,365,404
Total Net Position	<u>\$ 99,541</u>	<u>\$ 1,265,863</u>	<u>\$ 1,365,404</u>

Navajo County, Arizona  
Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
For the Year Ended June 30, 2022

	<u>Irrevocable Burial Trust</u>	<u>Public Fiduciary Trust Fund</u>	<u>Total Private Purpose Trust Funds</u>
<b><u>Additions</u></b>			
Investment earnings	\$ 548	\$ 6,965	\$ 7,513
Other	6,985	1,453,058	1,460,043
Total additions	<u>\$ 7,533</u>	<u>\$ 1,460,023</u>	<u>\$ 1,467,556</u>
<b><u>Deductions</u></b>			
Other	\$ 10,100	\$ 1,503,621	\$ 1,513,721
Total deductions	<u>\$ 10,100</u>	<u>\$ 1,503,621</u>	<u>\$ 1,513,721</u>
Change in net position	\$ (2,567)	\$ (43,598)	\$ (46,165)
Net position as restated, July 1, 2021	\$ 102,108	\$ 1,309,461	\$ 1,411,569
Net position, June 30, 2022	<u>\$ 99,541</u>	<u>\$ 1,265,863</u>	<u>\$ 1,365,404</u>

Navajo County  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2022

	External Investment Pool					Other			
	School Districts	Community College District	Fire Districts	Other Governmental Entities	Total External Investment Pool	Property Tax Collection	Special Purpose	Non-County External Bank Accounts	Total Other
<b>Assets</b>									
Cash and investments	\$ 155,645,933	\$ 75,483,435	\$ 9,105,314	\$ 12,428,503	\$ 252,663,185	\$ 132,795	\$ 632,657	\$ 1,344,949	\$ 2,110,401
Property tax receivable for other governments						2,823,685			\$ 2,823,685
Interest receivable	417,446	190,440	22,972	31,356	662,214				\$ -
Total assets	<u>\$ 156,063,379</u>	<u>\$ 75,673,875</u>	<u>\$ 9,128,286</u>	<u>\$ 12,459,859</u>	<u>\$ 253,325,399</u>	<u>\$ 2,956,480</u>	<u>\$ 632,657</u>	<u>\$ 1,344,949</u>	<u>\$ 4,934,086</u>
<b>Liabilities</b>									
Property tax payable to other governments						\$ 132,795			\$ 132,795
Total liabilities						<u>\$ 132,795</u>			<u>\$ 132,795</u>
<b>Net Position</b>									
Restricted for:									
Pool Participants	\$ 156,063,379	\$ 75,673,875	\$ 9,128,286	\$ 12,459,859	\$ 253,325,399				
Individuals, organizations and other governments						\$ 2,823,685	\$ 632,657	\$ 1,344,949	\$ 4,801,291
Total net position	<u>\$ 156,063,379</u>	<u>\$ 75,673,875</u>	<u>\$ 9,128,286</u>	<u>\$ 12,459,859</u>	<u>\$ 253,325,399</u>	<u>\$ 2,823,685</u>	<u>\$ 632,657</u>	<u>\$ 1,344,949</u>	<u>\$ 4,801,291</u>

Navajo County  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2022

	External Investment Pool					Other			
	School Districts	Community College District	Fire Districts	Other Governmental Entities	Total External Investment Pool	Property Tax Collection	Special Purpose	Non-County External Bank Accounts	Total Other
<b>Additions:</b>									
Contributions from pool participants	\$ 257,075,907	\$ 35,921,897	\$ 19,971,795	\$ 2,056,925	\$ 315,026,524				
Property tax collections for other governments						\$ 79,621,494			\$ 79,621,494
Fines and fees collections for other governments							\$ 1,896,908		1,896,908
Fines and fees collections for victims								\$ 1,994,168	1,994,168
Investment earnings	1,340,888	485,804	75,908	103,613	2,006,213		3,678		3,678
Inmate collections								1,460,358	1,460,358
Other							3,505,572	3,725,278	7,230,850
Total additions	<u>\$ 258,416,795</u>	<u>\$ 36,407,701</u>	<u>\$ 20,047,703</u>	<u>\$ 2,160,538</u>	<u>\$ 317,032,737</u>	<u>\$ 79,621,494</u>	<u>\$ 5,406,158</u>	<u>\$ 7,179,804</u>	<u>\$ 92,207,456</u>
<b>Deductions:</b>									
Distributions to pool participants	\$ 257,004,449		\$ 18,361,144	\$ 1,111,414	\$ 276,477,007				
Property tax distributions to other governments						\$ 79,401,518			\$ 79,401,518
Fines and fees distributions to other governments							\$ 1,896,596		\$ 1,896,596
Restitution and reimbursement payments to victims								\$ 1,614,518	\$ -
Payments to inmates								1,455,546	\$ 1,614,518
Other							3,384,550	3,589,288	\$ 1,455,546
Total deductions	<u>\$ 257,004,449</u>	<u>\$ -</u>	<u>\$ 18,361,144</u>	<u>\$ 1,111,414</u>	<u>\$ 276,477,007</u>	<u>\$ 79,401,518</u>	<u>\$ 5,281,146</u>	<u>\$ 6,659,352</u>	<u>\$ 91,342,016</u>
Change in net position	\$ 1,412,346	\$ 36,407,701	\$ 1,686,559	\$ 1,049,124	\$ 40,555,730	\$ 219,976	\$ 125,012	\$ 520,452	\$ 865,440
Net position, July 1, 2021	<u>\$ 154,651,033</u>	<u>\$ 39,266,174</u>	<u>\$ 7,441,727</u>	<u>\$ 11,410,735</u>	<u>\$ 212,769,669</u>	<u>\$ 2,603,709</u>	<u>\$ 507,645</u>	<u>\$ 824,497</u>	<u>\$ 3,935,851</u>
Net position, June 30, 2022	<u>\$ 156,063,379</u>	<u>\$ 75,673,875</u>	<u>\$ 9,128,286</u>	<u>\$ 12,459,859</u>	<u>\$ 253,325,399</u>	<u>\$ 2,823,685</u>	<u>\$ 632,657</u>	<u>\$ 1,344,949</u>	<u>\$ 4,801,291</u>

---

# Statistical Section



Page left blank intentionally

# Navajo County

## Listing of Statistical Information

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

**Financial Trends** - Schedules on pages 123 through 129

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 130 through 133

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

**Debt Capacity** - Schedules on pages 134 through 138

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 139 through 140

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 141 through 144

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.

Page left blank intentionally

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 56,759,014	\$ 62,616,821	\$ 60,649,846	\$ 59,210,246	\$ 56,729,385
Restricted	25,924,806	24,056,612	23,521,625	24,226,548	27,519,091
Unrestricted	8,028,698	4,454,331	(51,230,312)	(53,540,230)	(57,988,587)
Total governmental activities net position	<u>\$ 90,712,518</u>	<u>\$ 91,127,764</u>	<u>\$ 32,941,159</u>	<u>\$ 29,896,564</u>	<u>\$ 26,259,889</u>

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities:					
Net investment in capital assets	\$ 55,036,226	\$ 53,427,360	\$ 53,427,360	\$ 52,683,191	\$ 51,907,432
Restricted	29,179,272	31,085,279	38,510,287	48,074,074	53,477,095
Unrestricted (deficit)	(62,383,097)	(47,979,330)	(38,070,575)	(30,263,514)	(15,495,861)
Total governmental activities net position	<u>\$ 21,832,401</u>	<u>\$ 36,533,309</u>	<u>\$ 53,867,072</u>	<u>\$ 70,493,751</u>	<u>\$ 89,888,666</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			
	2013	2014	2015	2016
<b>Expenses:</b>				
General government	\$ 20,944,578	\$ 22,213,348	\$ 31,968,411	\$ 29,716,664
Public safety (Note 2)	19,728,986	17,393,343	17,313,998	17,562,220
Highways and streets	10,935,566	9,534,493	11,190,411	12,008,267
Health and welfare	7,734,191	8,039,343	7,956,284	8,350,410
Culture and recreation	788,127	694,108	665,292	798,683
Education and economic opportunity	5,498,285	6,190,399	5,669,487	5,479,786
Environmental and conservation	303,402	329,829	211,478	247,622
Urban redevelopment and housing	42,701	365,994	73,852	16,887
Interest on long-term debt	527,044	487,808	802,936	503,684
Total governmental activities expenses	<u>66,502,880</u>	<u>65,248,665</u>	<u>75,852,149</u>	<u>74,684,223</u>
<b>Program Revenues:</b>				
Charges for services:				
General government	3,649,106	3,537,721	5,079,224	5,400,182
Public Safety	1,146,080	919,746	1,390,048	1,549,821
Highway and streets	12,171	252,982	100,758	432,421
Health and welfare	243,393	329,602	274,262	333,306
Culture and recreation				166,881
Education and economic opportunity				
Operating grants and contributions:				
General government	1,966,176	2,700,852	3,613,033	3,945,966
Public Safety	4,500,832	3,976,671	3,715,424	4,911,950
Highway and streets				
Health and welfare	2,500,943	2,820,717	2,898,998	2,770,719
Culture and recreation	129,282	149,666	128,945	61,754
Education and economic opportunity	4,327,485	5,266,695	4,488,394	5,034,340
Environmental and conservation	301,660	534,722	411,987	364,692
Urban redevelopment and housing	40,823	376,628	62,860	10,000
Capital grants and contributions:				
General government				
Public Safety				
Highway and streets	9,690,517	9,565,055	11,431,446	11,571,167
Total governmental activities program revenues	<u>28,508,468</u>	<u>30,431,057</u>	<u>33,595,379</u>	<u>36,553,199</u>
Net (Expense) Revenue	\$ (37,994,412)	\$ (34,817,608)	\$ (42,256,770)	\$ (38,131,024)
<b>General Revenues:</b>				
Property taxes	\$ 11,924,765	\$ 11,704,948	\$ 12,536,351	\$ 12,531,782
Special assessments (see Note 1)	502,434	542,526	507,456	
General county sales tax	6,239,089	6,667,433	6,674,867	6,365,510
Jail District sales tax				
State shared revenues	12,024,496	12,773,729	12,964,950	13,125,229
Payment in lieu of taxes	1,430,914	1,538,954	1,406,936	1,547,382
Grants and contributions not restricted to specific programs				
Investment earnings	(109,711)	453,017	195,437	165,384
Capital contributions				6,980
Gain on disposal of capital assets	52,473	96,640	35,974	2,995
Miscellaneous	892,976	1,455,607	1,072,052	1,341,167
Transfers				
Total general revenues and transfers	<u>32,957,436</u>	<u>35,232,854</u>	<u>35,394,023</u>	<u>35,086,429</u>
Change in net position - governmental activities	<u>\$ (5,036,976)</u>	<u>\$ 415,246</u>	<u>\$ (6,862,747)</u>	<u>\$ (3,044,595)</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					
		2017	2018	2019	2020	2021	2022
\$	32,717,374	\$ 33,836,072	\$ 19,039,794	\$ 19,717,997	\$ 24,839,724	\$ 26,497,535	
	18,067,230	19,657,838	15,006,970	17,389,682	19,619,517	21,839,924	
	10,710,700	11,773,357	13,019,136	13,428,606	13,900,151	16,552,646	
	8,362,293	8,079,274	6,998,047	7,867,404	9,408,467	9,689,676	
	790,379	781,287	834,993	906,722	821,881	907,761	
	4,297,521	5,042,013	3,896,117	4,702,040	6,069,282	5,604,230	
	303,270	417,465	330,778	261,874	1,066,890	1,198,343	
	165,114	-	-	27,500	471,100	-	
	461,083	426,770	388,013	349,744	357,988	617,969	
	<u>75,874,964</u>	<u>80,014,076</u>	<u>59,513,848</u>	<u>64,651,569</u>	<u>76,555,000</u>	<u>82,908,084</u>	
	4,780,321	4,848,807	4,842,304	5,788,697	7,474,687	6,528,177	
	1,285,569	1,261,016	1,422,243	1,055,010	293,119	1,472,456	
	330,585	206,020	107,296	70,358	80,575	44,625	
	319,505	224,395	190,212	190,946	228,338	280,752	
	151,137	156,091	158,428	156,658	174,077	175,081	
				36,000	-	2,750	
	3,794,242	4,230,956	2,782,852	3,155,642	3,928,599	8,800,566	
	4,571,216	5,433,481	4,269,967	4,642,893	8,072,282	8,775,763	
		11,947,902	13,648,124	12,669,984	14,525,824	14,888,939	
	2,901,048	2,857,321	1,717,238	6,543,708	2,649,620	2,627,282	
	68,388	22,532	73,000	64,161	41,656	78,432	
	3,450,856	4,262,294	3,488,160	4,207,895	4,929,666	5,701,539	
	317,752	430,922	416,520	398,455	337,458	475,789	
	458,825			48,639	471,100	-	
		5,000	10,000	26,831	-	11,634	
	67,306	34,303	154,479	67,749	24,741	41,583	
	12,173,466		32,890	30,900	-	-	
	<u>34,670,216</u>	<u>35,921,040</u>	<u>33,313,713</u>	<u>39,154,526</u>	<u>43,231,742</u>	<u>49,905,368</u>	
\$	(41,204,748)	\$ (44,093,036)	\$ (26,200,135)	\$ (25,497,043)	\$ (33,323,258)	\$ (33,002,716)	
\$	12,131,695	\$ 13,004,998	\$ 13,061,068	\$ 13,179,014	\$ 13,223,643	\$ 13,124,301	
	6,534,686	7,381,671	7,792,310	7,597,916	8,292,941	9,056,104	
				2,228,059	5,415,411	5,932,721	
	13,730,314	15,105,931	16,037,990	15,984,931	18,732,156	19,684,742	
	1,532,361	1,644,973	1,653,023	1,680,097	1,664,719	1,754,614	
	164,425	264,616	598,634	839,212	714,866	460,644	
	9,600	127,321	81,300	81,469	14,689	77,291	
	1,666,058	1,668,273	1,572,144	1,344,682	1,891,512	2,307,214	
	<u>35,769,139</u>	<u>39,197,783</u>	<u>40,796,469</u>	<u>42,935,380</u>	<u>49,949,937</u>	<u>52,397,631</u>	
\$	(5,435,609)	\$ (4,895,253)	\$ 14,596,334	\$ 17,438,337	\$ 16,626,679	\$ 19,394,915	

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

	Fiscal Year			
	2013	2014	2015	2016
General fund				
Nonspendable				
Restricted		\$ 437,220	\$ 1,273,833	\$ 1,612,513
Assigned	\$ 2,021,131	2,331,597	2,836,408	2,535,860
Unassigned	3,849,238	3,482,808	3,544,712	3,523,261
Total general fund	<u>\$ 5,870,369</u>	<u>\$ 6,251,625</u>	<u>\$ 7,654,953</u>	<u>\$ 7,671,634</u>
All other governmental funds				
Nonspendable	\$ 1,034,772	\$ 1,114,772	\$ 991,663	\$ 619,596
Restricted	26,621,136	26,720,572	22,055,581	23,119,737
Committed				
Assigned	2,064,946	3,288,638	2,552,485	966,610
Unassigned	(13)	(1,048,472)	(1,686,672)	(210,456)
Total all other governmental funds	<u>\$ 29,720,841</u>	<u>\$ 30,075,510</u>	<u>\$ 23,913,057</u>	<u>\$ 24,495,487</u>

(Continued)

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

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 900,000	\$ 896,025	\$ 851,503	\$ 750,532	\$ 725,625	
	926,206	2,767,749	5,930,737	8,272,190	\$ 9,468,728
2,734,436	3,057,549	2,910,684	2,486,750	2,987,378	4,160,523
4,884,457	8,355,219	14,052,651	18,886,344	29,719,540	35,050,462
<u>\$ 8,518,893</u>	<u>\$ 13,234,999</u>	<u>\$ 20,582,587</u>	<u>\$ 28,054,363</u>	<u>\$ 41,704,733</u>	<u>\$ 48,679,713</u>
\$ 919,164	\$ 817,171	\$ 1,189,516	\$ 672,643	\$ 444,347	\$ 454,601
24,928,694	26,123,297	25,966,488	30,036,815	36,584,946	40,209,579
					8,853,216
2,182,636	898,747	1,120,057	632,097	118,675	887,986
(2,394,741)	(960,780)	(1,454,759)	(690,472)	(2,679,104)	(3,444,335)
<u>\$ 25,635,753</u>	<u>\$ 26,878,435</u>	<u>\$ 26,821,302</u>	<u>\$ 30,651,083</u>	<u>\$ 34,468,864</u>	<u>\$ 46,961,047</u>

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

	Fiscal Year			
	2013	2014	2015	2016
<b>Revenues:</b>				
Property taxes	\$ 12,058,648	\$ 11,699,519	\$ 12,565,289	\$ 12,542,649
County sales taxes		6,667,433	6,674,867	6,365,510
Licenses and permits	469,651	606,269	522,919	604,525
Fines and forfeits	1,539,663	1,247,497	1,789,993	1,492,927
Intergovernmental	43,050,561	39,645,165	40,045,748	42,328,108
Charges for services	3,041,435	3,241,520	9,698,659	10,369,286
Investment earnings	(109,710)	453,017	195,437	165,384
Special assessments	502,434	518,762	491,734	485,708
Contributions	64,512	42,650	43,061	39,962
Miscellaneous	892,976	1,455,607	1,072,052	1,341,167
Total revenues	<u>61,510,170</u>	<u>65,577,439</u>	<u>73,099,759</u>	<u>75,735,226</u>
<b>Expenditures:</b>				
General government	20,746,489	21,296,099	27,228,792	27,475,209
Public safety	17,515,389	17,165,782	16,762,711	18,013,055
Highways and streets	9,583,999	8,446,932	10,245,789	9,949,660
Health and welfare	7,987,610	7,909,342	8,323,596	8,698,408
Culture and recreation	785,901	691,882	702,563	812,461
Education and economic opportunity	5,326,169	6,146,055	5,491,323	5,408,227
Environmental and conservation	303,402	347,079	223,528	266,428
Urban redevelopment and housing	42,701	365,994	73,852	16,887
Debt service:				
Principal	676,779	821,698	2,737,814	1,529,333
Interest and other charges	527,044	461,413	802,936	503,684
Bond Issuance Costs	115,290	75,464		
Capital outlay	1,469,268	7,613,324	5,207,816	2,093,691
Total expenditures	<u>65,080,041</u>	<u>71,341,064</u>	<u>77,800,720</u>	<u>74,767,043</u>
Excess(deficiency) of revenues over expenditures	(3,569,871)	(5,763,625)	(4,700,961)	968,183
<b>Other financing sources (uses):</b>				
Revenue bonds issued	8,500,000	10,625,000		
Premium on refunding bonds				
Payment to bond refunding escrow agent	(4,345,000)	(4,806,395)		
Capital lease/installment purchase agreements	146,994	488,368		
Lease agreements				
Special assessment bonds issued				
Sale of capital assets	78,863	98,822	64,945	2,995
Transfers in	10,157,899	7,753,432	5,625,009	4,218,192
Transfers out	(10,157,899)	(7,753,432)	(5,625,009)	(4,218,192)
Total other financing sources and uses	<u>4,380,857</u>	<u>6,405,795</u>	<u>64,945</u>	<u>2,995</u>
Net change in fund balances	<u>\$ 810,986</u>	<u>\$ 642,170</u>	<u>\$ (4,636,016)</u>	<u>\$ 971,178</u>
Ratio of total debt service expenditures to non-capital expenditures	1.89%	2.01%	4.88%	2.80%

(Continued)

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

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 12,133,955	\$ 12,959,490	\$ 13,055,634	\$ 13,204,479	\$ 13,375,972	\$ 12,982,348	
6,534,686	7,381,671	7,792,310	9,825,975	13,708,352	14,988,825	
567,951	379,350	649,663	666,049	1,009,632	889,154	
1,339,324	653,066	1,243,574	972,816	1,365,181	1,533,251	
41,900,493	910,721	44,787,023	48,668,351	54,361,876	62,063,879	
9,280,867	44,123,924	11,407,186	12,017,625	5,627,547	5,863,631	
164,425	12,076,377	598,635	839,212	714,866	460,644	
488,962	264,616	341,186	228,599	266,409	215,463	
38,784	50,624	35,718	19,013	629,400	619,625	
1,666,057	1,668,273	1,431,541	1,344,682	1,891,512	2,307,214	
<u>74,115,504</u>	<u>80,468,112</u>	<u>81,342,470</u>	<u>87,786,801</u>	<u>92,950,747</u>	<u>101,924,034</u>	
29,089,321	28,518,557	28,044,516	26,282,745	23,232,898	25,523,776	
17,667,900	16,889,504	17,768,169	18,845,097	18,369,271	21,660,861	
9,187,604	10,160,928	11,952,348	11,106,769	10,598,751	13,450,391	
8,676,682	8,788,365	7,771,247	8,507,369	9,392,882	9,683,695	
803,616	839,205	900,142	933,995	807,140	892,403	
4,241,865	5,058,368	4,345,728	4,932,764	5,942,803	5,468,865	
322,770	441,264	361,453	284,339	1,068,040	1,199,493	
165,114			27,500	471,100	-	
1,571,917	1,314,262	1,328,794	1,298,229	1,285,182	1,615,275	
461,083	426,770	388,013	349,744	357,988	617,969	
				230,601	677,335	
<u>1,608,272</u>	<u>2,651,159</u>	<u>1,613,870</u>	<u>3,521,344</u>	<u>3,785,024</u>	<u>2,322,614</u>	
<u>73,796,144</u>	<u>75,088,382</u>	<u>74,474,280</u>	<u>76,089,895</u>	<u>75,541,680</u>	<u>83,112,677</u>	
319,360	5,379,730	6,868,190	11,696,906	17,409,067	18,811,357	
				9,535,000	16,560,000	
				1,575,866	-	
				(10,795,000)	(16,184,920)	
101,341	60,715				121,977	
14,218	127,321	87,848	85,113	14,689	109,486	
4,699,294	5,882,351	3,013,881	9,144,407	7,355,356	15,265,693	
(4,699,294)	(5,882,351)	(3,013,881)	(9,144,407)	(7,355,356)	(15,265,693)	
<u>115,559</u>	<u>188,036</u>	<u>87,848</u>	<u>85,113</u>	<u>330,555</u>	<u>606,543</u>	
<u>\$ 434,919</u>	<u>\$ 5,567,766</u>	<u>\$ 6,956,038</u>	<u>\$ 11,782,019</u>	<u>\$ 17,739,622</u>	<u>\$ 19,417,900</u>	
2.82%	2.40%	2.36%	2.27%	2.29%	2.76%	

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

**PRIMARY ASSESSED VALUE**

Fiscal Year	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Assessed Value	*Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2013	575,074,783	380,102,301	19,084,628	974,261,712	1.2864	8,838,891,218	11.02%
2014	513,683,811	371,638,224	18,023,142	903,345,177	1.3850	8,029,406,641	11.25%
2015	468,337,874	359,094,468	17,584,375	845,016,717	1.5615	7,573,933,720	11.16%
2016	473,702,904	344,422,319	14,676,214	832,801,437	1.5917	7,594,032,171	10.97%
2017	483,652,421	305,141,610	14,268,450	803,062,481	1.5849	7,599,284,336	10.57%
2018	503,253,916	303,982,228	13,871,612	821,107,756	1.6203	7,246,001,436	11.33%
2019	518,753,473	296,391,993	13,702,667	828,848,133	1.6223	7,391,612,457	11.21%
2020	539,795,594	297,179,363	15,665,288	852,640,245	1.5977	7,660,041,799	11.13%
2021	569,482,606	297,624,438	15,051,072	882,158,116	1.5667	8,000,295,495	11.03%
2022	595,366,397	300,496,802	15,614,890	911,478,089	1.5372	8,278,095,822	11.01%

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	Primary	Fire District Assistance Tax	Library District	Flood Control District	Public Health District	Total Direct
2013	0.6401	0.1000	0.0500	0.3000	0.1963	1.2864
2014	0.6995	0.1000	0.0704	0.3000	0.2151	1.3850
2015	0.8185	0.1000	0.1000	0.3000	0.2430	1.5615
2016	0.8417	0.1000	0.1000	0.3000	0.2500	1.5917
2017	0.8471	0.1000	0.1000	0.2878	0.2500	1.5849
2018	0.8903	0.1000	0.0990	0.2834	0.2476	1.6203
2019	0.8951	0.1000	0.0995	0.2788	0.2489	1.6223
2020	0.8820	0.1000	0.0980	0.2724	0.2453	1.5977
2021	0.8657	0.1000	0.0962	0.2640	0.2408	1.5667
2022	0.8501	0.1000	0.0945	0.2561	0.2365	1.5372

**Overlapping rates**

Fiscal Year	School Equalization	School Districts	Cities	Other Special Districts	Community College District
2013	0.4717	2.9606-8.0000	0.2789-0.9880	0.0910-3.5500	1.3515
2014	0.5123	2.8322-8.0000	0.2789-1.1934	0.1131-3.5500	1.4769
2015	0.5089	2.6662-8.0000	1.2831-1.2831	0.1291-3.5500	1.6610
2016	0.5054	2.8027-7.3012	1.3646-1.3646	0.1401-3.5500	1.7423
2017	0.5010	3.5669-7.3012	1.4021-1.4021	0.1401-3.5500	1.7884
2018	0.4875	3.6681-8.0000	1.4231-1.4231	0.1401-3.5500	1.8067
2019	0.4741	3.6764-7.3012	1.4123-1.4123	0.1401-3.2500	1.8164
2020	0.4566	3.7749-8.0000	0.5115-1.3916	0.1396-3.2500	1.8164
2021	0.4466	4.1276-7.3012	0.5022-1.3871	0.0500-3.2500	1.7827
2022	0.4263	4.1127-7.3012	0.4866-1.3625	0.0500-3.1874	1.7505

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	2022			2013		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 103,041,873	1	11.30%	\$ 136,252,482	1	13.98%
Burlington Northern/Santa Fe Railway	12,119,368	2	1.33%	6,782,129	6	0.70%
Transwestern Pipeline Co	10,018,985	3	1.10%	17,302,668	3	1.78%
El Paso Natural Gas Company	8,810,156	4	0.97%	8,087,415	5	0.83%
Navopache Electric Co-Op Inc.	7,633,052	5	0.84%	5,666,680	8	0.58%
Unisource Energy Corporation	7,049,864	6	0.77%	4,968,246	10	0.51%
Wal-Mart Stores, Inc.	4,971,211	7	0.55%	N/A	N/A	N/A
Smith Bagley Inc.	3,644,545	8	0.40%	5,279,667	9	0.54%
Citizens Telecomm of White Mtns	3,473,670	9	0.38%	5,833,729	7	0.60%
PFFJ Inc	2,156,113	10	0.24%	N/A	N/A	N/A
<b>Total Principal Property Taxpayers</b>	<b>\$ 162,918,837</b>		<b>17.88%</b>	<b>\$ 190,173,016</b>		<b>19.52%</b>
<b>Total Navajo County Assessed Value</b>	<b>\$ 911,478,089</b>			<b>\$ 974,292,390</b>		

Source: Navajo County Assessor's Office for 2022 and the Navajo County, June 30, 2013 Annual Financial Report.

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

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 6,178,444	\$ 6,001,505	97.14%	\$ 57,562	\$ 6,059,067	98.07%
2014	\$ 6,265,198	\$ 6,070,355	96.89%	\$ 77,665	\$ 6,148,020	98.13%
2015	\$ 6,863,137	\$ 6,652,088	96.92%	\$ 91,242	\$ 6,743,330	98.25%
2016	\$ 6,986,971	\$ 6,748,980	96.59%	\$ 153,665	\$ 6,902,645	98.79%
2017	\$ 6,793,141	\$ 6,579,938	96.86%	\$ (23,427)	\$ 6,556,511	96.52%
2018	\$ 7,310,322	\$ 7,073,899	96.77%	\$ 144,848	\$ 7,218,747	98.75%
2019	\$ 7,419,020	\$ 7,198,951	97.03%	\$ 147,966	\$ 7,346,917	99.03%
2020	\$ 7,520,287	\$ 7,282,019	96.83%	\$ 207,040	\$ 7,489,059	99.58%
2021	\$ 7,636,843	\$ 7,545,805	98.81%	\$ (57,510)	\$ 7,488,295	98.05%
2022	\$ 7,748,475	\$ 7,253,446	93.61%	\$ -	\$ 7,253,446	93.61%

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

Note: General Fund Levies and Collections Only.

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

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

Governmental Activities

Fiscal Year	Revenue Bonds	Unamortized Premium	Special Assessment Bonds	Leases & Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2013	13,665,000	-	985,235	320,638	14,970,873	0.54	141.01
2014	19,125,000	-	786,508	571,035	20,482,543	0.73	194.17
2015	16,845,000	-	573,542	326,188	17,744,730	0.61	168.13
2016	15,840,000	-	352,575	172,822	16,365,397	0.55	155.88
2017	14,660,000	-	130,000	109,821	14,899,821	0.47	141.46
2018	13,460,000	-	67,000	134,274	13,661,274	0.41	129.63
2019	12,230,000	-	-	102,480	12,332,480	0.35	116.15
2020	10,975,000	-	-	69,251	11,044,251	0.31	104.00
2021	9,535,000	1,575,867	-	34,069	11,144,936	0.27	104.35
2022	24,845,000	1,361,811	-	5,695	26,212,506	0.58	242.38

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, 2022

	Net Debt Outstanding	Percent Applicable to Navajo County	Amount Applicable to Navajo County
<b>Governmental Activities</b>			
Pledged revenue obligations	\$ 24,845,000	100	\$ 24,845,000
Unamortized premium	1,361,811	100	1,361,811
Financed purchases and other payables	5,695	100	5,695
Total debt	<u>\$ 26,212,506</u>		<u>\$ 26,212,506</u>

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	Less			Net Available Revenue	Debt Service		Coverage Ratio
	County Excise Tax	State Shared Sales Tax	AHCCCS/ALTCS Contributions		Principal	Interest	
2013	6,239,089	10,087,589	3,059,882	13,266,796	380,000	253,228	20.95
2014	6,667,433	10,763,214	3,099,601	14,331,046	385,000	395,003	18.37
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	15,762,699	3,620,912	21,197,891	1,585,000	616,864	9.63

### Special Assessment Debt

Fiscal Year	Debt Service			Coverage Ratio
	Revenues	Principal	Interest	
2013	248,745	187,536	74,568	0.95
2014	251,299	198,727	54,482	0.99
2015	231,966	212,967	43,352	0.90
2016	224,359	220,967	39,763	0.86
2017	226,853	222,575	19,690	0.94
2018	118,940	63,000	7,475	1.69
2019	82,238	67,000	3,853	1.16
2020	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A

Soure: Navajo County Finance Department

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

### Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value		\$ 911,478,089
Debt limit (15% of assessed value)		136,721,713
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		\$ 136,721,713

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 146,139,257	\$ 135,502,778	\$ 126,937,062	\$ 126,455,560	\$ 126,213,566
Total net debt applicable to limit					
Legal debt margin	146,139,257	135,502,778	126,937,062	126,455,560	126,213,566
Total net debt applicable to the limit as a percentage of the debt	0%	0%	0%	0%	0%

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt Limit	\$ 124,327,220	\$ 124,327,220	\$ 127,896,037	\$ 132,323,717	\$ 136,721,713
Total net debt applicable to limit					
Legal debt margin	124,327,220	124,327,220	127,896,037	132,323,717	136,721,713
Total net debt applicable to the limit as a percentage of the debt	0%	0%	0%	0%	0%

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

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

Source	Actual						Budgeted (a)
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
County General Excise Tax Revenues	\$ 6,534,686	\$ 7,381,671	\$ 7,792,310	\$ 7,597,916	\$ 8,292,941	\$ 9,056,104	\$ 8,710,000
Gross State Shared Revenues	11,362,457	12,547,093	13,346,165	13,222,608	15,272,529	16,040,911	15,610,000
Less ALTCS contribution (b)	(2,588,200)	(2,721,500)	(2,668,000)	(2,981,000)	(2,881,800)	(3,337,667)	(3,292,200)
Less AHCCCS contribution (c)	(299,518)	(288,681)	(242,550)	(233,078)	(249,068)	(283,245)	(509,700)
Net State Shared Revenues	8,474,739	9,536,912	10,435,615	10,008,530	12,141,661	12,419,999	11,808,100
Vehicle License Tax Revenue	2,374,347	2,547,080	2,678,078	2,762,323	\$ 3,459,627	\$ 3,365,619	\$ 3,500,000
PILT Revenues	1,532,361	1,644,973	1,653,023	1,660,272	\$ 1,659,391	\$ 1,749,114	\$ 1,873,600
Total Pledged Revenues	<u>\$ 18,916,133</u>	<u>\$ 21,110,636</u>	<u>\$ 22,559,026</u>	<u>\$ 22,029,041</u>	<u>\$ 25,553,620</u>	<u>\$ 26,590,836</u>	<u>\$ 25,891,700</u>

Source: Annual Comprehensive Financial Reports of the County for the years indicated and the FY23 Adopted Budget.

- (a) These are "forward looking" obtained from the FY23 Adopted Budget.
- (b) Pursuant to Section 11-292, Arizona Revised Statutes, The Treasurer of the State withholds an amount of the State Shared Revenue sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from an available State funding source.
- (c) Pursuant to Section 11-292, Arizona Revised Statutes, the County is also required to make annual appropriations for contributions to the Arizona Health Care Cost Containment System ("AHCCCS") fund. If the County does not make its contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Revenues.

Navajo County  
Demographic and Economic Statistics  
Last Ten Calendar Years

Fiscal Year	Population <sup>1</sup>	Personal Income <sup>1</sup> (thousands of dollars)	Per Capita <sup>1</sup> Personal Income	Unemployment <sup>2</sup> Rate
2013	106,169	\$ 2,756,922	\$ 25,967	13.1
2014	105,487	\$ 2,816,887	\$ 26,704	11.2
2015	105,543	\$ 2,895,102	\$ 27,431	9.6
2016	104,989	\$ 2,983,303	\$ 28,415	9.4
2017	105,331	\$ 3,137,542	\$ 29,787	7.6
2018	105,384	\$ 3,302,610	\$ 31,339	7.6
2019	106,174	\$ 3,489,921	\$ 32,870	7.9
2020	106,191	\$ 3,584,565	\$ 33,756	8.5
2021	106,802	\$ 4,114,493	\$ 38,524	9.9
2022	108,147	\$ 4,507,525	\$ 41,680	4.9

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

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

Navajo County  
Employment by Sector  
Current Year and Ten Years Ago

Employment Sector (1)	2022			2013		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Government	9,525	1	34.79%	9,675	1	34.52%
Trade, Transportation, Utilities	5,163	2	18.86%	5,175	2	18.47%
Education & Health Services	4,259	3	15.56%	3,575	4	12.76%
Leisure & Hospitality	3,986	4	14.56%	3,875	3	13.83%
Mining & Construction	1,469	5	5.37%	1,600	5	5.71%
Professional & Business Services	1,359	6	4.96%	1,175	6/7	4.19%
Financial Activities	577	7	2.11%	600	9	2.14%
Other Services	554	8	2.02%	1,050	8	3.75%
Manufacturing	321	9	1.17%	125	10	0.44%
Information	165	10	0.60%	1,175	6/7	4.19%
<b>Total for Employment Sector</b>	<b>27,378</b>		<b>100.00%</b>	<b>28,025</b>		<b>100.00%</b>

2022 Source: Economic & Business Research Center UofA, AZ Commerce /resources, U.S. Department of Labor, Bureau of Labor Statistics.

2013 Source: FY12-13 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				
	2013	2014	2015	2016	2017
General government	278	277	278	288	266
Public safety	238	236	238	235	229
Highways and streets	78	83	91	96	72
Health and welfare	73	80	81	81	80
Culture and recreation	8	4	5	4	4
Total	<u>675</u>	<u>680</u>	<u>693</u>	<u>704</u>	<u>651</u>

Function	2018	2019	2020	2021	2022
General government	174	180	161	203	217
Public safety	197	188	192	169	189
Highways and streets	80	82	88	86	86
Health and welfare	54	59	61	87	71
Culture and recreation	-	-	0	0	0
Other		106	104	86	106
Total	<u>505</u>	<u>615</u>	<u>606</u>	<u>631</u>	<u>669</u>

Source: Navajo County Budget 2020-2021

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2013	2014	2015
<b>General Government</b>			
Assessor			
Number of parcels assessed	85,773	85,752	88,306
Elections			
Elections	4	3	1
Number voting	57,960	8,569	685
Planning & Zoning			
Building permits issued	1,023	970	981
Public Fiduciary			
Guardianships/conservatorships	109	163	160
<b>Public Safety</b>			
Adult Probation			
Community service hours	40,306	36,388	33,793
Pre-sentence reports written for courts	566	571	828
Probationers actively supervised	1,313	1,181	1,101
Juvenile Probation			
Average length of detention (days)	12	10	9
Juveniles in detention	336	355	339
Probationers	122	307	297
Community restitution hours	6,401	5,252	5,093
Sheriff			
Inmate population	283	382	364
<b>Highways &amp; Streets</b>			
Public Works			
Crack sealing (miles)	59	88	102
Street resurfacing (miles)	13	12	30
Waste Tire Program			
Waste tires collected	57,742	52,623	47,184
<b>Health &amp; Welfare</b>			
Public Health District			
Certified copies of birth or death certificates	5,031	5,353	5,341
Childhood immunization visits	2,165	1,096	1,250
Restaurant inspections and re-inspections	621	483	503
<b>Culture &amp; Recreation</b>			
Library District			
Number of items circulated	425,272	378,584	368,114
Number of library cards issued (by member libraries)	5,054	14,303	13,957
Number of prints, media and electronic items	333,193	334,866	336,617
Number of items owned by Library District	28,827	34,214	32,149
<b>Education</b>			
School Superintendent			
Charter schools	7	6	6
Charter students	630	742	829
District students	18,495	17,090	17,575
School districts	13	11	13

Source: Navajo County departments monthly and annual performance reports

Navajo County  
Operating Indicators by Function  
Last Ten Fiscal Years

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

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Government</b>										
Elections										
Voting Machines	173	173	173	60	60	60	60	71	96	96
Superior Courts										
Divisions	4	4	4	4	4	4	4	4	4	4
Division - Satellite	1	1	1	1	1	1	1	1	1	1
Justice Courts	6	6	6	6	6	6	6	6	6	6
<b>Public Safety</b>										
Sheriff										
Inmate beds available	442	441	438	438	438	438	438	438	438	438
Jail Facilities	2	2	2	2	2	2	2	2	2	2
Stations	0	0	0	0	0	0	0	0	0	0
Improvement Districts										
Flood Warning Sites	31	31	26	31	43	43	43	41	45	47
Flood Control District Properties	12	13	13	14	13	13	12	14	14	15
Road Improvement Districts	0	0	0	0	0	0	0	0	0	0
<b>Highways and Streets</b>										
Public Works										
Miles of maintained roads	733.95	733.95	734.66	734.32	731.67	731.67	725.3	725.7	725.7	725.7
Bridges	15	15	15	15	15	15	15	15	15	15
<b>Sanitation</b>										
Landfill/Environment										
Transfer Stations	0	0	0	0	0	0	0	0	0	0
<b>Health</b>										
Health Care										
Public health facilities										
Heber - Owned	1	1	1	1	1	1	1	1	1	1
Show Low - Owned	1	1	1	1	1	1	1	1	1	1
Snowflake - Operated	1	1	1	1	1	1	1	1	1	1
Holbrook - Owned	1	1	1	1	1	1	1	1	1	1
Winslow - Owned	1	1	1	1	1	1	1	1	1	1
Pinetop - Owned	1	1	1	1	0	0	0	0	0	0
<b>Culture and Recreation</b>										
Parks & Recreation										
County Parks (Tall Timber, Heber)	1	1	1	1	1	1	1	1	1	1
Library District										
Number of facilities owned	0	0	0	0	0	0	0	0	0	0
Facilities operated	1	1	1	1	1	1	1	1	1	1
Bookmobiles	0	0	0	0	0	0	0	0	0	0
<b>Education</b>										
Schools	1	1	1	1	1	1	1	1	1	1

Source: Navajo County capital asset reports.